

APPENDIX A
SELECTED FINANCIAL INFORMATION
OF THE CITY OF DRIPPING SPRINGS, TEXAS

VALUATION AND DEBT DATA

Table 1 - General Purpose, General Obligation Bonds and Certificates

2024 Total Appraised Valuation	\$2,165,886,240
Less Exemptions and Exclusions	<u>87,443,559</u>
2024 Net Taxable Assessed Valuation (100% of market value) ⁽¹⁾	\$2,078,442,681
2025 Total Preliminary Appraised Valuation	\$2,406,150,710
Less Exemptions and Exclusions	<u>75,616,000</u>
2025 Preliminary Net Taxable Assessed Valuation (100% of market value) ⁽²⁾	\$2,330,534,710

⁽¹⁾ Source: Hays Central Appraisal District. The Appraisal Review Board approved 2024 Certified Values as of February 21, 2025.

⁽²⁾ Source: Hays Central Appraisal District. 2025 Preliminary Certified Values as of March 3, 2025.

<u>Outstanding Debt By Issues</u>	<u>Amount Outstanding At 1-31-2025⁽¹⁾</u>
Combination Tax & Limited Revenue Certificates of Obligation, Taxable Series 2013	325,000
General Obligation Refunding Bonds, Series 2015	1,310,000
Combination Tax & Surplus Revenue Certificates of Obligation, Series 2019	19,845,000
Combination Tax & Surplus Revenue Certificates of Obligation, Series 2022	18,145,000
Tax Notes, Series 2024	2,500,000
The Certificates ⁽²⁾	<u>12,755,000</u> ⁽²⁾
Total General Obligation Debt	\$54,880,000 ⁽²⁾
Less: Self-supporting Debt	<u>54,880,000</u> ⁽³⁾
Net Tax Supported General Obligation Debt	\$0.00
Less: Interest and Sinking Fund Balance (as of 9-30-2024)	<u>0.00</u>
Net General Obligation Debt Outstanding	\$0.00
Ratio Net Tax Supported General Obligation Debt to 2024 Net Taxable Assessed Valuation	0%
Ratio Net General Obligation Debt to 2024 Net Taxable Assessed Valuation	0%

⁽¹⁾ Unaudited

⁽²⁾ Preliminary; subject to change.

⁽²⁾ The City has an agreement with the TRIZ Board to fund approximately 61.41% of the certificates.

2010 U.S. Census Population – 1,788
 2020 U.S. Census Population – 4,650
 2024 Estimated Population – 10,550
 Per Capita 2024 Net Taxable Assessed Valuation - \$197,008.78
 Per Capita 2025 Preliminary Net Taxable Assessed Valuation - \$220,903.76
 Per Capita Total Net Tax Supported General Obligation Debt - \$0.00
 Per Capita Net General Obligation Debt - \$0.00

Future Issues

The City anticipates issuing approximately \$51,000,000 of general obligation debt within the next two to three years for a wastewater system project that will be split into two phases. The City also anticipates issuing approximately \$11,000,000 of general obligation debt within the next five years for its share of infrastructure for the Wildridge subdivision.

TAXATION DATA

Tax Rate Distribution

<u>Tax Year</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Local Maintenance	\$0.1794	\$0.1718	\$0.1778	\$0.1900	\$0.1900
Interest and Sinking Fund	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
Totals	\$0.1794	\$0.1718	\$0.1778	\$0.1900	\$0.1900

Table 2 - Tax Collection Data

Taxes are due October 1 and become delinquent after January 31. No split payments or discounts are allowed. Penalties and Interest: (a) a delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. However, a tax delinquent on July 1 incurs a total penalty of twelve percent (12%) of the amount of the delinquent tax without regard to the number of months the tax has been delinquent; (b) a delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid; and an additional penalty up to a maximum of twenty percent (20%) of taxes, penalty and interest may be imposed to defray costs of collection for taxes delinquent after July 1. All percentage of collections set forth below exclude penalties and interest.

