CITY OF HELOTES, TEXAS

ANNUAL
FINANCIAL REPORT

FISCAL YEAR ENDED
SEPTEMBER 30, 2017

CITY OF

Helotes

CITY OF HELOTES, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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CITY OF HELOTES, TEXAS

PRINCIPAL OFFICERS

CITY OFFICIALS

MAYOR	THOMAS A. SCHOOLCRAFT
MAYOR PRO-TEMPORE	NORBERT “BERT” BUYS
CITY COUNCIL	EDWARD VILLANUEVA
	ALEX BLUE
	CYNTHIA MASSEY
	PAUL FRIEDRICHS
CITY ADMINISTRATOR	RICK A. SCHRODER
CITY SECRETARY	CELINA PEREZ
ATTORNEY	DAVIDSON, TROILO, REAM & GARZA P.C.

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

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

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, each major fund, and the aggregate remaining fund information of the City of Helotes, as of and for the year ended September 30, 2017, 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

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 misstatements.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The selected procedures 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 under 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, each major fund, and the aggregate remaining fund information of the City of Helotes, as of September 30, 2017, 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.

941 West Byrd Blvd., Suite 101 • Universal City, Texas 78148
Phone: 210-658-6229 • Fax: 210-659-7611 •Email: info@avacpa.com • www.avacpa.com

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 changes – net pension liability and related ratios, 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 same 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.

Armstrong, Vaughan & Associates, P.C.

March 13, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Section of the City of Helotes' Annual Financial Report presents Management's discussion and analysis of the City's financial performance during the fiscal year ended September 30, 2017. Operating through Mayor Schoolcraft, Management consists of City Administrator Rick Schroder, City Treasurer Susan Wootton, and Accounting Officer Taby Durr. Please read this Section in conjunction with the City's financial statements that follow this Section.

FINANCIAL HIGHLIGHTS

- Based upon FYE 2017 Government-wide Financial Statements, the City's total net position was $3.3 million at September 30, 2017. Government-wide Financial Statements include all government components and functions, including, but not limited to, City-wide liquid cash assets, capital assets, restricted fund assets, accumulated depreciation, net pension and other debt liabilities.

- During the year, the City's governmental activity expenses increased 14.5% from the prior year, and were approximately $469 thousand more than the $9.0 million generated in taxes and other revenues from governmental activities. Conversely, the City's governmental activity revenues increased 14.5% from the prior year and were approximately $1.1 million more than the same revenues collected in FYE 2016. The increase in governmental activity expenditures is primarily related to the expenditure of capital project monies for projects, such as the State Highway 16 water and sewer improvements, where the corresponding capital assets could not be capitalized due to TxDOT or SAWS ownership of those affected roadways and utilities. Additionally, the expenditure increases are related to depreciation recorded on municipal capital assets and expenses related to liabilities due in more than one year.

- The General Fund reported a fund balance this year of approximately $2.0 million at September 30, 2017. The average months of operating expenditures within the General Fund is 3.8 months. Revenues of approximately $6.8 million exceeded expenditures by almost $20 thousand; however, the fund balance decreased by approximately $105 thousand from the prior fiscal year due to budgeted, supplemental transfers to the Debt Service Fund. Nonetheless, the fund balance decrease was approximately $305 thousand less than anticipated in the adopted budget.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and liabilities (including those of the Economic Development Corp.), with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Helotes is improving or deteriorating. Changes in net position may also serve as a useful indicator of depreciation in existing capital assets.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned, but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Helotes that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are

intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Helotes include public safety, public works, and general administration. Property taxes, sales taxes, franchise fees, and charges for services finance most of these activities. The City does not currently have any business-type activities.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Helotes, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City has several governmental funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Helotes maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, EDC Fund, Debt Service Fund, Capital Projects Fund, and Total Nonmajor Funds. At year end, fund balances increased by approximately $(105K), $74K, $(58K), $(1.3 million) and $227K, respectively.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

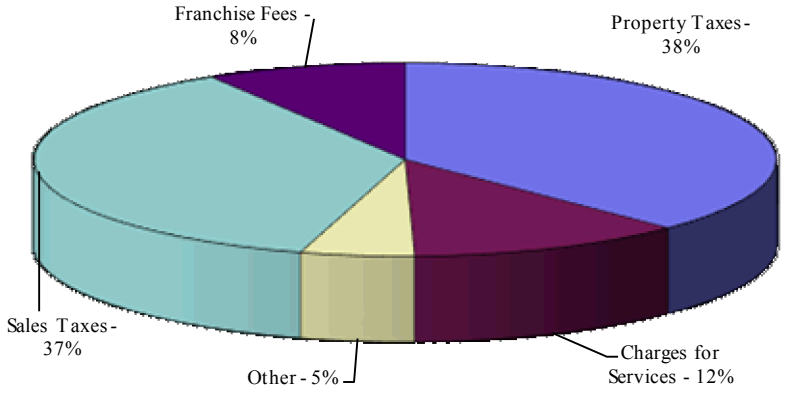
Net Position. The City's Government-wide net position was $3.3 million at September 30, 2017. (See Table A-1). The City's Government-wide Financial Statements reported a deficit in unrestricted net position of $1.3 million.

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

	Governmental Activities		Total Percentage Change
	2017	2016	2017-2016
Assets:			
Current assets	$ 4,549	$ 7,231	-37.1%
Capital Assets	9,683	10,012	-3.3%
Total Assets	14,232	17,243	-17.5%
Deferred Outflows	494	551	-10.4%
Liabilities:			
Current Liabilities	1,789	1,036	72.7%
Non-Current Liabilities	11,958	12,947	-7.6%
Total Liabilities	13,747	13,983	-1.7%
Deferred Inflows	60	39	52.9%
Net Position:			
Net Investment in Capital Assets	3,394	2,317	46.5%
Restricted	1,218	1,006	21.1%
Unrestricted (Deficit)	(1,308)	449	-391.3%
Total Net Position	$ 3,304	$ 3,772	-12.4%

Changes in Net Position. The City's total revenues were $9.0 million. A significant portion, 75%, of the City's revenue originates from property and sales taxes, while 12% relates to charges for services (See Figure A-3). The City's governmental activity revenues increased 14.5% from the prior year, and were approximately $1.1 million more than the same revenues collected in FYE 2016.

Figure A-3 City of Helotes
Revenue Sources for Fiscal Year 2017



The total cost of all governmental programs and services was $9.5 million. 39% of this cost is directly related to emergency services. During the year, the City's governmental activity expenses increased 14.5% from the prior year, and were approximately $469 thousand more than the $9.0 million generated in taxes and other revenues from governmental activities. The increase in expenditures is primarily related to the expenditure of capital project monies for projects, such as the State Highway 16 water and sewer improvements, where the corresponding capital assets could not be capitalized due to TxDOT and SAWS ownership of those affected roadways and utilities. The increases are related to depreciation recorded on municipal capital assets and expenses related to liabilities due in more than one year, as well.

Governmental Activities

- Ad Valorem tax rates remained the same as the prior year at 0.3500 per $100 of valuation; however, property tax revenues increased by $236 thousand due to an 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 $9.5 million.
- The amount of these activities that were paid for by taxpayers through property taxes was $3.4 million (36%).
- 11% of the cost, or $1.1 million, was paid by those who directly benefited from the programs and activities through direct charges for services.

Table A-2

Changes in City of Helotes' Net Position

(In thousands dollars)

	Governmental Activities		Total Percentage Change
	2017	2016	2017-2016
Primary Government:			
City Council	$ 3	$ 2	50.0%
City Administration	2,062	1,652	24.8%
Dispatch	229	193	18.6%
City Secretary	115	110	5.0%
Human Resources	111	91	21.5%
Municipal Court	265	243	9.0%
Animal Control, Public Works	758	545	39.1%
Development Services	1,342	577	132.6%
Building and Grounds	515	1,036	-50.2%
Police Department	1,793	1,689	6.2%
Emergency Medical Services	191	159	20.4%
Fire Department	1,703	1,568	8.6%
Interest and Fiscal Charges on LT Debt	389	412	-5.6%
Total Governmental Activities	9,476	8,277	14.5%
Program Revenues:			
Charges for Services	1,089	992	9.8%
Operating Grants & Contributions	194	15	1192.4%
General Revenues:			
General Property Tax	3,377	3,141	7.5%
Sales Taxes	3,308	2,208	49.8%
Franchise Taxes	786	758	3.7%
Investment Earnings	40	16	147.9%
Proceeds from Sale of Land	-	520	-100.0%
Miscellaneous	213	215	-0.8%
Total Revenues	9,007	7,865	14.5%
Change in Net Position	$ (469)	$ (412)	13.7%

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

	Total Cost of Services			Net Cost of Services		
	2017	2016	% Change	2017	2016	% Change
Governmental						
City Council	$ 3	$ 2	50.0%	$ 3	$ 2	54.8%
City Administration	2,062	1,652	24.8%	2,062	1,652	24.8%
Dispatch	229	193	100.0%	229	193	18.6%
City Secretary	114	110	4.1%	114	110	4.1%
Human Resources	111	91	21.5%	111	91	21.5%
Municipal Court	265	243	9.0%	(134)	(111)	20.5%
Animal Control, PW	758	545	39.1%	593	538	10.2%
Development Services	1,342	577	132.6%	842	166	407.0%
Building and Grounds	515	1,035	-50.2%	515	1,035	-50.2%
Police Department	1,793	1,689	6.2%	1,716	1,621	5.9%
Emergency Medical	191	159	100.0%	50	(7)	-815.0%
Fire Department	1,703	1,568	8.6%	1,703	1,568	8.6%

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, while are readily convertible into cash, flow in and out of the funds and (2) the balances left at year-end that are available for spending in the subsequent year. 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 or on the subsequent page of the governmental funds statements that explain the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Revenues from governmental fund types totaled $9.0 million, an increase of 22% over the prior year. The increase is primarily due to increases in tax collections from higher assessed property valuations.

General Fund Budgetary Highlights

In 2017, actual revenues exceeded expenditures by approximately $20 thousand. The $647 thousand favorable variance between budgeted and actual tax revenues is primarily due to sales tax revenues originating from economic development agreements between the City, EDC, and third-party businesses. The budget was amended throughout the year, and the City Auditor modified the receipting of economic development agreement sales tax revenues from a revenue line item only (net position) to corresponding revenue and expenditure line items.

Including other 2017 financing sources, the General Fund balance decreased by approximately $105 thousand from the prior year; however the decrease was approximately $305 thousand less than anticipated. The average months of operating expenditures decreased from 4.5 to 3.8 months.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At the end of 2017, the City had invested $22.9 million 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 $9.7 million.

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

	Governmental Activities		Total Percentage Change
	2017	2016	2017-2016
Land	$ 1,764	$ 1,764	0.0%
Buildings and Improvements	6,775	6,775	0.0%
Vehicles and Equipment	3,466	3,136	10.5%
Infrastructure	10,876	10,835	0.4%
Totals at historical cost	22,881	22,510	1.6%
Total accumulated depreciation	(13,198)	(12,489)	5.7%
Net Capital Assets	$ 9,683	$ 10,021	-3.4%

Long Term Debt. At year-end, the City had $10.3 million in bonds outstanding, as shown in Table A-5. Total bonded debt decreased approximately 6.5% from $11.0 million in FYE 2016 to $10.3 million in FYE 2017. 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		Total Percentage Change
	2017	2016	2017-2016
Bonds Payable	$ 10,250	$ 10,965	-6.5%
Total Bonded Debt	$ 10,250	$ 10,965	-6.5%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City adopted an ad valorem tax rate of 0.350000 per $100 valuation for the FYE 2018 budget, which is the same rate per $100 of valuation adopted in FYE 2017. Commercial development along S.H. 16 (Bandera Rd.) and other municipal arterial roadways continues to expand, including corresponding property and sales tax revenues, building permits, and other fees, such as franchise and license fees. Similarly, single family residential subdivision development within the corporate City limits is increasing with the development of the Bricewood Subdivision, remaining portions of the Iron Horse Canyon Subdivision, and the Trails at Helotes Subdivision. Management's goal is to balance sales and property tax collections and, if warranted, support the annexation of key commercial and residential areas.

