

CITY OF HELOTES, TEXAS

**ANNUAL
FINANCIAL REPORT**

**FISCAL YEAR ENDED
SEPTEMBER 30, 2015**





CITY OF HELOTES, TEXAS
 ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

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CITY OF HELOTES, TEXAS

PRINCIPAL OFFICERS

CITY OFFICIALS

MAYOR	THOMAS A. SCHOOLCRAFT
MAYOR PRO-TEM	PAUL FRIEDRICHS
CITY COUNCIL	EDWARD VILLANUEVA
	ALEX BLUE
	BERT BUYS
	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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Helotes, as of and for the year ended September 30, 2015, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Helotes, as of September 30, 2015, 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.

Emphasis of Matter

As discussed in Note A18 to the financial statements, in October 2014, the City adopted new accounting guidance from Governmental Accounting Standards Board Statement No. 68 related to accounting for pensions. This resulted in a restatement of prior year balances. Our opinion is not modified with respect to this matter.

As discussed in Note K to the financial statements, in October 2014, the City transferred the activity of the Dispatch and EMS Funds to the General Fund.

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.

April 06, 2016

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, 2015. Please read it in conjunction with the City’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

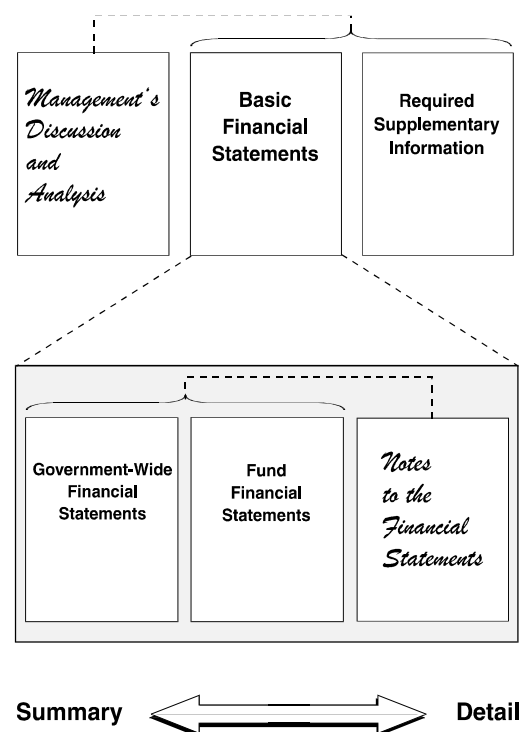
- The City’s total combined net position was \$4.2 million at September 30, 2015.
- During the year, the City’s governmental activities expenses increased 44% from the prior year due to incorporation of the EMS and Dispatch and accruing contingencies, and were \$876,226 more than the \$7.0 million generated in taxes and other revenues from governmental activities.
- During the year, the City’s two business-type activities (Dispatch and Emergency Medical Services) were transferred to the General Fund and governmental-type activities.
- The City’s total governmental expenditures increased approximately 18.9% from the prior year. This included the General Fund, Economic Development Fund, Debt Service Fund, Capital Projects Fund, and the non-major funds. The General Fund’s operating expenditures increased by 21.2% from the Proprietary Funds with the General Fund prior year.
- The General Fund reported a fund balance this year of \$1.7 million after absorbing the Dispatch and Emergency Medical Service activities.
- The City issued certificates of obligation in the amount of \$4,315,000 for a variety of capital improvement projects within the City.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



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

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

Figure A-2. Major Features of the City's Government-wide and Fund Financial Statements			
<i>Type of Statements</i>	Fund Statements		
	Government-wide	Governmental Funds	Proprietary Funds
<i>Scope</i>	Entire City's government (except fiduciary funds) and the City's component units.	The activities of the City that are not proprietary or fiduciary.	Activities the City operates similar to private business.
<i>Required financial statements</i>	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures & Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses & Changes in Net Position
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included.	All assets and liabilities, both financial and capital, short-term and long-term.
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during the year, regardless of when cash is received or paid.

Government-Wide Statements

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

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

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

The government-wide financial statements of the City include the *Governmental activities* (most of the City’s basic services are included here, such as the Police Department, Fire Department and City Administration) and *Business-type activities* (services designed to generate sufficient revenues to cover associated costs). Property taxes, sales taxes, franchise fees, Municipal Court fines, and permits finance most of the *Governmental activities*, while charges for services finance most of the *Business-type activities*.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position. The City's combined net position was \$4.2 million at September 30, 2015. (See Table A-1). The City reported a deficit unrestricted net position of \$534 thousand as a result of recording a contingency liability.

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

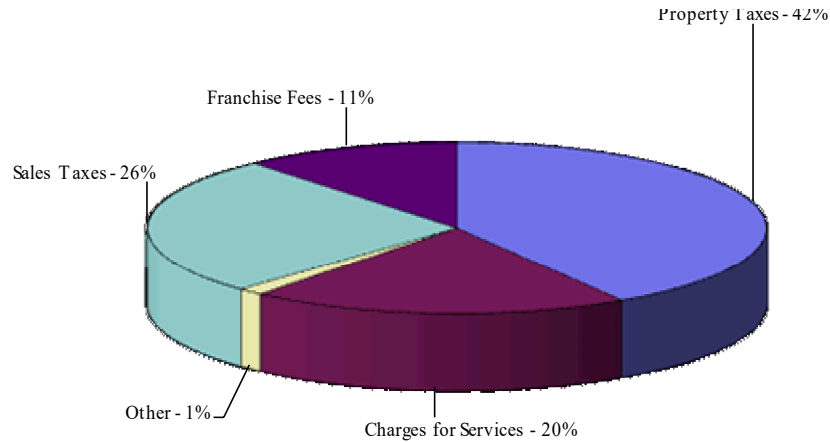
	Governmental Activities		Business-Type Activities**		Total		Total Percentage Change 2015-2014
	2015	2014*	2015	2014	2015	2014*	
<i>Assets:</i>							
<i>Current assets:</i>							
Cash and Cash Equivalents	\$ 6,629	\$ 2,114	\$ -	\$ 129	\$ 6,629	\$ 2,243	195.5%
Other Current Assets	578	2,799	-	(2,249)	578	550	5.1%
Capital Assets	10,725	10,861	-	329	10,725	11,190	-4.2%
<i>Total Assets</i>	<u>17,932</u>	<u>15,774</u>	<u>-</u>	<u>(1,791)</u>	<u>17,932</u>	<u>13,983</u>	28.2%
<i>Deferred Outflows:</i>							
Deferred Pension Related Outflows	171	103	-	-	171	103	66.5%
<i>Total Deferred Outflows</i>	<u>171</u>	<u>103</u>	<u>-</u>	<u>-</u>	<u>171</u>	<u>103</u>	66.5%
<i>Liabilities:</i>							
Current Liabilities	682	605	-	50	682	655	4.1%
<i>Non-Current Liabilities:</i>							
Due within One Year	756	659	-	-	756	659	14.7%
Due in more than One Year	11,015	7,457	-	-	11,015	7,457	47.7%
Premiums & Discounts on Bonds	140	-	-	-	140	-	100.0%
Net Pension Liability	298	255	-	-	298	255	16.9%
Contingency Liability	1,006	-	-	-	1,006	-	100.0%
<i>Total Liabilities</i>	<u>13,897</u>	<u>8,976</u>	<u>-</u>	<u>50</u>	<u>12,891</u>	<u>9,026</u>	42.8%
<i>Deferred Outflows:</i>							
Deferred Pension Related Outflows	21	-	-	-	21	-	100.0%
<i>Total Deferred Outflows</i>	<u>21</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21</u>	<u>-</u>	100.0%
<i>Net Position:</i>							
Net Investment in Capital Assets	3,841	2,745	-	329	3,841	3,074	25.0%
Restricted	878	756	-	-	878	756	16.1%
Unrestricted (Deficit)	(534)	3,400	-	(2,170)	(534)	1,230	-143.4%
<i>Total Net Position</i>	<u>\$ 4,185</u>	<u>\$ 6,901</u>	<u>\$ -</u>	<u>\$ (1,841)</u>	<u>\$ 4,185</u>	<u>\$ 5,060</u>	-17.3%

*Note: Comparative information restated for adoption of GASB Statement No. 68. See note A18 for more detail.

** The Business-type Activities were transferred to the Governmental Activities on October 1, 2014.

Changes in Net Position. The City's total revenues were \$7.0 million. A significant portion, 66%, of the City's revenue comes from property and sales taxes, while 20% relates to charges for services (See Figure A-3).

Figure A-3 City of Helotes
Revenue Sources for Fiscal Year 2015



The total cost of all programs and services was \$7.9 million. 41% of these costs are for Police and Fire Protection. The difference between total revenues and expenses results in an FYE 2015 decrease of \$876,226. The majority of said decrease is attributable to recording potential claims and judgments.

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

	Governmental Activities		Business-Type Activities**		Total		Total Percentage Change 2015-2014
	2015	2014*	2015	2014	2015	2014*	
Primary Government:							
City Council	\$ 3	\$ 3	\$ -	\$ -	\$ 3	\$ 3	0.0%
City Administration	2,434	1,006	-	-	2,434	1,006	142.0%
Dispatch	131	-	-	420	131	420	-68.7%
City Secretary	104	102	-	-	104	102	1.9%
Human Resources	17	10	-	-	17	10	70.4%
Municipal Court	297	298	-	-	297	298	-0.4%
Animal Control, Public Works	506	465	-	-	506	465	8.9%
Development Services	162	99	-	-	162	99	63.2%
Building and Grounds	433	351	-	-	433	351	23.5%
Police Department	1,607	1,558	-	-	1,607	1,558	3.2%
Emergency Medical Services	186	-	-	448	186	448	-58.5%
Fire Department	1,590	1,241	-	-	1,590	1,241	28.1%
Interest and Fiscal Charges on LT Debt	410	327	-	-	410	327	25.4%
Total Governmental Activities	7,878	5,460	-	868	7,878	6,328	24.5%
Program Revenues:							
Charges for Services	1,390	1,373	-	138	1,390	1,511	-8.0%
Operating Grants & Contributions	11	9	-	-	11	9	19.8%
Capital Grants & Contributions	329	-	(329)	-	-	-	0.0%
General Revenues:							
General Property Tax	2,876	2,681	-	-	2,876	2,681	7.3%
Sales Taxes	1,846	1,645	-	-	1,846	1,645	12.2%
Franchise Taxes	796	527	-	-	796	527	51.0%
Investment Earnings	10	10	-	-	10	10	3.1%
Miscellaneous	73	61	-	-	73	61	19.6%
Transfers	(2,170)	-	2,170	-	-	-	0.0%
Total Revenues and Transfers	5,160	6,306	1,841	138	7,002	6,444	8.7%
Change in Net Position	(2,718)	846	1,841	(730)	(876)	116	-855.3%

*Note: Comparative information for 2014 has not been restated for the effects of the adoption of GASB Statement No. 68, as information is not available.

** The Business-type Activities were transferred to the Governmental Activities on October 1, 2014.

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 \$194,993 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 \$7.9 million.
- The amount of these activities that was paid for by taxpayers through property taxes was \$2.9 million (37%).
- 18% of the cost, \$1.4 million, was paid by those who directly benefited from the programs and activities through direct charges for services.

