

**Development Corporation of Mercedes, Inc.**

**REGULAR CALLED MEETING**

**September 20, 2023 at 11:30AM**

**320 S. Ohio**

**Development Corporation of Mercedes, Inc.**

**Agenda**

**September 20, 2023 11:30AM**

**320 S Ohio**

NOTICE, is hereby given that the Development Corporation of Mercedes, Inc. will be holding a **Regular Called Meeting** on **Wednesday, September 20, 2023 at 11:30AM** at the **Development Corporation of Mercedes at 320 South Ohio** 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: August 10, 2023 Minutes & August 16, 2023 Minutes
3. Discussion and Action: August 2023 Financials
4. Discussion and Action: TXCLASS Quarterly Report
5. Discussion and Action: IRP USDA Budget
6. Discussion and Action: FY22-23 Audit, Engagement of Adrian Webb, CPA
7. Discussion and Action: DCM Signage Improvement Program
8. Executive Session: Section 551.087: Economic development negotiations with Project A. Gonzalez, Project M30, Project 150, Project M2, Project AHSTI, Project N. Valdemar, Project Bert Ogden, Project RGVLS, Project Mercedes Light Industrial Park, Project Ali, Project G. Schwarz, Project Cruz, Project STM, Project Coffee, Project Killer V, Project Carwash, Project Rios and Project UT, Section 551.074 Executive Director Contract and Section 551.071: pending legal issues with delinquent loan MD International and on any regular agenda item requiring confidential, attorney-client advice necessitated by the deliberation or discussion of said item as needed.
9. Discussion and Action: item #8
10. 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 551.087. 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 Ohio, visible and accessible to the general public during and after working hours. This notice was posted on the 15<sup>th</sup> day of September 2023 at 11:00AM and will remain so posted continuously for at least 72-hours proceeding 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: August 10, 2023 & August 16, 2023 Minutes**



**Development Corporation of Mercedes, Inc.**  
**Special Called Meeting**  
**Thursday, August 10, 2023 6:30PM**

**Board Members Present:**

Fred Gonzalez – President  
Joe Flores – Member  
Lou Huerta – Secretary  
Marcos Garcia – Vice President  
Peggy Marie Chavez-Yanez-Treasurer

**Board Members Absent:**

Roel Villanueva- Member  
Tony Garza-Member

**EDC Staff Present:**

Melissa Ramirez – Executive Director  
Zefra Mascorro – Administrative Coordinator  
Anthony Troiani - DCM Attorney

**City Members Present:**

Oscar D. Montoya Sr.- Mayor  
Dr. Ruben J. Saldana- Mayor Pro-Tem  
Joe Martinez- Commissioner  
Armando Garcia- Commissioner

**City Staff Present:**

Alberto Perez- City Manager  
Javier Ramirez- Assistant City Manager  
Martie Garcia-Vela- City Attorney  
Joselynn Castillo- City Secretary

**City Staff Absent:**

Jacob C. Howell- Commissioner

**Others Present:**

### **1. Call Meeting to order**

Mayor Montoya welcomed everyone and called the meeting to order at 6:30PM

### **2. Establish Quorum**

Four members of the City Commission and five members of the Development Corporation of Mercedes were present, which constitutes a quorum.

### **3. Invocation**

Mr. Alfredo Gonzalez, DCM Board President said the invocation.

### **4. Pledge of Allegiance**

Commissioner Saldana led in the pledge of allegiance.

### **5. Open Forum**

- No one signed up for open forum

*Mayor Montoya called the meeting into Executive Session at 6:34PM*

*Fred Gonzalez called the meeting into Executive Session at 6:34PM*

**6. Executive Session: Section 551.087: Economic development negotiations with Project RGVLS, Project M30, Project ASHTI, Project A. Garcia, Project Mercedes Light Industrial Park, Project 150, Project Ali, Project G. Schwarz, Project Cruz, Project STM, Project Coffee, Project Killer V, Project M2, Project Carwash, Project Rios and Project UT and Section 551.071: consultation with attorney on any regular agenda item requiring confidential, attorney-client advice necessitated by the deliberation or discussion of said item as needed.**

*City Attorney Martie Garcia- Vela entered the Executive Meeting at 6:35PM*

*Mayor Montoya called the meeting back to Open Session at 8:13PM*

### **7. Open Session: Discussion and Action: item #6**

Dr. Ruben Saldana, Mayor Pro-Tem motioned to authorize the DCM to reroute the irrigation line for Project M30 with a cap of \$125,0000. Seconded by Joe Martinez, City Commissioner All voted aye.

Dr. Ruben Saldana, Mayor Pro-Tem motioned to authorize the city engineer to provide a cost estimate to pave Mile 1 W for Project 150. Seconded by Joe Martinez, City Commissioner. All

voted aye.

**8. Discussion and Action: FY23-24 DCM Budget**

Joe Martinez, City Commissioner motioned to approve the FY23-24 DCM Budget. Seconded by Armando Garcia, City Commissioner. All voted aye.

Marcos Garcia motioned to approve the FY23-24 DCM Budget. Seconded by Joe Flores. All voted aye.

**9. Adjournment: 8:16PM**

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Fred Gonzalez, President

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Joe Flores, Jr., Member

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Tony Garza, Member

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Peggy Marie Chavez - Yanez, Treasurer

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Roel Villanueva, Member

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Marcos Garcia, Vice President

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Lou Huerta, Secretary

**Development Corporation of Mercedes, Inc.**  
**Regular Called Meeting**  
**Wednesday, August 16, 2023 11:30AM**

**Board Members Present:**

Fred Gonzalez – President  
Marcos Garcia –Vice President  
Peggy Marie Chavez Yanez - Treasurer  
Lou Huerta – Secretary  
Roel Villanueva - Member  
Tony Garza - Member

**Board Members Absent:**

Joe Flores – Member

**EDC Staff Present:**

Melissa Ramirez – Executive Director  
Zefra Mascorro – Administrative Coordinator  
Mark Sossi - DCM Attorney

**EDC Staff Absent:**

Mario Salinas - Marketing Specialist

**City Staff Present:**

Alberto Perez – City Manager  
Javier Ramirez- Assistant City Manager

**Others Present:**

Stephanie Neises- Freese & Nichols  
Juan Bujanos- Freese & Nichols  
Roxxie De La Cruz- Halff Associates (Virtually)  
Bobby Calvillo- Affordable Homes of South Texas  
Nayelli Valdemar- Funky Flower Shop  
Clayton Evans- Rios of Mercedes

**1. Call Meeting to order**

Fred Gonzalez called the meeting to order at 11:32AM

**2. Discussion and Action: July 19, 2023 Minutes**

Marcos Garcia voted to approve the July 19, 2023 Minutes as presented. Seconded by Lou Huerta. All voted aye.

**3. Discussion and Action: July 2023 Financials**

Roel Villanueva voted to approve the June 2023 Financials as presented. Seconded by Lou Huerta. All voted aye.

**4. Discussion: Freese and Nichols, Inc.-Water and Wastewater Master Plan Projections**

Stephanie Neises presented the Water and Wastewater Master Plan Projections.

**5. Executive Session: Section 551.087: Economic development negotiations with Project M30, Project 150, Project M2, Project AHSTI, Project N. Valdemar, Project Bert Ogden, Project A. Garcia, Project RGVLS, Project Mercedes Light Industrial Park, Project Ali, Project G. Schwarz, Project Cruz, Project STM, Project Coffee, Project Killer V, Project Carwash, Project Rios and Project UT. Section 551.074 Personnel Issues and Section 551.071: pending legal issues with delinquent loan MD International and on any regular agenda item requiring confidential, attorney-client advice necessitated by the deliberation or discussion of said item as needed.**

*The Board went into Executive Session at 11:49AM*

*Javier Ramirez, Assistant City Manager, Melissa Ramirez, Executive Director and Zefra Mascorro, Administrative Coordinator Exited the Executive Session at 1:23PM*

*Lou Huerta, Board Secretary Exited the Executive Session at 1:54PM*

*Javier Ramirez, Assistant City Manager, Melissa Ramirez, Executive Director and Zefra Mascorro, Administrative Coordinator returned to the Executive Session at 1:59PM*

*The Board went into Open Session at 2:00PM*

**6. Discussion and Action: item #5**

Roel Villanueva motioned to engage Halff Associates for \$28,750 to provide professional engineering services for Project M30 contingent on an executed performance agreement with the developer. Seconded by Lou Huerta. All voted aye.

Marcos Garcia motioned to revisit Project AHSTI in 60 days. Seconded by Tony Garza. All voted aye.

Marcos Garcia motioned to approve a loan for Project N. Valdemar at \$50,000 for a period of 7



years at a 3.5% interest rate and collateralize the property with a first lien, the vehicle and inventory. Seconded by Roel Villanueva. All voted aye.

Roel Villanueva motioned to authorize the DCM attorney to reach out to Bert Ogden's attorney to come to a resolution. Seconded by Peggy Chavez-Yanez. Lou Huerta, Fred Gonzalez, and Marcos Garcia voted aye. Tony Garza abstained.

Tony Garza motioned to amend the terms of Project Rios' performance agreement considering the total investment Project Rios has made while maintaining the DCM's original incentive. Seconded by Marcos Garcia. All voted aye.