Unadjusted General Fund budgeted expenditures increased in the FYE 2018 budget from $6.27 million in FYE 2017 to $6.60 million in FYE 2018. This increase is primarily a result of expected increases in Buildings and Grounds, Municipal Court, and Police Department expenditures.

Lastly, unadjusted General Fund budgeted revenues increased in the FYE 2018 budget from $6.10 million in FYE 2017 to $6.60 million in FYE 2018. This increase is primarily a result of expected increases in property and sales tax collections.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, 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 Treasurer at:

12951 Bandera Road (Physical)
P.O. Box 507 (Mailing)
Helotes, Texas 78023
210.695.8877
210.695.2123 (Fax)

CITY OF

Helotes

BASIC FINANCIAL STATEMENTS

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

- Government – wide financial statements; and
- Fund financial statements:
  - Governmental 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, 2017

	Governmental Activities
ASSETS	
Cash and Investments:	
Unrestricted	$ 2,744,594
Restricted	2,384,767
Certificates of Deposit	752,588
Receivables (Net of Allowances for Uncollectibles)	
Property Taxes	47,028
Other Receivables	1,005,983
Capital Assets:	
Land	1,763,771
Buildings	6,774,720
Vehicles & Equipment	3,466,310
Infrastructure	10,876,307
Accumulated Depreciation	(13,198,209)
TOTAL ASSETS	16,617,859
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Related Outflows	493,601
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ 493,601

CITY OF HELOTES, TEXAS
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2017

	Governmental Activities
LIABILITIES	
Liabilities:	
Withdrawals in Excess of Deposits	$ 1,352
Accounts Payable	649,312
Accrued Liabilities	341,881
Accrued Compensated Absences	364,568
Accrued Interest Payable	67,412
Unearned Revenue - Lease	107,310
Settlement Payable - Current Portion	258,281
Noncurrent Liabilities:	
Due within One Year	838,941
Due in More than One Year	9,717,815
Net Pension Liability	740,579
Settlement Payable - Long Term Portion	660,553
TOTAL LIABILITIES	13,748,004
DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Related Inflows	59,636
TOTAL DEFERRED INFLOWS OF RESOURCES	59,636
NET POSITION	
Net Investment in Capital Assets	3,393,539
Restricted for:	
Debt Service (Deficit)	(51,261)
Police, Municipal Court and School Crossing	29,911
PEG Capital Fees	61,001
Street Maintenance	362,248
State Forfeiture	9,038
Economic Development Fund	807,430
Unrestricted (Deficit)	(1,308,086)
TOTAL NET POSITION	$ 3,303,820

CITY OF

Helotes

CITY OF HELOTES, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Functions and Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Position: Primary Government Governmental Activities
Primary Government:					
Governmental Activities:					
City Council	$ 3,096	$ -	$ -	$ -	$ (3,096)
City Administration	2,061,818	-	-	-	(2,061,818)
Dispatch	228,958	-	-	-	(228,958)
City Secretary	114,497	-	-	-	(114,497)
Human Resources	110,574	-	-	-	(110,574)
Municipal Court	264,832	398,614	-	-	133,782
Animal Control, Public Works	758,192	5,400	159,797	-	(592,995)
Development Services	1,342,107	500,477	-	-	(841,630)
Buildings and Grounds	515,472	-	-	-	(515,472)
Police Department	1,793,494	42,970	34,056	-	(1,716,468)
Emergency Medical Services	191,382	141,331	-	-	(50,051)
Fire Department	1,703,215	-	-	-	(1,703,215)
Interest and Fiscal Fees on Long-term Debt	387,941	-	-	-	(387,941)
Total Governmental Activities	9,475,578	1,088,792	193,853	-	(8,192,933)
Total Government	$ 9,475,578	$ 1,088,792	$ 193,853	$ -	$ (8,192,933)
General Revenues:					
Taxes:					
General Property Taxes					3,377,228
Sales Taxes					3,308,044
Franchise Taxes					785,898
Interest and Investment Earnings					39,661
Miscellaneous					213,362
Total General Revenues					7,724,193
Change in Net Position					(468,740)
Net Position at Beginning of Year					3,772,560
Net Position at End of Year					$ 3,303,820

See accompanying notes to basic financial statements.

CITY OF HELOTES, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	Major Funds		
	General Fund	Economic Development Corporation	Debt Service Fund
ASSETS			
Cash and Investments:			
Unrestricted	$ 1,898,519	$ 401,534	$ 116,982
Restricted	-	-	-
Certificates of Deposit	501,706	250,882	-
Receivables:			
Property Taxes (Net of Uncollectibles)	37,390	-	9,638
Sales Tax and Other Receivable	682,429	198,595	-
Due from Other Funds	110,469	70,267	-
TOTAL ASSETS	$ 3,230,513	$ 921,278	$ 126,620
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Withdrawals in Excess of Deposits	$ -	$ -	$ -
Accounts Payable	127,229	-	-
Accrued Liabilities	228,033	113,848	-
Due to Other Funds	613,571	-	110,469
Unearned Revenue - Lease	107,310	-	-
Total Liabilities	1,076,143	113,848	110,469
Deferred Inflows of Resources:			
Unavailable Revenue - Property Taxes	36,621	-	9,440
Unavailable Revenue - EMS	120,971	-	-
Total Deferred Inflows of Resources	157,592	-	9,440
Fund Balances:			
Restricted for:			
Court Technology and Security	-	-	-
School Crossing	-	-	-
Police Department	-	-	-
PEG Capital Fees	-	-	-
Street Maintenance	-	-	-
State Forfeiture			
Economic Development Corporation	-	807,430	-
Debt Service	-	-	6,711
Capital Projects	-	-	-
Unassigned	1,996,778	-	-
Total Fund Balances	1,996,778	807,430	6,711
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 3,230,513	$ 921,278	$ 126,620

Major Funds		
Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
$ -	$ 327,559	$ 2,744,594
2,384,767	-	2,384,767
-	-	752,588
-	-	47,028
-	124,959	1,005,983
533,299	10,005	724,040
$ 2,918,066	$ 462,523	$ 7,659,000
$ -	$ 1,352	$ 1,352
521,758	325	649,312
-	-	341,881
-	-	724,040
-	-	107,310
521,758	1,677	1,823,895
-	-	46,061
-	-	120,971
-	-	167,032
-	6,655	6,655
-	20,910	20,910
-	2,346	2,346
-	61,001	61,001
-	362,248	362,248
	9,038	9,038
-	-	807,430
-	-	6,711
2,396,308	-	2,396,308
-	(1,352)	1,995,426
2,396,308	460,846	5,668,073
$ 2,918,066	$ 462,523	$ 7,659,000

CITY OF

Helotes

CITY OF HELOTES, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		$ 5,668,073
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.		9,682,899
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the governmental funds.		167,032
Accrued vacation leave payable is not due and payable in the current period and, therefore, not reported in the governmental funds.		(364,568)
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.		
Bonds Payable	(10,250,000)	
Unamortized Bond Premium	(132,396)	
Note Payable & Capital Lease	(174,360)	(10,556,756)
Net pension liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources and are not reported in the funds.		
Net Pension Liability	(740,579)	
Pension Related Deferred Inflows	(59,636)	
Pension Related Deferred Outflows	493,601	(306,614)
Claims and judgments do not consume current financial resources and are not reported in the funds.		(918,834)
Accrued interest payable on long-term bonds are not due and payable in the current period and, therefore, not reported in the governmental funds.		(67,412)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		$ 3,303,820

See accompanying notes to basic financial statements.

CITY OF HELOTES, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Major Funds		
	General Fund	Economic Development Corporation	Debt Service Fund
REVENUES			
Taxes	$ 4,579,293	$ 939,946	$ 694,343
Franchise Fees	761,733	-	-
Licenses and Permits	505,877	-	-
Municipal Court	424,030	-	-
Fire Department Interlocal Agreement	125,373	-	-
Grants	159,797	-	-
Interest	20,769	3,008	182
Miscellaneous	189,321	-	-
TOTAL REVENUES	6,766,193	942,954	694,525
EXPENDITURES			
Current:			
City Council	3,096	-	-
City Administration	1,263,180	395,846	-
Dispatch Services	558,492	-	-
City Secretary	129,969	-	-
Human Resources	110,121	-	-
Municipal Court	253,885	-	-
Animal Control, Public Works	258,112	-	-
Development Services	144,288	-	-
Building and Grounds	376,584	-	-
Police Department	1,503,817	-	-
Emergency Medical Services	447,542	-	-
Fire Department	1,232,511	-	-
Capital Outlay	383,522	-	-
Debt Service:			
Principal	73,192	-	765,000
Interest and Fiscal Charges	8,269	-	391,460
Settlement Expense	-	-	301,108
TOTAL EXPENDITURES	6,746,580	395,846	1,457,568
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,613	547,108	(763,043)
OTHER FINANCING SOURCES (USES):			
Capital Lease Proceeds	105,772	-	-
Transfers In (Out)	(230,250)	(473,539)	705,326
TOTAL OTHER FINANCING SOURCES (USES)	(124,478)	(473,539)	705,326
Net Change in Fund Balance	(104,865)	73,569	(57,717)
FUND BALANCES - OCTOBER 1	2,101,643	733,861	64,428
FUND BALANCES - SEPTEMBER 30	$ 1,996,778	$ 807,430	$ 6,711

Major Funds		
Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
$ -	$ 465,860	$ 6,679,442
-	24,165	785,898
-	-	505,877
-	15,910	439,940
-	-	125,373
-	-	159,797
14,534	1,164	39,657
22,241	37,498	249,060
36,775	544,597	8,985,044
-	-	3,096
-	-	1,659,026
-	-	558,492
-	-	129,969
-	-	110,121
-	8,505	262,390
-	-	258,112
-	259,242	403,530
-	-	376,584
-	48,707	1,552,524
-	-	447,542
-	-	1,232,511
1,291,807	-	1,675,329
-	-	838,192
-	-	399,729
-	-	301,108
1,291,807	316,454	10,208,255
(1,255,032)	228,143	(1,223,211)
-	-	105,772
(429)	(1,108)	-
(429)	(1,108)	105,772
(1,255,461)	227,035	(1,117,439)
3,651,769	233,811	6,785,512
$ 2,396,308	$ 460,846	$ 5,668,073

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, 2017

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	$ (1,117,439)
Amounts reported for governmental activities in the Statement of Activities are different because:	
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.	(328,632)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	21,787
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.	
Principal Repayments on Bonds, Leases, & Note Payable	838,192
Proceeds from Capital Lease	(105,772)
Governmental funds report required contributions to employee pensions as expenditures. However, in the Statement of Activities the cost of the pension is recorded based on the actuarially determined cost of the plan. This is the amount that contributions exceeded the actuarially determined pension expense.	(87,552)
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.	
Settlements	301,108
Compensated Absences	(2,223)
Interest Expense/ Amortization of Premium	11,791
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	$ (468,740)

See accompanying notes to basic financial statements.

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 Statues 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 .50% 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, 2017, 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 units. 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 business-type activities or fiduciary funds.

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, Economic Development Corporation, and Capital Projects Fund meet the criteria as ***major governmental funds***. All of these funds are reflected in single columns on the Fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

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 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 and expenditures related to compensated absences, claims, and judgments are recorded only when the liability has matured and payment is due.

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, and capital acquisition.

Economic Development Corporation is used to account for sales and use tax proceeds collected and expenditures associated with promoting economic development in the City.

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

Capital Projects Fund is used to account for resources and expenditures related to capital projects financed through debt instruments issued during the current or prior years.

The City has several nonmajor governmental funds for various special revenues including Court Technology and Security, Federal and State Forfeiture, School Safety, Police Training, PEG Fees, and Street Maintenance.

4. CASH AND INVESTMENTS

Cash and investments 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.

The City reports investments at fair value based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

5. ACCOUNTS RECEIVABLE

Property taxes are levied based on taxable assessed values on January 1, prior to September 30, and become due October 1 of the same year and past due on January 31 of the following year. 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 years' levies are shown net of an allowance for uncollectible accounts.

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

5. ACCOUNTS RECEIVABLE (Continued)

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. CAPITAL ASSETS

Capital assets, which include land, buildings, vehicles, 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

8. COMPENSATED ABSENCES

The City permits employees to accumulate earned, yet unused paid time off up to the amount defined in the Personnel Policy. The City no longer offers sick 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 government-wide statements.

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

9. 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 represents a consumption of net position that applies to future period(s) and, consequently, will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has pension-related deferred outflows of resources.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and, consequently, 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 resources in the period the amounts become available. The City also has pension-related deferred inflows.

10. UNEARNED REVENUE

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

11. SETTTLEMENT PAYABLE

In the government-wide financial statements, Settlement Payable represents the total claim to be paid to multiple homebuilders following a settlement on the issuance and payment of building permits.

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. PENSIONS

The net pension (asset) liability, deferred inflows and outflows of resources related to pensions, pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS), and additions to and deductions from TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable, in accordance with the benefit terms. Investments are reported at fair value.

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

14. FUND BALANCE

Fund balances in governmental funds are classified as follows:

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 balances. 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 funds. The City Council may make assignments, and it 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.

As of September 30, 2017, the Municipal Court Technology Fund had a deficit restricted fund balance which reduced the amount of funds available in the unassigned fund balance for total governmental funds by $1,352.The City will reduce spending of this Fund until the fund balance is no longer at a deficit.

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.

15. 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.

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, the 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.

NOTE B -- CASH AND CASH INVESTMENTS

1. Cash

At September 30, 2017, the carrying amount of the primary government's (including the blended component unit) cash on hand was $1,650; the carrying amount of deposits was $685,831; and the bank balance was $1,607,043. Of the bank balance, $250,000 was covered by Federal Deposit Insurance, and the City's depository had pledged securities having a face value of $5,986,000 and a market value of $5,944,162 as collateral for the City's deposits. All of the City's cash was fully collateralized. The Economic Development Corporation also had funds at other financial institutions. The carrying amount of deposits was $219,335, and the bank balance was $332,978. Of the bank balance, $250,000 was covered by Federal Deposit Insurance, and the remaining was covered by the City of Helotes' collateral support.

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, 2017 were as follows:

	Reported Value	Fair Value	Weighted Average Maturity (Days)
Investment Pools:			
TexPool	$ 1,931,941	$ 1,931,941	56
LOGIC	2,509,939	2,509,939	79
Certificates of Deposit	752,588	752,588	45
Total Investments	$ 5,194,468	$ 5,194,468	

The Certificate of Deposits were fully collateralized. All investments are valued using prices quoted in active markets (Level 1 inputs).

NOTE B -- CASH AND CASH INVESTMENTS (Continued)

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 is required:

a. Credit Risk

Credit risk is the risk that an issuer or other counter-party 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

This 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.

d. Interest Rate Risk

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

NOTE B -- CASH AND CASH INVESTMENTS (Continued)

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 market 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 market value. All other investments are reported at fair market 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 2017, the assessed tax rate for the City was $0.350000 per $100 on an assessed valuation of $799,874,837, which was less applicable freeze adjustments. The tax rate is split $0.278268 for general maintenance and operations and $0.071732 for interest and sinking. The total tax levy for fiscal year 2017 was $3,379,319. As of September 30, 2017, the delinquent taxes were $50,567, with an allowance for estimated uncollectible accounts recorded as $3,539. The freeze adjusted taxable value was 80.5% of the net taxable value of $992,599,415.

NOTE C -- PROPERTY TAX CALENDAR (Continued)

The City is permitted by the Constitution of the State of Texas to levy taxes up to $2.50 per $100 of taxable assessed valuation for all governmental purposes. Pursuant to a decision of the Attorney General of the State of Texas up to $1.50 per $100 of assessed valuation may be used for the payment of long-term debt. The combined tax rate to finance general governmental services, including the payment of principal and interest on long-term debt, for the year ended September 30, 2017 was $.350000 per $100 of assessed value. Consequently, the City has a tax margin of $2.150000 for each $100 of assessed value and could increase its annual tax levy by approximately $17,197,309 based upon the present freeze adjusted value of $799,874,837, before the limit is reached. The City may not, however, adopt a tax rate that exceeds the tax rate calculated in accordance with the Texas Property Tax Code without holding two public hearings. The Property Tax Code subjects an increase in the proposed tax rate to a referendum election, if petitioned by registered voters, when the effective tax rate increase is more than eight percent (8%) of the previous year's maintenance and operations tax rate.

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:

	Amount Receivable	Allowance for Uncollectible Accounts	Net Receivable
Taxes:			
General Fund	$ 40,204	$ 2,814	$ 37,390
Debt Service Fund	10,363	725	9,638
Total Tax Receivables	$ 50,567	$ 3,539	$ 47,028

Other receivables, as of September 30, 2017, for the City's individual major funds are as follows:

	General	EDC	Nonmajor
Sales Taxes	$ 402,497	$ 198,595	$ 98,260
Franchise Fees	138,732	-	5,826
EMS Services	268,056	-	-
Allowance for EMS Services	(147,084)	-	-
Other	20,228	-	20,873
Total Other Receivables	$ 682,429	$ 198,595	$ 124,959

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, 2017 consist of the following:

Receivable Fund	Payable Fund	Amount	Reason/Intent
General Fund	Debt Service Fund	$ 110,469	Reimbursment of lease payments
EDC	General Fund	70,267	Reimbursement of expenses
Capital Projects Fund	General Fund	533,299	Reimbursement of expenses
Nonmajor Funds	General Fund	10,005	PEG Fees
Total Interfund Balances		$ 724,040	

NOTE F -- TRANSFERS

Transfers during the year ended September 30, 2017 were as follows:

Transfer Out	Transfer In	Amount	Purpose
General Fund	Debt Service Fund	$ 234,307	Settlement payments
General Fund	Nonmajor Funds	7,480	Supplemental funding
EDC	General Fund	2,520	Supplemental funding
EDC	Debt Service Fund	471,019	Pledged Revenue
Capital Projects Fund	General Fund	429	Supplemental funding
Nonmajor Funds	General Fund	8,500	Radios and baliffs
Nonmajor Funds	General Fund	88	Supplemental funding
Total Governmental Funds Transfers		$ 724,343	

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.

	Minimum Future Lease Revenue		
Fiscal Year Ending September 30,	Tower Lease	Parking Lease	Total
2018	$ 17,109	$ 2,533	$ 19,642
2019	17,622	2,533	20,155
2020	18,151	2,533	20,684
2021	18,696	2,533	21,229
2022	19,256	2,533	21,789
2023-2027	105,302	12,665	117,967
2028-2032	122,074	12,665	134,739
2033-2037	82,390	12,665	95,055
2038-2042	-	12,665	12,665
2043-2047	-	12,665	12,665
2048-2052	-	12,665	12,665
2053-2057	-	12,665	12,665
2058-2060	-	5,990	5,990
	$ 400,600	$ 107,310	$ 507,910

NOTE H -- PLEDGED REVENUE

The Helotes Economic Development Corporation has pledged to reimburse the City for the debt service requirements of $4,000,000 for the 2007 Series Certificates of Obligation and $937,480 for the 2015 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,	Series 2007	Series 2015	Total
2018	$ 292,552	$ 194,318	$ 486,870
2019	294,495	24,519	319,014
2020	296,046	24,214	320,260
2021	297,203	24,466	321,669
2022	297,968	24,144	322,112
2023 - 2027	1,492,452	118,652	1,611,104
2028 - 2032	-	280,357	280,357
2033 - 2035	-	97,140	97,140
	$ 2,970,716	$ 787,810	$ 3,758,526

NOTE I -- CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2017 was as follows:

Governmental Activities	Balance 10/1/2016	Additions	Disposals/ Transfers	Balance 9/30/2017
Land	$ 1,763,771	$ -	$ -	$ 1,763,771
Buildings	6,774,720	-	-	6,774,720
Vehicles & Equipment	3,135,929	330,381	-	3,466,310
Infrastructure	10,835,178	41,129	-	10,876,307
	22,509,598	371,510	-	22,881,108
Less Accumulated Depreciation				
Buildings	(1,852,063)	(222,300)	-	(2,074,363)
Vehicles & Equipment	(2,227,586)	(261,130)	-	(2,488,716)
Infrastructure	(8,418,418)	(216,712)	-	(8,635,130)
	(12,498,067)	(700,142)	-	(13,198,209)
Governmental Capital Assets, Net	$ 10,011,531	$ (328,632)	$ -	$ 9,682,899

Land is not depreciated.

NOTE I -- CAPITAL ASSETS (Continued)

Depreciation expense was charged to the governmental functions, as follows:

City Administration	$ 46,364
Animal Control, Public Works	226,873
Building and Grounds	63,011
Police Department	183,830
Fire Department	180,064
Total Depreciation Expense - Governmental Activities	$ 700,142

NOTE J -- LONG-TERM DEBT

Long-term debt and obligations payable at September 30, 2017 comprise the following individual issues:

Certificates of Obligation:	
$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 H).	$ 6,115,000
$4,315,000 2015 Combination Tax and Limited-Pledge Revenue Certificates of Obligation due in annual installments through 2035; interest at 3.00%. The EDC has pledged to cover a portion of this debt (see note H).	4,135,000
Total Governmental Long-Term Obligations	$ 10,250,000

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 loan was paid in full as of September 30, 2017.

Changes in Long-Term Liabilities

	Balance 10/1/2016	Additions	Reductions	Balance 9/30/2017	Due Within One Year
Governmental Activities					
Series 2002	$ 140,000	$ -	$ (140,000)	$ -	$ -
Series 2007	6,600,000	-	(485,000)	6,115,000	500,000
Series 2015	4,225,000	-	(90,000)	4,135,000	260,000
Premium on Series 2015	139,751	-	(7,355)	132,396	7,355
Total Bonded Debt	11,104,751	-	(722,355)	10,382,396	767,355
Capital Lease	141,780	105,772	(73,192)	174,360	71,586
Note Payable	50,000	-	(50,000)	-	-
Total Governmental Activities	$ 11,296,531	$ 105,772	$ (845,547)	$ 10,556,756	$ 838,941

NOTE J -- LONG-TERM DEBT (Continued)

The general long-term debt bonds mature serially through 2035 as follows:

Year Ending September 30,	Principal	Interest	Total
2018	$ 760,000	$ 362,782	$ 1,122,782
2019	615,000	337,391	952,391
2020	640,000	313,567	953,567
2021	665,000	288,784	953,784
2022	690,000	263,042	953,042
2023 - 2027	3,880,000	888,057	4,768,057
2028 - 2032	2,185,000	296,622	2,481,622
2033 - 2035	815,000	44,860	859,860
	$ 10,250,000	$ 2,795,105	$ 13,045,105
Average Annual Debt Service Requirement			$ 724,728

The City leased a new vehicle in October 2015, five new vehicles in April 2016 and three new vehicles in May 2017. The leases have an effective interest rate between 5.7% and 6.45% and a bargain purchase options of $1 upon maturity. Future minimum lease payments are as follows:

Year Ending September 30,	Lease Payments
2018	$ 81,461
2019	81,461
2020	28,583
	191,505
Less: Interest Amount	(17,145)
	$ 174,360

The following is an analysis of the property under capital lease as of September 30, 2017:

Transportation & Equipment	$ 299,339
Less: Accumulated Depreciation	(67,911)
Net Leased Property	$ 231,428

NOTE K -- SETTLEMENT PAYABLE

The City settled lawsuits in favor of multiple developers regarding building permits. The total claim to be paid has been accrued, as shown on the Statement of Net Position as a Settlement Payable. The payment schedule for the Settlement Payable over the next four years is as follows:

Year Ending September 30,	Principal
2018	$ 258,281
2019	258,281
2020	201,136
2021	201,136
Total Judgement Payable	$918,834

NOTE L -- EMPLOYEES' RETIREMENT SYSTEMS

Texas Municipal Retirement System

1. Plan Description

The City participates, as one of 872 plans, in the nontraditional, joint-contributory, hybrid-defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the system with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally-dependent on the State of Texas. TMRS' defined benefit pension plan is a tax-qualified plan under Section 401(A) of the Internal Revenue Code. TMRS issues a publicly-available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in the TMRS retirement system.

2. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City within the options available in the State statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits, with interest, were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

NOTE L -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

2. Benefits Provided (Continued)

At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

	2016
Inactive employees or beneficiaries currently receiving benefits	11
Inactive employees entitled to, but not yet receiving, benefits	27
Active employees	62
	100

3. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the State Law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

For the year ending September 30, 2017, employees for the City were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City were 6.09% and 6.85% in calendar years 2016 and 2017, respectively. The City's contributions to TMRS for the year ended September 30, 2017 were $224,662, and were equal to the required contributions.

4. Net Pension Liability

The City's Net Pension Liability (NPL) or Asset was measured as of December 31, 2016, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

5. Actuarial Assumptions

The Total Pension Liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Salary Increases	3.00% per year
Investment Rate of Return*	6.75%

*Presented net of pension plan investment expense, including inflation.

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NOTE L -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

5. Actuarial Assumptions (Continued)

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Health Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103%, with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment of younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2016 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. Plan assets are managed on a total return basis, with an emphasis on both capital appreciation and the production of income, in order to satisfy the short-term and long-term funding needs of TMRS

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage and by adding the expected inflation.

In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.50%	4.55%
International Equity	17.50%	6.35%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	4.15%
Real Return	10.00%	4.15%
Real Estate	10.00%	4.75%
Absolute Return	10.00%	4.00%
Private Equity	5.00%	7.75%
	100.00%	

NOTE L -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

6. Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

7. Discount Rate Sensitivity Analysis

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

	Discount Rate 5.75%	Discount Rate 6.75%	Discount Rate 7.75%
Net Pension Liability (Asset)	$ 1,648,849	$ 740,579	$ (1,795)

8. Changes in Net Pension Liability

The below schedule presents the changes in the Net Pension Liability (Asset) as of December 31, 2016:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at December 31, 2015	$ 5,168,937	$ 4,437,400	$ 731,537
Changes for the year:			
Service Cost	359,315	-	359,315
Interest	359,177	-	359,177
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(30,699)	-	(30,699)
Changes of Assumptions	-	-	-
Contributions - Employer	-	192,822	(192,822)
Contributions - Employee	-	189,946	(189,946)
Net Investment Income	-	299,552	(299,552)
Benefit Payments, Including Refunds of Employee Contributions	(54,911)	(54,911)	-
Administrative Expense	-	(3,387)	3,387
Other Changes	-	(182)	182
Net Changes	632,882	623,840	9,042
Balance at December 31, 2016	$ 5,801,819	$ 5,061,240	$ 740,579

NOTE L -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

9. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained at www.tmrs.com.

10. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended September 30, 2017, the City recognized a pension expense of $312,214. Also, as of September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	$ -	$ 59,636
Changes in Actuarial Assumptions	135,845	-
Differences between Projected and Actual Investment Earnings	189,287	-
Contributions Subsequent to the Measurement Date	168,469	-
	$ 493,601	$ 59,636

Deferred outflows of resources in the amount of $168,469 is related to pensions resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability for the year ending September 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year ended December 31,	
2017	$ 79,624
2018	79,625
2019	70,158
2020	13,368
2021	13,372
Thereafter	9,349
	$ 265,496

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) and 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.

NOTE M -- OTHER POST EMPLOYMENT BENEFIT (Continued)

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 ensure 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, 2017, 2016 and 2015 were $4,059, $3,760, and $3,565, respectively, and were equal to the required contributions each year.

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, 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, 2017 were $125,474 for property, casualty, and workers compensation coverage.

NOTE O -- COMMITMENTS AND CONTINGENCIES

Commitments

The City has entered into contracts for the following project. As of September 30, 2017, estimated future commitments associated with these contracts are as follows:

Project	Estimated Project Cost to City	Expended to Date	Estimated Future Commitment
State Highway 16 Water and Sewer Infrastructure Project	$ 2,434,029	$ 1,554,238	$ 879,791

Litigation

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

NOTE O -- COMMITMENTS AND CONTINGENCIES (Continued)

Chapter 380 Economic Development Agreements

The City of Helotes and the Economic Development Corporation have entered into Chapter 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 portions of the sales and use taxes and/or increased property tax revenues, up to a maximum amount. The City and Economic Development Corporation are accruing estimated sales and use tax rebates as of September 30, 2017 based on the sales and use tax and property tax collections of projects in anticipation of the developers' requests for payment. The terms of the agreements are as follows:

	Sales Tax Refund Agreement		Maximum Grant	Current Year	Maximum Balance	
Development	City	EDC	Amount	Reductions	Due	Term
Bandera Helotes Plaza	50%	50%	$ 300,000	$ -	$ 300,000	10 years
Bluff and Shops at Old Town Helotes	50%	50%	$ 2,000,000	$ -	$ 2,000,000	15 years
Texas Developers, LLC	75% of excess	75% of excess	N/A	$ 598,066	N/A	20 years
CSDRE, LLC & Slim Texas, LLC	40%	40%	$ 600,000	$ -	$ 600,000	13 years

	Ad Valorem Tax Refund		Maximum Grant	Current Year	Maximum Balance	
Development	City	EDC	Amount	Reductions	Due	Term
New Leaf Homes	25%	0%	$ 3,542,817	$ -	$ 3,542,817	25 years

The City has adopted the state criteria for 380 Economic Development Agreements. Each entity has a separate performance agreement.

CITY OF

Helotes

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 Changes – Net Pension Liability and Related Ratios
- Notes to Schedule of Changes – Net Pension Liability and Related Ratios

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, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	Budget Amounts		**2017 Actual**	Variance Favorable	2016 Actual
	Original	Final	**Amounts**	(Unfavorable)	Amounts
REVENUES					
Taxes	$ 3,932,675	$ 3,932,675	**$ 4,579,293**	$ 646,618	$ 3,782,875
Franchise Fees	693,111	693,111	**761,733**	68,622	731,955
Licenses and Permits	453,615	453,615	**505,877**	52,262	418,153
Municipal Court	394,132	407,659	**424,030**	16,371	394,014
Fire Department	155,631	155,631	**125,373**	(30,258)	147,248
Grants	-	140,000	**159,797**	19,797	-
Interest	5,418	5,418	**20,769**	15,351	8,378
Miscellaneous	196,191	196,191	**189,321**	(6,870)	188,931
Total Revenues	5,830,773	5,984,300	**6,766,193**	781,893	5,671,554
EXPENDITURES					
City Council:					
Seminars	94	44	**44**	-	130
Reimbursements	2,389	2,606	**3,052**	(446)	2,297
Total City Council	2,483	2,650	**3,096**	(446)	2,427
City Administration:					
Personnel	280,400	290,756	**290,756**	-	260,060
Insurance	71,902	76,045	**76,045**	-	67,512
Contractual	352,039	378,572	**790,424**	(411,852)	413,723
Supplies and Maintenance	90,320	103,905	**105,955**	(2,050)	130,536
Total City Administration	794,661	849,278	**1,263,180**	(413,902)	871,831
Dispatch Services:					
Personnel	468,249	505,188	**505,188**	-	444,338
Contractual	41,998	22,957	**23,042**	(85)	20,218
Supplies and Maintenance	13,730	29,102	**30,262**	(1,160)	31,553
Total Dispatch Services	523,977	557,247	**558,492**	(1,245)	496,109
City Secretary:					
Personnel	87,804	97,213	**97,024**	189	85,829
Contractual	27,415	20,352	**20,118**	234	10,812
Supplies and Maintenance	11,616	12,270	**12,827**	(557)	13,175
Total City Secretary	126,835	129,835	**129,969**	(134)	109,816
Human Resources:					
Personnel	101,340	111,293	**109,676**	1,617	88,357
Contractual	-	315	**315**	-	-
Supplies and Maintenance	-	187	**130**	57	-
Total Human Resources	$ 101,340	$ 111,795	**$ 110,121**	$ 1,674	$ 88,357

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, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	Budget Amounts		**2017 Actual Amounts**	Variance Favorable (Unfavorable)	2016 Actual Amounts
	Original	Final			
EXPENDITURES (CONT.)					
Municipal Court:					
Personnel	$ 260,689	$ 184,256	**$ 179,058**	$ 5,198	$ 164,391
Contractual	81,675	73,951	**73,027**	924	64,605
Supplies and Maintenance	2,520	2,520	**1,800**	720	2,259
Total Municipal Court	344,884	260,727	**253,885**	6,842	231,255
Animal Control, Public Works:					
Personnel	202,005	225,760	**223,096**	2,664	153,562
Contractual	45,301	21,087	**22,473**	(1,386)	110,170
Supplies and Maintenance	8,473	12,075	**12,543**	(468)	8,209
Capital Outlay	20,000	62,290	**69,224**	(6,934)	56,384
Total Animal Control, Public Works	275,779	321,212	**327,336**	(6,124)	328,325
Development Services:					
Personnel	136,827	145,227	**141,014**	4,213	129,315
Contractual	10,308	4,030	**3,274**	756	13,272
Total Development Services	147,135	149,257	**144,288**	4,969	142,587
Buildings and Grounds:					
Contractual	240,249	163,936	**165,717**	(1,781)	134,702
Supplies and Maintenance	984	2,088	**2,192**	(104)	21,248
Community Events	145,261	37,270	**87,312**	(50,042)	82,351
Utilities	-	114,515	**121,363**	(6,848)	109,342
Capital Outlay	75,274	137	**137**	-	72,379
Total Buildings and Grounds	461,768	317,946	**376,721**	(58,775)	420,022
Police Department:					
Personnel	1,414,985	1,379,542	**1,378,260**	1,282	1,320,116
Contractual	34,111	42,155	**41,927**	228	33,971
Supplies and Maintenance	95,989	80,555	**83,630**	(3,075)	121,301
Capital Outlay	61,311	164,701	**164,567**	134	129,854
Total Police Department	$ 1,606,396	$ 1,666,953	**$ 1,668,384**	$ (1,431)	$ 1,605,242

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, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	Budget Amounts		**2017 Actual Amounts**	Variance Favorable (Unfavorable)	2016 Actual Amounts
	Original	Final			
EXPENDITURES (CONT.)					
Emergency Medical Services:					
Personnel	$ 364,186	$ 370,258	**$ 369,224**	$ 1,034	$ 351,919
Contractual	29,246	33,076	**35,829**	(2,753)	18,487
Supplies and Maintenance	42,528	41,863	**42,489**	(626)	42,882
Total Emergency Medical Services	435,960	445,197	**447,542**	(2,345)	413,288
Fire Department:					
Personnel	1,005,014	1,060,283	**1,060,246**	37	1,011,340
Contractual	26,511	38,894	**39,311**	(417)	25,492
Supplies and Maintenance	121,959	141,409	**132,954**	8,455	95,757
Capital Outlay	-	140,000	**149,594**	(9,594)	33,916
Total Fire Department	1,153,484	1,380,586	**1,382,105**	(1,519)	1,166,505
Debt Service:					
Principal	-	73,192	**73,192**	-	67,147
Interest and Fiscal Charges	-	8,269	**8,269**	-	849
Total Debt Service	-	81,461	**81,461**	-	67,996
TOTAL EXPENDITURES	5,974,702	6,274,144	**6,746,580**	(472,436)	5,943,760
Excess (Deficiency) of Revenues Over (Under) Expenditures	(143,929)	(289,844)	**19,613**	309,457	(272,206)
Other Financing Sources (Uses)					
Capital Lease Proceeds	-	105,772	**105,772**	-	193,567
Proceeds from Sale of Land	-	-	**-**	-	519,514
Transfers In (Out)	(265,950)	(225,807)	**(230,250)**	(4,443)	-
Total Other Financing Sources (Uses)	(265,950)	(120,035)	**(124,478)**	(4,443)	713,081
Net Change in Fund Balance	(409,879)	(409,879)	**(104,865)**	305,014	440,875
BEGINNING FUND BALANCE	2,101,643	2,101,643	**2,101,643**	-	1,660,768
ENDING FUND BALANCE	$ 1,691,764	$ 1,691,764	**$ 1,996,778**	$ 305,014	$ 2,101,643

