



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

Deborah F. Fraser

Phil S. Vaughan

Nancy L. Vaughan

Kimberly J. Roach

March 13, 2019

City Council and City Management
City of Helotes, Texas

We have audited the financial statements of the City of Helotes, Texas for the year ended September 30, 2018 and have issued our report thereon dated March 13, 2019. Professional standards require that we advise you of the following matters related to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated August 31, 2018, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly in all material aspects and in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatements. An audit of financial statements includes consideration of internal controls over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls over financial reporting. Accordingly, as part of our audit, we considered the internal controls of the City of Helotes solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal controls.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethical Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by City of Helotes is included in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018, except for the adoption of Governmental Accounting Standards Board Statement No. 75 related to postemployment benefits other than pensions. This required an other postemployment benefit liability of \$101 thousand to be recorded on the City's financial statements as well as expanded footnotes and required supplementary information.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions or (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive estimates affecting the financial statements were:

- Useful lives of depreciable assets;
- Allowance for uncollectible accounts receivable for Emergency Medical Services; and
- Net Pension and Total OPEB Liabilities and the assumptions for mortality rates and investment returns.

The useful lives of the depreciable assets are based on past history, engineering estimates, and industry standards. The allowance for uncollectibles is based on the City of Helotes' EMS collection history. The estimates related to the Net Pension and Total OPEB Liabilities are based on the actuarial study performed by Texas Municipal Retirement System with no input from the City's management. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive financial statement disclosures include revenue recognition and employees' retirement systems.

Significant Difficulties Encountered during the Audit

We encountered no difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable

opinion unit. The following transaction summarizes an uncorrected financial misstatement whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole:

- Due to the nonaccrual of a capital lease in previous years, current year capital assets (net of accumulated depreciation) and leases payable are understated by \$42,000.
- Miscellaneous Revenues are understated by \$20,204 as a result of corrections to previous bank reconciliations.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. A correcting entry was made to adjust the balance of cash and expenditures in the Capital Projects Fund at year end.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Representations Requested from Management

We have requested certain representations from management that are included in the management representation letter dated March 13, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Compliance with Public Funds Investment Act

The Public Funds Investment Act (the "Act") requires that we include, as part of our audit, procedures to determine if the City of Helotes had complied with the provisions of the Act. We found the City had complied, in all material respects, with the provisions of the Act.

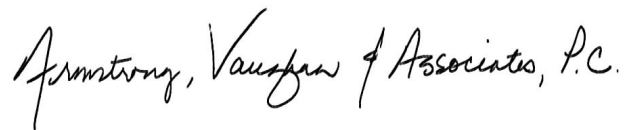
Trend Analysis

We have prepared the attached "Trend Analysis" as a financial snapshot for Council and Staff. Sound financial management dictates that a minimum fund balance be maintained that is sufficient to ensure operations will continue uninterrupted and emergencies that arise from time to time will be met. A rule of thumb for a minimum fund balance for the general fund is no less than two months average of operating expenditures (exclusive of capital outlay and debt service expenditures). The attachment details the trend over the last four years. This is presented for additional analysis and as a planning tool. We make no recommendation regarding the analysis of this information.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing the information has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Council and management of the City of Helotes and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

March 13, 2019

TREND ANALYSIS	9/30/15	9/30/16	9/30/17	9/30/18
GENERAL GOVERNMENT				
FUND BALANCE - GENERAL FUND (1)	\$ 1,660,768	\$ 2,101,643	\$ 1,996,778	\$ 1,908,237
AVERAGE MONTHLY OPERATING EXPENDITURES (2)	457,589	465,269	490,740	515,144
GROWTH RATE PER YEAR - AVERAGE MONTHLY OPERATING EXPENDITURES		1.68%	5.47%	4.97%
MONTHS OF AVERAGE MONTHLY EXPENDITURES IN FUND BALANCE	3.6	4.5	4.1	3.7
GENERAL BONDED DEBT	11,650,000	10,965,000	10,250,000	9,490,000
RATIO OF GENERAL BONDED DEBT TO FUND BALANCE	7.0 / 1	5.2 / 1	5.13 / 1	4.97 / 1

(1) Includes unassigned fund balance only

(2) Exclusive of Capital Outlay and Debt Service expenditures.

CITY OF HELOTES, TEXAS
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FISCAL YEAR ENDED
SEPTEMBER 30, 2018

OFFICIALS ISSUING REPORT

Rick Schroeder
City Administrator

Tabitha “Taby” Durr
City Treasurer



CITY OF HELOTES, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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INTRODUCTORY SECTION



March 13, 2019

Honorable Mayor and City Council
City of Helotes, Texas
12951 Bandera Rd.
Helotes, Texas 78023

Honorable Mayor, City Council, and Citizens of Helotes:

We are pleased to present the City of Helotes (the “City”) Comprehensive Annual Financial Report (the “Report”) for the fiscal year ending (the “FYE”) September 30, 2018. State Law requires us to annually publish a set of financial statements that are in compliance with the United States Securities and Exchange Commission’s Generally-Accepted Accounting Principles (the “GAAP”). The City has done so with the assistance of Armstrong, Vaughan & Associates, P.C. (the “Auditor”), a firm of licensed certified public accountants. To the best of our knowledge and belief, the financial statements are accurate in all material respects and are reported in a manner designed to fairly present the financial position and results of operations of all City funds.

Management assumes full responsibility for the accuracy of the data and disclosures contained herein and the Report’s completeness and fairness. In doing so, we have implemented significant internal controls that are designed to protect the City’s assets from loss, theft, or misuse, all as prescribed by the Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB), and the American Institute of Certified Public Accountants (AICPA).

That said, internal controls can fail or be too costly to implement; therefore, we are able to provide reasonable, rather than absolute, assurance that the presented financial statements are free from material misstatement. Reasonable assurance recognizes that the cost of an internal control should not exceed the benefits derived from the internal control. Internal controls are continually being re-evaluated to improve said assurances.

In addition to internal controls, the City Council annually establishes budgetary controls for management. These controls establish the level at which expenditures cannot legally exceed the appropriated amount within each fund. To assist management with the budgetary controls, the City utilizes an encumbrance or purchase order accounting system. Encumbered amounts lapse at year however, encumbrances are generally re-appropriated as part of the following year’s budget.

For this Report, the independent Auditor examined, on a test basis, the following financial information:

- The amounts and disclosures in the financial statements;
- The accounting principles used and significant estimates made by management; and
- The overall financial statement presentation.

Based upon the aforementioned information, the Auditor rendered an unmodified (“clean”) opinion that the City’s FYE 2018 financial statements are fairly presented and in conformance with GAAP.

The Report is presented in three sections: introductory, financial, and statistical. The introductory section includes this Letter of Transmittal, the City’s organizational chart, and a list of principal officials. The financial section includes Management’s Discussion and Analysis (the “MD&A”) letter, the government-wide financial statements, the fund financial statements, notes to the financial statements, as well as the Auditor’s report on the financial statements and schedules. The MD&A letter provides the opportunity for management to issue a narrative introduction, give a financial overview, and provide an in-depth analysis of FYE 2018 and subsequent fiscal years’ finances and operations. The MD&A letter should be read in conjunction with this Letter of Transmittal, as the documents complement each other. Lastly, the statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

City of Helotes Profile

Located just Northwest of San Antonio, the City of Helotes was incorporated in 1981 as a Type A General Law municipality. Helotes, whose name is derived from the Spanish word elotes or “corn-on-the-cob,” has been on Texas maps since the 1850s. Once inhabited by Lipan Apaches, Tonkawas, and Comanches, the City originally served as a stagecoach stop between the cities of San Antonio and Bandera. Today, the City of Helotes is a unique community that maintains its small-town tranquility and family-oriented activities. Citizens remain committed to economic prosperity, while balancing environmental consciousness and historic preservation with modern revitalization.

According to the U.S. Census, the City of Helotes had an estimated population of 9,169 residents in 2017. It is part of the San Antonio-New Braunfels Metropolitan Statistical Area.

The City of Helotes operates under a Council-Mayor form of government. All powers of the City are vested in an elected Council, consisting of five Councilmembers and a Mayor. The Council enacts local legislation, determines City policies, and employs the City Administrator.

The Mayor is the Chief Executive Officer of the City. The City Administrator serves as the assistant to the Mayor and City Council in carrying out activities prescribed by them and those activities contained within the City Administrator’s contract.

The City government provides a broad range of goods and services to its citizens. The activities and personnel required to provide these goods and services are organized into broad managerial areas called Funds. Funds are separate fiscal and accounting entities with their own resources and budgets necessary to carry on specific activities and attain certain objectives.

Funds are further organized into function groups called Departments. A Department is a group of related activities aimed at accomplishing a major City service or program (i.e. Police or Fire Departments).

A Department may be further divided into smaller areas called Divisions. Divisions perform specific functions within the Department (i.e. Criminal Investigations or EMS).

Each Department is led by a Department Head who has supervisory responsibility over their respective Department(s) and the Divisions within it; however, they are subject to supervision and control by the Mayor and/or City Administrator. A Department Head may supervise more than one Department.

Local Economy

With just over 7 square miles of land within its corporate limits, the City of Helotes' economy continues to thrive. Approximately 300 businesses across a variety of North American Industry Classification System (the "NAICS") codes employed more than 2,500 individuals in 2018, with the majority of those businesses employing 1 to 4 persons.

Approximately 97% of Helotes' eligible labor force is currently employed, and the average 2018 household income was \$116,297. By 2023, the average household income is expected to increase to \$134,709. Roughly 30% of the City's population is employed in executive, sales, or construction fields, while an estimated 15% of residents work in office and administrative support roles. Lastly, more than 59% of the City's population has earned, at a minimum, an Associate's Degree.

Since 2008, the City's general and economic development sales and use tax receipts have increased approximately 376%, from \$766,305 to \$3.65 million. Similarly, ad valorem (property) tax receipts have risen from \$2.17 million in 2008 to \$3.71 million in 2018, an increase of 71%. Over the same time period, sales and use and property tax receipts, as components of total City revenue, equalized at approximately one-third each. The property tax rate has declined or stayed the same since 2009.

The City's retail trade area (RTA) includes over 18,000 existing homes. With approximately \$78 million in retail, food, and beverage sales leaking from Helotes into the City of San Antonio, the estimated 31,000 additional rooftops in active and/or planned subdivisions in the City's RTA will continue to produce fruitful economic development opportunities in Helotes.

12-month commercial real estate trends in Helotes, Texas:

Inventory:	110 buildings
	1,584,010 sq. ft., up 1.6%
Vacant Sq. Ft.:	37,185 sq. ft.
Vacancy Rate:	3.1%, down 0.1%
Occupancy Rate:	96.9%
Under Construction:	2 buildings
	18,700 sq. ft., down 13.8%
Avg. Rent:	\$20.42 / sq. ft., up 0.6%
Avg. Sale Price / Sq. Ft.:	\$205.00 / sq. ft., up 3.1%

Long-Term Financial Planning & Ratings

The City of Helotes currently holds two (2) Certificate of Obligation issues dated 2007 and 2015. At a little over \$14 million (at issue) or \$1,561 per capita, the debt instruments were issued to fund new Police and Fire Stations, Old Town Helotes Special District improvements, and streets, utility, park, and drainage improvements throughout the City.

As of September 30, 2018, a balance of approximately \$11.9 million, including principal and interest, for the 2007 and 2015 issuances remained. The City does not anticipate issuing additional debt instruments at this time.

In December 2013, Standard & Poor's Ratings Services (the "S&P") raised its long-term and underlying rating for the City of Helotes from 'A+' to 'AA'. In 2015, S&P reaffirmed the City's long-term rating of

‘AA/Stable’. S&P noted a “very strong economy, with access to a broad and diverse metropolitan statistical area.”

Current Year Budget Initiatives

For FYE 2019, the City of Helotes budgeted monies for Wi-Fi connectivity throughout the Municipal Complex. In addition, the City Council approved an ad hoc Texas Municipal Retirement System updated service credit and added additional types of employee certification pay. Municipal Court increased its number of Alternate Judges and upgraded existing software. Approximately \$1.13 million was budgeted for 2019 street improvement projects, and the Old Town Helotes Special District pedestrian bridge over Helotes Creek should be completed before the end of the year.

In addition to continuing parks and recreation expenditures, additional monies were budgeted for community event security enhancements, the completion of a public restroom facility and fitness stations at the Helotes Disc Golf Course and Fitness Park, and Helotes Area Community Band operations.

A complete HVAC-retrofit of the Police Station was budgeted for the Helotes Police Department and has now been completed. Additionally, monies were budgeted for three Criminal Investigation Division vehicles and Department-wide Texas Commission on Law Enforcement training. Lastly, Fire and EMS Departments received monies for the purchase of a new fire engine and refurbished ambulance.

Acknowledgements and GFOA

This Report could not be completed without the dedication and tireless work of the City Treasurer Taby Durr. We would also like to thank the City Council, City employees, and Helotes citizens for their dedication to responsible municipal finances and operations and transparency within government.

Since 1945, the Government Finance Officers Association (GFOA) has awarded Certificates of Achievement for Excellence in Financial Reporting to state and local governments that “go beyond the minimum requirements of generally-accepted accounting principles...[and] evidence the spirit of transparency and full disclosure” in financial reporting. Certificates of Achievement are awarded to entities that prepare an easily-readable and efficiently-organized comprehensive annual financial report that satisfies both generally-accepted accounting principles and additional legal requirements.

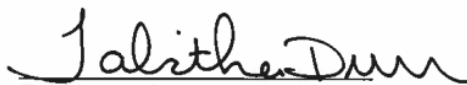
In past years, the City of Helotes completed an annual financial report at fiscal year-end. In order to receive a GFOA Certificate of Achievement, however, the City must complete a *comprehensive* annual financial report. Valid for only one year, we believe this Comprehensive Annual Financial Report meets the GFOA’s requirements and are submitting it to the GFOA upon City Council adoption. We plan to continue to do so annually thereafter.

Should you have any questions or comments, please contact me by email at rschroder@helotes-tx.gov or by telephone at 210.695.5913. The City Treasurer is also available by email at tdurr@helotes-tx.gov or by telephone at 210.695.5915.

Best,



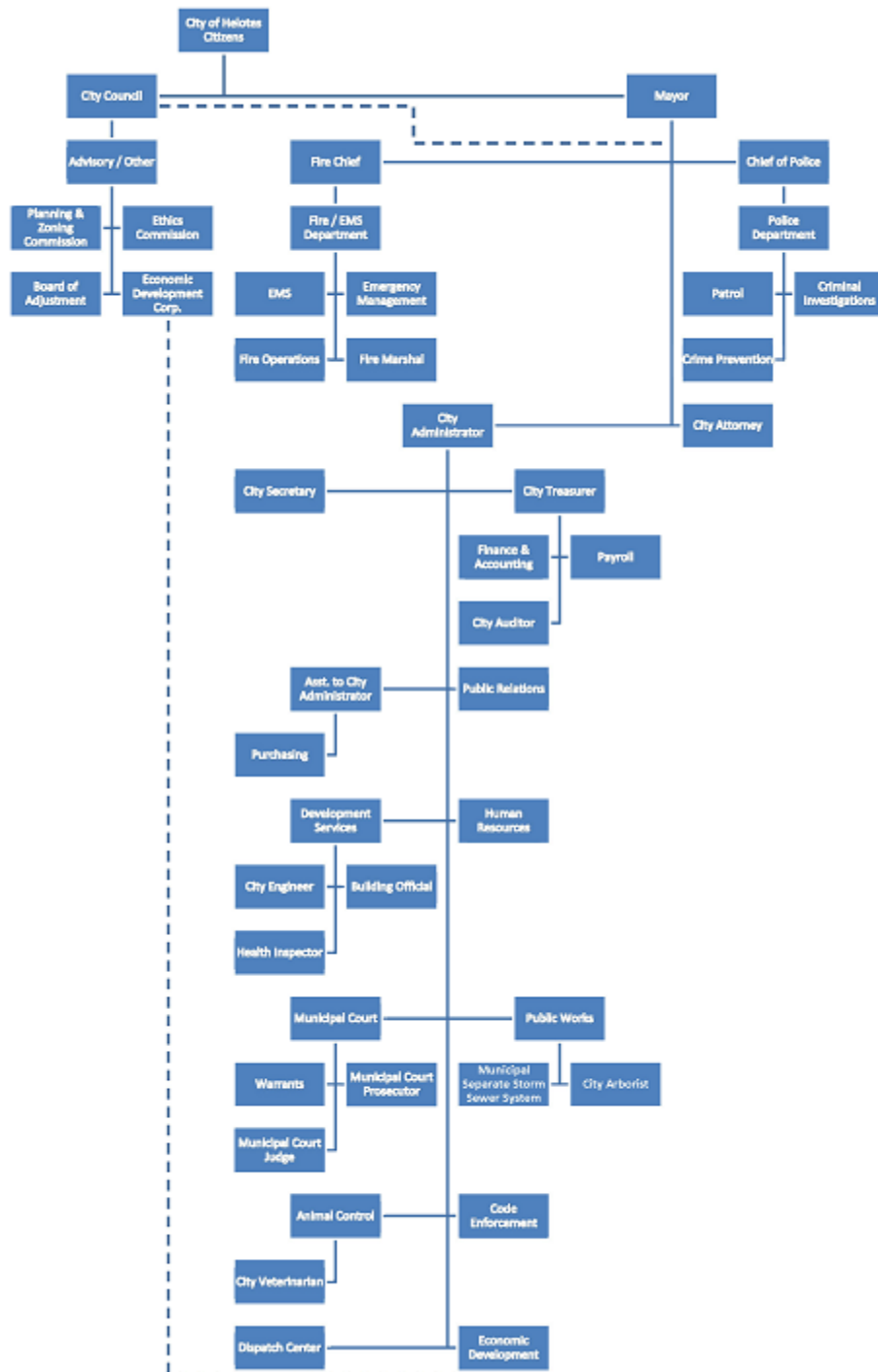
Rick A. Schroder
City Administrator



Tabitha “Taby” Durr
City Treasurer

CITY OF HELOTES, TEXAS

ORGANIZATIONAL CHART



CITY OF HELOTES, TEXAS

PRINCIPAL OFFICERS

CITY OFFICIALS

MAYOR	THOMAS A. SCHOOLCRAFT
MAYOR PRO-TEMPORE	CYNTHIA MASSEY
CITY COUNCIL	JIM MEADOWS
	ALEX BLUE
	NORBERT “BERT” BUYS
	PAUL FRIEDRICH
CITY ADMINISTRATOR	RICK A. SCHRODER
CITY TREASURER	TABITHA “TABY” DURR
CITY SECRETARY	CELINA PEREZ
ATTORNEY	DAVIDSON, TROILO, REAM & GARZA P.C.



