

City of San Benito, Texas
General Obligation
Annual Financial Operating Data
Fiscal Year Ended September 30, 2014

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

By:

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City of San Benito, Texas (General Obligation)
Continuing Disclosure Statement
For the year ended September 30, 2014
(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 here in 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, 2014
(Pursuant to SEC Rule 15c2-12)

Table 1 - Valuation, Exemption and Debt Obligation

2014 Market Valuation Established by Cameron County Appraisal District ⁽¹⁾	\$ 713,049,588
Less Exemptions/Reductions at 100% Market Value:	
Community Housing	\$ 239,327
Over 65 and Disabled	8,439,093
Charitable Exemptions	772,239
Disabled and Deceased Veterans Exemptions	6,159,470
Freeport Loss	1,374,042
Exempt Property	64,553,247
Pollution Control	
Prorated / Partial Exemption	
Productivity Loss	20,790,610
10% cap loss	<u>1,417,012</u>
	<u>\$ 103,745,040</u>
2014 Net Taxable Assessed Valuation	<u>\$ 609,304,548</u>
General Obligation Debt Payable from Ad Valorem Taxes (as of September 30, 2014)	
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2004 ⁽²⁾	\$0
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2005 ⁽³⁾	165,000
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2006 ⁽⁴⁾	2,800,000
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2007 ⁽⁵⁾	6,820,000
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2011 ⁽⁶⁾	6,895,000
General Obligation Refunding Bonds, Series 2011 ⁽⁷⁾	1,150,000
Tax Notes, Series 2011	130,000
General Obligation Refunding Bonds, Series 2012 ⁽⁸⁾	5,490,000
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2012 ⁽⁹⁾	2,815,000
General Obligation Refunding Bonds, Series 2013	6,005,000
Total Gross Funded Debt Payable from Ad Valorem Taxes	<u>\$32,270,000</u>
Less: Self-Supporting Debt	
Waterworks and Sewer System	16,713,229
Economic Development Corporation	2,940,600
Industrial Development Authority	-
Community Development Block Grant	-
Sales Tax	-
Total Self Supporting Debt	<u>\$ 19,653,829</u>
Total Net Funded Debt Payable from Ad Valorem Taxes	<u>\$ 12,616,171</u>
Interest and Sinking Fund (as of September 30, 2014)	\$ 119,442
Ratio Gross Funded Debt to Net Taxable Assessed Valuation	5.30%
Ratio Net Funded Debt to Net Taxable Assessed Valuation	2.07%
2015 Estimated Population -	24,500
Per Capita Taxable Assessed Valuation -	\$ 24,870
Per Capita Gross Funded Debt -	\$ 1,317
Per Capita Net Funded Debt -	\$ 515

⁽¹⁾ Information provided by Cameron County Appraisal District.

⁽²⁾ Approximately 50% of the debt service on the Series 2004 Certificates will be paid with transfers from the Community Development Block Grant, a 33% of the debt service will be paid from transfers from the Sales Tax, and 17% of the debt service will be paid with transfers from the Economic Development Corporation.

⁽³⁾ Approximately 100% of the debt service on the Series 2005 Certificates will be paid with transfers from the System.

⁽⁴⁾ Approximately 100% of the debt service on the Series 2006 Certificates will be paid with the transfers from the System.

⁽⁵⁾ Approximately 56% of the debt service on the Series 2007 Certificates will be paid with transfers from the System; 35% will be paid from transfers from the City's Economic Development Corporation, subject to an Interlocal Agreement between the City and the San Benito Economic Development Corporation; and 9% will be paid by the I & S tax rate.

⁽⁶⁾ Approximately 100% of the debt service on the Series 2011 Certificates will be with transfers from the System.

⁽⁷⁾ Approximately 60% of the debt service on the Series 2011 General Obligation Refunding Bonds will be paid with transfers from the EDC.

⁽⁸⁾ Approximately 62% of the debt service on the Series 2012 General Obligation Refunding Bonds will be paid with transfers from the System.

⁽⁹⁾ Approximately 100% of the debt service on the Series 2012 Certificates of Obligation will be paid by the I&S tax rate.