Tax Year	Taxable Assessed Valuation ⁽¹⁾⁽³⁾	Tax Rate	% Collections ⁽²⁾⁽³⁾		Year Ending
			Current	Total	
2019	682,615,003	0.1900	99.56%	99.92%	09-30-20
2020	849,677,918	0.1900	99.27%	99.92%	09-30-21
2021	1,063,358,915	0.1900	99.83%	99.95%	09-30-22
2022	1,455,419,132	0.1778	99.63%	99.79%	09-30-23
2023	1,949,312,326	0.1718	99.54%	99.79%	09-30-24
2024	2,078,442,681	0.1794	96.04%	96.04%	09-30-25

⁽¹⁾ Hays Central Appraisal District.

⁽²⁾ Collections as of March 5, 2025. Hays County Tax Office.

⁽³⁾ Unaudited.

Taxable Assessed Valuation for Tax Years 2019-2024

Tax Year	Net Taxable Assessed Valuation	Change from Preceding Year	
		Amount	Percent
2019	682,615,003	129,453,785	23.40%
2020	849,677,918	167,062,915	24.47%
2021	1,063,358,915	213,680,997	25.15%
2022	1,455,419,132	392,041,462	36.87%
2023	1,949,312,326	493,909,907	33.93%
2024	2,078,442,681	129,130,355	6.62%
2025 ⁽¹⁾	2,330,534,710	252,092,029	12.13%

⁽¹⁾ Preliminary.

Source: Hays Central Appraisal District.

Schedule of Delinquent Taxes Receivable as of March 5, 2025 (Unaudited)

<u>Fiscal Year Ended 9/30</u>	<u>Ending Balance</u>
2020	\$998.07
2021	1,246.29
2022	1,102.60
2023	5,511.16
2024	6,879.53
2025 (a)	<u>147,837.56</u>
Total	\$163,575.21

Source: Hays County Tax Office.
(a) In process of collection.

Table 3 - Municipal Sales Taxes

The City has adopted the provisions of Municipal Sales and Use Tax Act V.T.C.A, Tax Code, Chapter 321, which grants the City power to impose and levy a 1.25% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the bonds in this report. Net allocations on fiscal year basis are as follows:

<u>Fiscal Year</u>	<u>Rate</u>	<u>Total Collected</u>	<u>% of Ad Valorem Tax Levy</u>	<u>Equivalent of Ad Valorem Tax Rate</u>
2018	1.25%	\$2,387,554	226.22%	0.43
2019	1.25%	2,804,424	215.89%	0.41
2020	1.25%	3,195,392	197.86%	0.38
2021	1.25%	3,830,211	187.12%	0.36
2022	1.25%	4,275,408	164.68%	0.29
2023	1.25%	4,535,615	135.27%	0.23
2024	1.25%	4,737,906	126.41%	0.23

Source: Comptroller of Texas.

Table 4 - Top 10 Taxpayers and Their 2024 Valuations

<u>Name</u>	<u>Type of Property</u>	<u>2024 Net Taxable Assessed Valuation</u>	<u>Percent of Total 2024 Assessed Valuation</u>
Regency Ridge at Headwaters Apartments LLC	Apartments	\$28,222,282	1.36%
Meritage Homes of Texas LLC	Homebuilder	23,692,576	1.14%
Center Lake Business Park Inc.	Commercial	12,450,000	0.60%
H. E. Butt Grocery Co. LP	Commercial	12,243,917	0.59%
WSH TX Sawyer Ranch LLC	Commercial	10,046,102	0.48%
D3 Equipment Co.	Commercial	9,933,057	0.48%
Hudson Commons LLC	Commercial	9,381,890	0.45%
Verdugo South LLC	Commercial	7,793,216	0.37%
Caissa Properties LLC	Commercial	7,525,114	0.36%
HIE Dripping Springs LLC	Commercial	<u>7,375,665</u>	<u>0.35%</u>
Total		\$128,663,819	6.19%

Source: Hays Central Appraisal District.

