

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MISSION, TEXAS, SUPERSEDING AND REPLACING RESOLUTION NO. 1935; ESTABLISHING FINANCIAL, PERFORMANCE, AND ACCOUNTABILITY REPORTING REQUIREMENTS FOR CERTAIN NONPROFIT AND OTHER EXTERNAL ORGANIZATIONS RECEIVING CITY FUNDING OR OPERATING UNDER JOINT ADVISORY ARRANGEMENTS; REQUIRING WRITTEN FUNDING AGREEMENTS; ESTABLISHING COMPONENT-UNIT REPORTING REQUIREMENTS; PROVIDING FOR ADMINISTRATION AND COMPLIANCE; PROVIDING A REPEALER AND SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council previously adopted Resolution No. 1935 establishing reporting requirements for certain nonprofit organizations; and

WHEREAS, the City Council desires to strengthen and standardize financial and performance accountability for organizations receiving City financial support; and

WHEREAS, the City Council finds that uniform reporting, accountability, and funding-agreement requirements promote transparency and responsible stewardship of public funds;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MISSION, TEXAS, THAT:

SECTION 1. APPLICABILITY AND DEFINITIONS

This Resolution applies to:

1. Any nonprofit, nongovernmental, or other external organization receiving \$25,000 or more in aggregate City funding or financial assistance during a City fiscal year;
2. Any organization determined by the City or the City's independent Certified Public Accountant or auditor to meet applicable GASB criteria for inclusion as a component unit of the City's financial reporting entity, regardless of funding amount; and
3. Any organization operating under a Joint Advisory Arrangement, regardless of funding amount.

City funding shall be aggregated across all City departments, funds, grants, appropriations, subsidies, agreements, and other monetary assistance.

“City funding or financial assistance” does not include payments for goods, professional services, construction, or other services provided to the City through an ordinary procurement, purchasing, or contractual vendor relationship.

“Joint Advisory Arrangement” means an arrangement in which:

1. The City Council has established or officially recognized an advisory board or committee relating to a particular program, facility, activity, or public purpose; and
2. A separate nonprofit organization, legally organized or registered with the State of Texas, exists to support, administer, fundraise for, operate, or otherwise further the same or substantially related purpose.

An organization receiving \$25,000 or more in aggregate City funding or financial assistance during a City fiscal year shall have a written funding agreement in effect before disbursement of such funding.

SECTION 2. REPORTING REQUIREMENTS

1. Annual Financial Report. Annual financial statements shall be submitted for the organization's fiscal year and shall, at minimum, be compiled or reviewed by a licensed Certified Public Accountant

or CPA firm in accordance with applicable professional standards. Audited financial statements satisfy this requirement.

At a minimum, the annual financial statements shall include:

- a. Balance Sheet or Statement of Financial Position;
- b. Income Statement or Statement of Activities;
- c. Accounting of City funds received, expended, and remaining, as applicable;
- d. Supporting financial schedules reasonably required by the City; and
- e. Certification by an authorized officer that the information submitted is complete and accurate.

Component Units. An organization determined to be a component unit shall instead provide annual financial statements audited by an independent licensed CPA or CPA firm. The organization shall provide any additional information reasonably requested by the City or its independent auditor for incorporation into the City's annual financial statements and audit.

2. Federal Tax and Informational Returns. An organization required to file IRS Form 990, 990-EZ, 990-PF, 990-N, or another applicable federal informational return shall provide the City a complete copy after filing.

If an extension is requested or received, the organization shall provide:

- a. Written notice of the extension;
- b. A copy or other evidence of the extension request or approval; and
- c. The revised filing deadline.

An organization not required to file such a return shall certify that status to the City. A federal filing extension does not extend any City reporting deadline.

3. Quarterly Financial and Performance Report. Each organization shall submit one combined financial and performance report based upon the following calendar-year quarters:

Q1: January 1 - March 31

Q2: April 1 - June 30

Q3: July 1 - September 30

Q4: October 1 - December 31

“Financial Reporting” means information sufficient to evaluate the organization's financial condition and use of City funds, including funds received and expenses incurred during the reporting period, year-to-date financial results, City funds received and expended, and remaining City funds.

