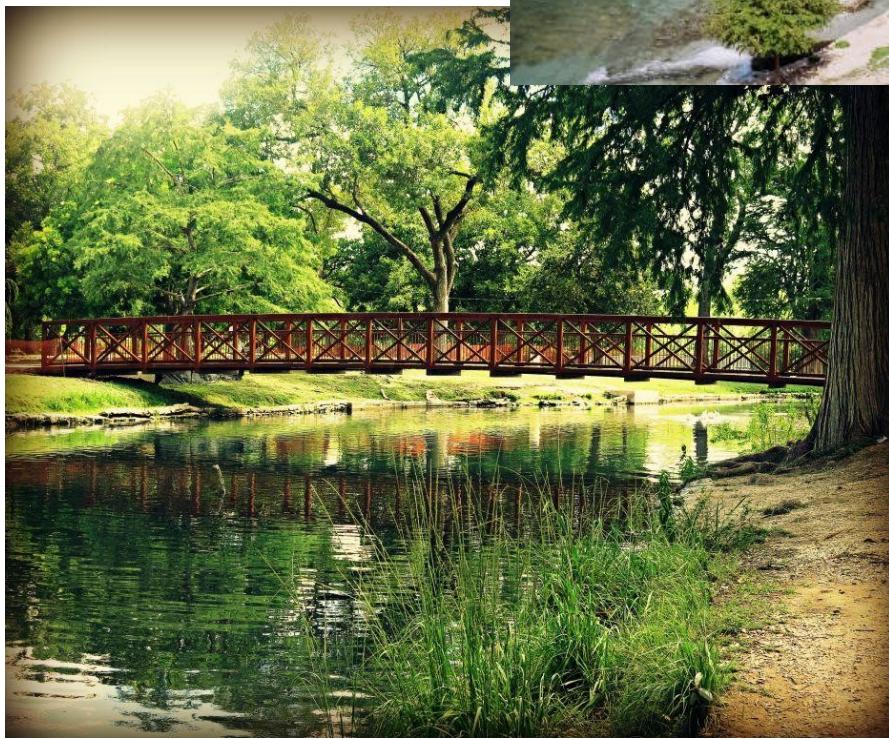




State of Texas FY 2015-16 Comprehensive Annual Financial Report





Mission

The City of New Braunfels will add value to our community by planning for the future, providing quality services, encouraging community involvement and being responsive to those we serve.



History of New Braunfels

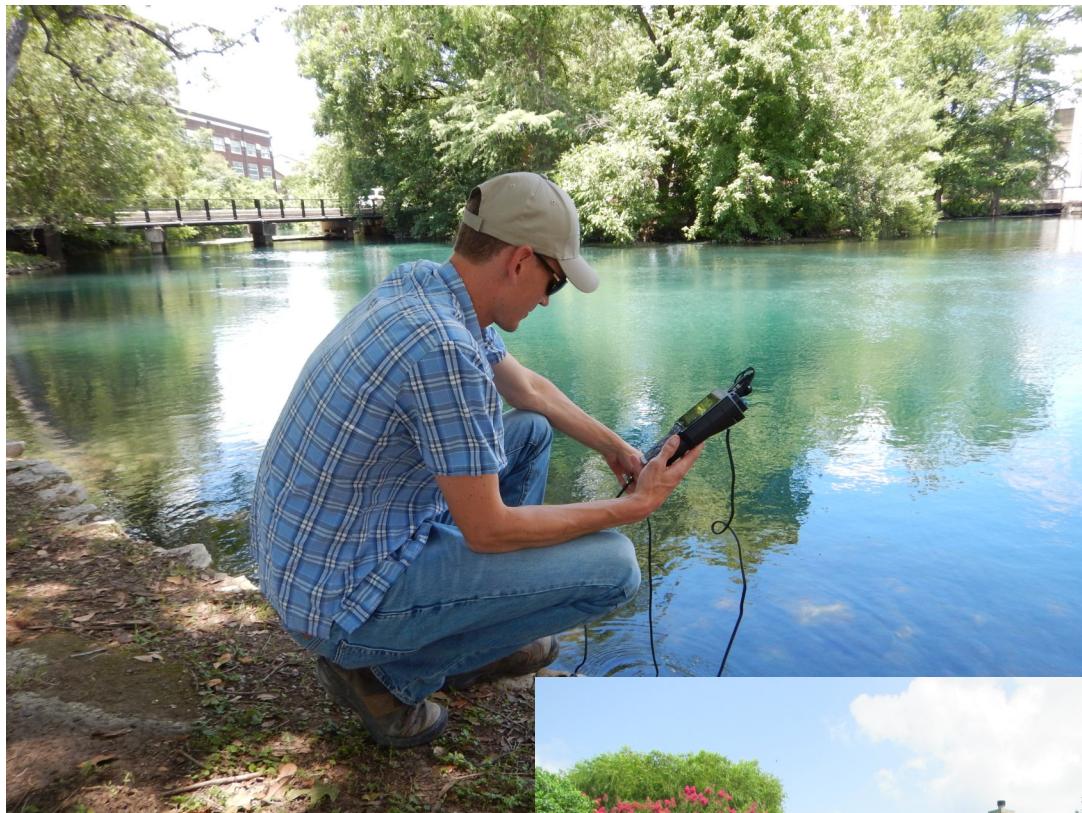
Several Native American tribes inhabited the New Braunfels area because of the fresh spring water available. The expedition of Domingo Terán de los Ríos of 1691 followed the "El Camino Real" (today a National Historic Trail) which crossed the Guadalupe River near today's Faust Street Bridge. Subsequent French and Spanish expeditions, including those of the Marqués de Aguayo and Louis Juchereau de St. Denis, commonly passed through this area. In 1825, a Mexican land grant gave title of the area around the springs to Juan M. Veramendi. During the eighteenth century, the springs and river (which had been called Las Fontanas and the Little Guadalupe respectively) took the name Comal, Spanish for "flat dish" and Guadalupe.

1836 saw the formation of the Republic of Texas after years of bloody battles with the Mexican Government who laid claim to this territory. To pay off war debt and weaken political ties with Mexico, the new nation of Texas offered public land to Americans and Europeans. This offer, in conjunction with political strife in their home country, enticed a group of German nobleman to form an immigration company named Adelsverein. German immigrants began to arrive in Indianola, Texas in December 1844 and make their way to San Antonio. On March 13, 1845, Prince Carl of Solms-Braunfels, Germany entered into an agreement with Maria Antonio Garza and her husband Rafael E. Garza for 1,265 acres of the Veramendi land grant for a sum of \$1,111.

The first wagon of German immigrants arrived on Good Friday, March 21, 1845. Prince Solms and his engineer, Nicholas Zink, selected a town site. The town had an open square with streets radiating out at right angles. The original town included 342 lots, each with a narrow street frontage so that the town could remain compact and defensible yet provide street frontage to as many lots as possible. This urban plan was popular in German scholarship of the nineteenth century, set New Braunfels apart from other Texas towns and is still evident today.

Faust Street Bridge







Comprehensive Annual Financial Report

Year Ended September 30, 2016

Prepared by
Finance Department

CITY OF NEW BRAUNFELS, TEXAS
September 30, 2016

TABLE OF CONTENTS

	Page	Exhibit
INTRODUCTORY SECTION		
Letter of Transmittal	i	
Current City Officials	vii	
Organizational Chart.....	viii	
FINANCIAL SECTION		
Independent Auditors' Report	1	
Required Supplementary Information:		
Management's Discussion and Analysis.....	4	
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	15	A-1
Statement of Activities	16	A-2
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	18	A-3
Reconciliation of the Governmental Funds Balance Sheet to the		
Statement of Net Position	20	A-4
Statement of Revenues, Expenditures, and Changes in Fund Balance	21	A-5
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,		
and Changes in Fund Balance to the Statement of Activities	23	A-6
Proprietary Funds:		
Statement of Fund Net Position.....	24	A-7
Statement of Revenues, Expenses and Changes in Fund Net Position.....	26	A-8
Statement of Cash Flows	28	A-9
Agency Funds:		
Statement of Fiduciary Net Position.....	32	A-10
Component Units:		
Combining Statement of Net Position	33	A-11
Combining Statement of Activities	34	A-12
Notes to Basic Financial Statements.....	35	
Required Supplementary Information:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance		
Budget and Actual – General Fund.....	62	B-1
Schedule of Revenues, Expenditures, and Changes in Fund Balance		
Budget and Actual – Hotel-Motel Tax Fund.....	64	B-2
Changes in Net Pension Liability and Related Ratios	65	B-3
Schedule of Contributions	66	B-4
Schedule of Funding Progress – Other Postemployment Benefits	67	B-5
Combining and Individual Fund Information and Other Supplementary Information:		
Combining Financial Schedules – General Fund – Subfunds:		
Combining Balance Sheet.....	68	C-1
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance	69	C-2
Combining Financial Statements – Nonmajor Governmental Funds:		
Combining Balance Sheet.....	70	C-3
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance.....	71	C-4

CITY OF NEW BRAUNFELS, TEXAS
September 30, 2016

TABLE OF CONTENTS - CONTINUED

	Page	Exhibit
Combining Financial Statements – Nonmajor Special Revenue Funds:		
Combining Balance Sheet.....	72	C-5
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance.....	76	C-6
Combining Financial Statements – Nonmajor Capital Projects Funds:		
Combining Balance Sheet.....	80	C-7
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance.....	84	C-8
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:		
Debt Service Fund.....	88	C-9
Community Development Block Grant.....	89	C-10
Grants Fund.....	90	C-11
Special Revenue Donations Fund	91	C-12
River Fund	92	C-13
Court Security Fund.....	93	C-14
Judicial Efficiency Fund	94	C-15
Court Technology Fund	95	C-16
Child Safety Fund	96	C-17
Stormwater Development Fund	97	C-18
Juvenile Case Management Fund.....	98	C-19
Faust Library Fund.....	99	C-20
Federal Court Awards Fund.....	100	C-21
Non-Federal Court Awards Fund.....	101	C-22
Edwards Aquifer HCP Fund	102	C-23
Cable Franchise PEG Fund	103	C-24
Creekside Town Center Fund.....	104	C-25
Enterprise Maintenance and Equipment Replacement Fund.....	105	C-26
Cemetery Perpetual Care	106	C-27

STATISTICAL SECTION

Net Position by Component.....	108
Changes in Net Position.....	109
Fund Balances of Governmental Funds.....	112
Changes in Fund Balances of Governmental Funds	113
General Governmental Tax Revenues by Source	115
Assessed Value and Estimated Value of Taxable Property	116
Property Tax Rates – Direct and Overlapping Governments.....	117
Principal Property Taxpayers.....	118
Property Tax Levies and Collections	119
Ratios of Outstanding Debt by Type	120
Ratios of General Bonded Debt Outstanding.....	121
Direct and Overlapping Governmental Activities Debt.....	122
Legal Debt Margin Information.....	123
Demographic and Economic Statistics	124
Principal Employers.....	125
Authorized City Government Positions by Function	126
Operating Indicators by Function	127
Capital Asset Statistics by Function	128

CITY OF NEW BRAUNFELS, TEXAS
September 30, 2016

TABLE OF CONTENTS - CONTINUED

	Page	Exhibit
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	129	
Independent Auditors' Report on Compliance for Each Major Program Federal Program, Report on Internal Control Over Compliance, And Report on The Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.....	131	
Schedule of Expenditures of Federal Awards.....	133	
Notes to the Schedule of Expenditures of Federal Awards.....	134	
Schedule of Findings and Questioned Costs.....	136	
Schedule of Status of Prior Year Findings.....	137	

INTRODUCTORY SECTION



FINANCE DEPARTMENT

May 31, 2017

To the Honorable Mayor, Members of the City Council, and Citizens of the City of New Braunfels, Texas:

The Comprehensive Annual Financial Report for the City of New Braunfels, Texas ("City") for the fiscal year ended September 30, 2016, is hereby submitted. This report was prepared through the cooperative efforts of the Finance Department and the City's independent auditor. The purpose of the report is to provide the City Council, management, staff, the public, and other interested parties with detailed information reflecting the City's financial condition.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, the enclosed financial statements and schedules are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds, departments, and component units of New Braunfels, Texas.

The City Charter requires an independent auditing firm to annually complete an audit of the books and accounts of every City department. The City's financial statements have been audited by CliftonLarsonAllen, a firm of licensed certified public accountants. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The basic financial statements, including the accompanying notes, represent the core of the financial section. These financial statements present the financial condition of the City as a single entity, as well as the individual funds that account for the City's various governmental and business-type activities. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

New Braunfels is a dynamic and historic Texas community of about 70,543 located on Interstate 35, thirty miles north of San Antonio and forty-five miles south of Austin. The population in 2007 was 52,056; the City has seen a 36 percent increase in population in the last ten years. New Braunfels is the largest city in Comal County and serves as the county seat. The City's geographic corporate boundaries encompass 45 square miles. The City's history is one of the richest in Texas and is cherished by its residents who strive to preserve and protect their heritage that reflects both strong German and Hispanic influences. Often referred to as the "City of a Prince" (because it was founded by Prince Carl of Solms Braunfels), early New Braunfels became an important part of Texas civilization and industry. In the 1960's, the community became more committed to preserving its rich history and this has tied into the emerging tourism industry, a major factor in the economy of today's New Braunfels. Visitor attractions abound in New Braunfels and the surrounding area. A city of tradition, New Braunfels today finds itself in a time of rapid changes. Its prime location between San Antonio and Austin drives rapidly increasing population.

As provided in its Home Rule Charter, a Mayor and a six-member City Council govern the City of New Braunfels. The Mayor is elected at large while the remaining Council members represent the six Council Districts of the City. All policy making decisions are vested in the City Council. Among other duties, the City Council appoints a City Manager who directs the day-to-day operations of the City under guidelines and policies of the City Charter and the City Council, and develops the annual budget. Each Council member is elected for a three-year term on a staggered basis. The City Charter limits service to two consecutive terms of office, and not more than three total terms in a lifetime.

The City of New Braunfels is a full service municipal organization with the organizational structure and divisions as depicted in the organizational chart below. The City provides a full range of services that includes police and fire protection; emergency response services; solid waste service and recycling; maintenance of streets and infrastructure; recreational activities; library services; planning and development services; code enforcement and animal control; river management; golf course management; a municipal court; a system of municipal parks; and an airport.

The New Braunfels Industrial Development Corporation (NBIDC) was formed to administer a special 3/8¢ sales tax for economic development. It is a non-profit corporation. The City appoints all NBIDC board members, can remove board members at will, and must approve the NBIDC's budget and plan of work. Because of this, City management has included NBIDC in its financial reports as a discretely presented component unit. In addition, the New Braunfels Utility (NBU) is a City-owned water, wastewater and electric utility serving the City of New Braunfels and some of the surrounding area. The City appoints these board members as well and approves any proposed debt issuance. The City interacts or contracts with various other governmental and non-governmental entities (e.g. Comal County, the New Braunfels Housing Authority and the New Braunfels Independent School District), but is not financially accountable for those entities.

The City of New Braunfels maintains a system of budgetary controls, the objective of which is to ensure compliance with the legal provisions of the annual appropriated budget approved by the City Council. The annual Operating Budget and Plan of Municipal Services is the basic budget document. It governs all expenditures within a certain fiscal year, which runs from October 1 to September 30. This annual budget serves as the foundation for the City's financial planning and management. The budget is proposed by the City Manager and adopted by the City Council in accordance with policies and procedures established by the City Charter, Council ordinances, State requirements and City policies. The budget is prepared and presented by fund (e.g., general fund), department (e.g., police) or function (e.g., debt service), and expenditure group (e.g., employee expenses, operation expenses and capital expenses).

The budget, as adopted by City Council, controls expenditures by fund, department and at the group level for all funds in these categories. These groups are: employee expenses, operations expenses, capital expenses, interfund transfers, debt service, and contingencies for the General Fund, enterprise funds, special revenue funds, and other funds.

This means that, although funds are allocated into individual line items in each budget and those line item

allocations are adopted as part of the budget, departments have some flexibility in expensing these funds within the group. As long as the total appropriation for a group (for example employee expenses) is not exceeded, one or more line items in the group (for example health insurance) may exceed its budget allocation. Council action is required only if a group of expenditures will exceed the budget appropriation.

In the CDBG, Special Revenue, Grants Funds, and New Braunfels Industrial Development Corporation (NBIDC) Budget, appropriations are controlled at the project level. As the Council accepts federal entitlements and grants, as donations are received from outside sources, and as projects are approved, those proceeds are appropriated and available to departments and to NBIDC to expend for identified City purposes and needs.

Capital improvement funds are also controlled at the project level. Expenditures within the individual projects may span fiscal years. However, budgetary control is not exercised by fiscal year; it is by the total project cost and total project expenditures. This provides a more realistic approach to budgetary control for these types of activities.

The City's budget staff prepares the revenue estimates and budget instructions and each City department completes expenditure estimates and budget requests. Estimates and requests are reviewed by the City Manager, and evaluated within the total financial framework of the City. The City Manager makes final decisions as to what budget recommendations are submitted to the City Council. The City Council reviews the budget in a public process. The City Charter mandates that a proposed budget be presented to the City Council at least forty-five days prior to the end of the fiscal year. Furthermore, the Charter requires that a public hearing be held prior to the adoption of the budget.

Monthly reports are generated that allow management, the City Council and citizens (as these reports are posted on the City's website) to monitor expenditures on a fund and departmental basis. Transfers of budget appropriations may occur with the approval of the City Council. This report includes all organizations and activities for which the elected officials exercise financial control.

ECONOMIC CONDITION AND OUTLOOK

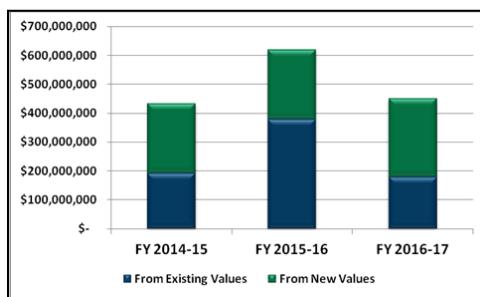
In the ten years prior to FY 2010-11, the City of New Braunfels enjoyed a very robust, high growth period. Population grew at an average annual rate of 3.6 percent. Property values increased an average of 7.3 percent annually. Sales tax growth averaged 13.9 percent annually over the same period, both from major new businesses attracted through economic development agreements as well as general retail growth. The City, during that same time frame, attracted some major business generators, positively affecting the City's property tax revenue.

Between cultural tourism and tourist visits to the Comal River, it is estimated that New Braunfels receives approximately 3.2 million visitors a year. A 2013 economic impact analysis found that the tourism industry accounted for approximately \$531.5 in 2013 - an increase of 13% from 2009. In 2013, the hospitality industry employed 5,662 direct workers and supported another 1,659 indirect workers in spinoff jobs in the community. The tourism and accommodation industry does not, however, provide a majority of the jobs in New Braunfels. Exclusive of government, the City's three largest industries in the value of goods and services provided are manufacturing, health care and social assistance and retail trade. The governmental (school district, local, state and federal), retail trade, health care and social assistance, accommodation and food services, and finance and insurance industries respectively provide the greatest number of jobs in the community.

As with most areas around the country, New Braunfels was impacted by the significant economic downturn. The City's sales tax revenue has grown annually – 4.5 percent in FY 2009-10, 7.6 percent in FY 2010-11, 10.2 percent in FY 2011-12, 12.6 percent in FY 2012-13, 10.3 percent in FY 2013-14 and

decreased .5% in FY 2014-15. In FY 2015-16, sales tax revenue increased by 7.3%.

Existing taxable property values dropped slightly in FY 2009-10, new property gave the City an overall growth in property values of 2.9 percent that year. For FY 2010-11, taxable property values showed an overall decline of just less than 1 percent. However, in FY 2011-12, property values began to rebound showing overall growth of 2.2 percent. In FY 2012-13, the rebound continued, with a growth rate of 3.7 percent. In FY 2013-14, the City saw growth of 5.5 percent. In FY 2014-15, the City experienced a growth rate of 11.1 percent (freeze adjusted). In FY 2015-16 the City experienced even larger growth, 14.8 percent (freeze adjusted), the largest level of growth experienced since the economic downturn. The figures previously mentioned demonstrate that New Braunfels is recovering at a faster rate when compared to other communities. The growth in values has been driven both by new values added to the roles and increases to existing properties. To illustrate this, the graph below breaks down gross increases in assessed valuation for the past three years by new values and increases to existing values.



The City also recognizes the value of commercial development to its economic base and continues to encourage commercial growth that will be beneficial to the tax base and support the citizens' needs. The community invests in a business development and primary job recruitment program that has created an average of 831 new primary jobs annually since 2003. Ashley Furniture located and then expanded a distribution center (adding 150 jobs to the existing 200) in the City and Home Depot Supply located a sales facility within the City. These developments had a very positive impact on the City's sales tax revenue. In 2007, the City established a tax increment financing district to facilitate the development of a 400 acre master planned, mixed use development. The original value of all property within that district was \$3.4 million. Today, the development integrates over 1 million square feet of retail with a 130 bed hospital, two multi-family developments and an entertainment complex. The total taxable values of all improvements in the district exceed \$320 million (2015 values), and the development generates approximately \$3 million in annual sales tax revenue to the City of New Braunfels and Comal County.

Infrastructure investments and property acquisition from state and local governments totaling more than \$20 million has created significant operational, financial and safety enhancements at the City's regional airport. A recently completed runway extension, new taxiway and apron construction, hangar and lighting enhancements have led the airport to be nominated for the Most Improved General Aviation airport by the Aviation Division of the Texas Department of Transportation. As a consequence of these investments, the airport has seen major new developments with two new hangers being constructed in the last three years. These hangars have helped multiple new aircraft base at the airport. These new aircraft have increased fuel sales, property tax revenue and generated new operations at the airport. The City's industrial development corporation has a dedicated funding source and is able to offer incentives for businesses to choose New Braunfels, which is a large differentiator in today's competitive economy.

The long-term economic outlook for the New Braunfels area is positive. Advantages for the community's economic stability and growth include: the close proximity to both San Antonio and

Austin; the IH 35 Corridor; the availability of choice industrial sites throughout the City; and the strong tourism sector of the economy. The City expects tourism to remain strong because New Braunfels offers great attractions at reasonable prices. Visitors can enjoy local dining, shopping, the “world’s best” water park (Schlitterbahn), and river activities in and along the two rivers running through the heart of the community.

MAJOR INITIATIVES

Since 2004, the City has completed \$119 million in capital improvement projects. Streets and drainage improvements make up a large portion of that amount and include projects such as the Walnut Avenue Widening project, South Tributary Drainage improvements, the extension of Walnut Avenue to Klein Road and the Church Hill road drainage improvements among others. Parks and Recreation improvements include the the development of Fischer Park, the Landa Park riverfront rehabilitation project, a new irrigation system in Landa Park and improvements to the Landa Park Aquatic Complex. The remaining investments are made up of various municipal improvement projects such as the renovations to the Civic and Convention center and the construction of two fire stations.

Approximately \$31 million of capital improvement projects are in progress or nearing completion. This includes projects such as the New City Hall, which is scheduled for completion in the fall of 2016, the Railroad Quiet Zones project, Downtown Pedestrian Improvements, and the North Tributary Flood Control Project among others.

Also in progress are the 2013 bond program projects. The citizens approved an \$86 million bond program that includes four propositions: street improvements (\$37.5 million for four projects), drainage improvements (\$24.5 million for five projects), parks improvements (\$20 million for four projects) and expansion of a major education facility in the community (\$4 million). The street projects include \$10 million for City-wide street improvements as well as a major investment in a growing area of the community. The drainage funds will complete four projects and design a fifth in a critical intersection in the City. The parks projects include a recreation center, expansion of a hike and bike trail, development of a neighborhood park, and acquisition of land for a new youth sports complex.

In addition to these various capital improvements, since FY 2006-07, the City has increased its police sworn officer workforce by 39 percent. This was accomplished within the context of an operating and maintenance property tax rate lower than the rate of ten years ago.

FINANCIAL INFORMATION

The General Fund ended the year with total fund balance of \$18.7 million. This balance provides adequate protection against unforeseen occurrences and fluctuations in revenue sources. The City’s financial policies require at least a 25 percent fund balance (of operating expenditures) and the City has maintained a minimum of a 30 percent balance to protect our strong bond rating. The City receives a significant portion (about 37 percent) of its General Fund revenue from sales tax, a source sensitive to economic fluctuations. Therefore, the City has worked to maintain a minimum operating reserve of at least 110 days.

The City’s commitment to sound financial management and strong reserves paid dividends in FY 2015-16 as Standard and Poors raised the City’s bond rating from AA- to AA. Moody’s maintained its rating of Aa2 for the City.

The City maintains a five year capital improvement program (CIP), with all planned capital projects reviewed annually by the City staff and City Council. This annual review allows the City to change and adjust priorities by responding to changing growth patterns, economic conditions, and federal and state mandates. The five year CIP is used exclusively as a planning tool, and therefore does not commit the City to any project or project funding. The intent of the CIP is for the City staff to identify specific capital improvements needed during the subsequent five years and prioritize those projects. Recommended improvements are not approved until official action has

been taken by the City Council. As stated, in May 2013, the citizens of New Braunfels approved an \$86 million bond program that includes streets and drainage improvements, park improvements and expansion of the Central Texas Technology Center, an education facility.

The most recently updated five year capital improvement plan is shown below. It identified \$353.4 million in unfunded, needed capital improvements during the next ten years (through 2022). These recommended improvements are identified by the following activities:

Street Improvements	\$170,461,100	32%
Drainage Improvements	\$118,032,000	22%
Parks and park facilities	\$105,351,800	20%
Airport	\$21,377,000	4%
Municipal Improvements	\$121,745,900	22%
<hr/>		
Total	\$536,967,800	100%

These improvements provide for new facilities and facilities expansion; airport improvements; equipment acquisition and replacement; roads and storm water drainage systems; park land acquisition; parks and recreation facilities; and public safety facilities.

Annually, the Council also adopts a capital improvement program with the annual operating budget and work plan, authorizing funding for and directing staff to initiate certain projects. Over the last five years, the City has maintained an aggressive program to meet long-standing infrastructure needs in streets, drainage, parks and fire stations. The approval of the bond program helps further this program.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of New Braunfels for its comprehensive annual financial report for the fiscal year ended September 30, 2015. This was the eighth year that the government has achieved this prestigious award (in recent history). In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

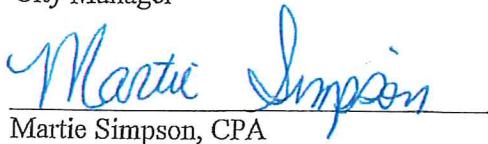
A certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report on a timely basis requires a great deal of cooperation. In recognition of that, the Finance Department gratefully acknowledges the leadership and support of the City Council and City Manager. Also, the efforts of our Finance staff and external audit firm were invaluable.