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, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	Budgeted Amounts		**2017**	Variance	2016
	Original	Final	**Actual Amounts**	Favorable (Unfavorable)	Actual Amounts
REVENUES					
Taxes	$ 670,086	$ 701,882	**$ 939,946**	$ 238,064	$ 669,963
Interest	2,200	2,091	**3,008**	917	1,832
TOTAL REVENUES	672,286	703,973	**942,954**	238,981	671,795
EXPENDITURES					
Chapter 380 Agreement Expense	3,800	-	**196,404**	(196,404)	-
Professional Services	69,387	125,533	**98,095**	27,438	96,456
Personnel Costs	91,400	70,174	**70,173**	1	63,484
City Administration Cost	15,000	15,000	**15,000**	-	15,000
Training and Seminars	9,500	9,400	**6,988**	2,412	7,753
Parking Lease Agreement	6,000	5,900	**4,272**	1,628	-
Office Supplies and Expenses	3,800	3,729	**2,947**	782	3,146
Other Expenses	1,250	2,088	**1,967**	121	128
TOTAL EXPENDITURES	200,137	231,824	**395,846**	(164,022)	185,967
Excess (Deficiency) of Revenues Over (Under) Expenditures	472,149	472,149	**547,108**	74,959	485,828
OTHER FINANCING SOURSES (USES)					
Transfer In (Out) to Primary Government	(471,019)	(471,019)	**(473,539)**	(2,520)	(499,249)
TOTAL OTHER FINANCING SOURCES (USES)	(471,019)	(471,019)	**(473,539)**	(2,520)	(499,249)
Net Change in Fund Balance	1,130	1,130	**73,569**	72,439	(13,421)
BEGINNING FUND BALANCE	733,861	733,861	**733,861**	-	747,282
ENDING FUND BALANCE	$ 734,991	$ 734,991	**$ 807,430**	$ 72,439	$ 733,861

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CITY OF HELOTES, TEXAS
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SEPTEMBER 30, 2017

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 Fund, Capital Replacement Fund, Economic Development Corporation Fund, Municipal Court Security Fund, Municipal Court Technology Fund, Police Training and Education Fund, School Safety Fund, PEG Capital Fund, State Forfeiture Fund, Federal Forfeiture Fund, and Street Maintenance Fund.

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.

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, is utilized in the governmental funds. Encumbrances lapse at year-end, and the commitments must be reappropriated and honored during the subsequent year.

At a minimum, City Management provides to City Council on a monthly basis a Revenue and Expenditure, Balance Sheet, and Encumbrance Report for review and approval.

Current year payments related to Chapter 380 Agreements were shown as an expenditure in the City Administration department rather than a reduction of tax revenue.

Discussion Draft

CITY OF HELOTES, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS
LAST THREE CALENDAR YEARS

Total Pension Liability

	2014	2015	2016
Service Cost	$ 312,260	$ 327,583	$ 359,315
Interest (on the Total Pension Liability)	284,925	319,639	359,177
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(23,615)	(23,708)	(30,699)
Changes of Assumptions	-	182,129	-
Benefit Payments, Including Refunds of Employee Contributions	(92,277)	(78,371)	(54,911)
Net Change in Total Pension Liability	481,293	727,272	632,882
Total Pension Liability - Beginning	3,960,372	4,441,665	5,168,937
Total Pension Liability - Ending	$ 4,441,665	$ 5,168,937	$ 5,801,819

Plan Fiduciary Net Position

	2014	2015	2016
Contributions - Employer	$ 146,084	$ 189,904	$ 192,822
Contributions - Employee	174,603	179,826	189,946
Net Investment Income	212,062	6,116	299,552
Benefit Payments, Including Refunds of Employee Contributions	(92,277)	(78,371)	(54,911)
Administrative Expense	(2,213)	(3,724)	(3,387)
Other	(182)	(184)	(182)
Net Change in Plan Fiduciary Net Position	438,077	293,567	623,840
Plan Fiduciary Net Position - Beginning	3,705,756	4,143,833	4,437,400
Plan Fiduciary Net Position - Ending	$ 4,143,833	$ 4,437,400	$ 5,061,240
Net Pension Liability (Asset) - Ending	$ 297,832	$ 731,537	$ 740,579
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.29%	85.85%	87.24%
Covered Employee Payroll	$ 2,910,052	$ 2,997,102	$ 3,165,775
Net Pension Liability as a Percentage of Covered Employee Payroll	10.23%	24.41%	23.39%

Note: The schedule above reflects the changes in the net pension liability for the current year and the previous two plan years. GASB Statement No. 68 requires 10 fiscal years of data to be provided in this schedule. The City will build the schedule over the 10-year period beginning December 31, 2014 as data becomes available.

CITY OF HELOTES, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST FOUR FISCAL YEARS

Schedule of Contributions:

	2014	2015	2016	2017
Actuarially Determined Contribution	$ 139,948	$ 176,938	$ 193,049	$ 224,662
Contribution in Relation to the Actuarially Determined Contribution	139,948	176,938	193,049	224,662
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Employee Payroll	$ 2,867,984	$ 2,970,585	$ 3,132,983	$ 3,387,847
Contributions as a Percentage of Covered Employee Payroll	4.88%	5.96%	6.16%	6.63%

Note: The schedule above reflects the TMRS contributions made by the City for the current year and the previous three fiscal years. GASB Statement No. 68 requires 10 fiscal years of data to be provided in this schedule. The City will build the schedule over the 10-year period beginning September 30, 2014 as data becomes available.

NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, thirteen (13) months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	27 Years
Asset Valuation Method	10 Year Smoothed Market, 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information:

Notes	There were no benefit changes during the year

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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 schedules include:

- Comparative Balance Sheets – General Fund
- Comparative Balance Sheets – Economic Development Corporation
- Comparative Statements – Debt Service Fund
- Comparative Statements – Capital Projects Fund
- Combining Statement – Nonmajor Funds
- Comparative Statements – Individual Nonmajor Funds

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
GENERAL FUND
SEPTEMBER 30, 2017 AND 2016

	2017	2016
ASSETS		
Cash and Investments	**$ 1,898,519**	$ 1,721,076
Certificate of Deposit	**501,706**	651,710
Receivables:		
Property Taxes (Net of Allowance)	**37,390**	31,024
Sales Tax and Other Receivables	**682,429**	516,646
Due from Other Funds	**110,469**	187,946
TOTAL ASSETS	**$ 3,230,513**	$ 3,108,402
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts Payable	**$ 127,229**	$ 112,071
Accrued Expenditures	**228,033**	28,630
Due to Other Funds	**613,571**	603,566
Unearned Revenue - Lease	**107,310**	126,455
Total Liabilities	**1,076,143**	870,722
Deferred Inflows of Resources:		
Unavailable Revenue - Taxes	**36,621**	31,024
Unavailable Revenue - EMS	**120,971**	105,013
Total Deferred Inflows of Resources	**157,592**	136,037
Fund Balances:		
Unassigned	**1,996,778**	2,101,643
Total Fund Balances	**1,996,778**	2,101,643
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 3,230,513**	$ 3,108,402

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
ECONOMIC DEVELOPMENT CORPORATION
SEPTEMBER 30, 2017 AND 2016

	2017	2016
ASSETS		
Cash and Investments	**$ 401,534**	$ 703,464
Certificate of Deposit	**250,882**	-
Accounts Receivable - State	**198,595**	121,961
Due from Other Funds	**70,267**	-
TOTAL ASSETS	**$ 921,278**	$ 825,425
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	**$ -**	$ 14,707
Accrued Liabilities	**113,848**	14,101
Due to Other Funds	**-**	62,756
Total Liabilities	**113,848**	91,564
Fund Balance:		
Restricted for Economic Development Corporation	**807,430**	733,861
Total Fund Balance	**807,430**	733,861
TOTAL LIABILITIES AND FUND BALANCE	**$ 921,278**	$ 825,425

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
DEBT SERVICE FUND
SEPTEMBER 30, 2017 AND 2016

	2017	2016
ASSETS		
Cash and Investments	**$ 116,982**	$ 174,897
Taxes Receivable (Net of Allowances)	**9,638**	9,208
TOTAL ASSETS	**$ 126,620**	$ 184,105
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Due to Other Funds	**$ 110,469**	$ 110,469
Total Liabilities	**110,469**	110,469
Deferred Inflows of Resources:		
Unavailable Revenue - Taxes	**9,440**	9,208
Total Deferred Inflows of Resources	**9,440**	9,208
Fund Balance:		
Restricted for Debt Service	**6,711**	64,428
Total Fund Balance	**6,711**	64,428
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 126,620**	$ 184,105

CITY OF HELOTES, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
DEBT SERVICE FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	2017	2016
REVENUES		
Taxes	**$ 694,343**	$ 725,684
Interest	**182**	439
TOTAL REVENUES	**694,525**	726,123
EXPENDITURES		
Principal Payments	**765,000**	735,000
Interest and Fiscal Charges	**391,460**	409,751
Settlement Expense	**301,108**	-
TOTAL EXPENDITURES	**1,457,568**	1,144,751
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(763,043)**	(418,628)
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	**705,326**	467,795
TOTAL OTHER FINANCING SOURCES (USES)	**705,326**	467,795
Net Change in Fund Balance	**(57,717)**	49,167
BEGINNING FUND BALANCE	**64,428**	15,261
ENDING FUND BALANCE	**$ 6,711**	$ 64,428

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
CAPITAL PROJECTS FUND
SEPTEMBER 30, 2017 AND 2016

	2017	2016
ASSETS		
Cash and Investments, Restricted	**$ 2,384,767**	$ 2,929,203
Certificates of Deposit	**-**	119,000
Due from Other Funds	**533,299**	603,566
TOTAL ASSETS	**$ 2,918,066**	$ 3,651,769
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	**$ 521,758**	$ -
Total Liabilities	**521,758**	-
Fund Balance:		
Restricted for Capital Projects	**2,396,308**	3,651,769
Total Fund Balance	**2,396,308**	3,651,769
TOTAL LIABILITIES AND FUND BALANCE	**$ 2,918,066**	$ 3,651,769

CITY OF HELOTES, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	2017	2016
REVENUES		
Interest	**$ 14,534**	$ 5,111
Miscellaneous	**22,241**	24,508
TOTAL REVENUES	**36,775**	29,619
EXPENDITURES		
Current:		
City Administration	**-**	1,245
Capital Outlay	**1,291,807**	709,829
TOTAL EXPENDITURES	**1,291,807**	711,074
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(1,255,032)**	(681,455)
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	**(429)**	31,454
TOTAL OTHER FINANCING	**(429)**	31,454
Net Change in Fund Balance	**(1,255,461)**	(650,001)
BEGINNING FUND BALANCE	**3,651,769**	4,301,770
ENDING FUND BALANCE	**$ 2,396,308**	$ 3,651,769

CITY OF HELOTES, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	Municipal Court Security Fund	Municipal Court Technology Fund	Police Training Fund	School Safety Fund
ASSETS				
Cash and Investments	$ 6,655	$ -	$ 2,671	$ 37
Receivables:				
Sales Tax and Other Receivable	-	-	-	20,873
Due from General Fund	-	-	-	-
TOTAL ASSETS	$ 6,655	$ -	$ 2,671	$ 20,910
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Withdrawals in Excess of Deposits	$ -	$ 1,352	$ -	$ -
Accounts Payable	-	-	325	-
Total Liabilities	-	1,352	325	-
Fund Balances:				
Restricted for:				
Court Technology and Security	6,655	-	-	-
School Safety	-	-	-	20,910
Police Training	-	-	2,346	-
PEG Capital Fees	-	-	-	-
Street Maintenance	-	-	-	-
State Forfeiture	-	-	-	-
Unassigned	-	(1,352)	-	-
Total Fund Balances	6,655	(1,352)	2,346	20,910
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 6,655	$ -	$ 2,671	$ 20,910

PEG Capital Fund	State Forfeiture Fund	Federal Forfeiture Fund	Street Maintenance Fund	Total Nonmajor Funds
$ 45,170	$ 9,038	$ -	$ 263,988	$ 327,559
5,826	-	-	98,260	124,959
10,005	-	-	-	10,005
$ 61,001	$ 9,038	$ -	$ 362,248	$ 462,523
$ -	$ -	$ -	$ -	$ 1,352
-	-	-	-	325
-	-	-	-	1,677
-	-	-	-	6,655
-	-	-	-	20,910
-	-	-	-	2,346
61,001	-	-	-	61,001
-	-	-	362,248	362,248
-	9,038	-	-	9,038
-	-	-	-	(1,352)
61,001	9,038	-	362,248	460,846
$ 61,001	$ 9,038	$ -	$ 362,248	$ 462,523

