

**CITY OF HELOTES ECONOMIC
DEVELOPMENT CORPORATION**

**ANNUAL
FINANCIAL REPORT**

**FISCAL YEAR ENDED
SEPTEMBER 30, 2016 AND 2015**



CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2016

TABLE OF CONTENTS

PRINCIPAL OFFICERS.....	ii
BASIC FINANCIAL STATEMENTS	
INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS.....	3
COMPARATIVE STATEMENTS OF NET POSITION.....	6
COMPARATIVE STATEMENTS OF ACTIVITIES.....	7
COMPARATIVE BALANCE SHEETS	8
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE.....	9
NOTES TO THE FINANCIAL STATEMENTS	10
REQUIRED SUPPLEMENTAL INFORMATION	
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL.....	17
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL.....	18

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2016

PRINCIPAL OFFICERS

PRESIDENT Pat Wootton
VICE PRESIDENT Keith Muhlestein
SECRETARY Diane Anderson
BOARD MEMBER Carl Hale
BOARD MEMBER Kathryn Mitchell
BOARD MEMBER Drue Helms
BOARD MEMBER Joel Lutz
BOARD MEMBER Wayne Stacey

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



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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
City of Helotes Economic Development Corporation
City of Helotes, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the City of Helotes Economic Development Corporation (a component unit of the City of Helotes) as of and for the years ended September 30, 2016 and 2015, and the related notes to the financial statements which collectively comprise the City of Helotes Economic Development Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

City of Helotes Economic Development Corporation's 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 control 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 opinions 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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.

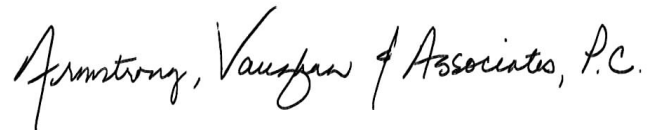
Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of City of Helotes Economic Development Corporation, as of September 30, 2016 and 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 about the methods of preparing the information and comparing the information for consistency with management's responses 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.



Armstrong, Vaughan & Associates, P.C.

February 27, 2017

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Helotes Economic Development Corporation, a component unit of the City of Helotes, financial performance provides an overview of the Corporation's financial activity for the fiscal year ended September 30, 2016. It should be read in conjunction with the financial statements.

Financial Highlights

- The Corporation's net position was \$772,648 at September 30, 2016.
- The Corporation's total revenues were \$671,796, while total expenses were \$188,321.
- The Corporation's net position decreased by \$15,774 after the transfer of pledged revenue to the primary government (City of Helotes).

Corporation Highlights

City of Helotes Economic Development Corporation was formed in February 6, 2003 under the Development Corporation Act of 1979, Texas Revised Civil Statutes Annotated, Article 5190.6, Section 4B. It receives all its proceeds from the 1/2 cent sales tax adopted in 2003 for economic development in the City of Helotes.

Using this Annual Report

This annual report consists of three parts: Management's Discussion and Analysis, Financial Statements and Required Supplementary Information. The Statement of Net Position and Activities provides information on the Corporation as a whole. The Corporation's net position—the difference between assets and liabilities—provides one way to measure financial health or financial position.

Statement of Net Position

Table 1 shows all of the assets and liabilities of the Corporation and is presented on the accrual basis. The total net position is \$772,648.

Table 1
City of Helotes Economic Development Corporation
Net Position

	2016	2015
Cash and Investments	\$ 703,464	\$ 702,741
Accounts Receivable	121,961	104,671
Land	48,140	48,140
Total Assets	873,565	855,552
Liabilities	100,917	67,130
Total Liabilities	100,917	67,130
Net Investment in Capital Assets	48,140	48,140
Unrestricted	724,508	740,282
Total Net Position	\$ 772,648	\$ 788,422

Statement of Activities

Table 2 shows all of the expenses and revenues of the Corporation and is also presented on the accrual basis. General Revenues consist of the ½ cent sales tax the Corporation receives for economic development.

