

City of San Benito, Texas
General Obligation
Annual Financial Operating Data
Fiscal Year Ended September 30, 2017

Tables 1-5 and 7-12
Submitted pursuant to SEC Rule 15 c 2-12

By:

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INVESTMENT BANKERS

City of San Benito, Texas (General Obligation)
Continuing Disclosure Statement
For the year ended September 30, 2017
(Pursuant to SEC Rule 15 c 2-12)

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Disclaimer:

The information contained in this report has been obtained from the City and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and should not be understood as a promise or guarantee. This report may contain estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions. The information contained herein is subject to change and the submission of this report will not imply that there has been no changes to the financial condition of the City.

San Benito, Texas
Continuing Disclosure Statement
For the year Ended September 30, 2017
(Pursuant to SEC Rule 15c2-12)

Table 1 - Valuation, Exemption and Debt Obligation

2017 Market Valuation Established by Cameron County Appraisal District ⁽¹⁾		\$ 795,469,664
Less Exemptions/Reductions at 100% Market Value:		
Community Housing	\$ 265,540	
Over 65 and Disabled	7,872,857	
Charitable Exemptions	793,505	
Disabled and Deceased Veterans Exemptions	9,039,530	
Freeport Loss	1,335,610	
Exempt Property	69,890,264	
Productivity Loss	21,563,576	
10% cap loss	4,452,261	
Personal Private Vehicle	73,567	\$ 115,286,710
2017 Net Taxable Assessed Valuation		\$ 680,182,954
General Obligation Debt Payable from Ad Valorem Taxes (as of September 30, 2017)		
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2011 ⁽²⁾	5,960,000	
General Obligation Refunding Bonds, Series 2011 ⁽³⁾	615,000	
General Obligation Refunding Bonds, Series 2012 ⁽⁴⁾	3,855,000	
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2012 ⁽⁵⁾	2,815,000	
General Obligation Refunding Bonds, Series 2013 ⁽⁶⁾	4,555,000	
General Obligation Refunding Bonds, Series 2015 ⁽⁷⁾	7,950,000	
Total Gross Funded Debt Payable from Ad Valorem Taxes		\$25,750,000
Less: Self-Supporting Debt		
Waterworks and Sewer System	15,595,593	
Economic Development Corporation	2,297,670	
Industrial Development Authority	-	
Community Development Block Grant	-	
Sales Tax	-	
Total Self Supporting Debt	-	\$ 17,893,263
Total Net Funded Debt Payable from Ad Valorem Taxes		\$ 7,856,737
Interest and Sinking Fund (as of September 30, 2017)		\$ 203,011
Ratio Gross Funded Debt to Net Taxable Assessed Valuation		3.79%
Ratio Net Funded Debt to Net Taxable Assessed Valuation		1.16%
2018 Estimated Population -	24,476 ⁽⁸⁾	
Per Capita Taxable Assessed Valuation -	\$ 27,790	
Per Capita Gross Funded Debt -	\$ 1,052	
Per Capita Net Funded Debt -	\$ 321	

⁽¹⁾ Information provided by Cameron County Appraisal District.

⁽²⁾ Approximately 100% of the debt service on the 2011 Certificates will be with transfers from the System.

⁽³⁾ Approximately 60% of the debt service on the Series 2011 General Obligation Refunding Bonds will be paid with transfers from the EDC.

⁽⁴⁾ Approximately 62% of the debt service on the Series 2012 General Obligation Refunding Bonds will be paid with transfers from the System.

⁽⁵⁾ Approximately 100% of the debt service on the Series 2012 Certificates of Obligation will be paid by the I&S tax rate.

⁽⁶⁾ Approximately 37% of the debt service on the Series 2013 General Obligation Refunding Bonds will be paid with Transfers from the System.

⁽⁷⁾ Approximately 69% of the debt service on the Series 2015 General Obligation Refunding Bonds will be paid with transfers from the System; 24% will be paid from transfers from the Cit's Economic Development Corporation.