Table 5 - Taxpayers by Classification

<u>Classification</u>	<u>2024 Assessed Valuation</u>	<u>Percent of Total</u>	<u>2023 Assessed Valuation</u>	<u>Percent of Total</u>	<u>2022 Assessed Valuation</u>	<u>Percent of Total</u>
Single Family Residential	\$1,667,887,754	67.67%	\$1,644,319,958	66.89%	\$1,186,953,100	64.24%
Multi-Family Residential	58,881,866	2.39%	55,956,092	2.28%	46,33,414	2.51%
Vacant-Platted Lots	86,240,317	3.50%	129,999,348	5.29%	72,466,819	3.92%
Acreage (Land Only)	75,612,850	3.07%	80,260,900	3.26%	65,290,370	3.53%
Farm and Ranch Improvement	45,104,730	1.83%	44,389,784	1.81%	43,473,906	2.35%
Commercial and Industrial	300,984,311	12.21%	280,305,492	11.40%	243,164,291	13.16%
Real & Intangible Personal, Utilities	6,698,077	0.27%	7,046,400	0.29%	7,831,792	0.42%
Tangible Personal, Business	46,244,800	1.88%	45,549,362	1.85%	31,363,089	1.70%
Tangible Personal, Other	681,233	0.03%	763,443	0.03%	440,083	0.02%
Inventory	40,359,045	1.64%	41,730,896	1.70%	51,567,840	2.79%
Exempt	9,152,203	0.37%	8,114,233	0.33%	6,383,809	0.35%
Special Inventory	83,270	0.00%	92,482	0.00%	121,100	0.01%
Total Exempt Property	<u>126,664,660</u>	<u>5.14%</u>	<u>119,830,197</u>	<u>4.87%</u>	<u>92,193,287</u>	<u>4.99%</u>
Total Market Value	\$2,464,595,116	100.00%	\$2,458,358,587	100.00%	\$1,847,582,910	100.00%

Source: *Hays Central Appraisal District.*

Table 6 - Direct and Estimated Gross Overlapping Funded Debt Payable from Ad Valorem Taxes

Expenditures of the various taxing bodies overlapping the territory of the City are paid out of ad valorem taxes levied by these taxing bodies on properties overlapping the City. These political taxing bodies are independent of the City and may incur borrowings to finance their expenditures. The following statement of direct and estimated overlapping ad valorem tax bonds was developed from information contained in the “Texas Municipal Reports” published by the Municipal Advisory Council of Texas. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed below may have authorized or issued additional bonds since the date stated below, and such entities may have programs requiring the authorization and/or issuance of substantial amounts of additional bonds, the amount of which cannot be determined. The following table reflects the estimated share of direct and overlapping extended debt of these various taxing bodies:

Political Subdivision	Gross Debt		Percent Overlapping	Amount Overlapping
	Amount	As Of		
Dripping Springs ISD	\$319,145,000	1/31/2025	15.88%	\$50,680,226
Hays County	475,118,993	1/31/2025	4.17%	19,812,462
Hays County Development District #1	39,915,000	1/31/2025	0.30%	119,745
Headwaters MUD ⁽¹⁾	88,490,000	1/31/2025	6.69%	5,919,981
Total Net Overlapping Debt				\$ 76,532,414
Dripping Springs, City of	54,880,000	4/1/2025	100.00%	<u>54,880,000</u> ⁽²⁾
Total Direct and Estimated Overlapping Debt				\$131,412,414 ⁽²⁾
Ratio Total Direct and Estimated Overlapping Debt to 2024 Net Taxable Assessed Valuation ... (\$2,078,442,681)				6.32%
Ratio Total Direct and Estimated Overlapping Debt to 2025 Preliminary Net Taxable Assessed to Valuation (\$2,330,534,710)				5.64%

⁽¹⁾ Only residents of Headwaters MUD are responsible for this Debt.

⁽²⁾ Preliminary; subject to change. Includes the Certificates.

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ESTIMATED INTEREST & SINKING FUND MANAGEMENT INDEX 2023/24

Interest and Sinking Fund Balance at 2-28-2025	\$3,601,345
Other Funds Available at 2-28-2025	<u>22,108,566</u> ⁽¹⁾
Estimated Total Funds Available	\$25,709,911
2024/25 Net Debt Service Requirement (Includes the Certificates)	<u>\$4,345,600</u> ⁽¹⁾

⁽¹⁾ Includes \$9,754,501 from General Fund; \$6,926,279 from Utility Fund; and \$2,984,131 in Reserve Fund. Also, it includes approximately \$2,443,655 that is due to the Utility Fund from the Escrow Fund at UMB.