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Council
City of Helotes, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Helotes, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

City of Helotes management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The selected procedures depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Helotes, as of September 30, 2018, 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 A20 of the financial statements, in October 2017, the City adopted new accounting guidance from the Governmental Accounting Standards Board Statement No. 75 related to accounting for Other Post-Employment Benefits (OPEB) other than pensions. This resulted in a restatement of prior year balances. Our opinion is not modified with respect to this matter.

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, schedule of changes – net pension liability and related ratios, and schedule of changes – total OPEB 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 introductory section, comparative statements, budgetary comparison for other nonmajor funds, and the statistical section are presented for purposes of additional analysis and are not required to be part of the financial statements. The comparative statements for the General Fund, combining and individual nonmajor fund financial statements, and budgetary comparison information for nonmajor funds 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 introductory and statistical section have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Governmental Auditing Standards*, we have also issued our report dated March 13, 2019, on our consideration of the City of Helotes, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering City of Helotes's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

March 13, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Section of the City of Helotes' Annual Financial Report presents Management's discussion and analysis of the City's financial performance during the fiscal year ended September 30, 2018. Operating through Mayor Tom Schoolcraft, Management consists of City Administrator Rick Schroder and City Treasurer Tabitha "Taby" Durr. Please read this Section in conjunction with the City's financial statements that follow this Section.

FINANCIAL HIGHLIGHTS

- Based upon FYE 2018 Government-wide Financial Statements, the City's total net position was \$2.66 million at September 30, 2018. Government-wide Financial Statements include all government components and functions, including, but not limited to, City-wide liquid cash assets, capital assets, restricted fund assets, accumulated depreciation, net pension and other debt liabilities.
- During the year, the City's governmental activity expenses increased 5% from the prior year, and were approximately \$566 thousand more than the \$8.8 million generated in taxes and other revenues from governmental activities. Conversely, the City's governmental activity revenues increased 4.1% from the prior year and were approximately \$348 thousand more than the same revenues collected in FYE 2017. The increase in governmental activity expenses is primarily related to the expenditure of capital project monies for projects, such as the F.M. 1560 realignment and S.H. 16 water and sewer projects, where the corresponding capital assets could not be capitalized due to TxDOT or SAWS ownership of those affected roadways and utilities. Additionally, the expense increases are related to depreciation recorded on municipal capital assets and expenses related to liabilities due in more than one year.
- The General Fund reported a fund balance this year of approximately \$1.9 million at September 30, 2018. The average months of operating expenditures within the General Fund is 3.7 months; a rule of thumb for a minimum fund balance for the General Fund is no less than two months of average operating expenditures.
- The adopted FYE 2018 General Fund budget anticipated a transfer in from reserves of \$85,600. General Fund expenditures of \$6.4 million exceeded revenues by \$343 thousand; however, the General Fund balance only decreased by approximately \$59 thousand from the prior fiscal year due to other financing sources, such as capital lease, insurance, and other proceeds, received during FYE 2018. The final General Fund budget required approximately \$26 thousand less in reserves than originally budgeted.
- The City Council authorized unbudgeted General Fund expenditures in excess of \$73,000 to retrofit the Fire Station's HVAC system.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement

for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned, but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Helotes that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Helotes include general administration, dispatch, the City Secretary's office, Municipal Court, human resources, development services, public works, animal control, code enforcement, buildings and grounds, parks and recreation, and emergency services (police, fire, and EMS). Property taxes, sales taxes, franchise fees, and charges for services finance most of these activities. The City does not currently have any business-type activities.

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

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

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

The City of Helotes maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenses, and changes in fund balances for the General Fund, EDC Fund, Debt Service Fund, Capital Projects Fund, and Total Nonmajor Funds. At year end, fund balances increased or decreased by the following approximate amounts:

General Fund -	decreased by \$59 thousand
EDC Fund -	increased by \$143 thousand
Debt Service Fund -	decreased by \$3 thousand
Capital Projects Fund -	decreased by \$1.3 million
Total Nonmajor Funds -	increased by \$217 thousand

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position. The City's Government-wide net position was \$2.66 million at September 30, 2018. (See Table A-1). The City's Government-wide Financial Statements reported a deficit in unrestricted net position of \$2.2 million.

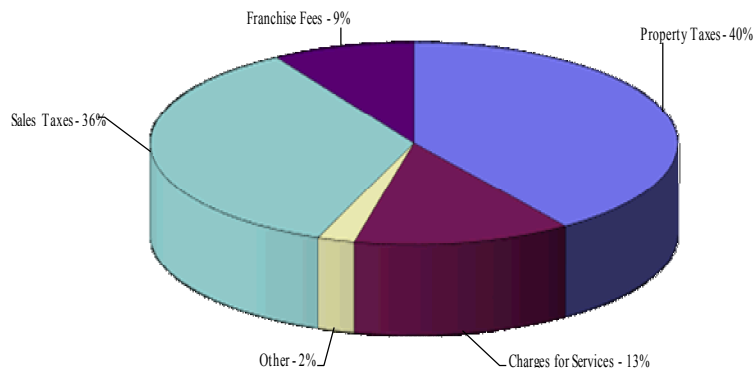
Table A-1
City of Helotes Net Position

	Governmental Activities		Total Percentage Change
	2018	2017*	2018-2017
<i>Assets:</i>			
Current Assets	\$ 4,547,018	\$ 4,550,193	-0.1%
Noncurrent Assets	10,055,298	12,067,666	-16.7%
<i>Total Assets</i>	<u>14,602,316</u>	<u>16,617,859</u>	-12.1%
<i>Deferred Outflows</i>	<u>298,696</u>	<u>493,847</u>	-39.5%
<i>Liabilities:</i>			
Current Liabilities	2,083,545	2,629,057	-20.7%
Noncurrent Liabilities	9,937,217	11,201,394	-11.3%
<i>Total Liabilities</i>	<u>12,020,762</u>	<u>13,830,451</u>	-13.1%
<i>Deferred Inflows</i>	<u>224,485</u>	<u>59,636</u>	276.4%
<i>Net Position:</i>			
Net Investment in Capital Assets	3,284,419	3,393,539	-3.2%
Restricted	1,586,699	1,218,367	30.2%
Unrestricted (Deficit)	(2,215,353)	(1,390,287)	59.3%
<i>Total Net Position</i>	<u>\$ 2,655,765</u>	<u>\$ 3,221,619</u>	-17.6%

*Note: Comparative information for 2017 has been restated for the effects of the adoption of GASB Statement No. 75. See note A20 for more detail.

Changes in Net Position. The City's total revenues were \$8.8 million. A significant portion, or 76%, of the City's revenue originates from property and sales taxes, while 24% originates from franchise fees, charges for services, grants, hotel occupancy taxes, interest and investment earnings, and other miscellaneous fees (See Figure A-1). Significantly, sales and use tax and property tax collections nearly equalized in FYE 2018, equating to 35% and 40%, respectively, of all collected revenue. The City's governmental activity revenues increased 4.1% from the prior year, and were approximately \$348 thousand more than the same revenues collected in FYE 2017.

**Figure A-1 City of Helotes
Revenue Sources for Fiscal Year 2018**



The total cost of all governmental programs and services was \$9.3 million; 43% of this cost is directly related to emergency services consisting of police, fire, EMS and dispatch. During the year, the City's governmental activity expenses increased 5.0% from the prior year, and were approximately \$566 thousand more than the \$8.8 million generated in taxes and other revenues from governmental activities. The increase in governmental activity

expenses is primarily related to the expenditure of capital project monies for projects, such as the F.M. 1560 realignment and S.H. 16 water and sewer projects, where the corresponding capital assets could not be capitalized due to TxDOT or SAWS ownership of those affected roadways and utilities. Additionally, the expense increases are related to depreciation recorded on municipal capital assets and expenses related to liabilities due in more than one year.

Governmental Activities

The property tax rate remained the same as the prior year at 0.350000 per \$100 valuation; however, property tax revenues increased by \$154 thousand due to an increase in assessed valuations by the Bexar Appraisal District.

- The cost of all *governmental activities* in FYE 2018 was \$9.3 million.
- The amount of these activities that were paid for by taxpayers through property taxes was \$3.5 million (40.3%).
- 13.96% of the cost, or \$1.22 million, was paid by those who directly benefited from the programs and activities through direct charges for services as well as operating grants and contributions.

Table A-2
Changes in City of Helotes' Net Position

	Governmental Activities		Total Percentage Change
	2018	2017	2018-2017
Primary Government:			
City Council	\$ 2,563	\$ 3,096	-17.2%
City Administration	1,577,337	1,472,694	7.1%
Dispatch	178,918	228,958	-21.9%
City Secretary	77,001	114,497	-32.7%
Human Resources	130,155	110,574	17.7%
Municipal Court	277,140	264,832	4.6%
Animal Control, Public Works	1,019,129	758,192	34.4%
Development Services	1,418,567	1,342,107	5.7%
Building and Grounds	457,573	515,472	-11.2%
Police Department	1,990,989	1,793,494	11.0%
Emergency Medical Services	199,204	191,382	4.1%
Fire Department	1,642,002	1,703,215	-3.6%
Interest and Fiscal Charges on LT Debt	360,513	387,941	-7.1%
Total Governmental Activities	9,331,091	8,886,454	5.0%
Program Revenues:			
Charges for Services	1,170,357	1,088,792	7.5%
Operating Grants & Contributions	53,681	193,853	-72.3%
General Revenues:			
General Property Tax	3,531,105	3,377,228	4.6%
Sales Taxes	3,099,082	2,718,920	14.0%
Franchise Taxes	764,828	785,898	-2.7%
Hotel Occupancy Tax	3,313	-	100.0%
Investment Earnings	83,214	39,661	109.8%
Miscellaneous	59,657	213,362	-72.0%
Total Revenues	8,765,237	8,417,714	4.1%
Change in Net Position	\$ (565,854)	\$ (468,740)	20.7%

Table A-3 presents the cost of each of the City's functions, as well as each function's net cost (or total cost less fees generated by the same function). The net cost reflects what municipal revenues directly funded.

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

	Total Cost of Services			Net Cost of Services		
	2018	2017	% Change	2018	2017	% Change
<i>Governmental</i>						
City Council	\$ 3	\$ 3	0.0%	\$ 3	\$ 3	-14.6%
City Administration	1,577	1,473	7.1%	1,577	1,473	7.1%
Dispatch	179	229	100.0%	179	229	-21.9%
City Secretary	77	114	-32.5%	77	114	-32.5%
Human Resources	130	111	17.3%	130	111	17.3%
Municipal Court	277	265	4.6%	(168)	(134)	25.4%
Animal Control, PW	1,019	758	34.4%	982	593	65.6%
Development Services	1,419	1,342	5.7%	916	842	8.8%
Building and Grounds	458	515	-11.2%	458	515	-11.2%
Police Department	1,991	1,793	11.0%	1,917	1,716	11.7%
Emergency Medical	199	191	100.0%	34	50	-32.5%
Fire Department	1,642	1,703	-3.6%	1,642	1,703	-3.6%

Fund Financial Statements

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

- Some funds are required by State Law and by bond covenants; or
- 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 kind of fund:

Governmental Funds — Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets, which are readily convertible into cash, flow in and out of the funds and (2) the balances left at year-end that are available for spending in the subsequent fiscal year.

Consequently, governmental fund statements provide a detailed, short-range view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's activities. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of or on the subsequent page of the governmental funds statements to explain the relationship between them.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Revenues from governmental fund types totaled \$8.7 million, an increase of 3.6% over the prior year. The increase is primarily due to increased ad valorem and sales tax.

General Fund Budgetary Highlights

The General Fund reported a fund balance this year of approximately \$1.9 million at September 30, 2018. The average months of operating expenditures within the General Fund is 3.7 months; a rule of thumb for a minimum fund balance for the General Fund is no less than two months of average operating expenditures.

The adopted FYE 2018 General Fund budget anticipated a transfer in from reserves of \$85,600. General Fund expenditures of \$6.4 million exceeded revenues by \$343 thousand; however, the General Fund balance only decreased by approximately \$59 thousand from the prior fiscal year due to other financing sources, such as capital lease, insurance, and other proceeds, received during FYE 2018. The final General Fund budget required approximately \$26 thousand less in reserves than originally budgeted.

The City Council authorized unbudgeted General Fund expenditures in excess of \$73,000 to retrofit the Fire Station's HVAC system.

The budget was amended throughout the year, but actual revenues were less than projected by \$239 thousand, or 3.8% of expected revenues. Actual expenditures, however, had a positive variance compared to the final budget by \$46 thousand. That said, the following departments expended more than originally budgeted:

- Administration (\$25,294);
- Animal Control / Public Works (\$73,974); and
- EMS (\$10,123).

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At the end of 2018, the City had invested \$23.0 million in a broad range of capital assets, including land, buildings, vehicles, equipment, and infrastructure (see Table A-4). This amount, less accumulated depreciation, results in a net capital asset value of \$9.05 million.

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

	Governmental Activities		Total Percentage Change
	2018	2017	2018-2017
Land	\$ 1,764	\$ 1,764	0.0%
Buildings and Improvements	6,775	6,775	0.0%
Vehicles and Equipment	3,550	3,466	2.4%
Infrastructure	10,876	10,876	0.0%
Totals at historical cost	22,965	22,881	0.4%
Total accumulated depreciation	(13,915)	(13,198)	5.4%
Net Capital Assets	<u>\$ 9,050</u>	<u>\$ 9,683</u>	-6.5%

Long Term Debt. At year-end, the City had \$9.5 million (principle only) in Certificates of Obligation outstanding, as shown in Table A-5. Total bonded debt decreased approximately 7.4% from \$10.3 million in FYE 2017 to \$9.5 million in FYE 2018. More detailed information about the City's debt is presented in the notes to the financial statements.

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

	Governmental Activities		Total Percentage Change
	2018	2017	2018-2017
Certificates of Obligation	\$ 9,490	\$ 10,250	-7.4%
Total Bonded Debt	<u>\$ 9,490</u>	<u>\$ 10,250</u>	-7.4%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

With just over 7 square miles of land within its corporate limits, the City of Helotes' economy continues to thrive. Approximately 300 businesses across a variety of NAICS codes employed more than 2,500 individuals in 2018, with the majority of said businesses employing 1 to 4 persons.

97% of Helotes' eligible labor force is currently employed, and the average 2018 household income was \$116,297. By 2023, the average household income is expected to increase to \$134,709. Roughly 30% of the City's population is employed in executive, sales, or construction fields, while approximately 15% of residents work in office and administrative support roles. Lastly, more than 59% of the City's population has earned, at a minimum, an Associate's Degree.

Since 2008, the City's general and economic development sales and use tax receipts have increased approximately 376%, from \$766,305 to \$3.65 million. Similarly, ad valorem (property) tax receipts rose from \$2.17 million in 2008 to \$3.71 million in 2018, an increase of 71%. Over the same time period, sales and use and property tax receipts, as components of total City revenue, nearly equalized at approximately one-third each. The property tax rate has declined or stayed the same since 2009.

The City's retail trade area (RTA) includes over 18,000 existing homes. With approximately \$78 million in retail, food, and beverage sales leaking from Helotes into the City of San Antonio, the estimated 31,000 additional rooftops in active and/or planned subdivisions in the City's RTA will continue to produce fruitful economic development opportunities in Helotes.

12-month commercial real estate trends in Helotes, Texas:

Inventory:	110 buildings
	1,584,010 sq. ft., up 1.6%
Vacant Sq. Ft.:	37,185 sq. ft.
Vacancy Rate:	3.1%, down 0.1%
Occupancy Rate:	96.9%
Under Construction:	2 buildings
	18,700 sq. ft., down 13.8%
Avg. Rent:	\$20.42 / sq. ft., up 0.6%
Avg. Sale Price / Sq. Ft.:	\$205.00 / sq. ft., up 3.1%

The City of Helotes currently holds two (2) Certificate of Obligation issues dated 2007 and 2015. At a little under \$12 million (principle and interest) or \$1,561 per capita, the debt instruments were issued to fund new Police and Fire Stations, Old Town Helotes Special District improvements, and street, utility, park, and drainage improvements throughout the City.

As of September 30, 2018, approximately \$11.9 million in debt payments (including principal and interest) for the 2007 and 2015 issuances remained. The City does not anticipate issuing additional debt instruments at this time.

In December 2013, Standard & Poor's Ratings Services (the "S&P") raised its long-term and underlying rating for the City of Helotes from 'A+' to 'AA'. In 2015, S&P reaffirmed the City's long-term rating of 'AA/Stable'. S&P noted a "very strong economy, with access to a broad and diverse metropolitan statistical area."

Unadjusted General Fund budgeted expenditures increased in the FYE 2019 budget from \$6.6 million in FYE 2018 to \$7.73 million in FYE 2019. Unadjusted General Fund budgeted revenues increased in the FYE 2019 budget from \$6.6 million in FYE 2018 to \$7.73 million in FYE 2019. This increase is primarily a result of increases in sales and use tax collections.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the revenue it receives from multiple sources. If you have questions about this report or need additional financial information, contact the City Treasurer Taby Durr at:

12951 Bandera Road (Physical)
P.O. Box 507 (Mailing)
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.

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, 2018

	<u>Governmental Activities</u>
ASSETS	
<i>Current Assets:</i>	
Cash and Investments	\$ 3,235,468
Receivables (Net of Allowances for Uncollectibles)	
Property Taxes	59,077
Other Receivables	1,131,266
Prepaid Items	<u>121,207</u>
<i>Total Current Assets</i>	<u>4,547,018</u>
<i>Noncurrent Assets:</i>	
Restricted Assets:	
Cash and Investments	1,005,346
Capital Assets:	
Land	1,763,771
Buildings	6,774,720
Vehicles & Equipment	3,550,274
Infrastructure	10,876,307
Accumulated Depreciation	<u>(13,915,120)</u>
Total Capital Assets	<u>9,049,952</u>
<i>Total Noncurrent Assets</i>	<u>10,055,298</u>
TOTAL ASSETS	<u>14,602,316</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Related Outflows	290,754
Deferred OPEB Related Outflows	<u>7,942</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 298,696</u>

See accompanying notes to basic financial statements.

CITY OF HELOTES, TEXAS
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2018

	<u>Governmental Activities</u>
LIABILITIES	
<i>Current Liabilities:</i>	
Accounts Payable	\$ 238,385
Accrued Liabilities	349,422
Accrued Compensated Absences	339,783
Accrued Interest Payable	62,389
Unearned Revenue - Lease	122,399
Settlement Payable - Current Portion	258,281
Current Portion of Long-Term Debt	<u>712,886</u>
<i>Total Current Liabilities</i>	<u>2,083,545</u>
<i>Noncurrent Liabilities:</i>	
Settlement Payable - Long Term Portion	402,272
Long-Term Debt	9,052,688
Net Pension Liability	381,680
Total OPEB Liability	<u>100,577</u>
<i>Total Noncurrent Liabilities</i>	<u>9,937,217</u>
TOTAL LIABILITIES	<u>12,020,762</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Related Inflows	<u>224,485</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>224,485</u>
NET POSITION	
Net Investment in Capital Assets	3,284,419
Restricted for:	
Debt Service (Deficit)	(40,763)
Public Safety	72,137
Public Education Government	74,258
Street Maintenance	527,662
Hotel Occupancy Tax	3,326
Economic Development	950,079
Unrestricted (Deficit)	<u>(2,215,353)</u>
TOTAL NET POSITION	<u><u>\$ 2,655,765</u></u>

See accompanying notes to basic financial statements.