Marcos Garcia motioned to approve for FY23-24 the total compensation of the DCM Executive Director being salary and education, but not inclusive of mileage be increased to \$105,000 based on a positive performance evaluation, and to approve an amendment to the Executive Director's contract to build a yearly evaluation with potential raises and other terms to be negotiated. Seconded by Tony Garza. All voted aye.

Marcos Garcia motioned to accept and acknowledge the performance evaluations that were given to the Board President of the Executive Director and for them to be placed in their staff file. Seconded by Roel Villanueva. All voted aye.

## **7. Adjournment: 2:08PM**

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Fred Gonzalez, President

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Joe Flores, Jr., Member

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Marcos Garcia, Vice-President

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Tony Garza, Member

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Peggy Marie Chavez-Yanez, Treasurer

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Roel Villanueva, Member

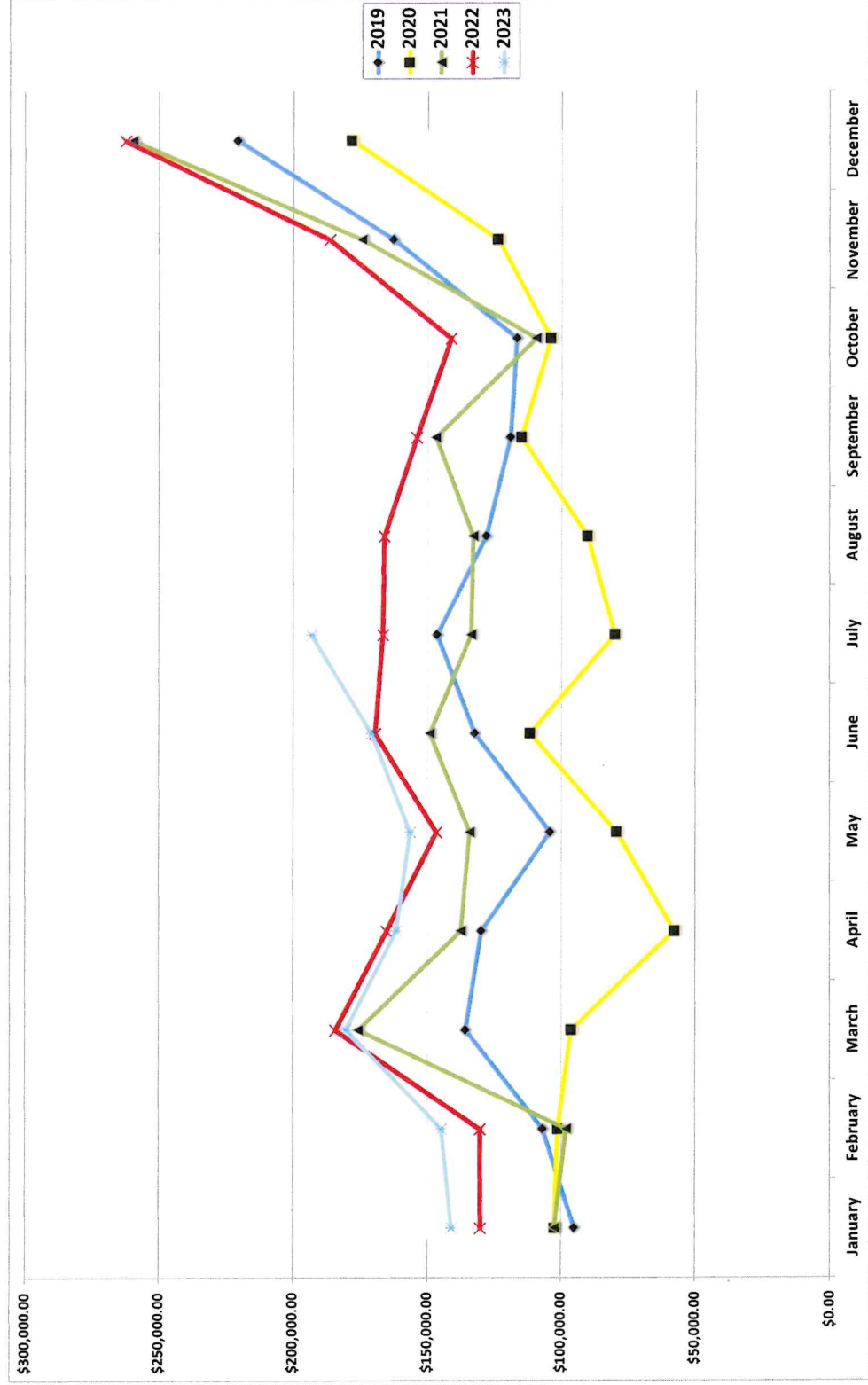
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Lou Huerta, Secretary

### **3. Discussion and Action: August 2023 Financials**

# Sales Tax Comparison FY 2019 - FY 2023

	January	February	March	April	May	June	July	August	September	October	November	December	Total
2019	\$95,016.15	\$106,886.23	\$135,820.47	\$129,833.92	\$104,197.59	\$132,407.98	\$146,428.88	\$128,012.76	\$119,140.47	\$116,730.39	\$162,727.91	\$220,587.30	\$1,597,790.05
2020	\$102,438.09	\$101,195.21	\$96,158.22	\$57,618.21	\$79,270.24	\$111,688.30	\$79,857.59	\$90,136.93	\$115,012.83	\$103,896.79	\$123,846.01	\$178,334.39	\$1,239,452.81
2021	\$102,538.12	\$97,960.96	\$175,743.82	\$137,570.66	\$134,265.18	\$149,126.33	\$133,764.12	\$133,054.83	\$146,913.20	\$109,433.52	\$174,479.65	\$259,578.65	\$1,754,429.04
2022	\$130,235.24	\$130,315.53	\$184,240.84	\$165,292.19	\$146,685.24	\$169,566.05	\$166,658.55	\$166,103.71	\$154,039.52	\$141,318.06	\$186,410.25	\$262,289.27	\$2,003,154.45
2023	\$141,015.72	\$144,814.67	\$180,339.96	\$161,581.89	\$156,465.73	\$170,894.70	193,231.21						\$1,148,343.88



## July Sales Tax Allocation

County	City	Rate	Net Payment This Period	Comparable Payment Prior Year	% Change	Payment YTD	Prior Year Payment YTD	% Change
Hidalgo	Alamo	2.00%	\$566,640.32	\$438,325.54	29.27%	\$4,689,288.22	\$4,210,221.83	11.37%
Hidalgo	Alton	2.00%	\$178,271.49	\$160,816.02	10.85%	\$1,539,990.84	\$1,463,728.31	5.21%
Hidalgo	Donna	2.00%	\$565,858.92	\$506,459.48	11.72%	\$5,397,011.58	\$4,732,654.58	14.03%
Hidalgo	Edcouch	2.00%	\$37,151.51	\$29,513.31	25.88%	\$324,603.20	\$297,474.15	9.11%
Hidalgo	Edinburg	2.00%	\$2,924,909.68	\$2,863,091.91	2.15%	\$27,250,005.90	\$26,044,561.55	4.62%
Hidalgo	Elsa	1.50%	\$142,621.57	\$137,908.98	3.41%	\$1,352,140.85	\$1,310,589.68	3.17%
Hidalgo	Granjeno	1.00%	\$5,474.33	\$3,542.66	54.52%	\$41,639.70	\$35,505.64	17.27%
Hidalgo	Hidalgo	2.00%	\$422,570.35	\$351,175.19	20.33%	\$3,957,886.47	\$3,610,682.09	9.61%
Hidalgo	La Joya	2.00%	\$57,133.39	\$61,477.39	-7.06%	\$561,899.11	\$540,613.88	3.93%
Hidalgo	La Villa	2.00%	\$16,148.19	\$12,265.22	31.65%	\$123,844.74	\$118,200.62	4.77%
Hidalgo	McAllen	2.00%	\$7,369,591.38	\$7,072,063.52	4.20%	\$70,775,021.67	\$68,442,732.39	3.40%
Hidalgo	Mercedes	2.00%	\$772,924.83	\$666,634.19	15.94%	\$6,388,173.66	\$6,108,207.75	4.58%
Hidalgo	Mission	2.00%	\$2,409,069.68	\$1,912,242.49	25.98%	\$19,532,897.30	\$18,604,833.29	4.98%
Hidalgo	Palmhurst	1.50%	\$225,440.32	\$204,514.35	10.23%	\$2,152,721.66	\$2,095,237.55	2.74%
Hidalgo	Palmview	1.50%	\$219,784.52	\$175,137.39	25.49%	\$1,825,846.95	\$1,707,910.01	6.90%
Hidalgo	Penitas	1.50%	\$119,463.93	\$106,650.07	12.01%	\$1,097,629.70	\$1,047,137.89	4.82%
Hidalgo	Pharr	2.00%	\$2,379,473.18	\$2,317,376.27	2.67%	\$21,801,009.62	\$21,470,325.10	1.54%
Hidalgo	Progreso	2.00%	\$23,885.91	\$22,887.33	4.36%	\$234,373.03	\$227,064.01	3.21%
Hidalgo	Progreso Lakes	1.50%	\$7,220.18	\$5,567.92	29.67%	\$70,995.66	\$48,422.24	46.61%
Hidalgo	San Juan	2.00%	\$463,026.83	\$496,640.17	-6.76%	\$4,729,794.49	\$4,474,634.58	5.70%
Hidalgo	Sullivan City	1.00%	\$21,527.19	\$23,205.54	-7.23%	\$192,390.01	\$213,070.57	-9.70%
Hidalgo	Weslaco	2.00%	\$1,613,544.12	\$1,440,348.29	12.02%	\$14,841,588.45	\$13,747,601.91	7.95%
				\$772,924.83				
				75%				
			City	\$579,693.62				
			EDC	\$772,924.83				
				25%				
				\$193,231.21				