⁽²⁾ Preliminary. Subject to change.

CONSOLIDATED DEBT SERVICE REQUIREMENTS

FISCAL YEAR 30-SEPT	CURRENTLY OUTSTANDING DEBT SERVICE	PLUS: THE CERTIFICATES AT ASSUMED RATES				GRAND TOTAL OF ALL DEBT SERVICE
		PRINCIPAL * DUE 9/1	INTEREST DUE 3/1	INTEREST DUE 9/1	TOTAL	
2025	3,494,871.43	585,000.00		265,729.17	850,729.17	4,345,600.60
2026	3,511,340.10	245,000.00	304,250.00	304,250.00	853,500.00	4,364,840.10
2027	2,874,707.50	460,000.00	298,125.00	298,125.00	1,056,250.00	3,930,957.50
2028	2,906,456.00	485,000.00	286,625.00	286,625.00	1,058,250.00	3,964,706.00
2029	2,845,660.50	510,000.00	274,500.00	274,500.00	1,059,000.00	3,904,660.50
2030	2,881,213.50	535,000.00	261,750.00	261,750.00	1,058,500.00	3,939,713.50
2031	2,424,071.50	560,000.00	248,375.00	248,375.00	1,056,750.00	3,480,821.50
2032	2,461,125.50	590,000.00	234,375.00	234,375.00	1,058,750.00	3,519,875.50
2033	2,491,572.50	620,000.00	219,625.00	219,625.00	1,059,250.00	3,550,822.50
2034	2,525,241.00	650,000.00	204,125.00	204,125.00	1,058,250.00	3,583,491.00
2035	2,562,424.50	680,000.00	187,875.00	187,875.00	1,055,750.00	3,618,174.50
2036	2,593,132.00	715,000.00	170,875.00	170,875.00	1,056,750.00	3,649,882.00
2037	2,632,575.00	750,000.00	153,000.00	153,000.00	1,056,000.00	3,688,575.00
2038	2,665,562.00	790,000.00	134,250.00	134,250.00	1,058,500.00	3,724,062.00
2039	2,702,180.00	830,000.00	114,500.00	114,500.00	1,059,000.00	3,761,180.00
2040	2,737,360.50	870,000.00	93,750.00	93,750.00	1,057,500.00	3,794,860.50
2041	1,196,172.00	915,000.00	72,000.00	72,000.00	1,059,000.00	2,255,172.00
2042	1,193,517.00	960,000.00	49,125.00	49,125.00	1,058,250.00	2,251,767.00
2043		1,005,000.00	25,125.00	25,125.00	1,055,250.00	1,055,250.00
	46,699,182.53	12,755,000.00	3,332,250.00	3,597,979.17	19,685,229.17	66,384,411.70

*PRELIMINARY SUBJECT TO CHANGE.

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**TABLE 7 - COMPARATIVE CONDENSED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN GENERAL FUND BALANCE**

The following statements reflect the historical operations of the City. Such summary has been prepared for inclusion herein based upon information obtained from the City's audited financial statements and records. Reference is made to such statements for further and complete information.