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

	Total Cost of Services			Net Cost of Services		
	2015	2014	% Change	2015	2014	% Change
<i>Governmental</i>						
City Council	\$ 3	\$ 3	0.0%	\$ 3	\$ 3	1.5%
City Administration	2,434	1,006	142.0%	2,434	1,006	142.0%
Dispatch	131	-	100.0%	(100)	-	100.0%
City Secretary	104	102	1.9%	104	102	1.9%
Human Resources	17	10	70.4%	17	10	70.4%
Municipal Court	297	298	-0.4%	(49)	34	-243.5%
Animal Control, PW	506	465	8.9%	500	460	8.7%
Development Services	162	99	63.2%	(528)	(864)	-38.9%
Building and Grounds	433	351	23.5%	433	351	23.5%
Police Department	1,607	1,558	3.2%	1,541	1,484	3.8%
Emergency Medical	186	-	100.0%	(206)	-	100.0%
Fire Department	1,590	1,241	28.1%	1,590	1,166	36.3%
<i>Business-Type</i>						
Dispatch	-	420	-100.0%	231	415	-44.3%
Emergency Medical	-	448	-100.0%	98	315	-68.7%

Business-Type Activities

The City began two activities in the 2011 fiscal year for Dispatch and Emergency Medical Services. The City transferred these activities into the *governmental activities* during the year ended September 30, 2015 through the transfer of funds, property, and equipment.

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

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

Revenues from governmental fund types totaled \$6.9 million, an increase of 10% over the prior year. The increase is primarily due to increases in tax and franchise fee collections.

General Fund Budgetary Highlights

Actual revenues exceeded the budget by \$32,242, and actual expenditures were under budget by \$12,467. The budget was amended during the year to increase expenditures that were expected to be covered by an increase in estimated revenues.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At the end of 2015, the City had invested \$22.6 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 \$10.7 million.

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

	Governmental Activities		Business-Type Activities**		Total		Total Percentage Change
	2015	2014	2015	2014	2015	2014	2015-2014
Land	\$ 1,764	\$ 1,764	\$ -	\$ -	\$ 1,764	\$ 1,764	0.0%
Construction in Progress	339	154	-	-	339	154	120.2%
Buildings and Improvements	6,775	6,768	-	-	6,775	6,768	0.1%
Vehicles and Equipment	2,848	2,297	-	579	2,848	2,876	-1.0%
Infrastructure	10,835	10,835	-	-	10,835	10,835	0.0%
Totals at historical cost	22,561	21,818	-	579	22,561	22,397	0.7%
Total accumulated depreciation	(11,835)	(10,957)	-	(249)	(11,835)	(11,206)	5.6%
Net Capital Assets	<u>\$ 10,725</u>	<u>\$ 10,861</u>	<u>\$ -</u>	<u>\$ 330</u>	<u>\$ 10,725</u>	<u>\$ 11,191</u>	-4.2%

** The Business-type activities were transferred to the Governmental Activities on October 1, 2014.

Long Term Debt. At year-end the City had \$11,650,000 in bonds outstanding as shown in Table A-5. More detailed information about the City’s debt is presented in the notes to the financial statements.

The City issued debt of \$4,315,000 for a variety of Capital Projects.

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

	Governmental		Total		Total
	Activities				Percentage
	2015	2014	2015	2014	Change
Bonds Payable	\$ 11,650	\$ 7,905	\$ 11,650	\$ 7,905	47.4%
Total Bonded Debt	\$ 11,650	\$ 7,905	\$ 11,650	\$ 7,905	47.4%

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The City adopted an ad valorem tax rate of 0.350000 per \$100 of valuation for the FYE 2016 budget which is the same rate per \$100 of valuation adopted in FYE 2015. As sales tax revenues and other fees, i.e., franchise, licenses, etc., continue to raise the City Council believes this to be a positive step in its attempt to balance sales and property tax collections.

General operating fund expenditures increased in the FYE 2016 budget from \$5.579 million in FYE 2015 to \$5.949 million. This increase is primarily a result of general increases for all departments for various expenditures including capital outlay.

Lastly, total budgeted revenues for FYE 2016 are expected to exceed budgeted FYE 2015 revenues by approximately \$368,000, from \$5.581 million in 2015 to \$5.949 million in 2016. This increase is primarily due to higher sales tax collections and increasing ad valorem taxes and franchise fees related to a growing population and business community.

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, 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; and
- Fund financial statements:
 - Governmental funds; and
 - Proprietary funds.

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

CITY OF HELOTES, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities**	Total
ASSETS			
Cash and Investments	\$ 6,379,438	\$ -	\$ 6,379,438
Certificates of Deposit	249,712	-	249,712
Receivables (Net of Allowances for Uncollectibles)			
Property Taxes	42,609	-	42,609
Other Receivables	534,924	-	534,924
Capital Assets:			
Land	1,763,771	-	1,763,771
Construction in Progress	339,033	-	339,033
Buildings	6,774,720	-	6,774,720
Vehicles & Equipment	2,847,844	-	2,847,844
Infrastructure	10,835,178	-	10,835,178
Accumulated Depreciation	(11,835,205)	-	(11,835,205)
TOTAL ASSETS	17,932,024	-	17,932,024
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Related Outflows	171,468	-	171,468
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 171,468	\$ -	\$ 171,468

**The Business-type Activities were transferred to the Governmental Activities on October 1, 2014.

See accompanying notes to basic financial statements.

CITY OF HELOTES, TEXAS
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities**	Total
LIABILITIES			
<i>Liabilities:</i>			
Accounts Payable	\$ 95,510	\$ -	\$ 95,510
Accrued Liabilities	35,619	-	35,619
Accrued Compensated Absences	350,961	-	350,961
Accrued Interest Payable	71,811	-	71,811
Unearned Revenue - Lease	128,504	-	128,504
<i>Noncurrent Liabilities:</i>			
Due within One Year	756,625	-	756,625
Due in More than One Year	11,015,000	-	11,015,000
Premiums and Discounts on Issuance of Bonds	139,751	-	139,751
Net Pension Liability	297,832	-	297,832
Contingency Liability	1,006,540	-	1,006,540
TOTAL LIABILITIES	13,898,153	-	13,898,153
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Related Inflows	20,813	-	20,813
TOTAL DEFERRED INFLOWS OF RESOURCES	20,813	-	20,813
NET POSITION			
Net Investment in Capital Assets	3,840,681	-	3,840,681
Restricted for:			
Police, Municipal Court and School Crossing	36,998	-	36,998
PEG Capital Fees	53,002	-	53,002
Economic Development Fund	788,422	-	788,422
Unrestricted (Deficit)	(534,577)	-	(534,577)
TOTAL NET POSITION	\$ 4,184,526	\$ -	\$ 4,184,526

**The Business-type Activities were transferred to the Governmental Activities on October 1, 2014.

See accompanying notes to basic financial statements.

CITY OF HELOTES, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

<u>Functions and Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Program</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenues</u>
		<u>Services</u>	<u>Grants and</u>	<u>Capital</u>
			<u>Contributions</u>	<u>Grants and</u>
				<u>Contributions</u>
Primary Government:				
<i>Governmental Activities:</i>				
City Council	\$ 3,045	\$ -	\$ -	\$ -
City Administration	2,434,134	-	-	-
Dispatch	130,356	-	-	231,047
City Secretary	103,952	-	-	-
Human Resources	17,042	-	-	-
Municipal Court	296,791	345,564	-	-
Animal Control, Public Works	506,340	6,241	-	-
Development Services	161,531	689,221	-	-
Buildings and Grounds	432,385	-	-	-
Police Department	1,607,179	55,407	10,784	-
Emergency Medical Services	185,805	293,091	-	98,451
Fire Department	1,589,683	-	-	-
Interest and Fiscal Fees on Long-term Debt	409,933	-	-	-
<i>Total Governmental Activities</i>	<u>7,878,176</u>	<u>1,389,524</u>	<u>10,784</u>	<u>329,498</u>
<i>Business-Type Activities**:</i>				
Dispatch	-	-	-	(231,047)
Emergency Medical Services	-	-	-	(98,451)
<i>Total Business-Type Activities:</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(329,498)</u>
Total Primary Government	<u>\$ 7,878,176</u>	<u>\$ 1,389,524</u>	<u>\$ 10,784</u>	<u>\$ -</u>
General Revenues:				
Taxes:				
General Property Taxes				
Sales Taxes				
Franchise Taxes				
Interest and Investment Earnings				
Miscellaneous				
Total General Revenues				
Transfers In (Out)				
Change in Net Position				
Net Position (Deficit) at Beginning of Year				
Prior Period Adjustment				
Net Position at End of Year				

**The Business-type Activities were transferred to the Governmental Activities on October 1, 2014.

See accompanying notes to basic financial statements.

Net Revenue (Expense)		
Primary Government		
Governmental Activities	Business-Type Activities**	Total
\$ (3,045)	\$ -	\$ (3,045)
(2,434,134)	-	(2,434,134)
100,691	-	100,691
(103,952)	-	(103,952)
(17,042)	-	(17,042)
48,773	-	48,773
(500,099)	-	(500,099)
527,690	-	527,690
(432,385)	-	(432,385)
(1,540,988)	-	(1,540,988)
205,737	-	205,737
(1,589,683)	-	(1,589,683)
(409,933)	-	(409,933)
<u>(6,148,370)</u>	<u>-</u>	<u>(6,148,370)</u>
-	(231,047)	(231,047)
-	(98,451)	(98,451)
<u>-</u>	<u>(329,498)</u>	<u>(329,498)</u>
2,876,136	-	2,876,136
1,846,456	-	1,846,456
795,805	-	795,805
10,314	-	10,314
72,931	-	72,931
<u>5,601,642</u>	<u>-</u>	<u>5,601,642</u>
<u>(2,170,221)</u>	<u>2,170,221</u>	<u>-</u>
(2,716,949)	1,840,723	(876,226)
7,053,350	(1,840,723)	5,212,627
(151,875)	-	(151,875)
<u>\$ 4,184,526</u>	<u>\$ -</u>	<u>\$ 4,184,526</u>

**The Business-type Activities were transferred to the Governmental Activities on October 1, 2014.

CITY OF HELOTES, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	Major Funds		
	General Fund	Economic Development Corporation	Debt Service Fund
ASSETS			
Cash and Investments	\$ 1,139,626	\$ 702,741	\$ 85,800
Certificates of Deposit	249,712	-	-
Receivables:			
Property Taxes (Net of Uncollectibles)	33,053	-	9,556
Sales Tax and Other Receivable	424,502	104,671	-
Due from Other Funds	195,942	-	-
TOTAL ASSETS	\$ 2,042,835	\$ 807,412	\$ 95,356
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ 95,495	\$ -	\$ -
Accrued Interest Payable	-	-	7,473
Accrued Liabilities	23,865	11,754	-
Due to Other Funds	18,232	48,376	64,097
Unearned Revenue - Lease	128,504	-	-
<i>Total Liabilities</i>	<u>266,096</u>	<u>60,130</u>	<u>71,570</u>
<i>Deferred Inflows of Resources:</i>			
Unavailable Revenue - Property Taxes	29,485	-	8,525
Unavailable Revenue - EMS	86,486	-	-
<i>Total Deferred Inflows of Resources</i>	<u>115,971</u>	<u>-</u>	<u>8,525</u>
<i>Fund Balances:</i>			
Restricted for:			
Court Technology and Security	-	-	-
School Crossing	-	-	-
Police Department	-	-	-
PEG Capital Fees	-	-	-
Explorer Post	-	-	-
Economic Development Corporation	-	747,282	-
Debt Service	-	-	15,261
Capital Projects	-	-	-
Unassigned	1,660,768	-	-
<i>Total Fund Balances</i>	<u>1,660,768</u>	<u>747,282</u>	<u>15,261</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 2,042,835	\$ 807,412	\$ 95,356