**Economic Development Corporation of Mercedes, Texas (EDC)**  
**Balance Sheet - EDC**  
As of August 31, 2023

	Aug 31, 23	Jul 31, 23	\$ Change
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
10001 · Cash & Cash Equivalents			
11010.5 · Cash - Development Corp_3057	929,010.41	825,898.41	103,112.00
11011 · VTX Bond 2016	200.00	200.00	0.00
11012 · Development Corp - TXCLASS	133,994.43	133,370.34	624.09
Total 10001 · Cash & Cash Equivalents	1,063,204.84	959,468.75	103,736.09
11200 · Restricted Cash & Cash Equiv.			
11013 · EDC 2006 Reserve - TXCLASS	286,034.32	284,702.08	1,332.24
Total 11200 · Restricted Cash & Cash Equiv.	286,034.32	284,702.08	1,332.24
Total Checking/Savings	1,349,239.16	1,244,170.83	105,068.33
Accounts Receivable			
13019 · Sales Tax Receivable	320,698.06	320,698.06	0.00
13026.1 · Oth. Receivables	8,013.78	0.00	8,013.78
Total Accounts Receivable	328,711.84	320,698.06	8,013.78
Total Current Assets	1,677,951.00	1,564,868.89	113,082.11
Fixed Assets			
11020 · Redevelopment Asset	3,098,506.27	3,098,506.27	0.00
Total Fixed Assets	3,098,506.27	3,098,506.27	0.00
Other Assets			
13078 · Loan Rec - MD Int'l(Orb-Galvan)	108,441.54	116,500.68	-8,059.14
13999 · Note Receivable - City	391,323.56	391,323.56	0.00
Total Other Assets	499,765.10	507,824.24	-8,059.14
<b>TOTAL ASSETS</b>	<b>5,276,222.37</b>	<b>5,171,199.40</b>	<b>105,022.97</b>
<b>LIABILITIES &amp; EQUITY</b>			
Liabilities			
Current Liabilities			
Accounts Payable			
20001 · Accounts Payable	-171.60	4,554.41	-4,726.01
Total Accounts Payable	-171.60	4,554.41	-4,726.01
Other Current Liabilities			
Amex Credit Card Payable	-318.47	0.00	-318.47
22170 · Insurance Payable	373.28	355.20	18.08
24000 · Payroll Liabilities	3,216.70	3,216.68	0.02
Total Other Current Liabilities	3,271.51	3,571.88	-300.37
Total Current Liabilities	3,099.91	8,126.29	-5,026.38
Long Term Liabilities			
28004 · Due to City - Proposed	49,093.34	49,093.34	0.00
28005 · Due to City for MIF - Proposed	29,712.11	29,712.11	0.00
Total Long Term Liabilities	78,805.45	78,805.45	0.00
Total Liabilities	81,905.36	86,931.74	-5,026.38
Equity			
32000 · Unassigned Fund Balance	1,586,151.81	1,587,484.05	-1,332.24
37000 · Restricted Fund Balance	402,535.00	401,202.76	1,332.24
38000 · Nonspendable Fund Balance	3,098,506.27	3,098,506.27	0.00
Net Income	107,123.93	-2,925.42	110,049.35
Total Equity	5,194,317.01	5,084,267.66	110,049.35
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>5,276,222.37</b>	<b>5,171,199.40</b>	<b>105,022.97</b>



**Economic Development Corporation of Mercedes, Texas (EDC)**  
**Profit & Loss Budget vs. Actual**  
**For the Period Ending August 31, 2023**

	Oct '22 - Aug 23	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>Taxes</b>				
40040 · Sales Tax	1,865,273.47	1,879,794.93	-14,521.46	99.2%
<b>Total Taxes</b>	1,865,273.47	1,879,794.93	-14,521.46	99.2%
<b>44000 · Miscellaneous</b>				
44005 · Texas Class Transfer	0.00	128,124.88	-128,124.88	0.0%
44006 · Other Income-City Pmt VTX	119,809.76	125,000.00	-5,190.24	95.8%
44007 · Other Income - Real Estate	20,000.00	0.00	20,000.00	100.0%
44020 · Interest - TX Class	16,168.73	509.00	15,659.73	3,176.6%
44027 · Interest - MD Int'l(Orb Galvan)	0.00	1,933.00	-1,933.00	0.0%
44041 · Loan Principal Payments - EDC	0.00	5,000.00	-5,000.00	0.0%
44097 · Other Financing Sources-Reserve	0.00	816,619.00	-816,619.00	0.0%
<b>Total 44000 · Miscellaneous</b>	155,978.49	1,077,185.88	-921,207.39	14.5%
<b>Total Income</b>	2,021,451.96	2,956,980.81	-935,528.85	68.4%
<b>Expense</b>				
<b>5100000 · Personnel Costs</b>				
5101010 · Salaries	128,285.27	170,200.00	-41,914.73	75.4%
5101100 · TMRS Contribution	20,095.49	31,146.60	-11,051.11	64.5%
5101120 · Social Security	9,794.72	10,552.40	-757.68	92.8%
5101127 · Cell Phone Allowance	550.00	600.00	-50.00	91.7%
5101140 · Unemployment Comp	0.00	2,200.00	-2,200.00	0.0%
5101160 · Health/Life Insurance	9,645.82	20,844.00	-11,198.18	46.3%
5101180 · Worker's Comp	0.00	430.00	-430.00	0.0%
<b>Total 5100000 · Personnel Costs</b>	168,371.30	235,973.00	-67,601.70	71.4%
<b>5102000 · Other Services &amp; Charges</b>				
5102010 · Marketing & Promotion	11,573.94	25,590.00	-14,016.06	45.2%
5102011 · Contract Labor - Writer	4,000.00	6,000.00	-2,000.00	66.7%
5102012 · Automobile Mileage	888.66	2,000.00	-1,111.34	44.4%
5102020 · Audit	9,000.00	9,000.00	0.00	100.0%
5102021 · Loan Fees - EDC	795.36	750.00	45.36	106.0%
5102025 · Telephones	4,830.21	5,400.00	-569.79	89.4%
5102080 · Office Equipment - Lease	4,172.31	4,500.00	-327.69	92.7%
5102095 · Meetings	2,369.08	2,600.00	-230.92	91.1%
5102102 · Crime Insurance	700.00	700.00	0.00	100.0%
5102125 · Legal	28,881.00	45,000.00	-16,119.00	64.2%
5102130 · Membership/Subs	1,975.40	2,000.00	-24.60	98.8%
5102131 · Web-Site	7,315.00	7,980.00	-665.00	91.7%
5102133 · Miscellaneous	1,444.68	1,500.00	-55.32	96.3%
5102134 · Bldg Lease	15,291.00	16,791.00	-1,500.00	91.1%
5102142 · Janitorial	10,320.00	13,200.00	-2,880.00	78.2%
5102144 · Receptionist	14,000.00	14,000.00	0.00	100.0%
5102150 · Travel & Training	17,523.33	19,000.00	-1,476.67	92.2%
5102160 · Water Bill	1,748.96	1,700.00	48.96	102.9%
5102165 · Electricity	3,665.45	4,700.00	-1,034.55	78.0%
5102310 · Sponsorships	20,750.00	31,250.00	-10,500.00	66.4%
5102320 · Professional Fees - Accounting	17,600.00	19,200.00	-1,600.00	91.7%
5102335 · Projects	295,333.35	1,125,081.99	-829,748.64	26.2%
5102340 · Chamber	47,000.00	52,000.00	-5,000.00	90.4%
5102355 · Series 2007 - Interest	55,411.42	55,737.50	-326.08	99.4%
5102356 · Series 2007 - Principal	225,000.00	225,000.00	0.00	100.0%
5102365 · Project VIDA	15,000.00	15,000.00	0.00	100.0%
5102371 · TLF Repayment - Principal	108,393.29	119,829.34	-11,436.05	90.5%
5102372 · TLF Repayment - Interest	16,482.88	13,631.90	2,850.98	120.9%
5102379 · Project RGV Livestock Show Park	25,000.00	25,000.00	0.00	100.0%
5102382 · Project La Herencia	66,666.00	66,666.00	0.00	100.0%

**Economic Development Corporation of Mercedes, Texas (EDC)**  
**Profit & Loss Budget vs. Actual**  
**For the Period Ending August 31, 2023**

