

**CITY OF HELOTES, TEXAS**

**ANNUAL  
FINANCIAL REPORT**

**FISCAL YEAR ENDED  
SEPTEMBER 30, 2016**





CITY OF HELOTES, TEXAS  
 ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

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CITY OF HELOTES, TEXAS

PRINCIPAL OFFICERS

CITY OFFICIALS

MAYOR	THOMAS A. SCHOOLCRAFT
MAYOR PRO-TEM	ALEX BLUE
CITY COUNCIL	EDWARD VILLANUEVA
	BERT BUYS
	PAUL FRIEDRICHS
	CYNTHIA MASSEY
CITY ADMINISTRATOR	RICK A. SCHRODER
CITY SECRETARY	GRACE TAMEZ
ATTORNEY	DAVIDSON, TROILO, REAM & GARZA P.C.
AUDITOR	ARMSTRONG, VAUGHAN & ASSOCIATES, P.C.



## 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, 2016, 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

## ***Other Matters***

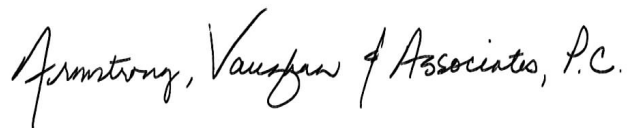
### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, and schedule of 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.

February 27, 2017



## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Helotes' annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended September 30, 2016. Please read it in conjunction with the City's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- Based upon FYE 2016 Government-wide Financial Statements, the City's total net position was \$3.8 million at September 30, 2016. 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 5% from the prior year, and were approximately \$412 thousand more than the \$7.9 million generated in taxes and other revenues from governmental activities. The City's governmental activity revenues increased 12.3% from the prior year, and were approximately \$863 thousand more than the same revenues collected in FYE 2015. The increase in expenditures is primarily related to the expenditure of capital project monies for projects, such as the F.M. 1560 Bridge and F.M. 1560 Realignment Projects, where the corresponding capital assets could not be capitalized due to TxDOT ownership of those affected roadways. The expenditure increases are related to depreciation recorded on municipal capital assets and expenses related to liabilities due in more than one year, as well.
- The General Fund reported a fund balance this year of \$2.1 million, up approximately \$441 thousand from the prior fiscal year. The growth rate in the average monthly operating expenditures decreased from 27.09% to 1.68%, and the months of average monthly operating expenditures within the General Fund increased from 3.6 to 4.5. The increase in General Fund balance is primarily due to capital lease proceeds and the proceeds from the sale of land to TxDOT.

### 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). Importantly, the FYE 2016 change in net position improved by approximately 53% due, in part, to full incorporation of all proprietary funds in FYE 2015 and increases in property and sales taxes, investment earnings, and proceeds from the sale of land to TxDOT.

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 \$441K, (\$13K), \$49K, (\$650K), and \$144K, 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**

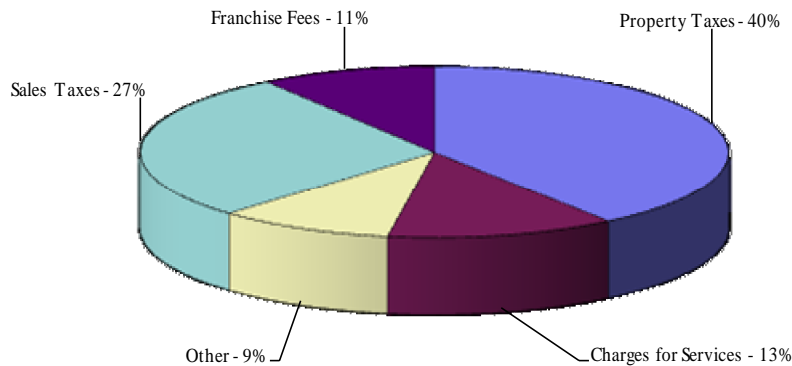
**Net Position.** The City's Government-wide net position was \$3.8 million at September 30, 2016. (See Table A-1). The City's Government-wide Financial Statements reported an unrestricted net position of \$449 thousand.

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

	Governmental Activities		Total Percentage Change
	2016	2015	2016-2015
<i>Assets:</i>			
Current assets	\$ 7,231	\$ 7,207	0.3%
Capital Assets	10,012	10,725	-6.6%
<i>Total Assets</i>	<u>17,243</u>	<u>17,932</u>	-3.8%
<i>Deferred Outflows</i>	<u>551</u>	<u>171</u>	222.3%
<i>Liabilities:</i>			
Current Liabilities	1,036	682	51.9%
Non-Current Liabilities	12,947	13,215	-2.0%
<i>Total Liabilities</i>	<u>13,983</u>	<u>13,897</u>	0.6%
<i>Deferred Inflows</i>	<u>39</u>	<u>21</u>	84.3%
<i>Net Position:</i>			
Net Investment in Capital Assets	2,317	3,841	-39.7%
Restricted	1,006	878	14.6%
Unrestricted (Deficit)	449	(534)	-184.1%
<i>Total Net Position</i>	<u>\$ 3,772</u>	<u>\$ 4,185</u>	-9.9%

**Changes in Net Position.** The City’s total revenues were \$7.9 million. A significant portion, 68%, of the City’s revenue originates from property and sales taxes, while 13% relates to charges for services (See Figure A-3). The City’s governmental activity revenues increased 12.3% from the prior year, and were approximately \$863 thousand more than the same revenues collected in FYE 2015.

Figure A-3 City of Helotes  
Revenue Sources for Fiscal Year 2016



The total cost of all governmental programs and services was \$8.3 million. 44% of this cost is directly related to emergency services. During the year, the City’s governmental activity expenses increased 5% from the prior year, and were approximately \$412 thousand more than the \$7.9 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 F.M. 1560 Bridge and F.M. 1560 Realignment Projects, where the corresponding capital assets could not be capitalized due to TxDOT ownership of those affected roadways. The expenditure 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 \$265 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 \$8.3 million.
- The amount of these activities that was paid for by taxpayers through property taxes was \$3.1 million (37%).
- 12% of the cost, \$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
	2016	2015	2016-2015
Primary Government:			
City Council	\$ 2	\$ 3	-33.3%
City Administration	1,652	2,434	-32.1%
Dispatch	192	131	46.2%
City Secretary	110	104	5.6%
Human Resources	91	17	436.8%
Municipal Court	243	297	-18.3%
Animal Control, Public Works	545	506	7.7%
Development Services	577	162	256.1%
Building and Grounds	1,035	433	139.1%
Police Department	1,689	1,607	5.1%
Emergency Medical Services	159	186	-14.4%
Fire Department	1,568	1,590	-1.4%
Interest and Fiscal Charges on LT Debt	412	410	0.5%
Total Governmental Activities	<u>8,276</u>	<u>7,880</u>	5.0%
Program Revenues:			
Charges for Services	992	1,390	-28.7%
Operating Grants & Contributions	15	11	35.8%
General Revenues:			
General Property Tax	3,141	2,876	9.2%
Sales Taxes	2,208	1,846	19.6%
Franchise Taxes	758	796	-4.7%
Investment Earnings	16	10	55.4%
Proceeds from Sale of Land	520	-	100.0%
Miscellaneous	215	73	195.0%
Total Revenues	<u>7,865</u>	<u>7,002</u>	12.3%
Change in Net Position	<u>\$ (412)</u>	<u>\$ (878)</u>	-53.1%

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

	Total Cost of Services			Net Cost of Services		
	2016	2015	% Change	2016	2015	% Change
<i>Governmental</i>						
City Council	\$ 2	\$ 3	-33.3%	\$ 2	\$ 3	-19.1%
City Administration	1,652	2,434	-32.1%	1,652	2,434	-32.1%
Dispatch	193	131	100.0%	193	(100)	-292.6%
City Secretary	110	104	5.6%	110	104	5.6%
Human Resources	91	17	436.8%	91	17	436.8%
Municipal Court	243	297	-18.3%	(111)	(49)	126.8%
Animal Control, PW	545	506	7.7%	538	500	7.5%
Development Services	577	162	256.1%	166	(528)	-131.5%
Building and Grounds	1,035	433	139.1%	1,035	433	139.1%
Police Department	1,689	1,607	5.1%	1,621	1,541	5.2%
Emergency Medical	159	186	100.0%	(7)	(206)	-96.8%
Fire Department	1,568	1,590	-1.4%	1,568	1,590	-1.4%

### Fund Financial Statements

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

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

The City has the following kinds of funds:

- *Governmental funds*—Most of the City’s basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending 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 of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

### FINANCIAL ANALYSIS OF THE CITY’S FUNDS

Revenues from governmental fund types totaled \$7.3 million, an increase of 6% over the prior year. The increase is primarily due to increases in tax and franchise fee collections.

### General Fund Budgetary Highlights

In 2016, actual revenues fell short of budget expectations by \$205 thousand, primarily due to unrealized building permit fee collections. Actual expenditures were under budget by \$80 thousand. The budget was amended throughout the year.

Including other 2016 financing sources, the General Fund balance increased by approximately \$441 thousand year over year, and the average months of operating expenditures increased from 3.6 to 4.5 months.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At the end of 2016, the City had invested \$22.5 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 \$10.0 million.

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

	Governmental Activities		Total Percentage Change
	2016	2015	2016-2015
Land	\$ 1,764	\$ 1,764	0.0%
Construction in Progress	-	339	-100.0%
Buildings and Improvements	6,775	6,775	0.0%
Vehicles and Equipment	3,136	2,848	10.1%
Infrastructure	10,835	10,835	0.0%
Totals at historical cost	22,510	22,561	-0.2%
Total accumulated depreciation	(12,498)	(11,835)	5.6%
Net Capital Assets	\$ 10,012	\$ 10,726	-6.7%

**Long Term Debt.** At year-end the City had \$11.0 million in bonds outstanding as shown in Table A-5. Total bonded debt decreased approximately 6% year over year, from \$11.7 million in FYE 2015 to \$11.0 million in FYE 2016. 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
	2016	2015	2016-2015
Bonds Payable	\$ 10,965	\$ 11,650	-5.9%
Total Bonded Debt	\$ 10,965	\$ 11,650	-5.9%

**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 2017 budget, which is the same rate per \$100 of valuation adopted in FYE 2016. 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 2017 budget from \$6.005 million in FYE 2016 to \$6.420 million in FYE 2017. This increase is primarily a result of general expected increases in the Police, Municipal Court, and Administration Depts. due to capital outlays in equipment and technology.

Lastly, unadjusted General Fund budgeted revenues increased in the FYE 2017 budget from \$6.05 million in FYE 2016 to \$6.420 million in FYE 2017. This increase is primarily a result of general expected increases in property and sales tax collections and miscellaneous revenue.

## **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's Finance Department at P.O. Box 507, Helotes, Texas, 78023.





## BASIC FINANCIAL STATEMENTS

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

- Government – wide financial statements
- 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, 2016

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 5,713,816
Certificates of Deposit	770,710
Receivables (Net of Allowances for Uncollectibles)	
Property Taxes	40,232
Other Receivables	704,626
Prepaid Items	2,477
Capital Assets:	
Land	1,763,771
Buildings	6,774,720
Vehicles & Equipment	3,135,929
Infrastructure	10,835,178
Accumulated Depreciation	(12,498,067)
<b>TOTAL ASSETS</b>	<b>17,243,392</b>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Pension Related Outflows	551,182
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 551,182</b>

CITY OF HELOTES, TEXAS  
STATEMENT OF NET POSITION (CONTINUED)  
SEPTEMBER 30, 2016

	<u>Governmental Activities</u>
<b>LIABILITIES</b>	
<i>Liabilities:</i>	
Accounts Payable	\$ 131,918
Accrued Liabilities	42,731
Accrued Compensated Absences	362,345
Accrued Interest Payable	71,848
Unearned Revenue - Lease	126,455
Judgement Payable - Current Portion	301,108
<i>Noncurrent Liabilities:</i>	
Due within One Year	816,963
Due in More than One Year	10,479,568
Net Pension Liability	731,537
Judgement Payable - Long Term Portion	<u>918,834</u>
<b>TOTAL LIABILITIES</b>	<u>13,983,307</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Pension Related Inflows	<u>38,707</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>38,707</u>
 <b>NET POSITION</b>	
Net Investment in Capital Assets	2,317,358
Restricted for:	
Debt Service	1,788
Police, Municipal Court and School Crossing	37,559
PEG Capital Fees	58,284
Street Maintenance	135,491
Economic Development Fund	772,648
Unrestricted	<u>449,432</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 3,772,560</u></u>



