

SHAREHOLDERS:

Nancy L. Vaughan, CPA  
Deborah F. Fraser, CPA  
Phil S. Vaughan, CPA



Armstrong, Vaughan & Associates, P.C.  
Certified Public Accountants

January 30, 2015

City Council and City Management,  
City of Helotes

We have audited the financial statements of the City of Helotes, for the year ended September 30, 2014, and have issued our report thereon dated January 30, 2015. Professional standards require that we advise you of the following matters related to our audit.

**Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated August 15, 2014, our responsibility as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material aspects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of City of Helotes solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

**Compliance with All Ethical Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive estimate affecting the financial statements was:

- Useful lives of depreciable assets
- Allowance for uncollectible accounts receivable in Emergency Services Fund

The useful lives of the depreciable assets are based on past history, engineering estimates, and industry standards. The allowance for uncollectibles is based on collection history through San Antonio EMS. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive financial statement disclosures include revenue recognition and employees' retirement systems.

## **Significant Difficulties Encountered during the Audit**

We encountered no difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all such audit differences.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

1. Corrected balances of interfund transfers between the City and Economic Development Corporation.
2. Correction of note payable proceeds and related capital outlay for purchase of real property.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Representations Requested from Management**

We have requested certain representations from management that are included in the management representation letter dated January 30, 2015.

### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with City of Helotes, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as City of Helotes's auditors.

### **Compliance with Public Funds Investment Act**

The Public Funds Investment Act, (the "Act") requires that we include, as part of our audit, procedures to determine if the City of Helotes had complied with the provisions of the Act. We found the City had complied, in all material respects, with the provisions of the Act.

### **Trend Analysis**

We have prepared the attached "Trend Analysis" as a financial planning tool for council and staff. Sound financial management dictates that a minimum fund balance be maintained that is sufficient to ensure operations will continue uninterrupted and emergencies that arise from time to time will be met. A rule of thumb for a minimum fund balance for the general fund is three to six months average operating expenditures (exclusive of capital outlay and debt service expenditures). The attachment details the trends over the last six years. This is presented for additional analysis and as a planning tool. We make no recommendation regarding the analysis of this information.

## Updates and Upcoming Pronouncements

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68, **Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27**, with implementation in periods beginning after June 15, 2014. The statement established accounting and financial reporting for employers with defined benefit pensions. For the first time, a net pension liability (or asset); defined as the net of assets held in trust for pension benefits net of a total pension liability; will be recognized on the statement of net position. Any annual changes will flow to the statement of activities. There are many provisions of the statement that will affect the City of Helotes. Required note disclosures will include ten years of data as supplementary information. We recommend the City become familiar with the new statement provisions and the potential effect implementation will have on the government-wide statements of net position.

This information is intended solely for the use of the Council and management of the City of Helotes and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

January 30, 2015

TREND ANALYSIS	9/30/10	9/30/11	9/30/12	9/30/13	9/30/14
<b>GENERAL GOVERNMENT</b>					
FUND BALANCE - GENERAL FUND (1)	\$ 2,094,987	\$ 2,188,309	\$ 2,532,452	\$ 2,924,244	\$ 3,786,300
AVERAGE MONTHLY OPERATING EXPENDITURES (2)	328,201	306,984	312,346	333,667	360,059
GROWTH RATE PER YEAR - AVERAGE MONTHLY OPERATING EXPENDITURES		-6.46%	1.75%	6.83%	7.91%
MONTHS OF AVERAGE MONTHLY EXPENDITURES IN FUND BALANCE	6.4	7.1	8.1	8.8	10.5
GENERAL BONDED DEBT	9,950,000	9,475,000	8,975,000	8,450,000	7,905,000
RATIO OF GENERAL BONDED DEBT TO FUND BALANCE	4.7 / 1	4.3 / 1	3.5 / 1	2.9 / 1	2.1 / 1

(1) Includes unassigned fund balance only

(2) Exclusive of Capital Outlay and Debt Service Expenditure

**CITY OF HELOTES, TEXAS**

**ANNUAL  
FINANCIAL REPORT**

**FISCAL YEAR ENDED  
SEPTEMBER 30, 2014**





CITY OF HELOTES, TEXAS  
 ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

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CITY OF HELOTES, TEXAS

PRINCIPAL OFFICERS

CITY OFFICIALS

MAYOR

THOMAS A. SCHOOLCRAFT

MAYOR PRO-TEM

CYNTHIA MASSEY

CITY COUNCIL

EDWARD VILLANUEVA

ALEX BLUE

BERT BUYS

PAUL FRIEDRICHS

CITY ADMINISTRATOR

RICK A. SCHRODER

ATTORNEY

DAVIDSON, TROILO, REAM & GARZA P.C.

AUDITOR

ARMSTRONG, VAUGHAN & ASSOCIATES, P.C.



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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and  
Members of the City Council  
City of Helotes, Texas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Helotes, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

The City of Helotes' management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Helotes, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, and schedule of funding progress as identified in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Helotes' financial statements as a whole. The comparative statements and statistical section are presented for purposes of additional analysis and are not a required to be part of the financial statements. The comparative statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



Armstrong, Vaughan & Associates, P.C.

January 30, 2015

## MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the City of Helotes’ annual financial report presents our discussion and analysis of the City’s financial performance during the fiscal year ended September 30, 2014. Please read it in conjunction with the City’s financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

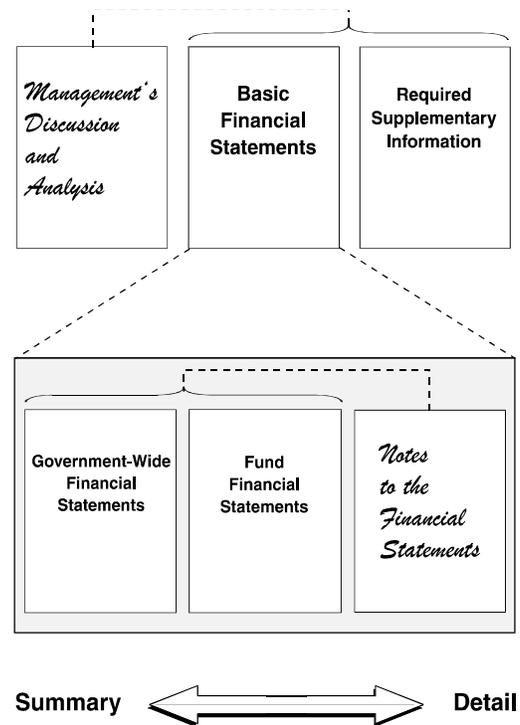
- The City’s total combined net position was \$5.2 million at September 30, 2014.
- During the year, the City’s governmental activities expenses increased 6% from the prior year, but were \$846,458 less than the \$6,306,583 generated in taxes and other revenues from governmental activities.
- During the year, the City’s two business-type activities (Dispatch and Emergency Medical Services) expenses increased 8% and exceeded their revenues by \$729,547. The total Primary Government’s expenses increased by \$350,104 or 6% from the prior year but resulted in a positive change in net position of \$116,911.
- The City’s total governmental expenditures increased approximately 13.5% from the prior year. This included the General Fund, the Economic Development Fund, Debt Service Fund, and the non-major funds. The General Fund’s operating expenditures increased by 10% from the prior year.
- The General Fund reported a fund balance this year of \$3,856,521.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management’s discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City’s overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the City’s operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government services* were financed in the *short-term*, as well as what remains for future spending.
- *Proprietary fund statements* offer *short-term* and *long-term* financial information about the activities the government operates *like businesses*.

Figure A-1, Required Components of the City’s Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

<b>Figure A-2. Major Features of the City's Government-wide and Fund Financial Statements</b>			
<i>Type of Statements</i>	Government-wide	Fund Statements	
		Governmental Funds	Proprietary Funds
<i>Scope</i>	Entire City's government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private business: Dispatch and Emergency Medical Service
<i>Required financial statements</i>	• Statement of Net Position	• Balance Sheet	• Statement of Net Position
	• Statement of Activities	• Statement of Revenues, Expenditures & Changes in Fund Balances	• Statement of Revenues, Expenses & Changes in Net Position
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, short-term and long-term
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during the year, regardless of when cash is received or paid.

### Government-Wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government’s assets, deferred outflows of resources, deferred inflows of resources, and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City’s net position and how it has changed. Net position—the difference between the City’s assets, deferred outflows of resources, deferred inflows of resources, and liabilities—is one way to measure the City’s financial health or *position*.

- Over time, increases or decreases in the City’s net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City, one needs to consider additional non-financial factors, such as changes in the City’s tax base.

The government-wide financial statements of the City include the *Governmental activities* (most of the City’s basic services are included here, such as the police department, fire department and City administration) and *Business-type activities* (services designed to generate sufficient revenues to cover associated costs: dispatch and emergency medical services). Property taxes, sales taxes, franchise fees, municipal court fines, and permits finance most of the *Governmental activities* while charges for services finance most of the *Business-type activities*.

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

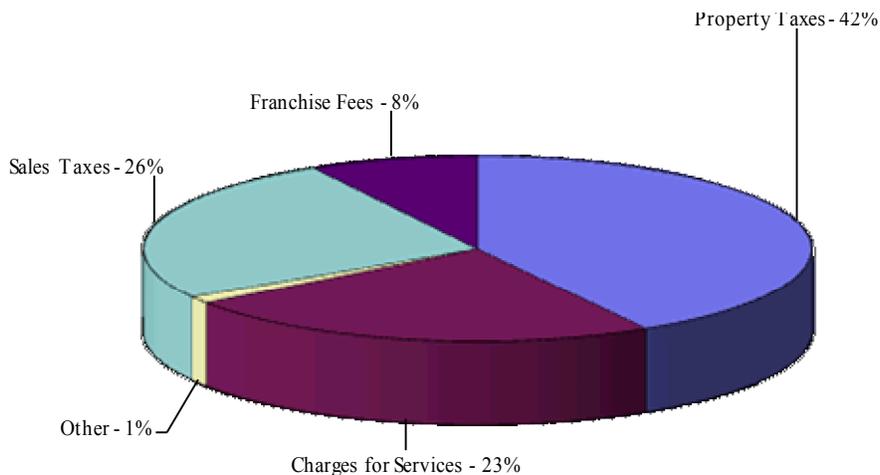
**Net Position.** The City’s combined net position was \$5,212,627 at September 30, 2014. (See Table A-1). The \$2,038,947 of unrestricted net position represents resources available to fund the programs of the City next year.

**Table A-1**  
City of Helotes Net Position  
(In thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change 2014-2013
	2014	2013	2014	2013	2014	2013	
Current assets:							
Cash and Cash Equivalents	\$ 2,114	\$ 1,777	\$ 129	\$ 222	\$ 2,243	\$ 1,999	12.2%
Other Current Assets	2,799	2,416	(2,249)	(1,671)	550	745	-26.2%
Capital Assets	10,861	11,134	329	391	11,190	11,525	-2.9%
Total Assets	<u>15,774</u>	<u>15,327</u>	<u>(1,791)</u>	<u>(1,058)</u>	<u>13,983</u>	<u>14,269</u>	-2.0%
Current Liabilities	605	545	50	53	655	598	9.5%
Non-Current Liabilities:							
Due within One Year	659	609	-	-	659	609	8.2%
Due in more than One Year	7,457	7,966	-	-	7,457	7,966	-6.4%
Total Liabilities	<u>8,721</u>	<u>9,120</u>	<u>50</u>	<u>53</u>	<u>8,771</u>	<u>9,173</u>	-4.4%
Net Position:							
Net Investment in Capital Assets	2,745	2,560	329	391	3,074	2,951	4.2%
Restricted	27	157	-	-	27	157	-82.8%
Unrestricted	4,281	3,490	(2,170)	(1,502)	2,111	1,988	6.2%
Total Net Position	<u>\$ 7,053</u>	<u>\$ 6,207</u>	<u>\$ (1,841)</u>	<u>\$ (1,111)</u>	<u>\$ 5,212</u>	<u>\$ 5,096</u>	2.3%

**Changes in Net Position.** The City’s total revenues were \$6,443,882. A significant portion, 68%, of the City’s revenue comes from property and sales taxes, while 23% relates to charges for services (See Figure A-3).

Figure A-3 City of Helotes  
Revenue Sources for Fiscal Year 2014



The total cost of all programs and services was \$6,326,971. 44% of these costs are for Police and Fire Protection. The difference between total revenues and expenses results in a FYE 2014 increase of \$116,911. The majority of said increase is attributable to increase in permit and sales tax revenues.