	<u>Oct '22 - Aug 23</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
5102396 · VTX Note	229,166.74	250,000.08	-20,833.34	91.7%
5102397 · Project Orchard Grove Apartment	50,000.00	50,000.00	0.00	100.0%
5102399 · Outlet Mall Oct 18' - Oct 28'	398,284.93	450,000.00	-51,715.07	88.5%
<b>Total 5102000 · Other Services &amp; Charges</b>	<b>1,710,582.99</b>	<b>2,680,807.81</b>	<b>-970,224.82</b>	<b>63.8%</b>
5102500 · Maintenance				
5102520 · Office Equipment	5,119.10	6,000.00	-880.90	85.3%
5102540 · Maintenance	27,600.00	31,200.00	-3,600.00	88.5%
<b>Total 5102500 · Maintenance</b>	<b>32,719.10</b>	<b>37,200.00</b>	<b>-4,480.90</b>	<b>88.0%</b>
5103000 · Supplies				
5103050 · Office Supplies	2,654.64	2,000.00	654.64	132.7%
<b>Total 5103000 · Supplies</b>	<b>2,654.64</b>	<b>2,000.00</b>	<b>654.64</b>	<b>132.7%</b>
5104000 · Capital Outlay				
5104005 · Furniture & Fixtures	0.00	1,000.00	-1,000.00	0.0%
<b>Total 5104000 · Capital Outlay</b>	<b>0.00</b>	<b>1,000.00</b>	<b>-1,000.00</b>	<b>0.0%</b>
<b>Total Expense</b>	<b>1,914,328.03</b>	<b>2,956,980.81</b>	<b>-1,042,652.78</b>	<b>64.7%</b>
<b>Net Ordinary Income</b>	<b>107,123.93</b>	<b>0.00</b>	<b>107,123.93</b>	<b>100.0%</b>
<b>Net Income</b>	<b>107,123.93</b>	<b>0.00</b>	<b>107,123.93</b>	<b>100.0%</b>

**Economic Development Corporation of Mercedes, Texas (EDC)**  
**Balance Sheet - R.B.E.G. Grant**  
As of August 31, 2023

	Aug 31, 23	Jul 31, 23	\$ Change
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
11111.1 · Restricted Cash & Cash Eq.			
11010.1 · Cash - EDC R.B.E.G. Grant	231,946.53	223,393.92	8,552.61
11012.1 · EDC RBEG Grant-TXCLASS	43,757.80	43,554.00	203.80
Total 11111.1 · Restricted Cash & Cash Eq.	275,704.33	266,947.92	8,756.41
Total Checking/Savings	275,704.33	266,947.92	8,756.41
Total Current Assets	275,704.33	266,947.92	8,756.41
Other Assets			
13026.2 · Other Receivable	2,823.90	0.00	2,823.90
13076.1 · Loan Rec - DeLaGarza Bakery	79,635.21	81,278.17	-1,642.96
13078.1 · Loan Rec - MD International	45,692.38	48,000.00	-2,307.62
13079.1 · Loan Rec - First Nat'l B(Gomez)	25,822.45	25,822.45	0.00
13082.1 · Loan Rec - The Grind (JOM Inves	33,994.47	34,344.39	-349.92
13089.3 · Loan Rec - Martha Carrillo - 2	68,618.24	70,140.83	-1,522.59
13092.1 · Loan Rec - Reybotics, LLC (Adv)	145,827.76	145,853.52	-25.76
13096.1 · Loan Rec - Top Gym - San Miguel	25,842.25	26,945.98	-1,103.73
13097.1 · Loan Rec - Ashley R Gonzalez	41,614.71	41,738.29	-123.58
13098.1 · N/R - Valor Fitness LLC	42,524.00	42,524.00	0.00
13098.3 · N/R - NTM Ventures LLC	79,245.63	81,059.08	-1,813.45
13296.1 · Allowance - RBEG	-28,326.68	-28,326.68	0.00
Total Other Assets	563,314.32	569,380.03	-6,065.71
<b>TOTAL ASSETS</b>	<b>839,018.65</b>	<b>836,327.95</b>	<b>2,690.70</b>
<b>LIABILITIES &amp; EQUITY</b>			
Equity			
32000 · Unassigned Fund Balance	27,883.40	27,883.40	0.00
32001.1 · Fund Balance - Auxiliary	-12,921.25	-12,921.25	0.00
37000.1 · Restricted Fund Balance - RBEG	809,908.23	809,908.23	0.00
Net Income	14,148.27	11,457.57	2,690.70
Total Equity	839,018.65	836,327.95	2,690.70
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>839,018.65</b>	<b>836,327.95</b>	<b>2,690.70</b>

**Economic Development Corporation of Mercedes, Texas (EDC)**  
**Profit & Loss - R.B.E.G. Grant**  
For the Period Ending August, 31, 2022

---

	Aug 23	Oct '22 - Aug 23
Ordinary Income/Expense		
Income		
44000 · Miscellaneous		
44020.1 · Interest - TX Class - RBEG	203.80	1,684.42
44026.1 · Interest - DeLaGarza Bakery	334.02	4,065.15
44027.1 · Interest - MD Int'l(ORBIT)	532.26	532.26
44031.1 · Interest - The Grind (JOM Inves	105.39	1,332.41
44089.1 · Interest - Martha Carrillo	362.77	362.77
44092.1 · Interest - Reybotics	853.24	2,559.84
44095.1 · Interest - Werbiski Ashley & H	0.00	167.91
44096.1 · Interest - Top Gym - San Miguel	64.23	850.08
44097.1 · Interest - Ashley R Gonzalez	226.42	1,154.78
44098.1 · Interest - Valor Fitness	0.00	1,119.32
44296.2 · Interest - NTM Ventures	186.55	2,061.31
Total 44000 · Miscellaneous	2,868.68	15,890.25
Total Income	2,868.68	15,890.25
Expense		
5102000 · Other Services & Charges		
52110.1 · Loan Fees	177.98	1,741.98
Total 5102000 · Other Services & Charges	177.98	1,741.98
Total Expense	177.98	1,741.98
Net Ordinary Income	2,690.70	14,148.27
Net Income	2,690.70	14,148.27

**Economic Development Corporation of Mercedes, Texas (EDC)**  
**Balance Sheet - I R P**  
As of August 31, 2023

	Aug 31, 23	Jul 31, 23	\$ Change
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
11010.2 · Cash - I R P	237,013.04	216,695.97	20,317.07
<b>Total Checking/Savings</b>	<b>237,013.04</b>	<b>216,695.97</b>	<b>20,317.07</b>
<b>Total Current Assets</b>	<b>237,013.04</b>	<b>216,695.97</b>	<b>20,317.07</b>
Other Assets			
11012.2 · IRP Operating Reserv - TXCLASS	71,901.78	71,566.88	334.90
13078.2 · Loan Rec - MD Int'l (Galvan)	99,970.31	107,198.42	-7,228.11
13079.2 · Loan Rec - First Nat'l (Gomez)	16,132.80	16,132.80	0.00
13090.2 · Loan Rec - Castaneda Mario & M	56,943.83	57,840.88	-897.05
13295.2 · Loan Rec - Raquel Moreno	1,392.53	1,670.16	-277.63
<b>Total Other Assets</b>	<b>246,341.25</b>	<b>254,409.14</b>	<b>-8,067.89</b>
<b>TOTAL ASSETS</b>	<b>483,354.29</b>	<b>471,105.11</b>	<b>12,249.18</b>
<b>LIABILITIES &amp; EQUITY</b>			
Liabilities			
Current Liabilities			
Other Current Liabilities			
22010.2 · Due To R.B.E.G.	2,323.90	0.00	2,323.90
22248.2 · Due to EDC	8,013.78	0.00	8,013.78
<b>Total Other Current Liabilities</b>	<b>10,337.68</b>	<b>0.00</b>	<b>10,337.68</b>
<b>Total Current Liabilities</b>	<b>10,337.68</b>	<b>0.00</b>	<b>10,337.68</b>
<b>Total Liabilities</b>	<b>10,337.68</b>	<b>0.00</b>	<b>10,337.68</b>
Equity			
32000 · Unassigned Fund Balance	-2,177.01	-2,177.01	0.00
32001.2 · Fund Balance - Auxiliary IRP	-20,217.39	-20,217.39	0.00
37000.2 · Restricted Fund Balance - IRP	516,282.99	516,282.99	0.00
Net Income	-20,871.98	-22,783.48	1,911.50
<b>Total Equity</b>	<b>473,016.61</b>	<b>471,105.11</b>	<b>1,911.50</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>483,354.29</b>	<b>471,105.11</b>	<b>12,249.18</b>



**Economic Development Corporation of Mercedes, Texas (EDC)**  
**Profit & Loss - I R P**  
For the Period Ending August 31, 2023

---

	Aug 23	Oct '22 - Aug 23
Ordinary Income/Expense		
Income		
44000 · Miscellaneous		
44020.2 · Interest - TX Class - IRP	334.90	2,767.90
44027.2 · Interest - MD Int'I (Galvan)	1,491.29	5,708.20
44090.2 · Interest - Castaneda Mario & M	0.00	1,741.41
44295.2 · Interest - Raquel Moreno	4.89	92.09
Total 44000 · Miscellaneous	1,831.08	10,309.60
Total Income	1,831.08	10,309.60
Expense		
5102000 · Other Services & Charges		
52110.2 · Loan Fee	64.66	478.66
52114.2 · IRP Note - Principal	0.00	25,559.90
52115.2 · IRP Note - Interest	0.00	5,288.10
Total 5102000 · Other Services & Charges	64.66	31,326.66
Total Expense	64.66	31,326.66
Net Ordinary Income	1,766.42	-21,017.06
Net Income	1,766.42	-21,017.06

<b>Economic Development Corporation of Mercedes, Texas (EDC)</b> <b>Debt Summary</b> <b>As of August 31, 2023</b>			
<b>Debt Description</b>	<b>August 31, 2023</b>	<b>July 31, 2023</b>	<b>\$ Change</b>
USDA - IRP Note Payable	503,249.93	503,249.93	-
Bonds Payable 2007	1,000,000.00	1,000,000.00	
Bonds Payable 2016 - VTX	729,166.90	750,000.24	(20,833.34)
Estimated Mall Rebate Liability	1,300,837.80	1,300,837.80	
Texas Leverage Fund Payable	203,513.85	213,580.88	(10,067.03)
<b>Economic Development Corporation of Mercedes, Texas (EDC)</b> <b>Accounts Payable</b> <b>As of August 31, 2023</b>			
<b>Vendor Description</b>	<b>August 31, 2023</b>	<b>July 31, 2023</b>	
Artistic Holiday Design			
Trans Union LLC			
MPC Studios			
Freese and Nichols			
Ricardo D Cavazos			
Spectrum Reach			
Elizabeth Rodriguez		\$ 1,200.00	
kRGV-TV			
City of Mercedes TMRS			
	\$ -	\$ 1,200.00	

# Memo

**To:** DCM Board of Directors  
**From:** Zefra Mascorro, Administrative Coordinator  
**CC:** File  
**Date:** 9/13/2023  
**Re:** American Express

---

The American Express August statement showed a current credit of \$169.68. The following credit was applied to the American Express Plus Credit Card as of August 17, 2023.