Respectfully Submitted,



Robert Camareno
City Manager



Martie Simpson, CPA
Director of Finance

CURRENT CITY OFFICIALS

Elected Officials

Mayor	Barron Casteel
Councilmember, District 1	George Green
Councilmember, District 2	Justin Meadows
Councilmember, District 3	Ron Reaves
Councilmember, District 4	Chris Monceballez
Councilmember, District 5	Wayne Peters
Councilmember, District 6	Leah A. Garcia

Appointed Officials

City Manager	Robert Camareno
City Attorney	Valeria Acevedo
Municipal Court Judge	Rose Zamora

Department Directors

Assistant City Manager	Kristi Aday
Police Chief	Thomas Wibert
Fire Chief	Kenneth Jacks
Public Works Director	Greg Malatek
Finance Director	Martie Simpson
Human Resources Director	Gary Wuest
Planning and Community Development Director	Christopher Looney
Parks and Recreation Director	Stacey Dicke
Library Director	Gretchen Pruett
Information Technology Director	Travis Cochrane
Airport Director	Vinicio Llerena

CITY OF NEW BRAUNFELS ORGANIZATIONAL CHART

The following page contains the organizational chart for the City of New Braunfels. Department directors are as follows:

City Attorney (Legal Services) - Is the City's legal division and provides legal representation and advice to all City departments. Attorneys also review all proposed City ordinances and contracts and provide prosecutorial and other support to municipal court.

Police (Law Enforcement Services) - Is responsible for police protection and crime prevention throughout the City.

Fire - Is responsible for fire inspection, fire suppression, fire prevention education and emergency response services (including ambulance response).

Public Works - Is responsible for providing services for solid waste collection and recycling; maintenance and improvements of City streets and drainage infrastructure and facilities; plats and plans review for new developments in the City limits, water quality and stormwater management, and maintenance of City facilities.

Finance - Is responsible for all City financial and accounting functions; centralized purchasing, grant coordination, coordination and completion of the City's Comprehensive Annual Financial Report and completion of the annual operating and capital budget.

Human Resources - Is a full service human resources function for civil service and non-civil service employees. This department manages the employee compensation programs, all employee benefits including a wellness program, employee training and development, recruitment and risk management.

Information Technology - Is responsible for designing, deploying and maintaining modern technology solutions that facilitate and enhance the city's effectiveness in serving the citizens of New Braunfels.

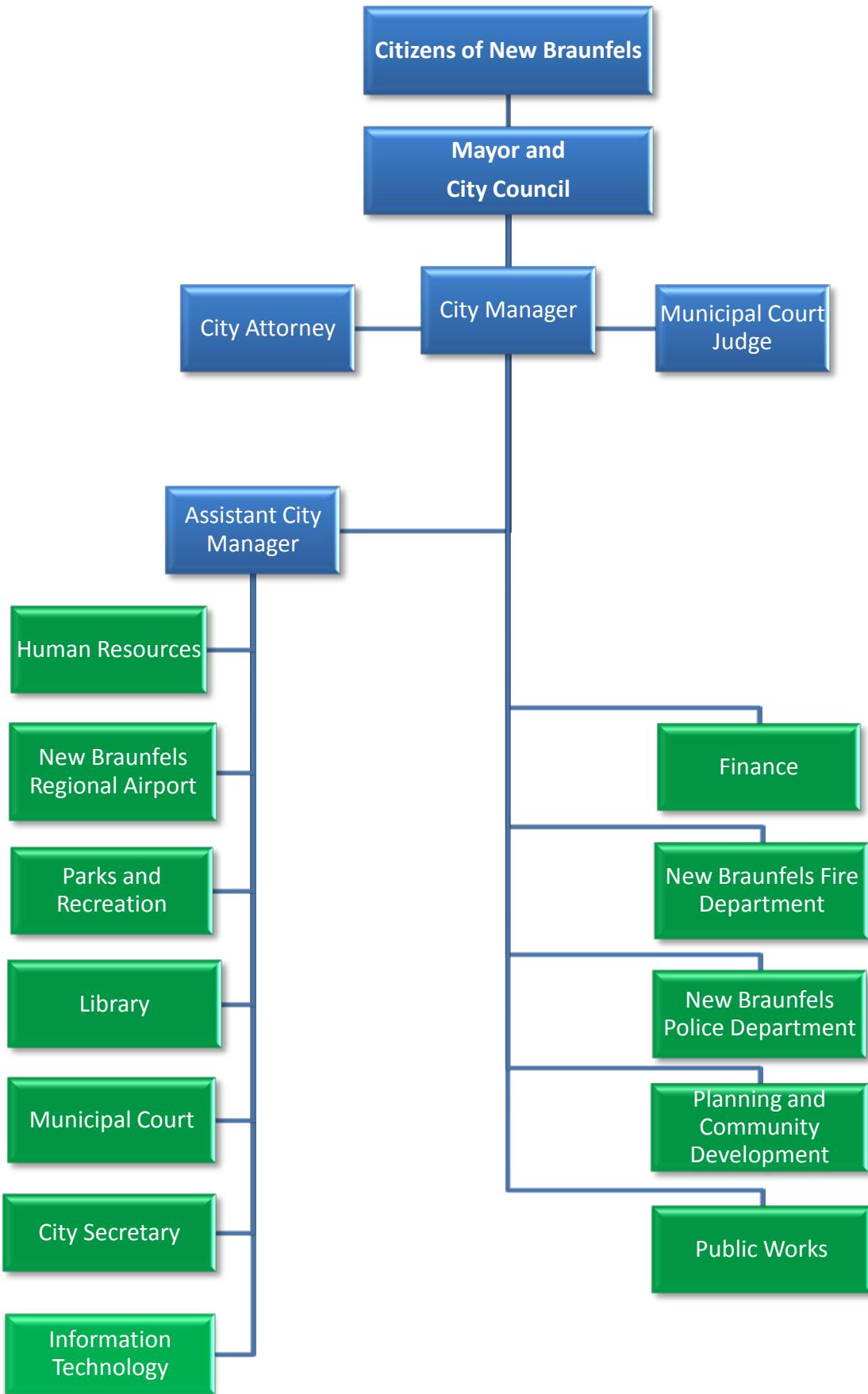
Planning and Community Development - Is responsible for overseeing those activities which ensure appropriate enforcement of the City's building and environmental codes, historic preservation, and animal control. Staff also is responsible for code compliance and reviews building plans and plats for compliance with regulations. Staff works on all aspects of zoning and annexation issues.

Parks and Recreation - Is responsible for the provision of parks and recreation services and facilities. This includes park development and management, program development and administration, special events coordination, management of a spring-fed and Olympic-size pool, and efforts to provide a safe and enjoyable environment for citizens and tourists partaking in river-related activities. The department also manages the City's golf course.

Library - Is responsible for providing access to books and materials, information and reference services, programs and computers for the general public. Staff also develops and conducts adult and children's programs to foster literacy and learning.

Airport - Is responsible for maintaining a safe and efficient air transportation portal for the area as well as planning for future airport development and infrastructure projects.

City Secretary's Office - Is responsible for minutes of meetings of the governing body of the City and its boards and commissions, coordinating City elections, and City-wide records management.







Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of New Braunfels
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

A handwritten signature in black ink, appearing to read "Jeffrey R. Emen".

Executive Director/CEO

FINANCIAL SECTION



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAConnect.com

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor
Members of the City Council
City of New Braunfels
New Braunfels, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Braunfels, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of New Braunfels Utilities, which represent 96.9 percent, 95.8 percent, and 96.3 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for New Braunfels Utilities, is based solely on the report of the other auditors. 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 *Government 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 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 auditors' 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Braunfels as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 3, the City of New Braunfels adopted the provisions of GASB Statement No. 72 – *Fair Value Measurement and Application*, effective October 1, 2015. Our opinion is not modified with respect to this matter.

As discussed in Note 14, beginning net position required a restatement to correct a misstatement in the September 30, 2015 financial statements for the Creekside town center special revenue fund and the governmental activities opinion unit. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, changes in net pension liability and related ratios, schedule of contributions, notes to schedule of contributions, and schedule of funding progress on pages 4-14 and 62-67 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of New Braunfels' basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial

The Honorable Mayor
Members of the City Council
City of New Braunfels

statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2017, on our consideration of the City of New Braunfels' 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 and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of New Braunfels' internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Dallas, Texas
May 31, 2017

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEW BRAUNFELS
Management's discussion and analysis

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

I. FINANCIAL HIGHLIGHTS

The City's total combined net position was \$37,376,142 as of September 30, 2016.

During the year, the City's expenses for governmental activities were \$85,326,980 or \$3,314,583 more than the \$82,012,397 generated in taxes and program revenues for governmental activities.

The General Fund reported an ending fund balance this year of \$18,611,702, a decrease of \$2,384,749 or 11.35 percent in comparison to the prior fiscal year. This balance exceeds the City's required 25 percent of operating expenditures. However, it is important to note that this fund balance includes all of the fund balance in the General Fund, Equipment Replacement Fund, and the Facilities Maintenance Fund. The Equipment Replacement Fund contributes \$2,515,830 to this stated fund balance. This fund allows the City to account for equipment replacement and improvements to the Civic/Convention Center in a separate fund and not include these activities – which are business activities – in the general operating fund.

The City of New Braunfels major revenue sources remained fairly steady or showed growth in FY 2015-16 when compared to the prior year. Taxable Property tax values (freeze adjusted) increased by 11.1 percent overall with values from new growth a major portion of the increase. Sales tax revenue grew a healthy 10.3 percent overall in FY 2013-14 in comparison to the prior fiscal year. This maintained the trend of growth in FY 2010-11 (7.6 percent), FY 2011-12 (10.2 percent) and FY 2012-13 (12.6 percent). In 2014-15, sales tax revenue actually decreased by .5%. This was entirely driven by the loss of sales tax from a furniture distribution company within the city limits, stemming from new state legislation. Effective September 2014, sales tax allocation was changed to the point of sale as opposed to point of distribution.

In fiscal year 2015-16, the City's operating costs were \$5,369,383 or 6 percent higher than the prior year.

The City did issue \$37.4 million in general obligation bonds in FY 2015-16 to fund various needed capital improvement projects and early refund of \$5.21 million of certificates of obligation and \$9.07 million of general obligation bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.

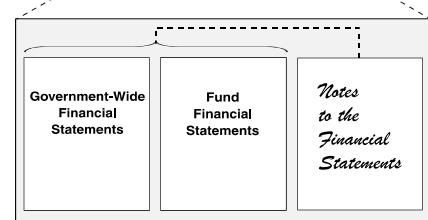
The remaining statements are fund financial statements that focus on individual parts of the government, reporting the City's operations in more detail than the government-wide statements.

The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.

Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses, such as the airport, civic/convention center, solid waste and golf.

Component unit statements provide information about other organizations which provide support to the City.

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



Summary Detail

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

Figure A-2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

II. GOVERNMENT-WIDE STATEMENTS

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

Figure A-2. Major Features of the City's Government-wide and Fund Financial Statements

Type of Statements	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire agency's government (except fiduciary funds) and the agency's component units	The activities of the agency that are not proprietary or fiduciary	Activities the agency operates similarly to private businesses	Instances in which the agency is the trustee or agent for someone else's resources
Required financial statements	◊ Statement of net position	◊ Balance sheet	◊ Statement of net position	Statement of fiduciary net assets
	◊ Deferred inflows/outflows	◊ Statement of revenues, expenditures and changes in fund balances	◊ Deferred inflows/outflows	Statement of changes in fiduciary net assets
	◊ Statement of activities		◊ Statement of revenues, expenditures and changes in fund net assets	◊ Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

The two government-wide statements report the City's net position and how they have changed. Net position—the difference between the City's assets/deferred outflows and liabilities/deferred inflows—is one way to measure the City's financial health or position.

Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the City, consideration must be given to additional non-financial factors such as changes in the City's property and sales tax base.

The government-wide financial statements of the City include the Governmental Activities. Most of the City's basic services are included here such as public safety, streets and drainage, public improvements, parks and recreation, planning and development, library, and general administration. Property and sales taxes finance a significant portion of these activities.

III. 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 debt covenants.

The City establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

Over the last several years, the City has worked to consolidate funds where appropriate to better manage, account for and administer its financial resources. In the last five years, more than twenty funds have been closed.

The City has two kinds of funds:

Governmental funds—Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

Proprietary funds—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short and long-term financial information. These include the City's enterprise funds – Airport, Civic/Convention Center, Solid Waste, Stormwater, Golf, and internal service funds.