**Table A-2**  
Changes in City of Helotes' Net Position  
(In thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2014	2013	2014	2013	2014	2013	2014-2013
<b>Primary Government:</b>							
City Council	\$ 3	\$ 3	\$ -	\$ -	\$ 3	\$ 3	0.0%
City Administration	1,006	831	-	-	1,006	831	21.1%
City Secretary	102	100	-	-	102	100	2.4%
Human Resources	10	14	-	-	10	14	-28.4%
Municipal Court	298	270	-	-	298	270	10.4%
Animal Control, Public Works	465	433	-	-	465	433	7.4%
Development Services	99	94	-	-	99	94	5.5%
Building and Grounds	351	324	-	-	351	324	8.4%
Police Department	1,558	1,559	-	-	1,558	1,559	-0.1%
Fire Department	1,241	1,107	-	-	1,241	1,107	12.1%
Interest and Fiscal Charges on LT Debt	327	417	-	-	327	417	-21.6%
Dispatch	-	-	420	370	420	370	13.4%
Emergency Medical Services	-	-	447	455	447	455	-1.7%
<b>Total Governmental Activities</b>	<b>5,460</b>	<b>5,152</b>	<b>868</b>	<b>825</b>	<b>6,327</b>	<b>5,977</b>	<b>5.9%</b>
<b>Program Revenues:</b>							
Charges for Services	1,373	874	138	142	1,511	1,016	48.8%
Operating Grants & Contributions	9	9	-	-	9	9	-3.5%
Capital Grants & Contributions	-	-	-	-	-	-	0.0%
<b>General Revenues:</b>							
General Property Tax	2,681	2,639	-	-	2,681	2,639	1.6%
Sales Taxes	1,645	1,424	-	-	1,645	1,424	15.5%
Franchise Taxes	527	477	-	-	527	477	10.5%
Investment Earnings	10	6	-	-	10	6	64.6%
Miscellaneous	61	168	-	-	61	168	-63.5%
Transfers	-	-	-	-	-	-	0.0%
<b>Total Revenues and Transfers</b>	<b>6,306</b>	<b>5,597</b>	<b>138</b>	<b>142</b>	<b>6,445</b>	<b>5,739</b>	<b>12.3%</b>
<b>Change in Net Position</b>	<b>846</b>	<b>445</b>	<b>(730)</b>	<b>(683)</b>	<b>117</b>	<b>(238)</b>	<b>-149.3%</b>
Net Position at Beginning of Year	6,207	5,762	(1,111)	(428)	5,096	5,334	-4.5%
Net Position of Year End	<u>\$ 7,053</u>	<u>\$ 6,207</u>	<u>\$ (1,841)</u>	<u>\$ (1,111)</u>	<u>\$ 5,212</u>	<u>\$ 5,096</u>	2.3%

### Governmental Activities

- Property tax rates decreased by 0.005 per \$100 of valuation, however, property tax revenues increased by \$49,457 due to increase in assessed valuations.

Table A-3 presents the cost of each of the City's functions, as well as each function's net cost (total cost less fees generated by the activities). The net cost reflects what revenues funded.

- The cost of all *governmental* activities this year was \$5,460,125.
- The amount of these activities that was paid for by taxpayers through property taxes was only \$2,681,143 (49%).
- 25% of the cost, \$1,373,092, was paid by those who directly benefited from the programs and activities through direct charges for services.

**Table A-3**  
Net Cost of Selected City Functions  
(In thousands dollars)

	Total Cost of Services			Net Cost of Services		
	2014	2013	% Change	2014	2013	% Change
<i>Governmental</i>						
City Council	\$ 3	\$ 3	0.0%	\$ 3	\$ 3	15.9%
City Administration	1,006	831	21.1%	1,006	831	21.1%
City Secretary	102	100	2.4%	102	100	2.4%
Human Resources	10	15	-33.1%	10	15	-33.1%
Municipal Court	298	270	10.4%	34	10	242.1%
Animal Control, PW	465	433	7.4%	460	429	7.2%
Development Services	99	94	5.5%	(864)	(391)	121.1%
Building and Grounds	351	324	8.4%	351	324	8.4%
Police Department	1,558	1,559	-0.1%	1,484	1,501	-1.2%
Fire Department	1,241	1,107	12.1%	1,166	1,032	13.0%
<i>Business-Type</i>						
Dispatch	420	370	13.4%	415	365	13.6%
Emergency Medical	447	455	-1.7%	315	319	-1.2%

### Business-Type Activities

The City began two activities in the 2011 fiscal year for Dispatch and Emergency Medical Services. The City plans to generate enough charges for services from these activities to cover the cost a third party subcontractor would charge for the same services. The two activities have borrowed money from the General fund to cover the initial costs. During the fourth year of operations, expenses exceeded revenues for these programs by \$729,547.

### Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant *funds*—not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The City Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has the following kinds of funds:

- *Governmental funds*—Most of the City's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

- *Proprietary funds*—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

## FINANCIAL ANALYSIS OF THE CITY’S FUNDS

Revenues from governmental fund types totaled \$6,314,365, an increase of 13% over the prior year. The increase is primarily due to increases in sales tax and licenses and permits.

### General Fund Budgetary Highlights

Actual revenues exceeded the budget by \$219,075, and actual expenditures were over budget by \$162,421. The budget was amended during the year to increase expenditures that were expected to be covered by an increase in estimated revenues. Nevertheless, General Fund revenues for the fiscal year ended September 30, 2014 exceeded expenditures by \$591,436 resulting in an increase in the General Fund balance. In all, the General Fund balance increased by \$844,067 for the fiscal year ended September 30, 2014, from \$3.0 million to \$3.9 million.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets.** At the end of 2014, the City had invested \$22,396,968 in a broad range of capital assets, including land, buildings, vehicles, equipment, and infrastructure (see table A-4). This amount, less accumulated depreciation, results in a net capital asset value of \$11,190,349.

**Table A-4**  
City of Helotes's Capital Assets  
(In thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2014	2013	2014	2013	2014	2013	2014-2013
Land	\$ 1,764	\$ 1,561	\$ -	\$ -	\$ 1,764	\$ 1,561	13.0%
Construction in Progress	154	-	-	-	154	-	100.0%
Buildings and Improvements	6,768	6,768	-	-	6,768	6,768	0.0%
Vehicles and Equipment	2,297	2,447	579	581	2,876	3,028	-5.0%
Infrastructure	10,835	10,835	-	-	10,835	10,835	0.0%
Totals at historical cost	21,818	21,611	579	581	22,397	22,192	0.9%
Total accumulated depreciation	(10,957)	(10,477)	(249)	(191)	(11,207)	(10,668)	5.0%
Net Capital Assets	<u>\$ 10,861</u>	<u>\$ 11,134</u>	<u>\$ 330</u>	<u>\$ 390</u>	<u>\$ 11,190</u>	<u>\$ 11,524</u>	-2.9%

**Long Term Debt.** At year-end the City had \$7,905,000 in bonds outstanding as shown in Table A-5. More detailed information about the City’s debt is presented in the notes to the financial statements.

**Table A-5**  
City's Long-Term Debt  
(In thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2014	2013	2014	2013	2014	2013	2014-2013
Bonds Payable	\$ 7,905	\$ 8,450	\$ -	\$ -	\$ 7,905	\$ 8,450	-6.4%
Total Bonded Debt	<u>\$ 7,905</u>	<u>\$ 8,450</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,905</u>	<u>\$ 8,450</u>	<u>-6.4%</u>

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

The City adopted an ad valorem tax rate of 0.350000 per \$100 of valuation for the FYE 2015 general fund budget which is the same rate per \$100 of valuation adopted in FYE 2014. As sales tax revenues and other fees, i.e., franchise, licenses, etc., continue to raise the City Council believes this to be a positive step in its attempt to balance sales and property tax collections.

General operating fund expenditures increased in the FYE 2015 budget from \$4.393 million in FYE 2014 to \$5,778 million. This increase is primarily a result of the City's inclusion of the former stand-alone/Proprietary entities, Dispatch and Emergency Medical Service, reclassified and included as departments of the FYE 2015 General Fund. The City remains committed to recruiting additional third-party agencies to make the Dispatch Department as cost-neutral to the City as possible. Further, the City is encouraged by the fact that stand-alone emergency medical services will continue to cost less than originally proposed by the City of San Antonio for the same service.

Lastly, total budgeted revenues for FYE 2015 are expected to exceed budgeted FYE 2014 revenues by approximately \$665,000, from \$5.113 million in 2014 to \$5.778 million in 2015. This increase is primarily due to higher sales tax collections and increasing franchise fees related to a growing population and business community.

**CONTACTING THE CITY’S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City’s finances and to demonstrate the City’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City’s Finance Department, at the City of Helotes, P.O. Box 507, Helotes, Texas, 78023.



## BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements, as required by the GASB. The sets of statements include:

- Government – wide financial statements
- Fund financial statements:
  - Governmental funds; and
  - Proprietary funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF HELOTES, TEXAS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 1,866,932	\$ 129,171	\$ 1,996,103
Certificates of Deposit	246,985	-	246,985
Receivables (Net of Allowances for Uncollectibles)			
Property Taxes	36,654	-	36,654
Other Receivables	434,769	72,254	507,023
Internal Balances	2,327,253	(2,327,253)	-
Prepaid Items	440	5,315	5,755
Capital Assets:			
Land	1,763,771	-	1,763,771
Construction in Progress	153,786	-	153,786
Buildings	6,768,045	-	6,768,045
Vehicles & Equipment	2,297,205	578,983	2,876,188
Infrastructure	10,835,178	-	10,835,178
Accumulated Depreciation	(10,957,134)	(249,485)	(11,206,619)
<b>TOTAL ASSETS</b>	<b>\$ 15,773,884</b>	<b>\$ (1,791,015)</b>	<b>\$ 13,982,869</b>

See accompanying notes to basic financial statements.

CITY OF HELOTES, TEXAS  
STATEMENT OF NET POSITION (CONTINUED)  
SEPTEMBER 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
<i>Liabilities:</i>			
Accounts Payable	\$ 114,008	\$ -	\$ 114,008
Accrued Liabilities	101,609	14,600	116,209
Accrued Compensated Absences	220,759	35,108	255,867
Accrued Interest Payable	53,611	-	53,611
Unearned Revenue - Lease	114,910	-	114,910
<i>Noncurrent Liabilities:</i>			
Due within One Year	658,965	-	658,965
Due in More than One Year	7,456,672	-	7,456,672
<b>TOTAL LIABILITIES</b>	<b>8,720,534</b>	<b>49,708</b>	<b>8,770,242</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	2,745,214	329,498	3,074,712
Restricted for:			
Police, Municipal Court and School Crossing	40,388	-	40,388
PEG Capital Fees	29,833	-	29,833
Unrestricted (Deficit)	4,237,915	(2,170,221)	2,067,694
<b>TOTAL NET POSITION</b>	<b>\$ 7,053,350</b>	<b>\$ (1,840,723)</b>	<b>\$ 5,212,627</b>

See accompanying notes to basic financial statements.

CITY OF HELOTES, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

<b>Functions and Programs</b>	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>Primary Government:</b>			
<i>Governmental Activities:</i>			
City Council	\$ 3,477	\$ -	\$ -
City Administration	1,005,449	-	-
City Secretary	102,401	-	-
Human Resources	10,031	-	-
Municipal Court	298,008	263,801	-
Animal Control, Public Works	464,904	4,885	-
Development Services	99,167	963,548	-
Buildings and Grounds	350,322	-	-
Police Department	1,557,978	65,703	8,682
Fire Department	1,241,411	75,155	-
Interest and Fiscal Fees on Long-term Debt	326,977	-	-
<i>Total Governmental Activities</i>	5,460,125	1,373,092	8,682
<i>Business-Type Activities:</i>			
Dispatch	419,557	5,007	-
Emergency Medical Services	447,289	132,274	-
<i>Total Business-Type Activities:</i>	866,846	137,281	-
<b>Total Primary Government</b>	\$ 6,326,971	\$ 1,510,373	\$ 8,682
<b>General Revenues:</b>			
Taxes:			
General Property Taxes			
Sales Taxes			
Franchise Taxes			
Interest and Investment Earnings			
Miscellaneous			
<b>Total General Revenues</b>			
Change in Net Position			
<b>Net Position (Deficit) at Beginning of Year</b>			
<b>Net Position (Deficit) at End of Year</b>			

See accompanying notes to basic financial statements.

Net Revenue (Expense)

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (3,477)	\$ -	\$ (3,477)
(1,005,449)	-	(1,005,449)
(102,401)	-	(102,401)
(10,031)	-	(10,031)
(34,207)	-	(34,207)
(460,019)	-	(460,019)
864,381	-	864,381
(350,322)	-	(350,322)
(1,483,593)	-	(1,483,593)
(1,166,256)	-	(1,166,256)
(326,977)	-	(326,977)
<u>(4,078,351)</u>	<u>-</u>	<u>(4,078,351)</u>
-	(414,550)	(414,550)
-	<u>(315,015)</u>	<u>(315,015)</u>
<u>-</u>	<u>(729,565)</u>	<u>(729,565)</u>
2,681,143	-	2,681,143
1,645,268	-	1,645,268
527,251	-	527,251
9,874	18	9,892
61,273	-	61,273
<u>4,924,809</u>	<u>18</u>	<u>4,924,827</u>
846,458	(729,547)	116,911
6,206,892	(1,111,176)	5,095,716
<u>\$ 7,053,350</u>	<u>\$ (1,840,723)</u>	<u>\$ 5,212,627</u>

CITY OF HELOTES, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014

	Major Funds		
	General Fund	Economic Development Corporation	Debt Service Fund
<b>ASSETS</b>			
Cash and Investments	\$ 1,121,339	\$ 586,250	\$ 74,402
Certificates of Deposit	246,985	-	-
Receivables:			
Property Taxes (Net of Uncollectibles)	28,698	-	7,956
Sales Tax and Other Receivable	340,599	94,170	-
Due from Other Funds	2,460,778	14,040	-
Prepaid Items	-	440	-
<b>TOTAL ASSETS</b>	<b><u>\$ 4,198,399</u></b>	<b><u>\$ 694,900</u></b>	<b><u>\$ 82,358</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<i>Liabilities:</i>			
Accounts Payable	\$ 111,228	\$ 118	\$ -
Accrued Liabilities	91,637	9,972	-
Due to Other Funds	-	-	71,569
Unearned Revenue - Lease	114,910	-	-
<i>Total Liabilities</i>	<u>317,775</u>	<u>10,090</u>	<u>71,569</u>
<i>Deferred Inflows of Resources:</i>			
Unavailable Revenue - Taxes	24,103	-	6,682
<i>Total Deferred Inflows of Resources</i>	<u>24,103</u>	<u>-</u>	<u>6,682</u>
<i>Fund Balances:</i>			
Nonspendable:			
Prepaid Items	-	440	-
Restricted for:			
Court Technology and Security	12,705	-	-
School Crossing	22,888	-	-
Police Department	4,795	-	-
PEG Capital Fees	29,833	-	-
Economic Development Corporation	-	684,370	-
Debt Service	-	-	4,107
Committed for:			
Capital Projects	-	-	-
Unassigned	3,786,300	-	-
<i>Total Fund Balances</i>	<u>3,856,521</u>	<u>684,810</u>	<u>4,107</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 4,198,399</u></b>	<b><u>\$ 694,900</u></b>	<b><u>\$ 82,358</u></b>

See accompanying notes to basic financial statements.