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>
\$ 4,385,239	\$ 66,032	\$ 6,379,438
-	-	249,712
-	-	42,609
-	5,751	534,924
-	18,932	214,874
<u>\$ 4,385,239</u>	<u>\$ 90,715</u>	<u>\$ 7,421,557</u>
\$ -	\$ 15	\$ 95,510
-	-	7,473
-	-	35,619
83,469	700	214,874
-	-	128,504
<u>83,469</u>	<u>715</u>	<u>481,980</u>
-	-	38,010
-	-	86,486
<u>-</u>	<u>-</u>	<u>124,496</u>
-	10,497	10,497
-	19,203	19,203
-	4,515	4,515
-	53,002	53,002
-	2,783	2,783
-	-	747,282
-	-	15,261
4,301,770	-	4,301,770
-	-	1,660,768
<u>4,301,770</u>	<u>90,000</u>	<u>6,815,081</u>
<u>\$ 4,385,239</u>	<u>\$ 90,715</u>	<u>\$ 7,421,557</u>



CITY OF HELOTES, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		\$ 6,815,081
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.		10,725,341
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the governmental funds.		124,496
Accrued vacation leave payable is not due and payable in the current period and, therefore, not reported in the governmental funds.		(350,961)
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	11,650,000	
Unamortized Bond Premium	147,106	
Note Payable & Capital Lease	<u>114,270</u>	(11,911,376)
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	297,832	
Pension Related Deferred Inflows	20,813	
Pension Related Deferred Outflows	<u>(171,468)</u>	(147,177)
Claims and judgments do not consume current financial resources and are not reported in the funds.		(1,006,540)
Accrued interest payable on long-term bonds are not due and payable in the current period and, therefore, not reported in the governmental funds.		<u>(64,338)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		<u><u>\$ 4,184,526</u></u>

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, 2015

	Major Funds		
	General Fund	Economic Development Corporation	Debt Service Fund
REVENUES			
Taxes	\$ 3,466,991	\$ 610,861	\$ 637,515
Franchise Fees	768,096	-	-
Licenses and Permits	695,462	-	-
Municipal Court	381,656	-	-
Fire Department Interlocal Agreement	206,605	-	-
Interest	6,973	2,382	182
Miscellaneous	64,828	-	-
TOTAL REVENUES	<u>5,590,611</u>	<u>613,243</u>	<u>637,697</u>
EXPENDITURES			
Current:			
City Council	3,045	-	-
City Administration	979,305	142,739	-
Dispatch Services	374,095	-	-
City Secretary	98,213	-	-
Human Resources	17,042	-	-
Municipal Court	273,371	-	-
Animal Control, Public Works	276,116	-	-
Development Services	158,186	-	-
Building and Grounds	365,604	-	-
Police Department	1,397,145	-	-
Emergency Medical Services	450,757	-	-
Fire Department	1,098,189	-	-
Capital Outlay	25,209	-	-
Debt Service:			
Principal	46,186	-	620,000
Interest and Fiscal Charges	3,670	-	301,496
Bond Issuance Costs	-	-	-
TOTAL EXPENDITURES	<u>5,566,133</u>	<u>142,739</u>	<u>921,496</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>24,478</u>	<u>470,504</u>	<u>(283,799)</u>
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	-	-	-
Premium on Bond Issuance	-	-	-
Insurance Proceeds	22,996	-	-
Transfers In (Out)	(2,243,227)	(408,032)	294,953
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,220,231)</u>	<u>(408,032)</u>	<u>294,953</u>
Net Change in Fund Balance	(2,195,753)	62,472	11,154
FUND BALANCES - OCTOBER 1	<u>3,856,521</u>	<u>684,810</u>	<u>4,107</u>
FUND BALANCES - SEPTEMBER 30	<u>\$ 1,660,768</u>	<u>\$ 747,282</u>	<u>\$ 15,261</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>
\$ -	\$ -	\$ 4,715,367
-	27,709	795,805
-	-	695,462
-	19,315	400,971
-	-	206,605
767	10	10,314
1,200	12,642	78,670
<u>1,967</u>	<u>59,676</u>	<u>6,903,194</u>
-	-	3,045
-	-	1,122,044
-	-	374,095
-	-	98,213
-	-	17,042
-	21,493	294,864
-	-	276,116
-	4,557	162,743
-	-	365,604
-	16,632	1,413,777
-	-	450,757
-	-	1,098,189
187,442	-	212,651
-	-	666,186
-	-	305,166
94,223	-	94,223
<u>281,665</u>	<u>42,682</u>	<u>6,954,715</u>
<u>(279,698)</u>	<u>16,994</u>	<u>(51,521)</u>
4,315,000	-	4,315,000
147,106	-	147,106
-	-	22,996
113,079	73,006	(2,170,221)
<u>4,575,185</u>	<u>73,006</u>	<u>2,314,881</u>
4,295,487	90,000	2,263,360
6,283	-	4,551,721
<u>\$ 4,301,770</u>	<u>\$ 90,000</u>	<u>\$ 6,815,081</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, 2015

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 2,263,360
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay.</p>	(447,058)
<p>Capital Contributions transferred from previously reported proprietary funds are not recorded in the fund statements as they do not represent current financial resources.</p>	329,498
<p>Proceeds from Capital Asset dispositions produce current financial resources in the fund statements, while the net gain (loss) is recognized in the Statement of Activities. This is the net book value of the capital assets disposed.</p>	(17,950)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>	93,711
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, which the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any affect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Principal Repayments on Bonds, Leases, & Note Payable	666,186
Proceeds from Bonds Payable	(4,315,000)
Proceeds from Premium on Bonds Payable	(147,106)
<p>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.</p>	4,698
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Claims and judgments	(1,006,540)
Compensated Absences	(130,202)
Accrued Interest	(10,546)
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	\$ (2,716,949)

CITY OF HELOTES, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2015

	Dispatch Fund	Emergency Medical Services	Total Enterprise Funds
ASSETS			
<i>Current Assets:</i>			
Cash and Investments	\$ -	\$ -	\$ -
Receivables:			
Charges for Services (net)	-	-	-
Prepaid Items	-	-	-
<i>Total Current Assets</i>	-	-	-
Capital Assets (net)	-	-	-
TOTAL ASSETS	-	-	-
LIABILITIES			
<i>Current Liabilities:</i>			
Accounts Payable	-	-	-
Accrued Liabilities	-	-	-
Accrued Compensated Absences	-	-	-
Due to Other Funds	-	-	-
TOTAL LIABILITIES	-	-	-
NET POSITION			
Net Investment in Capital Assets	-	-	-
Unrestricted	-	-	-
TOTAL NET POSITION	\$ -	\$ -	\$ -

*The Proprietary Funds were transferred to the General Fund on October 1, 2014.

CITY OF HELOTES, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2015

	<u>Dispatch Fund</u>	<u>Emergency Medical Services</u>	<u>Total Enterprise Funds</u>
NONOPERATING REVENUE (EXPENSE)			
Transfer In	\$ 1,084,611	\$ 1,085,610	\$ 2,170,221
Contributions Out	<u>(231,047)</u>	<u>(98,451)</u>	<u>(329,498)</u>
TOTAL NONOPERATING REVENUE (EXPENSE)	<u>853,564</u>	<u>987,159</u>	<u>1,840,723</u>
NET INCOME (LOSS)	853,564	987,159	1,840,723
NET POSITION (DEFICIT) - OCTOBER 1	<u>(853,564)</u>	<u>(987,159)</u>	<u>(1,840,723)</u>
NET POSITION - SEPTEMBER 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

*The Proprietary Funds were transferred to the General Fund on October 1, 2014.

CITY OF HELOTES, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
SEPTEMBER 30, 2015

	<u>Dispatch Fund</u>	<u>Emergency Medical Services</u>	<u>Total Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ -	\$ 72,254	\$ 72,254
Cash Paid to Suppliers	(3,661)	(5,624)	(9,285)
Cash Paid to Employees	(5,790)	(29,318)	(35,108)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(9,451)</u>	<u>37,312</u>	<u>27,861</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Net Transfers from General Fund	(109,301)	(47,731)	(157,032)
NET CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(109,301)</u>	<u>(47,731)</u>	<u>(157,032)</u>
NET INCREASE (DECREASE) IN CASH	(118,752)	(10,419)	(129,171)
BEGINNING CASH AND CASH EQUIVALENTS	<u>118,752</u>	<u>10,419</u>	<u>129,171</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ -	\$ -	\$ -
Adjustments to Reconcile Net Operating Income to Net Cash Provided (Used) by Operating Activities:			
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable (net)	-	72,254	72,254
(Increase) Decrease in Prepaid Items	2,926	2,389	5,315
Increase (Decrease) in Accrued Liabilities	(6,587)	(8,013)	(14,600)
Increase (Decrease) in Accrued Comp. Absences	(5,790)	(29,318)	(35,108)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (9,451)</u></u>	<u><u>\$ 37,312</u></u>	<u><u>\$ 27,861</u></u>

*The Proprietary Funds were transferred to the General Fund on October 1, 2014.

See accompanying notes to basic financial statements.



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

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, 2015, 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 fiduciary funds.

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

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. The Dispatch and Emergency Medical Services funds are **major proprietary funds**.

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

The **government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year which they are levied. Major revenue types, which have been accrued, include revenue from 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, 2015

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, and explorer post.

Proprietary fund level financial statements are used to account for activities similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position, and cash flows.

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

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

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

On October 1, 2014, the balances held in the Proprietary Funds were transferred to the General Fund to account for operations as departments of the General Fund rather than as those of proprietary funds.

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

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

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.

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.

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

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

8. CAPITAL ASSETS (Continued)

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 proprietary fund and government-wide statements.

10. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

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

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

11. UNEARNED REVENUE

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

12. LONG-TERM OBLIGATIONS

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

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

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

12. LONG-TERM OBLIGATIONS (Continued)

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.

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.

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

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

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. INTERFUND TRANSACTIONS

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

17. 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.

18. ADOPTION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT

For the year ending September 30, 2015, the City implemented GASB Statement No. 68 related to accounting for pensions. This new standard requires that the City's pension plan recognize net pension liability (asset) and related deferred inflows and outflows of resources on the City's government-wide statements. This change required a prior period adjustment to restate prior years in accordance with the change in accounting principle. The prior period adjustment recorded represents the net pension liability at September 30, 2014, less associated deferred outflows of resources.

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

NOTE B -- CASH AND CASH INVESTMENTS

1. Cash

At September 30, 2015, 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 \$5,368,293; and the bank balance was \$5,404,815. 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 \$6,155,773 and market value of \$12,000,000 as collateral for the City's deposits. All of the City's cash was fully collateralized. The City also had funds at another financial institution with both the bank and carrying balance of \$495,243. The Economic Development Corporation also had funds at another financial institution with both the bank and carrying balance of \$445,344, 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, 2015 were as follows:

	<u>Reported Value</u>	<u>Fair Value</u>
Investment Pools:		
TexPool	\$ 1,535	\$ 1,535
LOGIC	67,223	67,223
Certificates of Deposit	249,712	249,712
Total Investments	<u>\$ 318,470</u>	<u>\$ 318,470</u>

The Certificate of Deposit was fully collateralized.

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

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, 2015

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 2015, the assessed tax rate for the City was \$0.350000 per \$100 on an assessed valuation of \$675,950,347, less applicable freeze adjustments. The tax rate is split \$0.271503 for general maintenance and operations and \$0.078497 for interest and sinking. The total tax levy for fiscal year 2015 was \$2,866,335. As of September 30, 2015, the delinquent taxes were \$45,816, with an allowance for estimated uncollectible accounts recorded as \$3,207.