Table 2
City of Helotes Economic Development Corporation
Statement of Activities and Changes in Net Position

	<u>2016</u>	<u>2015</u>
Program Revenues	\$ -	\$ -
General Revenues	<u>671,795</u>	<u>613,243</u>
Total Revenues	<u>671,795</u>	<u>613,243</u>
Total Expenses	<u>(188,320)</u>	<u>(145,520)</u>
Transfers In (Out) from Primary Government	<u>(499,249)</u>	<u>(408,032)</u>
Total Expenditures	<u>(687,569)</u>	<u>(553,552)</u>
Change in Net Position	<u>\$ (15,774)</u>	<u>\$ 59,691</u>

Balance Sheet

The Balance Sheet shows the assets, liabilities, and fund balances of the Corporation.

Statement of Revenues, Expenditures, and Changes in Fund Balance

This Statement shows the revenues and expenditures for the Corporation. The largest income is from the 1/2 cent sales tax adopted in 2003 for economic development.

Budget to Actual

The Corporation's total actual expenditures were less than budgeted amounts.

Description of Current and Expected Conditions

The City of Helotes Economic Development Corporation completed several projects during the fiscal year, as well as initiated various new projects. The following list highlights some of those projects funded:

- LNV Engineering is securing approval from other governmental entities for a water and sewer line located along Bandera Road from Circle A Trail to Scenic Loop Road;
- Contracted with Giles-Parscale to rebrand the EDC and Shop Helotes;
- Renewed a contract with Retail Strategies to provide retail analytics and recruitment for the City of Helotes;
- Completed a contract with Freese & Nichols to complete a Growth Management Plan for the City of Helotes and its extra territorial jurisdiction;
- Implemented a new business incentive to provide local merchants a Google 360 Virtual Tour;
- Approved two Chapter 380 Agreements to promote sales tax growth within the City of Helotes.

As sales tax revenues within the City continue to rise, the number of projects funded by the Corporation to promote new and expanding business opportunities continues to rise. Overall, the EDC continues to ensure their expected and real revenues are in line with expected and real expenditures.

Contacting the Corporation's Financial Management

This financial report is designed to provide a general overview of the Corporation's finances and show the Corporation's accountability to its taxpayers. If you have any questions about this report or need additional financial information, contact the City of Helotes Economic Development Corporation at P.O. Box 507, Helotes, Texas 78023 or at (210) 695-8877.

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
 COMPARATIVE STATEMENTS OF NET POSITION
 SEPTEMBER 30, 2016 AND 2015

	2016	2015
ASSETS		
Cash and Investments	\$ 703,464	\$ 702,741
Accounts Receivable - State	121,961	104,671
Capital Assets:		
Land	48,140	48,140
TOTAL ASSETS	873,565	855,552
 LIABILITIES		
<i>Liabilities:</i>		
Accounts Payable	14,707	-
Accrued Liabilities	14,101	11,754
Accrued Compensated Absences	9,353	7,000
Due to Primary Government	62,756	48,376
TOTAL LIABILITIES	100,917	67,130
 NET POSITION		
Net Investment in Capital Assets	48,140	48,140
Unrestricted	724,508	740,282
TOTAL NET POSITION	\$ 772,648	\$ 788,422

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
 COMPARATIVE STATEMENTS OF ACTIVITIES
 FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	2016	2015
EXPENSES		
Personnel	\$ 65,837	\$ 64,319
Professional Services	96,456	49,952
City Administration Cost Reimbursement	15,000	12,000
Training and Seminars	7,753	9,267
Office Supplies and Expenses	3,146	1,861
Other Expenses	128	8,121
TOTAL EXPENSES	188,320	145,520
 REVENUES		
<i>Program Revenues:</i>		
Charges for Services	-	-
<i>Total Program Revenues</i>	-	-
 <i>Net Governmental Activities</i>	(188,320)	(145,520)
 <i>General Revenues:</i>		
Sales Tax	669,963	610,861
Interest	1,832	2,382
<i>Total General Revenues</i>	671,795	613,243
 <i>Transfers From (To) Primary Government</i>	(499,249)	(408,032)
 <i>Change in Net Position</i>	(15,774)	59,691
 BEGINNING NET POSITION	788,422	728,731
 ENDING NET POSITION	\$ 772,648	\$ 788,422