⁽⁸⁾ Unaudited

Additional Sources:

The Municipal Advisory Council of Texas - Texas Municipal Reports

Table 2 - Taxable Assessed Valuation by Category

Category	Taxable Appraised Value For Fiscal Year Ended September 30,					
	2018		2017		2016	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 362,111,214	45.52%	\$ 345,015,239	45.13%	\$ 335,919,075	45.17%
Real, Residential, Multi-Family	29,301,767	3.68%	31,804,080	4.16%	31,273,742	4.21%
Real, Vacant Lots/Tracts	34,252,578	4.31%	31,210,913	4.08%	30,819,289	4.14%
Real, Acreage (Land Only)	22,758,035	2.86%	21,699,262	2.84%	20,965,017	2.82%
Real, Farm and Ranch Improvements	6,125,787	0.77%	5,030,010	0.66%	5,519,933	0.74%
Real, Commercial	146,034,332	18.36%	136,494,233	17.85%	140,291,608	18.86%
Real, Industrial	5,104,864	0.64%	4,579,487	0.60%	4,385,067	0.59%
Real and Tangible Personal, Utilities	33,910,703	4.26%	29,974,710	3.92%	26,375,594	3.55%
Tangible Personal, Commercial	55,767,020	7.01%	57,977,439	7.58%	56,613,458	7.61%
Tangible Personal, Industrial	6,997,213	0.88%	9,156,047	1.20%	8,579,202	1.15%
Tangible Personal, Mobile Homes	11,490,495	1.44%	11,195,458	1.46%	11,088,292	1.49%
Real Inventory	673,681	0.08%	889,191	0.12%	428,771	0.06%
Special Inventory	9,919,099	1.25%	9,246,933	1.21%	8,222,311	1.11%
Exempt Property	71,022,876	8.93%	70,200,615	9.18%	63,241,175	8.50%
Total Appraised Value Before Exemptions	\$ 795,469,664	100.00%	\$ 764,473,617	100.00%	\$ 743,722,534	100.00%
Less: Total Exemptions/Reductions	115,286,710		111,847,955		103,218,246	
Net Taxable Assessed Valuation	<u>\$ 680,182,954</u>		<u>\$ 652,625,662</u>		<u>\$ 640,504,288</u>	

Category	Taxable Appraised Value For Fiscal Year Ended September 30,			
	2015		2014	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 318,332,509	44.64%	\$ 305,610,921	43.51%
Real, Residential, Multi-Family	24,978,423	3.50%	24,982,739	3.56%
Real, Vacant Lots/Tracts	18,605,960	2.61%	18,925,192	2.69%
Real, Acreage (Land Only)	32,855,796	4.61%	34,612,364	4.93%
Real, Farm and Ranch Improvements	5,585,022	0.78%	5,291,922	0.75%
Real, Commercial	130,072,170	18.24%	127,274,556	18.12%
Real, Industrial	4,285,087	0.60%	4,291,356	0.61%
Real and Tangible Personal, Utilities	26,506,944	3.72%	26,272,968	3.74%
Tangible Personal, Commercial	53,486,398	7.50%	49,936,336	7.11%
Tangible Personal, Industrial	13,017,163	1.83%	19,588,787	2.79%
Tangible Personal, Mobile Homes	10,829,200	1.52%	10,800,709	1.54%
Real Inventory	1,452,117	0.20%	2,469,468	0.35%
Special Inventory	7,477,986	1.05%	7,529,225	1.07%
Total Appraised Value Before Exemptions	65,564,813	9.19%	64,755,308	9.22%
Less: Total Exemptions/Reductions	\$ 713,049,588	100.00%	\$ 702,341,851	100.00%
Net Taxable Assessed Valuation	<u>103,745,040</u>		<u>102,456,151</u>	
	<u>\$ 609,304,548</u>		<u>\$ 599,885,700</u>	

Source: Texas Comptroller of Public Accounts, Property Tax Division, Cameron County Appraisal District, and the City of San Benito, Texas.