<u>Nonmajor Capital Projects Fund</u>	<u>Total Governmental Funds</u>
\$ 84,941	\$ 1,866,932
-	246,985
-	36,654
-	434,769
-	2,474,818
-	440
<u>\$ 84,941</u>	<u>\$ 5,060,598</u>

\$ 2,662	\$ 114,008
-	101,609
75,996	147,565
-	114,910
<u>78,658</u>	<u>478,092</u>

-	<u>30,785</u>
-	<u>30,785</u>

-	440
-	12,705
-	22,888
-	4,795
-	29,833
-	684,370
-	4,107
6,283	6,283
-	3,786,300
<u>6,283</u>	<u>4,551,721</u>

<u>\$ 84,941</u>	<u>\$ 5,060,598</u>
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CITY OF HELOTES, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2014

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS	\$ 4,551,721
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	10,860,851
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the governmental funds.	30,785
Accrued vacation leave payable is not due and payable in the current period and, therefore, not reported in the governmental funds.	(220,759)
Long-term liabilities, including bonds and capital leases are not due and payable in the current period and, therefore, not reported in the governmental funds.	(8,115,637)
Accrued interest payable on long-term bonds are not due and payable in the current period and, therefore, not reported in the governmental funds.	<u>(53,611)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u><u>\$ 7,053,350</u></u>

CITY OF HELOTES, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Major Funds		
	General Fund	Economic Development Corporation	Debt Service Fund
<b>REVENUES</b>			
Taxes	\$ 3,212,362	\$ 537,011	\$ 584,820
Franchise Fees	527,251	-	-
Licenses and Permits	968,433	-	-
Municipal Court	329,504	-	-
Fire Department Interlocal Agreement	75,155	-	-
Interest	7,308	2,184	203
Miscellaneous	65,555	-	-
<b>TOTAL REVENUES</b>	<u>5,185,568</u>	<u>539,195</u>	<u>585,023</u>
<b>EXPENDITURES</b>			
Current:			
City Council	3,477	-	-
City Administration	792,608	161,874	-
City Secretary	104,296	-	-
Human Resources	10,031	-	-
Municipal Court	289,042	-	-
Animal Control, Public Works	232,348	-	-
Development Services	90,866	-	-
Building and Grounds	282,776	-	-
Police Department	1,424,571	-	-
Fire Department	1,090,695	-	-
Capital Outlay	223,422	-	-
Debt Service:			
Principal	50,000	-	608,787
Interest and Fiscal Charges	-	-	331,317
<b>TOTAL EXPENDITURES</b>	<u>4,594,132</u>	<u>161,874</u>	<u>940,104</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>591,436</u>	<u>377,321</u>	<u>(355,081)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from Note Payable	200,000	-	-
Transfers In (Out)	52,631	(256,067)	239,199
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>252,631</u>	<u>(256,067)</u>	<u>239,199</u>
<b>Net Change in Fund Balance</b>	844,067	121,254	(115,882)
<b>FUND BALANCES - OCTOBER 1</b>	<u>3,012,454</u>	<u>563,556</u>	<u>119,989</u>
<b>FUND BALANCES - SEPTEMBER 30</b>	<u>\$ 3,856,521</u>	<u>\$ 684,810</u>	<u>\$ 4,107</u>

See accompanying notes to basic financial statements.

<u>Nonmajor Capital Projects Fund</u>	<u>Total Governmental Funds</u>
\$ -	\$ 4,334,193
-	527,251
-	968,433
-	329,504
-	75,155
179	9,874
4,400	69,955
<u>4,579</u>	<u>6,314,365</u>
-	3,477
-	954,482
-	104,296
-	10,031
-	289,042
-	232,348
-	90,866
-	282,776
-	1,424,571
-	1,090,695
155,015	378,437
-	658,787
-	331,317
<u>155,015</u>	<u>5,851,125</u>
<u>(150,436)</u>	<u>463,240</u>
-	200,000
<u>(35,763)</u>	<u>-</u>
<u>(35,763)</u>	<u>200,000</u>
(186,199)	663,240
<u>192,482</u>	<u>3,888,481</u>
<u>\$ 6,283</u>	<u>\$ 4,551,721</u>

CITY OF HELOTES, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$	663,240
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay.</p>		(272,101)
<p>Proceeds from Capital Asset dispositions produce current financial resources in the fund statements, while the net gain (loss) is recognized in the Statement of Activities. This is the net book value of the capital assets disposed.</p>		(1,218)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		(7,782)
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, which the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any affect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Principal Repayments on Bonds, Leases, & Note Payable		658,787
Proceeds from Note Payable		(200,000)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Compensated Absences		1,192
Accrued Interest		4,340
		846,458
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	\$	846,458

CITY OF HELOTES, TEXAS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2014

	<u>Dispatch Fund</u>	<u>Emergency Medical Services</u>	<u>Total Enterprise Funds</u>
<b>ASSETS</b>			
<i>Current Assets:</i>			
Cash and Investments	\$ 118,752	\$ 10,419	\$ 129,171
Receivables:			
Charges for Services (net)	-	72,254	72,254
Prepaid Items	2,926	2,389	5,315
<i>Total Current Assets</i>	<u>121,678</u>	<u>85,062</u>	<u>206,740</u>
Capital Assets (net)	<u>231,047</u>	<u>98,451</u>	<u>329,498</u>
<b>TOTAL ASSETS</b>	<u>352,725</u>	<u>183,513</u>	<u>536,238</u>
<b>LIABILITIES</b>			
<i>Current Liabilities:</i>			
Accounts Payable	-	-	-
Accrued Liabilities	6,587	8,013	14,600
Accrued Compensated Absences	5,790	29,318	35,108
Due to Other Funds	<u>1,193,912</u>	<u>1,133,341</u>	<u>2,327,253</u>
<b>TOTAL LIABILITIES</b>	<u>1,206,289</u>	<u>1,170,672</u>	<u>2,376,961</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	231,047	98,451	329,498
Unrestricted, (Deficit)	<u>(1,084,611)</u>	<u>(1,085,610)</u>	<u>(2,170,221)</u>
<b>TOTAL NET POSITION (DEFICIT)</b>	<u>\$ (853,564)</u>	<u>\$ (987,159)</u>	<u>\$ (1,840,723)</u>

CITY OF HELOTES, TEXAS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2014

	Dispatch Fund	Emergency Medical Services	Total Enterprise Funds
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 5,007	\$ 132,274	\$ 137,281
<b>TOTAL OPERATING REVENUES</b>	<u>5,007</u>	<u>132,274</u>	<u>137,281</u>
<b>OPERATING EXPENSES</b>			
Personnel	342,314	360,161	702,475
Contractual Services	16,844	25,193	42,037
Supplies and Maintenance	18,016	43,010	61,026
Depreciation	42,383	18,925	61,308
<b>TOTAL OPERATING EXPENSES</b>	<u>419,557</u>	<u>447,289</u>	<u>866,846</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(414,550)</u>	<u>(315,015)</u>	<u>(729,565)</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>			
Interest Income	-	18	18
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<u>-</u>	<u>18</u>	<u>18</u>
<b>NET INCOME (LOSS)</b>	(414,550)	(314,997)	(729,547)
<b>NET POSITION (DEFICIT) - OCTOBER 1</b>	<u>(439,014)</u>	<u>(672,162)</u>	<u>(1,111,176)</u>
<b>NET POSITION (DEFICIT) - SEPTEMBER 30</b>	<u>\$ (853,564)</u>	<u>\$ (987,159)</u>	<u>\$ (1,840,723)</u>

CITY OF HELOTES, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2014

	Dispatch Fund	Emergency Medical Services	Total Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 5,838	\$ 114,737	\$ 120,575
Cash Paid to Suppliers	(34,526)	(69,733)	(104,259)
Cash Paid to Employees	(345,478)	(359,136)	(704,614)
<b>NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(374,166)</b>	<b>(314,132)</b>	<b>(688,298)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Interfund Borrowing from General Fund	380,004	215,017	595,021
Interest Expense	-	18	18
<b>NET CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>380,004</b>	<b>215,035</b>	<b>595,039</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	5,838	(99,097)	(93,259)
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<b>112,914</b>	<b>109,516</b>	<b>222,430</b>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<b>\$ 118,752</b>	<b>\$ 10,419</b>	<b>\$ 129,171</b>
<b>RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ (414,550)	\$ (315,015)	\$ (729,565)
Adjustments to Reconcile Net Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	42,383	18,925	61,308
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable (net)	831	(17,537)	(16,706)
Increase (Decrease) in Accounts Payable	(3)	(2,911)	(2,914)
Increase (Decrease) in Accrued Liabilities	337	1,381	1,718
Increase (Decrease) in Accrued Comp. Absences	(3,164)	1,025	(2,139)
<b>NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (374,166)</b>	<b>\$ (314,132)</b>	<b>\$ (688,298)</b>

See accompanying notes to basic financial statements.



CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

1. REPORTING ENTITY

*Component Units*

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations; thus, data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

*Blended Component Unit*

The Helotes Economic Development Corporation, a nonprofit corporation, was incorporated under the Development Corporation Act of 1979, Texas Revised Civil Statutes Annotated, Article 5190.6, Section 4B. The Corporation is organized exclusively for public purposes of the City of Helotes, and the City Council appoints directors of the Corporation. It receives all proceeds from assessing a .005% sales tax. For financial reporting purposes, the Corporation is reported as if it were part of the City's operations because its purpose is to benefit the citizens of the City. Separate financial statements for the Corporation may be obtained by contacting the City's Finance Department.

*Discretely Presented Component Units*

As of September 30, 2014, the City had no component units that would require a discrete presentation in the financial statements.

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The **government-wide financial statements** include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the City and its component unit. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and intergovernmental revenues. The primary government is reported within the government wide statements. Business-type activities are financed in whole or in part, by fees charged to external parties for goods and services. The City has no fiduciary funds.

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2014

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate **fund financial statements** are provided for governmental funds and proprietary funds. The General Fund, Debt Service Fund, and Economic Development Corporation meet the criteria as **major governmental funds**. All of these funds are reflected in single columns in the Fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances. The Dispatch and Emergency Medical Services funds are **major proprietary funds**.

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The **government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year which they are levied. Major revenue types, which have been accrued, include revenue from the investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as *program revenues* and *general revenues*. Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes, grants not restricted to specific programs and investment earnings.

**Governmental fund level financial statements** are reported using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as unavailable revenue.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2014

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

The government reports the following major governmental funds:

**The General Fund** is the general operating fund of the City and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general administration, public safety, development services and capital acquisition.

**Economic Development Corporation** is used to account for sales tax proceeds collected to promote economic development in the City.

**Debt Service Fund** is used to account for resources and expenditures relating to principal and interest payments on outstanding debt.

The City has one nonmajor governmental fund for fiscal year 2014: Capital Projects Fund.

**Proprietary fund level financial statements** are used to account for activities similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows. The City's proprietary funds include the Dispatch and Emergency Medical Service.

The Proprietary Funds are accounted for using the accrual basis of accounting as follows:

- a. Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.
- b. Current year contributions, administrative expenses and benefit payments, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

4. CASH AND EQUIVALENTS

Cash and equivalents include cash deposits and investments with a maturity date within three (3) months of the date acquired by the City, including local government investments pools.

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2014

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

5. ACCOUNTS RECEIVABLE

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1 and past due after the following January 31. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior year's levy are shown net of an allowance for uncollectible.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by the court and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as unavailable revenue in the fund statements. Receivables are shown net of an allowance for uncollectibles.

6. INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the fund statements.

7. PREPAID ITEMS

Payments made for goods and services to be received in future periods are recorded on the balance sheet as a prepaid item.

8. CAPITAL ASSETS

Capital assets, which include land, buildings, vehicles and equipment, capital leases and infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets, such as equipment, are defined as assets with a cost of \$5,000 or more. Infrastructure assets include City-owned streets, sidewalks, curbs and bridges. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Interest has not been capitalized during the construction period on property and equipment.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	20 to 40 years
Vehicles and Equipment	5 to 25 years
Infrastructure	20 years
Capital Leases	10 years

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2014

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

9. COMPENSATED ABSENCES

The City permits employees to accumulate earned but unused vacation pay benefits up to the amount earned as defined in the personnel policy. Unused personal leave may be accumulated to certain limits. In the event of termination, no reimbursement is made for accumulated personal leave and, accordingly, no liability is reported for unpaid accumulated personal leave.

Liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued in the proprietary fund and government-wide statements.

10. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City does not have any deferred outflows of resources.

*Deferred inflows of resources* represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. Unavailable revenue is reported only in the governmental funds balance sheet under a modified accrual basis of accounting. Unavailable revenues from property tax are deferred and recognized as an inflow of resource in the period the amounts become available.

11. UNEARNED REVENUE

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

12. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities. On new bond issues, bond premiums and discounts are amortized over the life of the bond.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

13. FUND BALANCE

Fund balances in governmental funds are classified as follows:

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2014

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

13. FUND BALANCE (Continued)

Nonspendable - Represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact.

Restricted - Represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed - Represents amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned - Represents amounts which the City intends to use for a specific purpose but do not meet the criteria of restricted or committed. The City Council may make assignments and has chosen not to delegate that authority to any other individuals.

Unassigned - Represents the residual balance that may be spent on any other purpose of the City.

When an expenditure is incurred for a purpose in which multiple classifications are available, the City wishes restricted balances to be spent first, committed second, and assigned third.

14. NET POSITION

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources, and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

15. INTERFUND TRANSACTIONS

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of Governmental Funds in the other financing sources and uses and of proprietary funds after the nonoperating revenues and expenses.

16. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2014

**NOTE B -- CASH AND INVESTMENTS**

The City’s funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the City’s agent bank approved pledge securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank’s dollar amount of Federal Deposit Insurance Corporation (“FDIC”) insurance.

1. Cash

At September 30, 2014, the carrying amount of the primary government’s (including the blended component unit’s) cash on hand was \$800, the carrying amount of deposits was \$1,041,927 and the bank balance was \$1,113,357. Of the bank balances, \$250,000 was covered by federal deposit insurance and the City’s depository had pledged securities having a face value of \$3,067,639 and market value of \$3,500,000 as collateral for the City’s deposits. All of the City’s cash was fully collateralized. The City also had funds at another financial institution with both the bank and carrying balance of \$492,363. The blended component unit also had funds at another financial institution with both the bank and carrying balance of \$392,327, respectively. These funds were fully secured by federal deposit insurance coverage.

2. Investments

The City is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act (“Act”) requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the City has adhered to the requirements of the Act.

The Act determines the types of investments which are allowable for the City. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

The City’s investments at September 30, 2014 are as follows:

	<u>Reported Value</u>	<u>Fair Value</u>
Investment Pools:		
TexPool	\$ 1,535	\$ 1,535
LOGIC	67,151	67,151
Certificates of Deposit	246,985	246,985
Total Investments	<u>\$ 315,671</u>	<u>\$ 315,671</u>

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2014

**NOTE B -- CASH AND CASH INVESTMENTS (Continued)**

2. Investments (Continued)

The Certificate of Deposit was fully collateralized.

Public funds investment pools in Texas (“Pools”) are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the “Act”), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the City was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the City was not significantly exposed to credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution’s trust department or agent but not in the City’s name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty’s trust department or agent but not in the City’s name.

At year end, the City was not exposed to custodial credit risk.

c. Concentration of Credit Risk

The risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. At year end, the City was not exposed to concentration of credit risk.

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2014

**NOTE B -- CASH AND CASH INVESTMENTS (Continued)**

3. Analysis of Specific Deposit and Investment Risks (Continued)

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year-end, the City was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the City was not exposed to foreign currency risk.

4. Investment Accounting Policy

The City's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

5. Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

**NOTE C -- PROPERTY TAX CALENDAR**

Taxes were levied on and payable as of October 1. The City has contracted with the Bexar County Tax Assessor-Collector to collect taxes on its behalf. Current year taxes become delinquent February 1. Current year delinquent taxes not paid by July 1 are turned over to attorneys for collection action.

For fiscal year 2014, the assessed tax rate for the City was \$0.350000 per \$100 on an assessed valuation of \$633,131,920, less applicable freeze adjustments. This is split as \$0.271503 for general maintenance and operations and \$0.078497 for interest and sinking. Total tax levy for fiscal year 2014 was \$2,674,557. As of September 30, 2014, the delinquent taxes were \$39,413 with an allowance for estimated uncollectible accounts recorded as \$2,759.

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2014

**NOTE D -- RECEIVABLES**

The following is a summary of the gross property taxes and charges for services receivable and the related allowances for uncollectible amounts:

	<u>Amount Receivable</u>	<u>Allowance for Uncollectible Accounts</u>	<u>Net Receivable</u>
<i>Taxes:</i>			
General Fund	\$ 30,858	\$ 2,160	\$ 28,698
Debt Service Fund	8,555	599	7,956
<i>Charges for Services:</i>			
EMS Fund	146,263	74,009	72,254

Other receivables as of September 30, 2014 for the City's individual major funds are as follows:

	<u>General</u>	<u>EDC</u>
Sales Taxes	\$ 197,640	\$ 94,170
Franchise Fees	101,125	-
Interlocal Agreement	18,750	-
Tower Lease Receivable	15,201	-
Other	7,883	-
Total Other Receivables	<u>\$ 340,599</u>	<u>\$ 94,170</u>

**NOTE E -- INTERFUND BALANCES**

Interfund balances represent reimbursements for expenditures paid or cash received on behalf of other funds and are expected to be liquidated in the next fiscal year. Interfund balances between City funds at September 30, 2014 consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Dispatch Fund	\$ 1,193,912	Initial Capital and reimbursement for costs
General Fund	Emergency Medical Services	1,133,341	Initial Capital and reimbursement for costs
General Fund	Debt Service Fund	71,569	Reimbursement of lease payments
General Fund	EDC	61,956	Reimbursement of costs
EDC	Capital Projects	75,996	Reimbursement of Initial Funding
Total Interfund Balances		<u>\$ 2,536,774</u>	

**NOTE F -- TRANSFERS**

Transfers during the year ended September 30, 2014, were as follows.

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>	<u>Purpose</u>
Economic Development Corp.	Debt Service	\$ 291,830	<i>pledged revenue</i>
Capital Projects	Economic Development Corp.	35,763	<i>supplement funding</i>
Debt Service	General Fund	52,631	<i>supplement funding</i>
Total Governmental Funds Transfers		<u>\$ 380,224</u>	

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2014

**NOTE G -- UNEARNED REVENUE - LEASE REVENUE**

The City is leasing land to Cingular Wireless for a period of 30 years for a cell phone tower. This agreement runs from September 1, 2005 through August 31, 2035. The first five years of the lease were prepaid and the remaining term is in annual installments.

The City is also leasing a parking lot to Northside Independent School District (NISD) for a term of 50 years. The entire lease was paid in advance and is being recognized over the term of the lease. The City may cancel the lease with written notice, but would be required to refund the pro-rata portion of unearned lease revenue. The balance of unrecognized parking lease revenue is shown as unearned revenue on the Balance Sheet and the Statement of Net Position.

Fiscal Year Ending September 30,	Minimum Future Lease Revenue		
	Tower Lease	Parking Lease	Total
2015	\$ 16,127	\$ 2,533	\$ 18,660
2016	16,611	2,533	19,144
2017	17,109	2,533	19,642
2018	17,622	2,533	20,155
2019	18,151	2,533	20,684
2020-2024	99,257	12,665	111,922
2025-2029	114,067	12,665	126,732
2030-2034	133,393	12,665	146,058
2035-2039	-	12,665	12,665
2040-2044	-	12,665	12,665
2045-2049	-	12,665	12,665
2050-2054	-	12,665	12,665
2055-2059	-	12,665	12,665
2060	-	925	925
	<u>\$ 432,337</u>	<u>\$ 114,910</u>	<u>\$ 547,247</u>

**NOTE H -- PLEDGED REVENUE**

The Helotes Economic Development Corporation has pledged to reimburse the City for the debt service requirements of \$4,000,000 of the 2007 Series Certificates of Obligation through an interlocal agreement. Subject to the Corporation's availability of funds, the remaining pledged revenues are as follows:

Fiscal Year Ending September 30,	Pledged Revenue
2015	\$ 294,953
2016	292,780
2017	295,313
2018	292,551
2019	294,495
2020 - 2024	1,487,872
2025 - 2027	895,795
	<u>\$ 3,853,759</u>

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2014

**NOTE I -- CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2014 was as follows:

<u>Governmental Activities</u>	Balance 10/1/2013	Additions	Disposals/ Transfers	Balance 9/30/2014
Land	\$ 1,561,140	\$ 202,631	\$ -	\$ 1,763,771
Construction in Progress	-	153,786	-	153,786
Buildings	6,768,045	-	-	6,768,045
Vehicles & Equipment	2,446,987	-	(149,782)	2,297,205
Infrastructure	10,835,178	-	-	10,835,178
	<u>21,611,350</u>	<u>356,417</u>	<u>(149,782)</u>	<u>21,817,985</u>
Less Accumulated Depreciation				
Buildings	(1,186,276)	(221,632)	-	(1,407,908)
Vehicles & Equipment	(1,521,596)	(190,516)	148,564	(1,563,548)
Infrastructure	(7,769,308)	(216,370)	-	(7,985,678)
	<u>(10,477,180)</u>	<u>(628,518)</u>	<u>148,564</u>	<u>(10,957,134)</u>
Governmental Capital Assets, Net	<u>\$ 11,134,170</u>	<u>\$ (272,101)</u>	<u>\$ (1,218)</u>	<u>\$ 10,860,851</u>

Land and Construction in Progress are not depreciated.

<u>Business-Type Activities</u>	Balance 10/1/2013	Additions	Disposals/ Transfers	Balance 9/30/2014
<u>Dispatch</u>				
Vehicles and Equipment	\$ 410,144	\$ -	\$ (2,415)	\$ 407,729
Accumulated Depreciation	(136,714)	(41,014)	1,046	(176,682)
Dispatch Capital Assets, Net	<u>273,430</u>	<u>(41,014)</u>	<u>(1,369)</u>	<u>231,047</u>
<u>EMS</u>				
Vehicles & Equipment	171,254	-	-	171,254
Accumulated Depreciation	(53,878)	(18,925)	-	(72,803)
EMS Capital Assets, Net	<u>117,376</u>	<u>(18,925)</u>	<u>-</u>	<u>98,451</u>
Business-Type Capital Assets, Net	<u>\$ 390,806</u>	<u>\$ (59,939)</u>	<u>\$ (1,369)</u>	<u>\$ 329,498</u>

Depreciation expense was charged to the governmental functions as follows:

City Administration	\$ 55,087
Municipal Court	5,761
Animal Control, Public Works	218,342
Building and Grounds	58,894
Police Department	150,911
Fire Department	139,523
Total Depreciation Expense - Governmental Activities	<u>\$ 628,518</u>

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2014

**NOTE J -- LONG-TERM DEBT**

Long-term debt and obligations payable at September 30, 2014 comprise the following individual issues:

*Certificates of Obligation:*

\$1,500,000 2002 Combination Tax and Limited-Pledge Revenue Certificates of  
Obligation due in annual installments through 2017; interest at 3.75-4.35%. \$ 395,000

\$10,000,000 2007 Combination Tax and Limited-Pledge Revenue Certificates of  
Obligation due in annual installments through 2027; interest at 3.93%.  
The EDC has pledged to cover a portion of this debt (see note G) 7,510,000

**Total Governmental Long-Term Obligations** \$ 7,905,000

The City entered into a loan agreement with Lynn Steinhiser and Cynthia Warner in October 2013 to borrow the sum of \$200,000 for the purchase of real property. The loan is due and payable with four annual payments of \$50,000 at zero percent interest. The final maturity of the loan is October 10, 2016.

Changes in Long-Term Liabilities

	Balance 10/1/2013	Additions	Reductions	Balance 9/30/2014	Due Within One Year
<i>Governmental Activities</i>					
Series 2002	\$ 515,000	\$ -	\$ (120,000)	\$ 395,000	\$ 125,000
Series 2007	<u>7,935,000</u>	<u>-</u>	<u>(425,000)</u>	<u>7,510,000</u>	<u>445,000</u>
Total Bonded Debt	<u>8,450,000</u>	<u>-</u>	<u>(545,000)</u>	<u>7,905,000</u>	<u>570,000</u>
Capital Lease	124,424	-	(63,787)	60,637	38,965
Note Payable	-	200,000	(50,000)	150,000	50,000
Compensated Absences	<u>221,951</u>	<u>-</u>	<u>(1,192)</u>	<u>220,759</u>	<u>220,759</u>
Total Governmental Activities	<u>\$ 8,796,375</u>	<u>\$ 200,000</u>	<u>\$ (659,979)</u>	<u>\$ 8,336,396</u>	<u>\$ 879,724</u>
<i>Business-type Activities</i>					
Compensated Absences	<u>\$ 37,247</u>	<u>\$ -</u>	<u>\$ (2,139)</u>	<u>\$ 35,108</u>	<u>\$ 35,108</u>
Total Business-Type Activities	<u>\$ 37,247</u>	<u>\$ -</u>	<u>\$ (2,139)</u>	<u>\$ 35,108</u>	<u>\$ 35,108</u>

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2014

**NOTE J -- LONG-TERM DEBT (Continued)**

The general long-term debt bonds mature serially through 2027 as follows:

Year Ending September 30,	Principal	Interest	Total
2015	\$ 620,000	\$ 300,639	\$ 920,639
2016	645,000	277,370	922,370
2017	675,000	252,895	927,895
2018	500,000	230,495	730,495
2019	525,000	210,353	735,353
2020 - 2024	2,980,000	716,833	3,696,833
2025 - 2027	2,110,000	126,742	2,236,742
	<u>\$ 8,055,000</u>	<u>\$ 2,115,327</u>	<u>\$ 10,170,327</u>
Average Annual Debt Service Requirement			<u>\$ 782,332.85</u>

The City leased 5 police vehicles in April 2011. The lease calls for annual payments of \$28,805 through April 2014. The City leased two additional police vehicles in October 2011 and a code enforcement vehicle in February 2012. In April 2013, the City entered into another lease agreement for three more vehicles. All of the leases have effective interest rates between 6.1% and 6.6% and have bargain purchase options of \$1 upon maturity. Future minimum lease payments are as follows:

Year Ending September 30,	Lease Payments
2015	\$ 42,765
2016	22,999
	65,764
Less: Interest Amount	(5,127)
	<u>\$ 60,637</u>

The following is an analysis of the property under capital lease as of September 30, 2014:

Transportation & Equipment	\$ 261,166
Less: Accumulated Depreciation	(188,705)
Net Leased Property	<u>\$ 72,461</u>

**NOTE K -- DEFICIT PROPRIETARY NET POSITION**

The City started two new business-type activities in the fiscal year ending September 30, 2011: dispatch and EMS. Both activities had significant costs to begin and have borrowed money from the General Fund in their infancy. The Dispatch and EMS funds ended the year with a deficit in net position of \$853,564 and \$987,159, respectively. The City anticipates charges for services to cover the cost a third party subcontractor would charge for the same services and intends to consolidate activities back into the General Fund for the year ending September 30, 2015.