CITY OF HELOTES, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Municipal Court Security Fund	Municipal Court Technology Fund	Police Training Fund	School Safety Fund
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Franchise Fees	-	-	-	-
Municipal Court	6,815	9,095	-	-
Interest	20	4	11	127
Miscellaneous	-	-	1,799	34,057
TOTAL REVENUES	6,835	9,099	1,810	34,184
EXPENDITURES				
Current:				
Municipal Court	-	8,505	-	-
Development Services	-	-	-	-
Police Department	-	-	1,949	46,674
TOTAL EXPENDITURES	-	8,505	1,949	46,674
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,835	594	(139)	(12,490)
OTHER FINANCING SOURCES (USES):				
Transfers In (Out)	(4,000)	(4,500)	-	2,223
TOTAL OTHER FINANCING SOURCES (USES)	(4,000)	(4,500)	-	2,223
Net Change in Fund Balance	2,835	(3,906)	(139)	(10,267)
FUND BALANCES - OCTOBER 1	3,820	2,554	2,485	31,177
FUND BALANCES (DEFICIT) - SEPTEMBER 31	$ 6,655	$ (1,352)	$ 2,346	$ 20,910

PEG Capital Fund	State Forfeiture Fund	Federal Forfeiture Fund	Street Maintenance Fund	Total Nonmajor Funds
$ -	$ -	$ -	$ 465,860	$ 465,860
24,165	-	-	-	24,165
-	-	-	-	15,910
152	-	-	850	1,164
-	1,642	-	-	37,498
24,317	1,642	-	466,710	544,597
-	-	-	-	8,505
21,512	-	-	237,730	259,242
-	84	-	-	48,707
21,512	84	-	237,730	316,454
2,805	1,558	-	228,980	228,143
(88)	7,480	-	(2,223)	(1,108)
(88)	7,480	-	(2,223)	(1,108)
2,717	9,038	-	226,757	227,035
58,284	-	-	135,491	233,811
$ 61,001	$ 9,038	$ -	$ 362,248	$ 460,846

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
MUNICIPAL COURT SECURITY FUND
SEPTEMBER 30, 2017 AND 2016

	2017	2016
ASSETS		
Cash and Investments	**$ 6,655**	$ 3,820
TOTAL ASSETS	**$ 6,655**	$ 3,820
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts Payable	**$ -**	$ -
Total Liabilities	**-**	-
Fund Balances:		
Restricted for:		
Court Security	**6,655**	3,820
Total Fund Balances	**6,655**	3,820
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 6,655**	$ 3,820

CITY OF HELOTES, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
MUNICIPAL COURT SECURITY FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	2017	2016
REVENUES		
Municipal Court	**$ 6,815**	$ 5,810
Interest	**20**	4
TOTAL REVENUES	**6,835**	5,814
EXPENDITURES		
Current:		
Municipal Court	**-**	5,475
TOTAL EXPENDITURES	**-**	5,475
Excess (Deficiency) of Revenues Over (Under) Expenditures	**6,835**	339
OTHER FINANCING SOURCES (USES):		
Transfers In (Out)	**(4,000)**	-
TOTAL OTHER FINANCING SOURCES (USES)	**(4,000)**	-
Net Change in Fund Balance	**2,835**	339
FUND BALANCES - OCTOBER 1	**3,820**	3,481
FUND BALANCES - SEPTEMBER 30	**$ 6,655**	$ 3,820

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
MUNICIPAL COURT TECHNOLOGY FUND
SEPTEMBER 30, 2017 AND 2016

	2017	2016
ASSETS		
Cash and Investments	**$ -**	$ 950
Prepaid Items	**-**	2,477
TOTAL ASSETS	**$ -**	$ 3,427
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Withdrawals in Excess of Deposits	**$ 1,352**	$ -
Accounts Payable	**-**	873
Total Liabilities	**1,352**	873
Fund Balances:		
Nonspendable:		
Prepaid Items	**-**	2,477
Restricted for:		
Court Technology	**-**	77
Unassigned	**(1,352)**	-
Total Fund Balances	**(1,352)**	2,554
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ -**	$ 3,427

CITY OF HELOTES, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
MUNICIPAL COURT TECHNOLOGY FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	2017	2016
REVENUES		
Municipal Court	**$ 9,095**	$ 7,749
Interest	**4**	3
TOTAL REVENUES	**9,099**	7,752
EXPENDITURES		
Current:		
Municipal Court	**8,505**	12,214
TOTAL EXPENDITURES	**8,505**	12,214
Excess (Deficiency) of Revenues Over (Under) Expenditures	**594**	(4,462)
OTHER FINANCING SOURCES (USES):		
Transfers In (Out)	**(4,500)**	-
TOTAL OTHER FINANCING SOURCES (USES)	**(4,500)**	-
Net Change in Fund Balance	**(3,906)**	(4,462)
FUND BALANCES - OCTOBER 1	**2,554**	7,016
FUND BALANCES (DEFICIT) - SEPTEMBER 30	**$ (1,352)**	$ 2,554

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
POLICE TRAINING FUND
SEPTEMBER 30, 2017 AND 2016

	2017	2016
ASSETS		
Cash and Investments	**$ 2,671**	$ 2,485
TOTAL ASSETS	**$ 2,671**	$ 2,485
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts Payable	**$ 325**	$ -
Total Liabilities	**325**	-
Fund Balances:		
Restricted for:		
Police Department	**2,346**	2,485
Total Fund Balances	**2,346**	2,485
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 2,671**	$ 2,485

CITY OF HELOTES, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
POLICE TRAINING FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	2017	2016
REVENUES		
Interest	**$ 11**	$ 2
Miscellaneous	**1,799**	1,890
TOTAL REVENUES	**1,810**	1,892
EXPENDITURES		
Current:		
Police Department	**1,949**	3,922
TOTAL EXPENDITURES	**1,949**	3,922
Net Change in Fund Balance	**(139)**	(2,030)
FUND BALANCES - OCTOBER 1	**2,485**	4,515
FUND BALANCES - SEPTEMBER 30	**$ 2,346**	$ 2,485

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
SCHOOL SAFETY FUND
SEPTEMBER 30, 2017 AND 2016

	2017	2016
ASSETS		
Cash and Investments	**$ 37**	$ 31,177
Receivables:		
Sales Tax and Other Receivable	**20,873**	-
TOTAL ASSETS	**$ 20,910**	$ 31,177
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts Payable	**$ -**	$ -
Total Liabilities	**-**	-
Fund Balances:		
Restricted for:		
School Safety	**20,910**	31,177
Total Fund Balances	**20,910**	31,177
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 20,910**	$ 31,177

CITY OF HELOTES, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
SCHOOL SAFETY FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	2017	2016
REVENUES		
Interest	**$ 127**	$ 19
Miscellaneous	**34,057**	14,939
TOTAL REVENUES	**34,184**	14,958
EXPENDITURES		
Current:		
Police Department	**46,674**	2,984
TOTAL EXPENDITURES	**46,674**	2,984
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(12,490)**	11,974
OTHER FINANCING SOURCES (USES):		
Transfers In (Out)	**2,223**	-
TOTAL OTHER FINANCING SOURCES (USES)	**2,223**	-
Net Change in Fund Balance	**(10,267)**	11,974
FUND BALANCES - OCTOBER 1	**31,177**	19,203
FUND BALANCES - SEPTEMBER 30	**$ 20,910**	$ 31,177

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
PEG CAPITAL FUND
SEPTEMBER 30, 2017 AND 2016

	2017	2016
ASSETS		
Cash and Investments	**$ 45,170**	$ 66,825
Receivables:		
Sales Tax and Other Receivable	**5,826**	6,180
Due from General Fund	**10,005**	-
TOTAL ASSETS	**$ 61,001**	$ 73,005
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Due to General Fund	**$ -**	$ 14,721
Total Liabilities	**-**	14,721
Fund Balances:		
Restricted for:		
PEG Capital Fees	**61,001**	58,284
Total Fund Balances	**61,001**	58,284
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 61,001**	$ 73,005

CITY OF HELOTES, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
PEG CAPITAL FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	2017	2016
REVENUES		
Franchise Fees	**$ 24,165**	$ 26,297
Interest	**152**	29
TOTAL REVENUES	**24,317**	26,326
EXPENDITURES		
Current:		
Development Services	**21,512**	21,044
TOTAL EXPENDITURES	**21,512**	21,044
Excess (Deficiency) of Revenues Over (Under) Expenditures	**2,805**	5,282
OTHER FINANCING SOURCES (USES):		
Transfers In (Out)	**(88)**	-
TOTAL OTHER FINANCING SOURCES (USES)	**(88)**	-
Net Change in Fund Balance	**2,717**	5,282
FUND BALANCES - OCTOBER 1	**58,284**	53,002
FUND BALANCES - SEPTEMBER 30	**$ 61,001**	$ 58,284

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
STATE FORFEITURE FUND
SEPTEMBER 30, 2017 AND 2016

	2017	2016
ASSETS		
Cash and Investments	**$ 9,038**	$ -
TOTAL ASSETS	**$ 9,038**	$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts Payable	**$ -**	$ -
Total Liabilities	**-**	-
Fund Balances:		
Restricted for:		
State Forfeiture	**9,038**	-
Total Fund Balances	**9,038**	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 9,038**	$ -

CITY OF HELOTES, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
STATE FORFEITURE FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	2017	2016
REVENUES		
Interest	**$ -**	$ 17
Miscellaneous	**1,642**	-
TOTAL REVENUES	**1,642**	17
EXPENDITURES		
Current:		
Police Department	**84**	17
TOTAL EXPENDITURES	**84**	17
Excess (Deficiency) of Revenues Over (Under) Expenditures	**1,558**	-
OTHER FINANCING SOURCES (USES):		
Transfers In (Out)	**7,480**	-
TOTAL OTHER FINANCING SOURCES (USES)	**7,480**	-
Net Change in Fund Balance	**9,038**	-
FUND BALANCES - OCTOBER 1	**-**	-
FUND BALANCES - SEPTEMBER 30	**$ 9,038**	$ -

CITY OF HELOTES, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FEDERAL FORFEITURE FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	2017	2016
REVENUES		
Interest	**$ -**	$ 17
TOTAL REVENUES	**-**	17
EXPENDITURES		
Current:		
Police Department	**-**	17
TOTAL EXPENDITURES	**-**	17
Net Change in Fund Balance	**-**	-
FUND BALANCES - OCTOBER 1	**-**	-
FUND BALANCES - SEPTEMBER 30	**$ -**	$ -

CITY OF HELOTES, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
EXPLORER POST FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	2017	2016
REVENUES		
Miscellaneous	**$ -**	$ -
TOTAL REVENUES	**-**	-
EXPENDITURES		
Current:		
Development Services	**-**	2,783
TOTAL EXPENDITURES	**-**	2,783
Net Change in Fund Balance	**-**	(2,783)
FUND BALANCES - OCTOBER 1	**-**	2,783
FUND BALANCES - SEPTEMBER 30	**$ -**	$ -

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
STREET MAINTENANCE FUND
SEPTEMBER 30, 2017 AND 2016

	2017	2016
ASSETS		
Cash and Investments	**$ 263,988**	$ 79,919
Receivables:		
Sales Tax and Other Receivable	**98,260**	59,839
TOTAL ASSETS	**$ 362,248**	$ 139,758
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts Payable	**$ -**	$ 4,267
Total Liabilities	**-**	4,267
Fund Balances:		
Restricted for:		
Street Maintenance	**362,248**	135,491
Total Fund Balances	**362,248**	135,491
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 362,248**	$ 139,758