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,					
	2015		2014		2013	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 318,332,509	44.64%	\$ 305,610,921	43.51%	\$ 301,068,887	43.71%
Real, Residential, Multi-Family	24,978,423	3.50%	24,982,739	3.56%	21,926,455	3.18%
Real, Vacant Lots/Tracts	18,605,960	2.61%	18,925,192	2.69%	19,851,213	2.88%
Real, Acreage (Land Only)	32,855,796	4.61%	34,612,364	4.93%	34,343,603	4.99%
Real, Farm and Ranch Improvements	5,585,022	0.78%	5,291,922	0.75%	5,250,752	0.76%
Real, Commercial	130,072,170	18.24%	127,274,556	18.12%	125,003,060	18.15%
Real, Industrial	4,285,087	0.60%	4,291,356	0.61%	4,552,136	0.66%
Real and Tangible Personal, Utilities	26,506,944	3.72%	26,272,968	3.74%	22,483,545	3.26%
Tangible Personal, Commercial	53,486,398	7.50%	49,936,336	7.11%	48,154,514	6.99%
Tangible Personal, Industrial	13,017,163	1.83%	19,588,787	2.79%	23,966,853	3.48%
Tangible Personal, Mobile Homes	10,829,200	1.52%	10,800,709	1.54%	10,626,100	1.54%
Real Inventory	1,452,117	0.20%	2,469,468	0.35%	1,572,104	0.23%
Special Inventory	7,477,986	1.05%	7,529,225	1.07%	5,873,109	0.85%
Exempt Property	65,564,813	9.19%	64,755,308	9.22%	64,158,525	9.31%
Total Appraised Value Before Exemptions	\$ 713,049,588	100.00%	\$ 702,341,851	100.00%	\$ 688,830,856	100.00%
Less: Total Exemptions/Reductions	103,745,040		102,456,151		101,864,402	
Net Taxable Assessed Valuation	<u>\$ 609,304,548</u>		<u>\$ 599,885,700</u>		<u>\$ 586,966,454</u>	

Category	Taxable Appraised Value For Fiscal Year Ended September 30,			
	2012		2011	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 297,494,324	43.34%	\$ 294,416,554	47.75%
Real, Residential, Multi-Family	22,121,879	3.22%	18,622,671	3.02%
Real, Vacant Lots/Tracts	21,912,502	3.19%	22,753,705	3.69%
Real, Acreage (Land Only)	34,484,153	5.02%	33,751,675	5.47%
Real, Farm and Ranch Improvements	5,263,674	0.77%	5,050,624	0.82%
Real, Commercial	124,600,855	18.15%	118,076,990	19.15%
Real, Industrial	4,549,436	0.66%	5,274,024	0.86%
Real and Tangible Personal, Utilities	23,154,873	3.37%	25,532,265	4.14%
Tangible Personal, Commercial	47,725,552	6.95%	47,937,938	7.77%
Tangible Personal, Industrial	26,099,908	3.80%	25,676,981	4.16%
Tangible Personal, Mobile Homes	10,749,667	1.57%	14,074,784	2.28%
Real Inventory	405,092	0.06%	833,349	0.14%
Special Inventory	5,659,962	0.82%	4,635,658	0.75%
Total Appraised Value Before Exemptions	62,232,452	9.07%	-	0.00%
Less: Total Exemptions/Reductions	\$ 686,454,329	100.00%	\$ 616,637,218	100.00%
Net Taxable Assessed Valuation	<u>101,964,118</u>		<u>38,710,040</u>	
	<u>\$ 584,490,211</u>		<u>\$ 577,927,178</u>	

Source: Texas Comptroller of Public Accounts, Property Tax Division 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
2006	24,552	\$ 473,952,940	\$ 19,304	\$ 23,195,000	4.89%	\$ 945
2007	24,729	507,829,099	20,536	36,290,000	7.15%	1,468
2008	25,072	527,042,685	21,021	32,995,000	6.26%	1,316
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	24,500	609,304,548	24,870	30,135,000	4.95%	1,230

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

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
2005	\$ 0.5531	\$ 0.1271	\$ 0.6802	\$ 2,962,222	92.52%	97.03%
2006	0.5773	0.1028	0.6801	3,215,106	91.97%	98.99%
2007	0.5709	0.1093	0.6802	3,428,391	93.38%	99.37%
2008	0.5709	0.1093	0.6802	3,526,581	93.47%	98.46%
2009	0.5880	0.1001	0.6881	3,703,826	93.68%	99.09%
2010	0.5880	0.1001	0.6881	3,852,062	90.97%	96.13%
2011	0.5880	0.1001	0.6881	3,918,836	91.32%	96.82%
2012	0.6478	0.0404	0.6881	3,966,356	93.90%	100.60%
2013	0.6778	0.0504	0.7282	4,197,708	94.28%	96.98%
2014	0.6568	0.0713	0.7281	4,295,533	93.83%	93.83%
2015	0.6568	0.0713	0.7281	4,358,018	(In process of collection)	

Sources:

