

City of San Benito, Texas
General Obligation
Annual Financial Operating Data
Fiscal Year Ended September 30, 2015

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, 2015
(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, 2015
 (Pursuant to SEC Rule 15c2-12)

Table 1 - Valuation, Exemption and Debt Obligation

2015 Market Valuation Established by Cameron County Appraisal District ⁽¹⁾		\$ 743,722,534
Less Exemptions/Reductions at 100% Market Value:		
Community Housing	\$ 216,182	
Over 65 and Disabled	7,480,917	
Charitable Exemptions	772,239	
Disabled and Deceased Veterans Exemptions	7,913,223	
Freeport Loss	1,236,391	
Exempt Property	62,252,754	
Productivity Loss	19,757,631	
10% cap loss	3,588,909	\$ 103,218,246
2015 Net Taxable Assessed Valuation		<u>\$ 640,504,288</u>
General Obligation Debt Payable from Ad Valorem Taxes (as of September 30, 2015)		
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2006 ⁽²⁾	190,000	
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2007 ⁽²⁾	860,000	
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2011 ⁽³⁾	6,615,000	
General Obligation Refunding Bonds, Series 2011 ⁽⁴⁾	1,000,000	
Tax Notes, Series 2011	65,000	
General Obligation Refunding Bonds, Series 2012 ⁽⁵⁾	4,955,000	
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2012 ⁽⁶⁾	2,815,000	
General Obligation Refunding Bonds, Series 2013	5,650,000	
General Obligation Refunding Bonds, Series 2015	8,300,000	
Total Gross Funded Debt Payable from Ad Valorem Taxes		<u>\$30,450,000</u>
Less: Self-Supporting Debt		
Waterworks and Sewer System	10,394,287	
Economic Development Corporation	901,000	
Industrial Development Authority	-	
Community Development Block Grant	-	
Sales Tax	-	
Total Self Supporting Debt	11,295,287	\$ 11,295,287
Total Net Funded Debt Payable from Ad Valorem Taxes		<u>\$ 19,154,713</u>
Interest and Sinking Fund (as of September 30, 2015)		\$ 137,913
Ratio Gross Funded Debt to Net Taxable Assessed Valuation		4.75%
Ratio Net Funded Debt to Net Taxable Assessed Valuation		2.99%
2015 Estimated Population -	24,506	
Per Capita Taxable Assessed Valuation -	\$ 26,137	
Per Capita Gross Funded Debt -	\$ 1,243	
Per Capita Net Funded Debt -	\$ 782	

⁽¹⁾ Information provided by Cameron County Appraisal District.
⁽²⁾ 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.
⁽³⁾ Approximately 100% of the debt service on the Series 2006 and 2011 Certificates will be with transfers from the System.
⁽⁴⁾ Approximately 60% of the debt service on the Series 2011 General Obligation Refunding Bonds will be paid with transfers from the EDC.
⁽⁵⁾ Approximately 62% of the debt service on the Series 2012 General Obligation Refunding Bonds will be paid with transfers from the System.
⁽⁶⁾ 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,					
	2016		2015		2014	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 335,919,075	45.17%	\$ 318,332,509	44.64%	\$ 305,610,921	43.51%
Real, Residential, Multi-Family	31,273,742	4.21%	24,978,423	3.50%	24,982,739	3.56%
Real, Vacant Lots/Tracts	30,819,289	4.14%	18,605,960	2.61%	18,925,192	2.69%
Real, Acreage (Land Only)	20,965,017	2.82%	32,855,796	4.61%	34,612,364	4.93%
Real, Farm and Ranch Improvements	5,519,933	0.74%	5,585,022	0.78%	5,291,922	0.75%
Real, Commercial	140,291,608	18.86%	130,072,170	18.24%	127,274,556	18.12%
Real, Industrial	4,385,067	0.59%	4,285,087	0.60%	4,291,356	0.61%
Real and Tangible Personal, Utilities	26,375,594	3.55%	26,506,944	3.72%	26,272,968	3.74%
Tangible Personal, Commercial	56,613,458	7.61%	53,486,398	7.50%	49,936,336	7.11%
Tangible Personal, Industrial	8,579,202	1.15%	13,017,163	1.83%	19,588,787	2.79%
Tangible Personal, Mobile Homes	11,088,292	1.49%	10,829,200	1.52%	10,800,709	1.54%
Real Inventory	428,771	0.06%	1,452,117	0.20%	2,469,468	0.35%
Special Inventory	8,222,311	1.11%	7,477,986	1.05%	7,529,225	1.07%
Exempt Property	63,241,175	8.50%	65,564,813	9.19%	64,755,308	9.22%
Total Appraised Value Before Exemptions	\$ 743,722,534	100.00%	\$ 713,049,588	100.00%	\$ 702,341,851	100.00%
Less: Total Exemptions/Reductions	103,218,246		103,745,040		102,456,151	
Net Taxable Assessed Valuation	<u>\$ 640,504,288</u>		<u>\$ 609,304,548</u>		<u>\$ 599,885,700</u>	