	2025 ⁽¹⁾	2024 ⁽²⁾	2023	2022
REVENUES				
Ad Valorem Taxes	\$3,295,701	\$3,312,522	\$2,213,996	\$1,845,325
Sales and Use Tax	2,194,676	4,669,852	3,636,171	3,342,204
Franchise Taxes	20,259	61,203	60,542	45,563
Mixed Drink Taxes	26,977	102,055	100,666	91,068
Licenses and Permits	698,628	1,665,795	3,460,708	4,332,356
Intergovernmental Revenues	-0-	-0-	-0-	279,513
Charge for Services	-0-	-0-	993,156	692,491
Interest Income	76,879	215,351	128,270	97,912
Donations	-0-	-0-	5,440	8,206
Miscellaneous	<u>1,135,330</u>	<u>936,959</u>	<u>663,066</u>	<u>66,437</u>
Total Revenues	\$7,448,449	\$10,963,736	\$11,262,015	\$10,801,075
EXPENDITURES				
General Government	2,118,312	5,988,539	3,012,367	2,520,813
Public Safety	75,486	87,863	310,127	131,803
Public Works	2,200,622	4,832,575	2,309,908	1,750,065
Development	647,993	1,914,460	1,976,714	2,192,078
Culture and Recreation	-0-	-0-	1,137,755	902,501
Debt Service: Principal	<u>-0-</u>	<u>-0-</u>	<u>14,036</u>	<u>-0-</u>
Total Expenditures	5,042,412 ⁽⁵⁾	12,823,437 ⁽⁴⁾	8,994,907 ⁽³⁾	7,497,260
Excess of Revenues Over (Under) Expenditures	<u>2,406,037</u>	<u>(1,859,701)</u>	<u>2,267,108</u>	<u>3,303,815</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-0-	-0-	253,506	132,833
Transfers Out	-0-	-0-	(807,294)	(870,260)
Proceeds from SBITAs	<u>-0-</u>	<u>-0-</u>	<u>69,019</u>	<u>-0-</u>
Total Other Financing Sources (Uses)	-0-	-0-	(484,769)	(754,427)
Net Change in Fund Balance	<u>2,406,037</u>	<u>(1,859,701)</u>	<u>1,782,339</u>	<u>2,549,388</u>
Fund Balance at Beginning of Year	7,644,514	9,504,215	7,721,876	5,431,312
Prior Period Adjustment	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(258,824)</u>
Fund Balance - September 30	<u>\$10,050,551</u>	<u>\$7,644,514</u>	<u>\$9,504,215</u>	<u>\$7,721,876</u>

Source: City's Comprehensive Annual Financial Reports.

⁽¹⁾ Unaudited. As of February 28, 2025.

⁽²⁾ Unaudited. As of September 30, 2024.

⁽³⁾ The City used \$867,210 for one-time Capital Improvement projects to fund maintenance of Sportplex Drive Street, construction middle school sidewalks, and fund other street maintenance.

⁽⁴⁾ The City used \$3,732,824 for one-time Capital Improvement projects to acquire property, and for various improvement projects including, transportation, street, Stephenson, Founders, and Founders Park lighting.

⁽⁵⁾ The City budgeted to use \$1,100,000 for various Capital Improvement for City Hall.

APPENDIX B

**GENERAL INFORMATION REGARDING
THE CITY OF DRIPPING SPRINGS AND ITS ECONOMY**

The following information has been provided for informational purposes only.

Major Employers in Hays County

<u>Employer</u>	<u>Product or Service</u>	<u>Employees</u>
Texas State University	Education	3,653
Hays CISD	Education	3,058
Amazon Fulfillment Center	Distribution	1,953
San Marcos Premium Outlets	Retail	1,600
Tanger Factory Outlet Center	Retail	1,540
San Marcos CISD	Education	1,264
Hays County	Government	1,120
Dripping Springs ISD	Education	1,029
Christus Santa Rosa Hospital	Medical	700
HEB Distribution Center	Distribution	692

Source: The Municipal Advisory Council of Texas.

Building Permits in City of Dripping Springs

Year Ended 30-Sep	Commercial		Residential		Grand Total (\$)
	Number ⁽¹⁾	Value (\$)	Number	Value (\$)	
2019	14	11,837,845	458	168,561,910	180,399,754
2020	15	75,629,532	790	296,722,925	372,352,457
2021	21	36,202,000	913	383,330,433	419,532,433
2022	12	82,147,472	598	261,969,798	344,117,271
2023	19	192,887,264	519	802,150,135	995,037,400
2024	18	81,907,472	444	120,337,809	202,245,281
2025 (2)	1	1,984,108	75	47,511,291	49,495,399

Source: City of Dripping Springs.

- (1) Includes multi-family new building permits.
- (2) As of January 31, 2025.

APPENDIX C

**EXCERPTS FROM THE CITY OF DRIPPING SPRINGS, TEXAS
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
SEPTEMBER 30, 2024**

APPENDIX D
FORM OF OPINION OF BOND COUNSEL

Financial Advisory Services
Provided By:

