

**CITY OF HELOTES ECONOMIC  
DEVELOPMENT CORPORATION**

**ANNUAL  
FINANCIAL REPORT**

**FISCAL YEARS ENDED  
SEPTEMBER 30, 2021 AND 2020**



CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

PRINCIPAL OFFICERS

PRESIDENT .....Blaine Lopez  
VICE PRESIDENT ..... John Kodosky  
SECRETARY .....Melody Cooper  
BOARD MEMBER .....Melissa Benavides  
BOARD MEMBER .....Jeff Felty  
BOARD MEMBER ..... Gregory Hayden  
BOARD MEMBER ..... Joel Lutz



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, 2021 and 2020, 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, 2021 and 2020, 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.

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

Armstrong, Vaughan & Associates, P.C.

February 9, 2022

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, 2021. It should be read in conjunction with the financial statements.

### Financial Highlights

- The Corporation’s net position was \$2.1 million at September 30, 2021.
- The Corporation’s total revenues were \$1.45 million while total expenses including transfers out to the primary government were \$1.2 million.
- The Corporation’s net position increased by \$278 thousand 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 \$2.1 million.

**Table 1**  
**City of Helotes Economic Development Corporation**  
**Net Position**

	2021	2020	2019
Cash and Investments	\$ 1,966,864	\$ 1,625,508	\$ 1,183,747
Accounts Receivable	409,064	286,862	259,837
Due from Primary Government	-	60,000	-
Land	48,140	48,140	48,140
<b>Total Assets</b>	<u>2,424,068</u>	<u>2,020,510</u>	<u>1,491,724</u>
Liabilities	314,144	188,173	172,892
<b>Total Liabilities</b>	<u>314,144</u>	<u>188,173</u>	<u>172,892</u>
Net Investment in Capital Assets	48,140	48,140	48,140
Unrestricted	2,061,784	1,784,197	1,270,692
<b>Total Net Position</b>	<u>\$ 2,109,924</u>	<u>\$ 1,832,337</u>	<u>\$ 1,318,832</u>

## 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**

	2021	2020	2019
Program Revenues	\$ 160,000	\$ 60,000	\$ -
General Revenues	1,290,503	1,036,562	936,899
<b>Total Revenues</b>	<u>1,450,503</u>	<u>1,096,562</u>	<u>936,899</u>
 Total Expenses	 (851,247)	 (253,847)	 (180,778)
Transfers In (Out) to Primary Government	(321,669)	(329,210)	(422,333)
<b>Total Expenses</b>	<u>(1,172,916)</u>	<u>(583,057)</u>	<u>(603,111)</u>
 <b>Change in Net Position</b>	 <u>\$ 277,587</u>	 <u>\$ 513,505</u>	 <u>\$ 333,788</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 source of income is from the 1/2 cent sales tax adopted in 2003 for economic development. Current year expenses increased significantly from prior year due to grants issued to local qualifying business.

## 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 has experienced steady revenue growth while maintaining expenses. This has allowed the Corporation to complete planned projects and consider several new ones. The following list highlights some of those projects funded:

- Approval of a Small Business Grants Program to assist to small businesses impacted by the COVID-19 pandemic;
- Approval of several marketing initiatives to promote local businesses during the COVID-19 pandemic.

Even though the HEDC has experienced several years of growth, we are continuing monitoring the outbreak of the COVID-19 virus and how it may affect our local business community. We did not see a reduction in sales tax for FYE 2021 and do not anticipate any reduction in FYE2022.

### **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, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and Investments	\$ 1,966,864	\$ 1,625,508
Accounts Receivable - State	409,064	286,862
Due from Primary Government	-	60,000
Capital Assets:		
Land	<u>48,140</u>	<u>48,140</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,424,068</u>	<u>\$ 2,020,510</u>
<b>LIABILITIES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 3,057	\$ -
Accrued Liabilities	286,248	163,137
Accrued Compensated Absences	24,839	24,625
Due to Primary Government	<u>-</u>	<u>411</u>
<b>TOTAL LIABILITIES</b>	<u>314,144</u>	<u>188,173</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	48,140	48,140
Unrestricted	<u>2,061,784</u>	<u>1,784,197</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 2,109,924</u></u>	<u><u>\$ 1,832,337</u></u>

The accompanying notes are an integral part of these statements.

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION  
COMPARATIVE STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>EXPENSES</b>		
Personnel	\$ 95,606	\$ 93,211
Professional Services	62,757	38,185
Office Supplies and Expenses	30,421	21,686
Training and Seminars	6,206	19,711
Reimbursement to City Administration	36,000	15,000
Parking Lease Agreement	5,457	4,960
Small Business Loan Assistance Program	610,850	61,000
Other Expenses	3,950	94
<b>TOTAL EXPENSES</b>	<u>851,247</u>	<u>253,847</u>
<b>REVENUES</b>		
<i>Program Revenues:</i>		
Operating Grants	160,000	60,000
<i>Total Program Revenues</i>	<u>160,000</u>	<u>60,000</u>
 <i>Net Governmental Activities</i>	 <u>(691,247)</u>	 <u>(193,847)</u>
 <i>General Revenues:</i>		
Sales Tax	1,284,636	1,022,152
Miscellaneous	4,200	-
Interest	1,667	14,410
<i>Total General Revenues</i>	<u>1,290,503</u>	<u>1,036,562</u>
 <i>Transfers From (To) Primary Government</i>	 <u>(321,669)</u>	 <u>(329,210)</u>
 <i>Change in Net Position</i>	 277,587	 513,505
<b>BEGINNING NET POSITION</b>	<u>1,832,337</u>	<u>1,318,832</u>
 <b>ENDING NET POSITION</b>	 <u>\$2,109,924</u>	 <u>\$ 1,832,337</u>

The accompanying notes are an integral part of these statements.

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and Investments	<b>\$ 1,966,864</b>	\$ 1,625,508
Accounts Receivable - State	<b>409,064</b>	286,862
Due from Primary Government	<u>-</u>	<u>60,000</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 2,375,928</u></b>	<b><u>\$ 1,972,370</u></b>
<b>LIABILITIES AND FUND BALANCE</b>		
<i>Liabilities:</i>		
Accounts Payable	<b>\$ 3,057</b>	\$ -
Accrued Liabilities	<b>286,248</b>	163,137
Due to Primary Government	<u>-</u>	<u>411</u>
<i>Total Liabilities</i>	<b><u>289,305</u></b>	<b><u>163,548</u></b>
<i>Fund Balance:</i>		
Unassigned	<b><u>2,086,623</u></b>	<b><u>1,808,822</u></b>
<i>Total Fund Balance</i>	<b><u>2,086,623</u></b>	<b><u>1,808,822</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 2,375,928</u></b>	<b><u>\$ 1,972,370</u></b>
<b>RECONCILIATION OF THE BALANCE SHEETS TO THE STATEMENTS OF NET POSITION:</b>		
<b>TOTAL FUND BALANCES</b>	<b>\$ 2,086,623</b>	\$ 1,808,822
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund financial statements	<b>48,140</b>	48,140
Accrued compensated absences are not due and payable from current financial resources and, therefore, are not reported in the governmental funds	<b><u>(24,839)</u></b>	<b><u>(24,625)</u></b>
<b>TOTAL NET POSITION</b>	<b><u>\$ 2,109,924</u></b>	<b><u>\$ 1,832,337</u></b>

The accompanying notes are an integral part of these statements.

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Sales Tax	\$ 1,284,636	\$ 1,022,152
Grants and Interlocal Agreements	160,000	60,000
Miscellaneous Income	4,200	-
Interest	1,667	14,410
<b>TOTAL REVENUES</b>	<u>1,450,503</u>	<u>1,096,562</u>
<b>EXPENDITURES</b>		
Personnel	95,392	89,430
Professional Services	62,757	38,185
Office Supplies and Expenses	30,421	21,686
Training and Seminars	6,206	19,711
Reimbursement to City Administration	36,000	15,000
Parking Lease Agreement	5,457	4,960
Small Business Loan Assistance Program	610,850	61,000
Other Expenses	3,950	94
<b>TOTAL EXPENDITURES</b>	<u>851,033</u>	<u>250,066</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>599,470</u>	<u>846,496</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfer In (Out) to Primary Government	<u>(321,669)</u>	<u>(329,210)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(321,669)</u>	<u>(329,210)</u>
<b>Net Change in Fund Balance</b>	277,801	517,286
<b>BEGINNING FUND BALANCE</b>	<u>1,808,822</u>	<u>1,291,536</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 2,086,623</u>	<u>\$ 1,808,822</u>

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

<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 277,801</b>	<b>\$ 517,286</b>
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	<u>(214)</u>	<u>(3,781)</u>
<b>CHANGE IN NET POSITION</b>	<u><b>\$ 277,587</b></u>	<u><b>\$ 513,505</b></u>

The accompanying notes are an integral part of these statements.

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021 AND 2020

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, 2021 AND 2020

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 \$36,000 for general administrative overhead. The Corporation has also pledged revenue to cover a portion of the City's debt service (see note F).

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, 2021 AND 2020

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, 2021 and 2020, the total carrying amount of the Corporation’s deposits were \$211,879 and \$139,173, respectively, and the bank balance was \$218,451 and \$320,418, respectively. All cash deposits were fully collateralized.

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2021 AND 2020

NOTE B -- DEPOSITS AND INVESTMENTS (Continued)

2. Investments

As of September 30, 2021, the Corporation had the following investments:

	<u>2021</u>	<u>2020</u>
	Carrying Value	Carrying Value
<i>Investment Pools:</i>		
TexPool	\$ 27	\$ 27
LOGIC	1,754,958	1,486,308
	<u>\$ 1,754,985</u>	<u>\$ 1,486,335</u>

The net asset value of 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, 2021 and 2020, 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, 2021 and 2020, 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, 2021 and 2020, 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, 2021 AND 2020

NOTE C -- CAPITAL ASSETS

Activity for assets capitalized by the Corporation is summarized below:

	Balance 10/1/2020	Additions	Deletions	Balance 9/30/2021
Land	\$ 48,140	\$ -	\$ -	\$ 48,140

Land is not depreciated.