Category	Taxable Appraised Value For Fiscal Year Ended September 30,			
	2013		2012	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 301,068,887	43.71%	\$ 297,494,324	43.34%
Real, Residential, Multi-Family	21,926,455	3.18%	22,121,879	3.22%
Real, Vacant Lots/Tracts	19,851,213	2.88%	21,912,502	3.19%
Real, Acreage (Land Only)	34,343,603	4.99%	34,484,153	5.02%
Real, Farm and Ranch Improvements	5,250,752	0.76%	5,263,674	0.77%
Real, Commercial	125,003,060	18.15%	124,600,855	18.15%
Real, Industrial	4,552,136	0.66%	4,549,436	0.66%
Real and Tangible Personal, Utilities	22,483,545	3.26%	23,154,873	3.37%
Tangible Personal, Commercial	48,154,514	6.99%	47,725,552	6.95%
Tangible Personal, Industrial	23,966,853	3.48%	26,099,908	3.80%
Tangible Personal, Mobile Homes	10,626,100	1.54%	10,749,667	1.57%
Real Inventory	1,572,104	0.23%	405,092	0.06%
Special Inventory	5,873,109	0.85%	5,659,962	0.82%
Total Appraised Value Before Exemptions	64,158,525	9.31%	62,232,452	9.07%
Less: Total Exemptions/Reductions	\$ 688,830,856	100.00%	\$ 686,454,329	100.00%
Net Taxable Assessed Valuation	<u>101,864,402</u>		<u>101,964,118</u>	
	<u>\$ 586,966,454</u>		<u>\$ 584,490,211</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
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	30,450,000	4.95%	1,230
2016	24,506	640,504,288	26,137	28,095,000	4.39%	1,146

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
2007	\$ 0.5709	\$ 0.1093	\$ 0.6802	\$ 3,428,391	92.00%	99.50%
2008	0.5709	0.1093	0.6802	3,526,581	93.47%	98.90%
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%	95.40%
2016	0.6568	0.0713	0.7281	4,518,556	(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>2015 Taxable Assessed Valuation</u>	<u>% of Taxable Assessed Valuation</u>
AEP Texas Central Co.	Electric Utility	\$ 17,380,782	2.71%
Wal-Mart Stores Inc.	Retail	7,914,520	1.24%
VDC San Benito Reserve I Homes LP	Apartments	6,946,074	1.08%
Wal-Mart Stores East Inc.	Retail	5,849,236	0.91%
HE Butt Grocery Co.	Retail	5,753,559	0.90%
Villages at Paso Real LP	Development	5,663,220	0.88%
MHC Financing Ltd Partnership	Manufacturing	5,385,120	0.84%
Valley International Christian Center	Religious Organization	4,268,933	0.67%
Cody Sur Trucks Inc.	Trucking	4,222,281	0.66%
Howard G. & Diane M. Heavin	Residential	3,834,267	0.60%
Totals		<u>\$ 67,217,992</u>	<u>10.49%</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
2016	\$ 2,355,000	\$ 744,438	\$ 3,099,438		2016
2017	2,345,000	761,129	3,106,129		2017
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	39.77%	2020
2021	2,670,000	509,182	3,179,182		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	79.54%	2025
2026	1,565,000	184,268	1,749,268		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		2029
2030	780,000	52,100	832,100	96.45%	2030
2031	805,000	23,025	828,025		2031
2032	275,000	4,125	279,125	100.00%	2032
Totals	\$ 30,450,000	\$ 5,838,019	\$ 36,288,019		

Source: Internal Debt Service Schedules.

Table 8 - Interest and Sinking Fund Budget Projection

Estimated Tax Supported Debt Service Requirements, Fiscal Year Ending 9/30/16		\$ 3,099,438
Interest and Sinking Fund Balance at 9/30/15	\$ 137,913	
2015 Interest and Sinking Fund Tax Levy @ 95.81% Current Collection	437,422	
M&O Tax Transfer	-	
Self-Supporting Intergovernmental Transfer	2,774,970	
Investment Income	450	\$ 3,350,755
Estimated Balance as of 09/30/16		\$ 251,317

Source: City's Annual Financial Statements

Table 9 - Other Obligations

	Fire Equipment Lease	Motorola Lease	Vehicle and Equipment Lease	Miscellaneous Equipment Lease
<u>Year Ending September30, 2015</u>	<u>Governmental Activities</u>	<u>Governmental Activities</u>	<u>Governmental Activities</u>	<u>Governmental Activities</u>
2016	\$ 60,960	\$ 148,314	\$ 193,848	\$ 25,065
2017	60,960	148,314	193,848	25,065
2018	60,960	148,314	193,848	25,065
2019	60,960	148,314	193,848	-
2020	-	148,314	-	-
2021-2025	-	593,256	-	-
Total minimum lease payments	<u>\$ 243,840</u>	<u>\$ 1,334,826</u>	<u>\$ 775,392</u>	<u>\$ 75,195</u>
Less the amount representing interest	(32,139)	(213,743)	(52,649)	(4,905)
Present value of net minimum lease payments	<u>\$ 211,701</u>	<u>\$ 1,121,083</u>	<u>\$ 722,743</u>	<u>\$ 70,290</u>