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

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, 2015, 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 \$14,532,932 based upon the present assessed valuation of \$675,950,347 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	\$ 35,541	\$ 2,488	\$ 33,053
Debt Service Fund	10,275	719	9,556

Other receivables as of September 30, 2015 for the City's individual major funds are as follows:

	General	EDC	Nonmajor
Sales Taxes	\$ 214,048	\$ 104,671	\$ -
Franchise Fees	119,580	-	5,751
EMS Services	179,532	-	-
Allowance for EMS Services	(93,046)		
Interlocal Agreement	3,956	-	-
Other	432	-	-
Total Other Receivables	<u>\$ 424,502</u>	<u>\$ 104,671</u>	<u>\$ 5,751</u>

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

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, 2015 consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Reason/Intent</u>
General Fund	Debt Service Fund	\$ 64,097	Reimbursing of lease payments
General Fund	EDC	48,376	Reimbursement of costs
General Fund	Capital Projects	83,469	Reimbursement of costs
General Fund	Nonmajor Fund	700	Reimbursement of costs
Nonmajor Fund	General Fund	18,232	Reimbursement of costs
Total Interfund Balances		<u>\$ 214,874</u>	

NOTE F -- TRANSFERS

Transfers during the year ended September 30, 2015 were as follows:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Dispatch Fund	\$ 1,084,611	<i>transfer of funds</i>
General Fund	EMS Fund	1,085,610	<i>transfer of funds</i>
General Fund	Nonmajor Funds	73,006	<i>supplemental funding</i>
Economic Development Corp.	Debt Service	294,953	<i>pledged revenue</i>
Economic Development Corp.	Capital Projects Fund	113,079	<i>supplemental funding</i>
Total Governmental Funds Transfers		<u>\$ 2,651,259</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.

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

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

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

Fiscal Year Ending September 30,	Minimum Future Lease Revenue		
	Tower Lease	Parking Lease	Total
2016	\$ 16,127	\$ 2,533	\$ 18,660
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
2021-2025	99,257	12,665	111,922
2026-2030	115,067	12,665	127,732
2031-2035	133,394	12,665	146,059
2036-2040	-	12,665	12,665
2041-2045	-	12,665	12,665
2046-2050	-	12,665	12,665
2051-2055	-	12,665	12,665
2056-2060	-	11,057	11,057
	<u>\$ 433,338</u>	<u>\$ 112,377</u>	<u>\$ 545,715</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
2016	\$ 292,780	\$ 176,011	\$ 468,791
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 - 2025	1,489,730	120,092	1,609,822
2026 - 2030	597,892	262,348	860,240
2031 - 2035	-	162,319	162,319
	<u>\$ 3,558,808</u>	<u>\$ 1,139,527</u>	<u>\$ 4,698,335</u>

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

NOTE I -- CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2015 was as follows:

<u>Governmental Activities</u>	Balance 10/1/2014	Additions	Disposals/ Transfers	Balance 9/30/2015
Land	\$ 1,763,771	\$ -	\$ -	\$ 1,763,771
Construction in Progress	153,786	185,247	-	339,033
Buildings	6,768,045	6,675	-	6,774,720
Vehicles & Equipment	2,297,205	-	550,639	2,847,844
Infrastructure	10,835,178	-	-	10,835,178
	<u>21,817,985</u>	<u>191,922</u>	<u>550,639</u>	<u>22,560,546</u>
Less Accumulated Depreciation				
Buildings	(1,407,908)	(221,855)	-	(1,629,763)
Vehicles & Equipment	(1,563,548)	(200,755)	(239,091)	(2,003,394)
Infrastructure	(7,985,678)	(216,370)	-	(8,202,048)
	<u>(10,957,134)</u>	<u>(638,980)</u>	<u>(239,091)</u>	<u>(11,835,205)</u>
Governmental Capital Assets, Net	<u>\$ 10,860,851</u>	<u>\$ (447,058)</u>	<u>\$ 311,548</u>	<u>\$ 10,725,341</u>

Land and Construction in Progress are not depreciated.

<u>Business-Type Activities</u>	Balance 10/1/2014	Additions	Disposals/ Transfers	Balance 9/30/2015
<u>Dispatch</u>				
Vehicles and Equipment	\$ 407,729	\$ -	\$ (407,729)	\$ -
Accumulated Depreciation	(176,682)	-	176,682	-
Dispatch Capital Assets, Net	<u>231,047</u>	<u>-</u>	<u>(231,047)</u>	<u>-</u>
<u>EMS</u>				
Vehicles & Equipment	171,254	-	(171,254)	-
Accumulated Depreciation	(72,803)	-	72,803	-
EMS Capital Assets, Net	<u>98,451</u>	<u>-</u>	<u>(98,451)</u>	<u>-</u>
Business-Type Capital Assets, Net	<u>\$ 329,498</u>	<u>\$ -</u>	<u>\$ (329,498)</u>	<u>\$ -</u>

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

City Administration	\$ 48,288
Municipal Court	960
Animal Control, Public Works	218,342
Building and Grounds	60,031
Police Department	154,429
Fire Department	156,930
Total Depreciation Expense - Governmental Activities	<u>\$ 638,980</u>

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

NOTE J -- LONG-TERM DEBT

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

Certificates of Obligation:

\$1,500,000 2002 Combination Tax and Limited-Pledge Revenue Certificates of Obligation due in annual installments through 2017; interest at 3.75-4.35%.	\$ 270,000
\$10,000,000 2007 Combination Tax and Limited-Pledge Revenue Certificates of Obligation due in annual installments through 2027; interest at 3.93%. The EDC has pledged to cover a portion of this debt (see note G)	7,065,000
\$4,315,000 2015 Combination Tax and Limited-Pledge Revenue Certificates of Obligation due in annual installments through 2035; interest at 3.00%. The EDC has pledged to cover a portion of this debt (see note G)	<u>4,315,000</u>
Total Governmental Long-Term Obligations	<u><u>\$ 11,650,000</u></u>

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

Changes in Long-Term Liabilities

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

Future note payable payments are as follows:

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

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

NOTE J -- LONG-TERM DEBT (Continued)

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

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

Average Annual Debt Service Requirement \$ 762,657.20

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

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

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

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

NOTE K-- TRANSFER OF PROPRIETARY FUND ACTIVITY

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

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

NOTE L -- EMPLOYEES' RETIREMENT SYSTEMS

Texas Municipal Retirement System

1. Plan Description

The City participates, as one of 860 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.tmrs.com.

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

2. Benefits Provided

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

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

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

	2013	2014
Inactive employees or beneficiaries currently receiving benefits	8	10
Inactive employees entitled to but not yet receiving benefits	16	19
Active employees	58	60
	82	89

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, 2015

NOTE L -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

3. Contributions (Continued)

For the year ending September 30, 2015, 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 5.02% and 6.34% in calendar years 2014 and 2015, respectively. The City's contributions to TMRS for the year ended September 30, 2015 were \$176,938, 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, 2014, 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, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.00% per year
Salary Increases	3.50% to 12.00%, including inflation
Investment Rate of Return*	7.00%

*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 Disabled Retiree Mortality Table is used with slight adjustments.

Actuarial assumptions used in the December 31, 2014 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.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. 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 and long-term funding needs of TMRS.

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

NOTE L -- 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.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.50%	4.80%
International Equity	17.50%	6.05%
Core Fixed Income	30.00%	1.50%
Non-Core Fixed Income	10.00%	3.50%
Real Return	5.00%	1.75%
Real Estate	10.00%	5.25%
Absolute Return	5.00%	4.25%
Private Equity	5.00%	8.50%
	<u>100.00%</u>	

6. Discount Rate

The discount rate used to measure the Total Pension Liability was 7%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

7. Discount Rate Sensitivity Analysis

The following presents the net pension liability of the City, calculated using the discount rate of 7.0%, 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 (6.0%) or 1-percentage point higher (8.0%) than the current rate:

	Discount Rate 6%	Discount Rate 7%	Discount Rate 8%
Net Pension Liability (Asset)	\$ 987,708	\$ 297,832	\$ (267,172)

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

NOTE L -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

8. Changes in Net Pension Liability

The below schedule presents the changes in the Net Pension Liability (Asset) as of December 31, 2014:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at December 31, 2013	\$ 3,960,372	\$ 3,705,756	\$ 254,616
Changes for the year:			
Service Cost	312,260	-	312,260
Interest	284,925	-	284,925
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(23,615)	-	(23,615)
Changes of Assumptions	-	-	-
Contributions - Employer	-	146,084	(146,084)
Contributions - Employee	-	174,603	(174,603)
Net Investment Income	-	212,062	(212,062)
Benefit Payments, Including Refunds of Employee Contributions	(92,277)	(92,277)	-
Administrative Expense	-	(2,213)	2,213
Other Changes	-	(182)	182
Net Changes	<u>481,293</u>	<u>438,077</u>	<u>43,216</u>
Balance at December 31, 2014	<u>\$ 4,441,665</u>	<u>\$ 4,143,833</u>	<u>\$ 297,832</u>

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.

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

NOTE L -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

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

For the year ended September 30, 2015, the City recognized a pension expense of \$172,240. Also, as of September 30, 2015, 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	\$ -	\$ (20,813)
Changes in Actuarial Assumptions	-	-
Differences between Projected and Actual Investment Earnings	37,873	-
Contributions Subsequent to the Measurement Date	133,595	-
	\$ 171,468	\$ (20,813)

Deferred outflows of resources in the amount of \$133,595 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, 2016. 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,	
2015	\$ 6,666
2016	6,666
2017	6,666
2018	6,667
2019	(2,802)
Thereafter	(6,803)
	\$ 17,060

NOTE M -- OTHER POST EMPLOYMENT BENEFIT

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

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

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

NOTE M -- 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, 2015, 2014 and 2013 were \$3,565, \$3,359, and \$2,953, respectively, and were equal to the required contributions each year.

NOTE N -- DEFICIT NET POSITION

The City reported a deficit balance in the Unrestricted Net Position for Governmental Activities as of September 30, 2015. This is largely due to recording the net pension liability as well as a contingency liability during the current year.

NOTE O -- 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, 2015 were \$104,358 for property, casualty, and workers compensation coverage.

NOTE P -- COMMITMENTS AND CONTINGENCIES

Litigation

The Texas Association of Builders and the Greater San Antonio Builders Association, Continental Homes of Texas, L.P, and Ashton San Antonio Residential, L.L.C. have filed lawsuits against the City in the Bexar County District Court regarding building permit requirements, as defined by the City's building code regulations. The plaintiffs were granted judgments on certain key issues. The City has filed appeals in all three cases. The outcome of these appeals cannot be determined as of the date of this report, however, the amount of the judgments, including damages, attorney fees, and litigation expenses, have been accrued and are shown on the Statement of Net Position as a Contingency Liability.

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, 2015

NOTE P -- COMMITMENTS AND CONTINGENCIES (Continued)

Construction

The Economic Development Corporation has entered into engineering contracts for the following project. Estimated future commitments associated with these contracts as of September 30, 2015 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	\$ 3,074,429	\$ 318,106	\$ 2,756,323
F.M. 1560 Realignment Project	500,000	-	500,000
Helotes Linear Creek Project	493,454	12,240	481,214
F.M. 1560 Helotes Creek Tributary A Bridge Crossing	300,000	-	300,000
	<u>\$ 4,367,883</u>	<u>\$ 330,346</u>	<u>\$ 4,037,537</u>

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, 2015 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>		Maximum	Term
	City	EDC	Grant Amount	
Bandera Helotes Plaza	50%	50%	\$ 300,000	10 years
Bluff and Shops at Old Town Helotes	50%	50%	\$ 2,000,000	15 years

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

NOTE Q -- SUBSEQUENT EVENT

The City approved the general election an increase in sales and use tax within the City at the rate of one fourth (1/4) of one percent (1%) to provide revenue for maintenance and repair of municipal streets.