IV. FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Table A-1
City of New Braunfels
(in thousands of dollars)

	Governmental Activities		Business Type Activities		Total		Total Percent Change
	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	
Assets:							
Cash and cash equivalents	\$ 76,100	\$ 85,663	\$ 4,035	\$ 3,664	\$ 80,135	\$ 89,327	11%
Accounts receivable (net)	6,893	7,994	17	60	6,910	8,054	17%
Due from other govts	360	1,310	-	-	360	1,310	264%
Inventories, at cost	-	-	62	44	62	44	-29%
Capital assets							
Land & constr. in progress	25,822	30,617	2,299	3,602	28,121	34,219	22%
Other capital assets, net	92,797	101,889	33,068	30,255	125,865	132,144	5%
Total Assets	201,972	227,473	39,481	37,625	241,453	265,098	10%
Deferred Outflows of Resources	\$ 6,422	\$ 11,194	\$ 451	\$ 965	\$ 6,873	\$ 12,159	77%
Liabilities:							
Accounts payable	\$ 4,409	\$ 5,624	\$ 227	\$ 212	\$ 4,636	\$ 5,836	26%
Deposits payable	275	393	123	119	398	512	29%
Accrued expenses payable	4,351	3,398	2	4	4,353	3,402	-22%
Due (from) to	(64)	2,105	64	35	-	2,140	0%
Unearned revenue	-	-	58	60	58	60	3%
Non-current liabilities:							
Due within one year	10,615	11,932	349	421	10,964	12,353	13%
Due in more than one year	182,884	210,455	3,955	4,414	186,839	214,869	15%
Total Liabilities	202,470	233,907	4,778	5,265	207,248	239,172	15%
Deferred Inflows of Resources	\$ 780	\$ 641	\$ 81	\$ 67	\$ 861	\$ 708	100%
Net Position:							
Net investment in capital assets	\$ 5,120	\$ 7,090	\$ 34,775	\$ 33,493	\$ 39,895	\$ 40,583	2%
Restricted:							
Debt service		902	-	-	-	902	
Capital projects	6,668	9,261	-	-	6,668	9,261	39%
Cemetery perpetual care	94	20	-	-	94	20	-79%
Other	4,158	2,876	-	-	4,158	2,876	-31%
Unrestricted	(10,896)	(16,030)	298	(236)	(10,598)	(16,266)	53%
Total Net Position	5,144	4,119	35,073	33,257	40,217	37,376	-7%

Changes in Net Position. The City's total revenues were \$96.69 million. A significant portion, \$58.04 million or 60.1 percent the City's revenue comes from taxes and franchise fees (contributions from the City owned utility and other franchised utilities). (See Figure A-3.) 26.6 percent relates to charges for services (including licenses and permits and parks fees), 0.3 percent is from interest income and 4.9 percent comes from grants and contributions.

The total cost of all programs and services was \$98.390 million; 35.5 percent of the governmental activities costs are for public safety.

Table A-2
City of New Braunfels
(in thousands of dollars)

	Governmental Activities		Business Type Activities		Total		Percentage Change
	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	
Program Revenues:							
Charges for services	\$ 11,846	\$ 13,469	\$ 12,098	\$ 12,279	\$ 23,944	\$ 25,748	8%
Operating grants and contributions	1,963	2,378	50	50	2,013	2,428	21%
Capital grants and contributions	-	-	290	2,263	290	2,263	680%
General Revenues							
Taxes and Franchise Fees	55,410	58,042	-	-	55,410	58,042	5%
Investment income	47	242	2	8	49	250	410%
Miscellaneous	5,979	7,882	86	83	6,065	7,965	31%
Total Revenues	\$ 75,245	\$ 82,013	\$ 12,526	\$ 14,683	\$ 87,771	\$ 96,696	10.2%
Expenses:							
General government	\$ 17,936	\$ 22,722	\$ -	\$ -	\$ 17,936	\$ 22,722	27%
Finance and tax	719	690	-	-	719	690	-4%
Planning and environmental development	2,622	2,772	-	-	2,622	2,772	6%
Public safety	33,327	29,273	-	-	33,327	29,273	-12%
Public works	9,378	15,314	-	-	9,378	15,314	63%
Parks and recreation	8,551	4,597	-	-	8,551	4,597	-46%
Library	1,969	1,660	-	-	1,969	1,660	-16%
Civic/Convention Center	191	49	903	886	1,094	935	-15%
Interest on long term debt	5,369	6,757	-	-	5,369	6,757	26%
Airport	48	1,493	2,790	2,968	2,838	4,461	57%
Solid waste	-	-	6,750	7,271	6,750	7,271	8%
Golf Course	-	-	1,795	1,938	1,795	1,938	8%
Total Expenses	\$ 80,110	\$ 85,327	\$ 12,238	\$ 13,063	\$ 92,348	\$ 98,390	7%
Change in net position before Transfers in (out)	(4,865)	(3,314)	288	1,620	(4,577)	(1,694)	-63%
Change in net position	284	3,436	(284)	(3,436)	-	-	-63%
Net position - beg. of year	28,801	5,144	36,927	35,073	65,728	40,217	-39%
Cumulative effect of change in accounting principle	(19,076)	-	(1,858)	-	-	-	-
Restatement	-	(1,147)	-	-	-	(1,147)	-
Net position - end of year	\$ 5,144	\$ 4,119	\$ 35,073	\$ 33,257	\$ 61,151	\$ 37,376	-39%

Figure A-3
Sources of Revenue for Fiscal Year 2015-16

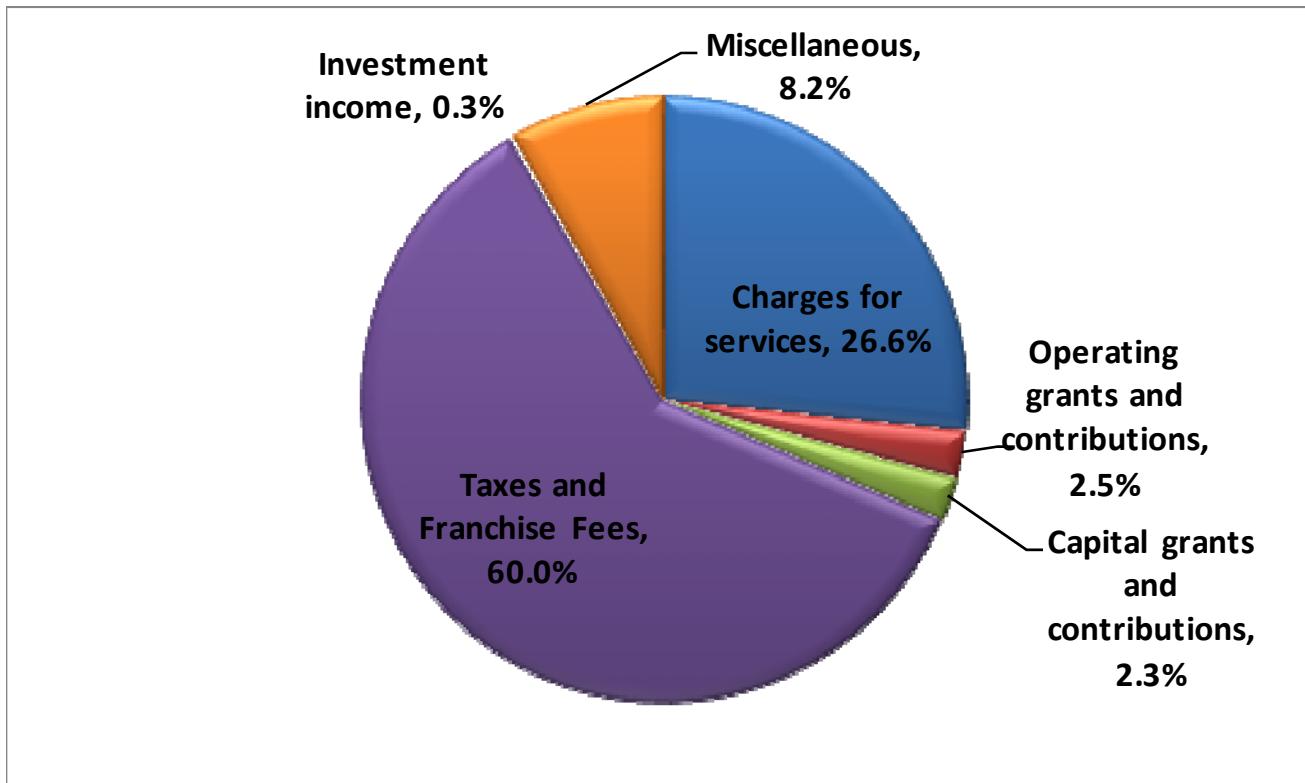


Table A-3 presents the cost of each of the City's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was mostly funded by local tax dollars.

The cost of all governmental activities this year was \$85.33 million.

However, the amount that taxpayers paid for these activities through taxes was \$58.0 million.

Some of the cost was paid by those who directly benefited from the programs (\$13.5 million), or by grants and contributions (\$2.4 million).

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

	Total Cost of Services			Net Cost of Services		
	15	16	% Change	15	16	% Change
Public Safety	\$ 33,327	\$ 29,273	-12.2%	\$ 28,285	\$ 22,642	-20.0%
Public Works	9,377	15,314	63.3%	8,301	14,083	69.7%
Parks and Recreation	8,551	4,597	-46.2%	6,154	1,730	-71.9%
Planning and Environmental Services	2,622	2,772	5.7%	(1,290)	(717)	-44.4%
Library	1,969	1,660	-15.7%	1,867	1,560	-16.4%

V. Business-type Activities

Revenues derived from the City's business-type activities were \$14.69 million, and operating expenses were \$13.06 million.

VI. Governmental Activities

The City reduced its total ad valorem property tax rate from \$.425614 per \$100 of valuation in FY 2005-06 to \$.409862. That rate was maintained through FY 2010-11. During that time, the debt service tax rate increased to fully fund all debt service payments while the General Fund portion of the rate decreased by an equal amount. \$.10764 cents in tax rate shifted from debt service to the General Fund in that period. Property values for the ten years prior to FY 2009-10 showed an average annual growth rate of 11.7 percent. With the economic downturn, this robust growth came to a rather abrupt end. FY 2009-10 had growth in values of 2.9 percent and FY 2010-11 values declined by .9 percent overall, then rebounded slightly in FY 2011-12, showing a 2.2 percent growth. In FY 2011-12, the City increased the overall tax rate for the first time since FY 2005-06 with a \$.0385 increase, all in the debt service rate. The General Fund tax rate was held at \$.261362. For FY 2015-16, the City saw taxable property value increases of 14.7 percent. This increase in valuation provided the opportunity to again avoid a tax increase and held the tax rate flat at \$.49823.

Revenues for FY 2015-16 increased \$6.2 million or 8.3 percent in comparison to FY 2014-15. This increase was driven in large part by an increase in tax revenue, other contributions and charges for services.

The highest percent of the revenues from charges for services in governmental activities was derived from public safety (ambulance services fees and emergency services district fire and emergency response services). Solid Waste generates the greatest revenues in the business activities.

The City's General Fund represents the largest single funding source for governmental activities. In FY 2015-16, 56.8 percent of the funds (General Fund alone) went to public safety (police, fire and municipal court). The remaining funding breaks down as follows: 11.5 percent for public works, 9.0 percent for parks and recreation, and 22.8 percent for the library, planning and environmental development, finance and tax, and general government.

The General Fund's total revenue (including the Equipment Replacement and Facilities Maintenance Funds) for FY 2015-16 was \$55,246,993 which is \$5,447,208 or 10.9 percent greater than the FY 2014-15 revenues. Most of the major revenue sources showed growth for FY 2015-16 in comparison to the prior fiscal year, including sales tax, a significant revenue source to the City.

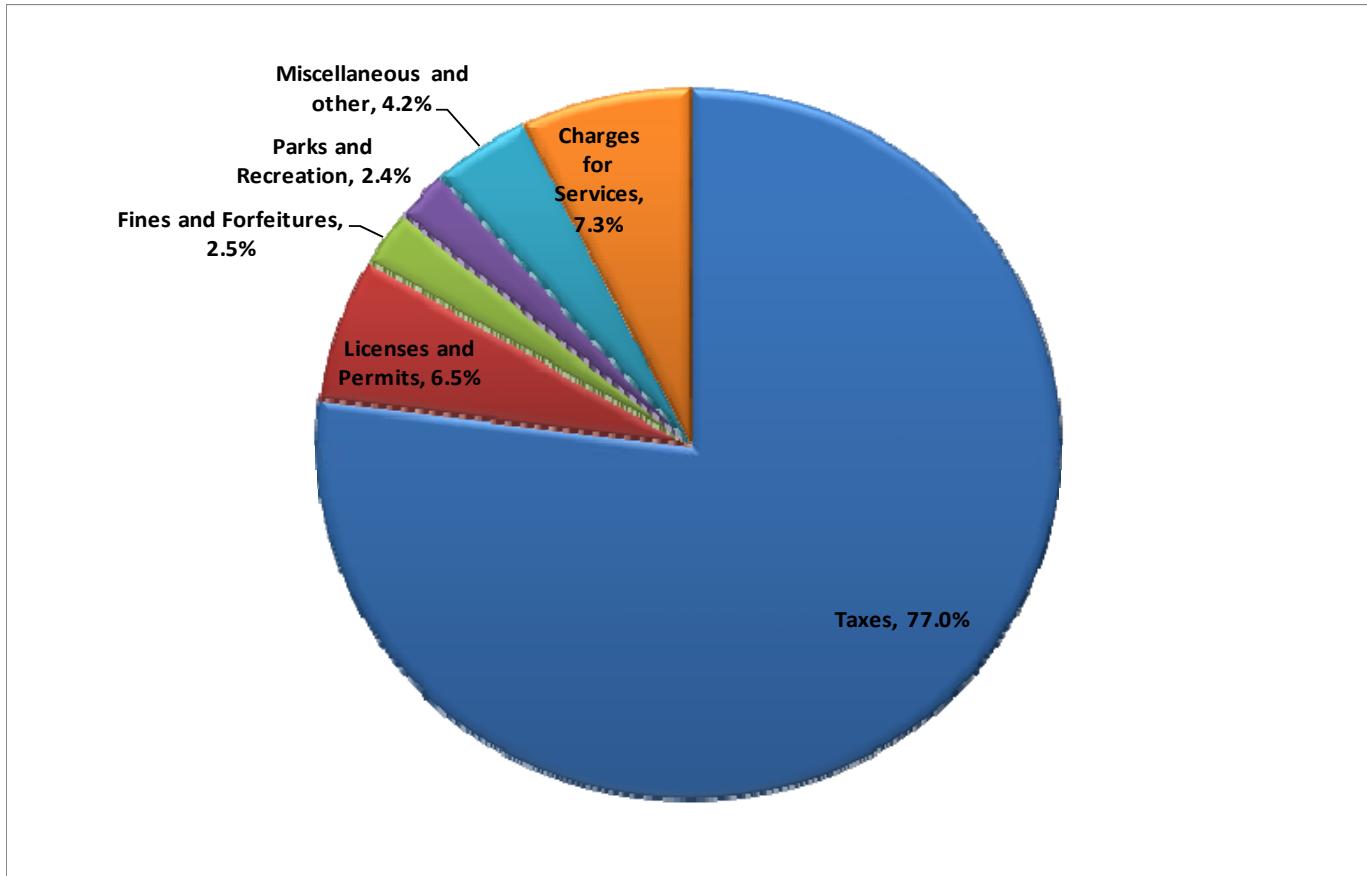
VII. FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Revenues from the General Fund (excluding the Equipment Replacement and Facilities Maintenance Fund) totaled \$55.2 million for fiscal year 2015-16 while the expenditures were \$54.4 million, leaving a surplus of \$0.8 million. The enterprise funds consist of Airport, Solid Waste, Golf Course, and Civic/Convention Center. The net change in net position from these funds was \$789,607, \$(1,499,266), \$(756,083) and \$(349,995) respectively, for a net total of \$(1,815,737).