Source: The City's Audited Financial Statements

Table - 10 General Fund Revenues, Expenditures History

Revenues	Fiscal Year Ended September 30,				
	2015	2014	2013	2012	2011
Property Taxes (including penalties and interest)	\$ 3,959,128	\$ 3,860,846	\$ 4,003,451	\$ 3,737,764	\$ 3,325,927
Other Taxes	4,339,171	4,124,177	4,006,265	4,068,979	3,889,692
License and Permits	292,824	310,356	271,975	348,314	370,227
Charges for Services	368,023	376,550	417,535	498,392	407,449
Fines and Forfeits	502,146	519,593	498,863	419,923	529,868
Intergovernmental	166,982	172,234	61,127	265,885	324,159
Interest	8,527	8,481	9,452	6,852	9,532
Los Indios Bridge	222,436	187,331	130,855	143,576	196,564
Miscellaneous	36,277	33,626	29,441	93,498	6,892
Total Revenues	\$ 9,895,514	\$ 9,593,194	\$ 9,428,964	\$ 9,583,183	\$ 9,060,310
Expenditures					
Current:					
General Government	\$ 2,187,324	\$ 2,211,025	\$ 1,817,424	\$ 1,696,070	\$ 1,619,695
Public Safety	5,747,385	5,581,133	5,199,355	5,097,944	5,133,458
Public Works	1,903,903	1,872,202	1,859,031	1,701,442	1,626,165
Health and Welfare	34,439	40,433	16,359	53,750	63,685
Culture and Recreation	280,618	285,785	255,785	256,342	222,521
Capital Outlay	46,796	1,744,308	324,591	480,199	96,060
Principal	446,478	356,172	364,599	216,731	152,101
Interest and Fees	56,402	65,443	148,094	104,982	101,302
Bond issuance cost	-	48,119	-	-	-
Total Expenditures	\$ 10,703,345	\$ 12,204,620	\$ 9,985,238	\$ 9,607,460	\$ 9,014,987
Excess/Deficiency of Revenues Over Expenditures	\$ (807,831)	\$ (2,611,426)	\$ (556,274)	\$ (24,277)	\$ 45,323
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	-	-	-	-	480,211
Operating Transfers In	1,422,104	1,414,057	1,070,825	389,730	108,445
Operating Transfers Out	(95,264)	(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	\$ 1,397,129	\$ 3,133,644	\$ 1,117,089	\$ 277,969	\$ 56,163
Excess/Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Uses	\$ 589,298	\$ 522,218	\$ 560,815	\$ 253,692	\$ 101,486
Beginning Fund Balance	\$ 3,524,778	\$ 3,002,560	\$ 2,441,745	\$ 2,188,053	\$ 2,086,567
Adjustment to Fund Balance	-	-	-	-	-
Beginning Fund Balance (restated)	-	-	-	-	-
Ending Fund Balance	\$ 4,114,076	\$ 3,524,778	\$ 3,002,560	\$ 2,441,745	\$ 2,188,053

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
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
2015	4,212,458	93.23%	0.6577	171.94

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, 2015 are as follows:

	Investment Maturities (in years)	
	Fair Value	1 year or less
Primary Government		
Cash	\$ 12,410,802	\$ 12,410,802
Cash Restricted	900	900
TexPool	4,597,577	4,597,577
Tex Pool - Restricted	344,024	344,024
	<u>\$ 17,353,303</u>	<u>\$ 17,353,303</u>
Investments		
Certificates of Deposit	\$ 1,009,674	\$ 1,009,674
Certificates of Deposit - Restricted	-	-
	<u>\$ 18,362,977</u>	<u>\$ 18,362,977</u>
Component Unit		
Cash	\$ 1,621,389	\$ 1,621,389
TexPool	-	-
Total Investments	<u>\$ 1,621,389</u>	<u>\$ 1,621,389</u>

A reconciliation of cash and investment follows:

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Cash	\$ 4,485,290	\$ 7,925,512	\$ 12,410,802	\$ 1,621,389
Cash - Restricted	-	900	900	-
Tex Pool	3,363,352	1,234,225	4,597,577	-
Tex Pool - Restricted	-	344,024	344,024	-
	<u>7,848,642</u>	<u>9,504,661</u>	<u>17,353,303</u>	<u>1,621,389</u>
Investments				
Certificates of Deposit	<u>1,009,674</u>	<u>-</u>	<u>1,009,674</u>	<u>-</u>
	<u>8,858,316</u>	<u>9,504,661</u>	<u>18,362,977</u>	<u>1,621,389</u>

Source: City of San Benito, Texas 2015 Annual Financial Report.