CITY OF HELOTES, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Functions and Programs	Expenses	Program Revenues		Program Revenues	Net Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	(Expense) and
					Changes in
					Net Position
					Primary Governmental Activities
Primary Government:					
Governmental Activities:					
City Council	\$ 2,563	\$ -	\$ -	\$ -	\$ (2,563)
City Administration	1,577,337	-	-	-	(1,577,337)
Dispatch	178,918	-	-	-	(178,918)
City Secretary	77,001	-	-	-	(77,001)
Human Resources	130,155	-	-	-	(130,155)
Municipal Court	277,140	445,179	-	-	168,039
Animal Control, Public Works	1,019,129	3,187	34,126	-	(981,816)
Development Services	1,418,567	502,261	-	-	(916,306)
Buildings and Grounds	457,573	-	-	-	(457,573)
Police Department	1,990,989	54,283	19,555	-	(1,917,151)
Emergency Medical Services	199,204	165,447	-	-	(33,757)
Fire Department	1,642,002	-	-	-	(1,642,002)
Interest and Fiscal Fees on					
Long-term Debt	360,513	-	-	-	(360,513)
Total Governmental Activities	9,331,091	1,170,357	53,681	-	(8,107,053)
Total Government	\$ 9,331,091	\$ 1,170,357	\$ 53,681	\$ -	\$ (8,107,053)
General Revenues:					
Taxes:					
General Property Taxes					3,531,105
Sales Taxes					3,099,082
Franchise Taxes					764,828
Hotel Occupancy Tax					3,313
Interest and Investment Earnings					83,214
Miscellaneous					59,657
Total General Revenues					7,541,199
Change in Net Position					(565,854)
Net Position at Beginning of Year					3,303,820
Prior Period Adjustment					(82,201)
Net Position at End of Year					\$ 2,655,765

See accompanying notes to basic financial statements.

CITY OF HELOTES, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	Major Funds		
	General Fund	Economic Development Corporation	Debt Service Fund
ASSETS			
Cash and Investments	\$ 1,824,444	\$ 845,279	\$ 3,589
Receivables:			
Property Taxes (Net of Uncollectibles)	41,040	-	18,037
Sales Tax and Other Receivable	794,640	221,457	-
Due from Other Funds	-	-	-
Prepaid Items	29,397	-	-
Restricted Assets:			
Cash and Investments	-	-	-
TOTAL ASSETS	<u>\$ 2,689,521</u>	<u>\$ 1,066,736</u>	<u>\$ 21,626</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ 108,200	\$ 183	\$ -
Accrued Liabilities	232,948	116,474	-
Due to Other Funds	103,624	-	-
Unearned Revenue - Lease	122,399	-	-
<i>Total Liabilities</i>	<u>567,171</u>	<u>116,657</u>	<u>-</u>
<i>Deferred Inflows of Resources:</i>			
Unavailable Revenue - Property Taxes	39,839	-	17,509
Unavailable Revenue - EMS	144,877	-	-
<i>Total Deferred Inflows of Resources</i>	<u>184,716</u>	<u>-</u>	<u>17,509</u>
<i>Fund Balances:</i>			
Nonspendable:			
Prepaid Items	29,397	-	-
Restricted for:			
Public Safety	-	-	-
Public Education Government	-	-	-
Street Maintenance	-	-	-
Hotel Occupancy Tax	-	-	-
Economic Development	-	950,079	-
Debt Service	-	-	4,117
Capital Projects	-	-	-
Unassigned	1,908,237	-	-
<i>Total Fund Balances</i>	<u>1,937,634</u>	<u>950,079</u>	<u>4,117</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 2,689,521</u>	<u>\$ 1,066,736</u>	<u>\$ 21,626</u>

See accompanying notes to basic financial statements.

<u>Major Funds</u>		
Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
\$ -	\$ 562,156	\$ 3,235,468
-	-	59,077
-	115,169	1,131,266
103,566	58	103,624
91,810	-	121,207
1,005,346	-	1,005,346
<u>\$ 1,200,722</u>	<u>\$ 677,383</u>	<u>\$ 5,655,988</u>

\$ 130,002	\$ -	\$ 238,385
-	-	349,422
-	-	103,624
-	-	122,399
<u>130,002</u>	<u>-</u>	<u>813,830</u>

-	-	57,348
-	-	144,877
-	-	202,225

91,810	-	121,207
-	72,137	72,137
-	74,258	74,258
-	527,662	527,662
-	3,326	3,326
-	-	950,079
-	-	4,117
978,910	-	978,910
-	-	1,908,237
<u>1,070,720</u>	<u>677,383</u>	<u>4,639,933</u>

<u>\$ 1,200,722</u>	<u>\$ 677,383</u>	<u>\$ 5,655,988</u>
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CITY OF HELOTES, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		\$ 4,639,933
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		9,049,952
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the governmental funds.		202,225
Accrued vacation leave payable is not due and payable in the current period and, therefore, not reported in the governmental funds.		(339,783)
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	(9,490,000)	
Unamortized Bond Premium	(125,041)	
Capital Lease	<u>(150,533)</u>	(9,765,574)
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	(381,680)	
Pension Related Deferred Inflows	(224,485)	
Pension Related Deferred Outflows	<u>290,754</u>	(315,411)
Total OPEB liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources and are not reported in the funds.		
Total OPEB Liability	(100,577)	
OPEB Related Deferred Outflows	<u>7,942</u>	(92,635)
Claims and judgments do not consume current financial resources and are not reported in the funds.		(660,553)
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>(62,389)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		<u>\$ 2,655,765</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, 2018

	Major Funds		
	General Fund	Economic Development Corporation	Debt Service Fund
REVENUES			
Taxes	\$ 4,102,168	\$ 823,691	\$ 1,073,700
Franchise Fees	741,740	-	-
Licenses and Permits	505,448	-	-
Municipal Court	468,277	-	-
Fire Department Interlocal Agreement	141,541	-	-
Grants	34,126	-	-
Interest	39,930	9,534	1,788
Miscellaneous	25,711	-	-
TOTAL REVENUES	<u>6,058,941</u>	<u>833,225</u>	<u>1,075,488</u>
EXPENDITURES			
Current:			
City Council	2,563	-	-
City Administration	982,322	199,682	-
Dispatch Services	526,668	-	-
City Secretary	76,867	-	-
Human Resources	129,105	-	-
Municipal Court	275,548	-	-
Animal Control, Public Works	355,493	-	-
Development Services	119,965	-	-
Building and Grounds	357,504	-	-
Police Department	1,672,757	-	-
Emergency Medical Services	474,662	-	-
Fire Department	1,208,272	-	-
Capital Outlay	120,224	-	-
Debt Service:			
Principal	89,768	-	760,000
Interest and Fiscal Charges	9,875	-	363,023
Settlement Expense	-	-	258,281
TOTAL EXPENDITURES	<u>6,401,593</u>	<u>199,682</u>	<u>1,381,304</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(342,652)</u>	<u>633,543</u>	<u>(305,816)</u>
OTHER FINANCING SOURCES (USES):			
Capital Lease Proceeds	65,941	-	-
Insurance Proceeds	29,895	-	-
Transfers In (Out)	187,672	(490,894)	303,222
TOTAL OTHER FINANCING SOURCES (USES)	<u>283,508</u>	<u>(490,894)</u>	<u>303,222</u>
Net Change in Fund Balance	<u>(59,144)</u>	<u>142,649</u>	<u>(2,594)</u>
FUND BALANCES - OCTOBER 1	<u>1,996,778</u>	<u>807,430</u>	<u>6,711</u>
FUND BALANCES - SEPTEMBER 30	<u>\$ 1,937,634</u>	<u>\$ 950,079</u>	<u>\$ 4,117</u>

See accompanying notes to basic financial statements.

<u>Major Funds</u>		
<u>Capital</u>	<u>Total</u>	<u>Total</u>
<u>Projects</u>	<u>Nonmajor</u>	<u>Governmental</u>
<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
\$ -	\$ 622,653	\$ 6,622,212
-	23,088	764,828
-	-	505,448
-	28,915	497,192
-	-	141,541
-	-	34,126
22,285	9,677	83,214
2,150	24,052	51,913
<u>24,435</u>	<u>708,385</u>	<u>8,700,474</u>
-	-	2,563
-	-	1,182,004
-	-	526,668
-	-	76,867
-	-	129,105
-	1,740	277,288
-	-	355,493
-	477,255	597,220
-	-	357,504
-	12,853	1,685,610
-	-	474,662
-	-	1,208,272
1,350,023	-	1,470,247
-	-	849,768
-	-	372,898
-	-	258,281
<u>1,350,023</u>	<u>491,848</u>	<u>9,824,450</u>
<u>(1,325,588)</u>	<u>216,537</u>	<u>(1,123,976)</u>
-	-	65,941
-	-	29,895
-	-	-
<u>-</u>	<u>-</u>	<u>95,836</u>
(1,325,588)	216,537	(1,028,140)
2,396,308	460,846	5,668,073
<u>\$ 1,070,720</u>	<u>\$ 677,383</u>	<u>\$ 4,639,933</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, 2018

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (1,028,140)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay. (632,947)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. 35,193

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, which the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any affect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal Repayments on Bonds, Leases, & Note Payable	849,768
Payments on Settlement	258,281
Proceeds from Capital Lease	(65,941)

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 the actuarially determined pension expense exceeded contributions. (8,797)

Governmental funds report required contributions to other post-employment benefits as expenditures. However, in the Statement of Activities the cost of the expense is recorded based on the actuarially determined cost of the plan. This is the amount that the actuarially determined OPEB expense exceeded contributions. (10,434)

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.

Compensated Absences	24,785
Interest Expense/ Amortization of Premium	<u>12,378</u>

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ (565,854)

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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. The Corporation is governed by a seven member board appointed by the City Council. It receives all proceeds from assessing a .50% sales tax. The City is financially accountable for the Corporation because the city council approves the Corporation's budget. 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, 2018, the City had no component units that would require a discrete presentation in the financial statements.

2. **GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The **government-wide financial statements** include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the City and its component units. The effect of interfund transfers has been removed from the government-wide statements, but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and intergovernmental revenues. The primary government is reported within the government wide statements. Business-type activities are financed, in whole or in part, by fees charged to external parties for goods and services. The City has no business-type activities or fiduciary funds.

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

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

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate **fund financial statements** are provided for governmental funds and proprietary funds. The General Fund, Debt Service Fund, Economic Development Corporation, and Capital Projects Fund meet the criteria as **major governmental funds**. All of these funds are reflected in single columns on the Fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

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

The **government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year which they are levied. Major revenue types, which have been accrued, include revenue from investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as *program revenues* and *general revenues*. Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes, grants not restricted to specific programs, and investment earnings.

Governmental fund level financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as unavailable revenue.

Expenditures, generally, are recorded when a fund liability is incurred; however, debt service expenditures and expenditures related to compensated absences, claims, and judgments are recorded only when the liability has matured and payment is due.

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

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

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

The government reports the following major governmental funds:

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

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

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

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

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

4. CASH AND INVESTMENTS

Cash and investments include cash deposits and investments with a maturity date within three (3) months of the date acquired by the City, including local government investments pools.

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

5. ACCOUNTS RECEIVABLE

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

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

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

5. ACCOUNTS RECEIVABLE (Continued)

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

6. PREPAID ITEMS

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

7. 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.

8. CAPITAL ASSETS

Capital assets, which include land, buildings, vehicles, equipment, capital leases, and infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets, such as equipment, are defined as assets with a cost of \$5,000 or more. Infrastructure assets include City-owned streets, sidewalks, curbs, and bridges. Capital assets are recorded at historical costs, if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Interest has not been capitalized during the construction period on property and equipment.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	20 to 40 years
Vehicles and Equipment	5 to 25 years
Infrastructure	20 years
Capital Leases	10 years

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

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

9. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

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

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

10. COMPENSATED ABSENCES

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

Liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued in the government-wide statements.

11. UNEARNED REVENUE

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

12. SETTLEMENT PAYABLE

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

13. LONG-TERM OBLIGATIONS

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

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

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

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

14. 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.

15. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the Total OPEB Liability of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS' Total OPEB Liability have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms.

16. 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, 2018

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

17. 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.

18. USE OF ESTIMATES

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

19. RECLASSIFICATIONS

Certain reclassifications have been made to the September 30, 2017 comparative information to conform to the September 30, 2018 presentation. These reclassifications had no effect on fund balances or net position.

20. ADOPTION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT

For the year ending September 30, 2018, the City implemented GASB Statement No. 75 related to accounting for postemployment benefits other than pensions (OPEB). This new standard requires that the City's OPEB plan recognize the total OPEB liability (asset) and OPEB related deferred inflows and outflows of resources on the City's government-wide statements. The prior period adjustment recorded represents the total OPEB liability at September 30, 2017, less associated OPEB related deferred outflows and inflows of resources. The amount of the restatement can be seen in more detail in Note P.

NOTE B -- CASH AND CASH INVESTMENTS

1. Cash

At September 30, 2018, the carrying amount of the primary government's (including the blended component unit) cash on hand was \$1,650; the carrying amount of deposits was \$798,035; and the bank balance was \$1,249,264. 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 \$1,152,726 and a market value of \$1,245,346 as collateral for the City's deposits. All of the City's cash was fully collateralized.

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE B -- CASH AND CASH INVESTMENTS (Continued)

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, 2018 were as follows:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Investment Pools:		
TexPool	\$ 430,088	28
LOGIC	2,762,051	78
U.S. Treasury Note	248,990	121
Total Investments	<u>\$ 3,441,129</u>	

The net asset value of investments are valued using prices quoted in active markets (Level 1 inputs).

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.

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE B -- CASH AND CASH INVESTMENTS (Continued)

3. Analysis of Specific Deposit and Investment Risks (Continued)

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.

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.

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE B -- CASH AND CASH INVESTMENTS (Continued)

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 2018, the assessed tax rate for the City was \$0.350000 per \$100 on an assessed valuation of \$833,465,566, which was less applicable freeze adjustments. The tax rate is split \$0.243142 for general maintenance and operations and \$0.106858 for interest and sinking. The total tax levy for fiscal year 2018 was \$3,541,895. As of September 30, 2018, the delinquent taxes were \$63,523, with an allowance for estimated uncollectible accounts recorded as \$4,446. The freeze adjusted taxable value was 79.7% of the net taxable value of \$1,046,058,990.

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, 2018 was \$.350000 per \$100 of assessed value. Consequently, the City has a tax margin of \$2.150000 for each \$100 of assessed value and could increase its annual tax levy by approximately \$17,919,510 based upon the present freeze adjusted value of \$833,465,566, before the limit is reached. The City may not, however, adopt a tax rate that exceeds the tax rate calculated in accordance with the Texas Property Tax Code without holding two public hearings. The Property Tax Code subjects an increase in the proposed tax rate to a referendum election, if petitioned by registered voters, when the effective tax rate increase is more than eight percent (8%) of the previous year's maintenance and operations tax rate.

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

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	\$ 44,129	\$ 3,089	\$ 41,040
Debt Service Fund	19,395	1,358	18,037
Total Tax Receivables	<u>\$ 63,524</u>	<u>\$ 4,447</u>	<u>\$ 59,077</u>

Other receivables, as of September 30, 2018, for the City's individual major funds are as follows:

	General	EDC	Nonmajor
Sales Taxes	\$ 449,465	\$ 221,457	\$ 109,447
Franchise Fees	145,068	-	5,722
EMS Services	328,121	-	-
Allowance for EMS Services	(183,244)	-	-
Other	55,230	-	-
Total Other Receivables	<u>\$ 794,640</u>	<u>\$ 221,457</u>	<u>\$ 115,169</u>

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, 2018 consist of the following:

Receivable Fund	Payable Fund	Amount	Reason/Intent
Capital Projects Fund	General Fund	\$ 103,566	Reimbursement of expenses
Nonmajor Funds	General Fund	58	PEG Fees
Total Interfund Balances		<u>\$ 103,624</u>	

NOTE F -- TRANSFERS

Transfers during the year ended September 30, 2018 were as follows:

Transfer Out	Transfer In	Amount	Purpose
EDC	Debt Service Fund	\$ 490,894	Pledged Revenue
Debt Service Fund	General Fund	187,672	Capital Lease payments
Total Governmental Funds Transfers		<u>\$ 678,566</u>	

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE G -- UNEARNED REVENUE - LEASE REVENUE

The City is leasing land to Cingular Wireless for a period of 30 years for a cell phone tower. This agreement runs from September 1, 2005 through August 31, 2035. The first five years of the lease were prepaid and the remaining term is in annual installments.

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

Fiscal Year Ending September 30,	Minimum Future Lease Revenue		
	Tower Lease	Parking Lease	Total
2019	\$ 17,622	\$ 2,533	\$ 20,155
2020	18,151	2,533	20,684
2021	18,696	2,533	21,229
2022	19,256	2,533	21,789
2023	19,834	2,533	22,367
2024-2028	108,461	12,665	121,126
2029-2033	125,736	12,665	138,401
2034-2038	55,734	12,665	68,399
2039-2043	-	12,665	12,665
2044-2048	-	12,665	12,665
2049-2053	-	12,665	12,665
2054-2058	-	12,665	12,665
2059-2060	-	3,457	3,457
	<u>\$ 383,490</u>	<u>\$ 104,777</u>	<u>\$ 488,267</u>

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

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
2019	\$ 294,495	\$ 24,519	\$ 319,014
2020	296,046	24,214	320,260
2021	297,203	24,466	321,669
2022	297,968	24,144	322,112
2023	298,339	23,822	322,161
2024 - 2028	1,194,113	171,194	1,365,307
2029 - 2033	-	236,726	236,726
2034 - 2035	-	64,408	64,408
	<u>\$ 2,678,164</u>	<u>\$ 593,493</u>	<u>\$ 3,271,657</u>

NOTE I -- CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2018 was as follows:

<i>Governmental Activities</i>	Balance 10/1/2017	Additions	Disposals/ Transfers	Balance 9/30/2018
Land	\$ 1,763,771	\$ -	\$ -	\$ 1,763,771
Buildings	6,774,720	-	-	6,774,720
Vehicles & Equipment	3,466,310	83,964	-	3,550,274
Infrastructure	10,876,307	-	-	10,876,307
	<u>22,881,108</u>	<u>83,964</u>	<u>-</u>	<u>22,965,072</u>
Less Accumulated Depreciation				
Buildings	(2,074,363)	(222,300)	-	(2,296,663)
Vehicles & Equipment	(2,488,716)	(276,184)	-	(2,764,900)
Infrastructure	(8,635,130)	(218,427)	-	(8,853,557)
	<u>(13,198,209)</u>	<u>(716,911)</u>	<u>-</u>	<u>(13,915,120)</u>
Governmental Capital Assets, Net	<u>\$ 9,682,899</u>	<u>\$ (632,947)</u>	<u>\$ -</u>	<u>\$ 9,049,952</u>

Land is not depreciated.