VIII. GENERAL FUND HIGHLIGHTS

FY 2015-16, the City once again developed a structurally balanced budget. Funding for positions and compensation increases were also included. Specifically, funding was included for the second phase of the implementation of the compensation plan. The full cost to implement this new plan, which was based on a market analysis, is \$4,000,000. In FY 2015-16, 50 percent (2,400,000) of the cost of this plan was implemented. The budget also included 15 new positions throughout the organization including three new police officers. In addition, to ensure that recurring revenues met recurring expenses, the equipment replacement fund transfer was not made during 2015-16 fiscal year. The City engages in long term financial forecasting. After analysis between finance and fleet, it was determined that the equipment replacement fund could meet replacement needs over the next five years without this transfer.

Figure A-4
Sources of General Fund Revenue for Fiscal Year 2015-16



IX. OTHER MAJOR FUND HIGHLIGHTS

The City's Debt Service Fund experienced a significant fund balance draw down in FY 2009-10 to bring the balance to the 10 percent level required by the City's financial policies. Since then, the fund's balance has stabilized at about the 10 percent level. For FY 2015-16, revenue into the fund including proceeds from bond sales was slightly higher than the annual debt service payments for principal and interest on all outstanding debt. The ad valorem property tax rate for debt service remained level at \$.022015. to generate sufficient funds for these payments.

The City's self insurance fund experienced much higher claims expenditures for medical services in FY 2009-10 than in the several years prior. However, in the three fiscal years since that time, the City saw a return to costs more in line with prior years' expenditure growth. This allowed the City to begin rebuilding the fund balance in this fund. This was accomplished by increased premium contributions (from the City and employees) as well as a one-time transfer of funds from the General Fund to the Self Insurance Fund of \$500,000 in FY 2010-11 and \$400,000 in FY 2011-12. In addition, in FY 2013-14, adjustments were again made in premium contributions from the City and employees and some plan design changes were made. In FY 2014-15, health care costs again spiked like they did in FY 2009-10. The City utilized the majority of the fund balance to pay for the health care costs. Costs continued to spike in FY 2015-16, not only for the City of New Braunfels but nationwide as well. As a result of these high healthcare costs, city staff and the City's benefits consultants performed significant research on plan design and options (i.e. deductibles, co-pays), premiums (employer and employee contributions) as well as alternative medical care strategies. Major plan design changes were implemented during the FY 2016-17 year to combat these rising costs. Staff will continue to evaluate these costs and make the appropriate plan design and premium changes necessary to sustain the fund moving forward.

X. CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of FY 2015-16, the City had invested \$317.2 million (excluding depreciation) in a broad range of capital assets including land, equipment, buildings, streets and drainage improvements as well as park and airport improvements. Currently, the City has undertaken the single largest public improvement project that will expand a major City thoroughfare. The project includes utility relocation and improvements, pavement widening and significant landscaping and amenities to create a park-like environment along the roadway. More detailed information about the City's capital assets is presented in Note 4: Capital Assets of the financial statements.

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

	Governmental Activities		Business-type Activities		Total		Total – Percentage Change
	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	
Land	\$25,822	\$29,743	2,299	2,541	\$28,121	\$32,284	14.8%
Construction in Progress	-	874	-	1,061	-	1,935	0.0%
Road Network	97,465	99,667	-	-	97,465	99,667	2.3%
Buildings	48,527	62,617	19,805	19,805	68,332	82,422	20.6%
Equipment	24,986	28,283	10,539	10,795	35,525	39,078	10.0%
Airport Easements	-	-	38	38	38	38	0.0%
Improvements	41,875	42,067	19,449	19,792	61,324	61,859	0.9%
Totals at Historical Cost	\$238,675	\$263,251	\$52,130	\$54,032	\$290,805	\$317,283	9.1%
Total accumulated depreciation	\$ (120,056)	\$ (130,745)	\$ (16,763)	\$ (20,176)	\$ (136,819)	\$ (150,921)	10.3%
Net capital assets	\$118,619	\$132,506	\$35,367	\$33,856	\$153,986	\$166,362	8.0%

Long Term Debt

At year-end, the City had \$225.4 million in long-term debt outstanding as shown in Table A-5. This long term debt is the result of the issuance of certificates of obligation and general obligation bonds for drainage and street improvements, expansion/renovation of the Civic/Convention Center, major park land acquisition and park land improvements, construction of two new fire stations, land purchases and design work for a new public works and fire training facility, and airport improvements.

The City's commitment to sound financial management and strong reserves paid dividends in FY 2007-08 as Standard and Poor's raised the City's bond rating from A+ to AA-. In 2015-16, Standard and Poor's once again raised the City's bond rating from AA- to AA. Moody's maintained its rating of Aa2 for the City.

Bond Ratings

The City's bonds presently carry an AA rating from Standard and Poor's, and an Aa2 rating from Moody's Investor Service

Table A-5 provides summary information on the City's long term obligations. Additional detail can be found in the Notes to Basic Financial Statements, Note 6: Long-Term Obligations.

Table A-5
City's Long Term Obligations
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	
Certificates of Obligation Debt	\$ 95,585	\$ 74,715	\$ -	\$ -	\$ 95,585	\$ 74,715	-21.8%
General Obligation Debt	52,730	88,385	-	-	52,730	88,385	67.6%
Deferred loss on bond refunding	(2,100)	(1,746)	-	-	(2,100)	(1,746)	-16.9%
Bond Premium	6,815	12,321	-	-	6,815	12,321	80.8%
Loan Payable	553	534	593	363	1,146	897	-21.7%
Capital Lease Payable	-	757	-	-	-	757	0.0%
Net Pension Obligation	25,594	31,674	2,672	3,281	28,266	34,955	23.7%
Net OPEB Obligation	7,556	8,871	819	948	8,375	9,819	17.2%
Compensated absences payable	4,667	5,129	220	240	4,887	5,369	9.9%
 Total long-term debt	 \$ 191,400	 \$ 220,640	 \$ 4,304	 \$ 4,832	 \$ 195,704	 \$ 225,472	 15.2%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City reduced its total ad valorem property tax rate from \$.425614 per \$100 of valuation in FY 2005-06 to \$.409862. That rate was maintained through FY 2010-11. During that time, the debt service tax rate increased to fully fund all debt service payments while the General Fund portion of the rate decreased by an equal amount. \$.10763 cents in tax rate shifted from debt service to the General Fund in that period. Property values for the ten years prior to FY 2009-10 showed an average annual growth rate of 11.7 percent. With the economic downturn, this robust growth came to a rather abrupt end. FY 2009-10 had growth in values of 2.9 percent and FY 2010-11 values declined by .9 percent overall, then rebounded slightly in FY 2011-12, showing a 2.2 percent growth. In FY 2011-12, the City increased the overall tax rate for the first time since FY 2005-06 with a \$.0385 increase, all in the debt service rate. The General Fund tax rate was held at \$.261362. For FY 2013-14, the City saw property value increases of 5.5 percent and again increased the overall tax rate to \$.49823, increasing both the debt service component (by \$.021371) and the General Fund component (by \$.009515). For FY 2014-15 Adopted Budget, the tax rate was held flat. This was achieved due to a 11.1 percent increase in taxable assessed valuation. For the FY 2015-16 Budget, the tax rate was once again held flat, driven in large part due to an even higher increase in freeze adjusted taxable assessed valuation in the amount of 14.8 percent. For the FY 2016-17 Budget, the tax rate was once again held flat, driven in large part due to an even higher increase in freeze adjusted taxable assessed valuation in the amount of 9.2 percent.

The City of New Braunfels sits in an excellent geographic position – on the main transportation corridor between Austin and San Antonio. It attracts businesses and residents interested in living in a smaller city. However, it offers the advantage of proximity to big city attractions and opportunities. This positioning is contributing to the City's strong population and economic growth. This resulted in the City's revenues and tax base remaining stable, even through the recession; revenues have begun to once again show growth.

The City of New Braunfels, prior to FY 2008-09, enjoyed a very robust, high growth period. Population during that time grew at an average annual rate of 5.4 percent. The City, during that same time frame, attracted some major business generators, affecting the City's property and sales tax revenues. Ashley Furniture located a distribution center in the City and Home Depot sited a new contractor sales facility within the City. Both these developments had a very positive impact on the City's sales tax revenue. More recently, a million plus square foot retail facility opened the first phase of that development. The City created a tax increment financing zone (TIRZ) to provide economic development assistance to that development. A pool manufacturer moved its headquarters to New Braunfels and another major mixed use (retail, residential and office space) project began development. The retail developments were impacted by the economic downturn; however, the projections are for the ultimate build out to be achieved, but in a longer time frame than originally planned. The development will now also include a major department store and a hospital complex.

Sales tax revenue declined in FY 2008-09 for the first time in eight years. However, sales tax rebounded in FY 2009-10 to finish the year at 4.5 percent above the prior twelve months and FY 2010-11 finished at 7.6 percent above FY 2009-10. FY 2011-12 and FY 2012-13 saw a continuation of the positive trend, with sales tax growing 10.2 percent and 12.6 percent, respectively, and FY 2013-14 saw 10.3 percent overall growth. In FY 2014-15, sales tax revenue

actually decreased by .5 percent. This was entirely driven by the loss of sales tax from a furniture distribution company within the city limits, stemming from new state legislation. Effective September 2014, sales tax allocation was changed to the point of sale as opposed to point of distribution. Looking ahead to FY 2016-17, sales tax growth is projected at 6.6 percent

New Braunfels weathered the economic downturn by holding positions open, delaying salary increases, and postponing expenditures whenever possible. No layoffs were required to keep the City's budget balanced. In FY 2012-13, revenues actually exceeded budget estimates in some areas, particularly sales tax. This is a very positive sign for the New Braunfels economy and for City revenues. The FY 2013-14 Adopted Budget focused on and succeeded in bringing recurring expenditures in line with recurring revenues. This was achieved by funding very few new positions in the General Fund, minimal salary increases and suspending the City's vehicle replacement program (both contributions into the fund and current year purchases of vehicles). In FY 2014-15, several challenges were addressed – the loss of sales tax revenue from an economic development agreement (impacted by legislative changes); the vehicle replacement program can be reinstated; addressing salaries City-wide to remain market competitive; and meeting the continued increasing demand for services. In FY 2014-15, revenue growth afforded the opportunity to fund compensation increases for all City Employees. The Compensation increases in FY 2015-16 are part of a compensation plan update. The final phase of the 2013 compensation study will be implemented in FY 2016-17. The FY 2015-16 Budget also included a total of 15 new positions to support existing and growing demands for services. Looking ahead to FY 2016-17, the City began work on the next phase of the compensation plan study. Additional positions to support infrastructure, public safety, growth and development as well as administration (IT and Finance) were included in the budget.

General Fund operating expenditures and transfers out were \$56.5 million in FY 2015-16 (this amount reflects only the General Fund, not the Equipment Replacement and Facilities Maintenance Funds). The General Fund (stand alone) expenditure budget for FY 2015-16 is \$56.6 million; the increase is driven by the programs described above i.e. compensation plan implementation and additional positions.

XI. CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. For questions about this report, separately issued statements for New Braunfels Utilities or the Housing Authority, or for additional financial information, contact the City's Support Services Department.