CITY OF HELOTES, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
STREET MAINTENANCE FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	2017	2016
REVENUES		
Taxes	**$ 465,860**	$ 168,817
Interest	**850**	-
TOTAL REVENUES	**466,710**	168,817
EXPENDITURES		
Current:		
Development Services	**237,730**	33,326
TOTAL EXPENDITURES	**237,730**	33,326
Excess (Deficiency) of Revenues Over (Under) Expenditures	**228,980**	135,491
OTHER FINANCING SOURCES (USES):		
Transfers In (Out)	**(2,223)**	-
TOTAL OTHER FINANCING SOURCES (USES)	**(2,223)**	-
Net Change in Fund Balance	**226,757**	135,491
FUND BALANCES - OCTOBER 1	**135,491**	-
FUND BALANCES - SEPTEMBER 30	**$ 362,248**	$ 135,491

CITY OF

Helotes

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 its 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

	Fiscal Year			
	2008*	**2009***	**2010***	**2011***
Governmental Activities				
Net Investment in Capital Assets	$ 2,441,885	$ 2,801,984	$ 2,695,447	$ 2,609,738
Restricted	870,948	739,054	822,875	746,104
Unrestricted (Deficit)	2,224,647	2,274,546	2,259,157	2,272,143
Total Governmental Activities	$ 5,537,480	$ 5,815,584	$ 5,777,479	$ 5,627,985
Business-Type Activities**				
Net Investment in Capital Assets	$ -	$ -	$ -	$ 510,684
Restricted	-	-	-	-
Unrestricted (Deficit)	-	-	-	(362,016)
Total Business-Type Activities	$ -	$ -	$ -	$ 148,668
Primary Government				
Net Investment in Capital Assets	$ 2,441,885	$ 2,801,984	$ 2,695,447	$ 3,120,422
Restricted	870,948	739,054	822,875	746,104
Unrestricted (Deficit)	2,224,647	2,274,546	2,259,157	1,910,127
Total Primary Government	$ 5,537,480	$ 5,815,584	$ 5,777,479	$ 5,776,653

*Note: Prior periods have not been restated for the effects of the adoption of GASB Statement No. 68.
**The Business-type Activities were transferred to the Governmental Activities on October 1, 2014.

TABLE 1

Fiscal Year					
2012*	**2013***	**2014***	**2015**	**2016**	**2017**
$ 2,525,712	$ 2,559,746	$ 2,745,214	$ 3,840,681	$ 2,317,358	$ 3,393,539
695,127	765,238	798,952	878,422	1,005,770	1,218,367
2,540,235	2,881,908	3,509,184	(534,577)	449,432	(1,308,086)
$ 5,761,074	$ 6,206,892	$ 7,053,350	$ 4,184,526	$ 3,772,560	$ 3,303,820
$ 450,745	$ 390,806	$ 329,498	$ -	$ -	$ -
-	-	-	-	-	-
(877,756)	(1,501,982)	(2,170,221)	-	-	-
$ (427,011)	$ (1,111,176)	$ (1,840,723)	$ -	$ -	$ -
$ 2,976,457	$ 2,950,552	$ 3,074,712	$ 3,840,681	$ 2,317,358	$ 3,393,539
695,127	765,238	798,952	878,422	1,005,770	1,218,367
1,662,479	1,379,926	1,338,963	(534,577)	449,432	(1,308,086)
$ 5,334,063	$ 5,095,716	$ 5,212,627	$ 4,184,526	$ 3,772,560	$ 3,303,820

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

	Fiscal Year			
	2008*	2009*	2010*	2011*
Primary Government Expenses				
Governmental Activities:				
City Council	$ 2,709	$ 4,607	$ 1,601	$ 2,220
City Administration	204,334	285,686	658,203	680,091
Dispatch	-	-	-	-
City Secretary	107,279	109,745	89,391	95,229
Human Resources	-	-	-	13,358
Municipal Court	318,373	297,403	236,389	245,506
Animal Control, Public Works	-	-	260,390	389,432
Development Services	539,247	455,910	56,236	53,911
Buildings and Grounds	184,029	171,832	242,053	360,351
Police Department	1,526,649	1,697,362	1,664,264	1,505,223
Emergency Services	193,781	246,857	259,704	-
Fire Department	872,148	902,743	917,726	1,156,926
Capital Outlay	-	-	-	-
Interest and Fiscal Charges on Long-Term Debt	527,658	424,361	406,506	383,924
Total Governmental Activities Expenses	4,476,207	4,596,506	4,792,463	4,886,171
*Business-Type Activities***				
Dispatch	-	-	-	273,290
Emergency Medical Services	-	-	-	281,390
Total Business Type Activities Expenses	-	-	-	554,680
Total Primary Government Expenses	$ 4,476,207	$ 4,596,506	$ 4,792,463	$ 5,440,851
Program Revenues				
Governmental Activities:				
Charges for Services:				
Municipal Court	$ 305,271	$ 349,424	$ 305,338	$ 302,741
Animal Control, Public Works	-	-	-	3,951
Development Services	391,942	250,807	261,620	271,218
Buildings and Grounds	-	-	14,853	16,790
Police Department	-	39,080	73,990	83,771
Fire & EMS Department	335,327	306,778	75,305	75,060
Operating Grants and Contributions	1,612	6,459	17,607	7,168
Capital Grants and Contributions	54,806	1,950	-	416,050
Total Governmental Activities Program Revenues	1,088,958	954,498	748,713	1,176,749
*Business-Type Activities**:*				
Charges for Services:				
Dispatch	-	-	-	54,000
Emergency Medical Services	-	-	-	82,080
Capital Grants and Contributions	-	-	-	-
Total Business-Type Activities Program Revenues	-	-	-	136,080
Total Primary Government Program Revenues	$ 1,088,958	$ 954,498	$ 748,713	$ 1,312,829

*Note: Prior periods have not been restated for the effects of the adoption of GASB Statement No. 68.
**The Business-type Activities were transferred to the Governmental Activities on October 1, 2014.

TABLE 2

Fiscal Year					
2012*	2013*	2014*	2015	2016	2017
$ 1,952	$ 2,891	$ 3,477	$ 3,045	$ 2,427	$ 3,096
777,467	830,758	1,005,449	2,434,134	1,652,423	2,061,818
-	-	-	130,356	192,556	228,958
92,634	99,534	102,401	103,952	109,864	114,497
13,321	14,445	10,031	17,042	91,248	110,574
272,767	269,700	298,008	296,791	242,764	264,832
417,889	433,462	464,904	506,340	545,158	758,192
51,626	93,908	99,167	161,531	576,909	1,342,107
297,025	324,282	350,322	432,385	1,035,486	515,472
1,545,810	1,558,849	1,557,978	1,607,179	1,689,271	1,793,494
-	-	-	185,805	159,129	191,382
1,120,975	1,106,778	1,241,411	1,589,683	1,567,523	1,703,215
-	-	-	-	-	-
372,892	416,689	326,977	409,933	411,846	387,941
4,964,358	5,151,296	5,460,125	7,878,176	8,276,604	9,475,578
319,658	370,269	419,557	-	-	-
440,165	455,302	447,289	-	-	-
759,823	825,571	866,846	-	-	-
$ 5,724,181	$ 5,976,867	$ 6,326,971	$ 7,878,176	$ 8,276,604	$ 9,475,578
$ 363,923	$ 259,967	$ 263,801	$ 345,564	$ 353,903	$ 398,614
3,150	4,464	4,885	6,241	7,561	5,400
353,095	484,609	963,548	689,221	410,592	500,477
-	-	-	-	-	-
48,091	49,452	65,703	55,407	53,669	42,970
76,695	75,081	75,155	293,091	165,775	141,331
10,594	8,665	8,682	10,784	14,939	193,853
-	-	-	329,498	-	-
855,548	882,238	1,381,774	1,729,806	1,006,439	1,282,645
68,729	5,001	5,007	-	-	-
115,415	136,337	132,274	-	-	-
-	-	-	(329,498)	-	-
184,144	141,338	137,281	(329,498)	-	-
$ 1,039,692	$ 1,023,576	$ 1,519,055	$ 1,400,308	$ 1,006,439	$ 1,282,645

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

	Fiscal Year			
Primary Government Net Expenses	**2008***	**2009***	**2010***	**2011***
Governmental Activities	$ (3,387,249)	$ (3,642,008)	$ (4,043,750)	$ (3,709,422)
Business-Type Activities	-	-	-	(418,600)
Total Primary Government Net Expenses	$ (3,387,249)	$ (3,642,008)	$ (4,043,750)	$ (4,128,022)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
General Property Taxes	$ 2,181,026	$ 2,579,291	$ 2,632,523	$ 2,626,085
Sales Taxes	766,305	763,063	871,043	970,912
Franchise Taxes	369,790	359,770	392,595	455,020
Interest and Investment earnings	304,641	196,791	74,450	21,114
Proceeds from Sale of Land	-	-	-	-
Miscellaneous	28,236	21,197	35,034	54,065
Transfers	-	-	-	(567,268)
Total Governmental General Revenues	3,649,998	3,920,112	4,005,645	3,559,928
*Business-Type Activities**:*				
Interest and Investment earnings	-	-	-	-
Transfers	-	-	-	567,268
Total Business-Type General Revenues	-	-	-	567,268
Total Primary Government General Revenues	$ 3,649,998	$ 3,920,112	$ 4,005,645	$ 4,127,196
Changes In Net Position				
Governmental Activities	$ 262,749	$ 278,104	$ (38,105)	$ (149,494)
Business-Type Activities**	-	-	-	148,668
Total Primary Government	$ 262,749	$ 278,104	$ (38,105)	$ (826)

*Note: Prior periods have not been restated for the effects of the adoption of GASB Statement No. 68.
**The Business-type Activities were transferred to the Governmental Activities on October 1, 2014.

TABLE 2 (Cont.)

Fiscal Year					
2012*	**2013***	**2014***	**2015**	**2016**	**2017**
$ (4,108,810)	$ (4,269,058)	$ (4,078,351)	$ (6,148,370)	$ (7,270,165)	$ (8,192,933)
(575,679)	(684,233)	(729,565)	(329,498)	-	-
$ (4,684,489)	$ (4,953,291)	$ (4,807,916)	$ (6,477,868)	$ (7,270,165)	$ (8,192,933)
$ 2,635,240	$ 2,639,461	$ 2,681,143	$ 2,876,136	$ 3,141,427	$ 3,377,228
1,054,778	1,424,354	1,645,268	1,846,456	2,208,136	3,308,044
442,683	477,344	527,251	795,805	758,253	785,898
8,488	5,791	9,874	10,314	15,540	39,661
-	-	-	-	519,514	-
100,710	167,926	61,273	72,931	215,329	213,362
-	-	-	(2,170,221)	-	-
4,241,899	4,714,876	4,924,809	3,431,421	6,858,199	7,724,193
-	68	18	-	-	-
-	-	-	2,170,221	-	-
-	68	18	2,170,221	-	-
$ 4,241,899	$ 4,714,944	$ 4,924,827	$ 5,601,642	$ 6,858,199	$ 7,724,193
$ 133,089	$ 445,818	$ 846,458	$ (2,716,949)	$ (411,966)	$ (468,740)
(575,679)	(684,165)	(729,547)	1,840,723	-	-
$ (442,590)	$ (238,347)	$ 116,911	$ (876,226)	$ (411,966)	$ (468,740)

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

	Fiscal Year			
	2008	**2009**	**2010**	**2011**
Nonspendable Fund Balance:				
Prepaid Items	$ -	$ -	$ 70,355	$ -
Total Nonspendable Fund Balance	-	-	70,355	-
Restricted Fund Balance:				
Court Techonology and Security	31,216	39,639	47,601	44,246
School Safety	94	94	6,895	15,229
Police Training	8,217	10,011	17,045	11,196
PEG Capital Fees	-	-	-	-
Explorer Post	-	-	-	-
Street Maintenance	-	-	-	-
State Forfeiture	-	-	-	-
Economic Development Corporation	739,407	627,130	587,557	589,761
Debt Service	-	1,541	108,048	93,677
Capital Projects	-	-	-	-
Total Restricted Fund Balance	778,934	678,415	767,146	754,109
Committed Fund Balance:				
Capital Projects	8,965,420	6,168,211	219,225	196,999
Total Committed Fund Balance	8,965,420	6,168,211	219,225	196,999
Unassigned Fund Balance	1,939,920	2,133,166	2,123,154	2,188,309
Total Governmental Funds	$11,684,274	$ 8,979,792	$ 3,179,880	$ 3,139,417