CITY OF HELOTES, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2014

**NOTE L -- PENSION PLAN**

**Plan Description**

The City provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the statewide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the city are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for TMRS. The report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained by writing to TMRS, P.O. Box 149153, Austin, Texas 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS' website at [www.TMRS.com](http://www.TMRS.com).

The plan provisions are adopted by the governing body of the City, within options available in state statutes governing TMRS. Plan provisions for the City were as follows:

	<u>Plan Year 2013</u>	<u>Plan Year 2014</u>
Employee Deposit Rate	6.00%	6.00%
Matching Ratio (City to Employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	100%, Transfers	0%
Annuity Increase (to retirees)	70% of CPI	0% of CPI

**Contributions**

Under the state law governing TMRS, the City's contribution rate is annually determined by the actuary, using the Entry Age Normal (EAN) actuarial cost method. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that City. Both the normal cost and the prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect.

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2014

**NOTE L -- PENSION PLAN (Continued)**

The annual pension cost and net pension obligation/(asset) are as follows:

Fiscal Year	Annual Pension Cost	Percentage of APC Contribution	Net Pension Obligation
2012	\$ 106,197	100%	-
2013	\$ 112,769	100%	-
2014	\$ 139,948	100%	-

The required contribution rates for fiscal year 2014 were determined as part of the December 31, 2011 and 2012 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, also follows:

Actuarial Valuation Date	12/31/2011	12/31/2012	12/31/2013
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Entry Age Normal
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining Amortization Period	16.3 years - Closed Period	15.8 years - Closed Period	18.2 years - Closed Period
Amortization Period for new Gains/Losses	25 Years	25 Years	25 Years
Asset Valuation Method	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
Investment Rate of Return	7.00%	7.00%	7.00%
Projected Salary Increases	Varies by age and service	Varies by age and service	Varies by age and service
Inflation Rate	3.0%	3.0%	3.0%
Cost-of-Living Adjustments	0.0%	0.0%	0.0%

**Funded Status and Funding Progress** – In October 2013, the TMRS Board approved actuarial changes in (a) the funding method from Projected Unit credit to Entry Age Normal, (b) the post-retirement mortality assumptions used in calculating liabilities and contribution rates and in the development of the Annuity Purchase Rate factors, and (c) the amortization policy. These actuarial changes were effective with the December 31, 2013 actuarial valuation. For a complete description of the new actuarial cost method and assumptions, please see the December 31, 2013 TMRS Comprehensive Annual Financial Report (CAFR).

CITY OF HELOTES, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2014

**NOTE L -- PENSION PLAN (Continued)**

The funded status as of December 31, 2013, the most recent actuarial valuation date, is presented as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funding Ratio (1)/(2)	Unfunded Actuarial Liability (UAAL)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
2013	\$ 3,511,599	\$ 3,960,372	88.7%	\$ 448,773	\$2,756,700	16.3%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used to include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

**NOTE M -- OTHER POST EMPLOYMENT BENEFIT**

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's annual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

The City contributes to the SDBF at a contractually required rate, as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City's contributions to the TMRS SDBF for the years ended September 30, 2014, 2013 and 2012 were \$3,359, \$2,953, and \$3,201, respectively, and were equal to the required contributions each year.

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2014

**NOTE N -- RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City contracts with the Texas Municipal League (TML) to provide insurance coverage for property and casualty and workers compensation. TML is a multi-employer group that provides for a combination of risk sharing among pool participants and stop loss coverage. Contributions are set annually by the provider. Liability by the City is generally limited to the contributed amounts. Annual contributions for the year ended September 30, 2014 were \$105,694 for property and casualty and workers compensation coverage.

**NOTE O -- COMMITMENTS AND CONTINGENCIES**

Litigation

The Texas Association of Builders and the Greater San Antonio Builders Association and Continental Homes of Texas, L.P. have filed lawsuits against the City in the Bexar County District Court regarding building permit requirements, as defined by the City's building code regulations. The outcome of these suits cannot be determined as of the date of this report.

Management is unaware of any other pending or threatened claims that may have a material effect on the City's financial position.

Construction

The Economic Development Corporation has entered into engineering contracts for the following project. Estimated future commitments associated with these contracts as of September 30, 2014 are as follows:

<u>Commitment</u>	<u>Estimated Project Cost to City</u>	<u>Expended to Date</u>	<u>Estimated Future Commitment</u>
State Highway 16 Water and Sewer Infrastructure Project	\$ 276,766	\$ 136,349	\$ 140,417
	<u>\$ 276,766</u>	<u>\$ 136,349</u>	<u>\$ 140,417</u>

380 Development Agreements

The City of Helotes and the Economic Development Corporation have entered into 380 Economic Development Agreements to encourage growth within the City. The Agreements involve the City and Economic Development Corporation reimbursing the project costs through refunding a portion of the sales and use taxes generated by the projects up to a maximum amount. The City is accruing an estimated sales tax rebate as of September 30, 2014 based on the sales tax collections to date in anticipation of the developer's request for payment. The terms of the agreement are as follows:

<u>Development</u>	<u>Sales Tax Refund Agreement</u>		<u>Maximum Grant Amount</u>	<u>Term</u>
	<u>City</u>	<u>EDC</u>		
Bandera Helotes Plaza	50%	50%	\$ 300,000	10 years
Old Town Helotes Special District	50%	50%	\$ 2,000,000	15 years

## REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Budgetary Comparison Schedule – Economic Development Corporation
- Schedule of Funding Progress – Defined Benefit Retirement Plan

CITY OF HELOTES, TEXAS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014  
 (WITH COMPARATIVE ACTUAL TOTALS FOR 2013)

	Budget Amounts		2014	Variance	2013
	Original	Final	Actual Amounts	Favorable (Unfavorable)	Actual Amounts
<b>REVENUES</b>					
Taxes	\$ 3,273,165	\$ 3,273,165	\$ 3,212,362	\$ (60,803)	\$ 2,987,294
Franchise Fees	497,275	497,275	527,251	29,976	477,344
Licenses and Permits	597,146	597,146	968,433	371,287	489,073
Municipal Court	380,790	453,142	329,504	(123,638)	309,419
Fire Department	75,090	75,090	75,155	65	75,081
Interest	3,765	3,765	7,308	3,543	3,767
Miscellaneous	66,910	66,910	65,555	(1,355)	172,989
<i>Total Revenues</i>	<u>4,894,141</u>	<u>4,966,493</u>	<u>5,185,568</u>	<u>219,075</u>	<u>4,514,967</u>
<b>EXPENDITURES</b>					
<i>City Council:</i>					
Seminars	100	670	670	-	-
Reimbursements	2,500	2,930	2,807	123	2,891
<i>Total City Council</i>	<u>2,600</u>	<u>3,600</u>	<u>3,477</u>	<u>123</u>	<u>2,891</u>
<i>City Administration:</i>					
Personnel	271,685	277,247	289,380	(12,133)	256,459
Insurance	71,350	63,218	63,218	-	60,919
Contractual	270,010	331,691	330,894	797	266,104
Supplies and Maintenance	77,300	87,422	109,116	(21,694)	90,296
<i>Total City Administration</i>	<u>690,345</u>	<u>759,578</u>	<u>792,608</u>	<u>(33,030)</u>	<u>673,778</u>
<i>City Secretary:</i>					
Personnel	82,975	82,918	83,704	(786)	78,092
Contractual	27,638	17,747	17,747	-	18,216
Supplies and Maintenance	1,000	2,845	2,845	-	957
<i>Total City Secretary</i>	<u>111,613</u>	<u>103,510</u>	<u>104,296</u>	<u>(786)</u>	<u>97,265</u>
<i>Human Resources:</i>					
Personnel	16,672	9,955	10,031	(76)	14,445
<i>Total Human Resources</i>	<u>\$ 16,672</u>	<u>\$ 9,955</u>	<u>\$ 10,031</u>	<u>\$ (76)</u>	<u>\$ 14,445</u>

CITY OF HELOTES, TEXAS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014  
 (WITH COMPARATIVE ACTUAL TOTALS FOR 2013)

	Budget Amounts		2014	Variance	2013
	Original	Final	Actual Amounts	Favorable (Unfavorable)	Actual Amounts
<b>EXPENDITURES (CONT.)</b>					
<i>Municipal Court:</i>					
Personnel	\$ 205,270	\$ 217,466	\$ 221,038	\$ (3,572)	\$ 190,760
Contractual	44,101	52,594	68,004	(15,410)	73,135
<i>Total Municipal Court</i>	<u>249,371</u>	<u>270,060</u>	<u>289,042</u>	<u>(18,982)</u>	<u>263,895</u>
<i>Animal Control, Public Works:</i>					
Personnel	115,555	107,539	108,804	(1,265)	112,058
Contractual	106,400	113,347	113,322	25	82,716
Supplies and Maintenance	9,755	10,222	10,222	-	11,414
Capital Outlay	18,000	13,270	13,270	-	12,394
<i>Total Animal Control, Public Works</i>	<u>249,710</u>	<u>244,378</u>	<u>245,618</u>	<u>(1,240)</u>	<u>218,582</u>
<i>Development Services:</i>					
Personnel	58,200	58,027	60,079	(2,052)	53,160
Contractual	5,800	12,991	30,787	(17,796)	39,397
Capital Outlay	-	200,000	202,631	(2,631)	-
<i>Total Development Services</i>	<u>64,000</u>	<u>271,018</u>	<u>293,497</u>	<u>(22,479)</u>	<u>92,557</u>
<i>Buildings and Grounds:</i>					
Contractual	69,525	82,840	83,240	(400)	89,154
Supplies and Maintenance	1,000	290	290	-	5,565
Community Events	86,140	105,678	102,610	3,068	64,463
Utilities	103,920	96,636	96,636	-	92,672
Capital Outlay	-	-	7,433	(7,433)	-
<i>Total Buildings and Grounds</i>	<u>260,585</u>	<u>285,444</u>	<u>290,209</u>	<u>(4,765)</u>	<u>251,854</u>
<i>Police Department:</i>					
Personnel	1,229,615	1,242,219	1,260,994	(18,775)	1,172,053
Contractual	41,370	42,849	42,153	696	47,207
Supplies and Maintenance	108,175	109,293	121,424	(12,131)	230,490
Capital Outlay	57,270	(1,215)	88	(1,303)	59,049
<i>Total Police Department</i>	<u>\$ 1,436,430</u>	<u>\$ 1,393,146</u>	<u>\$ 1,424,659</u>	<u>\$ (31,513)</u>	<u>\$ 1,508,799</u>

CITY OF HELOTES, TEXAS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014  
 (WITH COMPARATIVE ACTUAL TOTALS FOR 2013)

	Budget Amounts		2014 Actual Amounts	Variance Favorable (Unfavorable)	2013 Actual Amounts
	Original	Final			
<b>EXPENDITURES (CONT.)</b>					
<i>Fire Department:</i>					
Personnel	\$ 955,635	\$ 942,600	\$ 948,576	\$ (5,976)	\$ 850,371
Contractual	18,450	34,315	32,903	1,412	14,884
Supplies and Maintenance	117,625	114,107	109,216	4,891	86,129
Capital Outlay	-	-	-	-	27,785
<i>Total Fire Department</i>	<u>1,091,710</u>	<u>1,091,022</u>	<u>1,090,695</u>	<u>327</u>	<u>979,169</u>
<i>Debt Service:</i>					
Principal	-	-	50,000	(50,000)	64,902
Interest and Fiscal Charges	-	-	-	-	6,667
<i>Total Debt Service</i>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>(50,000)</u>	<u>71,569</u>
<b>TOTAL EXPENDITURES</b>	<u>4,173,036</u>	<u>4,431,711</u>	<u>4,594,132</u>	<u>(162,421)</u>	<u>4,174,804</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>721,105</u>	<u>534,782</u>	<u>591,436</u>	<u>56,654</u>	<u>340,163</u>
<b>Other Financing Sources (Uses)</b>					
Note Payable Proceeds	-	200,000	200,000	-	84,340
Transfers In (Out)	-	-	52,631	52,631	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>200,000</u>	<u>252,631</u>	<u>52,631</u>	<u>84,340</u>
<b>Net Change in Fund Balance</b>	721,105	734,782	844,067	109,285	424,503
<b>BEGINNING FUND BALANCE</b>	<u>3,012,454</u>	<u>3,012,454</u>	<u>3,012,454</u>	<u>-</u>	<u>2,587,951</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 3,733,559</u>	<u>\$ 3,747,236</u>	<u>\$ 3,856,521</u>	<u>\$ 109,285</u>	<u>\$ 3,012,454</u>

CITY OF HELOTES, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
ECONOMIC DEVELOPMENT CORPORATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2013)

	Budgeted Amounts		2014 Actual Amounts	Variance Favorable (Unfavorable)	2013 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Taxes	\$ 580,000	\$ 580,000	\$ 537,011	\$ (42,989)	\$ 465,886
Interest	2,200	2,200	2,184	(16)	1,442
<b>TOTAL REVENUES</b>	582,200	582,200	539,195	(43,005)	467,328
<b>EXPENDITURES</b>					
Personnel Costs	55,954	55,954	62,366	(6,412)	57,466
Professional Services	57,796	97,796	81,943	15,853	27,464
City Administration Cost	8,000	8,000	8,000	-	8,000
Training and Seminars	7,750	7,750	7,619	131	4,637
Office Supplies and Expenses	2,250	2,250	1,946	304	2,539
Insurance	-	-	-	-	-
Other Expenses	18,950	18,950	-	18,950	165
<b>TOTAL EXPENDITURES</b>	150,700	190,700	161,874	28,826	100,271
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	431,500	391,500	377,321	(14,179)	367,057
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer In (Out) to Primary Government	(455,679)	(455,679)	(256,067)	199,612	(328,413)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	(455,679)	(455,679)	(256,067)	199,612	(328,413)
<b>Net Change in Fund Balance</b>	(24,179)	(64,179)	121,254	185,433	38,644
<b>BEGINNING FUND BALANCE</b>	563,556	563,556	563,556	-	524,912
<b>ENDING FUND BALANCE</b>	\$ 539,377	\$ 499,377	\$ 684,810	\$ 185,433	\$ 563,556

CITY OF HELOTES, TEXAS  
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
SEPTEMBER 30, 2014

**Budgetary Information** – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council and, as such, is a good management control device. The following are the funds which have legally adopted annual budgets: General Fund, Debt Service and Economic Development Corporation.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level, unless authorized by City Council. Actual expenditures exceeded the appropriated budget for 2014 in the General Fund; however, City Council authorized said expenditures through routine, monthly revenue and expenditure reports placed by City Staff onto City Council agendas, whereby current expenditures exceeding 100% of fiscal year 2014 budgeted expenditures were authorized and ratified.

