

City of San Benito, Texas
General Obligation
Annual Financial Operating Data
Fiscal Year Ended September 30, 2018

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, 2018
(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, 2018
(Pursuant to SEC Rule 15c2-12)

Table 1 - Valuation, Exemption and Debt Obligation

2018 Market Valuation Established by Cameron County Appraisal District ⁽¹⁾		\$ 844,665,169
Less Exemptions/Reductions at 100% Market Value:		
Community Housing	\$ 163,330	
Over 65 and Disabled	7,992,666	
Charitable Exemptions	794,005	
Disabled and Deceased Veterans Exemptions	9,560,901	
Freeport Loss	1,492,180	
Exempt Property	71,276,014	
Productivity Loss	22,955,564	
10% cap loss	7,448,295	
Personal Private Vehicle	71,885	\$ 121,754,840
2018 Net Taxable Assessed Valuation		\$ 722,910,329
General Obligation Debt Payable from Ad Valorem Taxes (as of September 30, 2018)		
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2011 ⁽²⁾	5,620,000	
General Obligation Refunding Bonds, Series 2011 ⁽³⁾	420,000	
General Obligation Refunding Bonds, Series 2012 ⁽⁴⁾	3,290,000	
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2012 ⁽⁵⁾	2,815,000	
General Obligation Refunding Bonds, Series 2013 ⁽⁶⁾	3,980,000	
General Obligation Refunding Bonds, Series 2015 ⁽⁷⁾	7,215,000	
Total Gross Funded Debt Payable from Ad Valorem Taxes		\$23,340,000
Less: Self-Supporting Debt		
Waterworks and Sewer System	14,176,347	
Economic Development Corporation	2,002,359	
Industrial Development Authority	-	
Community Development Block Grant	-	
Sales Tax	-	
Total Self Supporting Debt		\$ 16,178,706
Total Net Funded Debt Payable from Ad Valorem Taxes		\$ 7,161,294
Interest and Sinking Fund (as of September 30, 2018)		\$ 259,552
Ratio Gross Funded Debt to Net Taxable Assessed Valuation		3.23%
Ratio Net Funded Debt to Net Taxable Assessed Valuation		0.99%
2019 Estimated Population -	24,528	
Per Capita Taxable Assessed Valuation -	\$ 29,473	
Per Capita Gross Funded Debt -	\$ 952	
Per Capita Net Funded Debt -	\$ 291.96	

⁽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.

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,					
	2019		2018		2017	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 386,768,970	45.79%	\$ 362,111,214	45.52%	\$ 345,015,239	45.13%
Real, Residential, Multi-Family	\$30,367,303	3.60%	29,301,767	3.68%	31,804,080	4.16%
Real, Vacant Lots/Tracts	\$38,736,990	4.59%	34,252,578	4.31%	31,210,913	4.08%
Real, Acreage (Land Only)	\$24,223,819	2.87%	22,758,035	2.86%	21,699,262	2.84%
Real, Farm and Ranch Improvements	\$5,222,513	0.62%	6,125,787	0.77%	5,030,010	0.66%
Real, Commercial	\$148,790,410	17.62%	146,034,332	18.36%	136,494,233	17.85%
Real, Industrial	\$5,221,036	0.62%	5,104,864	0.64%	4,579,487	0.60%
Real and Tangible Personal, Utilities	\$43,307,928	5.13%	33,910,703	4.26%	29,974,710	3.92%
Tangible Personal, Commercial	\$57,833,365	6.85%	55,767,020	7.01%	57,977,439	7.58%
Tangible Personal, Industrial	\$8,788,943	1.04%	6,997,213	0.88%	9,156,047	1.20%
Tangible Personal, Mobile Homes	\$13,093,076	1.55%	11,490,495	1.44%	11,195,458	1.46%
Real Inventory	\$27,555	0.00%	673,681	0.08%	889,191	0.12%
Special Inventory	\$9,978,027	1.18%	9,919,099	1.25%	9,246,933	1.21%
Exempt Property	\$72,305,234	8.56%	71,022,876	8.93%	70,200,615	9.18%
Total Appraised Value Before Exemptions	\$ 844,665,169	100.00%	\$ 795,469,664	100.00%	\$ 764,473,617	100.00%
Less: Total Exemptions/Reductions	121,754,840		115,286,710		111,847,955	
Net Taxable Assessed Valuation	\$ 722,910,329		\$ 680,182,954		\$ 652,625,662	