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, 2015
 (WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

	Budget Amounts		2015 Actual Amounts	Variance Favorable (Unfavorable)	2014 Actual Amounts
	Original	Final			
REVENUES					
Taxes	\$ 3,409,638	\$ 3,409,638	\$ 3,466,991	\$ 57,353	\$ 3,212,362
Franchise Fees	680,041	680,041	768,096	88,055	542,895
Licenses and Permits	948,180	948,180	695,462	(252,718)	968,433
Municipal Court	336,054	301,497	381,656	80,159	329,504
Fire Department	188,165	188,165	206,605	18,440	75,155
Interest	6,750	6,750	6,973	223	7,308
Miscellaneous	47,094	47,094	64,828	17,734	49,911
<i>Total Revenues</i>	<u>5,615,922</u>	<u>5,581,365</u>	<u>5,590,611</u>	<u>9,246</u>	<u>5,185,568</u>
EXPENDITURES					
<i>City Council:</i>					
Seminars	605	695	695	-	670
Reimbursements	2,537	2,350	2,350	-	2,807
<i>Total City Council</i>	<u>3,142</u>	<u>3,045</u>	<u>3,045</u>	<u>-</u>	<u>3,477</u>
<i>City Administration:</i>					
Personnel	257,867	247,123	243,495	3,628	289,380
Insurance	76,327	72,707	72,707	-	63,218
Contractual	472,796	526,497	526,497	-	330,894
Supplies and Maintenance	75,358	136,606	136,606	-	109,116
<i>Total City Administration</i>	<u>882,348</u>	<u>982,933</u>	<u>979,305</u>	<u>3,628</u>	<u>792,608</u>
<i>Dispatch Services:</i>					
Personnel	344,757	331,221	328,167	3,054	-
Contractual	29,959	19,952	19,952	-	-
Supplies and Maintenance	20,323	25,976	25,976	-	-
<i>Total Dispatch Services</i>	<u>395,039</u>	<u>377,149</u>	<u>374,095</u>	<u>3,054</u>	<u>-</u>
<i>City Secretary:</i>					
Personnel	84,589	83,873	82,296	1,577	83,704
Contractual	29,130	4,630	4,630	-	17,747
Supplies and Maintenance	2,969	11,287	11,287	-	2,845
<i>Total City Secretary</i>	<u>116,688</u>	<u>99,790</u>	<u>98,213</u>	<u>1,577</u>	<u>104,296</u>
<i>Human Resources:</i>					
Personnel	16,943	17,516	17,042	474	10,031
<i>Total Human Resources</i>	<u>\$ 16,943</u>	<u>\$ 17,516</u>	<u>\$ 17,042</u>	<u>\$ 474</u>	<u>\$ 10,031</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, 2015
 (WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

	Budget Amounts		2015 Actual Amounts	Variance Favorable (Unfavorable)	2014 Actual Amounts
	Original	Final			
EXPENDITURES (CONT.)					
<i>Municipal Court:</i>					
Personnel	\$ 235,814	\$ 219,201	\$ 214,729	\$ 4,472	\$ 221,038
Contractual	49,529	56,381	56,327	54	68,004
Supplies and Maintenance	-	2,315	2,315	-	-
<i>Total Municipal Court</i>	<u>285,343</u>	<u>277,897</u>	<u>273,371</u>	<u>4,526</u>	<u>289,042</u>
<i>Animal Control, Public Works:</i>					
Personnel	156,481	140,017	138,553	1,464	108,804
Contractual	119,370	136,134	128,894	7,240	113,322
Supplies and Maintenance	7,222	8,699	8,669	30	10,222
Capital Outlay	7,500	10,422	10,422	-	13,270
<i>Total Animal Control, Public Works</i>	<u>290,573</u>	<u>295,272</u>	<u>286,538</u>	<u>8,734</u>	<u>245,618</u>
<i>Development Services:</i>					
Personnel	115,533	129,771	128,276	1,495	60,079
Contractual	13,385	29,953	29,910	43	30,787
Capital Outlay	-	-	-	-	202,631
<i>Total Development Services</i>	<u>128,918</u>	<u>159,724</u>	<u>158,186</u>	<u>1,538</u>	<u>293,497</u>
<i>Buildings and Grounds:</i>					
Contractual	73,826	118,234	118,234	-	83,240
Supplies and Maintenance	51,452	141	141	-	290
Community Events	150,000	142,504	142,479	25	102,610
Utilities	105,421	104,750	104,750	-	96,636
Capital Outlay	-	6,675	13,425	(6,750)	7,433
<i>Total Buildings and Grounds</i>	<u>380,699</u>	<u>372,304</u>	<u>379,029</u>	<u>(6,725)</u>	<u>290,209</u>
<i>Police Department:</i>					
Personnel	1,363,103	1,268,620	1,247,865	20,755	1,260,994
Contractual	39,867	41,316	41,308	8	42,153
Supplies and Maintenance	103,159	108,005	107,972	33	121,424
Capital Outlay	27,966	13,424	1,362	12,062	88
<i>Total Police Department</i>	<u>\$ 1,534,095</u>	<u>\$ 1,431,365</u>	<u>\$ 1,398,507</u>	<u>\$ 32,858</u>	<u>\$ 1,424,659</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, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

	Budget Amounts		2015 Actual Amounts	Variance Favorable (Unfavorable)	2014 Actual Amounts
	Original	Final			
EXPENDITURES (CONT.)					
<i>Emergency Medical Services:</i>					
Personnel	\$ 361,307	\$ 364,043	\$ 358,973	\$ 5,070	\$ -
Contractual	32,720	12,833	29,062	(16,229)	-
Supplies and Maintenance	60,577	62,736	62,722	14	-
<i>Total Emergency Medical Services</i>	<u>454,604</u>	<u>439,612</u>	<u>450,757</u>	<u>(11,145)</u>	<u>-</u>
<i>Fire Department:</i>					
Personnel	980,168	985,819	969,575	16,244	948,576
Contractual	33,432	31,362	31,362	-	32,903
Supplies and Maintenance	113,930	104,812	97,252	7,560	109,216
<i>Total Fire Department</i>	<u>1,127,530</u>	<u>1,121,993</u>	<u>1,098,189</u>	<u>23,804</u>	<u>1,090,695</u>
<i>Debt Service:</i>					
Principal	-	-	46,186	(46,186)	50,000
Interest and Fiscal Charges	-	-	3,670	(3,670)	-
<i>Total Debt Service</i>	<u>-</u>	<u>-</u>	<u>49,856</u>	<u>(49,856)</u>	<u>50,000</u>
TOTAL EXPENDITURES	<u>5,615,922</u>	<u>5,578,600</u>	<u>5,566,133</u>	<u>12,467</u>	<u>4,594,132</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>2,765</u>	<u>24,478</u>	<u>21,713</u>	<u>591,436</u>
Other Financing Sources (Uses)					
Note Payable Proceeds	-	-	-	-	200,000
Insurance Proceeds	-	-	22,996	22,996	-
Transfers In (Out)	-	(2,765)	(2,243,227)	(2,240,462)	52,631
Total Other Financing Sources (Uses)	<u>-</u>	<u>(2,765)</u>	<u>(2,220,231)</u>	<u>(2,217,466)</u>	<u>252,631</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(2,195,753)</u>	<u>(2,195,753)</u>	<u>844,067</u>
BEGINNING FUND BALANCE	<u>3,856,521</u>	<u>3,856,521</u>	<u>3,856,521</u>	<u>-</u>	<u>3,012,454</u>
ENDING FUND BALANCE	<u>\$ 3,856,521</u>	<u>\$ 3,856,521</u>	<u>\$ 1,660,768</u>	<u>\$ (2,195,753)</u>	<u>\$ 3,856,521</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, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

	Budgeted Amounts		2015 Actual Amounts	Variance Favorable (Unfavorable)	2014 Actual Amounts
	Original	Final			
REVENUES					
Taxes	\$ 558,863	\$ 558,863	\$ 610,861	\$ 51,998	\$ 537,011
Interest	2,000	2,000	2,382	382	2,184
TOTAL REVENUES	560,863	560,863	613,243	52,380	539,195
EXPENDITURES					
Personnel Costs	69,954	62,640	61,538	1,102	62,366
Professional Services	109,300	53,253	49,952	3,301	81,943
City Administration Cost	12,000	12,000	12,000	-	8,000
Training and Seminars	8,900	9,267	9,267	-	7,619
Office Supplies and Expenses	4,506	2,976	1,861	1,115	1,946
Insurance	-	-	-	-	-
Other Expenses	3,750	10,195	8,121	2,074	-
TOTAL EXPENDITURES	208,410	150,331	142,739	7,592	161,874
Excess (Deficiency) of Revenues Over (Under) Expenditures	352,453	410,532	470,504	59,972	377,321
OTHER FINANCING SOURCES (USES)					
Transfer In (Out) to Primary Government	(324,953)	(383,032)	(408,032)	(25,000)	(256,067)
TOTAL OTHER FINANCING SOURCES (USES)	(324,953)	(383,032)	(408,032)	(25,000)	(256,067)
Net Change in Fund Balance	27,500	27,500	62,472	34,972	121,254
BEGINNING FUND BALANCE	684,810	684,810	684,810	-	563,556
ENDING FUND BALANCE	\$ 712,310	\$ 712,310	\$ 747,282	\$ 34,972	\$ 684,810

CITY OF HELOTES, TEXAS
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SEPTEMBER 30, 2015

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

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level, unless authorized by City Council.

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 CALENDAR YEAR

Total Pension Liability	
	2014
Service Cost	\$ 312,260
Interest (on the Total Pension Liability)	284,925
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(23,615)
Changes of Assumptions	-
Benefit Payments, Including Refunds of Employee Contributions	(92,277)
Net Change in Total Pension Liability	481,293
Total Pension Liability - Beginning	3,960,372
Total Pension Liability - Ending	\$ 4,441,665
Plan Fiduciary Net Position	
	2014
Contributions - Employer	\$ 146,084
Contributions - Employee	174,603
Net Investment Income	212,062
Benefit Payments, Including Refunds of Employee Contributions	(92,277)
Administrative Expense	(2,213)
Other	(182)
Net Change in Plan Fiduciary Net Position	438,077
Plan Fiduciary Net Position - Beginning	3,705,756
Plan Fiduciary Net Position - Ending	\$ 4,143,833
Net Pension Liability (Asset) - Ending	\$ 297,832
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.29%
Covered Employee Payroll	\$ 2,910,052
Net Pension Liability as a Percentage of Covered Employee Payroll	10.23%

CITY OF HELOTES, TEXAS
NOTES TO SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2015

Schedule of Contributions:

	2014
Actuarially Determined Contribution	\$ 176,938
Contribution in Relation to the Actuarially Determined Contribution	176,938
Contribution Deficiency (Excess)	\$ -
 Covered Employee Payroll	 \$ 2,970,585
 Contributions as a Percentage of Covered Employee Payroll	 5.96%

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	29 Years
Asset Valuation Method	10 Year Smoothed Market, 15% soft corridor
Inflation	3.00%
Salary Increases	3.50% to 12.00% including inflation
Investment Rate of Return	7.00%
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 2005 - 2009.
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

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
GENERAL FUND
SEPTEMBER 30, 2015 AND 2014

	2015	2014
ASSETS		
Cash and Investments	\$ 1,139,626	\$ 1,121,339
Certificate of Deposit	249,712	246,985
Receivables:		
Property Taxes (Net of Allowance)	33,053	28,698
Sales Tax and Other Receivables	424,502	340,599
Due from Other Funds	195,942	2,460,778
Prepaid Items	-	-
TOTAL ASSETS	\$ 2,042,835	\$ 4,198,399
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ 95,495	\$ 111,228
Accrued Expenditures	23,865	91,637
Due to Other Funds	18,232	-
Unearned Revenue - Lease	128,504	114,910
<i>Total Liabilities</i>	266,096	317,775
 <i>Deferred Inflows of Resources:</i>		
Unavailable Revenue - Taxes	29,485	24,103
Unavailable Revenue - EMS	86,486	-
<i>Total Deferred Inflows of Resources</i>	115,971	24,103
 <i>Fund Balances:</i>		
Nonspendable:		
Prepaid Items	-	-
Restricted For:		
Court Technology and Security	-	12,705
School Crossing	-	22,888
Police Department	-	4,795
PEG Capital Fees	-	29,833
Unassigned	1,660,768	3,786,300
<i>Total Fund Balances</i>	1,660,768	3,856,521
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
	\$ 2,042,835	\$ 4,198,399