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
 COMPARATIVE BALANCE SHEETS
 SEPTEMBER 30, 2016 AND 2015

	2016	2015
ASSETS		
Cash and Investments	\$ 703,464	\$ 702,741
Accounts Receivable - State	121,961	104,671
TOTAL ASSETS	\$ 825,425	\$ 807,412
 LIABILITIES AND FUND BALANCE		
<i>Liabilities:</i>		
Accounts Payable	\$ 14,707	\$ -
Accrued Liabilities	14,101	11,754
Due to Primary Government	62,756	48,376
<i>Total Liabilities</i>	91,564	60,130
<i>Fund Balance:</i>		
Committed:		
Capital Replacement	171,999	171,999
Unassigned	561,862	575,283
<i>Unassigned Fund Balance</i>	733,861	747,282
 TOTAL LIABILITIES AND FUND BALANCE	\$ 825,425	\$ 807,412
 RECONCILIATION OF THE BALANCE SHEETS TO THE STATEMENTS OF NET POSITION:		
TOTAL FUND BALANCES	\$ 733,861	\$ 747,282
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund financial statements	48,140	48,140
Accrued compensated absences are not due and payable from current financial resources and, therefore, are not reported in the governmental funds	(9,353)	(7,000)
TOTAL NET POSITION	\$ 772,648	\$ 788,422

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	2016	2015
REVENUES		
Sales Tax	\$ 669,963	\$ 610,861
Interest	1,832	2,382
TOTAL REVENUES	671,795	613,243
 EXPENDITURES		
Personnel	63,484	61,538
Professional Services	96,456	49,952
City Administration Cost Reimbursement	15,000	12,000
Training and Seminars	7,753	9,267
Office Supplies and Expenses	3,146	1,861
Other Expenses	128	8,121
TOTAL EXPENDITURES	185,967	142,739
 Excess (Deficiency) of Revenues Over (Under) Expenditures	485,828	470,504
 OTHER FINANCING SOURCES (USES)		
Transfer In (Out) to Primary Government	(499,249)	(408,032)
TOTAL OTHER FINANCING SOURCES (USES)	(499,249)	(408,032)
 Net Change in Fund Balance	(13,421)	62,472
 BEGINNING FUND BALANCE	747,282	684,810
 ENDING FUND BALANCE	\$ 733,861	\$ 747,282
 RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO STATEMENTS OF NET POSITION:		
 NET CHANGE IN FUND BALANCE	\$ (13,421)	\$ 62,472
 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 fund financial statements	(2,353)	(2,781)
 CHANGE IN NET POSITION	\$ (15,774)	\$ 59,691

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Financial Reporting Entity

City of Helotes Economic Development Corporation is a nonprofit industrial corporation, with powers of taxation, created pursuant to Section 4B Article 5190.6 of Vernons Texas Civil Statutes (V.T.C.S.), as amended. City of Helotes Economic Development Corporation (hereafter referred to as the Corporation) was created February 6, 2003 to act on behalf of the City for promotion, development, and enhancement of economic development within the City of Helotes. The Corporation is a component unit of the City of Helotes. A component unit is a legally separate corporation for which the elected officials of the governmental unit are financially accountable. The Corporation is presented in the City's financial statements as a blended component unit.

The financial statements of the Corporation 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 financial statements present the financial position and results of operations of the Corporation only.

2. Basis of Presentation

The government-wide financial statements are presented in accordance with GASB 34, which mandates government-wide financial statements of net position and activities, and are presented on the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of the related cash flows. It also requires that capital assets be recorded at cost less accumulated depreciation.

Governmental funds use the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both available and measurable (flow of current financial resources measurement focus). Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

3. Budgets

The Corporation adopts annual operating (and if necessary capital) budget which is approved by the City Council. Formal budgetary accounting is employed as a management control. The budgets can be amended by the Board of Directors, subject to City Council approval. Actual expenditures cannot legally exceed budgeted appropriations at the fund level. All budgeted appropriations lapse at the end of each fiscal year. The budget is presented on the modified accrual basis of accounting.