Category	Taxable Appraised Value For Fiscal Year Ended September 30,			
	2016		2015	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 335,919,075	45.17%	\$ 318,332,509	44.64%
Real, Residential, Multi-Family	31,273,742	4.21%	24,978,423	3.50%
Real, Vacant Lots/Tracts	30,819,289	4.14%	18,605,960	2.61%
Real, Acreage (Land Only)	20,965,017	2.82%	32,855,796	4.61%
Real, Farm and Ranch Improvements	5,519,933	0.74%	5,585,022	0.78%
Real, Commercial	140,291,608	18.86%	130,072,170	18.24%
Real, Industrial	4,385,067	0.59%	4,285,087	0.60%
Real and Tangible Personal, Utilities	26,375,594	3.55%	26,506,944	3.72%
Tangible Personal, Commercial	56,613,458	7.61%	53,486,398	7.50%
Tangible Personal, Industrial	8,579,202	1.15%	13,017,163	1.83%
Tangible Personal, Mobile Homes	11,088,292	1.49%	10,829,200	1.52%
Real Inventory	428,771	0.06%	1,452,117	0.20%
Special Inventory	8,222,311	1.11%	7,477,986	1.05%
Total Appraised Value Before Exemptions	\$ 63,241,175	8.50%	\$ 65,564,813	9.19%
Less: Total Exemptions/Reductions	\$ 743,722,534	100.00%	\$ 713,049,588	100.00%
Net Taxable Assessed Valuation	103,218,246		103,745,040	
	\$ 640,504,288		\$ 609,304,548	

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
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
2019	24,528 ⁽¹⁾	722,910,329	29,473	20,870,000	2.89%	851

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	4,835,890	94.15%	98.31%
2019	0.6568	0.0713	0.7281	5,263,691	(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>	2018 Taxable Assessed Valuation	% of Taxable Assessed Valuation
AEP Texas Central Co.	Electric Utility	\$ 30,960,586	4.28%
Wal-Mart Stores East Inc.	Retail	5,849,236	0.81%
HE Butt Grocery Co.	Retail	5,702,819	0.79%
MHC Fun N Sun LLC	RV Resort	5,566,496	0.77%
MHC Fun N Sun LLC	RV Resort	5,394,289	0.75%
Wal-Mart Stores Inc.	Retail	5,200,050	0.72%
Villages at Paso Real LP	Apartments	4,799,152	0.66%
VDC San Benito Reserve I Homes LP	Apartments	422,354	0.06%
Cody Sur Trucks Inc.	Trucking	3,756,800	0.52%
Briar Ridge Inc	Retail	2,878,264	0.40%
Totals		<u>\$ 70,530,046</u>	<u>9.76%</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
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		2021
2022	2,735,000	434,747	3,169,747	44.58%	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	80.01%	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	95.37%	2030
2031	805,000	23,025	828,025		2031
2032	275,000	4,125	279,125	100.00%	2032
Totals	<u>\$ 23,340,000</u>	<u>\$ 3,632,774</u>	<u>\$ 26,972,774</u>		

Source: Internal Debt Service Schedules.

Table 8 - Interest and Sinking Fund Budget Projection

Estimated Tax Supported Debt Service Requirements, Fiscal Year Ending 9/30/19		\$ 3,110,188
Interest and Sinking Fund Balance at 9/30/18	\$ 259,552	
2018 Interest and Sinking Fund Tax Levy @ 95% Current Collection	489,533	
M&O Tax Transfer	-	
Self-Supporting Intergovernmental Transfer	2,779,582 ⁽¹⁾	
Investment Income	<u>2,700 ⁽¹⁾</u>	<u>\$ 3,531,367</u>
Estimated Balance as of 09/30/19		<u>\$ 421,179 ⁽¹⁾</u>

Source: City of San Benito, Texas

⁽¹⁾ Unaudited

Table 9 - Other Obligations

Year Ending September 30, 2018	Note Payable - Resca Trails Project		
	Principal	Interest	Total
2019	\$ 27,921	\$ 12,075	\$ 39,996
2020	29,058	10,937	39,995
2021	30,242	9,753	39,995
2022	31,474	8,521	39,995
	32,756	7,239	39,995
2024-2026	144,926	15,056	159,982
	<u>\$ 296,377</u>	<u>\$ 63,581</u>	<u>\$ 359,958</u>

Year Ending September 30, 2018	Capital Lease Obligations			
	Fire Equipment Lease	Motorola Lease	Vehicle and Equipment Lease	Miscellaneous Equipment Lease
	Governmental Activities	Governmental Activities	Governmental Activities	Governmental Activities
2019	\$ 60,960	\$ 148,314	\$ 193,848	\$ -
2020	-	148,314	-	-
2021		148,314		
2022		148,314		
2024-2028	-	296,628	-	-
Total minimum lease payments	<u>\$ 60,960</u>	<u>\$ 889,884</u>	<u>\$ 193,848</u>	<u>\$ -</u>
Less the amount representing interest	(6,619)	(32,838)	(10,676)	(835)
Present value of net minimum lease payments	<u>\$ 54,341</u>	<u>\$ 857,046</u>	<u>\$ 183,172</u>	<u>\$ (835)</u>

Source: The City of San Benito.