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE I -- CAPITAL ASSETS (Continued)

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

City Administration	\$ 41,373
Animal Control, Public Works	231,830
Building and Grounds	63,011
Police Department	196,046
Fire Department	184,651
Total Depreciation Expense - Governmental Activities	<u>\$ 716,911</u>

NOTE J -- LONG-TERM DEBT

Long-term debt and obligations payable at September 30, 2018 comprise the following individual issues:

Certificates of Obligation:

\$10,000,000 2007 Combination Tax and Limited-Pledge Revenue Certificates of

Obligation due in annual installments through 2027; interest at 3.93%.

The EDC has pledged to cover a portion of this debt (see note H). \$ 5,615,000

\$4,315,000 2015 Combination Tax and Limited-Pledge Revenue Certificates of

Obligation due in annual installments through 2035; interest at 3.00%.

The EDC has pledged to cover a portion of this debt (see note H). 3,875,000

Total Governmental Long-Term Obligations \$ 9,490,000

Changes in Long-Term Liabilities

	Balance 10/1/2017	Additions	Reductions	Balance 9/30/2018	Due Within One Year
<i>Governmental Activities</i>					
Series 2007	\$ 6,115,000	\$ -	\$ (500,000)	\$ 5,615,000	\$ 525,000
Series 2015	4,135,000	-	(260,000)	3,875,000	90,000
Premium on Series 2015	132,396	-	(7,355)	125,041	7,355
Total Bonded Debt	<u>10,382,396</u>	<u>-</u>	<u>(767,355)</u>	<u>9,615,041</u>	<u>622,355</u>
Capital Lease	174,360	65,941	(89,768)	150,533	90,531
Total Governmental Activities	<u>\$10,556,756</u>	<u>\$ 65,941</u>	<u>\$ (857,123)</u>	<u>\$ 9,765,574</u>	<u>\$ 712,886</u>

Compensated absences, net pension liability, and total other post-employment benefit liability for governmental activities are generally liquidated by the general fund.

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE J -- LONG-TERM DEBT (Continued)

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

Year Ending September 30,	Principal	Interest	Total
2019	\$ 615,000	\$ 337,391	\$ 952,391
2020	640,000	313,567	953,567
2021	665,000	288,784	953,784
2022	690,000	263,042	953,042
2023	715,000	236,318	951,318
2024 - 2028	3,750,000	742,687	4,492,687
2029 - 2033	1,865,000	230,416	2,095,416
2034 - 2035	550,000	20,119	570,119
	<u>\$ 9,490,000</u>	<u>\$ 2,432,324</u>	<u>\$ 11,922,324</u>
Average Annual Debt Service Requirement			<u>\$ 701,313</u>

The City leased a new vehicle in October 2015, five new vehicles in April 2016, three new vehicles in May 2017, and two new vehicles in March 2018. The leases have an effective interest rate between 5.7% and 6.45% and a bargain purchase options of \$1 upon maturity. Future minimum lease payments are as follows:

Year Ending September 30,	Lease Payments
2019	\$ 99,643
2020	46,766
2021	18,182
	<u>164,591</u>
Less: Interest Amount	<u>(14,058)</u>
	<u>\$ 150,533</u>

The following is an analysis of the property under capital lease as of September 30, 2018:

Transportation & Equipment	\$ 364,734
Less: Accumulated Depreciation	<u>(135,343)</u>
Net Leased Property	<u>\$ 229,391</u>

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE K -- SETTLEMENT PAYABLE

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

Year Ending September 30,	Principal
2019	\$ 258,281
2020	201,136
2021	201,136
Total Judgement Payable	<u>\$ 660,553</u>

NOTE L -- EMPLOYEES' RETIREMENT SYSTEMS

Texas Municipal Retirement System

1. Plan Description

The City participates, as one of 883 plans, in the nontraditional, joint-contributory, hybrid-defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the system with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally-dependent on the State of Texas. TMRS' defined benefit pension plan is a tax-qualified plan under Section 401(A) of the Internal Revenue Code. TMRS issues a publicly-available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

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

2. Benefits Provided

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

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

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE L -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

2. Benefits Provided (Continued)

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

	2016	2017
Inactive employees or beneficiaries currently receiving benefits	11	12
Inactive employees entitled to, but not yet receiving, benefits	27	32
Active employees	62	72
	<u>100</u>	<u>116</u>

3. Contributions

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

For the year ending September 30, 2018, employees for the City were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City were 6.85% and 6.80% in calendar years 2017 and 2018, respectively. The City's contributions to TMRS for the year ended September 30, 2018 were \$247,778, 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, 2017, 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, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Salary Increases	3.50% to 10.50%, including inflation
Investment Rate of Return*	6.75%

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

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE L -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

5. Actuarial Assumptions (Continued)

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

Actuarial assumptions used in the December 31, 2017 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rates (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal (EAN) actuarial cost method and a one-time change to the amortization policy. 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.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.50%	4.55%
International Equity	17.50%	6.35%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.90%
Real Return	10.00%	3.80%
Real Estate	10.00%	4.50%
Absolute Return	10.00%	3.75%
Private Equity	5.00%	7.50%
	<u>100.00%</u>	

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE L -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

6. Discount Rate

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

7. Discount Rate Sensitivity Analysis

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

	Discount Rate 5.75%	Discount Rate 6.75%	Discount Rate 7.75%
Net Pension Liability (Asset)	\$ 1,404,423	\$ 381,680	\$ (453,112)

8. Changes in Net Pension Liability

The below schedule presents the changes in the Net Pension Liability (Asset) as of December 31, 2017:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at December 31, 2016	\$ 5,801,819	\$ 5,061,240	\$ 740,579
Changes for the year:			
Service Cost	394,631	-	394,631
Interest	402,524	-	402,524
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(11,701)	-	(11,701)
Changes of Assumptions	-	-	-
Contributions - Employer	-	238,112	(238,112)
Contributions - Employee	-	208,984	(208,984)
Net Investment Income	-	701,077	(701,077)
Benefit Payments, Including Refunds of Employee Contributions	(71,636)	(71,636)	-
Administrative Expense	-	(3,635)	3,635
Other Changes	-	(185)	185
Net Changes	<u>713,818</u>	<u>1,072,717</u>	<u>(358,899)</u>
Balance at December 31, 2017	<u>\$ 6,515,637</u>	<u>\$ 6,133,957</u>	<u>\$ 381,680</u>

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE L -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

9. Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2018, the City recognized a pension expense of \$256,490. Also, as of September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	\$ -	\$ 59,966
Changes in Actuarial Assumptions	112,703	-
Differences between Projected and Actual Investment Earnings	-	164,519
Contributions Subsequent to the Measurement Date	178,051	-
	<u>\$ 290,754</u>	<u>\$ 224,485</u>

Deferred outflows of resources in the amount of \$178,051 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 plan year ending December 31, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year ended December 31,	
2018	\$ 6,135
2019	(3,332)
2020	(60,122)
2021	(60,116)
2022	10,755
Thereafter	(5,102)
	<u>\$ (111,782)</u>

NOTE M -- OTHER POST EMPLOYMENT BENEFIT (OPEB)

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

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE M -- OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's annual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB. Membership in the plan at December 31, 2017, the valuation and measurement date, consisted of:

Inactive Employees or Beneficiaries Currently Receiving Benefits	10
Inactive Employees Entitled to but Not Yet Receiving Benefits	7
Active Employees	72
	89

The SDBF required contribution rates, based on these assumptions, are as follows:

<u>For the Calendar Year Ended December 31,</u>	<u>Total SBDF Contribution Rate</u>	<u>Retiree Portion of SDBF Contribution Rate</u>
2017	0.12%	0.01%
2018	0.13%	0.01%

These contribution rates are based on actuarial assumptions developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method.

These assumptions are summarized below:

Inflation	2.50%
Salary Increases	3.50% to 10.50% Including Inflation
Discount Rate	3.31% (Based on Fidelity Index's 20-Year Municipal GO AA Index)
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	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.
Mortality Rates - Disabled Retirees	RP2000 Combined Mortality Table with blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE M -- OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

The City's Total OPEB Liability (TOL), based on the actuarial factors, as of December 31, 2017 was calculated as follows:

	Total OPEB Liability
Balance at December 31, 2016	\$ 82,447
Changes for the year:	
Service Cost	6,618
Interest	3,235
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	8,625
Benefit Payments	(348)
Net Changes	18,130
Balance at December 31, 2017	\$ 100,577

There is no separate trust maintained to fund this Total OPEB Liability. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

The following presents the TOL of the City, calculated using the discount rate of 3.31% as well as what the City's TOL would be if it were calculated using a discount rate that is 1-percentage point lower (2.31%) and 1-percentage point higher (4.31%) than the current rate:

	Discount Rate 2.31%	Discount Rate 3.31%	Discount Rate 4.31%
Total OPEB Liability	\$ 122,554	\$ 100,577	\$ 83,413

For the year ended September 30, 2018, the City recognized OPEB expense of \$16,439. Also as of September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Actuarial Assumptions	\$ 7,680	\$ -
Contributions Subsequent to the Measurement Date	262	-
	\$ 7,942	\$ -

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE M -- OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

Deferred outflows of resources in the amount of \$262 is related to OPEB benefits resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the total OPEB liability for the plan year ended December 31, 2018. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Plan Year Ended December 31,			
	2018	\$	945
	2019		945
	2020		945
	2021		945
	2022		945
	Thereafter		2,955
		\$	<u>7,680</u>

NOTE N -- RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City contracts with the Texas Municipal League (TML) to provide insurance coverage for property, casualty, and workers compensation. TML is a multi-employer group that provides for a combination of risk sharing among pool participants and stop loss coverage. Contributions are set annually by the provider. Liability by the City is generally limited to the contributed amounts. Annual contributions for the year ended September 30, 2018 were \$145,157 for property, casualty, and workers compensation coverage.

NOTE O -- COMMITMENTS AND CONTINGENCIES

Commitments

The City has entered into contracts for the following project. As of September 30, 2018, estimated future commitments associated with these contracts are as follows:

Commitment	Estimated Project Cost to City	Expended to Date	Estimated Future Commitment
LNV/SH16 Water & Sewer	\$ 66,538	\$ 52,861	\$ 13,677
State Highway 16 Water and Sewer Improvements	2,434,029	2,380,413	53,616
LNV/Pedestrian Bridge	41,604	37,389	4,215
	<u>\$ 2,542,171</u>	<u>\$ 2,470,663</u>	<u>\$ 71,508</u>

Litigation

Management is unaware of any 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, 2018

NOTE O -- COMMITMENTS AND CONTINGENCIES (Continued)

Chapter 380 Economic Development Agreements

The City of Helotes and the Economic Development Corporation have entered into Chapter 380 Economic Development Agreements to encourage growth within the City. The Agreements involve the City and Economic Development Corporation reimbursing the project costs through refunding portions of the sales and use taxes and/or increased property tax revenues, up to a maximum amount. The City and Economic Development Corporation are accruing estimated sales and use tax rebates as of September 30, 2018 based on the sales and use tax and property tax collections of projects in anticipation of the developers' requests for payment. The terms of the agreements are as follows:

Development	Sales Tax Refund Agreement		Maximum Grant Amount	Current Year Reductions	Maximum Balance Due	Term
	City	EDC				
Bandera Helotes Plaza (2010)	50%	50%	\$ 300,000	\$ 49,410	\$ 250,590	10 years
Bluff & Shops at Old Town Helotes (2014)	50%	50%	\$ 2,000,000	\$ -	\$ 2,000,000	15 years
Texas Developers, LLC (2016)	75% of excess	75% of excess	N/A	\$ 1,215,121	N/A	20 years
CSDRE, LLC & Slim Texas, LLC (2017)	40%	40%	\$ 600,000	\$ 3,949	\$ 596,051	13 years

Development	Ad Valorem Tax Refund		Maximum Grant Amount	Current Year Reductions	Maximum Balance Due	Term
	City	EDC				
New Leaf Homes (2015)	25%	0%	\$ 3,542,817	\$ 15,771	\$ 3,527,046	25 years
New Leaf Homes (2018)	25%	0%	\$ 3,321,753	\$ -	\$ 3,321,753	25 years

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

Future Lease Agreements

The City entered into two lease agreements with Frost Bank in August 2018 for a new Fire Pumper Truck and 2019 Ford F-450 Ambulance in the amounts of \$587,115 and \$156,575, respectively. The agreements were executed prior to year-end, however as the vehicles were not received until after September 30, 2018, the capital assets and related debt are not included on the Statement of Net Position.

NOTE P -- PRIOR PERIOD ADJUSTMENT

In accordance with GASB Statement No. 75, the City has recorded a prior period adjustment to recognize the Other Post-Employment Benefits (OPEB) Liability as described in Note M, above. The OPEB liability at September 30, 2017 was recorded in the governmental activities resulting in a prior period adjustment to restate the beginning net position as of September 30, 2017 by \$82,201 lower so that the restated Net Position at September 30, 2017 would be \$3,221,619.

NOTE Q – DEFICIT NET POSITION

The City reported a deficit net position for Debt Service and Unrestricted Net Position for \$40,763 and \$2,215,353, respectively.

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
- Schedule of Changes – Total OPEB Liability and Related Ratios
- Notes to Schedule of Changes – Total OPEB 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, 2018
(WITH COMPARATIVE ACTUAL TOTALS FOR 2017)

	Budget Amounts		2018 Actual Amounts	Variance Favorable (Unfavorable)	2017 Actual Amounts
	Original	Final			
REVENUES					
Taxes	\$ 4,483,522	\$ 4,483,522	\$ 4,102,168	\$ (381,354)	\$ 4,186,573
Franchise Fees	774,776	774,776	741,740	(33,036)	761,733
Licenses and Permits	499,870	499,870	505,448	5,578	505,877
Municipal Court	362,663	362,663	468,277	105,614	424,030
Fire Department	120,363	120,363	141,541	21,178	125,373
Grants	-	-	34,126	34,126	159,797
Interest	17,008	17,008	39,930	22,922	20,769
Miscellaneous	40,018	40,018	25,711	(14,307)	189,321
<i>Total Revenues</i>	<u>6,298,220</u>	<u>6,298,220</u>	<u>6,058,941</u>	<u>(239,279)</u>	<u>6,373,473</u>
EXPENDITURES					
<i>City Council:</i>					
Seminars	100	100	90	10	44
Reimbursements	2,750	2,750	2,473	277	3,052
<i>Total City Council</i>	<u>2,850</u>	<u>2,850</u>	<u>2,563</u>	<u>287</u>	<u>3,096</u>
<i>City Administration:</i>					
Personnel	403,419	401,739	387,915	13,824	290,756
Insurance	84,820	84,820	85,010	(190)	76,045
Contractual	338,685	340,365	349,401	(9,036)	397,704
Supplies and Maintenance	130,104	130,104	159,996	(29,892)	105,955
<i>Total City Administration</i>	<u>957,028</u>	<u>957,028</u>	<u>982,322</u>	<u>(25,294)</u>	<u>870,460</u>
<i>Dispatch Services:</i>					
Personnel	523,174	522,653	471,039	51,614	505,188
Contractual	37,047	23,127	8,329	14,798	23,042
Supplies and Maintenance	10,600	25,041	47,300	(22,259)	30,262
<i>Total Dispatch Services</i>	<u>570,821</u>	<u>570,821</u>	<u>526,668</u>	<u>44,153</u>	<u>558,492</u>
<i>City Secretary:</i>					
Personnel	57,378	56,958	56,627	331	97,024
Contractual	10,254	10,674	16,128	(5,454)	20,118
Supplies and Maintenance	12,270	12,270	4,112	8,158	12,827
<i>Total City Secretary</i>	<u>79,902</u>	<u>79,902</u>	<u>76,867</u>	<u>3,035</u>	<u>129,969</u>
<i>Human Resources:</i>					
Personnel	137,490	135,396	126,762	8,634	109,676
Contractual	-	840	805	35	315
Supplies and Maintenance	-	-	1,538	(1,538)	130
<i>Total Human Resources</i>	<u>\$ 137,490</u>	<u>\$ 136,236</u>	<u>\$ 129,105</u>	<u>\$ 7,131</u>	<u>\$ 110,121</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, 2018
(WITH COMPARATIVE ACTUAL TOTALS FOR 2017)

	Budget Amounts		2018 Actual Amounts	Variance Favorable (Unfavorable)	2017 Actual Amounts
	Original	Final			
EXPENDITURES (CONT.)					
<i>Municipal Court:</i>					
Personnel	\$ 265,939	\$ 264,259	\$ 215,280	\$ 48,979	\$ 179,058
Contractual	40,643	42,323	58,272	(15,949)	73,027
Supplies and Maintenance	2,520	2,520	1,996	524	1,800
<i>Total Municipal Court</i>	<u>309,102</u>	<u>309,102</u>	<u>275,548</u>	<u>33,554</u>	<u>253,885</u>
<i>Animal Control, Public Works:</i>					
Personnel	268,195	268,195	305,141	(36,946)	223,096
Contractual	25,248	25,248	34,790	(9,542)	22,473
Supplies and Maintenance	12,268	12,268	15,562	(3,294)	12,543
Capital Outlay	8,688	8,688	32,880	(24,192)	69,224
<i>Total Animal Control, Public Works</i>	<u>314,399</u>	<u>314,399</u>	<u>388,373</u>	<u>(73,974)</u>	<u>327,336</u>
<i>Development Services:</i>					
Personnel	127,739	126,898	114,229	12,669	141,014
Contractual	1,750	1,750	5,736	(3,986)	3,274
<i>Total Development Services</i>	<u>129,489</u>	<u>128,648</u>	<u>119,965</u>	<u>8,683</u>	<u>144,288</u>
<i>Buildings and Grounds:</i>					
Contractual	124,484	124,484	202,938	(78,454)	165,717
Supplies and Maintenance	1,361	1,361	2,230	(869)	2,192
Community Events	139,233	139,233	44,763	94,470	87,312
Utilities	105,752	105,752	107,573	(1,821)	121,363
Capital Outlay	70,500	70,500	6,977	63,523	137
<i>Total Buildings and Grounds</i>	<u>441,330</u>	<u>441,330</u>	<u>364,481</u>	<u>76,849</u>	<u>376,721</u>
<i>Police Department:</i>					
Personnel	1,499,215	1,499,215	1,491,280	7,935	1,378,260
Contractual	33,186	33,186	60,320	(27,134)	41,927
Supplies and Maintenance	107,770	107,770	121,157	(13,387)	83,630
Capital Outlay	76,626	142,567	80,367	62,200	164,567
<i>Total Police Department</i>	<u>\$ 1,716,797</u>	<u>\$ 1,782,738</u>	<u>\$ 1,753,124</u>	<u>\$ 29,614</u>	<u>\$ 1,668,384</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, 2018
(WITH COMPARATIVE ACTUAL TOTALS FOR 2017)