4. Cash

Cash includes cash deposits and investments with maturity dates within three (3) months of the date acquired by the Development Corporation.

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016 AND 2015

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

5. Related Party Transactions

During the course of operations, numerous transactions occur between the Corporation and the City. These receivables and payables are classified as “due from primary government” or “due to primary government” on the Balance Sheet and Statement of Net Position. The Corporation reimburses the City for its share of personnel costs and paid an agreed upon rate of \$8,000 for general administrative overhead. The Corporation has also pledged revenue to cover a portion of the City’s debt service (see note E).

During the normal course of operations, payables and receivables occur between the Corporation and City based on the timing of transactions between the two entities. These balances are expected to be paid/received in the next fiscal year.

6. Capital Assets

Capital assets, which include land, are capitalized at total acquisition cost or fair market value at the time of donation if donated. Depreciation (where applicable) is recorded on all depreciable capital assets on a straight-line basis over the estimated useful lives. Land held for future development is not depreciated.

7. Sales Tax Revenue

The citizens of the City of Helotes voted to adopt an additional one-half of one percent (1/2 cent or \$0.0050) local sales and use tax to be used by the Corporation for the promotion and development of new and expanded business enterprises and any other purposes authorized by Section 4B, Article 5190.6, V.T.C.S., as amended (the Development Corporation Act of 1979).

8. Fund Balance

Fund Balance is 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 decision-making authority. The governing board is the highest level of decision-making authority for the corporation that can commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation.

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016 AND 2015

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

8. Fund Balance (Continued)

Assigned – Represents amounts which the Corporation intends to use for a specific purpose but does not meet the criteria of restricted or committed. The Board of Directors may make assignments and has chosen not to delegate that authority to any other individuals.

Unassigned - Represents the residual balance that may be spent on any other purpose for the Corporation.

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

9. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any loans used to purchase, construct, or improve those assets.

10. Use of Estimates

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

NOTE B -- DEPOSITS AND INVESTMENTS

1. Deposits

At September 30, 2016 and 2015, the total carrying amount of the Corporation's deposits were \$388,691 and \$634,410, respectively, and the bank balance was \$398,737 and \$595,494, respectively. All cash deposits were federally insured up to \$250,000 at each financial institution and are also covered by the City of Helotes' collateral support.

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2016 AND 2015

NOTE B -- DEPOSITS AND INVESTMENTS (Continued)

2. Investments

As of September 30, 2016, the Corporation had the following investments:

	2016		2015	
	Reported Value	Fair Value	Reported Value	Fair Value
<i>Investment Pools:</i>				
TexPool	\$ 1,110	\$ 1,110	\$ 1,108	\$ 1,108
LOGIC	313,663	313,663	67,223	67,223
	\$ 314,773	\$ 314,773	\$ 68,331	\$ 68,331

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At September 30, 2016 and 2015, the City of Helotes Economic Development Corporation was not significantly exposed to credit risk.

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 of Helotes Economic Development Corporation'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 of Helotes Economic Development Corporation's name.

At September 30, 2016 and 2015, the City of Helotes Economic Development Corporation was not exposed to custodial credit risk.

Concentration of Credit Risk

The risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As of September 30, 2016 and 2015, the City of Helotes Economic Development Corporation had no exposure to concentration of credit risk.

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2016 AND 2015

NOTE C -- CAPITAL ASSETS

Activity for assets capitalized by the Corporation is summarized below:

	Balance 10/1/2015	Additions	Deletions	Balance 9/30/2016
Land	\$ 48,140	\$ -	\$ -	\$ 48,140

Land is not depreciated.

NOTE D -- TRANSFERS

Transfers during the year ended September 30, 2016, were as follows:

Transfer Out	Transfer In	2016 Amount	2015 Amount	Purpose
EDC	Primary Government - Debt Service	\$ 467,795	\$ 294,953	<i>pledged revenue</i>
EDC	Primary Government - Capital Projects	31,454	(113,079)	<i>supplement funding</i>
		\$ 499,249	\$ 181,874	

NOTE E -- COMMITMENTS AND CONTINGENCIES

Litigation

Management is not aware of any pending or threatened litigation that may have a material impact on the Corporation's financial statements.