BASIC FINANCIAL STATEMENTS

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF NET POSITION

September 30, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 16,769,498	\$ 1,145,699	\$ 17,915,197	\$ 15,977,362
Pooled and Temporary Investments	68,894,059	2,518,418	71,412,477	56,129,161
Receivables, Net	7,993,495	60,583	8,054,078	24,002,421
Due from Other Governments	1,310,945	-	1,310,945	-
Inventories, at Cost	-	43,849	43,849	1,597,824
Prepaid Items	-	-	-	990,774
Other Current Assets	-	-	-	2,008,341
Restricted Assets				
Cash and Cash Equivalents	-	-	-	34,965,901
Pooled and Temporary Investments	-	-	-	5,850,981
Other Noncurrent Assets	-	-	-	3,597,526
Capital Assets				
Land and Construction in Progress	30,616,825	3,601,698	34,218,523	-
Other Capital Assets, Net	101,888,957	30,254,587	132,143,544	382,945,400
Total Assets	<u>227,473,779</u>	<u>37,624,834</u>	<u>265,098,613</u>	<u>528,065,691</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Deferred Outflows	9,447,750	965,248	10,412,998	4,938,933
Deferred Charge on Refunding	1,746,049	-	1,746,049	-
Total Deferred Outflows of Resources	<u>11,193,799</u>	<u>965,248</u>	<u>12,159,047</u>	<u>4,938,933</u>
LIABILITIES				
Accounts Payable	5,623,599	211,947	5,835,546	19,305,688
Deposits Payable	393,135	118,724	511,859	4,920,194
Accrued Expenses Payable	3,398,118	3,521	3,401,639	349,011
Internal Balances	2,105,894	35,203	2,141,097	-
Unearned Revenue	-	60,345	60,345	-
Noncurrent Liabilities				
Due Within One Year:				
Bonds Payable	9,065,000	-	9,065,000	2,242,996
Loan Payable	66,788	181,589	248,377	-
Capital Lease Payable	188,303	-	188,303	-
Accrued Compensated Absences	2,611,873	239,878	2,851,751	929,952
Due in More Than One Year:				
Bonds Payable	166,356,404	-	166,356,404	114,855,916
Loan Payable	467,513	181,588	649,101	-
Capital Lease Payable	568,904	-	568,904	-
Net Pension Obligation	31,673,675	3,281,383	34,955,058	9,295,380
Net OPEB Obligation	8,871,468	950,955	9,822,423	-
Accrued Compensated Absences	2,517,118	-	2,517,118	806,946
Total Liabilities	<u>233,907,792</u>	<u>5,265,133</u>	<u>239,172,925</u>	<u>152,706,083</u>
DEFERRED INFLOWS OF RESOURCES				
Pension Deferred Inflows	641,105	67,488	708,593	799,191
NET POSITION				
Net Investment in Capital Assets	7,090,149	33,493,108	40,583,257	300,780,963
Restricted for				
Debt Service	901,663	-	901,663	627,496
Capital Projects	9,261,278	-	9,261,278	-
Cemetery Perpetual Care (Nonexpendable)	19,641	-	19,641	-
Grants	380,990	-	380,990	-
Impact Fees	-	-	-	2,685,308
Municipal Court	208,409	-	208,409	-
Library	683	-	683	-
Public Safety	327,555	-	327,555	-
Tourism	1,958,667	-	1,958,667	-
Unrestricted	(16,030,354)	(235,647)	(16,266,001)	75,405,583
Total Net Position	<u>\$ 4,118,681</u>	<u>\$ 33,257,461</u>	<u>\$ 37,376,142</u>	<u>\$ 379,499,350</u>

The accompany notes are an integral part of these financial statements.

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF ACTIVITIES

Year Ended September 30, 2016

Functions / Programs	Expenses	Program Revenues			
		Charges for Services	Operating	Capital	
			Grants and Contributions	Grants and	Contributions
Primary Government					
Governmental Activities					
General Government	\$ 21,964,759	\$ 1,504,776	\$ 8,868	\$ -	-
Finance and Tax	690,463	-	-	-	-
Planning and Environmental Development	2,771,682	3,488,849	-	-	-
Public Safety	30,029,933	4,384,181	2,246,969	-	-
Public Works	15,313,473	1,230,875	-	-	-
Parks and Recreation	4,597,430	2,745,572	121,557	-	-
Civic Center	49,223	13,862	-	-	-
Library	1,660,092	100,543	-	-	-
Airport	1,492,594	-	-	-	-
Interest and Fees on Long-Term Debt	6,757,332	-	-	-	-
Total Governmental Activities	85,326,980	13,468,658	2,377,394		-
Business-Type Activities					
Airport	2,968,294	2,076,815	50,000	1,939,685	
Solid Waste	7,270,906	8,280,408	-	51,569	
Golf Course	1,938,245	1,486,394	-	189,317	
Civic Center	885,573	435,582	-	82,842	
Total Business-Type Activities	13,063,018	12,279,199	50,000		2,263,413
Total Primary Government	\$ 98,389,998	\$ 25,747,857	\$ 2,427,394	\$ 2,263,413	
Component Units					
Industrial Development Corporation	\$ 8,997,605	\$ -	\$ -	\$ -	-
New Braunfels Utilities	132,066,353	135,355,560	-	19,657,848	
Total Component Units	\$ 141,063,958	\$ 135,355,560	\$ -	\$ 19,657,848	
General Revenues and Transfers					
Taxes					
Property					
Sales					
Hotel/Motel Occupancy					
Franchise					
Mixed Beverage					
Investment Income					
Contributions Not Restricted to Programs					
Miscellaneous					
Transfers					
Total General Revenues and Transfers					
Change in Net Position					
Net Position - Beginning					
Restatement					
Net Position - Ending					

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
\$ (20,451,115)	\$ -	\$ (20,451,115)	
(690,463)	-	(690,463)	
717,167	-	717,167	
(23,398,783)	-	(23,398,783)	
(14,082,598)	-	(14,082,598)	
(1,730,301)	-	(1,730,301)	
(35,361)	-	(35,361)	
(1,559,549)	-	(1,559,549)	
(1,492,594)	-	(1,492,594)	
(6,757,332)	-	(6,757,332)	
<u>(69,480,928)</u>	<u>-</u>	<u>(69,480,928)</u>	
1,098,206	1,098,206		
1,061,071	1,061,071		
(262,534)	(262,534)		
(367,149)	(367,149)		
<u>1,529,594</u>	<u>1,529,594</u>		
1,529,594	(67,951,334)		
		\$ (8,997,605)	
		<u>22,947,055</u>	
		<u>13,949,450</u>	
25,823,173	-	25,823,173	-
19,076,944	-	19,076,944	5,843,612
3,766,653	-	3,766,653	-
8,903,670	-	8,903,670	-
471,951	-	471,951	-
241,907	7,801	249,708	441,815
2,892,343	-	2,892,343	-
4,989,704	82,876	5,072,580	10,000
3,436,008	(3,436,008)	-	-
<u>69,602,353</u>	<u>(3,345,331)</u>	<u>66,257,022</u>	<u>6,295,427</u>
121,425	(1,815,737)	(1,694,312)	20,244,877
5,144,521	35,073,198	40,217,719	359,254,473
(1,147,265)	-	(1,147,265)	-
<u>\$ 4,118,681</u>	<u>\$ 33,257,461</u>	<u>\$ 37,376,142</u>	<u>\$ 379,499,350</u>

The accompanying notes are an integral part of these financial statements.

CITY OF NEW BRAUNFELS, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2016

	General Fund	Hotel / Motel Fund	Debt Service Fund
ASSETS			
Cash and Cash Equivalents	\$ 10,809,151	\$ 272,258	\$ 1,239,554
Investments	5,684,859	1,625,916	463,527
Receivables (Net of Allowances for Uncollectibles)			
Interest	2,859	-	-
Accounts	6,424,916	-	-
Taxes	363,638	624,055	253,044
Due from Other Governments	17,474	-	11,978
Due from Other Funds	-	-	-
Total Assets	<u>\$ 23,302,897</u>	<u>\$ 2,522,229</u>	<u>\$ 1,968,103</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 2,813,348	\$ 563,562	\$ -
Due to Other Governments	6,516	-	-
Deposits Payable	393,135	-	-
Accrued Expenditures	1,100,775	-	-
Due to Other Funds	13,783	-	-
Total Liabilities	<u>4,327,557</u>	<u>563,562</u>	<u>-</u>
Deferred inflows of resources			
Unavailable Revenue	<u>363,638</u>	<u>-</u>	<u>253,043</u>
Fund Balance			
Nonspendable		-	-
Restricted	-	1,958,667	1,715,060
Committed	-	-	-
Assigned	2,515,830	-	-
Unassigned	<u>16,095,872</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>18,611,702</u>	<u>1,958,667</u>	<u>1,715,060</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 23,302,897</u>	<u>\$ 2,522,229</u>	<u>\$ 1,968,103</u>

General Obligations Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 4,448,535	\$ 16,769,498
39,124,604	21,492,363	68,391,269
		2,859
-	-	2,859
-	268,737	6,693,653
-	-	1,240,737
-	1,288,009	1,317,461
3,003,706	5,912,241	8,915,947
<u>\$ 42,128,310</u>	<u>\$ 33,409,885</u>	<u>\$ 103,331,424</u>
		616,681
		616,681
-	-	616,681
		616,681
-	19,641	19,641
41,453,563	17,519,377	62,646,667
-	4,294,504	4,294,504
-	-	2,515,830
-	(591,194)	15,504,678
<u>41,453,563</u>	<u>21,242,328</u>	<u>84,981,320</u>
<u>\$ 42,128,310</u>	<u>\$ 33,409,885</u>	<u>\$ 103,331,424</u>

The accompanying notes are an integral part of these financial statements.

CITY OF NEW BRAUNFELS, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2016

Total Fund Balances - Governmental Funds \$ 84,981,320

Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.	132,505,782
Bonds (\$163,100,000) and notes payable (\$534,301) are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds balance sheet.	(163,634,301)
Net pension obligation (\$31,673,675) and other postemployment benefits obligation (\$8,871,468) are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds balance sheet.	(40,545,143)
Deferred inflows and outflows of resources related to the net pension liability and not reported in the funds:	
Pension Deferred Outflows	9,447,750
Pension Deferred Inflows	(641,105)
Accrued liabilities for compensated absences are not due and payable in the current period and therefore have not been included in the fund financial statements.	(5,128,991)
Capital leases are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.	(757,207)
The City uses internal service funds to charge the costs of certain activities to individual funds. Assets and liabilities of the internal service funds are included in governmental activities.	(187,313)
Litigation claim is accrued in the government-wide financial statements, whereas in the fund financial statements, this expense is reported when due.	(897,000)
Interest payable on bonds is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expense is reported when due.	(1,066,437)
Premium on bond issuance and deferred loss on bond refunding are recorded as other financing sources and uses in the fund financial statements but are capitalized and amortized in the government-wide financial statements over the life of the bonds.	(10,575,355)
Revenues from property taxes, fines and federal grant revenue are unavailable in the fund financial statements until they are considered available to fund current expenditures, but such revenues are recognized in the government-wide financial statements.	616,681
Net Position of Governmental Activities	\$ 4,118,681

The accompanying notes are an integral part of these financial statements.

This page intentionally left blank

CITY OF NEW BRAUNFELS, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
Year Ended September 30, 2016

	General Fund	Hotel / Motel Fund	Debt Service Fund
REVENUES			
Taxes	\$ 42,544,910	\$ 3,766,653	\$ 11,340,428
Licenses and Permits	3,599,527	-	-
Intergovernmental	227,613	-	-
Fines and Forfeitures	1,403,554	-	-
Parks and Recreation	1,301,681	-	-
Interest	117,595	3,752	1,325
Federal Grants	-	-	-
State and Local Grants	54,676	-	-
Miscellaneous	1,938,369	75	-
Other Contributions	-	-	1,684,428
Charges for Services	4,059,068	-	-
Total Revenues	<u>55,246,993</u>	<u>3,770,480</u>	<u>13,026,181</u>
EXPENDITURES			
Current			
General Government	6,821,245	2,671,698	-
Finance and Tax	900,119	-	-
Planning and Environmental Development	2,979,332	-	-
Public Safety	33,267,939	-	-
Public Works	6,229,444	-	-
Parks and Recreation	4,913,230	-	-
Civic Center	-	88,743	-
Library	1,923,873	-	-
Airport	-	-	-
Debt Service			
Principal	18,870	-	8,300,000
Interest	10,703	-	5,965,947
Bond Issuance Costs and Fees	-	-	154,910
Total Expenditures	<u>57,064,755</u>	<u>2,760,441</u>	<u>14,420,857</u>
Excess (Deficiency) of Revenue over Expenditures			
	<u>(1,817,762)</u>	<u>1,010,039</u>	<u>(1,394,676)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	764,259	-	1,541,809
Transfers Out	(2,019,176)	(828,052)	-
Proceeds from Sale of Capital Assets	23,209	-	-
Proceeds from Long-term Debt Issuance	-	-	-
Proceeds from Long-term Debt Issued for Refunding Debt	-	-	12,755,000
Proceeds from Capital Lease	757,207	-	-
Premium Received on the Issuance of Debt	-	-	2,101,027
Payments to Escrow Agent for Bond Refunding	(92,486)	-	(14,706,017)
Total Other Financing Sources (Uses)	<u>(566,987)</u>	<u>(828,052)</u>	<u>1,691,819</u>
Net Change in Fund Balance			
	<u>(2,384,749)</u>	<u>181,987</u>	<u>297,143</u>
Fund Balance - October 1	20,996,451	1,776,680	1,417,917
Restatement	-	-	-
Fund Balance - October 1 AS RESTATED	20,996,451	1,776,680	1,417,917
Fund Balance - September 30	<u>\$ 18,611,702</u>	<u>\$ 1,958,667</u>	<u>\$ 1,715,060</u>

General Obligations Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 57,651,991
-	6,950	3,606,477
-	-	227,613
-	238,164	1,641,718
-	1,354,623	2,656,304
57,408	60,573	240,653
-	2,116,652	2,116,652
-	139,165	193,841
-	812,679	2,751,123
711,470	2,408,227	4,804,125
-	379,934	4,439,002
768,878	7,516,967	80,329,499
-	7,298,060	16,791,003
-	-	900,119
-	352,146	3,331,478
-	1,658,276	34,926,215
9,214,584	6,173,845	21,617,873
-	517,976	5,431,206
-	-	88,743
-	81,920	2,005,793
-	1,534,242	1,534,242
-	-	8,318,870
-	-	5,976,650
307,268	-	462,178
9,521,852	17,616,465	101,384,370
(8,752,974)	(10,099,498)	(21,054,871)
-	2,450,584	4,756,652
-	-	(2,847,228)
-	15,713	38,922
24,605,000	-	24,605,000
-	-	12,755,000
-	-	757,207
3,852,268	-	5,953,295
-	-	(14,798,503)
28,457,268	2,466,297	31,220,345
19,704,294	(7,633,201)	10,165,474
21,749,269	30,022,794	75,963,111
-	(1,147,265)	(1,147,265)
21,749,269	28,875,529	74,815,846
\$ 41,453,563	\$ 21,242,328	\$ 84,981,320

The accompanying notes are an integral part of these financial statements.