“Performance Reporting” means information sufficient to evaluate delivery of City-supported programs or services, including established goals, deliverables, key performance indicators, current-period results, year-to-date results, and comparison to established targets.

The quarterly report shall satisfy the monthly reporting requirement for March, June, September, and December.

4. Monthly Financial and Performance Report. For months not covered by a quarterly report, each organization shall submit a concise combined monthly financial and performance report including:

- a. Funds received and expenses incurred during the reporting period;
- b. Current-month and year-to-date financial results;
- c. City funds received and expended; and
- d. Current-month and year-to-date KPIs or performance results.

Separate monthly reports are ordinarily required for January, February, April, May, July, August, October, and November.

The City Manager or designee may require additional information or more frequent financial or performance reporting when reasonably necessary because of component-unit or audit requirements, funding levels, compliance concerns, internal-control concerns, or other circumstances affecting accountability for City funds or program performance. Any such requirement shall be communicated in writing.

5. City Council Presentations. The City Council may request that an organization subject to this Resolution appear at a City Council meeting to present information regarding its finances, use of City funds, programs, services, performance results, or other matters related to the City's financial support or applicable public purpose.

SECTION 3. REPORTING SCHEDULE

Reporting Requirement	Deadline
Annual Financial Report	Within 120 calendar days after fiscal year-end
Component Unit Audited Financial Statements	No later than three (3) months after fiscal year-end, or earlier if required by the City or its independent auditor for completion of the City's audit or financial statements
IRS Form 990 or Applicable Federal Return	Within 15 calendar days after actual filing
Federal Filing Extension Notice	No later than the original filing deadline
Quarterly Financial & Performance Report	Within 30 calendar days after calendar quarter-end
Monthly Financial & Performance Report	Within 15 calendar days after month-end, except when satisfied by the quarterly report
Correction of Reporting Deficiency	Within 30 calendar days after written City notice

SECTION 4. EXTENSIONS AND NONCOMPLIANCE

A request to extend a City reporting deadline shall be submitted in writing before the applicable deadline, state the reason and proposed submission date, and be approved in writing by the City Manager or designee.

If an organization fails to comply with this Resolution or its funding agreement, the City may issue written notice identifying the deficiency. Unless otherwise required by law or agreement, the organization shall have 30 calendar days to cure.

Failure to timely cure may result in:

1. Withholding or delaying City disbursements;
2. Additional monitoring or documentation requirements;
3. Suspension of eligibility for additional City funding; or
4. Referral to the City Council for further action.

Repeated or continued noncompliance may be considered in future funding decisions.

SECTION 5. ADMINISTRATION

The City Manager or designee may establish reasonable forms, reporting schedules, submission procedures, KPI requirements, certifications, and other administrative procedures necessary to implement this Resolution.

The City may request supporting documentation reasonably necessary to verify compliance, financial condition, program performance, or use of City funds.

SECTION 6. FUNDING AGREEMENTS

Every organization receiving \$25,000 or more in aggregate City funding or financial assistance during a City fiscal year shall have a written funding agreement executed before disbursement.

The agreement shall identify the amount, source, authorized purpose, and term of the City funding and shall incorporate or reference the financial reporting, performance reporting, accountability, records-access, compliance, and other requirements established by this Resolution.

The funding agreement may establish additional or more stringent requirements applicable to the particular funding arrangement.

SECTION 7. REPEALER AND SUPERSEDING EFFECT

This Resolution supersedes and replaces Resolution No. 1935. Prior lawful actions taken under Resolution No. 1935 remain valid. All Resolutions, resolutions, or parts thereof in conflict with this Resolution are repealed to the extent of the conflict.

SECTION 8. SEVERABILITY

If any provision of this Resolution is determined to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.

SECTION 9. EFFECTIVE DATE

This Resolution shall become effective immediately upon passage and approval in accordance with applicable law and the City Charter.

PASSED AND APPROVED this 22nd day of September 2026.

CITY OF MISSION, TEXAS

Norie Gonzalez-Garza, Mayor

ATTEST:

Anna Carrillo, City Secretary

APPROVED AS TO FORM:

Eden Ramirez, City Attorney