CITY OF HELOTES, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

<u>Functions and Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Program Revenues</u>	<u>Net Revenue (Expense) and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Governmental Activities</u>
<b>Primary Government:</b>					
<i>Governmental Activities:</i>					
City Council	\$ 2,427	\$ -	\$ -	\$ -	\$ (2,427)
City Administration	1,652,423	-	-	-	(1,652,423)
Dispatch	192,556	-	-	-	(192,556)
City Secretary	109,864	-	-	-	(109,864)
Human Resources	91,248	-	-	-	(91,248)
Municipal Court	242,764	353,903	-	-	111,139
Animal Control, Public Works	545,158	7,561	-	-	(537,597)
Development Services	576,909	410,592	-	-	(166,317)
Buildings and Grounds	1,035,486	-	-	-	(1,035,486)
Police Department	1,689,271	53,669	14,939	-	(1,620,663)
Emergency Medical Services	159,129	165,775	-	-	6,646
Fire Department	1,567,523	-	-	-	(1,567,523)
Interest and Fiscal Fees on Long-term Debt	411,846	-	-	-	(411,846)
<i>Total Governmental Activities</i>	<u>8,276,604</u>	<u>991,500</u>	<u>14,939</u>	<u>-</u>	<u>(7,270,165)</u>
<b>Total Government</b>	<u>\$ 8,276,604</u>	<u>\$ 991,500</u>	<u>\$ 14,939</u>	<u>\$ -</u>	<u>\$ (7,270,165)</u>
<b>General Revenues:</b>					
Taxes:					
General Property Taxes					3,141,427
Sales Taxes					2,208,136
Franchise Taxes					758,253
Interest and Investment Earnings					15,540
Proceeds from Sale of Land					519,514
Miscellaneous					215,329
<b>Total General Revenues</b>					<u>6,858,199</u>
Change in Net Position					(411,966)
<b>Net Position at Beginning of Year</b>					4,184,526
<b>Net Position at End of Year</b>					<u>\$ 3,772,560</u>

See accompanying notes to basic financial statements.

CITY OF HELOTES, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2016

	Major Funds		
	General Fund	Economic Development Corporation	Debt Service Fund
<b>ASSETS</b>			
Cash and Investments	\$ 1,721,076	\$ 703,464	\$ 174,897
Certificates of Deposit	651,710	-	-
Receivables:			
Property Taxes (Net of Uncollectibles)	31,024	-	9,208
Sales Tax and Other Receivable	516,646	121,961	-
Due from Other Funds	187,946	-	-
Prepaid Items	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 3,108,402</u>	<u>\$ 825,425</u>	<u>\$ 184,105</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<i>Liabilities:</i>			
Accounts Payable	\$ 112,071	\$ 14,707	\$ -
Accrued Liabilities	28,630	14,101	-
Due to Other Funds	603,566	62,756	110,469
Unearned Revenue - Lease	126,455	-	-
<i>Total Liabilities</i>	<u>870,722</u>	<u>91,564</u>	<u>110,469</u>
<i>Deferred Inflows of Resources:</i>			
Unavailable Revenue - Property Taxes	31,024	-	9,208
Unavailable Revenue - EMS	105,013	-	-
<i>Total Deferred Inflows of Resources</i>	<u>136,037</u>	<u>-</u>	<u>9,208</u>
<i>Fund Balances:</i>			
Nonspendable:			
Prepaid Items	-	-	-
Restricted for:			
Court Technology and Security	-	-	-
School Crossing	-	-	-
Police Department	-	-	-
PEG Capital Fees	-	-	-
Street Maintenance	-	-	-
Economic Development Corporation	-	733,861	-
Debt Service	-	-	64,428
Capital Projects	-	-	-
Unassigned	2,101,643	-	-
<i>Total Fund Balances</i>	<u>2,101,643</u>	<u>733,861</u>	<u>64,428</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 3,108,402</u>	<u>\$ 825,425</u>	<u>\$ 184,105</u>

See accompanying notes to basic financial statements.

<u>Major Funds</u>		
<u>Capital</u>	<u>Total</u>	<u>Total</u>
<u>Projects</u>	<u>Nonmajor</u>	<u>Governmental</u>
<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
\$ 2,929,203	\$ 185,176	\$ 5,713,816
119,000	-	770,710
-	-	40,232
-	66,019	704,626
603,566	-	791,512
-	2,477	2,477
<u>\$ 3,651,769</u>	<u>\$ 253,672</u>	<u>\$ 8,023,373</u>
\$ -	\$ 5,140	\$ 131,918
-	-	42,731
-	14,721	791,512
-	-	126,455
<u>-</u>	<u>19,861</u>	<u>1,092,616</u>
-	-	40,232
-	-	105,013
<u>-</u>	<u>-</u>	<u>145,245</u>
-	2,477	2,477
-	3,897	3,897
-	31,177	31,177
-	2,485	2,485
-	58,284	58,284
-	135,491	135,491
-	-	733,861
-	-	64,428
3,651,769	-	3,651,769
-	-	2,101,643
<u>3,651,769</u>	<u>233,811</u>	<u>6,785,512</u>
<u>\$ 3,651,769</u>	<u>\$ 253,672</u>	<u>\$ 8,023,373</u>





CITY OF HELOTES, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2016

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		\$ 6,785,512
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		10,011,531
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the governmental funds.		145,245
Accrued vacation leave payable is not due and payable in the current period and, therefore, not reported in the governmental funds.		(362,345)
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	10,965,000	
Unamortized Bond Premium	139,751	
Note Payable & Capital Lease	191,780	(11,296,531)
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	731,537	
Pension Related Deferred Inflows	38,707	
Pension Related Deferred Outflows	(551,182)	(219,062)
Claims and judgments do not consume current financial resources and are not reported in the funds.		(1,219,942)
Accrued interest payable on long-term bonds are not due and payable in the current period and, therefore, not reported in the governmental funds.		(71,848)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		\$ 3,772,560

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, 2016

	Major Funds		
	General Fund	Economic Development Corporation	Debt Service Fund
<b>REVENUES</b>			
Taxes	\$ 3,782,875	\$ 669,963	\$ 725,684
Franchise Fees	731,955	-	-
Licenses and Permits	418,153	-	-
Municipal Court	394,014	-	-
Fire Department Interlocal Agreement	147,248	-	-
Interest	8,378	1,832	439
Miscellaneous	188,931	-	-
<b>TOTAL REVENUES</b>	<u>5,671,554</u>	<u>671,795</u>	<u>726,123</u>
<b>EXPENDITURES</b>			
Current:			
City Council	2,427	-	-
City Administration	871,831	185,967	-
Dispatch Services	496,109	-	-
City Secretary	109,816	-	-
Human Resources	88,357	-	-
Municipal Court	231,255	-	-
Animal Control, Public Works	271,941	-	-
Development Services	142,587	-	-
Building and Grounds	347,643	-	-
Police Department	1,475,388	-	-
Emergency Medical Services	413,288	-	-
Fire Department	1,132,589	-	-
Capital Outlay	292,533	-	-
Debt Service:			
Principal	67,147	-	735,000
Interest and Fiscal Charges	849	-	409,751
<b>TOTAL EXPENDITURES</b>	<u>5,943,760</u>	<u>185,967</u>	<u>1,144,751</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(272,206)</u>	<u>485,828</u>	<u>(418,628)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Capital Lease Proceeds	193,567	-	-
Proceeds from Sale of Land	519,514	-	-
Transfers In (Out)	-	(499,249)	467,795
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>713,081</u>	<u>(499,249)</u>	<u>467,795</u>
<b>Net Change in Fund Balance</b>	440,875	(13,421)	49,167
<b>FUND BALANCES - OCTOBER 1</b>	<u>1,660,768</u>	<u>747,282</u>	<u>15,261</u>
<b>FUND BALANCES - SEPTEMBER 30</b>	<u>\$ 2,101,643</u>	<u>\$ 733,861</u>	<u>\$ 64,428</u>

See accompanying notes to basic financial statements.

<u>Major Funds</u>		
<u>Capital Projects Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 168,817	\$ 5,347,339
-	26,297	758,252
-	-	418,153
-	13,559	407,573
-	-	147,248
5,111	91	15,851
<u>24,508</u>	<u>16,829</u>	<u>230,268</u>
<u>29,619</u>	<u>225,593</u>	<u>7,324,684</u>
-	-	2,427
1,245	-	1,059,043
-	-	496,109
-	-	109,816
-	-	88,357
-	17,689	248,944
-	-	271,941
-	57,153	199,740
-	-	347,643
-	6,940	1,482,328
-	-	413,288
-	-	1,132,589
709,829	-	1,002,362
-	-	802,147
-	-	410,600
<u>711,074</u>	<u>81,782</u>	<u>8,067,334</u>
<u>(681,455)</u>	<u>143,811</u>	<u>(742,650)</u>
-	-	193,567
-	-	519,514
31,454	-	-
<u>31,454</u>	<u>-</u>	<u>713,081</u>
(650,001)	143,811	(29,569)
<u>4,301,770</u>	<u>90,000</u>	<u>6,815,081</u>
<u>\$ 3,651,769</u>	<u>\$ 233,811</u>	<u>\$ 6,785,512</u>

CITY OF HELOTES, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (29,569)

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. (112,158)

Costs incurred on selected projects had been capitalized in previous years however during the current year one project was cancelled and one project was determined to be the State's asset rather than the City's asset. This is the value of the costs incurred to date (601,652)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. 20,749

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 802,147  
Proceeds from Capital Lease (193,567)

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. (71,885)

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.

Claims and judgments (213,402)  
Compensated Absences (11,384)  
Accrued Interest (1,245)

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ (411,966)

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

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

1. **REPORTING ENTITY**

*Component Units*

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

*Blended Component Unit*

The Helotes Economic Development Corporation, a nonprofit corporation, was incorporated under the Development Corporation Act of 1979, Texas Revised Civil Statutes Annotated, Article 5190.6, Section 4B. The Corporation is organized exclusively for public purposes of the City of Helotes, and the City Council appoints directors of the Corporation. It receives all proceeds from assessing a .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, 2016, 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.

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2016

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

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2016

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

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

The government reports the following major governmental funds:

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

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

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

**Capital Projects Fund** is used to account for resources and expenditures relating to capital projects financed through bonds issued during the current or prior years.

The City has several nonmajor governmental funds for various special revenue funds including court technology and security, federal and state forfeiture, school safety, police training, peg capital fees, explorer post, and street maintenance fund.

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.

5. ACCOUNTS RECEIVABLE

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

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

CITY OF HELOTES, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2016

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

6. INTERFUND RECEIVABLES/PAYABLES

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

7. PREPAID ITEMS

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

8. CAPITAL ASSETS

Capital assets, which include land, buildings, vehicles, 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

9. COMPENSATED ABSENCES

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



CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2016

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

10. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

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

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

11. UNEARNED REVENUE

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

12. LONG-TERM OBLIGATIONS

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

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

13. 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.

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2016

**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.

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 and 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.

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2016

**NOTE B -- CASH AND CASH INVESTMENTS**

1. Cash

At September 30, 2016, the carrying amount of the primary government's (including the blended component unit) cash on hand was \$1,800; the carrying amount of deposits was \$3,999,172; and the bank balance was \$4,028,263. 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 market value of \$6,194,576 as collateral for the City's deposits. All of the City's cash was fully collateralized. The City also had funds at another financial institution with both the bank and carrying balance of \$746,880. The Economic Development Corporation also had funds at other financial institutions with both the bank and carrying balance of \$250,762, respectively. These funds were fully secured by Federal Deposit Insurance Coverage.

2. Investments

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

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

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

The City's investments at September 30, 2016 were as follows:

	<u>Reported Value</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Investment Pools:			
TexPool	\$ 1,538	\$ 1,538	0.00
LOGIC	313,663	313,663	0.03
Certificates of Deposit	770,710	770,710	0.18
U.S. Treasury Bills	400,000	399,994	0.09
Total Investments	<u>\$ 1,485,911</u>	<u>\$ 1,485,905</u>	

The Certificate of Deposit was fully collateralized.

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2016

**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.

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2016

**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 2016, the assessed tax rate for the City was \$0.350000 per \$100 on an assessed valuation of \$914,823,796, less applicable freeze adjustments. The tax rate is split \$0.269894 for general maintenance and operations and \$0.080106 for interest and sinking. The total tax levy for fiscal year 2016 was \$3,146,535. As of September 30, 2016, the delinquent taxes were \$43,260, with an allowance for estimated uncollectible accounts recorded as \$3,028.