Table 3 - Valuation and Funded Debt History

Fiscal Year Ended 9/30	Estimated Population	Taxable Assessed Valuation	Per Capita Taxable Assessed Valuation	Gross Funded Tax Debt	Ratio Funded	
					Debt to Taxable Assessed Valuation	Per Capita Gross Funded Tax Debt
2009	25,072	\$ 550,973,244	\$ 21,976	\$ 32,835,000	5.96%	\$ 1,310
2010	24,250	569,533,299	23,486	30,840,000	5.41%	1,272
2011	25,019	577,927,178	23,100	28,815,000	4.99%	1,152
2012	24,729	584,490,211	23,636	34,685,000	5.93%	1,403
2013	24,491	586,966,454	23,967	35,985,000	6.13%	1,469
2014	24,491	599,885,700	24,494	32,270,000	5.38%	1,318
2015	24,506	609,304,548	24,870	30,450,000	4.95%	1,230
2016	24,496	640,504,288	26,147	28,095,000	4.39%	1,147
2017	24,476 ⁽¹⁾	652,625,662	26,664	25,750,000	3.95%	1,052
2018	24,476 ⁽¹⁾	680,182,954	27,790	23,340,000	3.43%	954

Sources: Texas Municipal Report published by the Municipal Advisory Council of Texas and Cameron County Appraisal District

⁽¹⁾ U.S. Census Estimate

Table 4 - Tax Rate, Levy, and Collections History

Fiscal Year Ending 9/30	General Fund	Debt Service	Total Tax Rate	Tax Levy	% Current Collections	% Total Collections
2009	\$ 0.5880	\$ 0.1001	\$ 0.6881	\$ 3,703,826	92.00%	99.80%
2010	0.5880	0.1001	0.6881	3,852,062	90.97%	97.30%
2011	0.5880	0.1001	0.6881	3,918,836	91.32%	96.70%
2012	0.6478	0.0404	0.6881	3,966,356	93.90%	98.90%
2013	0.6778	0.0504	0.7282	4,197,708	94.28%	97.90%
2014	0.6568	0.0713	0.7281	4,295,533	93.83%	96.80%
2015	0.6568	0.0713	0.7281	4,358,018	95.40%	100.00%
2016	0.6568	0.0713	0.7281	4,518,556	95.50%	99.90%
2017	0.6568	0.0713	0.7281	4,654,608	94.31%	98.44%
2018	0.6568	0.0713	0.7281	4,704,791	(In process of collection)	

Sources:

The Municipal Advisory Council of Texas - Texas Municipal Report

The City of San Benito, Texas - Data is unaudited and subject to change.

Table 5 - Top Ten Taxpayers

<u>Taxpayer</u>	<u>Nature of Business</u>	<u>2017 Taxable Assessed Valuation</u>	<u>% of Taxable Assessed Valuation</u>
AEP Texas Central Co.	Electric Utility	\$ 21,251,526	3.12%
Wal-Mart Stores East Inc.	Retail	5,849,236	0.86%
HE Butt Grocery Co.	Retail	5,697,939	0.84%
Wal-Mart Stores Inc.	Retail	5,459,710	0.80%
MHC Fun N Sun LLC	RV Resort	5,391,821	0.79%
Villages at Paso Real LP	Development	5,200,050	0.76%
VDC San Benito Reserve I Homes LP	Apartments	4,799,152	0.71%
Cody Sur Trucks Inc.	Trucking	4,222,281	0.62%
Howard G. & Diane M. Heavin	Residential	3,756,800	0.55%
Briar Ridge Inc	Retail	2,882,514	0.42%
Totals		<u>\$ 64,511,029</u>	<u>9.48%</u>

Sources: Cameron County Appraisal District

Table 7 - DEBT SERVICE REQUIREMENTS

Fiscal Year Ending 30-Sep	Principal	Interest	Total	Principal Retired	Fiscal Year Ending 30-Sep
2018	\$ 2,410,000	\$ 699,678	\$ 3,109,678		2018
2019	2,470,000	640,188	3,110,188		2019
2020	2,530,000	577,792	3,107,792		2020
2021	2,670,000	509,182	3,179,182	39.15%	2021
2022	2,735,000	434,747	3,169,747		2022
2023	2,820,000	358,212	3,178,212		2023
2024	2,145,000	288,696	2,433,696		2024
2025	1,740,000	232,697	1,972,697		2025
2026	1,565,000	184,268	1,749,268	81.88%	2026
2027	1,335,000	140,719	1,475,719		2027
2028	725,000	106,975	831,975		2028
2029	745,000	80,050	825,050	92.78%	2029
2030	780,000	52,100	832,100		2030
2031	805,000	23,025	828,025		2031
2032	275,000	4,125	279,125	100.00%	2032
Totals	<u>\$ 25,750,000</u>	<u>\$ 4,332,452</u>	<u>\$ 30,082,452</u>		

Source: Internal Debt Service Schedules.