CITY OF HELOTES, TEXAS
 COMPARATIVE BALANCE SHEETS
 ECONOMIC DEVELOPMENT CORPORATION
 SEPTEMBER 30, 2015 AND 2014

	2015	2014
ASSETS		
Cash and Investments	\$ 702,741	\$ 586,250
Accounts Receivable - State	104,671	94,170
Due from Other Funds	-	14,040
Prepaid Items	-	440
	\$ 807,412	\$ 694,900
 LIABILITIES AND FUND BALANCE		
<i>Liabilities:</i>		
Accounts Payable	\$ -	\$ 118
Accrued Liabilities	11,754	9,972
Due to Other Funds	48,376	-
<i>Total Liabilities</i>	60,130	10,090
 <i>Fund Balance:</i>		
Nonspendable:		
Prepaid Items	-	440
Restricted for Economic Development Corporation	747,282	684,370
<i>Total Fund Balance</i>	747,282	684,810
 TOTAL LIABILITIES AND FUND BALANCE	\$ 807,412	\$ 694,900

CITY OF HELOTES, TEXAS
 COMPARATIVE BALANCE SHEETS
 DEBT SERVICE FUND
 SEPTEMBER 30, 2015 AND 2014

	2015	2014
ASSETS		
Cash and Investments	\$ 85,800	\$ 74,402
Taxes Receivable (Net of Allowances)	9,556	7,956
TOTAL ASSETS	\$ 95,356	\$ 82,358
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
<i>Liabilities:</i>		
Accrued Interest Payable	\$ 7,473	\$ -
Due to Other Funds	64,097	71,569
<i>Total Liabilities</i>	71,570	71,569
<i>Deferred Inflows of Resources:</i>		
Unavailable Revenue - Taxes	8,525	6,682
<i>Total Deferred Inflows of Resources</i>	8,525	6,682
<i>Fund Balance:</i>		
Restricted for Debt Service	15,261	4,107
<i>Total Fund Balance</i>	15,261	4,107
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 95,356	\$ 82,358

CITY OF HELOTES, TEXAS
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 DEBT SERVICE FUND
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
REVENUES		
Taxes	\$ 637,515	\$ 584,820
Interest	182	203
TOTAL REVENUES	637,697	585,023
 EXPENDITURES		
Principal Payments	620,000	608,787
Interest and Fiscal Charges	301,496	331,317
TOTAL EXPENDITURES	921,496	940,104
 Excess (Deficiency) of Revenues Over (Under) Expenditures	(283,799)	(355,081)
 OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	294,953	239,199
TOTAL OTHER FINANCING SOURCES (USES)	294,953	239,199
 Net Change in Fund Balance	11,154	(115,882)
 BEGINNING FUND BALANCE	4,107	119,989
 ENDING FUND BALANCE	\$ 15,261	\$ 4,107

CITY OF HELOTES, TEXAS
 COMPARATIVE BALANCE SHEETS
 CAPITAL PROJECTS FUND
 SEPTEMBER 30, 2015 AND 2014

	2015	2014
ASSETS		
Cash and Investments	\$ 4,385,239	\$ 84,941
TOTAL ASSETS	\$ 4,385,239	\$ 84,941
LIABILITIES AND FUND BALANCE		
<i>Liabilities:</i>		
Accounts Payable	\$ -	\$ 2,662
Due to Other Funds	83,469	75,996
<i>Total Liabilities</i>	83,469	78,658
<i>Fund Balance:</i>		
Restricted for Capital Projects	4,301,770	6,283
<i>Total Fund Balance</i>	4,301,770	6,283
TOTAL LIABILITIES AND FUND BALANCE	\$ 4,385,239	\$ 84,941

CITY OF HELOTES, TEXAS
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 CAPITAL PROJECTS FUND
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
REVENUES		
Interest	\$ 767	\$ 179
Miscellaneous	1,200	4,400
TOTAL REVENUES	1,967	4,579
 EXPENDITURES		
Capital Outlay	187,442	155,015
Debt Service:		
Bond Issuance Costs	94,223	-
TOTAL EXPENDITURES	281,665	155,015
 Excess (Deficiency) of Revenues Over (Under) Expenditures	(279,698)	(150,436)
 OTHER FINANCING SOURCES (USES)		
Bond Proceeds	4,315,000	-
Premium on Bond Issuance	147,106	-
Transfers In (Out)	113,079	(35,763)
TOTAL OTHER FINANCING	4,575,185	(35,763)
 Net Change in Fund Balance	4,295,487	(186,199)
 BEGINNING FUND BALANCE	6,283	192,482
 ENDING FUND BALANCE	\$ 4,301,770	\$ 6,283

CITY OF HELOTES, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2015

	Municipal Court Security Fund	Municipal Court Technology Fund	Police Training Fund
ASSETS			
Cash and Investments	\$ 4,181	\$ 7,031	\$ 4,515
Receivables:			
Sales Tax and Other Receivable	-	-	-
Due from General Fund	-	-	-
TOTAL ASSETS	\$ 4,181	\$ 7,031	\$ 4,515
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ -	\$ 15	\$ -
Due to General Fund	700	-	-
<i>Total Liabilities</i>	700	15	-
 <i>Fund Balances:</i>			
Restricted for:			
Court Technology and Security	3,481	7,016	-
School Crossing	-	-	-
Police Department	-	-	4,515
PEG Capital Fees	-	-	-
Explorer Post	-	-	-
<i>Total Fund Balances</i>	3,481	7,016	4,515
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 4,181	\$ 7,031	\$ 4,515

School Safety Fund	PEG Capital Fund	Explorer Post Fund	Total Nonmajor Funds
\$ 19,203	\$ 28,319	\$ 2,783	\$ 66,032
-	5,751	-	5,751
-	18,932	-	18,932
<u>\$ 19,203</u>	<u>\$ 53,002</u>	<u>\$ 2,783</u>	<u>\$ 90,715</u>
\$ -	\$ -	\$ -	\$ 15
-	-	-	700
<u>-</u>	<u>-</u>	<u>-</u>	<u>715</u>
-	-	-	10,497
19,203	-	-	19,203
-	-	-	4,515
-	53,002	-	53,002
-	-	2,783	2,783
<u>19,203</u>	<u>53,002</u>	<u>2,783</u>	<u>90,000</u>
<u>\$ 19,203</u>	<u>\$ 53,002</u>	<u>\$ 2,783</u>	<u>\$ 90,715</u>

CITY OF HELOTES, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Municipal Court Security Fund	Municipal Court Technology Fund	Police Training Fund
REVENUES			
Franchise Fees	\$ -	\$ -	\$ -
Municipal Court	8,271	11,044	-
Interest	(33)	2	6
Miscellaneous	-	-	1,858
TOTAL REVENUES	<u>8,238</u>	<u>11,046</u>	<u>1,864</u>
EXPENDITURES			
Current:			
Municipal Court	10,841	10,652	-
Development Services	-	-	-
Police Department	-	-	2,143
TOTAL EXPENDITURES	<u>10,841</u>	<u>10,652</u>	<u>2,143</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,603)</u>	<u>394</u>	<u>(279)</u>
OTHER FINANCING SOURCES (USES):			
Transfers In (Out)	<u>6,084</u>	<u>6,622</u>	<u>4,794</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>6,084</u>	<u>6,622</u>	<u>4,794</u>
Net Change in Fund Balance	3,481	7,016	4,515
FUND BALANCES - OCTOBER 1	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - SEPTEMBER 30	<u>\$ 3,481</u>	<u>\$ 7,016</u>	<u>\$ 4,515</u>

School Safety Fund	PEG Capital Fund	Explorer Post Fund	Total Nonmajor Funds
\$ -	\$ 27,709	\$ -	\$ 27,709
-	-	-	19,315
18	17	-	10
10,784	-	-	12,642
<u>10,802</u>	<u>27,726</u>	<u>-</u>	<u>59,676</u>
-	-	-	21,493
-	4,557	-	4,557
14,489	-	-	16,632
<u>14,489</u>	<u>4,557</u>	<u>-</u>	<u>42,682</u>
<u>(3,687)</u>	<u>23,169</u>	<u>-</u>	<u>16,994</u>
<u>22,890</u>	<u>29,833</u>	<u>2,783</u>	<u>73,006</u>
<u>22,890</u>	<u>29,833</u>	<u>2,783</u>	<u>73,006</u>
19,203	53,002	2,783	90,000
-	-	-	-
<u>\$ 19,203</u>	<u>\$ 53,002</u>	<u>\$ 2,783</u>	<u>\$ 90,000</u>



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			
	2006*	2007*	2008*	2009*
Governmental Activities				
Net Investment in Capital Assets	\$ 1,111,537	\$ 2,427,960	\$ 2,441,885	\$ 2,801,984
Restricted	675,275	717,866	870,948	739,054
Unrestricted (Deficit)	2,190,619	2,128,905	2,224,647	2,274,546
Total Governmental Activities	<u>\$ 3,977,431</u>	<u>\$ 5,274,731</u>	<u>\$ 5,537,480</u>	<u>\$ 5,815,584</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	\$ 1,111,537	\$ 2,427,960	\$ 2,441,885	\$ 2,801,984
Restricted	675,275	717,866	870,948	739,054
Unrestricted (Deficit)	2,190,619	2,128,905	2,224,647	2,274,546
Total Primary Government	<u>\$ 3,977,431</u>	<u>\$ 5,274,731</u>	<u>\$ 5,537,480</u>	<u>\$ 5,815,584</u>

*Note: Prior periods have not been restated for the effects of the adoption of GASB Statement No. 68 (note A18).

**The Business-type Activities were transferred to the Governmental Activities on October 1, 2014.

TABLE 1

Fiscal Year					
2010*	2011*	2012*	2013*	2014*	2015
\$ 2,695,447	\$ 2,609,738	\$ 2,525,712	\$ 2,559,746	\$ 2,745,214	\$ 3,840,681
822,875	746,104	695,127	765,238	798,952	878,422
2,259,157	2,272,143	2,540,235	2,881,908	3,509,184	(534,577)
<u>\$ 5,777,479</u>	<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>
\$ -	\$ 510,684	\$ 450,745	\$ 390,806	\$ 329,498	\$ -
-	-	-	-	-	-
-	(362,016)	(877,756)	(1,501,982)	(2,170,221)	-
<u>\$ -</u>	<u>\$ 148,668</u>	<u>\$ (427,011)</u>	<u>\$ (1,111,176)</u>	<u>\$ (1,840,723)</u>	<u>\$ -</u>
\$ 2,695,447	\$ 3,120,422	\$ 2,976,457	\$ 2,950,552	\$ 3,074,712	\$ 3,840,681
822,875	746,104	695,127	765,238	798,952	878,422
2,259,157	1,910,127	1,662,479	1,379,926	1,338,963	(534,577)
<u>\$ 5,777,479</u>	<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>

