

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2015

**NOTE J – LONG-TERM DEBT**

Long-term debt and obligations payable at September 30, 2015 comprise the following individual issues:

*Certificates of Obligation:*

\$1,500,000 2002 Combination Tax and Limited-Pledge Revenue Certificates of Obligation due in annual installments through 2017; interest at 3.75-4.35%.	\$ 270,000
\$10,000,000 2007 Combination Tax and Limited-Pledge Revenue Certificates of Obligation due in annual installments through 2027; interest at 3.93%. The EDC has pledged to cover a portion of this debt (see note G)	7,065,000
\$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 G)	<u>4,315,000</u>
<b>Total Governmental Long-Term Obligations</b>	<u><u>\$ 11,650,000</u></u>

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

Changes in Long-Term Liabilities

	Balance 10/1/2014	Additions	Reductions	Balance 9/30/2015	Due Within One Year
<i>Governmental Activities</i>					
Series 2002	\$ 395,000	\$ -	\$ (125,000)	\$ 270,000	\$ 130,000
Series 2007	7,510,000	-	(445,000)	7,065,000	465,000
Series 2015	-	4,315,000	-	4,315,000	90,000
Premium on Series 2015	-	147,106	-	147,106	7,355
Total Bonded Debt	<u>7,905,000</u>	<u>4,462,106</u>	<u>(570,000)</u>	<u>11,797,106</u>	<u>692,355</u>
Capital Lease	60,637	-	(46,367)	14,270	14,270
Note Payable	150,000	-	(50,000)	100,000	50,000
Total Governmental Activities	<u>\$ 8,115,637</u>	<u>\$ 4,462,106</u>	<u>\$ (666,367)</u>	<u>\$ 11,911,376</u>	<u>\$ 756,625</u>

Future note payable payments are as follows:

Year Ending September 30,	Principal	Interest	Total
2016	\$ 50,000	\$ -	\$ 50,000
2017	50,000	-	50,000
	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2015

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

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

Year Ending September 30,	Principal	Interest	Total
2016	\$ 685,000	\$ 417,607	\$ 1,102,607
2017	715,000	390,432	1,105,432
2018	760,000	362,782	1,122,782
2019	615,000	337,391	952,391
2020	640,000	313,567	953,567
2021 - 2025	3,590,000	1,175,275	4,765,275
2026 - 2030	3,330,000	484,295	3,814,295
2031 - 2035	1,315,000	121,795	1,436,795
	<u>\$ 11,650,000</u>	<u>\$ 3,603,144</u>	<u>\$ 15,253,144</u>
Average Annual Debt Service Requirement			<u>\$ 762,657.20</u>

The City leased three vehicles in April 2013. The lease has an effective interest rate between 6.1% and 6.6% and a bargain purchase options of \$1 upon maturity. Future minimum lease payments are as follows:

Year Ending September 30,	Lease Payments
2016	\$ 15,119
Less: Interest Amount	(849)
	<u>\$ 14,270</u>

The following is an analysis of the property under capital lease as of September 30, 2015:

Transportation & Equipment	\$ 55,146
Less: Accumulated Depreciation	(27,573)
Net Leased Property	<u>\$ 27,573</u>

**NOTE K-- TRANSFER OF PROPRIETARY FUND ACTIVITY**

The City started two new business-type activities in the fiscal year ending September 30, 2011: Dispatch and EMS. Both activities had significant costs to establish and have continued to borrow money from the General Fund for operations. The Dispatch and EMS funds began the year with a deficit in net position of \$853,564 and \$987,159, respectively. During the year ended September 30, 2015, the City transferred activities back to the General Fund by recording a transfer from the General Fund of \$2,170,221 to cover the deficit of the Dispatch and EMS Funds. A capital contribution for the book value of equipment was transferred to Governmental Activities in the amount of \$329,498.