Description	Amount	Account Name	Account #
Credit	-\$169.68	Office Equipment	25-510-2520

The Credit for \$169.68 was applied towards office equipment; an internal adjustment was made.

**Blue Business<sup>SM</sup> Plus Credit Card**DEVELOPMENT CORPORATION OF  
MELISSA RAMIREZClosing Date 08/17/23 Next Closing Date 09/15/23  
Account Ending 5-31009

p. 1/6

**Customer Care:** 1-800-521-6121  
**TTY:** Use Relay 711  
**Website:** americanexpress.com

<b>New Balance</b>	<b>\$572.12</b>
<b>Minimum Payment Due</b>	<b>\$35.00</b>
<b>Payment Due Date</b>	<b>09/11/23</b>

**Late Payment Warning:** If we do not receive your Minimum Payment Due by the Payment Due Date of 09/11/23, you may have to pay a late fee of up to \$39.00 and your APRs may be increased to the Penalty APR of 29.99%.

**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

19 months

\$639

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 page 5.

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

Available and Pending as of 07/31/23

**54,968**

For up to date point balance and full program details, visit [membershiprewards.com](http://membershiprewards.com)

**Account Summary**

Previous Balance	CR\$169.68
Payments/Credits	-\$0.00
New Charges	+\$741.80
Fees	+\$0.00
Interest Charged	+\$0.00

<b>New Balance</b>	<b>\$572.12</b>
<b>Minimum Payment Due</b>	<b>\$35.00</b>

Credit Limit	\$13,000.00
Available Credit	\$12,427.88

Days in Billing Period: 31

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.

MELISSA RAMIREZ  
DEVELOPMENT CORPORATION OF  
320 S OHIO AVE  
MERCEDDES TX 78570-3118

Payment Due Date  
**09/11/23**

New Balance  
**\$572.12**

Minimum Payment Due  
**\$35.00**

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



AMERICAN EXPRESS  
PO BOX 6031  
CAROL STREAM IL 60197-6031

\$ \_\_\_\_\_  
**Amount Enclosed**

0000349992503945648 000057212000003500 13 H



**Blue Business<sup>SM</sup> Plus Credit Card**  
DEVELOPMENT CORPORATION OF  
MELISSA RAMIREZ  
Closing Date 08/17/23

p. 3/6

Account Ending 5-31009



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

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

**Hearing Impaired**

Online chat at [americanexpress.com](https://americanexpress.com) or use Relay dial 711 and 1-800-521-6121



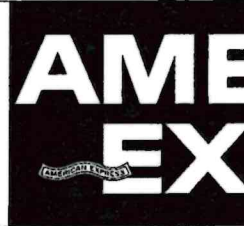
**Website:** [americanexpress.com](https://americanexpress.com)

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

**Payments**  
PO BOX 6031  
CAROL STREAM IL  
60197-6031

## 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. Learn more.  
Visit [www.AmericanExpress.com/enrollIAM](https://www.AmericanExpress.com/enrollIAM) to enroll an Account Manager now.



### New Charges

#### Summary

	Total
<b>Total New Charges</b>	<b>\$741.80</b>

#### Detail



**MELISSA RAMIREZ**  
Card Ending 5-31009

				Amount
07/17/23	LOOPNET COMMERCIAL P	888-567-7442	DC	\$79.00
07/18/23	WENDY'S 13503 000013503 9567130251	MERCEDES	TX	\$56.00
07/20/23	REMARKABLE +4723652440	OSLO	OS	\$409.19
07/24/23	GOTOCOM*GOTOMEETING ONLINE SVCS	GOTO.COM	MA	\$51.06
08/04/23	ADOBE CREATIVE CLOUD Adobe Systems 8004438158	SAN JOSE	CA	\$34.99
08/16/23	MCDONALD'S F38538 00000000678932 9999999999	MERCEDES	TX	\$111.56

### Fees

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

Continued on reverse



**Interest Charged**

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

**About Trailing Interest**

You may see interest on your next statement even if you pay the new balance in full and on time and make no new charges. This is called "trailing interest". Trailing interest is the interest charged when, for example, you didn't pay your previous balance in full. When that happens, we charge interest from the first day of the billing period until we receive your payment in full. You can avoid paying interest on purchases by paying your balance in full and on time each month. Please see the "When we charge interest" sub-section in your Cardmember Agreement for details.

**2023 Fees and Interest Totals Year-to-Date**

	Amount
Total Fees in 2023	\$0.00
Total Interest in 2023	-\$0.02

**Interest Charge Calculation**

Your Annual Percentage Rate (APR) is the annual interest rate on your account.

	Annual Percentage Rate	Balance Subject to Interest Rate	Interest Charge
Purchases	29.99% (v)	\$0.00	\$0.00
Promotional Purchase Offer Rate Expires 11/16/2023 then will go to 18.49% (v)	3.99%	\$0.00	\$0.00
<b>Total</b>			<b>\$0.00</b>
(v) Variable Rate			



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

00001217 TT212S09012302225500 02 000000000 0027073 003

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

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

XXXXXX3057  
08/31/2023  
08/31/2023  
21  
1



00001217 0018651 0001-0004

#### 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: XXXXXX3057

Account Owner(s): DEVELOPMENT CORPORATION OF MERCEDES INC

#### Balance Summary

Beginning Balance as of 08/01/2023	\$673,072.77
+ Deposits and Credits (5)	\$334,932.76
- Withdrawals and Debits (27)	\$58,253.59
Ending Balance as of 08/31/2023	\$949,751.94
Service Charges for Period	\$0.00
Average Balance for Period	\$849,068.00

#### DEPOSITS AND OTHER CREDITS

Date	Description	Deposits
Aug 01	REV: CHECK	1,200.00
Aug 03	CITY OF MERCEDES/A/P EFT 99-00245 DEVELOPMENT CORPORATIO	156,465.73
Aug 16	REF A10CGZL FROM *0691 DEPOSITED IN ERRO	5,226.39
Aug 21	CITY OF MERCEDES/A/P EFT 99-00245 DEVELOPMENT CORPORATIO	170,894.69
Aug 24	DEPOSIT	1,145.95



Member  
**FDIC**

**CASHPLEASE®**  
Need *Cash* Now?

APPLY FOR A SHORT TERM CASHPLEASE LOAN TODAY>>>

\*Subject to eligibility restrictions. Mobile Carrier Message and data rates may apply.

SCAN QR CODE  
FOR MORE DETAILS



00001217 0018651 0001-0004 TT212S09012302225500 02 L 0002

## DEBITS AND OTHER WITHDRAWALS

Date	Description	Withdrawals
Aug 01	DEVELOPMENT CORP/PAYROLL 450542230 DEVELOPMENT CORP	1,200.00
Aug 01	BENE:TEXAS LEVERAGE FUND TRN:P202308010019938	11,466.66
Aug 04	DEVELOPMENT CORP/PAYROLL 450542230 DEVELOPMENT CORP	5,562.79
Aug 15	IRS/USATAXPYMT *****2731251173 DEVELOPMENT CORPORATIO	3,216.68
Aug 18	DEVELOPMENT CORP/PAYROLL 450542230 DEVELOPMENT CORP	5,512.77
Aug 25	REF ADW20M6 TO *0691	10,416.67

## CHECKS PAID

\* Indicates a Skip in Check Number(s)

Date	Check No.	Amount	Date	Check No.	Amount	Date	Check No.	Amount
Aug 01	<i>clean-up</i> 4415	1,200.00	Aug 11	<i>clean-up</i> 4422	2,400.00	Aug 22	4431	150.00
Aug 04	4416	210.91	Aug 16	4423	665.00	Aug 22	<i>spectrum</i> 4432	1,170.00
Aug 09	<i>Tmrs</i> 4417	3,257.58	Aug 11	<i>Lease</i> 4424	1,500.00	Aug 17	4433	42.50
Aug 10	4418	24.56	Aug 15	<i>Frasco &amp; Nichols</i> 4425	3,051.25	Aug 28	4434	344.61
Aug 21	4419	50.20	Aug 21	4426	439.11	Aug 30	4435	129.90
Aug 30	<i>Accounting</i> 4420	1,600.00	Aug 18	<i>Employee Ins.</i> *4429	2,781.53	Aug 29	<i>clean-up</i> *4437	1,200.00
Aug 15	4421	400.00	Aug 25	4430	197.79	Aug 24	4438	63.08