NOTE D -- 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 at September 30, 2021, were as follows:

Due from	Due to	2021 Amount	2020 Amount	Purpose
EDC	Primary Government - General Fund	\$ -	\$ 60,000	Reimbursement of Grant funds
Primary Government - General Fund	EDC	-	411	Reimbursement of expenses
		<u>\$ -</u>	<u>\$ 60,411</u>	

NOTE E -- TRANSFERS

Transfers during the year ended September 30, 2021, were as follows:

Transfer Out	Transfer In	2021 Amount	2020 Amount	Purpose
EDC	Primary Government - Debt Service	\$ 321,669	\$ 329,210	Pledged revenue
		<u>\$ 321,669</u>	<u>\$ 329,210</u>	

NOTE F -- 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.

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2021 AND 2020

NOTE F -- COMMITMENTS AND CONTINGENCIES (Continued)

*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 EDC Balance Due	Term
	City	EDC				
Bandera Helotes Plaza (2010)	50%	50%	\$ 300,000	\$ -	\$ 130,949	10 years
Bluff and Shops at Old Town Helotes (2014)	50%	50%	\$ 2,000,000	\$ -	\$ 1,000,000	15 years
Texas Developers, LLC (2016)	75% of excess	75% of excess	N/A	\$ 1,001,810	N/A	20 years
CSDRE LLC and Slim Texas LLC (2017)	40%	40%	\$ 600,000	\$ -	\$ 298,684	13 years

*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 \$321,669 and \$329,210 during the years ended September 30, 2021 and 2020, 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
2022	\$ 297,968	\$ 24,144	\$ 322,112
2023	298,339	23,822	322,161
2024	298,318	24,028	322,346
2025	297,903	23,633	321,536
2026	297,095	23,792	320,887
2027 - 2031	300,797	271,066	571,863
2032 - 2035	-	129,809	129,809
	<u>\$ 1,790,420</u>	<u>\$ 520,294</u>	<u>\$ 2,310,714</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, 2021  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2020)

	Budgeted Amounts			Variance	
	Original	Final	Actual 2021	Favorable (Unfavorable)	Actual 2020
<b>REVENUES</b>					
Taxes	\$ 884,582	\$ 884,582	<b>\$ 1,284,636</b>	\$ 400,054	\$ 1,022,152
Grants and Interlocal Agreements	-	-	<b>160,000</b>	160,000	60,000
Miscellaneous	3,600	3,600	<b>4,200</b>	600	-
Interest	12,000	12,000	<b>1,667</b>	(10,333)	14,410
<b>TOTAL REVENUES</b>	<u>900,182</u>	<u>900,182</u>	<u><b>1,450,503</b></u>	<u>550,321</u>	<u>1,096,562</u>
<b>EXPENDITURES</b>					
Current:					
Personnel	95,541	95,541	<b>95,392</b>	149	89,430
Professional Services	179,600	179,600	<b>62,757</b>	116,843	38,185
Office Supplies and Expenses	24,482	32,482	<b>30,421</b>	2,061	21,686
Training and Seminars	18,200	18,200	<b>6,206</b>	11,994	19,711
City Administration Cost Reimbursement	30,000	36,000	<b>36,000</b>	-	15,000
Parking Lease Agreement	5,520	5,520	<b>5,457</b>	63	4,960
Small Business Loan Assistance Program	-	450,850	<b>610,850</b>	(160,000)	61,000
Other Expenses	50,250	42,250	<b>3,950</b>	38,300	94
<b>TOTAL EXPENDITURES</b>	<u>403,593</u>	<u>860,443</u>	<u><b>851,033</b></u>	<u>9,410</u>	<u>250,066</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>496,589</u>	<u>39,739</u>	<u><b>599,470</b></u>	<u>559,731</u>	<u>846,496</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer In (Out) to Primary Government	<u>(321,669)</u>	<u>(321,669)</u>	<u><b>(321,669)</b></u>	<u>-</u>	<u>(329,210)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(321,669)</u>	<u>(321,669)</u>	<u><b>(321,669)</b></u>	<u>-</u>	<u>(329,210)</u>
<b>Net Change in Fund Balance</b>	174,920	(281,930)	<b>277,801</b>	559,731	517,286
<b>Fund Balance - October 1</b>	<u>1,808,822</u>	<u>1,808,822</u>	<u><b>1,808,822</b></u>	<u>-</u>	<u>1,291,536</u>
<b>Fund Balance - September 30</b>	<u><u>\$ 1,983,742</u></u>	<u><u>\$ 1,526,892</u></u>	<u><u><b>\$ 2,086,623</b></u></u>	<u><u>\$ 559,731</u></u>	<u><u>\$ 1,808,822</u></u>

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, 2021  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2020)

**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.