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2016

**NOTE C -- PROPERTY TAX CALENDAR**

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, 2016, was \$.350000 per \$100 of assessed value, which means that the City has a tax margin of \$2.150000 for each \$100 value and could increase its annual tax levy by approximately \$19,668,712 based upon the present assessed valuation of \$914,823,796 before the limit is reached. However, the City may not 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
<i>Taxes:</i>			
General Fund	\$ 33,359	\$ 2,335	\$ 31,024
Debt Service Fund	9,901	693	9,208
Total Tax Receivables	\$ 43,260	\$ 3,028	\$ 40,232

Other receivables as of September 30, 2016 for the City's individual major funds are as follows:

	General	EDC	Nonmajor
Sales Taxes	\$ 249,757	\$ 121,961	\$ 59,839
Franchise Fees	161,444	-	6,180
EMS Services	227,087	-	-
Allowance for EMS Services	(122,073)		
Other	431	-	-
Total Other Receivables	\$ 516,646	\$ 121,961	\$ 66,019

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2016

**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, 2016 consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Reason/Intent</u>
General Fund	EDC	\$ 62,756	Reimbursement of costs
General Fund	Debt Service Fund	110,469	Reimbursing of lease payments
General Fund	Nonmajor Funds	14,721	Reimbursement of costs
Capital Projects	General Fund	603,566	Reimbursement of costs
Total Interfund Balances		<u>\$ 791,512</u>	

**NOTE F -- TRANSFERS**

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

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>	<u>Purpose</u>
EDC	Debt Service	\$ 467,795	<i>pledged revenue</i>
EDC	Capital Projects Fund	31,454	<i>supplemental funding</i>
Total Governmental Funds Transfers		<u>\$ 499,249</u>	

**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.

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2016

**NOTE G -- UNEARNED REVENUE - LEASE REVENUE (Continued)**

Fiscal Year Ending September 30,	Minimum Future Lease Revenue		
	Tower Lease	Parking Lease	Total
2017	\$ 16,611	\$ 2,533	\$ 19,144
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
2022-2026	102,235	12,665	114,900
2027-2031	118,519	12,665	131,184
2032-2036	108,268	12,665	120,933
2037-2041	-	12,665	12,665
2042-2046	-	12,665	12,665
2047-2051	-	12,665	12,665
2052-2056	-	12,665	12,665
2057-2060	-	8,524	8,524
	<u>\$ 417,211</u>	<u>\$ 109,844</u>	<u>\$ 527,055</u>

**NOTE H -- PLEDGED REVENUE**

The Helotes Economic Development Corporation has pledged to reimburse the City for the debt service requirements of \$4,000,000 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
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>



CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2016

**NOTE I -- CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2016 was as follows:

<u>Governmental Activities</u>	<u>Balance 10/1/2015</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance 9/30/2016</u>
Land	\$ 1,763,771	\$ -	\$ -	\$ 1,763,771
Construction in Progress	339,033	262,619	(601,652)	-
Buildings	6,774,720	-	-	6,774,720
Vehicles & Equipment	2,847,844	288,085	-	3,135,929
Infrastructure	10,835,178	-	-	10,835,178
	<u>22,560,546</u>	<u>550,704</u>	<u>(601,652)</u>	<u>22,509,598</u>
Less Accumulated Depreciation				
Buildings	(1,629,763)	(222,300)	-	(1,852,063)
Vehicles & Equipment	(2,003,394)	(224,192)	-	(2,227,586)
Infrastructure	(8,202,048)	(216,370)	-	(8,418,418)
	<u>(11,835,205)</u>	<u>(662,862)</u>	<u>-</u>	<u>(12,498,067)</u>
Governmental Capital Assets, Net	<u>\$ 10,725,341</u>	<u>\$ (112,158)</u>	<u>\$ (601,652)</u>	<u>\$ 10,011,531</u>

Land and Construction in Progress are not depreciated.

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

City Administration	\$ 49,220
Animal Control, Public Works	222,791
Building and Grounds	63,808
Police Department	164,044
Fire Department	162,999
Total Depreciation Expense - Governmental Activities	<u>\$ 662,862</u>

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2016

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

Long-term debt and obligations payable at September 30, 2016 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%.	\$ 140,000
\$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)	6,600,000
\$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>4,225,000</u>
<b>Total Governmental Long-Term Obligations</b>	<u><u>\$ 10,965,000</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 10/1/2015	Additions	Reductions	Balance 9/30/2016	Due Within One Year
<i>Governmental Activities</i>					
Series 2002	\$ 270,000	\$ -	\$ (130,000)	\$ 140,000	\$ 140,000
Series 2007	7,065,000	-	(465,000)	6,600,000	485,000
Series 2015	4,315,000	-	(90,000)	4,225,000	90,000
Premium on Series 2015	147,106	-	(7,355)	139,751	7,355
Total Bonded Debt	<u>11,797,106</u>	<u>-</u>	<u>(692,355)</u>	<u>11,104,751</u>	<u>722,355</u>
Capital Lease	14,270	194,657	(67,147)	141,780	44,608
Note Payable	100,000	-	(50,000)	50,000	50,000
Total Governmental Activities	<u><u>\$ 11,911,376</u></u>	<u><u>\$ 194,657</u></u>	<u><u>\$ (809,502)</u></u>	<u><u>\$ 11,296,531</u></u>	<u><u>\$ 816,963</u></u>

Future note payable payments are as follows:

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

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2016

**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
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	665,000	288,784	953,784
2022 - 2026	3,730,000	1,034,732	4,764,732
2027 - 2031	2,770,000	378,824	3,148,824
2032 - 2035	1,070,000	79,026	1,149,026
	<u>\$ 10,965,000</u>	<u>\$ 3,185,538</u>	<u>\$ 14,150,538</u>
Average Annual Debt Service Requirement			<u>\$ 744,765.16</u>

The City leased a new vehicle in October 2015 and five new vehicles in April 2016. 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
2017	\$ 52,877
2018	52,877
2019	52,877
	<u>158,631</u>
Less: Interest Amount	<u>(16,851)</u>
	<u>\$ 141,780</u>

The following is an analysis of the property under capital lease as of September 30, 2016:

Transportation & Equipment	\$ 193,567
Less: Accumulated Depreciation	<u>(22,183)</u>
Net Leased Property	<u>\$ 171,384</u>

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2016

**NOTE K -- EMPLOYEES' RETIREMENT SYSTEMS**

Texas Municipal Retirement System

**1. Plan Description**

The City participates, as one of 866 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 issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmr.com](http://www.tmr.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.

At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

	2015
Inactive employees or beneficiaries currently receiving benefits	10
Inactive employees entitled to but not yet receiving benefits	22
Active employees	62
	<u>94</u>

**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.

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2016

**NOTE K -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)**

**3. Contributions (Continued)**

For the year ending September 30, 2016, 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 6.34% and 6.09% in calendar years 2015 and 2016, respectively. The City's contributions to TMRS for the year ended September 30, 2016 were \$193,049, 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, 2015, 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, 2015 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary Increases	3.50% to 10.50%, including inflation
Investment Rate of Return*	6.75%

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

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 males 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 for 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, 2015 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. 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. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term funding needs of TMRS.

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2016

**NOTE K -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)**

**5. Actuarial Assumptions (Continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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 estimated 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). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equity	17.50%	4.55%
International Equity	17.50%	6.10%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.65%
Real Return	10.00%	4.03%
Real Estate	10.00%	5.00%
Absolute Return	10.00%	4.00%
Private Equity	5.00%	8.00%
	<u>100.00%</u>	

**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.

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2016

**NOTE K -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)**

**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)	\$ 1,545,226	\$ 731,537	\$ 66,207

**8. Changes in Net Pension Liability**

The below schedule presents the changes in the Net Pension Liability (Asset) as of December 31, 2015:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at December 31, 2014	\$ 4,441,665	\$ 4,143,833	\$ 297,832
Changes for the year:			
Service Cost	327,583	-	327,583
Interest	319,639	-	319,639
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(23,708)	-	(23,708)
Changes of Assumptions	182,129	-	182,129
Contributions - Employer	-	189,904	(189,904)
Contributions - Employee	-	179,826	(179,826)
Net Investment Income	-	6,116	(6,116)
Benefit Payments, Including Refunds of Employee Contributions	(78,371)	(78,371)	-
Administrative Expense	-	(3,724)	3,724
Other Changes	-	(184)	184
Net Changes	727,272	293,567	433,705
Balance at December 31, 2015	\$ 5,168,937	\$ 4,437,400	\$ 731,537

**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.tmr.com](http://www.tmr.com).

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2016

**NOTE K -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)**

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

For the year ended September 30, 2016, the City recognized a pension expense of \$264,822. Also, as of September 30, 2016, 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	\$ -	\$ 38,707
Changes in Actuarial Assumptions	158,987	-
Differences between Projected and Actual Investment Earnings	255,567	-
Contributions Subsequent to the Measurement Date	136,628	-
	\$ 551,182	\$ 38,707

Deferred outflows of resources in the amount of \$136,628 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, 2017. 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,		
2016	\$	83,586
2017		83,586
2018		83,587
2019		74,120
2020		17,328
Thereafter		33,640
	\$	375,847

**NOTE L -- OTHER POST EMPLOYMENT BENEFIT**

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

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



CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2016

**NOTE L -- OTHER POST EMPLOYMENT BENEFIT (Continued)**

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

The City's contributions to the TMRS SDBF for the years ended September 30, 2016, 2015 and 2014 were \$3,760, \$3,565, and \$3,359, respectively, and were equal to the required contributions each year.

**NOTE M -- 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, 2016 were \$115,394 for property, casualty, and workers compensation coverage.

**NOTE N -- COMMITMENTS AND CONTINGENCIES**

Litigation

The City agreed to not continue appealing the judgments in favor of multiple developers regarding building permits. The total claim to be paid has been accrued on shown on the Statement of Net Position as a Judgement Payable. The payment schedule for the Judgement Payable over the next five years is as follows:

Year Ending September 30,	Principal
2017	\$301,108
2018	258,281
2019	258,281
2020	201,136
2021	201,136
Total Judgement Payable	<u><u>\$1,219,942</u></u>

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

CITY OF HELOTES, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2016

**NOTE N -- COMMITMENTS AND CONTINGENCIES (Continued)**

Commitments

The City has entered into contracts for the following project. Estimated future commitments associated with these contracts as of September 30, 2016 are as follows:

<u>Commitment</u>	<u>Estimated Project Cost to City</u>	<u>Expended to Date</u>	<u>Estimated Future Commitment</u>
State Highway 16 Water and Sewer Infrastructure Project	\$ 3,025,000	\$ 328,106	\$ 2,696,894

The Economic Development Corporation has entered into engineering contracts for the following project. Estimated future commitments associated with these contracts as of September 30, 2016 are as follows:

<u>Commitment</u>	<u>Estimated Project Cost to City</u>	<u>Expended to Date</u>	<u>Estimated Future Commitment</u>
Growth Management Plan	\$ 46,000	\$ 27,810	\$ 18,190

380 Economic Development Agreements

The City of Helotes and the Economic Development Corporation have entered into 380 Economic Development Agreements to encourage growth within the City. The Agreements involve the City and Economic Development Corporation reimbursing the project costs through refunding a portion of the sales and use taxes generated by the projects as well as increased property tax revenues, up to a maximum amount. The City and Economic Development Corporation are accruing estimated sales tax rebate as of September 30, 2016 based on the sales tax collections to date in anticipation of the developer's request for payment. The terms of the agreement are as follows:

<u>Development</u>	<u>Sales Tax Refund Agreement</u>		<u>Maximum Grant Amount</u>	<u>Current Year Reductions</u>	<u>Maximum Balance Due</u>	<u>Term</u>
	<u>City</u>	<u>EDC</u>				
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	\$ -	N/A	20 years

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

**NOTE O -- SUBSEQUENT EVENT**

Subsequent to year end, the City approved a 380 Development Agreement with Slim Texas, LLC. to reimburse project costs through refunding a portion of the sales and use taxes generated by the projects as well as increased property tax revenues, up to a maximum amount of \$600,000 over a term of 13 years.