**Municipal Court –**

The Municipal Court Contractual deficit resulted from expenditures made within Restricted Fund Court Technology that were not included as planned expenditures within the FYE 2014 Budget but were made pursuant to City Council Resolution No. 266.

**Development Services –**

The Development Services Contractual deficit resulted from expenditures made within Restricted Fund PEG that were not included as planned expenditures within the FYE 2014 Budget but were made pursuant to City Council Resolution No. 266.

**Police Department –**

The Police Department Supplies and Maintenance deficit resulted from expenditures made within Restricted Fund School Safety that were not included as planned expenditures within the FYE 2014 Budget but were made pursuant to City Council Resolution No. 266.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances lapse at year-end and do not constitute expenditures or liabilities because the commitments must be reappropriated and honored during the subsequent year.

CITY OF HELOTES, TEXAS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 TEXAS MUNICIPAL RETIREMENT SYSTEM  
 SCHEDULE OF FUNDING PROGRESS – DEFINED BENEFIT PENSION PLAN  
 LAST TEN CALENDAR YEARS

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS **	ACTUARIAL ACCRUED LIABILITY*	FUNDING RATIO (1)/(2)	UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)	ANNUAL COVERED PAYROLL	UAAL AS A PERCENTAGE OF COVERED PAYROLL
2004	\$ 656,331	\$ 687,100	95.5%	\$ 30,769	\$ 841,148	3.7%
2005	\$ 828,256	\$ 866,884	95.5%	\$ 38,628	\$ 956,580	4.0%
2006	\$ 963,132	\$ 1,241,161	77.6%	\$ 278,029	\$ 1,156,908	24.0%
2007	\$ 1,208,350	\$ 1,561,454	77.4%	\$ 353,104	\$ 1,458,676	24.2%
2008	\$ 1,492,438	\$ 1,763,870	84.6%	\$ 271,432	\$ 1,689,882	16.1%
2009	\$ 1,816,789	\$ 2,101,045	86.5%	\$ 284,256	\$ 1,878,667	15.1%
2010	\$ 2,284,728	\$ 2,524,433	90.5%	\$ 239,705	\$ 2,036,354	11.8%
2011	\$ 2,684,888	\$ 2,930,912	91.6%	\$ 413,997	\$ 2,378,436	17.4%
2012	\$ 3,057,356	\$ 3,482,610	87.8%	\$ 425,254	\$ 2,618,974	16.2%
2013	\$ 3,511,599	\$ 3,960,372	88.7%	\$ 448,773	\$ 2,756,700	16.3%



## SUPPLEMENTARY INFORMATION

Supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedule include:

- Comparative Balance Sheets – General Fund
- Comparative Balance Sheets – Economic Development Corporation
- Comparative Statements – Debt Service Fund
- Comparative Statements – Capital Projects Fund

CITY OF HELOTES, TEXAS  
 COMPARATIVE BALANCE SHEETS  
 GENERAL FUND  
 SEPTEMBER 30, 2014 AND 2013

	2014	2013
<b>ASSETS</b>		
Cash and Investments	\$ 1,121,339	\$ 920,581
Certificate of Deposit	246,985	245,000
Receivables:		
Property Taxes (Net of Allowance)	28,698	30,831
Sales Tax and Other Receivables	340,599	306,597
Due from Other Funds	2,460,778	1,791,651
Prepaid Items	-	1,744
<b>TOTAL ASSETS</b>	<b>\$ 4,198,399</b>	<b>\$ 3,296,404</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 111,228	\$ 71,955
Accrued Expenditures	91,637	64,877
Unearned Revenue - Lease	114,910	117,444
<i>Total Liabilities</i>	<b>317,775</b>	<b>254,276</b>
 <i>Deferred Inflows of Resources:</i>		
Unavailable Revenue - Taxes	24,103	29,674
<i>Total Deferred Inflows of Resources</i>	<b>24,103</b>	<b>29,674</b>
 <i>Fund Balances:</i>		
Nonspendable:		
Prepaid Items	-	1,744
Restricted For:		
Court Technology and Security	12,705	15,665
School Crossing	22,888	33,813
Police Department	4,795	5,286
PEG Capital Fees	29,833	31,702
Unassigned	3,786,300	2,924,244
<i>Total Fund Balances</i>	<b>3,856,521</b>	<b>3,012,454</b>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 4,198,399</b>	<b>\$ 3,296,404</b>

CITY OF HELOTES, TEXAS  
 COMPARATIVE BALANCE SHEETS  
 ECONOMIC DEVELOPMENT CORPORATION  
 SEPTEMBER 30, 2014 AND 2013

	2014	2013
<b>ASSETS</b>		
Cash and Investments	\$ 586,250	\$ 544,321
Accounts Receivable - State	94,170	89,189
Due from Other Funds	14,040	-
Prepaid Items	440	440
<b>TOTAL ASSETS</b>	<b>\$ 694,900</b>	<b>\$ 633,950</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 118	\$ 4,964
Accrued Liabilities	9,972	6,011
Due to Other Funds	-	59,419
<i>Total Liabilities</i>	<b>10,090</b>	70,394
<i>Fund Balance:</i>		
Nonspendable:		
Prepaid Items	440	440
Restricted for Economic Development Corporation	684,370	563,116
<i>Total Fund Balance</i>	<b>684,810</b>	563,556
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 694,900</b>	<b>\$ 633,950</b>

CITY OF HELOTES, TEXAS  
 COMPARATIVE BALANCE SHEETS  
 DEBT SERVICE FUND  
 SEPTEMBER 30, 2014 AND 2013

	2014	2013
<b>ASSETS</b>		
Cash and Investments	\$ 74,402	\$ 119,642
Taxes Receivable (Net of Allowances)	7,956	9,240
<b>TOTAL ASSETS</b>	<b>\$ 82,358</b>	<b>\$ 128,882</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Due to Other Funds	\$ 71,569	\$ -
<i>Total Liabilities</i>	71,569	-
<i>Deferred Inflows of Resources:</i>		
Unavailable Revenue - Taxes	6,682	8,893
<i>Total Deferred Inflows of Resources</i>	6,682	8,893
<i>Fund Balance:</i>		
Restricted for Debt Service	4,107	119,989
<i>Total Fund Balance</i>	4,107	119,989
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 82,358</b>	<b>\$ 128,882</b>

CITY OF HELOTES, TEXAS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 DEBT SERVICE FUND  
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	2013
<b>REVENUES</b>		
Taxes	\$ 584,820	\$ 608,958
Interest	203	237
<b>TOTAL REVENUES</b>	<b>585,023</b>	<b>609,195</b>
 <b>EXPENDITURES</b>		
Principal Payments	608,787	525,000
Interest and Fiscal Charges	331,317	344,777
<b>TOTAL EXPENDITURES</b>	<b>940,104</b>	<b>869,777</b>
 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(355,081)</b>	<b>(260,582)</b>
 <b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In (Out)	239,199	293,413
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>239,199</b>	<b>293,413</b>
 <b>Net Change in Fund Balance</b>	<b>(115,882)</b>	<b>32,831</b>
 <b>BEGINNING FUND BALANCE</b>	<b>119,989</b>	<b>87,158</b>
 <b>ENDING FUND BALANCE</b>	<b>\$ 4,107</b>	<b>\$ 119,989</b>

CITY OF HELOTES, TEXAS  
 COMPARATIVE BALANCE SHEETS  
 CAPITAL PROJECTS FUND  
 SEPTEMBER 30, 2014 AND 2013

	2014	2013
<b>ASSETS</b>		
Cash and Investments	\$ 84,941	\$ 192,732
<b>TOTAL ASSETS</b>	<b>\$ 84,941</b>	<b>\$ 192,732</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 2,662	\$ 250
Due to Other Funds	75,996	-
<i>Total Liabilities</i>	<b>78,658</b>	250
<i>Fund Balance:</i>		
Committed for Capital Projects	6,283	192,482
<i>Total Fund Balance</i>	<b>6,283</b>	192,482
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 84,941</b>	<b>\$ 192,732</b>

CITY OF HELOTES, TEXAS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 CAPITAL PROJECTS FUND  
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	2013
<b>REVENUES</b>		
Interest	\$ 179	\$ 345
Miscellaneous	4,400	3,600
<b>TOTAL REVENUES</b>	4,579	3,945
 <b>EXPENDITURES</b>		
Capital Outlay	155,015	12,315
<b>TOTAL EXPENDITURES</b>	155,015	12,315
 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(150,436)</b>	<b>(8,370)</b>
 <b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In (Out)	(35,763)	35,000
<b>TOTAL OTHER FINANCING</b>	<b>(35,763)</b>	<b>35,000</b>
 <b>Net Change in Fund Balance</b>	<b>(186,199)</b>	<b>26,630</b>
 <b>BEGINNING FUND BALANCE</b>	<b>192,482</b>	<b>165,852</b>
 <b>ENDING FUND BALANCE</b>	<b>\$ 6,283</b>	<b>\$ 192,482</b>



## STATISTICAL SECTION

The following unaudited Statistical Tables reflect social and economic data, financial trends and fiscal capacity of the City.

This part of the City of Helotes' comprehensive annual financial report represents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about Helotes' overall financial health

### **Contents**

#### Financial Trends – Tables 1 through 5

*These schedules contain trend information to help the reader understand how Helotes' financial performance and well-being have changed over time.*

#### Revenue Capacity – Tables 6 through 9

*These schedules contain information to help the reader assess Helotes' most significant local revenue source, the property tax.*

#### Debt Capacity – Tables 10 and 11

*These schedules present information to help the reader assess the affordability of Helotes' current levels of outstanding debt and our ability to issue additional debt.*

#### Demographic and Economic Information – Tables 12 and 13

*These schedules offer demographic and economic indicators to help the reader understand the environment within which Helotes' financial activities take place.*

CITY OF HELOTES, TEXAS  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS

	<b>Fiscal Year</b>			
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 1,097,466	\$ 1,111,537	\$ 2,427,960	\$ 2,441,885
Restricted	300,140	155,974	200,465	83,401
Unrestricted	<u>1,877,376</u>	<u>2,709,920</u>	<u>2,646,306</u>	<u>3,012,194</u>
<b>Total Governmental Activities</b>	<b><u>\$ 3,274,982</u></b>	<b><u>\$ 3,977,431</u></b>	<b><u>\$ 5,274,731</u></b>	<b><u>\$ 5,537,480</u></b>
<b>Business-Type Activities</b>				
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Unrestricted	-	-	-	-
<b>Total Business-Type Activities</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>
<b>Primary Government</b>				
Net Investment in Capital Assets	\$ 1,097,466	\$ 1,111,537	\$ 2,427,960	\$ 2,441,885
Restricted	300,140	155,974	200,465	83,401
Unrestricted	<u>1,877,376</u>	<u>2,709,920</u>	<u>2,646,306</u>	<u>3,012,194</u>
<b>Total Primary Government</b>	<b><u>\$ 3,274,982</u></b>	<b><u>\$ 3,977,431</u></b>	<b><u>\$ 5,274,731</u></b>	<b><u>\$ 5,537,480</u></b>

TABLE 1

<b>Fiscal Year</b>					
<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 2,801,984	\$ 2,695,447	\$ 2,609,738	\$ 2,525,712	\$ 2,559,746	\$ 2,745,214
63,784	188,397	110,315	124,744	157,397	27,399
2,949,816	2,893,635	2,907,932	3,110,618	3,489,749	4,237,915
<u>\$ 5,815,584</u>	<u>\$ 5,777,479</u>	<u>\$ 5,627,985</u>	<u>\$ 5,761,074</u>	<u>\$ 6,206,892</u>	<u>\$ 7,010,528</u>
\$ -	\$ -	\$ 510,684	\$ 450,745	\$ 390,806	\$ 329,498
-	-	-	-	-	-
-	-	(362,016)	(877,756)	(1,501,982)	(2,170,221)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,668</u>	<u>\$ (427,011)</u>	<u>\$ (1,111,176)</u>	<u>\$ (1,840,723)</u>
\$ 2,801,984	\$ 2,695,447	\$ 3,120,422	\$ 2,976,457	\$ 2,950,552	\$ 3,074,712
63,784	188,397	110,315	124,744	157,397	27,399
2,949,816	2,893,635	2,545,916	2,232,862	1,987,767	2,067,694
<u>\$ 5,815,584</u>	<u>\$ 5,777,479</u>	<u>\$ 5,776,653</u>	<u>\$ 5,334,063</u>	<u>\$ 5,095,716</u>	<u>\$ 5,169,805</u>