Table 8 - Interest and Sinking Fund Budget Projection

Estimated Tax Supported Debt Service Requirements, Fiscal Year Ending 9/30/18		\$ 3,109,678
Interest and Sinking Fund Balance at 9/30/17	\$ 203,011	
2017 Interest and Sinking Fund Tax Levy @ 95% Current Collection	460,599	
M&O Tax Transfer	-	
Self-Supporting Intergovernmental Transfer	2,774,970 ⁽¹⁾	
Investment Income	<u>1,459 ⁽¹⁾</u>	<u>\$ 3,440,039</u>
Estimated Balance as of 09/30/18		<u><u>\$ 330,361</u></u> ⁽¹⁾

Source: City of San Benito, Texas

⁽¹⁾ Unaudited

Table 9 - Other Obligations

	Fire Equipment Lease	Motorola Lease	Vehicle and Equipment Lease	Miscellaneous Equipment Lease
<u>Year Ending September 30, 2017</u>	<u>Governmental Activities</u>	<u>Governmental Activities</u>	<u>Governmental Activities</u>	<u>Governmental Activities</u>
2018	\$ 60,960	\$ 148,314	\$ 193,848	\$ 25,065
2019	60,960	148,314	193,848	-
2020	-	148,314	-	-
2021		148,314		
2022		148,314		
2023-2027	-	300,542	-	-
Total minimum lease payments	<u>\$ 121,920</u>	<u>\$ 1,042,112</u>	<u>\$ 387,696</u>	<u>\$ 25,065</u>
Less the amount representing interest	(10,023)	(136,043)	(16,090)	(836)
Present value of net minimum lease payments	<u>\$ 111,897</u>	<u>\$ 906,069</u>	<u>\$ 371,606</u>	<u>\$ 24,229</u>

Source: The City of San Benito.

Table - 10 General Fund Revenues, Expenditures History

	Fiscal Year Ended September 30,				
	2017	2016	2015	2014	2013
Revenues					
Property Taxes (including penalties and interest)	\$ 4,208,176	\$ 4,130,474	\$ 3,959,128	\$ 3,860,846	\$ 4,003,451
Other Taxes	4,584,058	4,471,740	4,339,171	4,124,177	4,006,265
License and Permits	289,416	207,409	292,824	310,356	271,975
Charges for Services	1,847,385	170,529	368,023	376,550	417,535
Fines and Forfeits	417,444	556,707	502,146	519,593	498,863
Intergovernmental	802,644	26,775	166,982	172,234	61,127
Interest	50,917	15,906	8,527	8,481	9,452
Los Indios Bridge	-	310,058	222,436	187,331	130,855
Miscellaneous	311,859	242,600	36,277	33,626	29,441
Total Revenues	\$ 12,511,899	\$ 10,132,198	\$ 9,895,514	\$ 9,593,194	\$ 9,428,964
Expenditures					
Current:					
General Government	\$ 2,110,301	\$ 2,225,800	\$ 2,187,324	\$ 2,211,025	\$ 1,817,424
Public Safety	5,426,981	5,770,530	5,747,385	5,581,133	5,199,355
Public Works	2,251,148	1,976,703	1,903,903	1,872,202	1,859,031
Health and Welfare	-	-	34,439	40,433	16,359
Culture and Recreation	256,671	257,189	280,618	285,785	255,785
Capital Outlay	76,807	711,573	46,796	1,744,308	324,591
Principal	510,367	563,009	446,478	356,172	364,599
Interest and Fees	96,400	109,131	56,402	65,443	148,094
Bond issuance cost	-	-	-	48,119	-
Total Expenditures	\$ 10,728,675	\$ 11,613,935	\$ 10,703,345	\$ 12,204,620	\$ 9,985,238
Excess/Deficiency of Revenues Over Expenditures	\$ 1,783,224	\$ (1,481,737)	\$ (807,831)	\$ (2,611,426)	\$ (556,274)
Other Financing Sources/Uses					
Refunding bonds proceeds	\$ -	\$ -	\$ 70,289	\$ 3,215,914	\$ -
Refunding bonds - payment to escrow agent	-	-	-	(3,095,833)	-
Capital lease proceeds	-	-	-	1,213,679	-
Leasing Proceeds	-	-	-	-	-
Insurance Proceeds	6,807	-	-	-	-
Other	3,277	-	-	-	-
Operating Transfers In	-	2,039,410	1,422,104	1,414,057	1,070,825
Operating Transfers Out	-	(530,000)	(95,264)	(514,173)	(128,736)
Tax Note Proceeds	-	591,490	-	-	-
Finance Contract Issued	-	-	-	900,000	175,000
Total Other Financing Sources/Uses	\$ 10,084	\$ 2,100,900	\$ 1,397,129	\$ 3,133,644	\$ 1,117,089
Excess/Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Uses	\$ 1,793,308	\$ 619,163	\$ 589,298	\$ 522,218	\$ 560,815
Beginning Fund Balance	\$ 4,733,239	\$ 4,114,076	\$ 3,524,778	\$ 3,002,560	\$ 2,441,745
Adjustment to Fund Balance	-	-	-	-	-
Beginning Fund Balance (restated)	-	-	-	-	-
Ending Fund Balance	\$ 6,526,547	\$ 4,733,239	\$ 4,114,076	\$ 3,524,778	\$ 3,002,560

