

City of San Benito, Texas
General Obligation
Annual Financial Operating Data
Fiscal Year Ended September 30, 2016

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

By:

ESTRADA • HINOJOSA
INVESTMENT BANKERS

City of San Benito, Texas (General Obligation)
Continuing Disclosure Statement
For the year ended September 30, 2016
(Pursuant to SEC Rule 15 c 2-12)

Table of Contents

<u>Table</u>	<u>Page</u>
Valuation, Exemption and Debt Obligation	1
Taxable Assessed Value By Category	2
Valuation and Funded Debt History	3
Tax Rate, Levy, and Collections History	4
Ten Largest Taxpayers	5
Tax Supported Debt	6
Interest and Sinking Fund Projected Balance	7
Authorized but Unissued Obligations	8
General Fund Revenues and Expenditures	9
Municipal Sales Tax History	10
Current Investments	11

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, 2016
 (Pursuant to SEC Rule 15c2-12)

Table 1 - Valuation, Exemption and Debt Obligation

2016 Market Valuation Established by Cameron County Appraisal District ⁽¹⁾		\$ 764,473,617
Less Exemptions/Reductions at 100% Market Value:		
Community Housing	\$ 772,239	
Over 65 and Disabled	7,641,112	
Charitable Exemptions	250,887	
Disabled and Deceased Veterans Exemptions	8,532,781	
Freeport Loss	1,338,134	
Exempt Property	69,103,922	
Productivity Loss	20,468,901	
10% cap loss	3,666,412	
Personal Private Vehicle	73,567	\$ 111,847,955
2016 Net Taxable Assessed Valuation		\$ 652,625,662
General Obligation Debt Payable from Ad Valorem Taxes (as of September 30, 2016)		
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2007 ⁽²⁾	440,000	
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2011 ⁽³⁾	6,290,000	
General Obligation Refunding Bonds, Series 2011 ⁽⁴⁾	810,000	
General Obligation Refunding Bonds, Series 2012 ⁽⁵⁾	4,405,000	
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2012 ⁽⁶⁾	2,815,000	
General Obligation Refunding Bonds, Series 2013	5,110,000	
General Obligation Refunding Bonds, Series 2015	8,225,000	
Total Gross Funded Debt Payable from Ad Valorem Taxes		\$28,095,000
Less: Self-Supporting Debt		
Waterworks and Sewer System	16,915,336	
Economic Development Corporation	2,635,385	
Industrial Development Authority	-	
Community Development Block Grant	-	
Sales Tax	-	
Total Self Supporting Debt		\$ 19,550,721
Total Net Funded Debt Payable from Ad Valorem Taxes		\$ 8,544,279
Interest and Sinking Fund (as of September 30, 2016)		\$ 162,217 ⁽⁹⁾
Ratio Gross Funded Debt to Net Taxable Assessed Valuation		4.30%
Ratio Net Funded Debt to Net Taxable Assessed Valuation		1.31%
2017 Estimated Population - 24,506 Per Capita Taxable Assessed Valuation - \$ 26,631 Per Capita Gross Funded Debt - \$ 1,146 Per Capita Net Funded Debt - \$ 349		

⁽¹⁾ Information provided by Cameron County Appraisal District.

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.

⁽⁷⁾ Approximately 37% of the debt service on the Series 2013 General Obligation Refunding Bonds will be paid with Transfers from the System.

⁽⁸⁾ 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 City's Economic Development Corporation.