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

	Fiscal Year			
	2006*	2007*	2008*	2009*
Primary Government Expenses				
<i>Governmental Activities:</i>				
City Council	\$ 1,113	\$ 7,453	\$ 2,709	\$ 4,607
City Administration	403,898	594,178	204,334	285,686
Dispatch	-	-	-	-
City Secretary	94,053	105,019	107,279	109,745
Human Resources	-	-	-	-
Municipal Court	239,610	242,857	318,373	297,403
Animal Control, Public Works	-	-	-	-
Development Services	475,063	851,508	539,247	455,910
Buildings and Grounds	46,765	91,125	184,029	171,832
Police Department	1,031,767	1,316,587	1,526,649	1,697,362
Emergency Services	164,314	176,600	193,781	246,857
Fire Department	456,722	743,250	872,148	902,743
Capital Outlay	59,473	129,419	-	-
Interest and Fiscal Charges on Long-Term Debt	67,063	170,039	527,658	424,361
<i>Total Governmental Activities Expenses</i>	<u>3,039,841</u>	<u>4,428,035</u>	<u>4,476,207</u>	<u>4,596,506</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>
Total Primary Government Expenses	<u><u>\$ 3,039,841</u></u>	<u><u>\$ 4,428,035</u></u>	<u><u>\$ 4,476,207</u></u>	<u><u>\$ 4,596,506</u></u>
Program Revenues				
<i>Governmental Activities:</i>				
Charges for Services:				
Municipal Court	\$ 253,939	\$ 220,140	\$ 305,271	\$ 349,424
Animal Control, Public Works	-	-	-	-
Development Services	375,967	650,357	391,942	250,807
Buildings and Grounds	-	-	-	-
Police Department	-	-	-	39,080
Fire & EMS Department	149,651	231,975	335,327	306,778
Operating Grants and Contributions	18,564	8,812	1,612	6,459
Capital Grants and Contributions	-	1,393,304	54,806	1,950
<i>Total Governmental Activities Program Revenues</i>	<u>798,121</u>	<u>2,504,588</u>	<u>1,088,958</u>	<u>954,498</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>
Total Primary Government Program Revenues	<u><u>\$ 798,121</u></u>	<u><u>\$ 2,504,588</u></u>	<u><u>\$ 1,088,958</u></u>	<u><u>\$ 954,498</u></u>

*Note: Prior periods have not been restated for the effects of the adoption of GASB Statement No. 68 (note A18).

**The Business-type Activities were transferred to the Governmental Activities on October 1, 2014.

TABLE 2

Fiscal Year					
2010*	2011*	2012*	2013*	2014*	2015
\$ 1,601	\$ 2,220	\$ 1,952	\$ 2,891	\$ 3,477	\$ 3,045
658,203	680,091	777,467	830,758	1,005,449	2,434,134
-	-	-	-	-	130,356
89,391	95,229	92,634	99,534	102,401	103,952
-	13,358	13,321	14,445	10,031	17,042
236,389	245,506	272,767	269,700	298,008	296,791
260,390	389,432	417,889	433,462	464,904	506,340
56,236	53,911	51,626	93,908	99,167	161,531
242,053	360,351	297,025	324,282	350,322	432,385
1,664,264	1,505,223	1,545,810	1,558,849	1,557,978	1,607,179
259,704	-	-	-	-	185,805
917,726	1,156,926	1,120,975	1,106,778	1,241,411	1,589,683
-	-	-	-	-	-
406,506	383,924	372,892	416,689	326,977	409,933
<u>4,792,463</u>	<u>4,886,171</u>	<u>4,964,358</u>	<u>5,151,296</u>	<u>5,460,125</u>	<u>7,878,176</u>
-	273,290	319,658	370,269	419,557	-
-	281,390	440,165	455,302	447,289	-
-	554,680	759,823	825,571	866,846	-
<u>\$ 4,792,463</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>
\$ 305,338	\$ 302,741	\$ 363,923	\$ 259,967	\$ 263,801	\$ 345,564
-	3,951	3,150	4,464	4,885	6,241
261,620	271,218	353,095	484,609	963,548	689,221
14,853	16,790	-	-	-	-
73,990	83,771	48,091	49,452	65,703	55,407
75,305	75,060	76,695	75,081	75,155	293,091
17,607	7,168	10,594	8,665	8,682	10,784
-	416,050	-	-	-	329,498
<u>748,713</u>	<u>1,176,749</u>	<u>855,548</u>	<u>882,238</u>	<u>1,381,774</u>	<u>1,729,806</u>
-	54,000	68,729	5,001	5,007	-
-	82,080	115,415	136,337	132,274	-
-	-	-	-	-	(329,498)
-	136,080	184,144	141,338	137,281	(329,498)
<u>\$ 748,713</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>

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

	Fiscal Year			
	2006*	2007*	2008*	2009*
Primary Government Net Expenses				
Governmental Activities	\$ (2,241,720)	\$ (1,923,447)	\$ (3,387,249)	\$ (3,642,008)
Business-Type Activities	-	-	-	-
Total Primary Government Net Expenses	<u>\$ (2,241,720)</u>	<u>\$ (1,923,447)</u>	<u>\$ (3,387,249)</u>	<u>\$ (3,642,008)</u>
 General Revenues and Other Changes in Net Position				
<i>Governmental Activities:</i>				
Taxes:				
General Property Taxes	\$ 1,359,067	\$ 1,652,361	\$ 2,181,026	\$ 2,579,291
Sales Taxes	742,533	896,597	766,305	763,063
Franchise Taxes	303,519	326,173	369,790	359,770
Interest and Investment earnings	88,426	316,697	304,641	196,791
Miscellaneous	21,897	28,919	28,236	21,197
Transfers	-	-	-	-
<i>Total Governmental General Revenues</i>	<u>2,515,442</u>	<u>3,220,747</u>	<u>3,649,998</u>	<u>3,920,112</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>
Total Primary Government General Revenues	<u>\$ 2,515,442</u>	<u>\$ 3,220,747</u>	<u>\$ 3,649,998</u>	<u>\$ 3,920,112</u>
 Changes In Net Position				
Governmental Activities	\$ 273,722	\$ 1,297,300	\$ 262,749	\$ 278,104
Business-Type Activities**	-	-	-	-
Total Primary Government	<u>\$ 273,722</u>	<u>\$ 1,297,300</u>	<u>\$ 262,749</u>	<u>\$ 278,104</u>

*Note: Prior periods have not been restated for the effects of the adoption of GASB Statement No. 68 (note A18).

**The Business-type Activities were transferred to the Governmental Activities on October 1, 2014.

TABLE 2 (Cont.)

Fiscal Year					
2010*	2011*	2012*	2013*	2014*	2015
\$ (4,043,750)	\$ (3,709,422)	\$ (4,108,810)	\$ (4,269,058)	\$ (4,078,351)	\$ (6,148,370)
-	(418,600)	(575,679)	(684,233)	(729,565)	(329,498)
<u>\$ (4,043,750)</u>	<u>\$ (4,128,022)</u>	<u>\$ (4,684,489)</u>	<u>\$ (4,953,291)</u>	<u>\$ (4,807,916)</u>	<u>\$ (6,477,868)</u>
\$ 2,632,523	\$ 2,626,085	\$ 2,635,240	\$ 2,639,461	\$ 2,681,143	\$ 2,876,136
871,043	970,912	1,054,778	1,424,354	1,645,268	1,846,456
392,595	455,020	442,683	477,344	527,251	795,805
74,450	21,114	8,488	5,791	9,874	10,314
35,034	54,065	100,710	167,926	61,273	72,931
-	(567,268)	-	-	-	(2,170,221)
<u>4,005,645</u>	<u>3,559,928</u>	<u>4,241,899</u>	<u>4,714,876</u>	<u>4,924,809</u>	<u>3,431,421</u>
-	-	-	68	18	-
-	567,268	-	-	-	2,170,221
-	567,268	-	68	18	2,170,221
<u>\$ 4,005,645</u>	<u>\$ 4,127,196</u>	<u>\$ 4,241,899</u>	<u>\$ 4,714,944</u>	<u>\$ 4,924,827</u>	<u>\$ 5,601,642</u>
\$ (38,105)	\$ (149,494)	\$ 133,089	\$ 445,818	\$ 846,458	\$ (2,716,949)
-	148,668	(575,679)	(684,165)	(729,547)	1,840,723
<u>\$ (38,105)</u>	<u>\$ (826)</u>	<u>\$ (442,590)</u>	<u>\$ (238,347)</u>	<u>\$ 116,911</u>	<u>\$ (876,226)</u>

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

	Fiscal Year			
	2006	2007	2008	2009
<i>Nonspendable Fund Balance:</i>				
Prepaid Items	\$ -	\$ 9,850	\$ -	\$ -
<i>Total Nonspendable Fund Balance</i>	<u>-</u>	<u>9,850</u>	<u>-</u>	<u>-</u>
<i>Restricted Fund Balance:</i>				
Court Techonology and Security	23,960	29,502	31,216	39,639
School Crossing	2,076	1,949	94	94
Police Department	7,076	10,545	8,217	10,011
PEG Capital Fees	-	-	-	-
Explorer Post	-	-	-	-
Economic Development Corporation	519,300	518,970	739,407	627,130
Debt Service	154,994	156,293	-	1,541
Capital Projects	-	-	-	-
<i>Total Restricted Fund Balance</i>	<u>707,406</u>	<u>717,259</u>	<u>778,934</u>	<u>678,415</u>
<i>Committed Fund Balance:</i>				
Capital Projects	474,261	10,446,746	8,965,420	6,168,211
<i>Total Committed Fund Balance</i>	<u>474,261</u>	<u>10,446,746</u>	<u>8,965,420</u>	<u>6,168,211</u>
Unassigned Fund Balance	<u>1,720,985</u>	<u>1,776,946</u>	<u>1,939,920</u>	<u>2,133,166</u>
<i>Total Governmental Funds</i>	<u>\$2,902,652</u>	<u>\$ 12,950,801</u>	<u>\$11,684,274</u>	<u>\$ 8,979,792</u>

TABLE 3

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 70,355	\$ -	\$ -	\$ 2,184	\$ 440	\$ -
<u>70,355</u>	<u>-</u>	<u>-</u>	<u>2,184</u>	<u>440</u>	<u>-</u>
47,601	44,246	26,167	15,665	12,705	10,497
6,895	15,229	23,450	33,813	22,888	19,203
17,045	11,196	5,882	5,286	4,795	4,515
-	-	35,890	31,702	29,833	53,002
-	-	-	-	-	2,783
587,557	589,761	524,912	563,116	684,370	747,282
108,048	93,677	87,158	119,989	4,107	15,261
-	-	-	-	-	4,301,770
<u>767,146</u>	<u>754,109</u>	<u>703,459</u>	<u>769,571</u>	<u>758,698</u>	<u>5,154,313</u>
219,225	196,999	165,852	192,482	6,283	-
<u>219,225</u>	<u>196,999</u>	<u>165,852</u>	<u>192,482</u>	<u>6,283</u>	<u>-</u>
2,123,154	2,188,309	2,496,562	2,924,244	3,786,300	1,660,768
<u>\$ 3,179,880</u>	<u>\$3,139,417</u>	<u>\$3,365,873</u>	<u>\$3,888,481</u>	<u>\$4,551,721</u>	<u>\$6,815,081</u>

