



HELOTES
TEXAS
ECONOMIC DEVELOPMENT
REGULAR MEETING AGENDA

The City of Helotes Economic Development Corporation (EDC) Board of Directors will meet for a Regular Meeting on Wednesday, April 18, 2018 at 7:00 p.m. in the City Hall Council Chambers, 12951 Bandera Road, Helotes, Texas 78023. This is an open meeting, subject to the open meeting laws of the State of Texas.

1. Call to order.

OPEN SESSION:

2. Citizens to be heard.

The EDC cannot discuss any presented issue, nor may any action be taken on any issue at this time (Attorney General Opinion JC-0169). The EDC will accept comments from citizens of the City of Helotes and its Extraterritorial Jurisdiction (ETJ) only. Comments are limited to three (3) minutes, and this time is not transferable. Discussion by the EDC of any item not on the Agenda shall be limited to statements of specific factual information given in response to any inquiry, a recitation of existing policy in response to any inquiry, and / or a proposal to place the item on a future EDC Agenda.

CONSENT AGENDA (ITEM NOS. 3 – 4):

All Consent Agenda items listed below are considered routine by EDC Staff and are intended to be enacted by one motion. There will be no separate discussion of these items, unless a Director requests it, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the Agenda.

3. Approval of the minutes of the EDC Regular Meeting dated March 21, 2018. (Staff)
4. Approval of the EDC Fiscal Year Ending (FYE) 2018 Revenue and Expenditure, Balance Sheet, and Encumbrance Reports dated April 13, 2018. (Staff)

NOTICE OF ASSISTANCE AT THE PUBLIC MEETING

The City of Helotes City Hall is wheelchair accessible, and accessible parking spaces are available. In compliance with the Americans with Disabilities Act, the City of Helotes will provide reasonable accommodations for persons attending the meeting. To better serve you, requests should be received forty-eight (48) hours prior to the meeting. Please contact the City Secretary's Office at 210.695.5911 or by facsimile at 210.695.2123.

ITEMS FOR INDIVIDUAL CONSIDERATION:

5. Presentation by Armstrong, Vaughan, & Associates, P.C. and discussion of and action on the FYE 2017 Audit for the City of Helotes Economic Development Corporation. (Auditor)
6. Update on current commercial developments within the City of Helotes. (Staff)

Adjourn.

The EDC Board of Directors reserves the right to adjourn into Closed Session at any time during the course of this meeting to discuss any of the exceptions to the requirement that a meeting be open to the public, in accordance with Texas Government Code, Chapter 551 *Open Meetings*, Subchapter D *Exceptions to Requirement that Meetings be Open*. No action may be taken in Closed Session.

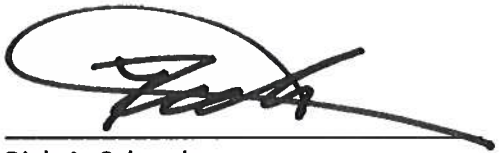
A quorum of the City Council and/or other City Boards, Committees, or Commissions may be present at this meeting. The City Council and/or other City Boards, Committees, or Commissions may not take action regarding public business or policy.

I certify that this Agenda was posted on April 13, 2018 at 3:00 a.m /(p.m)

Attest:



Glenn Goolsby
Assistant Director



Rick A. Schroder
Executive Director



REGULAR MEETING MINUTES

The City of Helotes Economic Development Corporation (EDC) Board of Directors met for a Regular Meeting on Wednesday, March 21, 2018 at 7:00 p.m., in the City Hall Council Chambers, 12951 Bandera Road, Helotes, Texas 78023. This was an open meeting, subject to the open meeting laws of the State of Texas.

Present:

Board Members: Pat Wootton, President Joel Lutz, Vice President
 Kathryn Mitchell Jim Meadows

Staff: Glenn Goolsby, Assistant Director

Absent: Diane Anderson, Secretary Wayne Stacey

1. Call to Order.

President Wootton called the meeting to order at 7:08 p.m.

OPEN SESSION:

2. Citizens to be Heard.

The EDC cannot discuss any presented issue, nor may any action be taken on any issue at this time (Attorney General Opinion JC-0169). The EDC will accept comments from citizens of the City of Helotes and its Extraterritorial Jurisdiction only. Comments are limited to three (3) minutes, and this time is not transferable. Discussion by the EDC of any item not on the Agenda shall be limited to statements of specific factual information given in response to any inquiry, a recitation of existing policy in response to any inquiry, and / or a proposal to place the item on a future EDC Agenda.

No Public Comment

CONSENT AGENDA (ITEM NOS. 3 – 4):

All items marked with an asterisk (*) on the consent agenda were voted on as a group after discussion. Motion was made by Jim Meadows, second by Kathryn Mitchell to approve Items 3 & 4, as written. Motion carried unanimously.