## REQUIRED SUPPLEMENTARY INFORMATION

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

- Budgetary Comparison Schedule – General Fund
- Budgetary Comparison Schedule – Economic Development Corporation
- Schedule of 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, 2016  
 (WITH COMPARATIVE ACTUAL TOTALS FOR 2015)

	Budget Amounts		2016 Actual Amounts	Variance Favorable (Unfavorable)	2015 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Taxes	\$ 3,688,662	\$ 3,688,662	\$ 3,782,875	\$ 94,213	\$ 3,466,991
Franchise Fees	731,965	731,965	731,955	(10)	768,096
Licenses and Permits	701,987	701,987	418,153	(283,834)	695,462
Municipal Court	378,040	400,637	394,014	(6,623)	381,656
Fire Department	180,235	180,235	147,248	(32,987)	206,605
Interest	6,710	6,710	8,378	1,668	6,973
Miscellaneous	64,682	165,932	188,931	22,999	64,828
<i>Total Revenues</i>	<u>5,752,281</u>	<u>5,876,128</u>	<u>5,671,554</u>	<u>(204,574)</u>	<u>5,590,611</u>
<b>EXPENDITURES</b>					
<i>City Council:</i>					
Seminars	710	290	130	160	695
Reimbursements	1,877	2,297	2,297	-	2,350
<i>Total City Council</i>	<u>2,587</u>	<u>2,587</u>	<u>2,427</u>	<u>160</u>	<u>3,045</u>
<i>City Administration:</i>					
Personnel	269,674	260,060	260,060	-	243,495
Insurance	65,440	67,512	67,512	-	72,707
Contractual	385,898	413,723	413,723	-	526,497
Supplies and Maintenance	130,136	130,536	130,536	-	136,606
<i>Total City Administration</i>	<u>851,148</u>	<u>871,831</u>	<u>871,831</u>	<u>-</u>	<u>979,305</u>
<i>Dispatch Services:</i>					
Personnel	345,144	444,338	444,338	-	328,167
Contractual	39,971	20,218	20,218	-	19,952
Supplies and Maintenance	9,803	31,553	31,553	-	25,976
<i>Total Dispatch Services</i>	<u>394,918</u>	<u>496,109</u>	<u>496,109</u>	<u>-</u>	<u>374,095</u>
<i>City Secretary:</i>					
Personnel	84,354	85,887	85,829	58	82,296
Contractual	31,250	11,193	10,812	381	4,630
Supplies and Maintenance	8,784	13,175	13,175	-	11,287
<i>Total City Secretary</i>	<u>124,388</u>	<u>110,255</u>	<u>109,816</u>	<u>439</u>	<u>98,213</u>
<i>Human Resources:</i>					
Personnel	91,602	89,207	88,357	850	17,042
<i>Total Human Resources</i>	<u>\$ 91,602</u>	<u>\$ 89,207</u>	<u>\$ 88,357</u>	<u>\$ 850</u>	<u>\$ 17,042</u>

CITY OF HELOTES, TEXAS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016  
 (WITH COMPARATIVE ACTUAL TOTALS FOR 2015)

	Budget Amounts		2016 Actual Amounts	Variance Favorable (Unfavorable)	2015 Actual Amounts
	Original	Final			
<b>EXPENDITURES (CONT.)</b>					
<i>Municipal Court:</i>					
Personnel	\$ 180,623	\$ 164,391	\$ 164,391	\$ -	\$ 214,729
Contractual	61,693	64,605	64,605	-	56,327
Supplies and Maintenance	2,520	2,259	2,259	-	2,315
<i>Total Municipal Court</i>	<u>244,836</u>	<u>231,255</u>	<u>231,255</u>	<u>-</u>	<u>273,371</u>
<i>Animal Control, Public Works:</i>					
Personnel	171,057	153,753	153,562	191	138,553
Contractual	75,893	110,259	110,170	89	128,894
Supplies and Maintenance	8,822	8,209	8,209	-	8,669
Capital Outlay	15,000	58,478	56,384	2,094	10,422
<i>Total Animal Control, Public Works</i>	<u>270,772</u>	<u>330,699</u>	<u>328,325</u>	<u>2,374</u>	<u>286,538</u>
<i>Development Services:</i>					
Personnel	130,297	130,452	129,315	1,137	128,276
Contractual	34,384	14,808	13,272	1,536	29,910
<i>Total Development Services</i>	<u>164,681</u>	<u>145,260</u>	<u>142,587</u>	<u>2,673</u>	<u>158,186</u>
<i>Buildings and Grounds:</i>					
Contractual	220,915	140,693	134,702	5,991	118,234
Supplies and Maintenance	44,625	21,248	21,248	-	141
Community Events	158,354	109,952	82,351	27,601	142,479
Utilities	-	110,071	109,342	729	104,750
Capital Outlay	101,134	79,877	72,379	7,498	13,425
<i>Total Buildings and Grounds</i>	<u>525,028</u>	<u>461,841</u>	<u>420,022</u>	<u>41,819</u>	<u>379,029</u>
<i>Police Department:</i>					
Personnel	1,313,989	1,321,294	1,320,116	1,178	1,247,865
Contractual	41,964	34,473	33,971	502	41,308
Supplies and Maintenance	91,339	123,519	121,301	2,218	107,972
Capital Outlay	39,892	131,497	129,854	1,643	1,362
<i>Total Police Department</i>	<u>\$ 1,487,184</u>	<u>\$ 1,610,783</u>	<u>\$ 1,605,242</u>	<u>\$ 5,541</u>	<u>\$ 1,398,507</u>

CITY OF HELOTES, TEXAS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016  
 (WITH COMPARATIVE ACTUAL TOTALS FOR 2015)

	Budget Amounts		2016 Actual Amounts	Variance Favorable (Unfavorable)	2015 Actual Amounts
	Original	Final			
<b>EXPENDITURES (CONT.)</b>					
<i>Emergency Medical Services:</i>					
Personnel	\$ 357,980	\$ 359,720	\$ 351,919	\$ 7,801	\$ 359,019
Contractual	28,890	28,640	18,487	10,153	44,062
Supplies and Maintenance	46,066	47,345	42,882	4,463	47,676
Capital Outlay	23,000	1,750	-	1,750	-
<i>Total Emergency Medical Service</i>	<u>455,936</u>	<u>437,455</u>	<u>413,288</u>	<u>24,167</u>	<u>450,757</u>
<i>Fire Department:</i>					
Personnel	992,720	1,011,376	1,011,340	36	969,575
Contractual	25,549	25,551	25,492	59	31,362
Supplies and Maintenance	120,932	97,756	95,757	1,999	97,252
Capital Outlay	-	33,916	33,916	-	-
<i>Total Fire Department</i>	<u>1,139,201</u>	<u>1,168,599</u>	<u>1,166,505</u>	<u>2,094</u>	<u>1,098,189</u>
<i>Debt Service:</i>					
Principal	-	67,147	67,147	-	46,186
Interest and Fiscal Charges	-	849	849	-	3,670
<i>Total Debt Service</i>	<u>-</u>	<u>67,996</u>	<u>67,996</u>	<u>-</u>	<u>49,856</u>
<b>TOTAL EXPENDITURES</b>	<u>5,752,281</u>	<u>6,023,877</u>	<u>5,943,760</u>	<u>80,117</u>	<u>5,566,133</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(147,749)</u>	<u>(272,206)</u>	<u>(124,457)</u>	<u>24,478</u>
<b>Other Financing Sources (Uses)</b>					
Capital Lease Proceeds	-	193,567	193,567	-	-
Proceeds from Sale of Land	-	-	519,514	519,514	-
Insurance Proceeds	-	-	-	-	22,996
Transfers In (Out)	-	-	-	-	(2,243,227)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>193,567</u>	<u>713,081</u>	<u>519,514</u>	<u>(2,220,231)</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>45,818</u>	<u>440,875</u>	<u>395,057</u>	<u>(2,195,753)</u>
<b>BEGINNING FUND BALANCE</b>	<u>1,660,768</u>	<u>1,660,768</u>	<u>1,660,768</u>	<u>-</u>	<u>3,856,521</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 1,660,768</u>	<u>\$ 1,706,586</u>	<u>\$ 2,101,643</u>	<u>\$ 395,057</u>	<u>\$ 1,660,768</u>

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

	Budgeted Amounts		2016 Actual Amounts	Variance Favorable (Unfavorable)	2015 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Taxes	\$ 627,032	\$ 627,032	\$ 669,963	\$ 42,931	\$ 610,861
Interest	2,091	2,091	1,832	(259)	2,382
<b>TOTAL REVENUES</b>	629,123	629,123	671,795	42,672	613,243
<b>EXPENDITURES</b>					
Personnel Costs	67,582	63,484	63,484	-	61,538
Professional Services	140,114	146,910	96,456	50,454	49,952
City Administration Cost	15,000	15,000	15,000	-	12,000
Training 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
<b>TOTAL EXPENDITURES</b>	236,627	236,421	185,967	50,454	142,739
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	392,496	392,702	485,828	93,126	470,504
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer In (Out) to Primary Government	(467,795)	(468,000)	(499,249)	(31,249)	(408,032)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	(467,795)	(468,000)	(499,249)	(31,249)	(408,032)
<b>Net Change in Fund Balance</b>	(75,299)	(75,298)	(13,421)	61,877	62,472
<b>BEGINNING FUND BALANCE</b>	747,282	747,282	747,282	-	684,810
<b>ENDING FUND BALANCE</b>	\$ 671,983	\$ 671,984	\$ 733,861	\$ 61,877	\$ 747,282

CITY OF HELOTES, TEXAS  
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
SEPTEMBER 30, 2016

**Budgetary Information** – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council and, as such, is a good management control device. The following are the funds which have legally adopted annual budgets: General Fund, Debt Service and Economic Development Corporation as well as special revenue funds including Municipal Court Security, Municipal Court Technology, Police Training, School Safety, PEG Capital Fund, State Forfeiture, Federal Forfeiture, Explorer Post, 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 to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances lapse at year-end and do not constitute expenditures or liabilities because the commitments must be reappropriated and honored during the subsequent year.



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

Total Pension Liability		
	2014	2015
Service Cost	\$ 312,260	\$ 327,583
Interest (on the Total Pension Liability)	284,925	319,639
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(23,615)	(23,708)
Changes of Assumptions	-	182,129
Benefit Payments, Including Refunds of Employee Contributions	(92,277)	(78,371)
Net Change in Total Pension Liability	<u>481,293</u>	<u>727,272</u>
Total Pension Liability - Beginning	3,960,372	4,441,665
Total Pension Liability - Ending	<u>\$ 4,441,665</u>	<u>\$ 5,168,937</u>
Plan Fiduciary Net Position		
	2014	2015
Contributions - Employer	\$ 146,084	\$ 189,904
Contributions - Employee	174,603	179,826
Net Investment Income	212,062	6,116
Benefit Payments, Including Refunds of Employee Contributions	(92,277)	(78,371)
Administrative Expense	(2,213)	(3,724)
Other	(182)	(184)
Net Change in Plan Fiduciary Net Position	<u>438,077</u>	<u>293,567</u>
Plan Fiduciary Net Position - Beginning	3,705,756	4,143,833
Plan Fiduciary Net Position - Ending	<u>\$ 4,143,833</u>	<u>\$ 4,437,400</u>
Net Pension Liability (Asset) - Ending	\$ 297,832	\$ 731,537
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.29%	85.85%
Covered Employee Payroll	\$ 2,910,052	\$ 2,997,102
Net Pension Liability as a Percentage of Covered Employee Payroll	10.23%	24.41%

CITY OF HELOTES, TEXAS  
NOTES TO SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS  
LAST TWO FISCAL YEARS

**Schedule of Contributions:**

	2015	2016
Actuarially Determined Contribution	\$ 176,938	\$ 193,049
Contribution in Relation to the Actuarially Determined Contribution	176,938	193,049
Contribution Deficiency (Excess)	\$ -	\$ -
 Covered Employee Payroll	 \$ 2,970,585	 \$ 3,132,983
 Contributions as a Percentage of Covered Employee Payroll	 5.96%	 6.16%

**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	28 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 2010 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.