## DAILY BALANCE SUMMARY

Date	Balance	Date	Balance	Date	Balance
Aug 01	660,406.11	Aug 15	797,248.07	Aug 24	963,640.91
Aug 03	816,871.84	Aug 16	801,809.46	Aug 25	953,026.45
Aug 04	811,098.14	Aug 17	801,766.96	Aug 28	952,681.84
Aug 09	807,840.56	Aug 18	793,472.66	Aug 29	951,481.84
Aug 10	807,816.00	Aug 21	963,878.04	Aug 30	949,751.94
Aug 11	803,916.00	Aug 22	962,558.04		

00001217 0018652 0002-0004



08/24/2023	Check 0	\$1,145.95
------------	---------	------------

08/01/2023	Check 4415	\$1,200.00
------------	------------	------------

08/04/2023	Check 4416	\$210.91
------------	------------	----------

08/09/2023	Check 4417	\$3,257.58
------------	------------	------------

08/10/2023	Check 4418	\$24.56
------------	------------	---------

08/21/2023	Check 4419	\$50.20
------------	------------	---------

08/30/2023	Check 4420	\$1,600.00
------------	------------	------------

08/15/2023	Check 4421	\$400.00
------------	------------	----------

08/11/2023	Check 4422	\$2,400.00
------------	------------	------------

08/16/2023	Check 4423	\$665.00
------------	------------	----------

08/11/2023	Check 4424	\$1,500.00
------------	------------	------------

08/15/2023	Check 4425	\$3,051.25
------------	------------	------------



## CHECK IMAGES (Continued)



08/21/2023 Check 4426 \$439.11



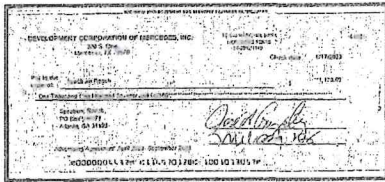
08/18/2023 Check 4429 \$2,781.53



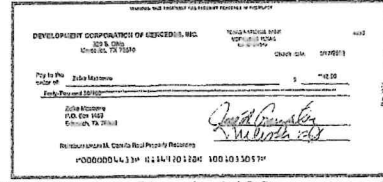
08/25/2023 Check 4430 \$197.79



08/22/2023 Check 4431 \$150.00



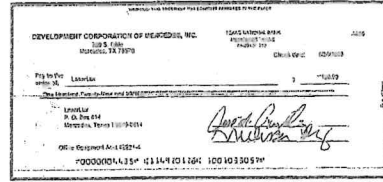
08/22/2023 Check 4432 \$1,170.00



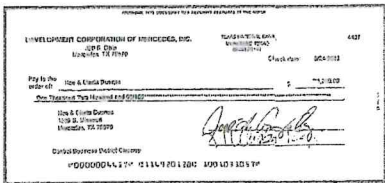
08/17/2023 Check 4433 \$42.50



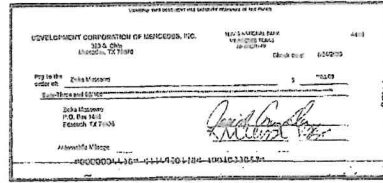
08/28/2023 Check 4434 \$344.61



08/30/2023 Check 4435 \$129.90



08/29/2023 Check 4437 \$1,200.00



08/24/2023 Check 4438 \$63.08

00001217 0018653 0004-0004



# Summary Statement

August 31, 2023

Page 1 of 6

Investor ID: TX-01-0607

0000472-0007224 PDF 565393

Development Corporation of Mercedes Inc.  
320 S Ohio  
Mercedes, TX 78570

## Texas CLASS

### Texas CLASS

Texas CLASS		Average Monthly Yield: 5.4752%						
		Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
TX-01-0607-0001	DEVELOPMENT CORPORATION OF MERCEDES	133,912.32	0.00	0.00	624.09	4,460.37	134,241.67	134,536.41
TX-01-0607-0002	EDC 2006 RESERVE	285,859.06	0.00	0.00	1,332.24	9,521.42	286,562.11	287,191.30
TX-01-0607-0003	EDC RBEG FUND	43,730.97	0.00	0.00	203.80	1,456.56	43,838.52	43,934.77
TX-01-0607-0004	IRP FUND OPERATING/RESERVE	71,857.69	0.00	0.00	334.90	2,393.49	72,034.43	72,192.59
TOTAL		535,360.04	0.00	0.00	2,495.03	17,831.84	536,676.73	537,855.07

Tel: (800) 707-6242

<https://www.texasclass.com/>

# Security Holder Remittance Report for 9/8/2023

Start Date: 8/25/2023 12:00:00A
End Date: 9/8/2023 11:59:00PM
Print Date: 09/08/2023
Print Time: 3:32:36 pm

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

<b>Investor Number</b> <u>01-985-002</u>			<b>Investor Name</b> <u>Development Corp of Mercedes RBEG</u>							<b>Rcvr'd</b>	<b>Net Remit</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>Fee</u>		<u>Am</u>
98575284	NTM Ventures	Regular Pymnt	08/28/2023	588.79	386.88	201.91	18.00	0.00	0.00	0.00	570.79
98575284	NTM Ventures	Prin Reduction	08/28/2023	1,411.21	1,411.21	0.00	0.00	0.00	0.00	0.00	1,411.21
98576108	Carrillo	Regular Pymnt	08/31/2023	(942.68)	(896.02)	(46.66)	-18.00	0.00	0.00	0.00	(924.68)
98567980	San Miguel	Regular Pymnt	09/01/2023	1,167.96	1,102.12	65.84	18.00	0.00	0.00	0.00	1,149.96
98576108	Carrillo	Regular Pymnt	09/01/2023	942.68	842.69	99.99	18.00	0.00	0.00	0.00	924.68
98572140	Gonzalez	Regular Pymnt	09/05/2023	399.00	299.81	99.19	18.00	0.00	0.00	0.00	381.00
<b>Investor/Bank/Group Total</b>				<b>3,566.96</b>	<b>3,146.69</b>	<b>420.27</b>	<b>54.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,512.96</b>

<b>Investor Number</b> <u>01-985-003</u>			<b>Investor Name</b> <u>Development Corporation of Mercedes</u>							<b>Rcvr'd</b>	<b>Net Remit</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>Fee</u>		<u>Am</u>
98569300	MD Internatio	Late Charge	09/05/2023	146.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00
98569300	MD Internatio	Regular Pymnt	09/05/2023	387.53	71.70	315.83	18.00	0.00	0.00	0.00	369.53
98569300	MD Internatio	Regular Pymnt	09/05/2023	3,085.43	2,938.50	0.00	18.00	0.00	0.00	0.00	2,920.50
98569300	MD Internatio	Regular Pymnt	09/05/2023	4,379.11	4,232.18	0.00	18.00	0.00	0.00	0.00	4,214.18
98560836	Castaneda	Regular Pymnt	09/06/2023	1,060.13	877.44	182.69	18.00	0.00	0.00	0.00	1,042.13
<b>Investor/Bank/Group Total</b>				<b>9,059.13</b>	<b>8,119.82</b>	<b>498.52</b>	<b>72.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>8,546.34</b>

<b>Total Security Holder</b>	<b>12,626.09</b>	<b>11,266.51</b>	<b>918.79</b>	<b>126.00</b>	<b>440.79</b>	<b>0.00</b>	<b>12,059.30</b>
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# Delinquency Report

## As Of September 08, 2023

Data Date: 09/08/2023  
 Data Time: 4:21:40 pm  
 Print Date: 09/08/2023  
 Print Time: 4:21:40 pm

### Security Holder Development Corporation of Mercedes

<u>Investor Number: 01-985-002</u>		<u>Investor Name: Development Corp of Mercedes RBEG</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>
98573148	50,000.00	42,524.00	586.48	0.00	07/10/2023	1,172.96	08/01/2023	07/10/2023	38	2
Valor Fitnes,										

Investor Number: <u>01-985-003</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>
98550182	100,000.00	41,955.26	104.89	5.24		2,307.49	01/06/2022	11/29/2021	610	21
Gomez , Roy		334 South Texas Blvd.								
98569300	315,629.17	248,933.66	2938.50	146.93	09/05/2023	7,815.68	06/18/2023	09/05/2023	82	3
MD Internati,		311 D. Vogel Drive								

\$ 11,296.13



Investor Loan Services  
Mortgage Servicer System  
Loan Trial Balance By Bank/Investor/Group