- 3. *Approval of the minutes of the EDC Regular Meeting dated February 21, 2018. (Staff)**
- 4. *Approval of the EDC Fiscal Year Ending (FYE) 2018 Revenue and Expenditure, Balance Sheet, and Encumbrance Reports dated March 15, 2018. (Staff)**

ITEMS FOR INDIVIDUAL CONSIDERATION:

- 5. Discussion of and action on an agreement between the EDC and the Helotes Area Chamber of Commerce for the provision of office space within the existing EDC corporate offices located at 12682 F.M. 1560 N., Suite 105, Helotes, Texas 78023. (President Wootton)**

Motion was made by Joel Lutz, second by Kathryn Mitchell to discuss and take action on Item 5.

Glenn Goolsby highlighted the terms of the agreement.

Motion was made by Jim Meadows, second by Kathryn Mitchell to approve an agreement between the EDC and the Helotes Area Chamber of Commerce for the provision of office space. Motion carried 3 - ayes and 1 - abstain, Joel Lutz.

- 6. Discussion of the modification and/or removal of the U.S. Fish & Wildlife Service Critical Habitat designation from 15030 Bandera Rd., Helotes, TX 78023 for economic development purposes.**

Glenn Goolsby informed the Board that City Council had not approved moving forward with the incentive. Councilman Bert Buys also addressed some of the concerns Council had with the project.

No action taken.

- 7. Update on current commercial developments within the City of Helotes. (Staff)**

Glenn Goolsby reported on six new business openings, seven projects under constructions, and three business closures.

- 8. Update on infrastructure projects within the City of Helotes. (Staff)**

Glenn Goolsby updated the Board on capital improvement projects currently under construction in Helotes.

Adjourn the regular meeting of the EDC Board of Directors.

President Wootton adjourned the meeting at 7:40 p.m.

Rick A. Schroder
Executive Director

CITY OF HELOTES
REVENUE & EXPENSE REPORT - UNAUDITED
AS OF: APRIL 13, 2018

13 - CAPITAL REPLACEMENT
FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>					
MISCELLANEOUS REVENUE	12,344.00	0.00	11,988.01	355.99	97.12
TOTAL REVENUES	12,344.00	0.00	11,988.01	355.99	97.12
<u>EXPENDITURE SUMMARY</u>					
ADMINISTRATION	500.00	0.00	0.00	500.00	0.00
BUILDING & GROUNDS	3,348,285.00	104,329.50	1,421,884.38	1,926,400.62	42.47
TOTAL EXPENDITURES	3,348,785.00	104,329.50	1,421,884.38	1,926,900.62	42.46
REVENUES OVER/(UNDER) EXPENDITURES	(3,336,441.00)	(104,329.50)	(1,409,896.37)	(1,926,544.63)	42.26

03 - CAPITAL REPLACEMENT
REVENUES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
MISCELLANEOUS REVENUE					
106-1010 INTEREST EARNED	9,153.00	0.00	10,888.01 (1,735.01)	118.96
106-1016 EDC CAPITAL - TRANSFER IN	0.00	0.00	0.00	0.00	0.00
106-1017 ADMIN MISC REVENUES	0.00	0.00	0.00	0.00	0.00
106-1018 PD MISC REVENUES	1,250.00	0.00	1,100.00	150.00	88.00
106-1019 FD MISC REVENUES	1,941.00	0.00	0.00	1,941.00	0.00
106-1021 TRANSFERS IN/OUT- OTHER FUND	0.00	0.00	0.00	0.00	0.00
106-1022 DISPATCH MISC REVENUES	0.00	0.00	0.00	0.00	0.00
TOTAL MISCELLANEOUS REVENUE	12,344.00	0.00	11,988.01	355.99	97.12

TOTAL REVENUES	12,344.00	0.00	11,988.01	355.99	97.12
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03 - CAPITAL REPLACEMENT
ADMINISTRATION
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
CONTRACTUAL SERVICES					
510-5200 BANK CHARGES	500.00	0.00	0.00	500.00	0.00
TOTAL CONTRACTUAL SERVICES	500.00	0.00	0.00	500.00	0.00
TOTAL ADMINISTRATION	500.00	0.00	0.00	500.00	0.00

03 - CAPITAL REPLACEMENT
BUILDING & GROUNDS
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
CAPITAL OUTLAY					
550-5501 FIRE DEPT PURCHASES	29,449.48	0.00	26,049.28	3,400.20	88.45
550-5509 EDC 2015 Cofo EXPENDITURES	291,916.03	0.00	10,928.90	280,987.13	3.74
550-5510 POLICE DEPT PURCHASES	1,667.57	0.00	0.00	1,667.57	0.00
550-5511 ADMINISTRATION PURCHASES	0.00	0.00	0.00	0.00	0.00
550-5512 CITY 2015 Cofo EXPENDITURES	3,025,251.92	104,329.50	1,384,906.20	1,640,345.72	45.78
TOTAL CAPITAL OUTLAY	3,348,285.00	104,329.50	1,421,884.38	1,926,400.62	42.47
TOTAL BUILDING & GROUNDS					
	3,348,285.00	104,329.50	1,421,884.38	1,926,400.62	42.47
TOTAL EXPENDITURES					
	3,348,785.00	104,329.50	1,421,884.38	1,926,900.62	42.46
REVENUES OVER/(UNDER) EXPENDITURES					
	(3,336,441.00)	(104,329.50)	(1,409,896.37)	(1,926,544.63)	42.26