## SUPPLEMENTARY INFORMATION

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

Such statements and schedule include:

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

CITY OF HELOTES, TEXAS  
 COMPARATIVE BALANCE SHEETS  
 GENERAL FUND  
 SEPTEMBER 30, 2016 AND 2015

	2016	2015
<b>ASSETS</b>		
Cash and Investments	\$ 1,721,076	\$ 1,389,337
Certificate of Deposit	651,710	-
Receivables:		
Property Taxes (Net of Allowance)	31,024	33,053
Sales Tax and Other Receivables	516,646	424,502
Due from Other Funds	187,946	195,942
<b>TOTAL ASSETS</b>	<b>\$ 3,108,402</b>	<b>\$ 2,042,834</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 112,071	\$ 95,495
Accrued Expenditures	28,630	23,865
Due to Other Funds	603,566	18,232
Unearned Revenue - Lease	126,455	128,504
<i>Total Liabilities</i>	<b>870,722</b>	<b>266,096</b>
 <i>Deferred Inflows of Resources:</i>		
Unavailable Revenue - Taxes	31,024	29,485
Unavailable Revenue - EMS	105,013	86,486
<i>Total Deferred Inflows of Resources</i>	<b>136,037</b>	<b>115,971</b>
 <i>Fund Balances:</i>		
Unassigned	2,101,643	1,660,767
<i>Total Fund Balances</i>	<b>2,101,643</b>	<b>1,660,767</b>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 3,108,402</b>	<b>\$ 2,042,834</b>

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

	2016	2015
<b>ASSETS</b>		
Cash and Investments	\$ 703,464	\$ 702,741
Accounts Receivable - State	121,961	104,671
<b>TOTAL ASSETS</b>	<b>\$ 825,425</b>	<b>\$ 807,412</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 14,707	\$ -
Accrued Liabilities	14,101	11,754
Due to Other Funds	62,756	48,376
<i>Total Liabilities</i>	<b>91,564</b>	60,130
<i>Fund Balance:</i>		
Restricted for Economic Development Corporation	733,861	747,282
<i>Total Fund Balance</i>	<b>733,861</b>	747,282
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 825,425</b>	<b>\$ 807,412</b>

CITY OF HELOTES, TEXAS  
 COMPARATIVE BALANCE SHEETS  
 DEBT SERVICE FUND  
 SEPTEMBER 30, 2016 AND 2015

	2016	2015
<b>ASSETS</b>		
Cash and Investments	\$ 174,897	\$ 85,800
Taxes Receivable (Net of Allowances)	9,208	9,556
<b>TOTAL ASSETS</b>	<b>\$ 184,105</b>	<b>\$ 95,356</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accrued Interest Payable	\$ -	\$ 7,473
Due to Other Funds	110,469	64,097
<i>Total Liabilities</i>	<b>110,469</b>	<b>71,570</b>
 <i>Deferred Inflows of Resources:</i>		
Unavailable Revenue - Taxes	9,208	8,525
<i>Total Deferred Inflows of Resources</i>	<b>9,208</b>	<b>8,525</b>
 <i>Fund Balance:</i>		
Restricted for Debt Service	64,428	15,261
<i>Total Fund Balance</i>	<b>64,428</b>	<b>15,261</b>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 184,105</b>	<b>\$ 95,356</b>

CITY OF HELOTES, TEXAS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 DEBT SERVICE FUND  
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	2016	2015
<b>REVENUES</b>		
Taxes	\$ 725,684	\$ 637,515
Interest	439	182
<b>TOTAL REVENUES</b>	<b>726,123</b>	<b>637,697</b>
 <b>EXPENDITURES</b>		
Principal Payments	735,000	620,000
Interest and Fiscal Charges	409,751	301,496
<b>TOTAL EXPENDITURES</b>	<b>1,144,751</b>	<b>921,496</b>
 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(418,628)</b>	<b>(283,799)</b>
 <b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In (Out)	467,795	294,953
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>467,795</b>	<b>294,953</b>
 <b>Net Change in Fund Balance</b>	<b>49,167</b>	<b>11,154</b>
 <b>BEGINNING FUND BALANCE</b>	<b>15,261</b>	<b>4,107</b>
 <b>ENDING FUND BALANCE</b>	<b>\$ 64,428</b>	<b>\$ 15,261</b>

CITY OF HELOTES, TEXAS  
 COMPARATIVE BALANCE SHEETS  
 CAPITAL PROJECTS FUND  
 SEPTEMBER 30, 2016 AND 2015

	2016	2015
<b>ASSETS</b>		
Cash and Investments	\$ 2,929,203	\$ 4,385,239
Certificates of Deposit	119,000	-
Due from Other Funds	603,566	-
<b>TOTAL ASSETS</b>	<b>\$ 3,651,769</b>	<b>\$ 4,385,239</b>
 <b>LIABILITIES AND FUND BALANCE</b>		
<i>Liabilities:</i>		
Due to Other Funds	\$ -	\$ 83,469
<i>Total Liabilities</i>	-	83,469
 <i>Fund Balance:</i>		
Restricted for Capital Projects	3,651,769	4,301,770
<i>Total Fund Balance</i>	3,651,769	4,301,770
 <b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 3,651,769</b>	<b>\$ 4,385,239</b>



CITY OF HELOTES, TEXAS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 CAPITAL PROJECTS FUND  
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	2016	2015
<b>REVENUES</b>		
Interest	\$ 5,111	\$ 767
Miscellaneous	24,508	1,200
<b>TOTAL REVENUES</b>	<b>29,619</b>	<b>1,967</b>
 <b>EXPENDITURES</b>		
Current:		
City Administration	1,245	-
Capital Outlay	709,829	187,442
Debt Service:		
Bond Issuance Costs	-	94,223
<b>TOTAL EXPENDITURES</b>	<b>711,074</b>	<b>281,665</b>
 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(681,455)</b>	<b>(279,698)</b>
 <b>OTHER FINANCING SOURCES (USES)</b>		
Bond Proceeds	-	4,315,000
Premium on Bond Issuance	-	147,106
Transfers In (Out)	31,454	113,079
<b>TOTAL OTHER FINANCING</b>	<b>31,454</b>	<b>4,575,185</b>
 <b>Net Change in Fund Balance</b>	<b>(650,001)</b>	<b>4,295,487</b>
 <b>BEGINNING FUND BALANCE</b>	<b>4,301,770</b>	<b>6,283</b>
 <b>ENDING FUND BALANCE</b>	<b>\$ 3,651,769</b>	<b>\$ 4,301,770</b>

CITY OF HELOTES, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2016

	Municipal Court Security Fund	Municipal Court Technology Fund	Police Training Fund	School Safety Fund
<b>ASSETS</b>				
Cash and Investments	\$ 3,820	\$ 950	\$ 2,485	\$ 31,177
Receivables:				
Sales Tax and Other Receivable	-	-	-	-
Prepaid Items	-	2,477	-	-
<b>TOTAL ASSETS</b>	<b>\$ 3,820</b>	<b>\$ 3,427</b>	<b>\$ 2,485</b>	<b>\$ 31,177</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<i>Liabilities:</i>				
Accounts Payable	\$ -	\$ 873	\$ -	\$ -
Due to General Fund	-	-	-	-
<i>Total Liabilities</i>	-	873	-	-
 <i>Fund Balances:</i>				
Nonspendable:				
Prepaid Items	-	2,477	-	-
Restricted for:				
Court Technology and Security	3,820	77	-	-
School Crossing	-	-	-	31,177
Police Department	-	-	2,485	-
PEG Capital Fees	-	-	-	-
Street Maintenance	-	-	-	-
<i>Total Fund Balances</i>	3,820	2,554	2,485	31,177
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 3,820</b>	<b>\$ 3,427</b>	<b>\$ 2,485</b>	<b>\$ 31,177</b>

PEG Capital Fund	State Forfeiture Fund	Federal Forfeiture Fund	Explorer Post Fund	Street Maintenance Fund	Total Nonmajor Funds
\$ 66,825	\$ -	\$ -	\$ -	\$ 79,919	\$ 185,176
6,180	-	-	-	59,839	66,019
-	-	-	-	-	2,477
<u>\$ 73,005</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,758</u>	<u>\$ 253,672</u>
\$ -	\$ -	\$ -	\$ -	\$ 4,267	\$ 5,140
14,721	-	-	-	-	14,721
<u>14,721</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,267</u>	<u>19,861</u>
-	-	-	-	-	2,477
-	-	-	-	-	3,897
-	-	-	-	-	31,177
-	-	-	-	-	2,485
58,284	-	-	-	-	58,284
-	-	-	-	135,491	135,491
<u>58,284</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,491</u>	<u>233,811</u>
<u>\$ 73,005</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,758</u>	<u>\$ 253,672</u>

CITY OF HELOTES, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Municipal Court <u>Security Fund</u>	Municipal Court <u>Technology Fund</u>	Police Training <u>Fund</u>	School Safety <u>Fund</u>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Franchise Fees	-	-	-	-
Municipal Court	5,810	7,749	-	-
Interest	4	3	2	19
Miscellaneous	-	-	1,890	14,939
<b>TOTAL REVENUES</b>	<u>5,814</u>	<u>7,752</u>	<u>1,892</u>	<u>14,958</u>
<b>EXPENDITURES</b>				
Current:				
Municipal Court	5,475	12,214	-	-
Development Services	-	-	-	-
Police Department	-	-	3,922	2,984
<b>TOTAL EXPENDITURES</b>	<u>5,475</u>	<u>12,214</u>	<u>3,922</u>	<u>2,984</u>
<b>Net Change in Fund Balance</b>	339	(4,462)	(2,030)	11,974
<b>FUND BALANCES - OCTOBER 1</b>	<u>3,481</u>	<u>7,016</u>	<u>4,515</u>	<u>19,203</u>
<b>FUND BALANCES - SEPTEMBER 30</b>	<u>\$ 3,820</u>	<u>\$ 2,554</u>	<u>\$ 2,485</u>	<u>\$ 31,177</u>

PEG Capital Fund	State Forfeiture Fund	Federal Forfeiture Fund	Explorer Post Fund	Street Maintenance Fund	Total Nonmajor Funds
\$ -	\$ -	\$ -	\$ -	\$ 168,817	\$ 168,817
26,297	-	-	-	-	26,297
-	-	-	-	-	13,559
29	17	17	-	-	91
-	-	-	-	-	16,829
<u>26,326</u>	<u>17</u>	<u>17</u>	<u>-</u>	<u>168,817</u>	<u>225,593</u>
-	-	-	-	-	17,689
21,044	-	-	2,783	33,326	57,153
-	17	17	-	-	6,940
<u>21,044</u>	<u>17</u>	<u>17</u>	<u>2,783</u>	<u>33,326</u>	<u>81,782</u>
5,282	-	-	(2,783)	135,491	143,811
<u>53,002</u>	<u>-</u>	<u>-</u>	<u>2,783</u>	<u>-</u>	<u>90,000</u>
<u>\$ 58,284</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,491</u>	<u>\$ 233,811</u>

CITY OF HELOTES, TEXAS  
 COMPARATIVE BALANCE SHEETS  
 MUNICIPAL COURT SECURITY FUND  
 SEPTEMBER 30, 2016 AND 2015

	2016	2015
<b>ASSETS</b>		
Cash and Investments	\$ 3,820	\$ 4,181
<b>TOTAL ASSETS</b>	<b>\$ 3,820</b>	<b>\$ 4,181</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Due to General Fund	\$ -	\$ 700
<i>Total Liabilities</i>	-	700
 <i>Fund Balances:</i>		
Restricted for:		
Court Security	3,820	3,481
<i>Total Fund Balances</i>	<b>3,820</b>	3,481
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 3,820</b>	<b>\$ 4,181</b>

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, 2016 AND 2015

	<b>2016</b>	2015
<b>REVENUES</b>		
Municipal Court	\$ 5,810	\$ 8,271
Interest	4	(33)
<b>TOTAL REVENUES</b>	<b>5,814</b>	8,238
 <b>EXPENDITURES</b>		
Current:		
Municipal Court	5,475	10,841
<b>TOTAL EXPENDITURES</b>	<b>5,475</b>	10,841
 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>339</b>	(2,603)
 <b>OTHER FINANCING SOURCES (USES):</b>		
Transfers In (Out)	-	6,084
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	6,084
 <b>Net Change in Fund Balance</b>	<b>339</b>	3,481
 <b>FUND BALANCES - OCTOBER 1</b>	<b>3,481</b>	-
 <b>FUND BALANCES - SEPTEMBER 30</b>	<b>\$ 3,820</b>	\$ 3,481

CITY OF HELOTES, TEXAS  
 COMPARATIVE BALANCE SHEETS  
 MUNICIPAL COURT TECHNOLOGY FUND  
 SEPTEMBER 30, 2016 AND 2015

	2016	2015
<b>ASSETS</b>		
Cash and Investments	\$ 950	\$ 7,031
Prepaid Items	2,477	-
<b>TOTAL ASSETS</b>	<b>\$ 3,427</b>	<b>\$ 7,031</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 873	\$ 15
<i>Total Liabilities</i>	<b>873</b>	<b>15</b>
 <i>Fund Balances:</i>		
Nonspendable:		
Prepaid Items	2,477	-
Restricted for:		
Court Technology	77	7,016
<i>Total Fund Balances</i>	<b>2,554</b>	<b>7,016</b>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 3,427</b>	<b>\$ 7,031</b>