⁽⁹⁾ City of San Benito - 2016 Comprehensive Annual Financial Report

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,					
	2017		2016		2015	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 345,015,239	45.13%	\$ 335,919,075	45.17%	\$ 318,332,509	44.64%
Real, Residential, Multi-Family	31,804,080	4.16%	31,273,742	4.21%	24,978,423	3.50%
Real, Vacant Lots/Tracts	31,210,913	4.08%	30,819,289	4.14%	18,605,960	2.61%
Real, Acreage (Land Only)	21,699,262	2.84%	20,965,017	2.82%	32,855,796	4.61%
Real, Farm and Ranch Improvements	5,030,010	0.66%	5,519,933	0.74%	5,585,022	0.78%
Real, Commercial	136,494,233	17.85%	140,291,608	18.86%	130,072,170	18.24%
Real, Industrial	4,579,487	0.60%	4,385,067	0.59%	4,285,087	0.60%
Real and Tangible Personal, Utilities	29,974,710	3.92%	26,375,594	3.55%	26,506,944	3.72%
Tangible Personal, Commercial	57,977,439	7.58%	56,613,458	7.61%	53,486,398	7.50%
Tangible Personal, Industrial	9,156,047	1.20%	8,579,202	1.15%	13,017,163	1.83%
Tangible Personal, Mobile Homes	11,195,458	1.46%	11,088,292	1.49%	10,829,200	1.52%
Real Inventory	889,191	0.12%	428,771	0.06%	1,452,117	0.20%
Special Inventory	9,246,933	1.21%	8,222,311	1.11%	7,477,986	1.05%
Exempt Property	70,200,615	9.18%	63,241,175	8.50%	65,564,813	9.19%
Total Appraised Value Before Exemptions	\$ 764,473,617	100.00%	\$ 743,722,534	100.00%	\$ 713,049,588	100.00%
Less: Total Exemptions/Reductions	111,847,955		103,218,246		103,745,040	
Net Taxable Assessed Valuation	\$ 652,625,662		\$ 640,504,288		\$ 609,304,548	

Category	Taxable Appraised Value For Fiscal Year Ended September 30,			
	2014		2013	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 305,610,921	43.51%	\$ 301,068,887	43.71%
Real, Residential, Multi-Family	24,982,739	3.56%	21,926,455	3.18%
Real, Vacant Lots/Tracts	18,925,192	2.69%	19,851,213	2.88%
Real, Acreage (Land Only)	34,612,364	4.93%	34,343,603	4.99%
Real, Farm and Ranch Improvements	5,291,922	0.75%	5,250,752	0.76%
Real, Commercial	127,274,556	18.12%	125,003,060	18.15%
Real, Industrial	4,291,356	0.61%	4,552,136	0.66%
Real and Tangible Personal, Utilities	26,272,968	3.74%	22,483,545	3.26%
Tangible Personal, Commercial	49,936,336	7.11%	48,154,514	6.99%
Tangible Personal, Industrial	19,588,787	2.79%	23,966,853	3.48%
Tangible Personal, Mobile Homes	10,800,709	1.54%	10,626,100	1.54%
Real Inventory	2,469,468	0.35%	1,572,104	0.23%
Special Inventory	7,529,225	1.07%	5,873,109	0.85%
Total Appraised Value Before Exemptions	64,755,308	9.22%	64,158,525	9.31%
Less: Total Exemptions/Reductions	\$ 702,341,851	100.00%	\$ 688,830,856	100.00%
Net Taxable Assessed Valuation	102,456,151		101,864,402	
	\$ 599,885,700		\$ 586,966,454	

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	Per Capita Gross Funded Tax Debt
					Debt to Taxable Assessed Valuation	
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
2017	24,486 ⁽¹⁾	652,625,662	26,653	25,750,000	3.95%	1,052

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
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%	100.00%
2016	0.6568	0.0713	0.7281	4,518,556	85.00%	85.00%
2017	0.6568	0.0713	0.7281	4,514,179	(In process of collection)	

Sources:

The Municipal Advisory Council of Texas - Texas Municipal Report
 City of San Benito - 2016 Comprehensive Annual Financial Report