*** END OF REPORT ***

05 -ECONOMIC DEVELOPMENT CORP
FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>					
NON-PROPERTY TAXES	852,000.00	0.00	580,349.41	271,650.59	68.12
MISCELLANEOUS REVENUE	2,000.00	0.00	2,806.44 (806.44)	140.32
TOTAL REVENUES	854,000.00	0.00	583,155.85	270,844.15	68.29
=====					
<u>EXPENDITURE SUMMARY</u>					
ADMINISTRATION	854,000.00	5,448.94	814,145.55	39,854.45	95.33
TOTAL EXPENDITURES	854,000.00	5,448.94	814,145.55	39,854.45	95.33
=====					
REVENUES OVER/(UNDER) EXPENDITURES	0.00 (5,448.94) (230,989.70)	230,989.70	0.00

05 -ECONOMIC DEVELOPMENT CORP
REVENUES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
NON-PROPERTY TAXES					
401-3140 SALES TAX REVENUE	852,000.00	0.00	575,752.16	276,247.84	67.58
401-3150 MIXED BEVERAGES	0.00	0.00	4,597.25	4,597.25	0.00
TOTAL NON-PROPERTY TAXES	852,000.00	0.00	580,349.41	271,650.59	68.12
MISCELLANEOUS REVENUE					
406-1010 INTEREST EARNED	2,000.00	0.00	2,806.44	806.44	140.32
406-1011 MISCELLANEOUS/GRANT/TRANSFERS	0.00	0.00	0.00	0.00	0.00
406-1060 TRANSFERS IN/OUT	0.00	0.00	0.00	0.00	0.00
TOTAL MISCELLANEOUS REVENUE	2,000.00	0.00	2,806.44	806.44	140.32
TOTAL REVENUES	854,000.00	0.00	583,155.85	270,844.15	68.29

05 -ECONOMIC DEVELOPMENT CORP
ADMINISTRATION
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
PERSONNEL					
510-5111 LONGEVITY	980.00	0.00	980.00	0.00	100.00
TOTAL PERSONNEL	980.00	0.00	980.00	0.00	100.00
CONTRACTUAL SERVICES					
510-5201 MEMBERSHIP, DUES & LICENSES	6,900.00	0.00	3,032.65	3,867.35	43.95
510-5202 AUDIT FEES	3,100.00	0.00	1,550.00	1,550.00	50.00
510-5203 SCHOOLS, SEMINARS, CONFERENCES	3,000.00	0.00	1,511.09	1,488.91	50.37
510-5204 ICSC CONF TEXAS & RECON LV	9,000.00	0.00	2,697.54	6,302.46	29.97
510-5205 BANK FEES	600.00	0.00	0.00	600.00	0.00
510-5206 LEGAL FEES	3,000.00	0.00	2,640.42	359.58	88.01
510-5208 CONCEPTUAL DESIGN/USE	101,500.00	0.00	0.00	101,500.00	0.00
510-5209 380 AGREEMENT REIMBURSEMENT	3,800.00	0.00	0.00	3,800.00	0.00
510-5210 WORKSHOPS & PROMOTION	3,500.00	0.00	0.00	3,500.00	0.00
510-5211 MARKETING	28,750.63	0.00	8,244.95	20,505.68	28.68
510-5212 WEBSITE DEV. & MAINTENANCE	4,000.00	0.00	3,296.40	703.60	82.41
510-5214 REIMBURSE CITY - OPERATING EXP	11,649.37	0.00	11,084.17	565.20	95.15
510-5215 REIMBURSE CITY -DEBT PRINCIPAL	200,000.00	0.00	200,000.00	0.00	100.00
510-5216 REIMBURSE CITY -DEBT INTEREST	92,552.00	0.00	92,552.00	0.00	100.00
510-5219 REIMBURSE CITY-SALARY	57,026.00	4,386.62	32,899.65	24,126.35	57.69
510-5220 REIMBURSE CITY - BENEFITS	14,000.00	799.95	8,559.66	5,440.34	61.14
510-5221 RETAIL RECRUITMENT	25,000.00	0.00	25,000.00	0.00	100.00
510-5222 REIMBURSE CITY - 2015 P&I	48,343.00	0.00	48,343.00	0.00	100.00
510-5223 BUSINESS IMPRV GRANT	50,000.00	0.00	0.00	50,000.00	0.00
510-5224 OFFICE RENTAL	15,500.00	0.00	12,072.52	3,427.48	77.89
TOTAL CONTRACTUAL SERVICES	681,221.00	5,186.57	453,484.05	227,736.95	66.57
COMMODITIES					
510-5301 OFFICE SUPPLIES	7,549.00	262.37	1,780.08	5,768.92	23.58
510-5302 OPERATIONAL EXPENSES	3,500.00	0.00	2,837.19	662.81	81.06
510-5304 WEBSITE - BUSINESS DIRECTORY	2,000.00	0.00	608.00	1,392.00	30.40
510-5305 COMMUNICATION EQUIP ALLOWANCE	2,500.00	0.00	655.76	1,844.24	26.23
510-5326 EXPENSE REIMBURSEMENT -MILEAGE	250.00	0.00	0.00	250.00	0.00
510-5331 PARKING LEASE AGREEMENT OTH	6,000.00	0.00	2,666.52	3,333.48	44.44
510-5333 380 EXPENSES FROM SALES TAX	0.00	0.00	201,133.95	(201,133.95)	0.00
TOTAL COMMODITIES	21,799.00	262.37	209,681.50	(187,882.50)	961.89
CAPITAL OUTLAY					
510-5503 TRANSFER TO DEBT SERVICE	150,000.00	0.00	150,000.00	0.00	100.00
TOTAL CAPITAL OUTLAY	150,000.00	0.00	150,000.00	0.00	100.00
TOTAL ADMINISTRATION	854,000.00	5,448.94	814,145.55	39,854.45	95.33
TOTAL EXPENDITURES	854,000.00	5,448.94	814,145.55	39,854.45	95.33
REVENUES OVER/(UNDER) EXPENDITURES	0.00	(5,448.94)	(230,989.70)	230,989.70	0.00