The Municipal Advisory Council of Texas - Texas Municipal Report

The City of San Benito

Table 5 - Top Ten Taxpayers

<u>Taxpayer</u>	<u>Nature of Business</u>	<u>2014 Taxable Assessed Valuation</u>	<u>% of Taxable Assessed Valuation</u>
AEP Texas Central Co.	Electric Utility	\$ 17,394,842	2.85%
Wal-Mart Stores Inc. #1296	Retail	7,724,604	1.27%
Wal-Mart Stores East, Inc.	Retail	5,849,236	0.96%
HE Butt Grocery Co.	Retail	5,695,290	0.93%
Villages at Paso Real LP	Development	5,663,220	0.93%
MHC Financing Ltd Partnership	Manufacturing	5,385,120	0.88%
Codysur Trucks Inc.	Trucking	4,223,633	0.69%
Curves International	Fitness Center	4,222,522	0.69%
DG Heavin Family Ltd. Partnership	Development	3,834,267	0.63%
HE Butt Grocery Co.	Retail	3,139,114	0.52%
Totals		<u>\$ 63,131,848</u>	<u>10.36%</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
2015	\$ 2,135,000	\$ 1,026,477	\$ 3,161,477		2015
2016	2,280,000	963,220	3,243,220		2016
2017	2,270,000	896,761	3,166,761		2017
2018	2,340,000	829,719	3,169,719		2018
2019	2,410,000	760,581	3,170,581	35.44%	2019
2020	2,480,000	687,545	3,167,545		2020
2021	2,630,000	607,154	3,237,154		2021
2022	2,710,000	519,988	3,229,988		2022
2023	2,810,000	429,646	3,239,646		2023
2024	2,150,000	344,983	2,494,983	75.04%	2024
2025	1,760,000	272,473	2,032,473		2025
2026	1,600,000	206,369	1,806,369		2026
2027	1,365,000	147,213	1,512,213		2027
2028	725,000	106,975	831,975		2028
2029	745,000	80,050	825,050	94.24%	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	\$ 32,270,000	\$ 7,958,401	\$ 40,228,401		

Source: Internal Debt Service Schedules.

Table 8 - Interest and Sinking Fund Budget Projection

Estimated Tax Supported Debt Service Requirements, Fiscal Year Ending 9/30/15		\$ 3,161,477
Interest and Sinking Fund Balance at 9/30/14	\$ 119,442	
2014 Interest and Sinking Fund Tax Levy @ 95.81% Current Collection	391,650	
M&O Tax Transfer	-	
Self-Supporting Intergovernmental Transfer	2,774,970	
Investment Income	<u>500</u>	<u>\$ 3,286,562</u>
Estimated Balance as of 09/30/15		<u><u>\$ 125,085</u></u>

Source: City's Annual Financial Statements

Table 9 - Other Obligations

Year Ending September 30, 2013	Fire Equipment Lease	Motorola Lease	Vehicle and Equipment Lease	Miscellaneous Equipment Lease	
	Governmental Activities	Governmental Activities	Governmental Activities	Governmental Activities	Business Type Activities
2015	\$ 60,960	\$ 148,314	\$ 193,848	\$ 37,062	\$ 15,442
2016	60,960	148,314	193,848	-	-
2017	60,960	148,314	193,848	-	-
2018	60,960	148,314	193,848	-	-
2019	60,960	148,314	193,848	-	-
2020-2024	-	741,570	-	-	-
Total minimum lease payments	<u>\$ 304,800</u>	<u>\$ 1,483,140</u>	<u>\$ 969,240</u>	<u>\$ 37,062</u>	<u>\$ 15,442</u>
Less the amount representing interest	<u>(47,363)</u>	<u>(269,461)</u>	<u>(69,240)</u>	<u>(1,919)</u>	<u>(1,068)</u>
Present value of net minimum lease payments	<u>\$ 257,437</u>	<u>\$ 1,213,679</u>	<u>\$ 900,000</u>	<u>\$ 35,143</u>	<u>\$ 14,374</u>