Table - 10 General Fund Revenues, Expenditures History

Revenues	Fiscal Year Ended September 30,				
	2018	2017	2016	2015	2014
Property Taxes (including penalties and interest)	\$ 4,290,899	\$ 4,208,176	\$ 4,130,474	\$ 3,959,128	\$ 3,860,846
Other Taxes	4,690,512	4,584,058	4,471,740	4,339,171	4,124,177
License and Permits	218,147	289,416	207,409	292,824	310,356
Charges for Services	2,042,717	1,847,385	170,529	368,023	376,550
Fines and Forfeits	392,386	417,444	556,707	502,146	519,593
Intergovernmental	110,292	802,644	26,775	166,982	172,234
Interest	115,446	50,917	15,906	8,527	8,481
Los Indios Bridge	-	-	310,058	222,436	187,331
Miscellaneous	83,943	311,859	242,600	36,277	33,626
Total Revenues	\$ 11,944,342	\$ 12,511,899	\$ 10,132,198	\$ 9,895,514	\$ 9,593,194
Expenditures					
Current:					
General Government	\$ 2,698,731	\$ 2,110,301	\$ 2,225,800	\$ 2,187,324	\$ 2,211,025
Public Safety	5,640,582	5,426,981	5,770,530	5,747,385	5,581,133
Public Works	2,377,201	2,251,148	1,976,703	1,903,903	1,872,202
Health and Welfare	-	-	-	34,439	40,433
Culture and Recreation	308,508	256,671	257,189	280,618	285,785
Capital Outlay	-	76,807	711,573	46,796	1,744,308
Principal	548,163	510,367	563,009	446,478	356,172
Interest and Fees	24,020	96,400	109,131	56,402	65,443
Bond issuance cost	-	-	-	-	48,119
Total Expenditures	\$ 11,597,205	\$ 10,728,675	\$ 11,613,935	\$ 10,703,345	\$ 12,204,620
Excess/Deficiency of Revenues Over Expenditures	\$ 347,137	\$ 1,783,224	\$ (1,481,737)	\$ (807,831)	\$ (2,611,426)
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	11,288	-	2,039,410	1,422,104	1,414,057
Operating Transfers Out	(106,809)	-	(530,000)	(95,264)	(514,173)
Tax Note Proceeds	-	-	591,490	-	-
Finance Contract Issued	-	-	-	-	900,000
Total Other Financing Sources/Uses	\$ (95,521)	\$ 10,084	\$ 2,100,900	\$ 1,397,129	\$ 3,133,644
Excess/Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Uses	\$ 251,616	\$ 1,793,308	\$ 619,163	\$ 589,298	\$ 522,218
Beginning Fund Balance	\$ 6,526,547	\$ 4,733,239	\$ 4,114,076	\$ 3,524,778	\$ 3,002,560
Adjustment to Fund Balance	(8,896)	-	-	-	-
Beginning Fund Balance (restated)	6,517,651				
Ending Fund Balance	\$ 6,769,267	\$ 6,526,547	\$ 4,733,239	\$ 4,114,076	\$ 3,524,778

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
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	4,294,844	92.09%	0.6705	175.33
2017	4,491,359	96.49%	0.6882	183.50
2018	4,565,497	94.41%	0.6712	186.53

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, 2018 are as follows:

	Investment Maturities (in years)	
	Fair Value	1 year or less
Primary Government		
Cash	\$ 8,875,142	\$ 8,875,142
Cash Restricted	-	-
TexPool	2,942,296	2,942,296
Tex Pool - Restricted	384,226	384,226
	<u>\$ 12,201,664</u>	<u>\$ 12,201,664</u>
Investments		
Certificates of Deposit	\$ 7,563,259	\$ 7,563,259
Certificates of Deposit - Restricted	-	-
	<u>\$ 19,764,923</u>	<u>\$ 19,764,923</u>
Component Unit		
Cash	\$ 949,660	\$ 949,660
TexPool	542,965	542,965
Total Investments	<u>\$ 1,492,625</u>	<u>\$ 1,492,625</u>

A reconciliation of cash and investment follows:

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Cash	\$ 4,638,081	\$ 4,237,061	\$ 8,875,142	\$ 949,660
Cash - Restricted	-	-	-	-
Tex Pool	2,386,459	555,837	2,942,296	-
Tex Pool - Restricted	-	384,226	384,226	-
	<u>7,024,540</u>	<u>5,177,124</u>	<u>12,201,664</u>	<u>949,660</u>
Investments				
Certificates of Deposit	5,580,511	1,982,748	7,563,259	542,965
	<u>12,605,051</u>	<u>7,159,872</u>	<u>19,764,923</u>	<u>1,492,625</u>

Source: City of San Benito, Texas.