BALANCE SHEET

AS OF: APRIL 13, 2018

03 -CAPITAL REPLACEMENT

ACCOUNT#	TITLE	
ASSETS		
101-2000	TEXPOOL CAPITAL PROJECTS	649,005.30
101-2200	SAFEKEEPING - CITY	0.00
101-2300	SAFEKEEPING - EDC	0.00
101-2400	CAPITAL CASH	0.00
101-2500	EDC CAPITAL CASH	34,696.17
101-2600	FIRE DEPT CAPITAL CASH	3,400.20
101-2700	POLICE DEPT CAPITAL CASH	6,167.57
101-2800	ADMIN CAPITAL CASH	33,798.16
101-3000	LOGIC CAPITAL CASH	247,802.77
120-0000	DUE FROM OTHER FUNDS	603,566.20
		<u>1,578,436.37</u>

TOTAL ASSETS 1,578,436.37

LIABILITIES		
201-0000	ACCOUNTS PAYABLE	0.00
201-0200	PAYABLES PRIOR YEAR	0.00
202-1300	DUE TO OTHER FUNDS	70,267.30
202-1305	DUE FROM OTHER ACCOUNTS	0.00
		<u>70,267.30</u>

TOTAL LIABILITIES 70,267.30

EQUITY		
390-0000	FUND BALANCE/RETAINED EARN	2,918,065.44
		<u>2,918,065.44</u>
	TOTAL BEGINNING EQUITY	
	TOTAL REVENUE	11,988.01
	TOTAL EXPENSES	1,421,884.38

REVENUE OVER/(UNDER) EXPENSES (1,409,896.37)

TOTAL EQUITY & OVER/(UNDER) 1,508,169.07

TOTAL LIABILITIES, EQUITY & OVER/(UNDER) 1,578,436.37

BALANCE SHEET

AS OF: APRIL 13, 2018

05 -ECONOMIC DEVELOPMENT CORP

ACCOUNT#	TITLE		
ASSETS			
101-2000	EDC OPERATING CASH	204,589.87	
101-2100	EDC TEXPOOL	1,124.71	
101-2600	LOGIC	5,935.06	
101-3100	FARM BUREAU EDC 6 MONTH CD	252,052.03	
101-3200	FARM BUREAU BANK MM	4.11	
105-1000	RECEIVABLE - SALES TAX	104,671.47	
120-0000	DUE FROM GENERAL FUND	0.00	
120-1000	DUE FROM EDC CAP PROJ	70,267.30	
		<u>638,644.55</u>	
	TOTAL ASSETS		<u>638,644.55</u>
LIABILITIES			
201-0000	ACCOUNTS PAYABLE	0.00	
201-0200	PRIOR YEAR PAYABLES	20,120.00	
201-0300	380 AGREEMENT PAYABLE	11,754.11	
201-1000	WAGES PAYABLE	0.00	
202-0910	PREPAID PAYABLES	0.00	
202-1300	DUE TO OTHER FUNDS	42,279.31	
		<u>74,153.42</u>	
	TOTAL LIABILITIES		<u>74,153.42</u>
EQUITY			
390-0000	FUND BALANCE/RETAINED EARNINGS	795,040.84	
390-1000	PREPAID ITEMS	439.99	
	TOTAL BEGINNING EQUITY	<u>795,480.83</u>	
	TOTAL REVENUE	583,155.85	
	TOTAL EXPENSES	814,145.55	
	REVENUE OVER/ (UNDER) EXPENSES	(230,989.70)	
	TOTAL EQUITY & OVER/ (UNDER)	<u>564,491.13</u>	
	TOTAL LIABILITIES, EQUITY & OVER/ (UNDER)		<u>638,644.55</u>

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



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

March 13, 2018

Board of Directors
Helotes Economic Development Corporation

We have audited the financial statements of the governmental activities and the major fund of Helotes Economic Development Corporation for the year ended September 30, 2017. 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, 2017, 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, 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 misstatement. An audit of financial statements includes consideration of internal control 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 control over financial reporting. Accordingly, as part of our audit, we considered the internal control of City of Helotes solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

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 the Corporation are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2017. 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 and (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 current judgments. Those judgments are normally based on 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 significantly from management's current judgments. There were no sensitive estimates affecting the financial statements.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The Corporation does not have any sensitive financial statement disclosures.