Source: City of San Benito, Texas

Table 11 - Municipal Sales Tax History

Calendar Year	Total Collected*	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Total Collections Per Capita
2008	\$ 3,992,421	107.79%	\$ 0.7246	\$ 135.09
2009	3,632,019	94.29%	0.6377	132.99
2010	3,478,943	88.77%	0.6020	137.16
2011	3,656,543	92.19%	0.6256	150.79
2012	3,824,529	91.11%	0.6516	154.66
2013	3,846,746	89.55%	0.6412	157.07
2014	3,943,122	90.48%	0.6472	161.00
2015	4,212,458	94.95%	0.6914	171.89
2016	4,318,284	92.60%	0.6742	176.29
2017	4,488,606	94.46%	0.6878	183.39

Sources: Texas Comptroller of Public Accounts Allocation Historical Summary, Municipal Advisory Council, and City of San Benito.

* The City allocates 75% to the General Fund and 25% to the EDC

Table 12 - Current Investments

Investments at fair value, including accrued interest, as of September 30, 2017 are as follows:

	Investment Maturities (in years)	
	Fair Value	1 year or less
Primary Government		
Cash	\$ 6,346,694	\$ 6,346,694
Cash Restricted	-	-
TexPool	4,082,957	4,082,957
Tex Pool - Restricted	1,351,625	1,351,625
	<u>\$ 11,781,276</u>	<u>\$ 11,781,276</u>
Investments		
Certificates of Deposit	\$ 6,880,003	\$ 6,880,003
Certificates of Deposit - Restricted	-	-
	<u>\$ 18,661,279</u>	<u>\$ 18,661,279</u>
Component Unit		
Cash	\$ 779,248	\$ 779,248
TexPool	723,295	723,295
Total Investments	<u>\$ 1,502,543</u>	<u>\$ 1,502,543</u>

A reconciliation of cash and investment follows:

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Cash	\$ 3,015,424	\$ 3,331,269	\$ 6,346,693	\$ 779,248
Cash - Restricted	-		-	-
Tex Pool	3,529,171	553,786	4,082,957	-
Tex Pool - Restricted	-	1,351,625	1,351,625	-
	<u>6,544,595</u>	<u>5,236,680</u>	<u>11,781,275</u>	<u>779,248</u>
Investments				
Certificates of Deposit	5,404,195	1,475,809	6,880,004	723,295
	<u>11,948,790</u>	<u>6,712,489</u>	<u>18,661,279</u>	<u>1,502,543</u>

Source: City of San Benito, Texas.