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

	Fiscal Year			
	2006	2007	2008	2009
REVENUES				
Taxes	\$ 2,109,539	\$ 2,543,744	\$ 2,932,471	\$ 3,323,816
Franchise Fees	303,519	326,173	369,790	362,180
Licenses and Permits	375,967	650,357	391,942	237,716
Municipal Court	253,939	220,140	305,271	388,504
Fire Department	149,651	231,975	335,327	308,328
Grants	18,564	81,116	8,278	-
Interest	88,427	316,698	304,640	196,787
Miscellaneous	21,897	28,918	28,239	41,147
TOTAL REVENUES	3,321,503	4,399,121	4,675,958	4,858,478
EXPENDITURES				
Current:				
City Council	1,113	7,453	2,709	4,607
City Administration	292,126	583,933	198,646	284,472
Dispatch	-	-	-	-
City Secretary	93,121	108,626	98,777	100,969
Human Resources	-	-	-	-
Municipal Court	242,023	240,577	308,281	285,401
Animal Control, Public Works	-	-	-	-
Development Services	380,918	301,993	53,407	94,209
Buildings and Grounds	46,765	532,771	389,461	389,759
Police Department	1,038,151	1,248,433	1,405,025	1,592,574
Emergency Services	164,314	176,600	193,781	246,857
Fire Department	385,266	650,322	777,597	811,176
Miscellaneous	120,851	-	-	-
Capital Outlay	37,333	266,054	1,649,450	2,850,076
Debt Service:				
Principal	181,634	115,000	300,000	480,000
Interest and Fiscal Charges	68,413	151,175	565,351	422,860
Bond Issuance Costs	-	-	-	-
TOTAL EXPENDITURES	3,052,028	4,382,937	5,942,485	7,562,960
Excess (Deficiency) of Revenues Over (Under) Expenditures	269,475	16,184	(1,266,527)	(2,704,482)
OTHER FINANCING SOURCES (USES)				
Proceeds from Debt	-	10,000,000	-	-
Premium on Bond Issuance	-	-	-	-
Insurance Proceeds	-	-	-	-
Transfers In (Out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	10,000,000	-	-
Net Change in Fund Balance	\$ 269,475	\$ 10,016,184	\$ (1,266,527)	\$ (2,704,482)

Debt Service as a Percentage of Noncapital Expenditures	8.29%	6.47%	20.16%	19.16%
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TABLE 4

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 3,520,791	\$ 3,591,052	\$ 3,693,695	\$ 4,062,138	\$ 4,334,193	\$ 4,715,367
392,595	455,020	442,683	477,344	527,251	795,805
234,617	269,821	356,245	489,073	968,433	695,462
379,329	386,512	412,014	309,419	329,504	400,971
75,305	75,060	76,695	75,081	75,155	206,605
10,171	416,050	-	-	-	-
74,444	21,117	8,488	5,791	9,874	10,314
84,738	85,537	111,875	176,589	69,955	78,670
<u>4,771,990</u>	<u>5,300,169</u>	<u>5,101,695</u>	<u>5,595,435</u>	<u>6,314,365</u>	<u>6,903,194</u>
1,601	2,220	1,952	2,891	3,477	3,045
635,668	624,710	723,786	774,049	954,482	1,122,044
-	-	-	-	-	374,095
86,891	92,184	93,323	97,265	104,296	98,213
-	13,358	13,321	14,445	10,031	17,042
230,933	260,169	263,797	263,895	289,042	294,864
157,826	164,919	189,702	206,188	232,348	276,116
55,596	53,974	53,011	92,557	90,866	162,743
182,595	245,973	242,912	251,854	282,776	365,604
1,583,501	1,359,034	1,361,029	1,449,750	1,424,571	1,413,777
259,704	-	-	-	-	450,757
828,372	941,619	926,726	951,384	1,090,695	1,098,189
-	-	-	-	-	-
5,692,182	800,496	164,382	111,543	378,437	212,651
455,000	503,805	543,882	589,902	658,787	666,186
402,033	383,828	369,434	351,444	331,317	305,166
-	-	-	-	-	94,223
<u>10,571,902</u>	<u>5,446,289</u>	<u>4,947,257</u>	<u>5,157,167</u>	<u>5,851,125</u>	<u>6,954,715</u>
<u>(5,799,912)</u>	<u>(146,120)</u>	<u>154,438</u>	<u>438,268</u>	<u>463,240</u>	<u>(51,521)</u>
-	105,657	72,018	84,340	200,000	4,315,000
-	-	-	-	-	147,106
-	-	-	-	-	22,996
-	-	-	-	-	(2,170,221)
<u>-</u>	<u>105,657</u>	<u>72,018</u>	<u>84,340</u>	<u>200,000</u>	<u>2,314,881</u>
<u>\$ (5,799,912)</u>	<u>\$ (40,463)</u>	<u>\$ 226,456</u>	<u>\$ 522,608</u>	<u>\$ 663,240</u>	<u>\$ 2,263,360</u>
17.56%	19.11%	18.91%	18.85%	18.02%	15.76%

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

TABLE 5

Fiscal Year	Property	Sales & Use	Franchise	Total
2006	\$ 1,367,007	\$ 742,532	\$ 303,519	\$ 2,413,058
2007	1,647,147	896,597	326,173	2,869,917
2008	2,166,166	766,305	369,790	3,302,261
2009	2,563,162	760,654	362,180	3,685,996
2010	2,649,748	871,043	392,595	3,913,386
2011	2,620,140	970,912	455,020	4,046,072
2012	2,638,917	1,054,778	442,683	4,136,378
2013	2,637,784	1,424,354	477,344	4,539,482
2014	2,688,925	1,645,268	527,251	4,861,444
2015	2,868,911	1,846,456	795,805	5,511,172

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
2006	\$ 370,197,824	\$ 45,535,638	\$ 12,037,921	\$ 403,695,541	0.336287
2007	447,112,505	50,241,650	14,075,491	483,278,664	0.336287
2008	597,429,473	67,132,639	18,807,600	645,754,512	0.336287
2009	639,537,759	113,424,621	45,305,554	707,656,826	0.363651
2010	653,565,423	115,942,834	47,975,420	721,532,837	0.363651
2011	652,132,270	120,241,773	49,651,853	722,722,190	0.363651
2012	663,227,472	120,004,340	51,751,163	731,480,649	0.360000
2013	677,033,974	124,391,838	56,356,942	745,068,870	0.355000
2014	697,083,124	146,200,980	75,978,756	767,305,348	0.350000
2015	741,137,332	147,042,320	62,375,351	825,804,301	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		
		2006	0.336287	-	0.336287		
		2007	0.301447	0.034840	0.336287		
		2008	0.268311	0.067976	0.336287		
		2009	0.275982	0.087669	0.363651		
		2010	0.271140	0.092511	0.363651		
		2011	0.282731	0.080920	0.363651		
		2012	0.282640	0.077360	0.360000		
		2013	0.273140	0.081860	0.355000		
		2014	0.271503	0.078497	0.350000		
		2015	0.271503	0.078497	0.350000		

		Overlapping Rates					Total
Fiscal Year	Total Direct Rate	Northside ISD	University Health System	Alamo Community College	San Antonio River Authority	Bexar County	Direct and Overlapping Rates
2006	0.336287	1.775000	0.243869	0.107050	0.016425	0.331190	2.809821
2007	0.336287	1.592500	0.243869	0.137050	0.016045	0.326866	2.652617
2008	0.336287	1.262500	0.237408	0.134550	0.015951	0.326866	2.313562
2009	0.363651	1.302500	0.261022	0.135855	0.015951	0.326866	2.405845
2010	0.363651	1.337500	0.266235	0.135855	0.015951	0.326866	2.446058
2011	0.363651	1.365500	0.276235	0.141623	0.016652	0.326866	2.490527
2012	0.360000	1.375500	0.276235	0.141623	0.017370	0.326866	2.497594
2013	0.355000	1.375500	0.276235	0.149150	0.017370	0.326866	2.500121
2014	0.350000	1.375500	0.276235	0.149150	0.017798	0.326866	2.495549
2015	0.350000	1.375500	0.276235	0.149150	0.017500	0.314500	2.482885

Source: Information furnished by Bexar County Tax Assessor - Collector

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

TABLE 8

<u>Taxpayer</u>	2015			2006		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Wal Mart Stores Inc.	\$ 22,380,970	1	2.71%			
Bandera Helotes Plaza LLC	5,180,000	2	0.63%			
JDL Texas Ventures	4,694,760	3	0.57%			
White Turkey Creek LTD	3,760,815	4	0.46%			
TKGSM-TX LP	3,008,930	5	0.36%			
Pela General Builders LLC	2,656,809	6	0.32%			
8990 Helotes Holdings LLC	2,438,890	7	0.30%			
Shurgard Texas LTD	2,433,910	7	0.29%			
HSF Properties LLC	2,166,485	9	0.26%			
Highland Homes-SA Ltd.	2,056,200	10	0.25%			
Hill Country Crossing II Ltd.				\$ 977,100	1	0.24%
Iron Horse Building Cp., Ltd.				960,870	2	0.23%
Brian and Rebecca Senger				776,532	3	0.19%
Eugene Sprague				684,950	4	0.17%
Jerrold & Elsa Jolly				547,200	5	0.14%
Rene and Frances Spina				495,730	6	0.12%
Jim Koeller				463,110	7	0.11%
James and Beverly Pestello				429,040	8	0.10%
Total	<u><u>\$ 50,777,769</u></u>		<u><u>6.15%</u></u>	<u><u>\$ 5,334,532</u></u>		<u><u>1.30%</u></u>

Taxable value of \$825,804,301

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
2006	\$ 1,357,577	\$ 1,350,355	99.47%	\$ 6,804	\$ 1,357,159	99.97%
2007	1,625,203	1,611,852	99.18%	13,064	1,624,916	99.98%
2008	2,171,588	2,145,209	98.79%	25,324	2,170,533	99.95%
2009	2,574,083	2,532,144	98.37%	40,197	2,572,341	99.93%
2010	2,613,074	2,596,599	99.37%	13,664	2,610,263	99.89%
2011	2,614,869	2,591,187	99.09%	20,360	2,611,547	99.87%
2012	2,622,552	2,604,356	99.31%	15,412	2,619,768	99.89%
2013	2,635,251	2,618,686	99.37%	11,275	2,629,961	99.80%
2014	2,682,643	2,668,143	99.46%	7,807	2,675,950	99.75%
2015	2,866,335	2,846,427	99.31%	-	2,846,427	99.31%

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		
2006	\$ 95,000	\$ 1,205,000	\$ 139,764	\$ -	\$ 1,439,764	223
2007	65,000	11,120,000	71,471	-	11,256,471	1,742
2008	35,000	10,850,000	-	-	10,885,000	1,629
2009	-	10,405,000	-	-	10,405,000	1,329
2010	-	9,950,000	-	-	9,950,000	1,250
2011	-	9,475,000	76,852	-	9,551,852	1,301
2012	-	8,975,000	104,987	-	9,079,987	1,286
2013	-	8,450,000	124,424	-	8,574,424	1,088
2014	-	7,905,000	60,637	150,000	8,115,637	1,001
2015	-	11,650,000	14,270	100,000	11,764,270	1,407

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

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

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

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

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

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

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

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

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
2006	6,460	\$ 29,534	38.9	3,791	4.5%
2007	6,460	29,534	38.9	3,838	4.1%
2008	6,681	29,534	38.9	3,292	5.1%
2009	7,831	29,534	38.9	3,272	7.2%
2010	7,960	29,534	38.9	3,420	7.8%
2011	7,341	32,123	41.1	4,371	7.9%
2012	7,060	31,335	41.1	4,161	6.8%
2013	7,880	41,549	41.1	4,031	5.5%
2014	8,104	42,053	41.1	4,256	4.3%
2015	8,364	42,053	44.4	4,284	3.7%

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 SIX YEARS AGO

TABLE 13

Employer	2015			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lackland Air Force Base	37,097	1	3.64%	28,100	2	3.11%
Fort Sam Houston	32,000	2	3.14%	30,793	1	3.41%
HEB Food Stores	20,000	3	1.96%	14,852	3	1.65%
USAA	17,000	4	1.67%	14,588	4	1.62%
Northside ISD	12,751	5	1.25%	12,597	5	1.40%
Randolph Air Force Base	11,068	6	1.09%	10,700	6	1.19%
North East ISD	10,052	7	0.99%	10,223	7	1.13%
City of San Antonio	9,145	8	0.90%	9,000	8	1.00%
Methodist Healthcare System	8,118	9	0.80%	7,581	9	0.84%
Baptist Health System	7,000	10	0.69%	7,013	10	0.78%
Total	164,231		16.13%	145,447		16.12%

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

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

Source: San Antonio Economic Development Foundation