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. Management has corrected all such audit differences.

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. Additionally, none of the differences detected as a result of audit procedures were material to the financial statements either individually or in the aggregate.

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, 2018.

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.

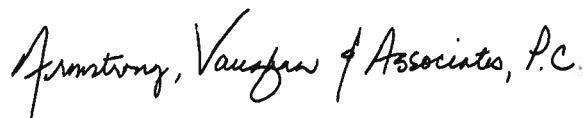
Other Significant Matters, Findings, or Issues

In the normal course of our professional association with City of Helotes, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as City of Helotes's auditors.

Compliance with Public Funds Investment Act

The Public Funds Investment Act requires that we include, as part of our audit, procedures to determine if the Corporation complied with the provisions of the Act. We found, as a result of our tests, that the City has complied in all material respects, with the provisions of the Act and the Corporation's internal investment policy.

This report is intended solely for the information and use of the board of directors and management of the Helotes Economic Development Corporation and is not intended to be and should not be used by anyone other than these specified parties.



Armstrong, Vaughan & Associates, P.C.

March 13, 2018

**CITY OF HELOTES ECONOMIC
DEVELOPMENT CORPORATION**

**ANNUAL
FINANCIAL REPORT**

**FISCAL YEAR ENDED
SEPTEMBER 30, 2017 AND 2016**



CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2017

PRINCIPAL OFFICERS

PRESIDENT Pat Wootton
VICE PRESIDENT Joel Lutz
SECRETARY Diane Anderson
BOARD MEMBER Carl Hale
BOARD MEMBER Kathryn Mitchell
BOARD MEMBER Wayne Stacey
BOARD MEMBER Jim Meadows

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



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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the City of Helotes Economic Development Corporation (a component unit of the City of Helotes) as of and for the years ended September 30, 2017 and 2016, and the related notes to the financial statements which collectively comprise the City of Helotes Economic Development Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

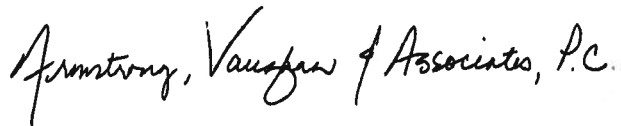
Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of City of Helotes Economic Development Corporation, as of September 30, 2017 and 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Armstrong, Vaughan & Associates, P.C.

March 13, 2018

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

Our discussion and analysis of the City of Helotes Economic Development Corporation, a component unit of the City of Helotes, financial performance provides an overview of the Corporation's financial activity for the fiscal year ended September 30, 2017. It should be read in conjunction with the financial statements.

Financial Highlights

- The Corporation's net position was \$843,689 at September 30, 2017.
- The Corporation's total revenues were \$942,954 while total expenses were \$398,374.
- The Corporation's net position increased by \$71,041 after the transfer of pledged revenue to the primary government (City of Helotes).

Corporation Highlights

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

Using this Annual Report

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

Statement of Net Position

Table 1 shows all of the assets and liabilities of the Corporation and is presented on the accrual basis. The total net position is \$843,689.

Table 1
City of Helotes Economic Development Corporation
Net Position

	2017	2016
Cash and Investments	\$ 401,534	\$ 703,464
Certificate of Deposit	250,882	-
Accounts Receivable	268,862	121,961
Land	48,140	48,140
Total Assets	969,418	873,565
Liabilities	125,729	100,917
Total Liabilities	125,729	100,917
Net Investment in Capital Assets	48,140	48,140
Unrestricted	795,549	724,508
Total Net Position	\$ 843,689	\$ 772,648

Statement of Activities

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

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

	<u>2017</u>	<u>2016</u>
Program Revenues	\$ -	\$ -
General Revenues	<u>942,954</u>	<u>671,795</u>
Total Revenues	<u>942,954</u>	<u>671,795</u>
Total Expenses	<u>(398,374)</u>	<u>(188,320)</u>
Transfers In (Out) from Primary Government	<u>(473,539)</u>	<u>(499,249)</u>
Total Expenditures	<u>(871,913)</u>	<u>(687,569)</u>
Change in Net Position	<u>\$ 71,041</u>	<u>\$ (15,774)</u>

Balance Sheet

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

Statement of Revenues, Expenditures, and Changes in Fund Balance

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

Budget to Actual

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

Description of Current and Expected Conditions

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

- LNV Engineering is securing approval from other governmental entities for a pedestrian bridge in Old Town Helotes along Old Bandera Road;
- Contracted with Neon Cloud Productions for a promotional video highlighting development opportunities in Helotes;
- Renewed a contract with Retail Strategies to provide retail analytics and recruitment for the City of Helotes;
- Continuing use of development incentives to attract business identified in our 2018 Strategic Plan.