Source: The City's Audited Financial Statements

Table - 10 General Fund Revenues, Expenditures History

Revenues	Fiscal Year Ended September 30,				
	2014	2013	2012	2011	2010
Property Taxes (including penalties and interest)	\$ 3,860,846	\$ 4,003,451	\$ 3,737,764	\$ 3,325,927	\$ 3,307,122
Other Taxes	4,124,177	4,006,265	4,068,979	3,889,692	3,764,719
License and Permits	310,356	271,975	348,314	370,227	554,638
Charges for Services	376,550	417,535	498,392	407,449	724,419
Fines and Forfeits	519,593	498,863	419,923	529,868	242,283
Intergovernmental	172,234	61,127	265,885	324,159	100,869
Interest	8,481	9,452	6,852	9,532	155,375
Los Indios Bridge	187,331	130,855	143,576	196,564	47,718
Miscellaneous	33,626	29,441	93,498	6,892	29,160
Total Revenues	\$ 9,593,194	\$ 9,428,964	\$ 9,583,183	\$ 9,060,310	\$ 8,926,303
Expenditures					
Current:					
General Government	\$ 2,211,025	\$ 1,817,424	\$ 1,696,070	\$ 1,619,695	\$ 1,734,571
Public Safety	5,581,133	5,199,355	5,097,944	5,133,458	5,528,689
Public Works	1,872,202	1,859,031	1,701,442	1,626,165	1,929,009
Health and Welfare	40,433	16,359	53,750	63,685	101,750
Culture and Recreation	285,785	255,785	256,342	222,521	232,087
Capital Outlay	1,744,308	324,591	480,199	96,060	230,914
Principal	356,172	364,599	216,731	152,101	133,475
Interest and Fees	65,443	148,094	104,982	101,302	81,672
Bond issuance cost	48,119	-	-	-	-
Total Expenditures	\$ 12,204,620	\$ 9,985,238	\$ 9,607,460	\$ 9,014,987	\$ 9,972,167
Excess/Deficiency of Revenues Over Expenditures	\$ (2,611,426)	\$ (556,274)	\$ (24,277)	\$ 45,323	\$ (1,045,864)
Other Financing Sources/Uses					
Refunding bonds proceeds	\$ 3,215,914	\$ -	\$ -	\$ -	\$ -
Refunding bonds - payment to escrow agent	(3,095,833)	-	-	-	-
Capital lease proceeds	1,213,679	-	-	-	-
Leasing Proceeds	-	-	-	-	160,601
Insurance Proceeds	-	-	-	480,211	-
Operating Transfers In	1,414,057	1,070,825	389,730	108,445	845,198
Operating Transfers Out	(514,173)	(128,736)	(426,761)	(532,493)	-
Tax Note Proceeds	-	-	315,000	-	-
Finance Contract Issued	900,000	175,000	-	-	-
Total Other Financing Sources/Uses	\$ 3,133,644	\$ 1,117,089	\$ 277,969	\$ 56,163	\$ 1,005,799
Excess/Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Uses	\$ 522,218	\$ 560,815	\$ 253,692	\$ 101,486	\$ (40,065)
Beginning Fund Balance	\$ 3,002,560	\$ 2,441,745	\$ 2,188,053	\$ 2,086,567	\$ 2,126,632
Adjustment to Fund Balance	-	-	-	-	-
Beginning Fund Balance (restated)	-	-	-	-	-
Ending Fund Balance	\$ 3,524,778	\$ 3,002,560	\$ 2,441,745	\$ 2,188,053	\$ 2,086,567

Source: City of San Benito, Texas Comprehensive Annual Financial Reports and City's Finance Department.

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
2005	\$ 3,642,494	113.29%	\$ 0.7700	\$ 120.63
2006	4,050,733	118.15%	0.8000	133.19
2007	4,043,700	114.66%	0.9287	135.02
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

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, 2014 are as follows:

	Investment Maturities (in years)	
	Fair Value	1 year or less
Primary Government		
Cash	\$ 11,048,630	\$ 11,048,630
Cash Restricted	271,403	271,403
TexPool	6,363,287	6,363,287
Tex Pool - Restricted	2,197,871	2,197,871
	<u>\$ 19,881,191</u>	<u>\$ 19,881,191</u>
Investments		
Certificates of Deposit	\$ 1,007,203	\$ 1,007,203
Certificates of Deposit - Restricted	-	-
	<u>\$ 20,888,394</u>	<u>\$ 20,888,394</u>
Component Unit		
Cash	\$ 1,564,532	\$ 1,564,532
TexPool	112,711	112,711
Total Investments	<u>\$ 1,677,243</u>	<u>\$ 1,677,243</u>

A reconciliation of cash and investment follows:

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Cash	\$ 2,778,931	\$ 8,269,699	\$ 11,048,630	\$ 1,564,532
Cash - Restricted	-	271,403	271,403	-
Tex Pool	5,252,209	1,111,078	6,363,287	112,711
Tex Pool - Restricted	-	2,197,871	2,197,871	-
	<u>8,031,140</u>	<u>11,850,051</u>	<u>19,881,191</u>	<u>1,677,243</u>
Investments				
Certificates of Deposit	<u>1,007,203</u>	<u>-</u>	<u>1,007,203</u>	<u>-</u>
	<u>9,038,343</u>	<u>11,850,051</u>	<u>20,888,394</u>	<u>1,677,243</u>

Source: City of San Benito, Texas 2014 Annual Financial Report.