	Budget Amounts		2018 Actual Amounts	Variance Favorable (Unfavorable)	2017 Actual Amounts
	Original	Final			
EXPENDITURES (CONT.)					
<i>Emergency Medical Services:</i>					
Personnel	\$ 392,313	\$ 392,313	\$ 404,214	\$ (11,901)	\$ 369,224
Contractual	20,348	21,218	30,955	(9,737)	35,829
Supplies and Maintenance	51,878	51,008	39,493	11,515	42,489
<i>Total Emergency Medical Services</i>	<u>464,539</u>	<u>464,539</u>	<u>474,662</u>	<u>(10,123)</u>	<u>447,542</u>
<i>Fire Department:</i>					
Personnel	1,119,026	1,119,026	1,073,026	46,000	1,060,246
Contractual	33,057	33,057	38,978	(5,921)	39,311
Supplies and Maintenance	107,990	107,990	96,268	11,722	132,954
Capital Outlay	-	-	-	-	149,594
<i>Total Fire Department</i>	<u>1,260,073</u>	<u>1,260,073</u>	<u>1,208,272</u>	<u>51,801</u>	<u>1,382,105</u>
<i>Debt Service:</i>					
Principal	-	-	89,768	(89,768)	73,192
Interest and Fiscal Charges	-	-	9,875	(9,875)	8,269
<i>Total Debt Service</i>	<u>-</u>	<u>-</u>	<u>99,643</u>	<u>(99,643)</u>	<u>81,461</u>
TOTAL EXPENDITURES	<u>6,383,820</u>	<u>6,447,666</u>	<u>6,401,593</u>	<u>46,073</u>	<u>6,353,860</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(85,600)</u>	<u>(149,446)</u>	<u>(342,652)</u>	<u>(193,206)</u>	<u>19,613</u>
Other Financing Sources (Uses)					
Capital Lease Proceeds	-	65,941	65,941	-	105,772
Insurance Proceeds	-	-	29,895	29,895	-
Transfers In (Out)	-	-	187,672	187,672	(230,250)
Total Other Financing Sources (Uses)	<u>-</u>	<u>65,941</u>	<u>283,508</u>	<u>217,567</u>	<u>(124,478)</u>
Net Change in Fund Balance	<u>(85,600)</u>	<u>(83,505)</u>	<u>(59,144)</u>	<u>24,361</u>	<u>(104,865)</u>
BEGINNING FUND BALANCE	<u>1,996,778</u>	<u>1,996,778</u>	<u>1,996,778</u>	<u>-</u>	<u>2,101,643</u>
ENDING FUND BALANCE	<u>\$ 1,911,178</u>	<u>\$ 1,913,273</u>	<u>\$ 1,937,634</u>	<u>\$ 24,361</u>	<u>\$ 1,996,778</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, 2018
(WITH COMPARATIVE ACTUAL TOTALS FOR 2017)

	Budgeted Amounts		2018	Variance	2017
	Original	Final	Actual	Favorable	Actual
			Amounts	(Unfavorable)	Amounts
REVENUES					
Taxes	\$ 852,000	\$ 852,000	\$ 823,691	\$ (28,309)	\$ 743,542
Interest	2,000	2,000	9,534	7,534	3,008
TOTAL REVENUES	<u>854,000</u>	<u>854,000</u>	<u>833,225</u>	<u>(20,775)</u>	<u>746,550</u>
EXPENDITURES					
Professional Services	174,151	191,400	60,368	131,032	98,095
Personnel Costs	72,006	72,006	73,232	(1,226)	70,173
City Administration Cost	11,649	5,400	11,085	(5,685)	15,000
Training and Seminars	9,900	9,900	11,203	(1,303)	6,988
Parking Lease Agreement	5,890	6,000	5,283	717	4,272
Office Supplies and Expenses	87,149	76,149	37,133	39,016	2,947
Other Expenses	2,360	2,250	1,378	872	1,967
TOTAL EXPENDITURES	<u>363,105</u>	<u>363,105</u>	<u>199,682</u>	<u>163,423</u>	<u>199,442</u>
Excess (Deficiency)					
of Revenues					
Over (Under) Expenditures	<u>490,895</u>	<u>490,895</u>	<u>633,543</u>	<u>142,648</u>	<u>547,108</u>
OTHER FINANCING					
SOURCES (USES)					
Transfer In (Out) to					
Primary Government	<u>(490,895)</u>	<u>(490,895)</u>	<u>(490,894)</u>	<u>1</u>	<u>(473,539)</u>
TOTAL OTHER					
FINANCING					
SOURCES (USES)	<u>(490,895)</u>	<u>(490,895)</u>	<u>(490,894)</u>	<u>1</u>	<u>(473,539)</u>
Net Change in					
Fund Balance	-	-	142,649	142,649	73,569
BEGINNING FUND BALANCE	<u>807,430</u>	<u>807,430</u>	<u>807,430</u>	<u>-</u>	<u>733,861</u>
ENDING FUND BALANCE	<u>\$ 807,430</u>	<u>\$ 807,430</u>	<u>\$ 950,079</u>	<u>\$ 142,649</u>	<u>\$ 807,430</u>



CITY OF HELOTES, TEXAS
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SEPTEMBER 30, 2018

Budgetary Information – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council and, as such, is a good management control device. The following are the funds which have legally adopted annual budgets: General Fund, Debt Service Fund, Capital Replacement Fund, Economic Development Corporation Fund, Municipal Court Security Fund, Municipal Court Technology Fund, Police Training and Education Fund, School Safety Fund, PEG Capital Fund, State Forfeiture Fund, Federal Forfeiture Fund, and Street Maintenance Fund.

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

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded, is utilized in the governmental funds. Encumbrances lapse at year-end, and the commitments must be reappropriated and honored during the subsequent year.

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

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

	Total Pension Liability			
	2014	2015	2016	2017
Service Cost	\$ 312,260	\$ 327,583	\$ 359,315	\$ 394,631
Interest (on the Total Pension Liability)	284,925	319,639	359,177	402,524
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	(23,615)	(23,708)	(30,699)	(11,701)
Changes of Assumptions	-	182,129	-	-
Benefit Payments, Including Refunds of Employee Contributions	(92,277)	(78,371)	(54,911)	(71,636)
Net Change in Total Pension Liability	481,293	727,272	632,882	713,818
Total Pension Liability - Beginning	3,960,372	4,441,665	5,168,937	5,801,819
Total Pension Liability - Ending	<u>\$ 4,441,665</u>	<u>\$ 5,168,937</u>	<u>\$ 5,801,819</u>	<u>\$ 6,515,637</u>
	Plan Fiduciary Net Position			
	2014	2015	2016	2016
Contributions - Employer	\$ 146,084	\$ 189,904	\$ 192,822	\$ 238,112
Contributions - Employee	174,603	179,826	189,946	208,984
Net Investment Income	212,062	6,116	299,552	701,077
Benefit Payments, Including Refunds of Employee Contributions	(92,277)	(78,371)	(54,911)	(71,636)
Administrative Expense	(2,213)	(3,724)	(3,387)	(3,635)
Other	(182)	(184)	(182)	(185)
Net Change in Plan Fiduciary Net Position	438,077	293,567	623,840	1,072,717
Plan Fiduciary Net Position - Beginning	3,705,756	4,143,833	4,437,400	5,061,240
Plan Fiduciary Net Position - Ending	<u>\$ 4,143,833</u>	<u>\$ 4,437,400</u>	<u>\$ 5,061,240</u>	<u>\$ 6,133,957</u>
Net Pension Liability (Asset) - Ending	\$ 297,832	\$ 731,537	\$ 740,579	\$ 381,680
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.29%	85.85%	87.24%	94.14%
Covered Payroll	\$ 2,910,052	\$ 2,997,102	\$ 3,165,775	\$ 3,483,062
Net Pension Liability as a Percentage of Covered Payroll	10.23%	24.41%	23.39%	10.96%

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

Schedule of Contributions:

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CITY OF HELOTES, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES – OTHER POST EMPLOYMENT BENEFIT
LIABILITY AND RELATED RATIOS
LAST CALENDAR YEAR

Total OPEB Liability	2017
Service Cost	\$ 6,618
Interest (on the Total Pension Liability)	3,235
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	8,625
Changes of Assumptions	-
Benefit Payments, Including Refunds of Employee Contributions	(348)
Net Change in Total Pension Liability	18,130
Total Pension Liability - Beginning	82,447
Total Pension Liability - Ending	<u>\$ 100,577</u>
 Covered Payroll	 \$ 3,483,062
 Total OPEB Liability as a Percentage of Covered Payroll	 2.89%

Note: The schedule above reflects the changes in the Total OPEB Liability for the current plan year. GASB Statement No. 75 requires 10 fiscal years of data to be provided in this schedule. The City will build the schedule over the 10-year period beginning December 31, 2017 as data becomes available.

NOTES TO SCHEDULE OF CHANGES

No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Methods and Assumptions Used to Determine Contribution Rate

Inflation	2.50%
Salary Increases	3.50% to 10.50% Including Inflation
Discount Rate	3.31% (Based on Fidelity Index's 20-Year Municipal GO AA Index)
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	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.
Mortality Rates - Disabled Retirees	RP2000 Combined Mortality Table with blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

- Comparative Balance Sheets – General Fund
- Comparative Balance Sheets – Economic Development Corporation
- Comparative Statements – Debt Service Fund
- Comparative Statements – Capital Projects Fund
- Combining Statement – Nonmajor Funds
- Comparative Statements – Nonmajor Funds
- Statement of Revenues, Expenditures & Change in Fund Balance – Budget and Actual – Nonmajor Governmental Funds

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
GENERAL FUND
SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and Investments	\$ 1,824,444	\$ 1,898,519
Certificate of Deposit	-	501,706
Receivables:		
Property Taxes (Net of Allowance)	41,040	37,390
Sales Tax and Other Receivables	794,640	682,429
Due from Other Funds	-	110,469
Prepaid Items	29,397	-
TOTAL ASSETS	<u><u>\$ 2,689,521</u></u>	<u><u>\$ 3,230,513</u></u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ 108,200	\$ 127,229
Accrued Expenditures	232,948	228,033
Due to Other Funds	103,624	613,571
Unearned Revenue - Lease	122,399	107,310
<i>Total Liabilities</i>	<u>567,171</u>	<u>1,076,143</u>
 <i>Deferred Inflows of Resources:</i>		
Unavailable Revenue - Taxes	39,839	36,621
Unavailable Revenue - EMS	144,877	120,971
<i>Total Deferred Inflows of Resources</i>	<u>184,716</u>	<u>157,592</u>
 <i>Fund Balances:</i>		
Nonspendable:		
Prepaid Items	29,397	-
Unassigned	1,908,237	1,996,778
<i>Total Fund Balances</i>	<u>1,937,634</u>	<u>1,996,778</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 2,689,521</u></u>	<u><u>\$ 3,230,513</u></u>

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
ECONOMIC DEVELOPMENT CORPORATION
SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and Investments	\$ 845,279	\$ 401,534
Certificate of Deposit	-	250,882
Accounts Receivable - State	221,457	198,595
Due from Other Funds	-	70,267
	<u>-</u>	<u>70,267</u>
TOTAL ASSETS	<u><u>\$ 1,066,736</u></u>	<u><u>\$ 921,278</u></u>
LIABILITIES AND FUND BALANCE		
<i>Liabilities:</i>		
Accounts Payable	\$ 183	\$ -
Accrued Liabilities	116,474	113,848
<i>Total Liabilities</i>	<u>116,657</u>	<u>113,848</u>
<i>Fund Balance:</i>		
Restricted for Economic Development	950,079	807,430
<i>Total Fund Balance</i>	<u>950,079</u>	<u>807,430</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 1,066,736</u></u>	<u><u>\$ 921,278</u></u>

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
DEBT SERVICE FUND
SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and Investments	\$ 3,589	\$ 116,982
Taxes Receivable (Net of Allowances)	<u>18,037</u>	<u>9,638</u>
TOTAL ASSETS	<u><u>\$ 21,626</u></u>	<u><u>\$ 126,620</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
<i>Liabilities:</i>		
Due to Other Funds	<u>\$ -</u>	<u>\$ 110,469</u>
<i>Total Liabilities</i>	<u>-</u>	<u>110,469</u>
<i>Deferred Inflows of Resources:</i>		
Unavailable Revenue - Taxes	<u>17,509</u>	<u>9,440</u>
<i>Total Deferred Inflows of Resources</i>	<u>17,509</u>	<u>9,440</u>
<i>Fund Balance:</i>		
Restricted for Debt Service	<u>4,117</u>	<u>6,711</u>
<i>Total Fund Balance</i>	<u>4,117</u>	<u>6,711</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 21,626</u></u>	<u><u>\$ 126,620</u></u>

CITY OF HELOTES, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017)

	<u>Budgeted Amounts</u>		2018	Variance	2017
	<u>Original</u>	<u>Final</u>	Actual	Favorable	Actual
			Amounts	(Unfavorable)	Amounts
REVENUES					
Taxes	\$ 894,169	\$ 894,169	\$1,073,700	\$ 179,531	\$ 694,343
Interest	107	107	1,788	1,681	182
TOTAL REVENUES	<u>894,276</u>	<u>894,276</u>	<u>1,075,488</u>	<u>181,212</u>	<u>694,525</u>
EXPENDITURES					
Principal Payments	760,000	760,000	760,000	-	765,000
Interest and Fiscal Charges	373,329	373,329	363,023	10,306	391,460
Settlement Expense	258,281	258,281	258,281	-	301,108
TOTAL EXPENDITURES	<u>1,391,610</u>	<u>1,391,610</u>	<u>1,381,304</u>	<u>10,306</u>	<u>1,457,568</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(497,334)</u>	<u>(497,334)</u>	<u>(305,816)</u>	<u>191,518</u>	<u>(763,043)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In (Out)	490,894	490,894	303,222	(187,672)	705,326
TOTAL OTHER FINANCING					
SOURCES (USES)	<u>490,894</u>	<u>490,894</u>	<u>303,222</u>	<u>(187,672)</u>	<u>705,326</u>
Net Change in Fund Balance	(6,440)	(6,440)	(2,594)	3,846	(57,717)
BEGINNING FUND BALANCE	<u>6,711</u>	<u>6,711</u>	<u>6,711</u>	<u>-</u>	<u>64,428</u>
ENDING FUND BALANCE	<u>\$ 271</u>	<u>\$ 271</u>	<u>\$ 4,117</u>	<u>\$ 3,846</u>	<u>\$ 6,711</u>

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
CAPITAL PROJECTS FUND
SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and Investments, Restricted	\$ 1,005,346	\$ 2,384,767
Due from Other Funds	103,566	533,299
Prepaid Items	91,810	-
TOTAL ASSETS	<u><u>\$ 1,200,722</u></u>	<u><u>\$ 2,918,066</u></u>
LIABILITIES AND FUND BALANCE		
<i>Liabilities:</i>		
Accounts Payable	\$ 130,002	\$ 521,758
<i>Total Liabilities</i>	<u>130,002</u>	<u>521,758</u>
<i>Fund Balance:</i>		
Nonspendable:		
Prepaid Items	91,810	-
Restricted for:		
Capital Projects	978,910	2,396,308
<i>Total Fund Balance</i>	<u>1,070,720</u>	<u>2,396,308</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 1,200,722</u></u>	<u><u>\$ 2,918,066</u></u>

CITY OF HELOTES, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
REVENUES		
Interest	\$ 22,285	\$ 14,534
Miscellaneous	<u>2,150</u>	<u>22,241</u>
TOTAL REVENUES	<u>24,435</u>	<u>36,775</u>
EXPENDITURES		
Current:		
Capital Outlay	<u>1,350,023</u>	<u>1,291,807</u>
TOTAL EXPENDITURES	<u>1,350,023</u>	<u>1,291,807</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,325,588)</u>	<u>(1,255,032)</u>
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	<u>-</u>	<u>(429)</u>
TOTAL OTHER FINANCING	<u>-</u>	<u>(429)</u>
Net Change in Fund Balance	(1,325,588)	(1,255,461)
BEGINNING FUND BALANCE	<u>2,396,308</u>	<u>3,651,769</u>
ENDING FUND BALANCE	<u><u>\$ 1,070,720</u></u>	<u><u>\$ 2,396,308</u></u>



CITY OF HELOTES, TEXAS
COMBINING FINANCIAL STATEMENTS
NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are restricted (either legally or by Council designation) to expenditure for a specific purpose.

Municipal Court Security Fund – To account for revenues from court fines restricted to improving municipal court security.

Municipal Court Technology Fund – To account for revenues from court fines restricted to improving municipal court technology.

Police Training Fund – To account for revenues restricted for police training.

School Safety Fund – To account for fines from traffic violations in designated school zones to be spent for increased child safety.

PEG Fund – To account for revenues received from PEG Fees.

State Forfeiture Fund – To account for forfeited assets to be used to supplement law enforcement.

Street Maintenance Fund – To account for revenues received for the use of a street maintenance.

Hotel Occupancy Tax Fund – To account for the occupancy tax assessed to fund tourism and economic development in the City.