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

Contacting the Corporation's Financial Management

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

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
 COMPARATIVE STATEMENTS OF NET POSITION
 SEPTEMBER 30, 2017 AND 2016

	2017	2016
ASSETS		
Cash and Investments	\$ 401,534	\$ 703,464
Certificate of Deposit	250,882	-
Accounts Receivable - State	198,595	121,961
Due from Primary Government	70,267	-
Capital Assets:		
Land	48,140	48,140
TOTAL ASSETS	\$ 969,418	\$ 873,565
LIABILITIES		
<i>Liabilities:</i>		
Accounts Payable	\$ -	\$ 14,707
Accrued Liabilities	113,848	14,101
Accrued Compensated Absences	11,881	9,353
Due to Primary Government	-	62,756
TOTAL LIABILITIES	125,729	100,917
NET POSITION		
Net Investment in Capital Assets	48,140	48,140
Unrestricted	795,549	724,508
TOTAL NET POSITION	\$ 843,689	\$ 772,648

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
 COMPARATIVE STATEMENTS OF ACTIVITIES
 FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	2017	2016
EXPENSES		
380 Agreement Expense	\$ 196,404	\$ -
Professional Services	98,095	96,456
Personnel	72,701	65,837
Reimbursement to City Administration	15,000	15,000
Training and Seminars	6,988	7,753
Parking Lease Agreement	4,272	-
Office Supplies and Expenses	2,947	3,146
Other Expenses	1,967	128
TOTAL EXPENSES	398,374	188,320
 REVENUES		
<i>Program Revenues:</i>		
Charges for Services	-	-
<i>Total Program Revenues</i>	-	-
<i>Net Governmental Activities</i>	(398,374)	(188,320)
 <i>General Revenues:</i>		
Sales Tax	939,946	669,963
Interest	3,008	1,832
<i>Total General Revenues</i>	942,954	671,795
 <i>Transfers From (To) Primary Government</i>	(473,539)	(499,249)
 <i>Change in Net Position</i>	71,041	(15,774)
 BEGINNING NET POSITION	772,648	788,422
 ENDING NET POSITION	\$ 843,689	\$ 772,648

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
 COMPARATIVE BALANCE SHEETS
 SEPTEMBER 30, 2017 AND 2016

	2017	2016
ASSETS		
Cash and Investments	\$ 401,534	\$ 703,464
Certificate of Deposit	250,882	-
Accounts Receivable - State	198,595	121,961
Due from Primary Government	70,267	-
TOTAL ASSETS	\$ 921,278	\$ 825,425
LIABILITIES AND FUND BALANCE		
<i>Liabilities:</i>		
Accounts Payable	\$ -	\$ 14,707
Accrued Liabilities	113,848	14,101
Due to Primary Government	-	62,756
<i>Total Liabilities</i>	113,848	91,564
<i>Fund Balance:</i>		
Committed:		
Capital Replacement	171,999	171,999
Unassigned	635,431	561,862
<i>Unassigned Fund Balance</i>	807,430	733,861
TOTAL LIABILITIES AND FUND BALANCE	\$ 921,278	\$ 825,425
RECONCILIATION OF THE BALANCE SHEETS TO THE STATEMENTS OF NET POSITION:		
TOTAL FUND BALANCES	\$ 807,430	\$ 733,861
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund financial statements	48,140	48,140
Accrued compensated absences are not due and payable from current financial resources and, therefore, are not reported in the governmental funds	(11,881)	(9,353)
TOTAL NET POSITION	\$ 843,689	\$ 772,648

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	2017	2016
REVENUES		
Sales Tax	\$ 939,946	\$ 669,963
Interest	3,008	1,832
TOTAL REVENUES	942,954	671,795
EXPENDITURES		
380 Agreement Expense	196,404	-
Professional Services	98,095	96,456
Personnel	70,173	63,484
Reimbursement to City Administration	15,000	15,000
Training and Seminars	6,988	7,753
Parking Lease Agreement	4,272	-
Office Supplies and Expenses	2,947	3,146
Other Expenses	1,967	128
TOTAL EXPENDITURES	395,846	185,967
Excess (Deficiency) of Revenues Over (Under) Expenditures	547,108	485,828
OTHER FINANCING SOURCES (USES)		
Transfer In (Out) to Primary Government	(473,539)	(499,249)
TOTAL OTHER FINANCING SOURCES (USES)	(473,539)	(499,249)
Net Change in Fund Balance	73,569	(13,421)
BEGINNING FUND BALANCE	733,861	747,282
ENDING FUND BALANCE	\$ 807,430	\$ 733,861

**RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE TO STATEMENTS OF NET POSITION:**

NET CHANGE IN FUND BALANCE	\$ 73,569	\$ (13,421)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental fund financial statements	(2,528)	(2,353)
CHANGE IN NET POSITION	\$ 71,041	\$ (15,774)

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 AND 2016

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Financial Reporting Entity

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

The financial statements of the Corporation have been prepared in conformity with generally accepted accounting principles (GAAP), as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements present the financial position and results of operations of the Corporation only.