CITY OF HELOTES, TEXAS  
CHANGE IN NET POSITION  
LAST TEN FISCAL YEARS

	Fiscal Year			
	2005	2006	2007	2008
<b>Primary Government Expenses</b>				
<i>Governmental Activities:</i>				
City Council	\$ 1,234	\$ 1,113	\$ 7,453	\$ 2,709
City Administration	254,978	403,898	594,178	204,334
City Secretary	83,830	94,053	105,019	107,279
Human Resources	-	-	-	-
Municipal Court	204,596	239,610	242,857	318,373
Animal Control, Public Works	-	-	-	-
Development Services	373,358	475,063	851,508	539,247
Buildings and Grounds	33,786	46,765	91,125	184,029
Police Department	1,049,403	1,031,767	1,316,587	1,526,649
Emergency Services	133,992	164,314	176,600	193,781
Fire Department	392,588	456,722	743,250	872,148
Capital Outlay	126,175	59,473	129,419	-
Interest and Fiscal Charges on Long-Term Debt	88,624	67,063	170,039	527,658
<i>Total Governmental Activities Expenses</i>	<u>2,742,564</u>	<u>3,039,841</u>	<u>4,428,035</u>	<u>4,476,207</u>
<i>Business-Type Activities</i>				
Dispatch	-	-	-	-
Emergency Medical Services	-	-	-	-
<i>Total Business Type Activities Expenses</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Primary Government Expenses</b>	<u>\$ 2,742,564</u>	<u>\$ 3,039,841</u>	<u>\$ 4,428,035</u>	<u>\$ 4,476,207</u>
<b>Program Revenues</b>				
<i>Governmental Activities:</i>				
Charges for Services:				
Municipal Court	\$ 219,254	\$ 253,939	\$ 220,140	\$ 305,271
Animal Control, Public Works	-	-	-	-
Development Services	437,726	375,967	650,357	391,942
Buildings and Grounds	-	-	-	-
Police Department	-	-	-	-
Fire Department	75,554	149,651	231,975	335,327
Operating Grants and Contributions	88,626	18,564	8,812	1,612
Capital Grants and Contributions	-	-	1,393,304	54,806
<i>Total Governmental Activities Program Revenues</i>	<u>821,160</u>	<u>798,121</u>	<u>2,504,588</u>	<u>1,088,958</u>
<i>Business-Type Activities:</i>				
Charges for Services:				
Dispatch	-	-	-	-
Emergency Medical Services	-	-	-	-
<i>Total Business-Type Activities Program Revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Primary Government Program Revenues</b>	<u>\$ 821,160</u>	<u>\$ 798,121</u>	<u>\$ 2,504,588</u>	<u>\$ 1,088,958</u>

TABLE 2

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 4,607	\$ 1,601	\$ 2,220	\$ 1,952	\$ 2,891	\$ 3,477
285,686	658,203	680,091	777,467	830,758	1,005,449
109,745	89,391	95,229	92,634	99,534	102,401
-	-	13,358	13,321	14,445	10,031
297,403	236,389	245,506	272,767	269,700	298,008
-	260,390	389,432	417,889	433,462	464,904
455,910	56,236	53,911	51,626	93,908	99,167
171,832	242,053	360,351	297,025	324,282	350,322
1,697,362	1,664,264	1,505,223	1,545,810	1,558,849	1,557,978
246,857	259,704	-	-	-	-
902,743	917,726	1,156,926	1,120,975	1,106,778	1,241,411
-	-	-	-	-	-
424,361	406,506	383,924	372,892	416,689	326,977
<u>4,596,506</u>	<u>4,792,463</u>	<u>4,886,171</u>	<u>4,964,358</u>	<u>5,151,296</u>	<u>5,460,125</u>
-	-	273,290	319,658	370,269	419,557
-	-	281,390	440,165	455,302	447,289
-	-	554,680	759,823	825,571	866,846
<u>\$ 4,596,506</u>	<u>\$ 4,792,463</u>	<u>\$ 5,440,851</u>	<u>\$ 5,724,181</u>	<u>\$ 5,976,867</u>	<u>\$ 6,326,971</u>
\$ 349,424	\$ 305,338	\$ 302,741	\$ 363,923	\$ 259,967	\$ 263,801
-	-	3,951	3,150	4,464	4,885
250,807	261,620	271,218	353,095	484,609	963,548
-	14,853	16,790	-	-	-
39,080	73,990	83,771	48,091	49,452	65,703
306,778	75,305	75,060	76,695	75,081	75,155
6,459	17,607	7,168	10,594	8,665	8,682
1,950	-	416,050	-	-	-
<u>954,498</u>	<u>748,713</u>	<u>1,176,749</u>	<u>855,548</u>	<u>882,238</u>	<u>1,381,774</u>
-	-	54,000	68,729	5,001	5,007
-	-	82,080	115,415	136,337	132,274
-	-	136,080	184,144	141,338	137,281
<u>\$ 954,498</u>	<u>\$ 748,713</u>	<u>\$ 1,312,829</u>	<u>\$ 1,039,692</u>	<u>\$ 1,023,576</u>	<u>\$ 1,519,055</u>

CITY OF HELOTES, TEXAS  
CHANGE IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS

	Fiscal Year			
	2005	2006	2007	2008
<b>Primary Government Net Expenses</b>				
Governmental Activities	\$ (1,921,404)	\$ (2,241,720)	\$ (1,923,447)	\$ (3,387,249)
Business-Type Activities	-	-	-	-
<b>Total Primary Government Net Expenses</b>	<u>\$ (1,921,404)</u>	<u>\$ (2,241,720)</u>	<u>\$ (1,923,447)</u>	<u>\$ (3,387,249)</u>
 <b>General Revenues and Other Changes in Net Position</b>				
<i>Governmental Activities:</i>				
Taxes:				
General Property Taxes	\$ 1,327,556	\$ 1,359,067	\$ 1,652,361	\$ 2,181,026
Sales Taxes	355,997	742,533	896,597	766,305
Franchise Taxes	248,077	303,519	326,173	369,790
Interest and Investment earnings	61,725	88,426	316,697	304,641
Miscellaneous	60,960	21,897	28,919	28,236
Transfers	-	-	-	-
<i>Total Governmental General Revenues</i>	<u>2,054,315</u>	<u>2,515,442</u>	<u>3,220,747</u>	<u>3,649,998</u>
 <i>Business-Type Activities:</i>				
Interest and Investment earnings	-	-	-	-
Transfers	-	-	-	-
<i>Total Business-Type General Revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Primary Government General Revenues</b>	<u>\$ 2,054,315</u>	<u>\$ 2,515,442</u>	<u>\$ 3,220,747</u>	<u>\$ 3,649,998</u>
 <b>Changes In Net Position</b>				
Governmental Activities	\$ 132,911	\$ 273,722	\$ 1,297,300	\$ 262,749
Business-Type Activities	-	-	-	-
<b>Total Primary Government</b>	<u>\$ 132,911</u>	<u>\$ 273,722</u>	<u>\$ 1,297,300</u>	<u>\$ 262,749</u>

TABLE 2 (Cont.)

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ (3,642,008)	\$ (4,043,750)	\$ (3,709,422)	\$ (4,108,810)	\$ (4,269,058)	\$ (4,078,351)
-	-	(418,600)	(575,679)	(684,233)	(729,565)
<u>\$ (3,642,008)</u>	<u>\$ (4,043,750)</u>	<u>\$ (4,128,022)</u>	<u>\$ (4,684,489)</u>	<u>\$ (4,953,291)</u>	<u>\$ (4,807,916)</u>
\$ 2,579,291	\$ 2,632,523	\$ 2,626,085	\$ 2,635,240	\$ 2,639,461	\$ 2,681,143
763,063	871,043	970,912	1,054,778	1,424,354	1,645,268
359,770	392,595	455,020	442,683	477,344	527,251
196,791	74,450	21,114	8,488	5,791	9,874
21,197	35,034	54,065	100,710	167,926	61,273
-	-	(567,268)	-	-	-
<u>3,920,112</u>	<u>4,005,645</u>	<u>3,559,928</u>	<u>4,241,899</u>	<u>4,714,876</u>	<u>4,924,809</u>
-	-	-	-	68	18
-	-	567,268	-	-	-
-	-	567,268	-	68	18
<u>\$ 3,920,112</u>	<u>\$ 4,005,645</u>	<u>\$ 4,127,196</u>	<u>\$ 4,241,899</u>	<u>\$ 4,714,944</u>	<u>\$ 4,924,827</u>
\$ 278,104	\$ (38,105)	\$ (149,494)	\$ 133,089	\$ 445,818	\$ 846,458
-	-	148,668	(575,679)	(684,165)	(729,547)
<u>\$ 278,104</u>	<u>\$ (38,105)</u>	<u>\$ (826)</u>	<u>\$ (442,590)</u>	<u>\$ (238,347)</u>	<u>\$ 116,911</u>

CITY OF HELOTES, TEXAS  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS

	<b>Fiscal Year</b>			
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<i>Nonspendable Fund Balance:</i>				
Prepaid Items	\$ -	\$ -	\$ 9,850	\$ -
<i>Total Nonspendable Fund Balance</i>	<u>-</u>	<u>-</u>	<u>9,850</u>	<u>-</u>
<i>Restricted Fund Balance:</i>				
Court Techonology and Security	18,614	23,960	29,502	31,216
School Crossing	2,280	2,076	1,949	94
Police Department	5,780	7,076	10,545	8,217
PEG Capital Fees	-	-	-	-
Economic Development Corporation	360,451	519,300	518,970	739,407
Debt Service	300,140	154,994	156,293	-
<i>Total Restricted Fund Balance</i>	<u>687,265</u>	<u>707,406</u>	<u>717,259</u>	<u>778,934</u>
<i>Committed Fund Balance:</i>				
Capital Projects	337,775	474,261	10,446,746	8,965,420
<i>Total Committed Fund Balance</i>	<u>337,775</u>	<u>474,261</u>	<u>10,446,746</u>	<u>8,965,420</u>
Unassigned Fund Balance	<u>1,571,825</u>	<u>1,720,985</u>	<u>1,776,946</u>	<u>1,939,920</u>
<i>Total Governmental Funds</i>	<u><u>\$2,596,865</u></u>	<u><u>\$2,902,652</u></u>	<u><u>\$12,950,801</u></u>	<u><u>\$11,684,274</u></u>

TABLE 3

<b>Fiscal Year</b>					
<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ -	\$ 70,355	\$ -	\$ -	\$ 2,184	\$ 440
-	70,355	-	-	2,184	440
39,639	47,601	44,246	26,167	15,665	12,705
94	6,895	15,229	23,450	33,813	22,888
10,011	17,045	11,196	5,882	5,286	4,795
-	-	-	35,890	31,702	29,833
627,130	587,557	589,761	524,912	563,116	684,370
1,541	108,048	93,677	87,158	119,989	4,107
<u>678,415</u>	<u>767,146</u>	<u>754,109</u>	<u>703,459</u>	<u>769,571</u>	<u>758,698</u>
6,168,211	219,225	196,999	165,852	192,482	6,283
<u>6,168,211</u>	<u>219,225</u>	<u>196,999</u>	<u>165,852</u>	<u>192,482</u>	<u>6,283</u>
<u>2,133,166</u>	<u>2,123,154</u>	<u>2,188,309</u>	<u>2,496,562</u>	<u>2,924,244</u>	<u>3,786,300</u>
<u>\$ 8,979,792</u>	<u>\$ 3,179,880</u>	<u>\$ 3,139,417</u>	<u>\$ 3,365,873</u>	<u>\$ 3,888,481</u>	<u>\$ 4,551,721</u>

CITY OF HELOTES, TEXAS  
 CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS

	Fiscal Year			
	2005	2006	2007	2008
<b>REVENUES</b>				
Taxes	\$ 1,681,235	\$ 2,109,539	\$ 2,543,744	\$ 2,932,471
Franchise Fees	248,077	303,519	326,173	369,790
Licenses and Permits	437,726	375,967	650,357	391,942
Municipal Court	219,254	253,939	220,140	305,271
Fire Department	75,554	149,651	231,975	335,327
Grants	88,626	18,564	81,116	8,278
Interest	58,360	88,427	316,698	304,640
Miscellaneous	64,324	21,897	28,918	28,239
<b>TOTAL REVENUES</b>	<u>2,873,156</u>	<u>3,321,503</u>	<u>4,399,121</u>	<u>4,675,958</u>
<b>EXPENDITURES</b>				
Current:				
City Council	1,234	1,113	7,453	2,709
City Administration	208,409	292,126	583,933	198,646
City Secretary	78,255	93,121	108,626	98,777
Human Resources	-	-	-	-
Municipal Court	204,831	242,023	240,577	308,281
Animal Control, Public Works	-	-	-	-
Development Services	339,267	380,918	301,993	53,407
Buildings and Grounds	33,786	46,765	532,771	389,461
Police Department	965,458	1,038,151	1,248,433	1,405,025
Emergency Services	133,992	164,314	176,600	193,781
Fire Department	329,965	385,266	650,322	777,597
Miscellaneous	198,439	120,851	-	-
Capital Outlay	1,074,453	37,333	266,054	1,649,450
Debt Service:				
Principal	168,317	181,634	115,000	300,000
Interest and Fiscal Charges	90,201	68,413	151,175	565,351
<b>TOTAL EXPENDITURES</b>	<u>3,826,607</u>	<u>3,052,028</u>	<u>4,382,937</u>	<u>5,942,485</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(953,451)</u>	<u>269,475</u>	<u>16,184</u>	<u>(1,266,527)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Debt	-	-	10,000,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>10,000,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (953,451)</u>	<u>\$ 269,475</u>	<u>\$10,016,184</u>	<u>\$ (1,266,527)</u>
Debt Service as a Percentage of Noncapital Expenditures	9.39%	8.29%	6.47%	20.16%