TABLE 3

Fiscal Year					
2012	**2013**	**2014**	**2015**	**2016**	**2017**
$ -	$ 2,184	$ 440	$ -	$ 2,477	$ -
-	2,184	440	-	2,477	-
26,167	15,665	12,705	10,497	3,897	6,655
23,450	33,813	22,888	19,203	31,177	20,910
5,882	5,286	4,795	4,515	2,485	2,346
35,890	31,702	29,833	53,002	58,284	61,001
-	-	-	2,783	-	-
-	-	-	-	135,491	362,248
-	-	-	-	-	9,038
524,912	563,116	684,370	747,282	733,861	807,430
87,158	119,989	4,107	15,261	64,428	6,711
-	-	-	4,301,770	3,651,769	2,396,308
703,459	769,571	758,698	5,154,313	4,681,392	3,672,647
165,852	192,482	6,283	-	-	-
165,852	192,482	6,283	-	-	-
2,496,562	2,924,244	3,786,300	1,660,768	2,101,643	1,995,426
$ 3,365,873	$ 3,888,481	$ 4,551,721	$ 6,815,081	$ 6,785,512	$ 5,668,073

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

	Fiscal Year			
	2008	**2009**	**2010**	**2011**
REVENUES				
Taxes	$ 2,932,471	$ 3,323,816	$ 3,520,791	$ 3,591,052
Franchise Fees	369,790	362,180	392,595	455,020
Licenses and Permits	391,942	237,716	234,617	269,821
Municipal Court	305,271	388,504	379,329	386,512
Fire Department	335,327	308,328	75,305	75,060
Grants	8,278	-	10,171	416,050
Interest	304,640	196,787	74,444	21,117
Miscellaneous	28,239	41,147	84,738	85,537
TOTAL REVENUES	4,675,958	4,858,478	4,771,990	5,300,169
EXPENDITURES				
Current:				
City Council	2,709	4,607	1,601	2,220
City Administration	198,646	284,472	635,668	624,710
Dispatch	-	-	-	-
City Secretary	98,777	100,969	86,891	92,184
Human Resources	-	-	-	13,358
Municipal Court	308,281	285,401	230,933	260,169
Animal Control, Public Works	-	-	157,826	164,919
Development Services	53,407	94,209	55,596	53,974
Buildings and Grounds	389,461	389,759	182,595	245,973
Police Department	1,405,025	1,592,574	1,583,501	1,359,034
Emergency Services	193,781	246,857	259,704	-
Fire Department	777,597	811,176	828,372	941,619
Capital Outlay	1,649,450	2,850,076	5,692,182	800,496
Debt Service:				
Principal	300,000	480,000	455,000	503,805
Interest and Fiscal Charges	565,351	422,860	402,033	383,828
Settlement Expense	-	-	-	-
TOTAL EXPENDITURES	5,942,485	7,562,960	10,571,902	5,446,289
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,266,527)	(2,704,482)	(5,799,912)	(146,120)
OTHER FINANCING SOURCES (USES				
Proceeds from Debt	-	-	-	105,657
Premium on Bond Issuance	-	-	-	-
Proceeds from Sale of Land	-	-	-	-
Insurance Proceeds	-	-	-	-
Transfers In (Out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	105,657
Net Change in Fund Balance	$ (1,266,527)	$ (2,704,482)	$ (5,799,912)	$ (40,463)
Debt Service as a Percentage of Noncapital Expenditures	20.16%	19.16%	17.56%	19.11%

TABLE 4

Fiscal Year					
2012	**2013**	**2014**	**2015**	**2016**	**2017**
$ 3,693,695	$ 4,062,138	$ 4,334,193	$ 4,715,367	$ 5,347,339	$ 6,679,442
442,683	477,344	527,251	795,805	758,252	785,898
356,245	489,073	968,433	695,462	418,153	505,877
412,014	309,419	329,504	400,971	407,573	439,940
76,695	75,081	75,155	206,605	147,248	125,373
-	-	-	-	-	159,797
8,488	5,791	9,874	10,314	15,851	39,657
111,875	176,589	69,955	78,670	230,268	249,060
5,101,695	5,595,435	6,314,365	6,903,194	7,324,684	8,985,044
1,952	2,891	3,477	3,045	2,427	3,096
723,786	774,049	954,482	1,122,044	1,059,043	1,659,026
-	-	-	374,095	496,109	558,492
93,323	97,265	104,296	98,213	109,816	129,969
13,321	14,445	10,031	17,042	88,357	110,121
263,797	263,895	289,042	294,864	248,944	262,390
189,702	206,188	232,348	276,116	271,941	258,112
53,011	92,557	90,866	162,743	199,740	403,530
242,912	251,854	282,776	365,604	347,643	376,584
1,361,029	1,449,750	1,424,571	1,413,777	1,482,328	1,552,524
-	-	-	450,757	413,288	447,542
926,726	951,384	1,090,695	1,098,189	1,132,589	1,232,511
164,382	111,543	378,437	212,651	1,002,362	1,675,329
543,882	589,902	658,787	666,186	802,147	838,192
369,434	351,444	331,317	305,166	410,600	399,729
-	-	-	94,223	-	301,108
4,947,257	5,157,167	5,851,125	6,954,715	8,067,334	10,208,255
154,438	438,268	463,240	(51,521)	(742,650)	(1,223,211)
72,018	84,340	200,000	4,315,000	193,567	105,772
-	-	-	147,106	-	-
-	-	-	-	519,514	-
-	-	-	22,996	-	-
-	-	-	(2,170,221)	-	-
72,018	84,340	200,000	2,314,881	713,081	105,772
$ 226,456	$ 522,608	$ 663,240	$ 2,263,360	$ (29,569)	$ (1,117,439)
18.91%	18.85%	18.02%	15.76%	15.76%	15.65%

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

TABLE 5

Fiscal Year	Property	Sales & Use	Franchise	Total
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
2015	2,868,911	1,846,456	795,805	5,511,172
2016	3,139,203	2,208,136	758,252	6,105,591
2017	3,371,398	3,308,044	785,898	7,465,340

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
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
2015	741,137,332	147,042,320	62,375,351	825,804,301	0.350000
2016	822,061,262	173,966,055	81,203,521	914,823,796	0.350000
2017	880,405,573	202,593,210	90,399,368	992,599,415	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
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
2015	0.271503	0.078497	0.350000
2016	0.269894	0.080106	0.350000
2017	0.278268	0.071732	0.350000

		Overlapping Rates					Total
Fiscal Year	Total Direct Rate	Northside ISD	University Health System	Alamo Community College	San Antonio River Authority	Bexar County	Direct and Overlapping Rates
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
2015	0.350000	1.375500	0.276235	0.149150	0.017500	0.314500	2.482885
2016	0.350000	1.375500	0.276235	0.149150	0.017290	0.314500	2.482675
2017	0.350000	1.375500	0.276235	0.149150	0.017290	0.291229	2.459404

Source: Information furnished by Bexar County Tax Assessor - Collector

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

TABLE 8

	2017			2008		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Wal Mart Stores Inc.	$ 23,974,070	1	2.42%			
TKGSM-TX LP	7,948,580	2	0.80%	$ 3,230,000	3	0.50%
Bandera Helotes Plaza LLC	7,852,607	3	0.79%	2,955,961	5	0.46%
CCP Shurgard Texas LTD	6,450,280	4	0.65%	2,584,116	6	0.40%
Helotes Town Centre LP	6,000,820	5	0.60%			
JDL Texas Ventures	5,049,306	6	0.51%	4,394,120	1	0.68%
White Turkey Creek LTD	4,957,130	7	0.50%			
4GB-1 LLC	4,588,700	8	0.46%			
Pela General Builders LLC	3,900,000	9	0.39%			
Youngquist Investments, Ltd.	2,475,796	10	0.25%			
Helotes Retail LTD				3,261,420	2	0.51%
Pulte Homes of Texas LP				3,144,570	4	0.49%
Shugard Texas LTD				2,465,980	7	0.38%
HSF Properties LLC				2,242,700	8	0.35%
JTH Development				1,600,000	9	0.25%
Brazos De Santos Partner				1,580,280	10	0.24%
Total	$ 73,197,289		7.37%	$27,459,147		3.75%

Taxable value of $992,599,415

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

TABLE 9

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	$ 2,171,588	$ 2,145,209	98.79%	25,624	$ 2,170,833	99.97%
2009	2,574,083	2,532,144	98.37%	40,404	2,572,548	99.94%
2010	2,613,074	2,596,599	99.37%	14,599	2,611,198	99.93%
2011	2,614,869	2,591,187	99.09%	21,230	2,612,417	99.91%
2012	2,622,552	2,604,356	99.31%	16,279	2,620,635	99.93%
2013	2,635,251	2,618,686	99.37%	12,018	2,630,704	99.83%
2014	2,682,643	2,668,143	99.46%	8,660	2,676,803	99.78%
2015	2,866,335	2,846,427	99.31%	14,770	2,861,197	99.82%
2016	3,146,535	3,132,848	99.57%	6,825	3,139,673	99.78%
2017	3,379,649	3,361,931	99.48%	-	3,361,931	99.48%

Source: Bexar County Tax Assessor Collector

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

TABLE 10

	Governmental Activities					
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Capital Leases	Note Payable	Total Primary Government	Per Capita*
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
2015	-	11,650,000	14,270	100,000	11,764,270	1,407
2016	-	10,965,000	141,780	50,000	11,156,780	1,299
2017	-	10,382,396	174,360	-	10,556,756	1,229

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 TEN 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		$ 799,874,837
Debt Limit - 10% of taxable value [1]		$ 79,987,484
Amount of Debt Applicable to Debt Limit:		
Total Bonded Debt	$ 10,556,756	
Less Funds Available in Debt Service Fund	6,711	
Total Amount of Debt Applicable to Debt Limit		10,550,045
Legal Debt Margin		$ 69,437,439

	Fiscal Year		
	2014	2015	2016
Debt Limit	$ 63,313,192	$ 67,595,035	$ 74,438,083
Total Net Debt Applicable to Debt Limit	(8,111,530)	(11,749,009)	(11,092,352)
Legal Debt Margin	$ 55,201,662	$ 55,846,026	$ 63,345,731

	Fiscal Year		
	2011	2012	2013
Debt Limit	$ 61,267,669	$ 61,623,027	$ 62,466,659
Total Net Debt Applicable to Debt Limit	(9,458,175)	(8,992,829)	(8,454,435)
Legal Debt Margin	$ 51,809,494	$ 52,630,198	$ 54,012,224

	Fiscal Year		
	2008	2009	2010
Debt Limit	$ 64,575,291	$ 70,771,331	$ 62,314,571
Total Net Debt Applicable to Debt Limit	(10,885,000)	(10,403,459)	(9,841,952)
Legal Debt Margin	$ 53,690,291	$ 60,367,872	$ 52,472,619

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
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%
2015	8,364	42,053	44.4	4,284	3.7%
2016	8,591	42,772	44.4	4,448	3.5%
2017	8,758	45,272	43.6	4,415	3.2%

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 rates were provided by the Bureau of Labor Statistics.

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

TABLE 13

	2017			2009		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lackland Air Force Base	37,097	1	3.51%			
Fort Sam Houston	32,000	2	3.03%			
HEB Food Stores	20,000	3	1.89%	14,588	2	1.62%
USAA	17,000	4	1.61%	14,852	1	1.65%
Northside ISD	12,751	5	1.21%			
Randolph Air Force Base	11,068	6	1.05%			
North East ISD	10,052	7	0.95%			
City of San Antonio	9,145	8	0.86%			
Methodist Healthcare System	8,118	9	0.77%			
San Antonio ISD	7,000	10	0.66%			
AT&T				5,000	3	0.55%
Bill Miller BBQ				4,190	4	0.46%
Frost National Bank				3,982	5	0.44%
Valero				3,777	6	0.42%
Southwest Research				3,300	7	0.37%
Harland Clarke				3,100	8	0.34%
Citibank				3,000	9	0.33%
Wachovia				3,000	10	0.33%
Total	164,231		15.54%	58,789		6.51%

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.

Source: San Antonio Economic Development Foundation

CITY OF

Helotes