CITY OF HELOTES, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	Municipal Court Security Fund	Municipal Court Technology Fund	Police Training Fund	School Safety Fund
ASSETS				
Cash and Investments	\$ 18,680	\$ 14,070	\$ 4,566	\$ 25,213
Receivables:				
Sales Tax and Other Receivable	-	-	-	-
Due from General Fund	-	-	-	-
TOTAL ASSETS	<u>\$ 18,680</u>	<u>\$ 14,070</u>	<u>\$ 4,566</u>	<u>\$ 25,213</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balances:</i>				
Restricted for:				
Public Safety	18,680	14,070	4,566	25,213
Public Education Government	-	-	-	-
Street Maintenance	-	-	-	-
Hotel Occupancy Tax	-	-	-	-
<i>Total Fund Balances</i>	<u>18,680</u>	<u>14,070</u>	<u>4,566</u>	<u>25,213</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 18,680</u>	<u>\$ 14,070</u>	<u>\$ 4,566</u>	<u>\$ 25,213</u>

PEG Capital Fund	State Forfeiture Fund	Street Maintenance Fund	Hotel Occupancy Tax Fund	Total Nonmajor Funds
\$ 68,478	\$ 9,608	\$ 418,215	\$ 3,326	\$ 562,156
5,722	-	109,447	-	115,169
58	-	-	-	58
<u>\$ 74,258</u>	<u>\$ 9,608</u>	<u>\$ 527,662</u>	<u>\$ 3,326</u>	<u>\$ 677,383</u>

<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

-	9,608	-	-	72,137
74,258	-	-	-	74,258
-	-	527,662	-	527,662
-	-	-	3,326	3,326
<u>74,258</u>	<u>9,608</u>	<u>527,662</u>	<u>3,326</u>	<u>677,383</u>

<u>\$ 74,258</u>	<u>\$ 9,608</u>	<u>\$ 527,662</u>	<u>\$ 3,326</u>	<u>\$ 677,383</u>
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CITY OF HELOTES, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Municipal Court Security Fund	Municipal Court Technology Fund	Police Training Fund	School Safety Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Franchise Fees	-	-	-	-
Municipal Court	12,387	16,528	-	-
Interest	178	94	53	288
Miscellaneous	-	-	2,227	19,555
TOTAL REVENUES	<u>12,565</u>	<u>16,622</u>	<u>2,280</u>	<u>19,843</u>
EXPENDITURES				
Current:				
Municipal Court	540	1,200	-	-
Development Services	-	-	-	-
Police Department	-	-	60	11,093
TOTAL EXPENDITURES	<u>540</u>	<u>1,200</u>	<u>60</u>	<u>11,093</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>12,025</u>	<u>15,422</u>	<u>2,220</u>	<u>8,750</u>
OTHER FINANCING SOURCES (USES):				
Transfers In (Out)	-	-	-	(4,447)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,447)</u>
Net Change in Fund Balance	12,025	15,422	2,220	4,303
FUND BALANCES - OCTOBER 1	<u>6,655</u>	<u>(1,352)</u>	<u>2,346</u>	<u>20,910</u>
FUND BALANCES - SEPTEMBER 31	<u>\$ 18,680</u>	<u>\$ 14,070</u>	<u>\$ 4,566</u>	<u>\$ 25,213</u>

PEG Capital Fund	State Forfeiture Fund	Street Maintenance Fund	Hotel Occupancy Tax Fund	Total Nonmajor Funds
\$ -	\$ -	\$ 619,340	\$ 3,313	\$ 622,653
23,088	-	-	-	23,088
-	-	-	-	28,915
845	-	8,206	13	9,677
-	2,270	-	-	24,052
<u>23,933</u>	<u>2,270</u>	<u>627,546</u>	<u>3,326</u>	<u>708,385</u>
-	-	-	-	1,740
10,676	-	466,579	-	477,255
-	1,700	-	-	12,853
<u>10,676</u>	<u>1,700</u>	<u>466,579</u>	<u>-</u>	<u>491,848</u>
<u>13,257</u>	<u>570</u>	<u>160,967</u>	<u>3,326</u>	<u>216,537</u>
-	-	4,447	-	-
-	-	4,447	-	-
13,257	570	165,414	3,326	216,537
<u>61,001</u>	<u>9,038</u>	<u>362,248</u>	<u>-</u>	<u>460,846</u>
<u>\$ 74,258</u>	<u>\$ 9,608</u>	<u>\$ 527,662</u>	<u>\$ 3,326</u>	<u>\$ 677,383</u>

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
MUNICIPAL COURT SECURITY FUND
SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and Investments	\$ 18,680	\$ 6,655
TOTAL ASSETS	<u><u>\$ 18,680</u></u>	<u><u>\$ 6,655</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ -	\$ -
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>
<i>Fund Balances:</i>		
Restricted for:		
Public Safety	18,680	6,655
<i>Total Fund Balances</i>	<u>18,680</u>	<u>6,655</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 18,680</u></u>	<u><u>\$ 6,655</u></u>

CITY OF HELOTES, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
MUNICIPAL COURT SECURITY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017)

	Budgeted Amounts		2018	Variance	2017
	Original	Final	Actual	Favorable	Actual
			Amounts	(Unfavorable)	Amounts
REVENUES					
Municipal Court	\$ 6,817	\$ 6,817	\$ 12,387	\$ 5,570	\$ 6,815
Interest	11	11	178	167	20
TOTAL REVENUES	<u>6,828</u>	<u>6,828</u>	<u>12,565</u>	<u>5,737</u>	<u>6,835</u>
EXPENDITURES					
Current:					
Municipal Court	13,475	13,475	540	12,935	-
TOTAL EXPENDITURES	<u>13,475</u>	<u>13,475</u>	<u>540</u>	<u>12,935</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,647)</u>	<u>(6,647)</u>	<u>12,025</u>	<u>18,672</u>	<u>6,835</u>
OTHER FINANCING SOURCES (USES):					
Transfers In (Out)	-	-	-	-	(4,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,000)</u>
Net Change in Fund Balance	(6,647)	(6,647)	12,025	18,672	2,835
FUND BALANCES - OCTOBER 1	<u>6,655</u>	<u>6,655</u>	<u>6,655</u>	<u>-</u>	<u>3,820</u>
FUND BALANCES - SEPTEMBER 30	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ 18,680</u>	<u>\$ 18,672</u>	<u>\$ 6,655</u>

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
MUNICIPAL COURT TECHNOLOGY FUND
SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and Investments	\$ 14,070	\$ -
TOTAL ASSETS	<u><u>\$ 14,070</u></u>	<u><u>\$ -</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
<i>Liabilities:</i>		
Withdrawals in Excess of Deposits	\$ -	\$ 1,352
Accounts Payable	<u>-</u>	<u>-</u>
<i>Total Liabilities</i>	<u>-</u>	<u>1,352</u>
<i>Fund Balances:</i>		
Restricted for:		
Public Safety	14,070	-
Unassigned	<u>-</u>	<u>(1,352)</u>
<i>Total Fund Balances</i>	<u><u>14,070</u></u>	<u><u>(1,352)</u></u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 14,070</u></u>	<u><u>\$ -</u></u>

CITY OF HELOTES, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
MUNICIPAL COURT TECHNOLOGY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017)

	Budgeted Amounts		2018	Variance	2017
	Original	Final	Actual	Favorable	Actual
			Amounts	(Unfavorable)	Amounts
REVENUES					
Municipal Court	\$ 9,095	\$ 9,095	\$ 16,528	\$ 7,433	\$ 9,095
Interest	1	1	94	93	4
TOTAL REVENUES	<u>9,096</u>	<u>9,096</u>	<u>16,622</u>	<u>7,526</u>	<u>9,099</u>
EXPENDITURES					
Current:					
Municipal Court	9,498	9,498	1,200	8,298	8,505
TOTAL EXPENDITURES	<u>9,498</u>	<u>9,498</u>	<u>1,200</u>	<u>8,298</u>	<u>8,505</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(402)</u>	<u>(402)</u>	<u>15,422</u>	<u>15,824</u>	<u>594</u>
OTHER FINANCING SOURCES (USES):					
Transfers In (Out)	-	-	-	-	(4,500)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,500)</u>
Net Change in Fund Balance	(402)	(402)	15,422	15,824	(3,906)
FUND BALANCES (DEFICIT) - OCTOBER 1	<u>(1,352)</u>	<u>(1,352)</u>	<u>(1,352)</u>	<u>-</u>	<u>2,554</u>
FUND BALANCES (DEFICIT) - SEPTEMBER 30	<u>\$ (1,754)</u>	<u>\$ (1,754)</u>	<u>\$ 14,070</u>	<u>\$ 15,824</u>	<u>\$ (1,352)</u>

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
POLICE TRAINING FUND
SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and Investments	\$ 4,566	\$ 2,671
TOTAL ASSETS	<u><u>\$ 4,566</u></u>	<u><u>\$ 2,671</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ -	\$ 325
<i>Total Liabilities</i>	<u>-</u>	<u>325</u>
<i>Fund Balances:</i>		
Restricted for:		
Public Safety	<u>4,566</u>	<u>2,346</u>
<i>Total Fund Balances</i>	<u><u>4,566</u></u>	<u><u>2,346</u></u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 4,566</u></u>	<u><u>\$ 2,671</u></u>

CITY OF HELOTES, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
POLICE TRAINING FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017)

	<u>Budgeted Amounts</u>		2018	Variance	2017
	<u>Original</u>	<u>Final</u>	Actual	Favorable	Actual
			Amounts	(Unfavorable)	Amounts
REVENUES					
Interest	\$ 9	\$ 9	\$ 53	\$ 44	\$ 11
Miscellaneous	1,799	1,799	2,227	428	1,799
TOTAL REVENUES	<u>1,808</u>	<u>1,808</u>	<u>2,280</u>	<u>472</u>	<u>1,810</u>
EXPENDITURES					
Current:					
Police Department	<u>4,153</u>	<u>4,153</u>	<u>60</u>	<u>4,093</u>	<u>1,949</u>
TOTAL EXPENDITURES	<u>4,153</u>	<u>4,153</u>	<u>60</u>	<u>4,093</u>	<u>1,949</u>
Net Change in Fund Balance	(2,345)	(2,345)	2,220	4,565	(139)
FUND BALANCES - OCTOBER 1	<u>2,346</u>	<u>2,346</u>	<u>2,346</u>	<u>-</u>	<u>2,485</u>
FUND BALANCES - SEPTEMBER 30	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 4,566</u>	<u>\$ 4,565</u>	<u>\$ 2,346</u>

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
SCHOOL SAFETY FUND
SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and Investments	\$ 25,213	\$ 37
Receivables:		
Sales Tax and Other Receivable	<u>-</u>	<u>20,873</u>
TOTAL ASSETS	<u>\$ 25,213</u>	<u>\$ 20,910</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	<u>\$ -</u>	<u>\$ -</u>
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>
 <i>Fund Balances:</i>		
Restricted for:		
Public Safety	<u>25,213</u>	<u>20,910</u>
<i>Total Fund Balances</i>	<u>25,213</u>	<u>20,910</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 25,213</u>	<u>\$ 20,910</u>

CITY OF HELOTES, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SCHOOL SAFETY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017)

	<u>Budgeted Amounts</u>		2018	Variance	2017
	<u>Original</u>	<u>Final</u>	Actual	Favorable	Actual
			Amounts	(Unfavorable)	Amounts
REVENUES					
Interest	\$ 90	\$ 90	\$ 288	\$ 198	\$ 127
Miscellaneous	13,184	13,184	19,555	6,371	34,057
TOTAL REVENUES	<u>13,274</u>	<u>13,274</u>	<u>19,843</u>	<u>6,569</u>	<u>34,184</u>
EXPENDITURES					
Current:					
Police Department	6,791	6,791	11,093	(4,302)	46,674
TOTAL EXPENDITURES	<u>6,791</u>	<u>6,791</u>	<u>11,093</u>	<u>(4,302)</u>	<u>46,674</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>6,483</u>	<u>6,483</u>	<u>8,750</u>	<u>2,267</u>	<u>(12,490)</u>
OTHER FINANCING SOURCES (USES):					
Transfers In (Out)	-	-	(4,447)	(4,447)	2,223
TOTAL OTHER FINANCING					
SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(4,447)</u>	<u>(4,447)</u>	<u>2,223</u>
Net Change in Fund Balance	6,483	6,483	4,303	(2,180)	(10,267)
FUND BALANCES - OCTOBER 1	<u>20,910</u>	<u>20,910</u>	<u>20,910</u>	<u>-</u>	<u>31,177</u>
FUND BALANCES - SEPTEMBER 30	<u>\$ 27,393</u>	<u>\$ 27,393</u>	<u>\$ 25,213</u>	<u>\$ (2,180)</u>	<u>\$ 20,910</u>

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
PEG CAPITAL FUND
SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and Investments	\$ 68,478	\$ 45,170
Receivables:		
Sales Tax and Other Receivable	5,722	5,826
Due from General Fund	<u>58</u>	<u>10,005</u>
TOTAL ASSETS	<u><u>\$ 74,258</u></u>	<u><u>\$ 61,001</u></u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
<i>Liabilities:</i>		
Due to General Fund	<u>\$ -</u>	<u>\$ -</u>
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>
 <i>Fund Balances:</i>		
Restricted for:		
Public Education Government	<u>74,258</u>	<u>61,001</u>
<i>Total Fund Balances</i>	<u><u>74,258</u></u>	<u><u>61,001</u></u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	 <u><u>\$ 74,258</u></u>	 <u><u>\$ 61,001</u></u>

CITY OF HELOTES, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
PEG CAPITAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017)

	<u>Budgeted Amounts</u>		2018	Variance	2017
	<u>Original</u>	<u>Final</u>	Actual	Favorable	Actual
			Amounts	(Unfavorable)	Amounts
REVENUES					
Franchise Fees	\$ 42,209	42,209	\$ 23,088	\$ (19,121)	\$ 24,165
Interest	123	123	845	722	152
TOTAL REVENUES	<u>42,332</u>	<u>42,332</u>	<u>23,933</u>	<u>(18,399)</u>	<u>24,317</u>
EXPENDITURES					
Current:					
Development Services	<u>79,131</u>	<u>79,131</u>	<u>10,676</u>	<u>68,455</u>	<u>21,512</u>
TOTAL EXPENDITURES	<u>79,131</u>	<u>79,131</u>	<u>10,676</u>	<u>68,455</u>	<u>21,512</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(36,799)</u>	<u>(36,799)</u>	<u>13,257</u>	<u>50,056</u>	<u>2,805</u>
OTHER FINANCING SOURCES (USES):					
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(88)</u>
TOTAL OTHER FINANCING					
SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(88)</u>
Net Change in Fund Balance	<u>(36,799)</u>	<u>(36,799)</u>	<u>13,257</u>	<u>50,056</u>	<u>2,717</u>
FUND BALANCES - OCTOBER 1	<u>61,001</u>	<u>61,001</u>	<u>61,001</u>	<u>-</u>	<u>58,284</u>
FUND BALANCES - SEPTEMBER 30	<u>\$ 24,202</u>	<u>\$ 24,202</u>	<u>\$ 74,258</u>	<u>\$ 50,056</u>	<u>\$ 61,001</u>

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
STATE FORFEITURE FUND
SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and Investments	\$ 9,608	\$ 9,038
TOTAL ASSETS	<u><u>\$ 9,608</u></u>	<u><u>\$ 9,038</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ -	\$ -
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>
<i>Fund Balances:</i>		
Restricted for:		
Public Safety	<u>9,608</u>	<u>9,038</u>
<i>Total Fund Balances</i>	<u><u>9,608</u></u>	<u><u>9,038</u></u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 9,608</u></u>	<u><u>\$ 9,038</u></u>

CITY OF HELOTES, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
STATE FORFEITURE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017)

	<u>Budgeted Amounts</u>		2018	Variance	2017
	<u>Original</u>	<u>Final</u>	Actual Amounts	<u>Favorable (Unfavorable)</u>	<u>Actual Amounts</u>
REVENUES					
Miscellaneous	\$ -	\$ -	\$ 2,270	\$ 2,270	\$ 1,642
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>2,270</u>	<u>2,270</u>	<u>1,642</u>
EXPENDITURES					
Current:					
Police Department	9,038	9,038	1,700	7,338	84
TOTAL EXPENDITURES	<u>9,038</u>	<u>9,038</u>	<u>1,700</u>	<u>7,338</u>	<u>84</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,038)</u>	<u>(9,038)</u>	<u>570</u>	<u>9,608</u>	<u>1,558</u>
OTHER FINANCING SOURCES (USES):					
Transfers In (Out)	-	-	-	-	7,480
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,480</u>
Net Change in Fund Balance	(9,038)	(9,038)	570	9,608	9,038
FUND BALANCES - OCTOBER 1	<u>9,038</u>	<u>9,038</u>	<u>9,038</u>	<u>-</u>	<u>-</u>
FUND BALANCES - SEPTEMBER 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,608</u>	<u>\$ 9,608</u>	<u>\$ 9,038</u>

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
STREET MAINTENANCE FUND
SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and Investments	\$ 418,215	\$ 263,988
Receivables:		
Sales Tax and Other Receivable	<u>109,447</u>	<u>98,260</u>
TOTAL ASSETS	<u><u>\$ 527,662</u></u>	<u><u>\$ 362,248</u></u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	<u>\$ -</u>	<u>\$ -</u>
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>
 <i>Fund Balances:</i>		
Restricted for:		
Street Maintenance	<u>527,662</u>	<u>362,248</u>
<i>Total Fund Balances</i>	<u><u>527,662</u></u>	<u><u>362,248</u></u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 527,662</u></u>	<u><u>\$ 362,248</u></u>

CITY OF HELOTES, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
STREET MAINTENANCE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017)

	<u>Budgeted Amounts</u>		2018	Variance	2017
	<u>Original</u>	<u>Final</u>	Actual Amounts	<u>Favorable (Unfavorable)</u>	<u>Actual Amounts</u>
REVENUES					
Taxes	\$ 704,154	\$ 704,154	\$ 619,340	\$ (84,814)	\$ 465,860
Interest	433	433	8,206	7,773	850
TOTAL REVENUES	<u>704,587</u>	<u>704,587</u>	<u>627,546</u>	<u>(77,041)</u>	<u>466,710</u>
EXPENDITURES					
Current:					
Development Services	<u>1,031,501</u>	<u>1,031,501</u>	<u>466,579</u>	<u>564,922</u>	<u>237,730</u>
TOTAL EXPENDITURES	<u>1,031,501</u>	<u>1,031,501</u>	<u>466,579</u>	<u>564,922</u>	<u>237,730</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(326,914)</u>	<u>(326,914)</u>	<u>160,967</u>	<u>487,881</u>	<u>228,980</u>
OTHER FINANCING SOURCES (USES):					
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>4,447</u>	<u>4,447</u>	<u>(2,223)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>4,447</u>	<u>4,447</u>	<u>(2,223)</u>
Net Change in Fund Balance	<u>(326,914)</u>	<u>(326,914)</u>	<u>165,414</u>	<u>492,328</u>	<u>226,757</u>
FUND BALANCES - OCTOBER 1	<u>362,248</u>	<u>362,248</u>	<u>362,248</u>	<u>-</u>	<u>135,491</u>
FUND BALANCES - SEPTEMBER 30	<u><u>\$ 35,334</u></u>	<u><u>\$ 35,334</u></u>	<u><u>\$ 527,662</u></u>	<u><u>\$ 492,328</u></u>	<u><u>\$ 362,248</u></u>

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
HOTEL OCCUPANCY TAX FUND
SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and Investments	\$ 3,326	\$ -
TOTAL ASSETS	<u><u>\$ 3,326</u></u>	<u><u>\$ -</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ -	\$ -
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>
<i>Fund Balances:</i>		
Restricted for:		
Hotel Occupancy Tax	<u>3,326</u>	<u>-</u>
<i>Total Fund Balances</i>	<u><u>3,326</u></u>	<u><u>-</u></u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 3,326</u></u>	<u><u>\$ -</u></u>

CITY OF HELOTES, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
HOTEL OCCUPANCY TAX FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017)

	<u>Budgeted Amounts</u>		2018	Variance	2017
	<u>Original</u>	<u>Final</u>	Actual	Favorable	Actual
			Amounts	(Unfavorable)	Amounts
REVENUES					
Taxes	\$ -	\$ -	\$ 3,313	\$ 3,313	\$ -
Interest	-	-	13	13	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>3,326</u>	<u>3,326</u>	<u>-</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	3,326	3,326	-
FUND BALANCES - OCTOBER 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - SEPTEMBER 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,326</u>	<u>\$ 3,326</u>	<u>\$ -</u>



CITY OF HELOTES, TEXAS
STATISTICAL SECTION
SEPTEMBER 30, 2018

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

Financial Trends

Net Position by Component
Change in Net Position
Fund Balances, Governmental Funds
Changes in Fund Balances, Governmental Funds

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

Revenue Capacity

Tax Revenues by Source, Governmental Funds
Assessed Taxable Values
Direct and Overlapping Property Tax Rates
Principal Property Taxpayers
Property Tax Levies and Collections

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales tax.