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, 2016 AND 2015

	<b>2016</b>	2015
<b>REVENUES</b>		
Municipal Court	\$ 7,749	\$ 11,044
Interest	3	2
<b>TOTAL REVENUES</b>	<b>7,752</b>	11,046
 <b>EXPENDITURES</b>		
Current:		
Municipal Court	12,214	10,652
<b>TOTAL EXPENDITURES</b>	<b>12,214</b>	10,652
 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(4,462)</b>	394
 <b>OTHER FINANCING SOURCES (USES):</b>		
Transfers In (Out)	-	6,622
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	6,622
 <b>Net Change in Fund Balance</b>	<b>(4,462)</b>	7,016
 <b>FUND BALANCES - OCTOBER 1</b>	<b>7,016</b>	-
 <b>FUND BALANCES - SEPTEMBER 30</b>	<b>\$ 2,554</b>	\$ 7,016

CITY OF HELOTES, TEXAS  
 COMPARATIVE BALANCE SHEETS  
 POLICE TRAINING FUND  
 SEPTEMBER 30, 2016 AND 2015

	2016	2015
<b>ASSETS</b>		
Cash and Investments	\$ 2,485	\$ 4,515
<b>TOTAL ASSETS</b>	<b>\$ 2,485</b>	<b>\$ 4,515</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ -	\$ -
<i>Total Liabilities</i>	-	-
 <i>Fund Balances:</i>		
Restricted for:		
Police Department	2,485	4,515
<i>Total Fund Balances</i>	2,485	4,515
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 2,485</b>	<b>\$ 4,515</b>

CITY OF HELOTES, TEXAS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 POLICE TRAINING FUND  
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	2016	2015
<b>REVENUES</b>		
Miscellaneous	\$ 1,890	\$ 1,858
Interest	2	6
<b>TOTAL REVENUES</b>	<b>1,892</b>	1,864
<b>EXPENDITURES</b>		
Current:		
Police Department	3,922	2,143
<b>TOTAL EXPENDITURES</b>	<b>3,922</b>	2,143
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(2,030)</b>	(279)
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers In (Out)	-	4,794
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	4,794
<b>Net Change in Fund Balance</b>	<b>(2,030)</b>	4,515
<b>FUND BALANCES - OCTOBER 1</b>	<b>4,515</b>	-
<b>FUND BALANCES - SEPTEMBER 30</b>	<b>\$ 2,485</b>	\$ 4,515

CITY OF HELOTES, TEXAS  
 COMPARATIVE BALANCE SHEETS  
 SCHOOL SAFETY FUND  
 SEPTEMBER 30, 2016 AND 2015

	2016	2015
<b>ASSETS</b>		
Cash and Investments	\$ 31,177	\$ 19,203
<b>TOTAL ASSETS</b>	<b>\$ 31,177</b>	<b>\$ 19,203</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ -	\$ -
<i>Total Liabilities</i>	-	-
 <i>Fund Balances:</i>		
Restricted for:		
School Safety	31,177	19,203
<i>Total Fund Balances</i>	<b>31,177</b>	<b>19,203</b>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 31,177</b>	<b>\$ 19,203</b>

CITY OF HELOTES, TEXAS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 SCHOOL SAFETY FUND  
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	2016	2015
<b>REVENUES</b>		
Miscellaneous	\$ 14,939	\$ 10,784
Interest	19	18
<b>TOTAL REVENUES</b>	<b>14,958</b>	10,802
 <b>EXPENDITURES</b>		
Current:		
Police Department	2,984	14,489
<b>TOTAL EXPENDITURES</b>	<b>2,984</b>	14,489
 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>11,974</b>	(3,687)
 <b>OTHER FINANCING SOURCES (USES):</b>		
Transfers In (Out)	-	22,890
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	22,890
 <b>Net Change in Fund Balance</b>	<b>11,974</b>	19,203
 <b>FUND BALANCES - OCTOBER 1</b>	<b>19,203</b>	-
 <b>FUND BALANCES - SEPTEMBER 30</b>	<b>\$ 31,177</b>	\$ 19,203

CITY OF HELOTES, TEXAS  
 COMPARATIVE BALANCE SHEETS  
 PEG CAPITAL FUND  
 SEPTEMBER 30, 2016 AND 2015

	2016	2015
<b>ASSETS</b>		
Cash and Investments	\$ 66,825	\$ 28,319
Receivables:		
Sales Tax and Other Receivable	6,180	5,751
Due from General Fund	-	18,932
<b>TOTAL ASSETS</b>	<b>\$ 73,005</b>	<b>\$ 53,002</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Due to General Fund	\$ 14,721	\$ -
<i>Total Liabilities</i>	<b>14,721</b>	-
 <i>Fund Balances:</i>		
Restricted for:		
PEG Capital Fees	58,284	53,002
<i>Total Fund Balances</i>	<b>58,284</b>	53,002
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 73,005</b>	<b>\$ 53,002</b>

CITY OF HELOTES, TEXAS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 PEG CAPITAL FUND  
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	<b>2016</b>	2015
<b>REVENUES</b>		
Franchise Fees	\$ 26,297	\$ 27,709
Interest	28	17
<b>TOTAL REVENUES</b>	<b>26,325</b>	27,726
 <b>EXPENDITURES</b>		
Current:		
Development Services	21,043	4,557
<b>TOTAL EXPENDITURES</b>	<b>21,043</b>	4,557
 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>5,282</b>	23,169
 <b>OTHER FINANCING SOURCES (USES):</b>		
Transfers In (Out)	-	29,833
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	29,833
 <b>Net Change in Fund Balance</b>	<b>5,282</b>	53,002
 <b>FUND BALANCES - OCTOBER 1</b>	<b>53,002</b>	-
 <b>FUND BALANCES - SEPTEMBER 30</b>	<b>\$ 58,284</b>	\$ 53,002

CITY OF HELOTES, TEXAS  
 COMPARATIVE BALANCE SHEETS  
 STATE FORFEITURE FUND  
 SEPTEMBER 30, 2016 AND 2015

	2016	2015
<b>ASSETS</b>		
Cash and Investments	\$ -	\$ -
<b>TOTAL ASSETS</b>	\$ -	\$ -
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ -	\$ -
<i>Total Liabilities</i>	-	-
 <i>Fund Balances:</i>		
Restricted for:		
State Forfeiture	-	-
<i>Total Fund Balances</i>	-	-
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	\$ -	\$ -



CITY OF HELOTES, TEXAS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 STATE FORFEITURE FUND  
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	<b>2016</b>	2015
<b>REVENUES</b>		
Interest	\$ 17	\$ -
<b>TOTAL REVENUES</b>	<b>17</b>	-
 <b>EXPENDITURES</b>		
Current:		
Police Department	17	-
<b>TOTAL EXPENDITURES</b>	<b>17</b>	-
<b>Net Change in Fund Balance</b>	-	-
 <b>FUND BALANCES - OCTOBER 1</b>	-	-
 <b>FUND BALANCES - SEPTEMBER 30</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF HELOTES, TEXAS  
 COMPARATIVE BALANCE SHEETS  
 FEDERAL FORFEITURE FUND  
 SEPTEMBER 30, 2016 AND 2015

	2016	2015
<b>ASSETS</b>		
Cash and Investments	\$ -	\$ -
<b>TOTAL ASSETS</b>	\$ -	\$ -
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ -	\$ -
<i>Total Liabilities</i>	-	-
 <i>Fund Balances:</i>		
Restricted for:		
Federal Forfeiture	-	-
<i>Total Fund Balances</i>	-	-
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	\$ -	\$ -

CITY OF HELOTES, TEXAS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 FEDERAL FORFEITURE FUND  
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	<b>2016</b>	2015
<b>REVENUES</b>		
Interest	\$ 17	\$ -
<b>TOTAL REVENUES</b>	<b>17</b>	-
 <b>EXPENDITURES</b>		
Current:		
Police Department	17	-
<b>TOTAL EXPENDITURES</b>	<b>17</b>	-
<b>Net Change in Fund Balance</b>	-	-
 <b>FUND BALANCES - OCTOBER 1</b>	-	-
 <b>FUND BALANCES - SEPTEMBER 30</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF HELOTES, TEXAS  
 COMPARATIVE BALANCE SHEETS  
 EXPLORER POST FUND  
 SEPTEMBER 30, 2016 AND 2015

	2016	2015
<b>ASSETS</b>		
Cash and Investments	\$ -	\$ 2,783
<b>TOTAL ASSETS</b>	\$ -	\$ 2,783
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ -	\$ -
<i>Total Liabilities</i>	-	-
 <i>Fund Balances:</i>		
Restricted for:		
Explorer Post	-	2,783
<i>Total Fund Balances</i>	-	2,783
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	\$ -	\$ 2,783

CITY OF HELOTES, TEXAS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 EXPLORER POST FUND  
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	<b>2016</b>	2015
<b>REVENUES</b>		
Miscellaneous	\$ -	\$ -
<b>TOTAL REVENUES</b>	-	-
<b>EXPENDITURES</b>		
Current:		
Development Services	2,783	-
<b>TOTAL EXPENDITURES</b>	2,783	-
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(2,783)	-
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers In (Out)	-	2,783
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	2,783
<b>Net Change in Fund Balance</b>	(2,783)	2,783
<b>FUND BALANCES - OCTOBER 1</b>	2,783	-
<b>FUND BALANCES - SEPTEMBER 30</b>	\$ -	\$ 2,783

CITY OF HELOTES, TEXAS  
 COMPARATIVE BALANCE SHEETS  
 STREET MAINTENANCE FUND  
 SEPTEMBER 30, 2016 AND 2015

	2016	2015
<b>ASSETS</b>		
Cash and Investments	\$ 79,919	\$ -
Receivables:		
Sales Tax and Other Receivable	59,839	-
<b>TOTAL ASSETS</b>	<b>\$ 139,758</b>	<b>\$ -</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 4,267	\$ -
<i>Total Liabilities</i>	<b>4,267</b>	-
 <i>Fund Balances:</i>		
Restricted for:		
Street Maintenance	135,491	-
<i>Total Fund Balances</i>	<b>135,491</b>	-
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 139,758</b>	<b>\$ -</b>

CITY OF HELOTES, TEXAS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 STREET MAINTENANCE FUND  
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	2016	2015
<b>REVENUES</b>		
Taxes	\$ 168,817	\$ -
<b>TOTAL REVENUES</b>	<b>168,817</b>	-
 <b>EXPENDITURES</b>		
Current:		
Development Services	33,326	-
<b>TOTAL EXPENDITURES</b>	<b>33,326</b>	-
 <b>Net Change in Fund Balance</b>	<b>135,491</b>	-
 <b>FUND BALANCES - OCTOBER 1</b>	<b>-</b>	-
 <b>FUND BALANCES - SEPTEMBER 30</b>	<b>\$ 135,491</b>	<b>\$ -</b>





## STATISTICAL SECTION

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

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

### **Contents**

#### Financial Trends – Tables 1 through 5

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

#### Revenue Capacity – Tables 6 through 9

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

#### Debt Capacity – Tables 10 and 11

*These schedules present information to help the reader assess the affordability of Helotes' current levels of outstanding debt and 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			
	2007*	2008*	2009*	2010*
Governmental Activities				
Net Investment in Capital Assets	\$ 2,427,960	\$ 2,441,885	\$ 2,801,984	\$ 2,695,447
Restricted	717,866	870,948	739,054	822,875
Unrestricted (Deficit)	2,128,905	2,224,647	2,274,546	2,259,157
Total Governmental Activities	<u>\$ 5,274,731</u>	<u>\$ 5,537,480</u>	<u>\$ 5,815,584</u>	<u>\$ 5,777,479</u>
Business-Type Activities**				
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Unrestricted (Deficit)	-	-	-	-
Total Business-Type Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary Government				
Net Investment in Capital Assets	\$ 2,427,960	\$ 2,441,885	\$ 2,801,984	\$ 2,695,447
Restricted	717,866	870,948	739,054	822,875
Unrestricted (Deficit)	2,128,905	2,224,647	2,274,546	2,259,157
Total Primary Government	<u>\$ 5,274,731</u>	<u>\$ 5,537,480</u>	<u>\$ 5,815,584</u>	<u>\$ 5,777,479</u>