Table 5 - Top Ten Taxpayers

<u>Taxpayer</u>	<u>Nature of Business</u>	<u>2016 Taxable Assessed Valuation</u>	<u>% of Taxable Assessed Valuation</u>
AEP Texas Central Co.	Electric Utility	\$ 17,178,178	2.63%
VDC San Benito Reserve I Homes LP	Apartments	7,506,503	1.15%
Wal-Mart Stores East Inc.	Retail	5,849,236	0.90%
Wal-Mart Stores Inc.	Retail	5,840,902	0.89%
HE Butt Grocery Co.	Retail	5,753,559	0.88%
Villages at Paso Real LP	Development	5,663,220	0.87%
MHC Fun N Sun LLC	RV Resort	5,386,681	0.83%
Cody Sur Trucks Inc.	Trucking	4,222,281	0.65%
Howard G. & Diane M. Heavin	Residential	3,834,267	0.59%
HE Butt Grocery Co.	Retail	2,886,754	0.44%
<u>Totals</u>		<u>\$ 64,121,581</u>	<u>9.83%</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
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		2020
2021	2,670,000	509,182	3,179,182	44.22%	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	83.40%	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		2030
2031	805,000	23,025	828,025	99.02%	2031
2032	275,000	4,125	279,125	100.00%	2032
Totals	<u>\$ 28,095,000</u>	<u>\$ 5,093,581</u>	<u>\$ 33,188,581</u>		

Source: Internal Debt Service Schedules.

Table 8 - Interest and Sinking Fund Budget Projection

Estimated Tax Supported Debt Service Requirements, Fiscal Year Ending 9/30/17		\$ 3,106,129
Interest and Sinking Fund Balance at 9/30/16	\$ 162,217	⁽¹⁾
2016 Interest and Sinking Fund Tax Levy @ 95% Current Collection	442,056	
M&O Tax Transfer	-	
Self-Supporting Intergovernmental Transfer	2,774,970	⁽²⁾
Investment Income	<u>450</u>	⁽²⁾ <u>\$ 3,379,693</u>
Estimated Balance as of 09/30/17		<u><u>\$ 273,564</u></u>

Source:

⁽¹⁾ City of San Benito - 2016 Comprehensive Annual Financial Report

⁽²⁾ City of San Benito

Table 9 - Other Obligations

The following is a schedule of the future minimum lease payments under the capital lease together with the present value of the next minimum lease payments as of September 30, 2016:

Year Ending September 30, 2016	Fire Equipment Lease	Motorola Lease	Vehicle and Equipment Lease	Public Safety Fire Equipment Lease	Total
	Governmental Activities	Governmental Activities	Governmental Activities	Governmental Activities	
2017	\$ 60,960	\$ 148,314	\$ 193,848	\$ 25,065	\$ 428,186
2018	60,960	148,314	193,848	25,065	428,186
2019	60,960	148,314	193,848	-	403,122
2020	-	148,314	-	-	148,314
2021	-	148,314	-	-	148,314
2022-2026	-	444,942	-	-	444,942
Total minimum lease payments	<u>\$ 182,880</u>	<u>\$ 1,186,512</u>	<u>\$ 581,543</u>	<u>\$ 50,129</u>	<u>\$ 2,001,064</u>
Less the amount representing interest	(19,676)	(172,937)	(31,882)	(2,480)	(226,974)
Present value of net minimum lease payments	<u>\$ 163,204</u>	<u>\$ 1,013,575</u>	<u>\$ 549,661</u>	<u>\$ 47,649</u>	<u>\$ 1,774,090</u>