Debt Capacity

Ratios of Outstanding Debt by Type
Legal Debt Margin

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

Demographic and Economic Statistics
Principal Employers

These schedules offer demographic and economic indicators to help the reader understand how the City's financial activities take place and to help make comparisons over time with other governments.

Operating Information

Operating Indicators by Function
Capital Asset Statistics by Function
Full-time Equivalent City Government Employees by Function

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

CITY OF HELOTES, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year			
	2009	2010	2011	2012
Governmental Activities				
Net Investment in Capital Assets	\$ 2,801,984	\$ 2,695,447	\$ 2,609,738	\$ 2,525,712
Restricted	739,054	822,875	746,104	695,127
Unrestricted (Deficit)	2,274,546	2,259,157	2,272,143	2,540,235
Total Governmental Activities	<u>\$ 5,815,584</u>	<u>\$ 5,777,479</u>	<u>\$ 5,627,985</u>	<u>\$ 5,761,074</u>
Business-Type Activities*				
Net Investment in Capital Assets	\$ -	\$ -	\$ 510,684	\$ 450,745
Restricted	-	-	-	-
Unrestricted (Deficit)	-	-	(362,016)	(877,756)
Total Business-Type Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,668</u>	<u>\$ (427,011)</u>
Primary Government				
Net Investment in Capital Assets	\$ 2,801,984	\$ 2,695,447	\$ 3,120,422	\$ 2,976,457
Restricted	739,054	822,875	746,104	695,127
Unrestricted (Deficit)	2,274,546	2,259,157	1,910,127	1,662,479
Total Primary Government	<u>\$ 5,815,584</u>	<u>\$ 5,777,479</u>	<u>\$ 5,776,653</u>	<u>\$ 5,334,063</u>

GASB Statement No. 68 reporting requirements were implemented in fiscal year 2015. The above information prior to 2015 has not been restated as information is to be reported prospectively.

GASB Statement No. 75 reporting requirements were implemented in fiscal year 2018. The above information prior to 2018 has not been restated as information is to be reported prospectively.

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

TABLE 1

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 2,559,746	\$ 2,745,214	\$ 3,840,681	\$ 2,317,358	\$ 3,393,539	\$ 3,284,419
765,238	798,952	878,422	1,005,770	1,218,367	1,583,373
2,881,908	3,509,184	(534,577)	449,432	(1,308,086)	(2,215,353)
<u>\$ 6,206,892</u>	<u>\$ 7,053,350</u>	<u>\$ 4,184,526</u>	<u>\$ 3,772,560</u>	<u>\$ 3,303,820</u>	<u>\$ 2,652,439</u>
\$ 390,806	\$ 329,498	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
(1,501,982)	(2,170,221)	-	-	-	-
<u>\$ (1,111,176)</u>	<u>\$ (1,840,723)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,950,552	\$ 3,074,712	\$ 3,840,681	\$ 2,317,358	\$ 3,393,539	\$ 3,284,419
765,238	798,952	878,422	1,005,770	1,218,367	1,583,373
1,379,926	1,338,963	(534,577)	449,432	(1,308,086)	(2,215,353)
<u>\$ 5,095,716</u>	<u>\$ 5,212,627</u>	<u>\$ 4,184,526</u>	<u>\$ 3,772,560</u>	<u>\$ 3,303,820</u>	<u>\$ 2,652,439</u>

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

	Fiscal Year			
	2009	2010	2011	2012
Primary Government Expenses				
<i>Governmental Activities:</i>				
City Council	\$ 4,607	\$ 1,601	\$ 2,220	\$ 1,952
City Administration	285,686	658,203	680,091	777,467
Dispatch	-	-	-	-
City Secretary	109,745	89,391	95,229	92,634
Human Resources	-	-	13,358	13,321
Municipal Court	297,403	236,389	245,506	272,767
Animal Control, Public Works	-	260,390	389,432	417,889
Development Services	455,910	56,236	53,911	51,626
Buildings and Grounds	171,832	242,053	360,351	297,025
Police Department	1,697,362	1,664,264	1,505,223	1,545,810
Emergency Services	246,857	259,704	-	-
Fire Department	902,743	917,726	1,156,926	1,120,975
Capital Outlay	-	-	-	-
Interest and Fiscal Charges on Long-Term Debt	424,361	406,506	383,924	372,892
<i>Total Governmental Activities Expenses</i>	<u>4,596,506</u>	<u>4,792,463</u>	<u>4,886,171</u>	<u>4,964,358</u>
<i>Business-Type Activities*</i>				
Dispatch	-	-	273,290	319,658
Emergency Medical Services	-	-	281,390	440,165
<i>Total Business Type Activities Expenses</i>	<u>-</u>	<u>-</u>	<u>554,680</u>	<u>759,823</u>
Total Primary Government Expenses	<u>\$ 4,596,506</u>	<u>\$ 4,792,463</u>	<u>\$ 5,440,851</u>	<u>\$ 5,724,181</u>
Program Revenues				
<i>Governmental Activities:</i>				
Charges for Services:				
Municipal Court	\$ 349,424	\$ 305,338	\$ 302,741	\$ 363,923
Animal Control, Public Works	-	-	3,951	3,150
Development Services	250,807	261,620	271,218	353,095
Buildings and Grounds	-	14,853	16,790	-
Police Department	39,080	73,990	83,771	48,091
Fire & EMS Department	306,778	75,305	75,060	76,695
Operating Grants and Contributions	6,459	17,607	7,168	10,594
Capital Grants and Contributions	1,950	-	416,050	-
<i>Total Governmental Activities Program Revenues</i>	<u>954,498</u>	<u>748,713</u>	<u>1,176,749</u>	<u>855,548</u>
<i>Business-Type Activities*:</i>				
Charges for Services:				
Dispatch	-	-	54,000	68,729
Emergency Medical Services	-	-	82,080	115,415
Capital Grants and Contributions	-	-	-	-
<i>Total Business-Type Activities Program Revenues</i>	<u>-</u>	<u>-</u>	<u>136,080</u>	<u>184,144</u>
Total Primary Government Program Revenues	<u>\$ 954,498</u>	<u>\$ 748,713</u>	<u>\$ 1,312,829</u>	<u>\$ 1,039,692</u>

GASB Statement No. 68 reporting requirements were implemented in fiscal year 2015. The above information prior to 2015 has not been restated as information is to be reported prospectively.

GASB Statement No. 75 reporting requirements were implemented in fiscal year 2018. The above information prior to 2018 has not been restated as information is to be reported prospectively.

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

TABLE 2

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 2,891	\$ 3,477	\$ 3,045	\$ 2,427	\$ 3,096	\$ 2,563
830,758	1,005,449	2,434,134	1,652,423	1,472,694	1,577,337
-	-	130,356	192,556	228,958	178,918
99,534	102,401	103,952	109,864	114,497	77,001
14,445	10,031	17,042	91,248	110,574	130,155
269,700	298,008	296,791	242,764	264,832	277,140
433,462	464,904	506,340	545,158	758,192	1,019,129
93,908	99,167	161,531	576,909	1,342,107	1,418,567
324,282	350,322	432,385	1,035,486	515,472	457,573
1,558,849	1,557,978	1,607,179	1,689,271	1,793,494	1,990,989
-	-	185,805	159,129	191,382	199,204
1,106,778	1,241,411	1,589,683	1,567,523	1,703,215	1,642,002
-	-	-	-	-	-
416,689	326,977	409,933	411,846	387,941	360,513
5,151,296	5,460,125	7,878,176	8,276,604	8,886,454	9,331,091
370,269	419,557	-	-	-	-
455,302	447,289	-	-	-	-
825,571	866,846	-	-	-	-
\$ 5,976,867	\$ 6,326,971	\$ 7,878,176	\$ 8,276,604	\$ 8,886,454	\$ 9,331,091
\$ 259,967	\$ 263,801	\$ 345,564	\$ 353,903	\$ 398,614	\$ 445,179
4,464	4,885	6,241	7,561	5,400	3,187
484,609	963,548	689,221	410,592	500,477	502,261
-	-	-	-	-	-
49,452	65,703	55,407	53,669	42,970	54,283
75,081	75,155	293,091	165,775	141,331	165,447
8,665	8,682	10,784	14,939	193,853	53,681
-	-	329,498	-	-	-
882,238	1,381,774	1,729,806	1,006,439	1,282,645	1,224,038
5,001	5,007	-	-	-	-
136,337	132,274	-	-	-	-
-	-	(329,498)	-	-	-
141,338	137,281	(329,498)	-	-	-
\$ 1,023,576	\$ 1,519,055	\$ 1,400,308	\$ 1,006,439	\$ 1,282,645	\$ 1,224,038

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

	Fiscal Year			
	2009	2010	2011	2012
Primary Government Net Expenses				
Governmental Activities	\$ (3,642,008)	\$ (4,043,750)	\$ (3,709,422)	\$ (4,108,810)
Business-Type Activities	-	-	(418,600)	(575,679)
Total Primary Government Net Expenses	<u>\$ (3,642,008)</u>	<u>\$ (4,043,750)</u>	<u>\$ (4,128,022)</u>	<u>\$ (4,684,489)</u>
General Revenues and Other Changes in Net Position				
<i>Governmental Activities:</i>				
Taxes:				
General Property Taxes	\$ 2,579,291	\$ 2,632,523	\$ 2,626,085	\$ 2,635,240
Sales Taxes	763,063	871,043	970,912	1,054,778
Franchise Taxes	359,770	392,595	455,020	442,683
Hotel Occupancy Taxes	-	-	-	-
Interest and Investment earnings	196,791	74,450	21,114	8,488
Proceeds from Sale of Land	-	-	-	-
Miscellaneous	21,197	35,034	54,065	100,710
Transfers	-	-	(567,268)	-
<i>Total Governmental General Revenues</i>	<u>3,920,112</u>	<u>4,005,645</u>	<u>3,559,928</u>	<u>4,241,899</u>
<i>Business-Type Activities**:</i>				
Interest and Investment earnings	-	-	-	-
Transfers	-	-	567,268	-
<i>Total Business-Type General Revenues</i>	<u>-</u>	<u>-</u>	<u>567,268</u>	<u>-</u>
Total Primary Government General Revenues	<u>\$ 3,920,112</u>	<u>\$ 4,005,645</u>	<u>\$ 4,127,196</u>	<u>\$ 4,241,899</u>
Changes In Net Position				
Governmental Activities	\$ 278,104	\$ (38,105)	\$ (149,494)	\$ 133,089
Business-Type Activities*	-	-	148,668	(575,679)
Total Primary Government	<u>\$ 278,104</u>	<u>\$ (38,105)</u>	<u>\$ (826)</u>	<u>\$ (442,590)</u>

GASB Statement No. 68 reporting requirements were implemented in fiscal year 2015. The above information prior to 2015 has not been restated as information is to be reported prospectively.

GASB Statement No. 75 reporting requirements were implemented in fiscal year 2018. The above information prior to 2018 has not been restated as information is to be reported prospectively.

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

TABLE 2 (Cont.)

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ (4,269,058)	\$ (4,078,351)	\$ (6,148,370)	\$ (7,270,165)	\$ (7,603,809)	\$ (8,107,053)
(684,233)	(729,565)	(329,498)	-	-	-
<u>\$ (4,953,291)</u>	<u>\$ (4,807,916)</u>	<u>\$ (6,477,868)</u>	<u>\$ (7,270,165)</u>	<u>\$ (7,603,809)</u>	<u>\$ (8,107,053)</u>
\$ 2,639,461	\$ 2,681,143	\$ 2,876,136	\$ 3,141,427	\$ 3,377,228	\$ 3,531,105
1,424,354	1,645,268	1,846,456	2,208,136	2,718,920	3,099,082
477,344	527,251	795,805	758,253	785,898	764,828
-	-	-	-	-	3,313
5,791	9,874	10,314	15,540	39,661	83,214
-	-	-	519,514	-	-
167,926	61,273	72,931	215,329	213,362	59,657
-	-	(2,170,221)	-	-	-
<u>4,714,876</u>	<u>4,924,809</u>	<u>3,431,421</u>	<u>6,858,199</u>	<u>7,135,069</u>	<u>7,541,199</u>
68	18	-	-	-	-
-	-	2,170,221	-	-	-
68	18	2,170,221	-	-	-
<u>\$ 4,714,944</u>	<u>\$ 4,924,827</u>	<u>\$ 5,601,642</u>	<u>\$ 6,858,199</u>	<u>\$ 7,135,069</u>	<u>\$ 7,541,199</u>
\$ 445,818	\$ 846,458	\$ (2,716,949)	\$ (411,966)	\$ (468,740)	\$ (565,854)
(684,165)	(729,547)	1,840,723	-	-	-
<u>\$ (238,347)</u>	<u>\$ 116,911</u>	<u>\$ (876,226)</u>	<u>\$ (411,966)</u>	<u>\$ (468,740)</u>	<u>\$ (565,854)</u>

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

	Fiscal Year			
	2009	2010	2011	2012
<i>Nonspendable Fund Balance:</i>				
Prepaid Items	\$ -	\$ 70,355	\$ -	\$ -
<i>Total Nonspendable Fund Balance</i>	<u>-</u>	<u>70,355</u>	<u>-</u>	<u>-</u>
<i>Restricted Fund Balance:</i>				
Public Safety	49,744	71,541	70,671	55,499
Public Education Government	-	-	-	35,890
Explorer Post	-	-	-	-
Street Maintenance	-	-	-	-
Hotel Occupancy Tax	-	-	-	-
Economic Development	627,130	587,557	589,761	524,912
Debt Service	1,541	108,048	93,677	87,158
Capital Projects	-	-	-	-
<i>Total Restricted Fund Balance</i>	<u>678,415</u>	<u>767,146</u>	<u>754,109</u>	<u>703,459</u>
<i>Committed Fund Balance:</i>				
Capital Projects	6,168,211	219,225	196,999	165,852
<i>Total Committed Fund Balance</i>	<u>6,168,211</u>	<u>219,225</u>	<u>196,999</u>	<u>165,852</u>
Unassigned Fund Balance	<u>2,133,166</u>	<u>2,123,154</u>	<u>2,188,309</u>	<u>2,496,562</u>
<i>Total Governmental Funds</i>	<u>\$ 8,979,792</u>	<u>\$ 3,179,880</u>	<u>\$ 3,139,417</u>	<u>\$ 3,365,873</u>

TABLE 3

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 2,184	\$ 440	\$ -	\$ 2,477	\$ -	\$ 121,207
2,184	440	-	2,477	-	121,207
54,764	40,388	34,215	37,559	38,949	72,137
31,702	29,833	53,002	58,284	61,001	74,258
-	-	2,783	-	-	-
-	-	-	135,491	362,248	527,662
-	-	-	-	-	3,326
563,116	684,370	747,282	733,861	807,430	950,079
119,989	4,107	15,261	64,428	6,711	4,117
-	-	4,301,770	3,651,769	2,396,308	978,910
769,571	758,698	5,154,313	4,681,392	3,672,647	2,610,489
192,482	6,283	-	-	-	-
192,482	6,283	-	-	-	-
2,924,244	3,786,300	1,660,768	2,101,643	1,995,426	1,908,237
\$ 3,888,481	\$ 4,551,721	\$ 6,815,081	\$ 6,785,512	\$ 5,668,073	\$ 4,639,933

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

	Fiscal Year			
	2009	2010	2011	2012
REVENUES				
Taxes	\$ 3,323,816	\$ 3,520,791	\$ 3,591,052	\$ 3,693,695
Franchise Fees	362,180	392,595	455,020	442,683
Licenses and Permits	237,716	234,617	269,821	356,245
Municipal Court	388,504	379,329	386,512	412,014
Fire Department	308,328	75,305	75,060	76,695
Grants	-	10,171	416,050	-
Interest	196,787	74,444	21,117	8,488
Miscellaneous	41,147	84,738	85,537	111,875
TOTAL REVENUES	<u>4,858,478</u>	<u>4,771,990</u>	<u>5,300,169</u>	<u>5,101,695</u>
EXPENDITURES				
Current:				
City Council	4,607	1,601	2,220	1,952
City Administration	284,472	635,668	624,710	723,786
Dispatch	-	-	-	-
City Secretary	100,969	86,891	92,184	93,323
Human Resources	-	-	13,358	13,321
Municipal Court	285,401	230,933	260,169	263,797
Animal Control, Public Works	-	157,826	164,919	189,702
Development Services	94,209	55,596	53,974	53,011
Buildings and Grounds	389,759	182,595	245,973	242,912
Police Department	1,592,574	1,583,501	1,359,034	1,361,029
Emergency Services	246,857	259,704	-	-
Fire Department	811,176	828,372	941,619	926,726
Capital Outlay	2,850,076	5,692,182	800,496	164,382
Debt Service:				
Principal	480,000	455,000	503,805	543,882
Interest and Fiscal Charges	422,860	402,033	383,828	369,434
Settlement Expense	-	-	-	-
TOTAL EXPENDITURES	<u>7,562,960</u>	<u>10,571,902</u>	<u>5,446,289</u>	<u>4,947,257</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(2,704,482)</u>	<u>(5,799,912)</u>	<u>(146,120)</u>	<u>154,438</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	-	-	105,657	72,018
Premium on Bond Issuance	-	-	-	-
Proceeds from Sale of Land	-	-	-	-
Insurance Proceeds	-	-	-	-
Transfers In (Out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>105,657</u>	<u>72,018</u>
Net Change in Fund Balance	<u>\$ (2,704,482)</u>	<u>\$ (5,799,912)</u>	<u>\$ (40,463)</u>	<u>\$ 226,456</u>
Debt Service as a Percentage of				
Noncapital Expenditures	19.16%	17.56%	19.11%	18.91%