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	
2006	0.336287	-				0.336287	
2007	0.301447	0.034840				0.336287	
2008	0.268311	0.067976				0.336287	
2009	0.275982	0.087669				0.363651	
2010	0.271140	0.092511				0.363651	
2011	0.282731	0.080920				0.363651	
2012	0.282640	0.077360				0.360000	
2013	0.273140	0.081860				0.355000	
2014	0.271503	0.078497				0.350000	
2015	0.271503	0.078497				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
2006	0.336287	1.775000	0.243869	0.107050	0.016425	0.331190	2.809821
2007	0.336287	1.592500	0.243869	0.137050	0.016045	0.326866	2.652617
2008	0.336287	1.262500	0.237408	0.134550	0.015951	0.326866	2.313562
2009	0.363651	1.302500	0.261022	0.135855	0.015951	0.326866	2.405845
2010	0.363651	1.337500	0.266235	0.135855	0.015951	0.326866	2.446058
2011	0.363651	1.365500	0.276235	0.141623	0.016652	0.326866	2.490527
2012	0.360000	1.375500	0.276235	0.141623	0.017370	0.326866	2.497594
2013	0.355000	1.375500	0.276235	0.149150	0.017370	0.326866	2.500121
2014	0.350000	1.375500	0.276235	0.149150	0.017798	0.326866	2.495549
2015	0.350000	1.375500	0.276235	0.149150	0.017500	0.314500	2.482885

Source: Information furnished by Bexar County Tax Assessor - Collector

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

TABLE 10

Fiscal Year	Governmental Activities				Total Primary Government	Per Capita*
	General Obligation Bonds	Certificates of Obligation	Capital Leases	Note Payable		
2006	\$ 95,000	\$ 1,205,000	\$ 139,764	\$ -	\$ 1,439,764	223
2007	65,000	11,120,000	71,471	-	11,256,471	1,742
2008	35,000	10,850,000	-	-	10,885,000	1,629
2009	-	10,405,000	-	-	10,405,000	1,329
2010	-	9,950,000	-	-	9,950,000	1,250
2011	-	9,475,000	76,852	-	9,551,852	1,301
2012	-	8,975,000	104,987	-	9,079,987	1,286
2013	-	8,450,000	124,424	-	8,574,424	1,088
2014	-	7,905,000	60,637	150,000	8,115,637	1,001
2015	-	11,650,000	14,270	100,000	11,764,270	1,407

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

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

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

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

	TABLE 11
Taxable Value	<u>\$ 675,950,347</u>
Debt Limit - 10% of taxable value [1]	\$ 67,595,035
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	\$ 11,764,270
Less Funds Available in Debt Service Fund	<u>15,261</u>
Total Amount of Debt Applicable to Debt Limit	<u>11,749,009</u>
Legal Debt Margin	<u>\$ 55,846,026</u>

	Fiscal Year		
	2013	2014	2015
Debt Limit	\$ 62,466,659	\$ 63,313,192	\$ 67,595,035
Total Net Debt Applicable to Debt Limit	<u>(8,454,435)</u>	<u>(8,111,530)</u>	<u>(11,749,009)</u>
Legal Debt Margin	<u>\$ 54,012,224</u>	<u>\$ 55,201,662</u>	<u>\$ 55,846,026</u>

	Fiscal Year		
	2010	2011	2012
Debt Limit	\$ 62,314,571	\$ 61,267,669	\$ 61,623,027
Total Net Debt Applicable to Debt Limit	<u>(9,841,952)</u>	<u>(9,458,175)</u>	<u>(8,992,829)</u>
Legal Debt Margin	<u>\$ 52,472,619</u>	<u>\$ 51,809,494</u>	<u>\$ 52,630,198</u>

	Fiscal Year		
	2007	2008	2009
Debt Limit	\$ 48,327,866	\$ 64,575,291	\$ 70,771,331
Total Net Debt Applicable to Debt Limit	<u>(11,028,707)</u>	<u>(10,885,000)</u>	<u>(10,403,459)</u>
Legal Debt Margin	<u>\$ 37,299,159</u>	<u>\$ 53,690,291</u>	<u>\$ 60,367,872</u>