Source: City of San Benito - 2016 Comprehensive Annual Financial Report

Table - 10 General Fund Revenues, Expenditures History

	Fiscal Year Ended September 30,				
	2016	2015	2014	2013	2012
Revenues					
Property Taxes (including penalties and interest)	\$ 4,130,474	\$ 3,959,128	\$ 3,860,846	\$ 4,003,451	\$ 3,737,764
Other Taxes	4,471,740	4,339,171	4,124,177	4,006,265	4,068,979
License and Permits	207,409	292,824	310,356	271,975	348,314
Charges for Services	170,529	368,023	376,550	417,535	498,392
Fines and Forfeits	556,707	502,146	519,593	498,863	419,923
Intergovernmental	26,775	166,982	172,234	61,127	265,885
Interest	15,906	8,527	8,481	9,452	6,852
Los Indios Bridge	310,058	222,436	187,331	130,855	143,576
Miscellaneous	242,600	36,277	33,626	29,441	93,498
Total Revenues	\$ 10,132,198	\$ 9,895,514	\$ 9,593,194	\$ 9,428,964	\$ 9,583,183
Expenditures					
Current:					
General Government	\$ 2,225,800	\$ 2,187,324	\$ 2,211,025	\$ 1,817,424	\$ 1,696,070
Public Safety	5,770,530	5,747,385	5,581,133	5,199,355	5,097,944
Public Works	1,976,703	1,903,903	1,872,202	1,859,031	1,701,442
Health and Welfare	-	34,439	40,433	16,359	53,750
Culture and Recreation	257,189	280,618	285,785	255,785	256,342
Capital Outlay	711,573	46,796	1,744,308	324,591	480,199
Principal	563,009	446,478	356,172	364,599	216,731
Interest and Fees	109,131	56,402	65,443	148,094	104,982
Bond issuance cost	-	-	48,119	-	-
Total Expenditures	\$ 11,613,935	\$ 10,703,345	\$ 12,204,620	\$ 9,985,238	\$ 9,607,460
Excess/Deficiency of Revenues Over Expenditures	\$ (1,481,737)	\$ (807,831)	\$ (2,611,426)	\$ (556,274)	\$ (24,277)
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	-	-	-	-	-
Note payable issued	591,490	-	-	-	-
Other	-	-	-	-	-
Operating Transfers In	2,039,410	1,422,104	1,414,057	1,070,825	389,730
Operating Transfers Out	(530,000)	(95,264)	(514,173)	(128,736)	(426,761)
Tax Note Proceeds	-	-	-	-	315,000
Finance Contract Issued	-	-	900,000	175,000	-
Total Other Financing Sources/Uses	\$ 2,100,900	\$ 1,397,129	\$ 3,133,644	\$ 1,117,089	\$ 277,969
Excess/Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Uses	\$ 619,163	\$ 589,298	\$ 522,218	\$ 560,815	\$ 253,692
Beginning Fund Balance	\$ 4,114,076	\$ 3,524,778	\$ 3,002,560	\$ 2,441,745	\$ 2,188,053
Adjustment to Fund Balance	-	-	-	-	-
Beginning Fund Balance (restated)	-	-	-	-	-
Ending Fund Balance	\$ 4,733,239	\$ 4,114,076	\$ 3,524,778	\$ 3,002,560	\$ 2,441,745

Source: City of San Benito - 2016 Comprehensive Annual Financial Report

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
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
2016	4,318,284	92.77%	0.6617	176.26

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, 2016 are as follows:

	Investment Maturities (in years)	
	Fair Value	1 year or less
Primary Government		
Cash	\$ 7,681,380	\$ 7,681,380
Cash Restricted	-	-
TexPool	5,011,516	5,011,516
Tex Pool - Restricted	344,916	344,916
	<u>\$ 13,037,812</u>	<u>\$ 13,037,812</u>
Investments		
Certificates of Deposit	\$ 4,810,779	\$ 4,810,779
Certificates of Deposit - Restricted	-	-
	<u>\$ 17,848,591</u>	<u>\$ 17,848,591</u>
Component Unit		
Cash	\$ 979,080	\$ 979,080
TexPool	866,165	866,165
Total Investments	<u>\$ 1,845,245</u>	<u>\$ 1,845,245</u>

A reconciliation of cash and investment follows:

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Cash	\$ 3,579,226	\$ 4,102,154	\$ 7,681,380	\$ 979,080
Cash - Restricted	-	-	-	-
Tex Pool	4,461,551	549,965	5,011,516	-
Tex Pool - Restricted	-	344,916	344,916	-
	<u>8,040,777</u>	<u>4,997,035</u>	<u>13,037,812</u>	<u>979,080</u>
Investments				
Certificates of Deposit	1,022,420	3,788,359	4,810,779	886,165
	<u>9,063,197</u>	<u>8,785,394</u>	<u>17,848,591</u>	<u>1,865,245</u>

Source: City of San Benito - 2016 Comprehensive Annual Financial Report