\*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

<b>Fiscal Year</b>					
<b>2011*</b>	<b>2012*</b>	<b>2013*</b>	<b>2014*</b>	<b>2015</b>	<b>2016</b>
\$ 2,609,738	\$ 2,525,712	\$ 2,559,746	\$ 2,745,214	\$ 3,840,681	\$ 2,317,358
746,104	695,127	765,238	798,952	878,422	1,005,770
2,272,143	2,540,235	2,881,908	3,509,184	(534,577)	449,432
<u>\$ 5,627,985</u>	<u>\$ 5,761,074</u>	<u>\$ 6,206,892</u>	<u>\$ 7,053,350</u>	<u>\$ 4,184,526</u>	<u>\$ 3,772,560</u>
\$ 510,684	\$ 450,745	\$ 390,806	\$ 329,498	\$ -	\$ -
-	-	-	-	-	-
(362,016)	(877,756)	(1,501,982)	(2,170,221)	-	-
<u>\$ 148,668</u>	<u>\$ (427,011)</u>	<u>\$ (1,111,176)</u>	<u>\$ (1,840,723)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,120,422	\$ 2,976,457	\$ 2,950,552	\$ 3,074,712	\$ 3,840,681	\$ 2,317,358
746,104	695,127	765,238	798,952	878,422	1,005,770
1,910,127	1,662,479	1,379,926	1,338,963	(534,577)	449,432
<u>\$ 5,776,653</u>	<u>\$ 5,334,063</u>	<u>\$ 5,095,716</u>	<u>\$ 5,212,627</u>	<u>\$ 4,184,526</u>	<u>\$ 3,772,560</u>

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

	Fiscal Year			
	2007*	2008*	2009*	2010*
<b>Primary Government Expenses</b>				
<i>Governmental Activities:</i>				
City Council	\$ 7,453	\$ 2,709	\$ 4,607	\$ 1,601
City Administration	594,178	204,334	285,686	658,203
Dispatch	-	-	-	-
City Secretary	105,019	107,279	109,745	89,391
Human Resources	-	-	-	-
Municipal Court	242,857	318,373	297,403	236,389
Animal Control, Public Works	-	-	-	260,390
Development Services	851,508	539,247	455,910	56,236
Buildings and Grounds	91,125	184,029	171,832	242,053
Police Department	1,316,587	1,526,649	1,697,362	1,664,264
Emergency Services	176,600	193,781	246,857	259,704
Fire Department	743,250	872,148	902,743	917,726
Capital Outlay	129,419	-	-	-
Interest and Fiscal Charges on Long-Term Debt	170,039	527,658	424,361	406,506
<i>Total Governmental Activities Expenses</i>	<u>4,428,035</u>	<u>4,476,207</u>	<u>4,596,506</u>	<u>4,792,463</u>
<i>Business-Type Activities**</i>				
Dispatch	-	-	-	-
Emergency Medical Services	-	-	-	-
<i>Total Business Type Activities Expenses</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Primary Government Expenses</b>	<u><u>\$ 4,428,035</u></u>	<u><u>\$ 4,476,207</u></u>	<u><u>\$ 4,596,506</u></u>	<u><u>\$ 4,792,463</u></u>
<b>Program Revenues</b>				
<i>Governmental Activities:</i>				
Charges for Services:				
Municipal Court	\$ 220,140	\$ 305,271	\$ 349,424	\$ 305,338
Animal Control, Public Works	-	-	-	-
Development Services	650,357	391,942	250,807	261,620
Buildings and Grounds	-	-	-	14,853
Police Department	-	-	39,080	73,990
Fire & EMS Department	231,975	335,327	306,778	75,305
Operating Grants and Contributions	8,812	1,612	6,459	17,607
Capital Grants and Contributions	1,393,304	54,806	1,950	-
<i>Total Governmental Activities Program Revenues</i>	<u>2,504,588</u>	<u>1,088,958</u>	<u>954,498</u>	<u>748,713</u>
<i>Business-Type Activities**:</i>				
Charges for Services:				
Dispatch	-	-	-	-
Emergency Medical Services	-	-	-	-
Capital Grants and Contributions	-	-	-	-
<i>Total Business-Type Activities Program Revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Primary Government Program Revenues</b>	<u><u>\$ 2,504,588</u></u>	<u><u>\$ 1,088,958</u></u>	<u><u>\$ 954,498</u></u>	<u><u>\$ 748,713</u></u>

\*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					
2011*	2012*	2013*	2014*	2015	2016
\$ 2,220	\$ 1,952	\$ 2,891	\$ 3,477	\$ 3,045	\$ 2,427
680,091	777,467	830,758	1,005,449	2,434,134	1,652,423
-	-	-	-	130,356	192,556
95,229	92,634	99,534	102,401	103,952	109,864
13,358	13,321	14,445	10,031	17,042	91,248
245,506	272,767	269,700	298,008	296,791	242,764
389,432	417,889	433,462	464,904	506,340	545,158
53,911	51,626	93,908	99,167	161,531	576,909
360,351	297,025	324,282	350,322	432,385	1,035,486
1,505,223	1,545,810	1,558,849	1,557,978	1,607,179	1,689,271
-	-	-	-	185,805	159,129
1,156,926	1,120,975	1,106,778	1,241,411	1,589,683	1,567,523
-	-	-	-	-	-
383,924	372,892	416,689	326,977	409,933	411,846
<u>4,886,171</u>	<u>4,964,358</u>	<u>5,151,296</u>	<u>5,460,125</u>	<u>7,878,176</u>	<u>8,276,604</u>
273,290	319,658	370,269	419,557	-	-
281,390	440,165	455,302	447,289	-	-
<u>554,680</u>	<u>759,823</u>	<u>825,571</u>	<u>866,846</u>	<u>-</u>	<u>-</u>
<u>\$ 5,440,851</u>	<u>\$ 5,724,181</u>	<u>\$ 5,976,867</u>	<u>\$ 6,326,971</u>	<u>\$ 7,878,176</u>	<u>\$ 8,276,604</u>
\$ 302,741	\$ 363,923	\$ 259,967	\$ 263,801	\$ 345,564	\$ 353,903
3,951	3,150	4,464	4,885	6,241	7,561
271,218	353,095	484,609	963,548	689,221	410,592
16,790	-	-	-	-	-
83,771	48,091	49,452	65,703	55,407	53,669
75,060	76,695	75,081	75,155	293,091	165,775
7,168	10,594	8,665	8,682	10,784	14,939
416,050	-	-	-	329,498	-
<u>1,176,749</u>	<u>855,548</u>	<u>882,238</u>	<u>1,381,774</u>	<u>1,729,806</u>	<u>1,006,439</u>
54,000	68,729	5,001	5,007	-	-
82,080	115,415	136,337	132,274	-	-
-	-	-	-	(329,498)	-
<u>136,080</u>	<u>184,144</u>	<u>141,338</u>	<u>137,281</u>	<u>(329,498)</u>	<u>-</u>
<u>\$ 1,312,829</u>	<u>\$ 1,039,692</u>	<u>\$ 1,023,576</u>	<u>\$ 1,519,055</u>	<u>\$ 1,400,308</u>	<u>\$ 1,006,439</u>

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

	Fiscal Year			
	2007*	2008*	2009*	2010*
<b>Primary Government Net Expenses</b>				
Governmental Activities	\$ (1,923,447)	\$ (3,387,249)	\$ (3,642,008)	\$ (4,043,750)
Business-Type Activities	-	-	-	-
<b>Total Primary Government Net Expenses</b>	<u>\$ (1,923,447)</u>	<u>\$ (3,387,249)</u>	<u>\$ (3,642,008)</u>	<u>\$ (4,043,750)</u>
 <b>General Revenues and Other Changes in Net Position</b>				
<i>Governmental Activities:</i>				
Taxes:				
General Property Taxes	\$ 1,652,361	\$ 2,181,026	\$ 2,579,291	\$ 2,632,523
Sales Taxes	896,597	766,305	763,063	871,043
Franchise Taxes	326,173	369,790	359,770	392,595
Interest and Investment earnings	316,697	304,641	196,791	74,450
Proceeds from Sale of Land	-	-	-	-
Miscellaneous	28,919	28,236	21,197	35,034
Transfers	-	-	-	-
<i>Total Governmental General Revenues</i>	<u>3,220,747</u>	<u>3,649,998</u>	<u>3,920,112</u>	<u>4,005,645</u>
 <i>Business-Type Activities**:</i>				
Interest and Investment earnings	-	-	-	-
Transfers	-	-	-	-
<i>Total Business-Type General Revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Primary Government General Revenues</b>	<u>\$ 3,220,747</u>	<u>\$ 3,649,998</u>	<u>\$ 3,920,112</u>	<u>\$ 4,005,645</u>
 <b>Changes In Net Position</b>				
Governmental Activities	\$ 1,297,300	\$ 262,749	\$ 278,104	\$ (38,105)
Business-Type Activities**	-	-	-	-
<b>Total Primary Government</b>	<u>\$ 1,297,300</u>	<u>\$ 262,749</u>	<u>\$ 278,104</u>	<u>\$ (38,105)</u>

\*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					
2011*	2012*	2013*	2014*	2015	2016
\$ (3,709,422)	\$ (4,108,810)	\$ (4,269,058)	\$ (4,078,351)	\$ (6,148,370)	\$ (7,270,165)
(418,600)	(575,679)	(684,233)	(729,565)	(329,498)	-
<u>\$ (4,128,022)</u>	<u>\$ (4,684,489)</u>	<u>\$ (4,953,291)</u>	<u>\$ (4,807,916)</u>	<u>\$ (6,477,868)</u>	<u>\$ (7,270,165)</u>
\$ 2,626,085	\$ 2,635,240	\$ 2,639,461	\$ 2,681,143	\$ 2,876,136	\$ 3,141,427
970,912	1,054,778	1,424,354	1,645,268	1,846,456	2,208,136
455,020	442,683	477,344	527,251	795,805	758,253
21,114	8,488	5,791	9,874	10,314	15,540
-	-	-	-	-	519,514
54,065	100,710	167,926	61,273	72,931	215,329
(567,268)	-	-	-	(2,170,221)	-
<u>3,559,928</u>	<u>4,241,899</u>	<u>4,714,876</u>	<u>4,924,809</u>	<u>3,431,421</u>	<u>6,858,199</u>
-	-	68	18	-	-
567,268	-	-	-	2,170,221	-
<u>567,268</u>	<u>-</u>	<u>68</u>	<u>18</u>	<u>2,170,221</u>	<u>-</u>
<u>\$ 4,127,196</u>	<u>\$ 4,241,899</u>	<u>\$ 4,714,944</u>	<u>\$ 4,924,827</u>	<u>\$ 5,601,642</u>	<u>\$ 6,858,199</u>
\$ (149,494)	\$ 133,089	\$ 445,818	\$ 846,458	\$ (2,716,949)	\$ (411,966)
148,668	(575,679)	(684,165)	(729,547)	1,840,723	-
<u>\$ (826)</u>	<u>\$ (442,590)</u>	<u>\$ (238,347)</u>	<u>\$ 116,911</u>	<u>\$ (876,226)</u>	<u>\$ (411,966)</u>

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

	<b>Fiscal Year</b>			
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<i>Nonspendable Fund Balance:</i>				
Prepaid Items	\$ 9,850	\$ -	\$ -	\$ 70,355
<i>Total Nonspendable Fund Balance</i>	<u>9,850</u>	<u>-</u>	<u>-</u>	<u>70,355</u>
<i>Restricted Fund Balance:</i>				
Court Techonology and Security	29,502	31,216	39,639	47,601
School Crossing	1,949	94	94	6,895
Police Department	10,545	8,217	10,011	17,045
PEG Capital Fees	-	-	-	-
Explorer Post	-	-	-	-
Street Maintenance	-	-	-	-
Economic Development Corporation	518,970	739,407	627,130	587,557
Debt Service	156,293	-	1,541	108,048
Capital Projects	-	-	-	-
<i>Total Restricted Fund Balance</i>	<u>717,259</u>	<u>778,934</u>	<u>678,415</u>	<u>767,146</u>
<i>Committed Fund Balance:</i>				
Capital Projects	10,446,746	8,965,420	6,168,211	219,225
<i>Total Committed Fund Balance</i>	<u>10,446,746</u>	<u>8,965,420</u>	<u>6,168,211</u>	<u>219,225</u>
Unassigned Fund Balance	<u>1,776,946</u>	<u>1,939,920</u>	<u>2,133,166</u>	<u>2,123,154</u>
<i>Total Governmental Funds</i>	<u><u>\$12,950,801</u></u>	<u><u>\$ 11,684,274</u></u>	<u><u>\$ 8,979,792</u></u>	<u><u>\$ 3,179,880</u></u>