CITY OF NEW BRAUNFELS, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
Year Ended September 30, 2016

Total Net Change in Fund Balance - Governmental Funds	\$ 10,165,474
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
The City uses internal service funds to charge the costs of certain activities to individual funds. Net change in net position of the internal service funds is reported with governmental activities.	(187,313)
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements.	24,831,393
Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources.	(10,944,701)
The issuance of bonds (\$37,360,000) and agreement to capital leases (757,207) is reported as other financing sources in the fund financial statements but is shown as increases in long-term debt in the government-wide financial statements.	(38,117,207)
Bond and note principal payments are expenditures in the fund financial statements, but they are shown as reductions in long-term debt in the government-wide financial statements.	8,318,870
Bonds refunded are reported as other financing sources in the fund financial statements but are shown as a decrease in long-term debt in the government-wide financial statements.	14,275,000
Deferred losses on refunding and bond premiums are amortized over the life of the bonds in the government-wide financial statements. The net effect of capitalizing bond premiums and deferred loss, and the amortization of bond premiums and deferred charge on refunding decreases net position.	(5,860,386)
Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expense is reported when due.	112,090
Long-term liabilities for certain employee benefits are accrued in the government-wide financial statements, but are not reported in the fund financial statements.	
Increase in compensated absences	(462,180)
Increase in net pension obligation and related deferred inflows of pension costs	(815,224)
Increase in other postemployment benefit obligation	<u>(1,315,847)</u>
Change in Net Position of Governmental Activities	<u>\$ 121,425</u>

The accompanying notes are an integral part of these financial statements.

This page intentionally left blank

CITY OF NEW BRAUNFELS, TEXAS
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
September 30, 2016

Business-type Activities - Enterprise Funds			
	Airport	Solid Waste	Golf Course
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 595,767	\$ 405,231	\$ 50
Pooled and Temporary Investments	-	2,518,418	-
Receivables (Net of Allowances for Uncollectibles)			
Accounts	19,053	17,370	16,705
Inventories, at Cost	-	43,849	-
Total Current Assets	<u>614,820</u>	<u>2,984,868</u>	<u>16,755</u>
Noncurrent Assets			
Capital Assets (Net of Accumulated Depreciation)			
Nondepreciable	3,466,698	-	135,000
Depreciable	12,430,286	4,022,956	6,869,843
Total Noncurrent Assets	<u>15,896,984</u>	<u>4,022,956</u>	<u>7,004,843</u>
Total Assets	<u>16,511,804</u>	<u>7,007,824</u>	<u>7,021,598</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	97,765	642,784	158,686
Total Deferred Outflows	<u>97,765</u>	<u>642,784</u>	<u>158,686</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	69,210	118,143	9,231
Due to Other Funds	-	-	35,203
Deposits Payable	55,939	-	-
Accrued Expenses Payable	4	42	3,475
Unearned Revenue	-	-	60,345
Current Portion of Long-Term Liabilities			
Accrued Compensated Absences	20,399	192,559	17,372
Loan Payable	-	-	181,589
Total Current Liabilities	<u>145,552</u>	<u>310,744</u>	<u>307,215</u>
Long-Term Liabilities (Net of Current Portion)			
Net Pension Obligation	328,495	2,183,288	531,246
Net Other Postemployment Benefits Obligation	84,288	636,255	151,050
Accrued Compensated Absences	-	-	-
Loan Payable	-	-	181,588
Total Noncurrent Liabilities	<u>412,783</u>	<u>2,819,543</u>	<u>863,884</u>
Total Liabilities	<u>558,335</u>	<u>3,130,287</u>	<u>1,171,099</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows	6,666	44,861	10,735
Total Deferred Inflows	<u>6,666</u>	<u>44,861</u>	<u>10,735</u>
NET POSITION			
Net Investment in Capital Assets	15,896,984	4,022,956	6,641,666
Unrestricted (Deficit)	147,584	452,504	(643,216)
Total Net Position	<u>\$ 16,044,568</u>	<u>\$ 4,475,460</u>	<u>\$ 5,998,450</u>

Governmental Activities		
Internal Service		
Civic Center	Total	
\$ 144,651	\$ 1,145,699	\$ -
-	2,518,418	502,790
7,455	60,583	56,246
-	43,849	-
<u>152,106</u>	<u>3,768,549</u>	<u>559,036</u>
 -	 3,601,698	 -
<u>6,931,502</u>	<u>30,254,587</u>	<u>-</u>
<u>6,931,502</u>	<u>33,856,285</u>	<u>-</u>
<u>7,083,608</u>	<u>37,624,834</u>	<u>559,036</u>
 <u>66,013</u>	<u>965,248</u>	<u>-</u>
<u>66,013</u>	<u>965,248</u>	<u>-</u>
 15,363	 211,947	 -
-	35,203	412,443
<u>62,785</u>	<u>118,724</u>	<u>-</u>
-	3,521	333,906
-	60,345	-
 9,548	 239,878	 -
-	181,589	-
<u>87,696</u>	<u>851,207</u>	<u>746,349</u>
 238,354	 3,281,383	 -
<u>79,362</u>	<u>950,955</u>	<u>-</u>
-	-	-
-	181,588	-
<u>317,716</u>	<u>4,413,926</u>	<u>-</u>
<u>405,412</u>	<u>5,265,133</u>	<u>746,349</u>
 <u>5,226</u>	 <u>67,488</u>	 <u>-</u>
<u>5,226</u>	<u>67,488</u>	<u>-</u>
 6,931,502	 33,493,108	 -
<u>(192,519)</u>	<u>(235,647)</u>	<u>(187,313)</u>
 <u>\$ 6,738,983</u>	 <u>\$ 33,257,461</u>	 <u>\$ (187,313)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF NEW BRAUNFELS, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended September 30, 2016

	Business-type Activities - Enterprise Funds		
	Airport	Solid Waste	Golf Course
OPERATING REVENUE			
Charges for Services	\$ 2,076,815	\$ 8,280,408	\$ 1,486,394
State and Local Grants	50,000	-	-
Miscellaneous	3,010	62,909	2,485
Total Operating Revenues	<u>2,129,825</u>	<u>8,343,317</u>	<u>1,488,879</u>
OPERATING EXPENSES			
Insurance Premiums	-	-	-
Claims	-	-	-
Personnel	477,891	3,221,292	831,233
Fuel and Oil for Resale	772,707	-	-
Depreciation and Amortization	1,177,327	1,382,834	700,026
Purchased Services	459,493	1,625,336	142,572
Professional Services	42,942	22,296	-
Supplies	37,934	1,019,148	251,443
Total Operating Expenses	<u>2,968,294</u>	<u>7,270,906</u>	<u>1,925,274</u>
Operating Income (Loss)	<u>(838,469)</u>	<u>1,072,411</u>	<u>(436,395)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	-	7,201	600
Interest Expense	-	-	(12,971)
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>7,201</u>	<u>(12,371)</u>
Income Before Contributions and Transfers	<u>(838,469)</u>	<u>1,079,612</u>	<u>(448,766)</u>
CONTRIBUTIONS AND TRANSFERS			
Capital Contributions	1,939,685	51,569	189,317
Transfers In	150,529	-	-
Transfers Out	(462,138)	(2,630,447)	(496,634)
Total Contributions and Transfers	<u>1,628,076</u>	<u>(2,578,878)</u>	<u>(307,317)</u>
Change in Net Position	<u>789,607</u>	<u>(1,499,266)</u>	<u>(756,083)</u>
Net Position - Beginning of Year	<u>15,254,961</u>	<u>5,974,726</u>	<u>6,754,533</u>
Net Position - End of Year	<u>\$ 16,044,568</u>	<u>\$ 4,475,460</u>	<u>\$ 5,998,450</u>

Civic Center	Total	Governmental Activities	
		Internal Service	
\$ 435,582	\$ 12,279,199	\$ 5,829,888	
-	50,000	-	
14,472	82,876	-	
<u>450,054</u>	<u>12,412,075</u>	<u>5,829,888</u>	
			1,011,460
			6,444,733
336,669	4,867,085	-	
-	772,707	-	
338,433	3,598,620	-	
161,048	2,388,449	-	
9	65,247	89,031	
<u>49,414</u>	<u>1,357,939</u>	<u>-</u>	
<u>885,573</u>	<u>13,050,047</u>	<u>7,545,224</u>	
<u>(435,519)</u>	<u>(637,972)</u>	<u>(1,715,336)</u>	
			7,801
			(12,971)
			<u>(5,170)</u>
			<u>1,439</u>
<u>(435,519)</u>	<u>(643,142)</u>	<u>(1,713,897)</u>	
			82,842
			2,263,413
67,190	217,719	-	
<u>(64,508)</u>	<u>(3,653,727)</u>	<u>1,526,584</u>	
<u>85,524</u>	<u>(1,172,595)</u>	<u>1,526,584</u>	
			(349,995)
			(1,815,737)
			(187,313)
<u>7,088,978</u>	<u>35,073,198</u>	<u>-</u>	
<u>\$ 6,738,983</u>	<u>\$ 33,257,461</u>	<u>\$ (187,313)</u>	

The accompanying notes are an integral part of these financial statements.

CITY OF NEW BRAUNFELS, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended September 30, 2016

<u>Business-type Activities - Enterprise Funds</u>			
	Airport	Solid Waste	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 2,127,451	\$ 8,325,947	
Cash Received for Interfund Services Provided and Used	-	-	
Cash Paid for Supplies and Materials	(1,291,140)	(2,679,480)	
Cash Paid for Premiums, Claims, and Administrative Charges	-	-	
Cash Paid for Personnel Services	(451,134)	(3,069,065)	
Net Cash Provided by (Used in) Operating Activities	<u>385,177</u>	<u>2,577,402</u>	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Received from Other Funds	150,530	-	
Cash Contribution Received	-	-	
Cash Paid to Other Funds	(462,138)	(2,630,447)	
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(311,608)</u>	<u>(2,630,447)</u>	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Payments on Loan Payable	-	-	
Interest Paid on Long-Term Debt	-	-	
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Investments	-	-	
Cash Received from Interest Income	-	-	
Net Cash Provided by (Used in) Investing Activities	<u>-</u>	<u>-</u>	
Net Increase (Decrease) in Cash and Cash Equivalents	73,569	(53,045)	
Cash and Cash Equivalents - October 1	<u>522,198</u>	<u>458,276</u>	
Cash and Cash Equivalents - September 30	<u>\$ 595,767</u>	<u>\$ 405,231</u>	

Business-type Activities - Enterprise Fund				Governmental Activities	
Golf Course		Civic Center		Total	Internal Service
\$ 1,477,631		\$ 434,818		\$ 12,365,847	\$ -
-		-		-	5,960,955
(398,368)		(212,062)		(4,581,050)	(89,031)
-		-		-	(7,456,193)
(818,175)		(322,761)		(4,661,135)	57,685
<u>261,088</u>		<u>(100,005)</u>		<u>3,123,662</u>	<u>(1,526,584)</u>
-		67,189		217,719	1,526,584
176,000		-		176,000	-
(496,634)		(64,508)		(3,653,727)	-
<u>(320,634)</u>		<u>2,681</u>		<u>(3,260,008)</u>	<u>1,526,584</u>
(229,506)		-		(229,506)	-
(12,971)		-		(12,971)	-
<u>(242,477)</u>		<u>-</u>		<u>(242,477)</u>	<u>-</u>
301,473		-		-	-
600		-		-	-
<u>302,073</u>		<u>-</u>		<u>-</u>	<u>-</u>
50		(97,324)		(378,823)	-
-		241,975		1,222,449	-
<u>\$ 50</u>		<u>\$ 144,651</u>		<u>\$ 1,145,699</u>	<u>\$ -</u>

CITY OF NEW BRAUNFELS, TEXAS
STATEMENT OF CASH FLOWS - continued
PROPRIETARY FUNDS
Year Ended September 30, 2016

<u>Business-type Activities - Enterprise Funds</u>			
	Airport	Solid Waste	
RECONCILIATION OF OPERATING INCOME LOSS			
TO NET CASH PROVIDED BY (USED IN) OPERATING			
ACTIVITIES			
Operating Income (Loss)	\$ (838,469)	\$ 1,072,411	
Adjustments to Reconcile Operating Income (Loss) to Net Cash			
Provided by (Used in) Operating Activities			
Depreciation and Amortization	1,177,327	1,382,834	
(Increase) Decrease in Operating Assets:			
Accounts Receivable (net)	(5,937)	(17,370)	
Inventories	-	18,160	
Increase (Decrease) in Operating Liabilities:			
Accounts Payable	21,936	(30,860)	
Accrued Expenses	1.00	-	
Due to Other Funds	-	-	
Unearned Revenue	-	-	
Net Pension/Other Postemployment Benefits Obligations	22,021	142,544	
Accrued Compensated Absences	4,735	9,683	
Customer Deposits	3,563	-	
Net Cash Provided by (Used in) Operating Activities	<u>\$ 385,177</u>	<u>\$ 2,577,402</u>	
NONCASH CAPITAL AND RELATED FINANCING ACTIVITY			
Capital Assets Contributed from Governmental Funds	<u>\$ 1,939,685</u>	<u>\$ 51,569</u>	

Business-type Activities - Enterprise Fund			Governmental Activities	
Golf Course	Civic Center	Total	Internal Service	
\$ (436,395)	\$ (435,519)	\$ (637,972)	\$ (1,715,336)	
700,026	338,433	3,598,620	-	
(13,268)	(7,455)	(44,030)	131,067	
-	-	18,160	-	
(4,353)	(1,591)	(14,868)	-	
1,592	-	1,593	50,288	
(28,819)	-	(28,819)	7,397	
2,020	-	2,020	-	
35,872	13,379	213,816	-	
4,413	529	19,360	-	
-	(7,781)	(4,218)	-	
\$ 261,088	\$ (100,005)	\$ 3,123,662	\$ (1,526,584)	
\$ -	\$ 82,842	\$ 2,074,096	\$ -	

The accompanying notes are an integral part of these financial statements.