TABLE 4

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 3,323,816	\$ 3,520,791	\$ 3,591,052	\$ 3,693,695	\$ 4,062,138	\$ 4,334,193
362,180	392,595	455,020	442,683	477,344	527,251
237,716	234,617	269,821	356,245	489,073	968,433
388,504	379,329	386,512	412,014	309,419	329,504
308,328	75,305	75,060	76,695	75,081	75,155
-	10,171	416,050	-	-	-
196,787	74,444	21,117	8,488	5,791	9,874
41,147	84,738	85,537	111,875	176,589	69,955
<u>4,858,478</u>	<u>4,771,990</u>	<u>5,300,169</u>	<u>5,101,695</u>	<u>5,595,435</u>	<u>6,314,365</u>
4,607	1,601	2,220	1,952	2,891	3,477
284,472	635,668	624,710	723,786	774,049	954,482
100,969	86,891	92,184	93,323	97,265	104,296
-	-	13,358	13,321	14,445	10,031
285,401	230,933	260,169	263,797	263,895	289,042
-	157,826	164,919	189,702	206,188	232,348
94,209	55,596	53,974	53,011	92,557	90,866
389,759	182,595	245,973	242,912	251,854	282,776
1,592,574	1,583,501	1,359,034	1,361,029	1,449,750	1,424,571
246,857	259,704	-	-	-	-
811,176	828,372	941,619	926,726	951,384	1,090,695
-	-	-	-	-	-
2,850,076	5,692,182	800,496	164,382	111,543	378,437
480,000	455,000	503,805	543,882	589,902	658,787
422,860	402,033	383,828	369,434	351,444	331,317
<u>7,562,960</u>	<u>10,571,902</u>	<u>5,446,289</u>	<u>4,947,257</u>	<u>5,157,167</u>	<u>5,851,125</u>
<u>(2,704,482)</u>	<u>(5,799,912)</u>	<u>(146,120)</u>	<u>154,438</u>	<u>438,268</u>	<u>463,240</u>
-	-	105,657	72,018	84,340	200,000
-	-	105,657	72,018	84,340	200,000
<u>\$ (2,704,482)</u>	<u>\$ (5,799,912)</u>	<u>\$ (40,463)</u>	<u>\$ 226,456</u>	<u>\$ 522,608</u>	<u>\$ 663,240</u>
19.16%	17.56%	19.11%	18.91%	18.85%	18.02%

CITY OF HELOTES, TEXAS  
TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

TABLE 5

Fiscal Year	Property	Sales & Use	Franchise	Total
2005	\$ 1,325,238	\$ 355,997	\$ 248,077	\$ 1,929,312
2006	1,367,007	742,532	303,519	2,413,058
2007	1,647,147	896,597	326,173	2,869,917
2008	2,166,166	766,305	369,790	3,302,261
2009	2,563,162	760,654	362,180	3,685,996
2010	2,649,748	871,043	392,595	3,913,386
2011	2,620,140	970,912	455,020	4,046,072
2012	2,638,917	1,054,778	442,683	4,136,378
2013	2,637,784	1,424,354	477,344	4,539,482
2014	2,688,925	1,645,268	527,251	4,861,444

CITY OF HELOTES, TEXAS  
 ASSESSED VALUE AND ACTUAL TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS

TABLE 6

Fiscal Year Ended September 30,	Residential Property	Commercial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value*	Total Direct Tax Rate
2005	\$ 345,546,011	\$ 35,217,961	\$ 10,525,659	\$ 370,238,313	0.355000
2006	370,197,824	45,535,638	12,037,921	403,695,541	0.336287
2007	447,112,505	50,241,650	14,075,491	483,278,664	0.336287
2008	597,429,473	67,132,639	18,807,600	645,754,512	0.336287
2009	639,537,759	113,424,621	45,305,554	707,656,826	0.363651
2010	653,565,423	115,942,834	47,975,420	721,532,837	0.363651
2011	652,132,270	120,241,773	49,651,853	722,722,190	0.363651
2012	663,227,472	120,004,340	51,751,163	731,480,649	0.360000
2013	677,033,974	124,391,838	56,356,942	745,068,870	0.355000
2014	697,083,124	146,200,980	75,978,756	767,305,348	0.350000

Source: Bexar Appraisal District.

\* Total Taxable Assessed Value and Total Estimated Actual Value of taxable property is the same.  
 The Taxable Assessed Value is further reduced by any freeze adjustments.

CITY OF HELOTES, TEXAS  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS

TABLE 7

City Direct Rates			
Fiscal Year	General Fund	Debt Service	Total Direct
2005	0.326100	0.028900	0.355000
2006	0.336287	-	0.336287
2007	0.301447	0.034840	0.336287
2008	0.268311	0.067976	0.336287
2009	0.275982	0.087669	0.363651
2010	0.271140	0.092511	0.363651
2011	0.282731	0.080920	0.363651
2012	0.282640	0.077360	0.360000
2013	0.273140	0.081860	0.355000
2014	0.271503	0.078497	0.350000

Fiscal Year	Total Direct Rate	Overlapping Rates					Total Direct and Overlapping Rates
		Northside ISD	University Health System	Alamo Community College	San Antonio River Authority	Bexar County	
2005	0.355000	1.762500	0.243869	0.107050	0.016425	0.331190	2.816034
2006	0.336287	1.775000	0.243869	0.107050	0.016425	0.331190	2.809821
2007	0.336287	1.592500	0.243869	0.137050	0.016045	0.326866	2.652617
2008	0.336287	1.262500	0.237408	0.134550	0.015951	0.326866	2.313562
2009	0.363651	1.302500	0.261022	0.135855	0.015951	0.326866	2.405845
2010	0.363651	1.337500	0.266235	0.135855	0.015951	0.326866	2.446058
2011	0.363651	1.365500	0.276235	0.141623	0.016652	0.326866	2.490527
2012	0.360000	1.375500	0.276235	0.141623	0.017370	0.326866	2.497594
2013	0.355000	1.375500	0.276235	0.149150	0.017370	0.326866	2.500121
2014	0.350000	1.375500	0.276235	0.149150	0.017798	0.326866	2.495549

Source: Information furnished by Bexar County Tax Assessor - Collector

CITY OF HELOTES, TEXAS  
 PRINCIPAL PROPERTY TAX PAYERS  
 CURRENT AND EIGHT YEARS AGO

TABLE 8

<u>Taxpayer</u>	<u>2014</u>		<u>2006</u>			
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Wal Mart Stores Inc.	\$ 22,380,970	1	2.92%			
Bandera Helotes Plaza LLC	5,180,000	2	0.68%			
JDL Texas Ventures	4,694,760	3	0.61%			
White Turkey Creek LTD	3,760,815	4	0.49%			
TKGSM-TX LP	3,008,930	5	0.39%			
Pela General Builders LLC	2,656,809	6	0.35%			
8990 Helotes Holdings LLC	2,438,890	7	0.32%			
Shurgard Texas LTD	2,433,910	7	0.32%			
HSF Properties LLC	2,166,485	9	0.28%			
Highland Homes-SA Ltd.	2,056,200	10	0.27%			
Hill Country Crossing II Ltd.				\$ 977,100	1	0.24%
Iron Horse Building Cp., Ltd.				960,870	2	0.23%
Brian and Rebecca Senger				776,532	3	0.19%
Eugene Sprague				684,950	4	0.17%
Jerrold & Elsa Jolly				547,200	5	0.14%
Rene and Frances Spina				495,730	6	0.12%
Jim Koeller				463,110	7	0.11%
James and Beverly Pestello				429,040	8	0.10%
<b>Total</b>	<u><u>\$ 50,777,769</u></u>		<u><u>6.62%</u></u>	<u><u>\$ 5,334,532</u></u>		<u><u>1.30%</u></u>

Taxable value of \$767,305,348

Note: Information from nine years ago was not available. Information for 2006 is presented instead.

CITY OF HELOTES, TEXAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

TABLE 9

Fiscal Year Ended <u>September 30,</u>	Taxes Levied for the <u>Fiscal Year</u>	Collected within the		Collections In Subsequent <u>Years</u>	Total Collections to Date	
		<u>Fiscal Year of the Levy</u>	<u>Percentage</u> <u>of Levy</u>		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>
2005	1,314,208	1,302,990	99.15%	10,123	1,313,113	99.92%
2006	1,357,577	1,350,355	99.47%	6,804	1,357,159	99.97%
2007	1,625,203	1,611,852	99.18%	13,063	1,624,915	99.98%
2008	2,171,588	2,145,209	98.79%	25,306	2,170,515	99.95%
2009	2,574,083	2,532,144	98.37%	39,543	2,571,687	99.91%
2010	2,613,074	2,596,599	99.37%	13,274	2,609,873	99.88%
2011	2,614,869	2,591,187	99.09%	19,072	2,610,259	99.82%
2012	2,622,552	2,604,356	99.31%	13,979	2,618,335	99.84%
2013	2,635,251	2,618,686	99.37%	9,663	2,628,349	99.74%
2014	2,682,643	2,668,143	99.46%	-	2,668,143	99.46%

Source: Bexar County Tax Assessor Collector

CITY OF HELOTES, TEXAS  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

TABLE 10

Fiscal Year	Governmental Activities				Total Primary Government	Per Capita*
	General Obligation Bonds	Certificates of Obligation	Capital Leases	Note Payable		
2005	\$ 125,000	\$ 1,285,000	\$ 211,398	\$ -	\$ 1,621,398	378
2006	95,000	1,205,000	139,764	-	1,439,764	223
2007	65,000	11,120,000	71,471	-	11,256,471	1,742
2008	35,000	10,850,000	-	-	10,885,000	1,629
2009	-	10,405,000	-	-	10,405,000	1,329
2010	-	9,950,000	-	-	9,950,000	1,250
2011	-	9,475,000	76,852	-	9,551,852	1,301
2012	-	8,975,000	104,987	-	9,079,987	1,286
2013	-	8,450,000	124,424	-	8,574,424	1,088
2014	-	7,905,000	60,637	150,000	8,115,637	1,001

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

\* Per Capita is derived by dividing the total debt by the population reported on the Demographic and Economic Statistics Table (Table 12)

CITY OF HELOTES, TEXAS  
LEGAL DEBT MARGIN  
LAST SEVEN FISCAL YEARS

Texas municipalities are not bound by any direct constitutional or statutory maximums as to the amount of general obligation bonds which may be issued; however, all local bonds must be submitted to and approved by the State Attorney General. It is the established practice of the Attorney General not to approve a prospective bond issue if it will result in the levy of a tax for bonded debt of over \$1.00 for cities under a population of 5,000 or \$1.50 for the cities over 5,000 in population.

TABLE 11

Taxable Value		<u>\$ 767,305,348</u>
Debt Limit - 10% of taxable value [1]		\$ 76,730,535
Amount of Debt Applicable to Debt Limit:		
Total Bonded Debt	\$ 8,115,637	
Less Funds Available in Debt Service Fund	<u>4,107</u>	
Total Amount of Debt Applicable to Debt Limit		<u>8,111,530</u>
Legal Debt Margin		<u>\$ 68,619,005</u>

	Fiscal Year		
	2012	2013	2014
Debt Limit	\$ 73,148,065	\$ 74,506,887	\$ 76,730,535
Total Net Debt Applicable to Debt Limit	<u>(8,992,829)</u>	<u>(8,454,435)</u>	<u>(8,111,530)</u>
Legal Debt Margin	<u>\$ 64,155,236</u>	<u>\$ 66,052,452</u>	<u>\$ 68,619,005</u>

	Fiscal Year		
	2009	2010	2011
Debt Limit	\$ 70,765,683	\$ 72,153,284	\$ 72,272,219
Total Net Debt Applicable to Debt Limit	<u>(10,403,459)</u>	<u>(9,841,952)</u>	<u>(9,458,175)</u>
Legal Debt Margin	<u>\$ 60,362,224</u>	<u>\$ 62,311,332</u>	<u>\$ 62,814,044</u>

	Fiscal Year	
	2007	2008
Debt Limit	\$ 48,327,866	\$ 64,575,453
Total Net Debt Applicable to Debt Limit	<u>(11,028,707)</u>	<u>(10,885,000)</u>
Legal Debt Margin	<u>\$ 37,299,159</u>	<u>\$ 53,690,453</u>

CITY OF HELOTES, TEXAS  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS

TABLE 12

Year	Population	Per Capita Income	Median Age	School Enrollment	Unemployment Rate
2005	4,285	\$ 29,534	38.9	3,684	5.7%
2006	6,460	\$ 29,534	38.9	3,791	4.5%
2007	6,460	\$ 29,534	38.9	3,838	4.1%
2008	6,681	\$ 29,534	38.9	3,292	5.1%
2009	7,831	\$ 29,534	38.9	3,272	7.2%
2010	7,960	\$ 29,534	38.9	3,420	7.8%
2011	7,341	\$ 32,123	41.1	4,371	7.9%
2012	7,060	\$ 31,335	41.1	4,161	6.8%
2013	7,880	\$ 41,549	41.1	4,031	5.5%
2014	8,104	\$ 42,053	41.1	4,256	4.3%

Sources: Population, per capita income and median age information provided by the United States Census Bureau. School enrollment information was provided by the Northside Independent School District. Unemployment rate was provided by the Bureau of Labor Statistics.

CITY OF HELOTES, TEXAS  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND FIVE YEARS AGO

TABLE 13

Employer	2014			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lackland Air Force Base	37,097	1	3.76%	28,100	2	3.11%
Fort Sam Houston	32,000	2	3.24%	30,793	1	3.41%
HEB Food Stores	20,000	3	2.03%	14,852	3	1.65%
USAA	16,000	4	1.62%	14,588	4	1.62%
Northside ISD	12,751	5	1.29%	12,597	5	1.40%
Randolph Air Force Base	11,068	6	1.12%	10,700	6	1.19%
North East ISD	10,052	7	1.02%	10,223	7	1.13%
City of San Antonio	9,145	8	0.93%	9,000	8	1.00%
Methodist Healthcare System	8,118	9	0.82%	7,581	9	0.84%
Baptist Health System	7,205	10	0.73%	7,013	10	0.78%
<b>Total</b>	<b>163,436</b>		<b>16.56%</b>	<b>145,447</b>		<b>16.12%</b>

The City of Helotes, Texas is surrounded by the City of San Antonio and no data is available for the employers in Helotes, Texas. The above data is for the City of San Antonio.

Information for nine years ago is not available; information for 2009 is presented instead.

Source: San Antonio Economic Development Foundation