Loan #	Loan Name	Inv Loan #	Due Date	Bk	Inv	Grp	Int Rate	Payment Amt	Deferred Bal	Prin Bal/	T&I Bal/	Net Def Bal	Loss Draft Bal	Unapplied Bal	Subsidy Bal
98550030	De La Garza, Albaro d	98550030	09/01/23	01	985	002	5.00000	1,976.98	79,635.21	.00	.00	.00	.00	.00	.00
98554876	Jom Investments, LLC	98554876	09/15/23	01	985	002	4.00000	455.31	33,994.47	.00	79,635.21	.00	.00	.00	.00
98563684	REVBOTICS, LLC	98563684	09/24/23	01	985	002	3.50000	426.58	146,254.41	.00	33,994.47	.00	.00	.00	.00
98567980	San Miguel, Juan A.	98567980	10/05/23	01	985	002	3.00000	1,167.96	24,740.13	.00	146,254.41	.00	.00	.00	.00
98572140	Gonzalez, Ashley R.	98572140	09/01/23	01	985	002	3.00000	320.94	41,314.90	.00	24,740.13	.00	.00	.00	.00
98573148	Valor Fitness, LLC.	98573148	08/01/23	01	985	002	3.00000	586.48	42,524.00	.00	41,314.90	.00	.00	.00	.00
98575284	NTM Ventures, LLC	98575284	10/01/23	01	985	002	3.00000	588.79	77,447.54	.00	42,524.00	.00	.00	.00	.00
98576108	Carrillo, Martha	98576108	10/01/23	01	985	002	3.50000	942.68	68,671.57	.00	77,447.54	.00	.00	.00	.00
Group Totals:								6,465.72	.00	.00	.00	.00	.00	.00	.00
								514,582.23	514,582.23	.00	.00	.00	.00	.00	.00
								.00	.00	Item Count = 8					
98550182	Gomez, Roy G.	98550182	01/06/22	01	985	003	3.00000	104.89	41,955.26	.00	.00	.00	.00	.00	.00
98560836	Castaneda, Mario	98560836	10/01/23	01	985	003	3.50000	1,060.13	56,066.39	.00	41,955.26	.00	.00	.00	.00
98564988	Hinojosa, Raquel dba	98564988	09/23/23	01	985	003	3.50000	282.52	1,398.23	.00	56,066.39	.00	.00	.00	.00
98569300	MD International, LLC	98569300	06/18/23	01	985	003	3.00000	2,938.50	248,933.66	.00	1,398.23	.00	.00	.00	.00
Group Totals:								4,386.04	.00	.00	.00	.00	.00	.00	.00
								348,353.54	348,353.54	.00	.00	.00	.00	.00	.00
								.00	.00	Item Count = 4					

Loan #	Loan Name	Inv Loan #	Due Date	Bk	Inv Grp	Int Rate	Payment Amt	Deferred Bal	Net Def Bal	Loss Draft Bal	Unapplied Bal	Subsidiary Bal
Investor Totals:												
							10,851.76		.00		.00	
								862,935.77				
								862,935.77		.00		.00
								.00				
Bank Totals:												
							10,851.76		.00		.00	
								862,935.77				
								862,935.77		.00		.00
								.00				
Grand Totals:												
							10,851.76		0.00		0.00	
								862,935.77				
								862,935.77				
								862,935.77		0.00		0.00
								0.00				
Item Count = 12												

## **4. TXCLASS Quarterly Report**

# Memo

**To:** DCM Board of Directors  
**From:** Zefra Mascorro, Administrative Coordinator  
**CC:** File  
**Date:** 9/12/2023  
**Re:** Texas Class Quarterly Report

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Recommendation: Approve Texas Class Quarterly Report



## Summary Statement

August 31, 2023

Page 1 of 6

Investor ID: TX-01-0607

0000472-0007224 PDF T 565393

Development Corporation of Mercedes Inc.  
320 S Ohio  
Mercedes, TX 78570

### Texas CLASS

#### Texas CLASS

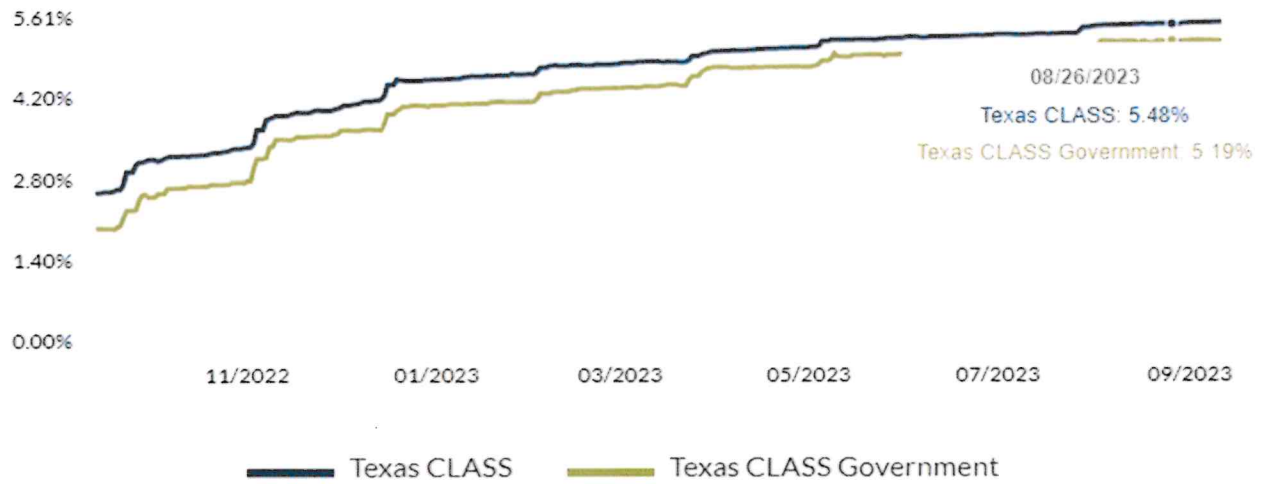
Average Monthly Yield: 5.4752%

		Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
TX-01-0607-0001	DEVELOPMENT CORPORATION OF MERCEDES	133,912.32	0.00	0.00	624.09	4,460.37	134,241.67	134,536.41
TX-01-0607-0002	EDC 2006 RESERVE	285,859.06	0.00	0.00	1,332.24	9,521.42	286,562.11	287,191.30
TX-01-0607-0003	EDC RBEG FUND	43,730.97	0.00	0.00	203.80	1,456.56	43,838.52	43,934.77
TX-01-0607-0004	IRP FUND OPERATING/RESERVE	71,857.69	0.00	0.00	334.90	2,393.49	72,034.43	72,192.59
TOTAL		535,360.04	0.00	0.00	2,495.03	17,831.84	536,676.73	537,855.07

## Rates as of September 11, 2023

	Texas CLASS	Texas CLASS Government
Daily Yield (%)	5.5065	5.1689
YTD Yield (%)	5.0840	4.7335
7-Day Yield (%)	5.5048	5.1825
30-Day Yield (%)	5.4902	5.1777
Weighted Average Maturity (To Reset)	42	20
Weighted Average Maturity (To Final)	68	72
Daily Dividend	0.000150863	0.000141614
Net Asset Value (NAV)	0.99993802	0.99987135

## Texas CLASS Daily Yields



**Type of Class: Texas Class**

**Maturity Date: None**

**Interest Rate Variable Average August: 5.47%**

**Presented Before Board: September 20, 2023**

**Signature: \_\_\_\_\_ Date: \_\_\_\_\_**

## **5. Discussion and Action: IRP USDA Budget**



# Memo

**To:** DCM Board of Directors  
**From:** Melissa Ramirez, Executive Director  
**CC:** File  
**Date:** 9/14/2023  
**Re:** IRP Budget

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The USDA IRP portfolio currently funds the following loans:

Mario Castaneda- Current  
Gilbert Gomez- Delinquent  
Irma Cadena- Lawsuit  
MD International- Delinquent  
Raquel Moreno- Current

There are currently only 2 performing notes. Please see the attached budget reflecting the market conditions as well as the portfolio's performance.

*Note: The reserve account currently has a balance of \$71,857.69. The IRP general account has a balance of \$237,013.04.*

Recommendation: Approve the IRP budget as presented.



**FY23-24      IRP Proposed Budget****Intermediary :** Development Corporation of Mercedes**Loan Fund #** D04-IRP

Income		Previous Year (actual+est)	Proposed Year
	Interest from Sub-recipient Loans	237013.04	4000
	Interest from Deposits		
	Application Fees		
	Commitment Fees		
	Late Fees		
	Other:		
<b>Total Income</b>		<b>237,013</b>	<b>4,000</b>
Expenses			
	Employee Salaries		
	Employee Fringe Benefits		
	IRP-related Travel		
	Loan Processing/Closing Costs		
	Interest		
	Professional Services		
	Marketing		
	Staff Training		
	Bad Debt Allowance (Loan Losses)		10000
	Space (rent)		
	Audit/Accounting		
	Indirect Costs (Overhead)		
	Other:		
	Other:		
<b>Total Expenses</b>		<b>0</b>	<b>10,000</b>

Fund Sustainability	
Total Proposed Fund Income	241,013
(-) Total Proposed Fund Expenses	10,000
<b>INSERT Annual Principal Payment on IRP Loan</b>	30848
Proposed Net Fund Income (after Principal payment)	<b>200,165</b>

**PLEASE NOTE:**

If Net Fund Income (after principal payment) is **NEGATIVE**, please consult with Rural Development before completing and submitting this annual budget for approval. Negative fund budgets can adversely impact the longterm viability of the fund.

Submitted by : \_\_\_\_\_

Date : \_\_\_\_\_

Name: Melissa Ramirez

Title: Executive Director

Approval : \_\_\_\_\_

Date: \_\_\_\_\_

Business Programs Specialist

USDA-Rural Development

## **6. Discussion and Action: FY22-23 Audit, Engagement of Adrian Webb, CPA**

**ADRIAN K WEBB**  
**Certified Public Accountant**  
McAllen, Texas

September 7, 2023

To the Board of Directors and Management

Development Corporation of Mercedes

Mercedes, Texas

We are pleased to confirm our understanding of the services we are to provide Development Corporation of Mercedes for the year ended September 30, 2023.

**Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of Development Corporation of Mercedes as of and for the year ended September 30, 2023. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Development Corporation of Mercedes's 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. As part of our engagement, we will apply certain limited procedures to Development Corporation of Mercedes's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding 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 will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Budgetary Comparison Schedules

We have also been engaged to report on supplementary information other than RSI that accompanies Development Corporation of Mercedes's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

- 1) Combining and individual fund statements

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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 GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

**Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.

#### **Audit Procedures—Internal Control**

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Development Corporation of Mercedes's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.



## **Other Services**

We will also assist in preparing the financial statements of Develop Corporation of Mercedes in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

## **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

## **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Adrian Webb, CPA, and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Adrian Webb, CPA personnel. Furthermore, upon request, we may provide copies of selected audit documentation to or its designee. The [Name of Regulator] or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Adrian Webb, CPA, is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit on approximately October 1, 2023 and issue the report by January 31, 2024.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$8,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

## Reporting

We will issue a written report upon completion of our audit of Development Corporation of Mercedes's financial statements. Our report will be addressed to the Board of Directors and Management of Development Corporation of Mercedes. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to Development Corporation of Mercedes and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

*Adrian Webb, CPA*

Adrian Webb, CPA

## RESPONSE:

This letter correctly sets forth the understanding of Development Corporation of Mercedes.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Governance signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **7. Discussion and Action: DCM Signage Improvement Program**



# Memo

**To:** DCM Board of Directors  
**From:** Melissa Ramirez, Executive Director  
**CC:** File  
**Date:** 9/14/2023  
**Re:** Signage Improvement Grant

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The grant guidelines and application have been updated.

The procurement policy prohibits the DCM Board to directly engage a Mercedes signage company for the program. A signage company is not considered a professional service and the procurement policy states: *Purchases \$1001 -\$7500 requires three bid prices AND City Council must approve all expenditures above \$10000.*

Recommendation: Allow grant recipients to obtain 3 quotes and the DCM can approve a vendor.

**DEVELOPMENT CORPORATION OF MERCEDES  
SIGNAGE IMPROVEMENT PROGRAM  
GUIDELINES AND APPLICATION**

**A. INTRODUCTION**

The Development Corporation of Mercedes has established Signage Improvement Program, which will provide technical and financial assistance to property owners or business tenants seeking to improve exterior signage on commercial buildings. The program is designed to impact properties in need of improving the presentation of a business. The program is not designed to subsidize corrections to building code violations that prolong the life of a commercial property. The Signage Improvement Program will provide up to \$4,500 for the funding of well-designed signage improvements which will coordinate all the important features of the storefront into a more attractive image. DCM staff will be available to provide assistance to applicants through the conceptual stage at no cost to the applicants. Applicants, however, will be responsible for hiring licensed architects and contractors to refine this conceptual design depending on the scope of work.

**B. DEFINITIONS**

The following definitions shall apply to the terms used in this Policy:

**Applicant:** the Property owner or business occupant signing the Application for a Facade and Signage Improvement Grant.

**Construction Costs:** the cost of permits, fees, construction materials, and installation labor. All other associated costs are deemed excluded, including, but not exclusively, the following costs: design, construction document preparation, bidding, sweat equity and construction financing.

**DCM:** Development Corporation of Mercedes

**Eligible Enhancements:** the improvements identified as eligible in Section C herein.

**Facade:** the portion of the building parallel to the primary right-of-way as determined by City.

**MDD:** the Municipal Downtown District

**Notice to Proceed:** a written notice from DCM staff authorizing the Applicant to begin construction as approved by the DCM Board of Directors

**Property:** the physical lot and/or building to which improvements are being made.

**Staff:** the DCM Executive Director or their designee(s)

**C. ELIGIBILITY CRITERIA**

The following criteria must be met for participation in Signage Improvement Program:

1. Applicants must be commercial property owners or commercial tenants located in the City of Mercedes;
2. Tenants must have written approval from property owners to participate in program;
3. Nonconforming signage on property, if applicable, must be permanently removed as part of the improvement;
4. Applicants must be up to date on all municipal taxes prior to participation in the program;
5. Applicants must not have any City liens filed against any property owned by Applicant, including but not limited to, weed liens, demolition liens, board-up/open structure liens and paying liens;
6. Applicants must comply with all State and local laws and regulations pertaining to licensing, permits, building code and zoning requirements;
7. All eligible business must have a business license issued from the City of Mercedes
8. Understanding that the overall objective of the Signage Improvement Program is to improve the exterior, visibility and presentation of a property; the City has the discretion to decline an application while suggesting enhancements that would enable future acceptance.
9. Ineligible businesses: government offices, residences, home businesses, and adult oriented businesses.

#### **D. DESIGN PRINCIPLES AND GUIDELINES**

Improvements to be funded by the program must be compatible with the character and architecture of the individual building as well as meet City standards with regards to latest construction and design trends. Buildings with significant architectural qualities are strongly encouraged to restore and maintain these features. Improvements for buildings not having such architectural features should still be carefully considered and be seen as an opportunity to substantially enhance the appearance of the buildings and their streetscapes.

##### **1. Eligible Signage Improvements:**

- a. Visually appealing and appropriate City-approved signage, including monument signage, pole signage, electronic message boards and other signage as specified in the City's codes;
- b. Lighting which is visually appealing and appropriately illuminates signage, storefront window displays, and recessed areas of a building

##### **2. Prior Improvements**

Any permits, alterations, or improvements pertaining or relating to the FSIP application made prior to receiving a "Notice to Proceed" are not eligible for reimbursement.

#### 4. Alterations

Applicant must agree not to change or alter the improved Signage without prior written approval from the DCM for three (3) years from the date of grant payment.

### **E. PROGRAM ASSISTANCE**

#### 1. Financial Assistance

Funding offered is a grant in which the Signage Improvement Grant reimburses Applicant one-hundred percent (100%) of total project costs, up to a \$4,500 maximum for signage improvements. The Signage Improvement Grant will only provide reimbursement after Applicant has paid their architect, contractor and vendor(s) in full and after the project is determined to have been completed in accordance with the contract between the DCM and Applicant.

#### 2. Application and Information

If you wish to participate in the Signage Improvement Grant, please contact the Development Corporation of Mercedes, (956) 565-2230 office or e-mail [zmascoro@mercedesedc.com](mailto:zmascoro@mercedesedc.com).

### **F. PROCEDURES**

All prospective applicants must follow the procedures in the order outlined below.

1. Applicant meets with DCM staff for initial project discussions and files an application.
2. Applicant meets with Staff to discuss program and design alternatives.
3. Applicant must provide final design drawings and submits them to Staff for review and approval.
4. Proposed project will be presented to the Director for review and then be presented to the DCM Board for final review/approval.
5. Staff sends applicant a "Notice to Proceed" and fully executed Signage Improvement Program Agreement. Any work completed prior to receiving the "Notice to Proceed" will not be reimbursed.
6. Applicant has thirty (30) days from the date the Notice to Proceed is sent to begin implementation of approved improvements. Applicant must provide Staff with copies of all building permits and certifications received from improvement project.
7. Contractor constructs project improvements as specified in the final design. Any changes to the approved plan must be approved by Staff.
8. Applicant notifies Staff once project is completed.
9. Staff certifies the improvements comply with the final drawings and specifications.

The DCM reserves the right to make adjustments regarding conditions and parameters outlined in these guidelines.

#### **G. TERMINATION**

The DCM has the right to terminate any agreement under the Signage Improvement Grant if a participant is found to be in violation of any conditions set forth in these guidelines or if the project has been started prior to an executed Signage Improvement Program Agreement with the DCM and the receipt of a Notice to Proceed.

**DEVELOPMENT CORPORATION OF MERCEDES**  
**Signage Improvement Program Application**

Please return completed application with necessary attachments and signature to Development Corporation of Mercedes, 320 S. Ohio, Mercedes, Texas. If you have any application questions, please contact the DCM staff at 956.565.2230.

<b>Applicant Name</b>	<b>Date</b>
<b>Business Name</b>	
<b>Mailing Address</b>	
<b>Contact Phone</b>	
<b>Email Address</b>	
<b>Building Owner (if different than applicant)</b>	
<b>Historical/Current Building Name</b>	
<b>Project Site/Address</b>	

**Details of Planned Improvements relating Grant Request (attach additional information if necessary)**

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TOTAL COST OF PROPOSED PROJECT

\$ \_\_\_\_\_

TOTAL GRANT REQUEST

\$ \_\_\_\_\_

*Attach with final design drawings and photographs of building's exterior Facade.*

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*Applicant Signature*

*Date*



**8. Executive Session: Section 551.087: Economic development negotiations with Project A. Gonzalez, Project M30, Project 150, Project M2, Project AHSTI, Project N. Valdemar, Project Bert Ogden, Project RGVLS, Project Mercedes Light Industrial Park, Project Ali, Project G. Schwarz, Project Cruz, Project STM, Project Coffee, Project Killer V, Project Carwash, Project Rios and Project UT, Section 551.071: pending legal issues with delinquent loan MD International and on any regular agenda item requiring confidential, attorney-client advice necessitated by the deliberation or discussion of said item as needed.**

## **9. Discussion and Action: Item #8**

## **10. Adjournment**