TABLE 4

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 4,062,138	\$ 4,334,193	\$ 4,715,367	\$ 5,347,339	\$ 6,090,318	\$ 6,622,212
477,344	527,251	795,805	758,252	785,898	764,828
489,073	968,433	695,462	418,153	505,877	505,448
309,419	329,504	400,971	407,573	439,940	497,192
75,081	75,155	206,605	147,248	125,373	141,541
-	-	-	-	159,797	34,126
5,791	9,874	10,314	15,851	39,657	83,214
176,589	69,955	78,670	230,268	249,060	51,913
5,595,435	6,314,365	6,903,194	7,324,684	8,395,920	8,700,474
2,891	3,477	3,045	2,427	3,096	2,563
774,049	954,482	1,122,044	1,059,043	1,069,902	1,182,004
-	-	374,095	496,109	558,492	526,668
97,265	104,296	98,213	109,816	129,969	76,867
14,445	10,031	17,042	88,357	110,121	129,105
263,895	289,042	294,864	248,944	262,390	277,288
206,188	232,348	276,116	271,941	258,112	355,493
92,557	90,866	162,743	199,740	403,530	597,220
251,854	282,776	365,604	347,643	376,584	357,504
1,449,750	1,424,571	1,413,777	1,482,328	1,552,524	1,685,610
-	-	450,757	413,288	447,542	474,662
951,384	1,090,695	1,098,189	1,132,589	1,232,511	1,208,272
111,543	378,437	212,651	1,002,362	1,675,329	1,470,247
589,902	658,787	666,186	802,147	838,192	849,768
351,444	331,317	305,166	410,600	399,729	372,898
-	-	94,223	-	301,108	258,281
5,157,167	5,851,125	6,954,715	8,067,334	9,619,131	9,824,450
438,268	463,240	(51,521)	(742,650)	(1,223,211)	(1,123,976)
84,340	200,000	4,315,000	193,567	105,772	65,941
-	-	147,106	-	-	-
-	-	-	519,514	-	-
-	-	22,996	-	-	29,895
-	-	(2,170,221)	-	-	-
84,340	200,000	2,314,881	713,081	105,772	95,836
\$ 522,608	\$ 663,240	\$ 2,263,360	\$ (29,569)	\$ (1,117,439)	\$ (1,028,140)
18.85%	18.02%	15.76%	15.76%	16.64%	15.20%

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

TABLE 5

<u>Fiscal Year</u>	<u>Property</u>	<u>Sales & Use</u>	<u>Franchise</u>	<u>Hotel Occupancy</u>
2009	\$ 2,563,162	\$ 760,654	\$ 362,180	\$ -
2010	2,649,748	871,043	392,595	-
2011	2,620,140	970,912	455,020	-
2012	2,638,917	1,054,778	442,683	-
2013	2,637,784	1,424,354	477,344	-
2014	2,688,925	1,645,268	527,251	-
2015	2,868,911	1,846,456	795,805	-
2016	3,139,203	2,208,136	758,252	-
2017	3,371,398	2,718,920	785,898	-
2018	3,523,130	3,099,082	764,828	3,313

CITY OF HELOTES, TEXAS
 ASSESSED VALUE AND ACTUAL TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

TABLE 6

<u>Fiscal Year Ended September 30,</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value*</u>	<u>Total Direct Tax Rate</u>
2009	\$ 639,537,759	\$ 113,424,621	\$ 45,305,554	\$ 707,656,826	0.363651
2010	653,565,423	115,942,834	47,975,420	721,532,837	0.363651
2011	652,132,270	120,241,773	49,651,853	722,722,190	0.363651
2012	663,227,472	120,004,340	51,751,163	731,480,649	0.360000
2013	677,033,974	124,391,838	56,356,942	745,068,870	0.355000
2014	697,083,124	146,200,980	75,978,756	767,305,348	0.350000
2015	741,137,332	147,042,320	62,375,351	825,804,301	0.350000
2016	822,061,262	173,966,055	81,203,521	914,823,796	0.350000
2017	880,405,573	202,593,210	90,399,368	992,599,415	0.350000
2018	935,682,076	203,255,105	92,878,191	1,046,058,990	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				
2009	0.275982	0.087669	0.363651				
2010	0.271140	0.092511	0.363651				
2011	0.282731	0.080920	0.363651				
2012	0.282640	0.077360	0.360000				
2013	0.273140	0.081860	0.355000				
2014	0.271503	0.078497	0.350000				
2015	0.271503	0.078497	0.350000				
2016	0.269894	0.080106	0.350000				
2017	0.278268	0.071732	0.350000				
2018	0.243142	0.106858	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
2009	0.363651	1.302500	0.261022	0.135855	0.015951	0.326866	2.405845
2010	0.363651	1.337500	0.266235	0.135855	0.015951	0.326866	2.446058
2011	0.363651	1.365500	0.276235	0.141623	0.016652	0.326866	2.490527
2012	0.360000	1.375500	0.276235	0.141623	0.017370	0.326866	2.497594
2013	0.355000	1.375500	0.276235	0.149150	0.017370	0.326866	2.500121
2014	0.350000	1.375500	0.276235	0.149150	0.017798	0.326866	2.495549
2015	0.350000	1.375500	0.276235	0.149150	0.017500	0.314500	2.482885
2016	0.350000	1.375500	0.276235	0.149150	0.017290	0.314500	2.482675
2017	0.350000	1.375500	0.276235	0.149150	0.017290	0.308950	2.477125
2018	0.350000	1.375500	0.276235	0.149150	0.017290	0.304097	2.472272

Source: Information furnished by Bexar County Tax Assessor - Collector

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

TABLE 8

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Wal Mart Stores Inc.	\$ 22,086,580	1	2.11%			
TKGSM-TX LP	8,828,680	2	0.84%	\$ 3,230,000	3	0.46%
Bandera Helotes Plaza LLC	7,900,000	3	0.76%	2,955,961	5	0.42%
Helotes Town Centre LP	6,948,820	4	0.66%	2,584,116	6	0.37%
CCP Shurgard Texas LTD	6,388,980	5	0.61%			
JDL Texas Ventures	5,164,730	6	0.49%	4,394,120	1	0.62%
L&F-1 LLC	5,006,680	7	0.48%			
Circle Bar Investments LLC	3,750,000	8	0.36%			
M/I Homes of San Antonio	3,544,810	9	0.34%			
Abiso Helotes LP	2,936,150	10	0.28%			
Helotes Retail LTD				3,261,420	2	0.46%
Pulte Homes of Texas LP				3,144,570	4	0.44%
Shugard Texas LTD				2,465,980	7	0.35%
HSF Properties LLC				2,242,700	8	0.32%
JTH Development				1,600,000	9	0.23%
Brazos De Santos Partner				1,580,280	10	0.22%
Total	<u>\$ 72,555,430</u>		<u>6.94%</u>	<u>\$27,459,147</u>		<u>3.42%</u>

Taxable value of \$1,046,058,990

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
2009	\$ 2,574,083	\$ 2,532,144	98.37%	40,404	\$ 2,572,548	99.94%
2010	2,613,074	2,596,599	99.37%	14,599	2,611,198	99.93%
2011	2,614,869	2,591,187	99.09%	21,230	2,612,417	99.91%
2012	2,622,552	2,604,356	99.31%	16,279	2,620,635	99.93%
2013	2,635,251	2,618,686	99.37%	12,314	2,631,000	99.84%
2014	2,682,643	2,668,143	99.46%	8,660	2,676,803	99.78%
2015	2,866,335	2,846,427	99.31%	14,828	2,861,255	99.82%
2016	3,146,535	3,132,848	99.57%	7,748	3,140,596	99.81%
2017	3,379,649	3,361,931	99.48%	7,194	3,369,125	99.69%
2018	3,541,895	3,519,503	99.37%	-	3,519,503	99.37%

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		
2009	\$ -	\$ 10,405,000	\$ -	\$ -	\$ 10,405,000	1,329
2010	-	9,950,000	-	-	9,950,000	1,250
2011	-	9,475,000	76,852	-	9,551,852	1,301
2012	-	8,975,000	104,987	-	9,079,987	1,286
2013	-	8,450,000	124,424	-	8,574,424	1,088
2014	-	7,905,000	60,637	150,000	8,115,637	1,001
2015	-	11,650,000	14,270	100,000	11,764,270	1,407
2016	-	10,965,000	141,780	50,000	11,156,780	1,299
2017	-	10,382,396	174,360	-	10,556,756	1,205
2018	-	9,615,041	150,533	-	9,765,574	1,065

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

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

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

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

TABLE 11

Taxable Value	<u>\$ 833,465,566</u>
Debt Limit - 10% of taxable value [1]	\$ 83,346,557
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	\$ 9,765,574
Less Funds Available in Debt Service Fund	<u>4,117</u>
Total Amount of Debt Applicable to Debt Limit	<u>9,761,457</u>
Legal Debt Margin	<u>\$ 73,585,100</u>

	Fiscal Year		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt Limit	\$ 67,595,035	\$ 74,438,083	\$ 79,987,484
Total Net Debt Applicable to Debt Limit	<u>(11,749,009)</u>	<u>(11,092,352)</u>	<u>(10,550,045)</u>
Legal Debt Margin	<u>\$ 55,846,026</u>	<u>\$ 63,345,731</u>	<u>\$ 69,437,439</u>

	Fiscal Year		
	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt Limit	\$ 61,623,027	\$ 62,466,659	\$ 63,313,192
Total Net Debt Applicable to Debt Limit	<u>(8,992,829)</u>	<u>(8,454,435)</u>	<u>(8,111,530)</u>
Legal Debt Margin	<u>\$ 52,630,198</u>	<u>\$ 54,012,224</u>	<u>\$ 55,201,662</u>

	Fiscal Year		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt Limit	\$ 70,771,331	\$ 62,314,571	\$ 61,267,669
Total Net Debt Applicable to Debt Limit	<u>(10,403,459)</u>	<u>(9,841,952)</u>	<u>(9,458,175)</u>
Legal Debt Margin	<u>\$ 60,367,872</u>	<u>\$ 52,472,619</u>	<u>\$ 51,809,494</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
2009	7,831	\$ 29,534	38.9	3,272	7.2%
2010	7,960	29,534	38.9	3,420	7.8%
2011	7,341	32,123	41.1	4,371	7.9%
2012	7,060	31,335	41.1	4,161	6.8%
2013	7,880	41,549	41.1	4,031	5.5%
2014	8,104	42,053	41.1	4,256	4.3%
2015	8,364	42,053	44.4	4,284	3.7%
2016	8,591	42,772	44.4	4,448	3.5%
2017	8,758	45,272	43.6	4,415	3.2%
2018	9,169	45,622	44.0	4,368	3.2%

Sources: Population, per capita income and median age information provided by the United States Census Bureau. School enrollment information was provided by the Northside Independent School District. Unemployment rates were provided by the Bureau of Labor Statistics.

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

TABLE 13

Employer	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lackland Air Force Base	37,000	1	3.24%			
Fort Sam Houston	32,000	2	2.80%			
HEB Food Stores	20,000	3	1.75%	14,588	2	2.01%
USAA	18,305	4	1.60%	14,852	1	2.05%
Northside ISD	12,751	5	1.12%			
Randolph Air Force Base	11,000	6	0.96%			
North East ISD	10,052	7	0.88%			
Methodist Healthcare System	9,620	8	0.84%			
City of San Antonio	9,145	9	0.80%			
San Antonio ISD	7,000	10	0.61%			
Bill Miller Bar-B-Q				4,190	3	0.58%
Cullen/Frost Bankers				3,982	4	0.55%
Valero Energy				3,777	5	0.52%
Southwest Research Institute				3,300	6	0.46%
Harland Clarke				3,100	7	0.43%
Clear Channel Communications				2,800	8	0.39%
Kinetic Concepts, Inc.				2,156	9	0.30%
Zachry Holdings, Inc.				2,000	10	0.28%
Total	<u>166,873</u>		<u>14.60%</u>	<u>54,745</u>		<u>7.57%</u>

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

Source: San Antonio Economic Development Foundation

**CITY OF HELOTES, TEXAS
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

TABLE 14

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Animal Control/Code Enforcement										
Animals Impounded	-	-	-	-	90	65	101	101	83	78
Animals Returned to Owner	-	-	-	-	-	-	31	36	40	40
Transfers to Vet Clinics	-	-	-	-	74	66	64	36	12	18
Transfers to Humane Society	-	-	-	-	-	-	6	29	36	37
Animals Euthanized	-	-	-	-	-	-	-	8	2	1
City Secretary										
Number of Public Info Requests	-	-	-	-	-	461	537	279	348	228
Court										
Number of Cases Filed	3,330	3,986	4,163	7,576	4,364	5,756	6,476	5,673	7,208	6,553
Number of Cases Closed	2,963	4,124	3,740	5,653	3,802	3,462	3,624	3,474	3,834	4,279
Warnings/Voids	-	-	-	-	1,358	2,509	2,625	2,260	2,346	2,246
Inactive Cases	-	-	-	1,844	1,177	2,504	2,694	3,048	3,450	4,238
Development Services										
Building Permits Issued	896	1,156	1,257	1,211	1,833	2,594	2,039	2,045	2,316	2,530
Business Licenses Issued	2,728	1,529	1,645	1,398	1,490	1,438	897	310	234	245
Food Establishment Inspections	26	32	30	27	35	31	42	53	64	87
Foster/Adoption Inspections	6	5	6	5	7	5	2	3	5	4
Dispatch										
Calls for Service	1,452	1,555	4,640	7,303	9,018	10,438	28,100	52,036	49,974	28,920
Number of 911 Calls Received	-	-	-	3,434	3,013	3,432	7,324	13,113	9,651	4,098
Number of 911 Calls Dispatched	-	-	200	875	617	726	883	4,025	3,645	1,588
EMS										
Requests for Transport	-	-	395	514	473	473	607	719	679	830
Actual Transports	-	-	47	174	219	224	259	303	273	302
EMT Students	-	-	3	-	-	-	-	-	1	2
Finance										
Number of Checks Issued	891	951	1,027	1,381	1,323	1,503	1,555	1,426	1,462	1,637
Fire										
Number of Rescue/Other Response	846	569	282	208	228	285	222	258	285	299
Number of Fire Responses	52	25	40	18	24	29	25	25	38	32
Number of Inspections	116	279	285	173	334	258	279	446	382	384
Number of Training Classes Conducted	248	327	340	360	356	344	401	404	669	393
Number of Pre-Plan Inspections	74	69	66	79	80	67	64	67	71	77
Helotes Magazine										
Number of Magazines Printed	-	-	-	-	-	-	-	-	46,000	64,000
Human Resources										
Number of New Employees Processed	10	12	12	8	5	16	14	18	20	16
Police										
Calls for Service	2,993	3,096	3,620	4,362	6,474	7,934	8,458	6,150	3,323	3,436
Arrests	177	159	129	119	194	196	205	190	217	246
Traffic Violations	3,330	3,986	4,163	7,576	4,364	5,756	6,476	5,673	7,208	6,553
Accidents	216	196	153	157	174	243	358	331	266	265
Public Relations / Events										
Number of Social Media Posts	-	-	-	-	-	-	-	621	1,022	714
Number of Community Events	-	-	-	-	-	-	-	26	26	26
Public Works & Facilities										
Number of Buildings Maintained	4	6	6	6	6	6	6	6	6	6
Square Footage	14,101	40,405	40,405	40,405	40,405	40,405	40,405	40,405	40,405	40,405
Warrants										
Warrants Issued	539	873	671	1,174	1,313	1,455	1,085	1,300	1,179	1,169
Warrants Cleared	-	-	-	75	499	1,097	821	851	802	842
Active Warrants	59	102	74	220	179	345	282	391	611	873

Source: Various city departments.

CITY OF HELOTES, TEXAS
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

TABLE 15

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Animal Control / Code Enforcement Vehicles	-	-	-	1	1	1	1	1	2	2
EMS Ambulances	-	2	2	2	2	2	2	2	2	2
Fire Stations	1	1	1	1	1	1	1	1	1	1
Training Facility	-	-	-	-	-	-	-	-	-	-
Fire Vehicles	7	7	8	8	8	8	8	8	8	8
Helotes Area Community Band Trailer	-	-	-	1	1	1	1	1	1	1
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	13	13	13	12	12	11	12	13	12	13
Parks & Recreation Parks - Developed	1	2	2	2	2	2	3	3	3	3
Parks - Undeveloped	3	2	2	2	3	3	2	2	2	2
Playground	1	1	1	1	1	1	1	1	1	1
Public Works & Facilities Streets, paved (miles)	32.7	33.6	33.6	34.5	34.5	38.4	38.4	38.4	40	41.7
Streets, unpaved (miles)	0	0	0	0	0	0	0	0	0	0
Vehicles	1	1	1	2	2	3	3	4	5	6
Trailers	3	4	4	4	4	4	4	4	4	5
Generators (Buildings)	0	2	2	2	2	2	2	2	2	2
Generators (Portable)	1	1	1	1	1	1	2	2	3	3
Warrants Vehicles	1	1	1	1	1	1	1	1	1	1

CITY OF HELOTES, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

TABLE 16

Function	Fiscal Year End									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<i>General Government</i>										
City Administrator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Assistant City Administrator	2.5	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	1.0
Secretary/Treasurer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Personnel/Finance	0.0	0.0	0.0	1.5	1.5	1.5	1.5	2.5	2.5	3.0
Municipal Court	3.0	3.0	4.5	4.0	4.5	4.0	6.0	6.0	6.5	6.5
<i>Public Safety</i>										
Police Department	25.5	24.0	21.0	21.5	21.5	21.5	25.0	24.5	25.0	25.0
Dispatch	0.0	0.0	5.0	6.0	6.5	7.5	7.5	7.0	9.0	10.0
Fire Department/EMS	17.0	14.5	21.5	22.5	23.0	23.5	27.0	26.5	26.5	23.0
<i>Public Works</i>										
Development Services	2.0	1.0	1.0	1.0	2.0	2.0	2.0	2.5	2.5	2.0
Animal Control/Code Enforcement	1.0	1.0	1.0	1.0	2.0	1.5	1.0	1.0	1.0	1.0
Streets and Grounds	0.5	1.0	1.0	1.0	1.0	1.0	2.5	3.0	3.5	5.0
<i>Culture and Recreation</i>										
Public Relations/Special Events	0.0	0.0	0.0	0.0	0.0	0.0	2.5	3.0	3.0	5.0
<i>Total</i>	53.5	47.5	58.0	61.5	64.0	64.5	77.0	78.0	81.5	83.5

COMPLIANCE SECTION



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

The Honorable Mayor and
Members of the City Council
City of Helotes, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Helotes, Texas, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 13, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Helotes, Texas' internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Helotes, Texas' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Helotes, Texas' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Helotes, Texas' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

March 13, 2019