2. Basis of Presentation

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

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

3. Budgets

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

4. Cash and Investments

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

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2017 AND 2016

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

4. Cash and Investments (Continued)

The Corporation 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 fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

5. Related Party Transactions

During the course of operations, numerous transactions occur between the Corporation and the City. These receivables and payables are classified as "due from primary government" or "due to primary government" on the Balance Sheet and Statement of Net Position. The Corporation reimburses the City for its share of personnel costs and paid an agreed upon rate of \$15,000 for general administrative overhead. The Corporation has also pledged revenue to cover a portion of the City's debt service (see note E).

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

6. Capital Assets

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

7. Sales Tax Revenue

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

8. Fund Balance

Fund Balance is classified as follows:

Nonspendable – Represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact.

Restricted – Represents amounts that are constrained by external parties, constitutional provisions, or enabling legislation.

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2017 AND 2016

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

8. Fund Balance (Continued)

Committed – Represents amounts that can be used only for the specific purposes determined by a formal action of the government’s highest decision-making authority. The governing board is the highest level of decision-making authority for the corporation that can commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation.

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

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

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

9. Net Position

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

10. Use of Estimates

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

NOTE B -- DEPOSITS AND INVESTMENTS

1. Deposits

At September 30, 2017 and 2016, the total carrying amount of the Corporation’s deposits were \$219,335 and \$388,691, respectively, and the bank balance was \$332,938 and \$398,737, respectively. All cash deposits were federally insured up to \$250,000 at each financial institution and are also covered by the City of Helotes’ collateral support.

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2017 AND 2016

NOTE B -- DEPOSITS AND INVESTMENTS (Continued)

2. Investments

As of September 30, 2017, the Corporation had the following investments:

	2017		2016	
	Reported Value	Fair Value	Reported Value	Fair Value
<i>Investment Pools:</i>				
TexPool	\$ 1,118	\$ 1,118	\$ 1,110	\$ 1,110
LOGIC	181,081	181,081	313,663	313,663
<i>Certificates of Deposit:</i>				
Farm Bureau Bank	250,882	250,882	-	-
	<u>\$ 433,081</u>	<u>\$ 433,081</u>	<u>\$ 314,773</u>	<u>\$ 314,773</u>

All investments are valued using prices quoted prices in active markets (Level 1) inputs.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At September 30, 2017 and 2016, the City of Helotes Economic Development Corporation was not significantly exposed to credit risk.

Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City of Helotes Economic Development Corporation's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the City of Helotes Economic Development Corporation's name.

At September 30, 2017 and 2016, the City of Helotes Economic Development Corporation was not exposed to custodial credit risk.

Concentration of Credit Risk

The risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As of September 30, 2017 and 2016, the City of Helotes Economic Development Corporation had no exposure to concentration of credit risk.

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2017 AND 2016

NOTE C -- CAPITAL ASSETS

Activity for assets capitalized by the Corporation is summarized below:

	Balance 10/1/2016	Additions	Deletions	Balance 9/30/2017
Land	\$ 48,140	\$ -	\$ -	\$ 48,140

Land is not depreciated.

NOTE D -- TRANSFERS

Transfers during the year ended September 30, 2017, were as follows:

Transfer Out	Transfer In	2017 Amount	2016 Amount	Purpose
EDC	Primary Government - Debt Service	\$ 471,019	\$ 467,795	Pledged revenue
EDC	Primary Government - Capital Projects	2,520	31,454	Supplemental funding
		\$ 473,539	\$ 499,249	

NOTE E -- COMMITMENTS AND CONTINGENCIES

Litigation

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

380 Development Agreement

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

Development, Date Began	Sales Tax Refund Agreement		Maximum Grant Amount	Current Year Reductions	Maximum Balance Due	Term
	City	EDC				
Bandera Helotes Plaza (2010)	50%	50%	\$ 300,000	\$ -	\$ 300,000	10 years
Bluff and Shops at Old Town Helotes (2014)	50%	50%	\$ 2,000,000	\$ -	\$ 2,000,000	15 years
Texas Developers, LLC (2016)	75% of excess	75% of excess	N/A	\$ 199,355	N/A	20 years
CSDRE LLC and Slim Texas LLC (2017)	40%	40%	\$ 600,000	\$ -	\$ 600,000	13 years

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2017 AND 2016

NOTE E -- COMMITMENTS AND CONTINGENCIES (Continued)