TABLE 3

<b>Fiscal Year</b>					
<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
\$ -	\$ -	\$ 2,184	\$ 440	\$ -	\$ 2,477
-	-	2,184	440	-	2,477
44,246	26,167	15,665	12,705	10,497	3,897
15,229	23,450	33,813	22,888	19,203	31,177
11,196	5,882	5,286	4,795	4,515	2,485
-	35,890	31,702	29,833	53,002	58,284
-	-	-	-	2,783	-
-	-	-	-	-	135,491
589,761	524,912	563,116	684,370	747,282	733,861
93,677	87,158	119,989	4,107	15,261	64,428
-	-	-	-	4,301,770	3,651,769
<u>754,109</u>	<u>703,459</u>	<u>769,571</u>	<u>758,698</u>	<u>5,154,313</u>	<u>4,681,392</u>
196,999	165,852	192,482	6,283	-	-
<u>196,999</u>	<u>165,852</u>	<u>192,482</u>	<u>6,283</u>	<u>-</u>	<u>-</u>
<u>2,188,309</u>	<u>2,496,562</u>	<u>2,924,244</u>	<u>3,786,300</u>	<u>1,660,768</u>	<u>2,101,643</u>
<u><u>\$ 3,139,417</u></u>	<u><u>\$3,365,873</u></u>	<u><u>\$3,888,481</u></u>	<u><u>\$4,551,721</u></u>	<u><u>\$6,815,081</u></u>	<u><u>\$6,785,512</u></u>

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

	Fiscal Year			
	2007	2008	2009	2010
<b>REVENUES</b>				
Taxes	\$ 2,543,744	\$ 2,932,471	\$ 3,323,816	\$ 3,520,791
Franchise Fees	326,173	369,790	362,180	392,595
Licenses and Permits	650,357	391,942	237,716	234,617
Municipal Court	220,140	305,271	388,504	379,329
Fire Department	231,975	335,327	308,328	75,305
Grants	81,116	8,278	-	10,171
Interest	316,698	304,640	196,787	74,444
Miscellaneous	28,918	28,239	41,147	84,738
<b>TOTAL REVENUES</b>	<u>4,399,121</u>	<u>4,675,958</u>	<u>4,858,478</u>	<u>4,771,990</u>
<b>EXPENDITURES</b>				
Current:				
City Council	7,453	2,709	4,607	1,601
City Administration	583,933	198,646	284,472	635,668
Dispatch	-	-	-	-
City Secretary	108,626	98,777	100,969	86,891
Human Resources	-	-	-	-
Municipal Court	240,577	308,281	285,401	230,933
Animal Control, Public Works	-	-	-	157,826
Development Services	301,993	53,407	94,209	55,596
Buildings and Grounds	532,771	389,461	389,759	182,595
Police Department	1,248,433	1,405,025	1,592,574	1,583,501
Emergency Services	176,600	193,781	246,857	259,704
Fire Department	650,322	777,597	811,176	828,372
Capital Outlay	266,054	1,649,450	2,850,076	5,692,182
Debt Service:				
Principal	115,000	300,000	480,000	455,000
Interest and Fiscal Charges	151,175	565,351	422,860	402,033
Bond Issuance Costs	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>4,382,937</u>	<u>5,942,485</u>	<u>7,562,960</u>	<u>10,571,902</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>16,184</u>	<u>(1,266,527)</u>	<u>(2,704,482)</u>	<u>(5,799,912)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Debt	10,000,000	-	-	-
Premium on Bond Issuance	-	-	-	-
Proceeds from Sale of Land	-	-	-	-
Insurance Proceeds	-	-	-	-
Transfers In (Out)	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>10,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 10,016,184</u>	<u>\$ (1,266,527)</u>	<u>\$ (2,704,482)</u>	<u>\$ (5,799,912)</u>
Debt Service as a Percentage of Noncapital Expenditures	6.47%	20.16%	19.16%	17.56%

TABLE 4

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 3,591,052	\$ 3,693,695	\$ 4,062,138	\$ 4,334,193	\$ 4,715,367	\$ 5,347,339
455,020	442,683	477,344	527,251	795,805	758,252
269,821	356,245	489,073	968,433	695,462	418,153
386,512	412,014	309,419	329,504	400,971	407,573
75,060	76,695	75,081	75,155	206,605	147,248
416,050	-	-	-	-	-
21,117	8,488	5,791	9,874	10,314	15,851
85,537	111,875	176,589	69,955	78,670	230,268
<u>5,300,169</u>	<u>5,101,695</u>	<u>5,595,435</u>	<u>6,314,365</u>	<u>6,903,194</u>	<u>7,324,684</u>
2,220	1,952	2,891	3,477	3,045	2,427
624,710	723,786	774,049	954,482	1,122,044	1,059,043
-	-	-	-	374,095	496,109
92,184	93,323	97,265	104,296	98,213	109,816
13,358	13,321	14,445	10,031	17,042	88,357
260,169	263,797	263,895	289,042	294,864	248,944
164,919	189,702	206,188	232,348	276,116	271,941
53,974	53,011	92,557	90,866	162,743	199,740
245,973	242,912	251,854	282,776	365,604	347,643
1,359,034	1,361,029	1,449,750	1,424,571	1,413,777	1,482,328
-	-	-	-	450,757	413,288
941,619	926,726	951,384	1,090,695	1,098,189	1,132,589
800,496	164,382	111,543	378,437	212,651	1,002,362
503,805	543,882	589,902	658,787	666,186	802,147
383,828	369,434	351,444	331,317	305,166	410,600
-	-	-	-	94,223	-
<u>5,446,289</u>	<u>4,947,257</u>	<u>5,157,167</u>	<u>5,851,125</u>	<u>6,954,715</u>	<u>8,067,334</u>
<u>(146,120)</u>	<u>154,438</u>	<u>438,268</u>	<u>463,240</u>	<u>(51,521)</u>	<u>(742,650)</u>
105,657	72,018	84,340	200,000	4,315,000	193,567
-	-	-	-	147,106	-
-	-	-	-	-	519,514
-	-	-	-	22,996	-
-	-	-	-	(2,170,221)	-
<u>105,657</u>	<u>72,018</u>	<u>84,340</u>	<u>200,000</u>	<u>2,314,881</u>	<u>713,081</u>
<u>\$ (40,463)</u>	<u>\$ 226,456</u>	<u>\$ 522,608</u>	<u>\$ 663,240</u>	<u>\$ 2,263,360</u>	<u>\$ (29,569)</u>
19.11%	18.91%	18.85%	18.02%	15.76%	16.13%

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

TABLE 5

Fiscal Year	Property	Sales & Use	Franchise	Total
2007	\$ 1,647,147	\$ 896,597	\$ 326,173	\$ 2,869,917
2008	2,166,166	766,305	369,790	3,302,261
2009	2,563,162	760,654	362,180	3,685,996
2010	2,649,748	871,043	392,595	3,913,386
2011	2,620,140	970,912	455,020	4,046,072
2012	2,638,917	1,054,778	442,683	4,136,378
2013	2,637,784	1,424,354	477,344	4,539,482
2014	2,688,925	1,645,268	527,251	4,861,444
2015	2,868,911	1,846,456	795,805	5,511,172
2016	3,139,203	2,208,136	758,252	6,105,591

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
2007	\$ 447,112,505	\$ 50,241,650	\$ 14,075,491	\$ 483,278,664	0.336287
2008	597,429,473	67,132,639	18,807,600	645,754,512	0.336287
2009	639,537,759	113,424,621	45,305,554	707,656,826	0.363651
2010	653,565,423	115,942,834	47,975,420	721,532,837	0.363651
2011	652,132,270	120,241,773	49,651,853	722,722,190	0.363651
2012	663,227,472	120,004,340	51,751,163	731,480,649	0.360000
2013	677,033,974	124,391,838	56,356,942	745,068,870	0.355000
2014	697,083,124	146,200,980	75,978,756	767,305,348	0.350000
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

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	
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	
2016	0.269894	0.080106				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
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
2016	0.350000	1.375500	0.276235	0.149150	0.017290	0.314500	2.482675

Source: Information furnished by Bexar County Tax Assessor - Collector

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

TABLE 8

<u>Taxpayer</u>	2016			2007		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Wal Mart Stores Inc.	\$ 23,985,600	1	2.62%			
Bandera Helotes Plaza LLC	6,887,000	2	0.75%			
TKGSM-TX LP	5,113,000	3	0.56%			
Helotes Town Centre LP	5,060,820	4	0.55%			
JDL Texas Ventures	5,049,000	5	0.55%	\$ 3,182,810	2	0.70%
White Turkey Creek LTD	4,461,660	6	0.49%			
CCP Shurgard Texas LTD	3,790,620	7	0.41%	\$ 2,249,100	5	0.49%
Toll San Antonio TX LLC	3,653,250	8	0.40%			
Pela General Builders LLC	3,544,000	9	0.39%			
Highland Homes-SA Ltd.	2,748,950	10	0.30%			
Hill Country Crossing II Ltd.				\$ 3,729,280	1	0.82%
Iron Horse Building Cp., Ltd.				2,854,800	3	0.63%
Brian and Rebecca Senger				2,625,540	4	0.58%
Eugene Sprague				1,600,000	6	0.35%
Jerrold & Elsa Jolly				1,531,000	7	0.33%
Rene and Frances Spina				1,422,400	8	0.31%
Jim Koeller				1,300,810	9	0.28%
James and Beverly Pestello				1,197,700	10	0.26%
<b>Total</b>	<u><u>\$ 64,293,900</u></u>		<u><u>7.03%</u></u>	<u><u>\$21,693,440</u></u>		<u><u>4.75%</u></u>

Taxable value of \$914,823,796

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
2007	\$ 1,625,203	\$ 1,611,852	99.18%	\$ 13,064	\$ 1,624,916	99.98%
2008	2,171,588	2,145,209	98.79%	25,467	2,170,676	99.96%
2009	2,574,083	2,532,144	98.37%	40,297	2,572,441	99.94%
2010	2,613,074	2,596,599	99.37%	14,492	2,611,091	99.92%
2011	2,614,869	2,591,187	99.09%	21,123	2,612,310	99.90%
2012	2,622,552	2,604,356	99.31%	15,536	2,619,892	99.90%
2013	2,635,251	2,618,686	99.37%	11,327	2,630,013	99.80%
2014	2,682,643	2,668,143	99.46%	8,556	2,676,699	99.78%
2015	2,866,335	2,846,427	99.31%	13,252	2,859,679	99.77%
2016	3,146,535	3,132,848	99.57%	-	3,132,848	99.57%

Source: Bexar County Tax Assessor Collector



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

TABLE 10

Fiscal Year	Governmental Activities				Total Primary Government	Per Capita*
	General Obligation Bonds	Certificates of Obligation	Capital Leases	Note Payable		
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
2016	-	10,965,000	141,780	50,000	11,156,780	1,299

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		\$ 744,380,833
Debt Limit - 10% of taxable value [1]		\$ 74,438,083
Amount of Debt Applicable to Debt Limit:		
Total Bonded Debt	\$ 11,156,780	
Less Funds Available in Debt Service Fund	<u>64,428</u>	
Total Amount of Debt Applicable to Debt Limit		<u>11,092,352</u>
Legal Debt Margin		<u>\$ 63,345,731</u>

	Fiscal Year		
	2013	2014	2015
Debt Limit	\$ 62,466,659	\$ 63,313,192	\$ 67,595,035
Total Net Debt Applicable to Debt Limit	(8,454,435)	(8,111,530)	(11,749,009)
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	(9,841,952)	(9,458,175)	(8,992,829)
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	(11,028,707)	(10,885,000)	(10,403,459)
Legal Debt Margin	<u>\$ 37,299,159</u>	<u>\$ 53,690,291</u>	<u>\$ 60,367,872</u>

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

TABLE 12

Year	Population	Per Capita Income	Median Age	School Enrollment	Unemployment Rate
2007	6,460	\$ 29,534	38.9	3,838	4.1%
2008	6,681	29,534	38.9	3,292	5.1%
2009	7,831	29,534	38.9	3,272	7.2%
2010	7,960	29,534	38.9	3,420	7.8%
2011	7,341	32,123	41.1	4,371	7.9%
2012	7,060	31,335	41.1	4,161	6.8%
2013	7,880	41,549	41.1	4,031	5.5%
2014	8,104	42,053	41.1	4,256	4.3%
2015	8,364	42,053	44.4	4,284	3.7%
2016	8,591	42,772	44.4	4,448	3.5%

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 NINE YEARS AGO

TABLE 13

Employer	2016			2007		
	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	1	1.69%
USAA	17,000	4	1.61%	13,800	2	1.60%
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				6,500	3	0.75%
Cardell Kitchen & Bath				3,050	4	0.35%
Valero				3,000	5	0.35%
Citicorp				3,000	6	0.35%
World Savings				2,742	7	0.32%
West Telemarketing				2,366	8	0.27%
Bill Miller BBQ				2,200	9	0.25%
Toyota Motor Mfg				2,000	10	0.23%
<b>Total</b>	<u>164,231</u>		<u>15.54%</u>	<u>53,246</u>		<u>6.16%</u>

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