380 Development Agreement

The City of Helotes and the Economic Development Corporation have entered into 380 Development agreements to encourage growth within the City. The agreements involve the City and Corporation reimbursing the project costs through refunding a portion of the sales and use taxes generated by the projects up to a maximum amount. No reimbursements have been made as of the date of this report, but the City and Corporation are recording estimated rebate amounts. The terms of the agreements are as follows:

Development, Date Began	Sales Tax Refund Agreement		Maximum Grant Amount	Current Year Reductions	Maximum Balance Due	Term
	City	EDC				
Bandera Helotes Plaza (2010)	50%	50%	\$ 300,000	\$ -	\$ 300,000	10 years
Bluff and Shops at Old Town Helotes (2014)	50%	50%	\$ 2,000,000	\$ -	\$ 2,000,000	15 years
Texas Developers, LLC (2016)	75% of excess	75% of excess	N/A	\$ -	N/A	20 years

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016 AND 2015

NOTE E -- COMMITMENTS AND CONTINGENCIES (Continued)

Pledged Revenue

Through Interlocal Agreements with the City of Helotes, the Economic Development Corporation has pledged a portion of its revenue over the next 20 years to reimburse the City for debt service on multiple bonds issued. The agreements called for reimbursement of \$4,000,000 for the Certificates of Obligation Series 2007 and \$937,480 for the Certificates of Obligation Series 2015 issued by the City. These portions of the debt issuance were used by the Corporation for implementation of The Old Town Helotes Improvements and State Highway 16 & Helotes Linear Creek Development Projects. The Corporation transferred \$467,795 and \$294,953 during the years ended September 30, 2016 and 2015, respectively, for the debt service requirements and is up to date on payments required by the agreement. The Economic Development Corporation's future pledged revenues are as follows:

Fiscal Year Ending September 30,	Series 2007	Series 2015	Total
2017	\$ 295,313	\$ 175,706	\$ 471,019
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 - 2026	1,489,623	119,418	1,609,041
2027 - 2031	300,797	271,066	571,863
2032 - 2035	-	129,809	129,809
	<u>\$ 3,266,029</u>	<u>\$ 963,516</u>	<u>\$ 4,229,545</u>

NOTE F -- SUBSEQUENT EVENT

Subsequent to year end, the Board of Directors approved 380 Development Agreement with Slim Texas, LLC.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2015)

	Budgeted Amounts		Actual 2016	Variance Favorable (Unfavorable)	Actual 2015
	Original	Final			
REVENUES					
Taxes	\$ 627,032	\$ 627,032	\$ 669,963	\$ 42,931	\$ 610,861
Interest	2,091	2,091	1,832	(259)	2,382
TOTAL REVENUES	629,123	629,123	671,795	42,672	613,243
EXPENDITURES					
Personnel	67,582	63,484	63,484	-	61,538
Professional Services	140,114	146,910	96,456	50,454	49,952
Reimbursement to City Administration	15,000	15,000	15,000	-	12,000
Schools and Seminars	10,175	7,753	7,753	-	9,267
Office Supplies and Expenses	3,506	3,146	3,146	-	1,861
Other Expenses	250	128	128	-	8,121
TOTAL EXPENDITURES	236,627	236,421	185,967	50,454	142,739
Excess (Deficiency) of Revenues Over (Under) Expenditures	392,496	392,702	485,828	93,126	470,504
OTHER FINANCING SOURCES (USES)					
Transfer In (Out) to Primary Government	(467,795)	(468,000)	(499,249)	(31,249)	(408,032)
TOTAL OTHER FINANCING SOURCES (USES)	(467,795)	(468,000)	(499,249)	(31,249)	(408,032)
Net Change in Fund Balance	(75,299)	(75,298)	(13,421)	61,877	62,472
Fund Balance - October 1	747,282	747,282	747,282	-	684,810
Fund Balance - September 30	\$ 671,983	\$ 671,984	\$ 733,861	\$ 61,877	\$ 747,282

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2015)

Budgetary Information – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The Corporation maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provision 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.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level.