Pledged Revenue

Through Interlocal Agreements with the City of Helotes, the Economic Development Corporation has pledged a portion of its revenue over the next 20 years to reimburse the City for debt service on multiple bonds issued. The agreements called for reimbursement of \$4,000,000 for the Certificates of Obligation Series 2007 and \$937,480 for the Certificates of Obligation Series 2015 issued by the City. These portions of the debt issuance were used by the Corporation for implementation of The Old Town Helotes Improvements and State Highway 16 & Helotes Linear Creek Development Projects. The Corporation transferred \$471,019 and \$467,795 during the years ended September 30, 2017 and 2016, respectively, for the debt service requirements and is up to date on payments required by the agreement. The Economic Development Corporation's future pledged revenues are as follows:

Fiscal Year Ending September 30,	Series 2007	Series 2015	Total
2018	\$ 292,552	\$ 194,318	\$ 486,870
2019	294,495	24,519	319,014
2020	296,046	24,214	320,260
2021	297,203	24,466	321,669
2022	297,968	24,144	322,112
2023 - 2027	1,492,452	118,652	1,611,104
2028 - 2032	-	280,357	280,357
2033 - 2035	-	97,140	97,140
	<u>\$ 2,970,716</u>	<u>\$ 787,810</u>	<u>\$ 3,758,526</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016)

	Budgeted Amounts		Actual 2017	Variance	Actual 2016
	Original	Final		(Unfavorable)	
REVENUES					
Taxes	\$ 670,086	\$ 701,882	\$ 939,946	\$ 238,064	\$ 669,963
Interest	2,200	2,091	3,008	917	1,832
TOTAL REVENUES	672,286	703,973	942,954	238,981	671,795
EXPENDITURES					
380 Agreement Expense	3,800	-	196,404	(196,404)	-
Professional Services	91,400	125,533	98,095	27,438	96,456
Personnel	69,387	70,174	70,173	1	63,484
City Administration Cost Reimbursement	15,000	15,000	15,000	-	15,000
Training and Seminars	9,500	9,400	6,988	2,412	7,753
Parking Lease Agreement	6,000	5,900	4,272	1,628	-
Office Supplies and Expenses	3,800	3,729	2,947	782	3,146
Other Expenses	1,250	2,088	1,967	121	128
TOTAL EXPENDITURES	200,137	231,824	395,846	(164,022)	185,967
Excess (Deficiency) of Revenues Over (Under) Expenditures	472,149	472,149	547,108	74,959	485,828
OTHER FINANCING SOURCES (USES)					
Transfer In (Out) to Primary Government	(471,019)	(471,019)	(473,539)	(2,520)	(499,249)
TOTAL OTHER FINANCING SOURCES (USES)	(471,019)	(471,019)	(473,539)	(2,520)	(499,249)
Net Change in Fund Balance	1,130	1,130	73,569	72,439	(13,421)
Fund Balance - October 1	733,861	733,861	733,861	-	747,282
Fund Balance - September 30	\$ 734,991	\$ 734,991	\$ 807,430	\$ 72,439	\$ 733,861

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016)

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

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



Development Updates

Business	Location	Status	Completion
Burger King	13041 Bandera Road	Pending Final Inspection	Apr-18
Shell Gas Station	13041 Bandera Road	Pending Final Inspection	Apr-18
Jugo Juicery & Coffee	9708 Business Pkwy., Suite 102	Finish Out	1Q - 2018
Positive Soul Holistic Therapy	14743 Old Bandera Road, Suite 14	Finish Out	1Q - 2018
Helotes Café	14359 Old Bandera Road, Suite 3	Finish Out	May-18
Great Harvest Bread Company	12415 Bandera Road, Suite 102	Tenant Finishout	2Q - 2018
KFC	12440 Bandera Rd.	Under Construction	2Q - 2018
The Wash Tub	12440 Bandera Rd.	Under Construction	2Q - 2018
Abiso Development	12440 Bandera Road	Site Work	3Q - 2018
Old Helotes Inn	14405 Old Bandera Road	Under Construction	3Q - 2018
Pet Barn	12440 Bandera Road	Pending	4Q - 2018
Navy Federal Credit Union	12440 Bandera Road	Pending	4Q - 2018
Todd Stein	Comerica Re-development	Demolition Approved	4Q - 2018
Rohde, Ottmers, Siegel	Bitters Property	Pending Plan Submittal	2018
Texas Premier Capital	13523 Bandera Road	Pre-development	Unknown

Prospects

The Place	Corner of Bandera Road and Hausman	Finalizing Plan	Unknown
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Utility Improvements

			Est. Start Date
LNV	Water and Sewer service along Bandera Road between Circle A Trail and Scenic Loop Road.	Construction has begun	1-2Q 2017
Hill Country Bridge	Pedestrian Bridge along Old Bandera Road	Bridge being fabricated	1Q - 2018
TxDot	Hausman Road widening to 4 lanes	Postponed until 2018	2018
TxDot	FM 1560 & Bandera Road realignment	Construction has begun	2-3Q 2017
TxDot	FM 1560 Bridge	Construction has begun	2-3Q 2017
Bexar County	French Creek Drainage Improvement		2-3Q 2017
TxDot	Cedar Trail Culvert		2018-2019

Businesses Closed

Old Town Espresso