CITY OF NEW BRAUNFELS, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
Year Ended September 30, 2016

**Creekside Town
Center**

ASSETS

Cash and Cash Equivalents	\$ 1,200,453
Due from Other Funds	2,141,097
Total Assets	<u>\$ 3,341,550</u>

LIABILITIES

Payable to TIRZ	\$ 3,341,550
Total Liabilities	<u>\$ 3,341,550</u>

The accompanying notes are an integral part of these financial statements.

CITY OF NEW BRAUNFELS, TEXAS
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
September 30, 2016

	Industrial Development Corporation	New Braunfels Utilities	Total Component Units
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 979,198	\$ 14,998,164	\$ 15,977,362
Pooled and Temporary Investments	13,737,038	19,065,646	32,802,684
Receivables (Net of Allowances for Uncollectibles)			
Interest	11,270	52,739	64,009
Accounts	1,287,843	22,650,569	23,938,412
Inventory	-	1,597,824	1,597,824
Prepaid Items	-	990,774	990,774
Other Current Assets	-	2,008,341	2,008,341
Restricted Assets			
Cash and Cash Equivalents	-	34,965,901	34,965,901
Investments	-	3,000,981	3,000,981
Noncurrent Assets			
Investments			
Restricted	-	2,850,000	2,850,000
Unrestricted	-	23,326,477	23,326,477
Other Noncurrent Assets	-	2,240,874	2,240,874
Capital Assets, Net of Depreciation	-	382,945,400	382,945,400
Generation and Transmission Cost Recovery Under-Collection	-	1,356,652	1,356,652
Total Assets	16,015,349	512,050,342	528,065,691
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	-	4,938,933	4,938,933
Total Assets and Deferred Outflows	\$ 16,015,349	\$ 516,989,275	\$ 533,004,624
LIABILITIES AND NET POSITION			
Liabilities			
Accounts Payable	\$ 365,623	\$ 18,940,065	\$ 19,305,688
Deposits Payable	-	4,920,194	4,920,194
Accrued Expenses Payable	5,055	343,956	349,011
Due to Other Funds	-	-	-
Noncurrent Liabilities			
Due Within One Year			
Compensated Absences	-	929,952	929,952
Revenue Bonds Payable Current	-	2,242,996	2,242,996
Due in More than One Year			
Compensated Absences	-	806,946	806,946
Long-term Debt, Net of Discount	-	114,855,916	114,855,916
Net Pension Liability	-	9,295,380	9,295,380
Total Liabilities	370,678	152,335,405	152,706,083
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows	-	799,191	799,191
Net Position			
Net Investment in Capital Assets	-	300,780,963	300,780,963
Restricted for			
Debt Service	-	627,496	627,496
Capital Projects	-	-	-
Other Purposes	-	2,685,308	2,685,308
Unrestricted	15,644,671	59,760,912	75,405,583
Total Net Position	15,644,671	363,854,679	379,499,350
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 16,015,349	\$ 516,989,275	\$ 533,004,624

The accompanying notes are an integral part of these financial statements.

CITY OF NEW BRAUNFELS, TEXAS
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
Year Ended September 30, 2016

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Industrial Development Corporation	New Braunfels Utilities	Total
Component Units							
Industrial Development Corporation	\$ 8,997,605	\$ -	\$ -	\$ -	\$ (8,997,605)	\$ -	\$ (8,997,605)
New Braunfels Utilities	132,066,353	135,355,560	-	19,657,848	-	22,947,055	22,947,055
Total Component Units	\$ 141,063,958	\$ 135,355,560	\$ -	\$ 19,657,848	(8,997,605)	22,947,055	13,949,450
General Revenues							
Taxes- Sales Tax				5,843,612	-		5,843,612
Investment Income				18,623	423,192		441,815
Miscellaneous				10,000	-		10,000
Total General Revenues				5,872,235	423,192		6,295,427
Change in Net Position							
				(3,125,370)	23,370,247		20,244,877
Net Position - Beginning				18,770,041	340,484,432		359,254,473
Cumulative Effect of Change in Accounting Principal				-	-		-
Net Position - Ending				\$ 15,644,671	\$ 363,854,679		\$ 379,499,350

The accompanying notes are an integral part of these financial statements

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 1: REPORTING ENTITY

The financial statements of the City of New Braunfels, Texas (the City) have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

This report includes all of the funds of the City of New Braunfels. The reporting entity for the City consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate tax exempt organization should be reported as a component unit of the reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; and (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government.

Based on the above criteria, the City has the following discretely presented component units:

New Braunfels Utilities (NBU) is a legally separate entity which provides waterworks, sanitary sewer, and electric services in the New Braunfels area. City Council appoints the New Braunfels Utility Board of Trustees, and approves utility rates and the issuance of debt. The NBU is presented as an enterprise component unit. Complete financial statements for the NBU may be obtained at the entity's administrative offices at 263 Main Plaza, New Braunfels, Texas 78130. The NBU's financial statements are presented on a July 31, 2016 year-end.

The New Braunfels Industrial Development Corporation is a legally separate nonprofit entity which was organized under the laws of the State of Texas to provide economic development benefits for the City of New Braunfels. The entity is presented as a governmental component unit. City Council appoints the board of directors and approves expenditures. Separate financial statements are not prepared.

The City also has the following related organization:

The Housing Authority of the City of New Braunfels is a nonprofit entity which was organized under the laws of the State of Texas to provide housing for qualified individuals in accordance with the rules and regulations prescribed by the U.S. Department of Housing and Urban Development. City Council appoints the board of directors of the Authority. However, the City is not financially accountable for the Authority, because the Authority's operations are subsidized by the federal government, it sets its own budget subject to federal approval, sets its rental rate, and it can issue debt in its own name. The City is not responsible for deficits or liabilities of the Authority. Separately audited financial statements may be obtained at the City's administrative offices at 550 Landa St, New Braunfels, Texas 78130.

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City conform to generally accepted accounting principles in the United States of America (GAAP) applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) and those principles prescribed by the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units. The following is a summary of the more significant policies and practices used by the City.

Government-wide and fund financial statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole. The primary government and component units are presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities (generally supported by taxes and City general revenue) from business-type activities (generally financed in whole or in part with fees charged to external customers). As a general rule, the effect of interfund activity had been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

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

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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*, as are the proprietary fund financial statements. 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 for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds

Governmental fund financial statements are reported using the *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 to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following major governmental funds:

General Fund: This is the City's primary operating fund. It accounts for all financial resources of the City except those required to be accounted for in another fund.

Hotel/Motel Tax Fund: This fund accounts for the tax collections of the hotel/motel occupancy taxes and the disbursement of those funds. This is accounted for as a special revenue fund type of the City.

Debt Service Fund: This fund is used to report ad valorem taxes collected for debt retirement, and the related principal and interest payments on the debt.

General Obligation: This fund accounts for the expenditures of the proceeds from the June 2014 debt issuance for street improvements, construction of drainage, equip parks and a recreation center, and construct and build Central Texas Technology Center. This fund also accounts for the expenditures of the proceeds from the April 2015 debt issuance for street improvements, construction of drainage improvements, and construct and equip parks and a recreation center. This fund also accounts for the expenditures of the proceeds from the July 2016 debt issuance for refunding certain current outstanding obligations, street and drainage improvements, and construct and equip parks and a recreation center.

In addition, the City reports the following nonmajor governmental fund types:

Special Revenue Funds: These funds are used to separately account for funds related to state-mandated funds, grants, contracts, or by council designation.

Capital Projects Funds: These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Permanent Fund: The City uses this fund to account for nonexpendable trust arrangements where the principal may not be spent, and the earnings must be spent for a particular purpose. This fund is used to report the activity of the Cemetery Perpetual Care Fund.

Proprietary funds

Proprietary funds are those used to account for the City's ongoing organizations and activities which are similar to those found in the private sector. The measurement focus is upon capital maintenance and upon determination of net position and changes in net position.

The City reports the following major enterprise funds:

The Airport, Solid Waste, Golf Course, and Civic/Convention Center Funds are major enterprise funds of the City. These funds are used to account for revenues and expenses related to goods and services for the respective activity.

Additionally, the City reports the following proprietary fund:

Internal Service Fund: This fund is used to account for revenues and expenses related to services provided to parties inside the City. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the City's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements. The City's self-funded health plan is accounted for in this fund.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges for services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Additionally, the City would first use restricted, then committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary fund

This fund accounts for assets held by the City as an agent for individuals, private organizations and/or other governmental units. The City reports the following fiduciary fund:

Creekside Town Center: This fund is used to account for the activities of the TIRZ which accumulates resources for debt service payments via a tax levy.

Stewardship, compliance, and accountability

Budgetary information

The City follows the procedures outlined below in establishing budgetary data reflected in the financial statements:

Prior to the beginning of the fiscal year, the City prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.

Two meetings of the City Council are then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meetings must have been given.

Prior to the start of the fiscal year, the budget is legally enacted through passage of an ordinance by the City Council.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the capital projects funds, which adopted project-length budgets. The legal level of budgetary control (i.e., the level at which expenditures may not exceed appropriations) is the fund, department, and at the group level for all funds in similar expenditure categories with the following exceptions. Budgets are controlled at the division level for Support Services, Planning and Community Development and Public Works divisions. Once a budget is approved, it can be amended only by approval of a majority of the members of the City Council. As required by law, such amendments are made before the fact, and are reflected in the official minutes of the City Council. During the year, the budget was amended as necessary.

Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of estimates by management. Actual results could differ from those estimates.

Encumbrances

Encumbrances represent commitments related to unperformed (executor) contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, or other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as restricted, committed or assigned fund balance and do not constitute expenditures or liabilities since the commitments will be honored during the subsequent year.

Assets, liabilities, and net position or equity

Cash and cash equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

Property taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period and those expected to be collected during a 60 day period after the close of the City's fiscal year.

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Inventories and prepaid items

The City records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

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

Streets/Drainage Infrastructure	20 Years
Buildings	30 Years
Building Improvements	20 Years
Equipment	5- 7 Years

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only two items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunded debt results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Second is the deferred outflows related to the GASB Statement No. 68 pension liability. Details of this balance are included in Note 8.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of this item, one of which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is the deferred inflows related to the GASB Statement No. 68 pension liability. Details of this balance are included in Note 8.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position 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. Investments are reported at fair value.

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables and payables

The City believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

Compensated absences

On retirement or death of certain employees, the City pays accrued sick leave in a lump sum payment to such employee or his/her estate. Non Civil Service employees with 15 or more years of service are eligible to receive one-half of their accumulated sick leave up to 480 hours. These employees are also eligible if they retire with 10 or more years of service. Police and Fire personnel covered by Civil Service receive payment for all accumulated sick leave up to 720 hours for Police and Fire (non-shift), and 1,080 for Fire shift personnel. Police came under Civil Service October 1, 2011. Employees are paid for all accrued vacation leave when they leave the City's employ. The City accrues its liability for such accumulated unpaid benefits in the government-wide financial statements and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Fund balance

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The City's fund balance reported as Nonspendable at September 30, 2016 include amounts both nonspendable in form (for inventories) and amounts that are legally or contractually required to be maintained intact (Cemetery Perpetual Care Permanent Fund).

Restricted - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law through constitutional provisions or enabling legislation.

Committed - includes amounts that can be used only for the specific purposes as established by a Council resolution.

Assigned - includes amounts that are constrained by the City Council that are intended to be used for specific purposes but are neither restricted nor committed.

Unassigned - includes amounts that have not been assigned to other funds or restricted, committed, or assigned to a specific purpose within the General Fund or deficit balances in other funds.

	General Fund	Hotel/ Motel Tax Fund	Debt Service Fund	General Obligations Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Cemetery Perpetual Care	\$ -	\$ -	\$ -	\$ -	\$ 19,641	\$ 19,641
Restricted to:						
Tourism	-	1,958,667	-	-	-	1,958,667
Debt Service	-	-	1,715,060	-	-	1,715,060
Grants	-	-	-	-	380,990	380,990
Stormwater Development	-	-	-	-	117,357	117,357
Library	-	-	-	-	683	683
Capital Projects	-	-	-	41,453,563	16,484,383	57,937,946
Law Enforcement	-	-	-	-	327,555	327,555
Municipal Court	-	-	-	-	208,409	208,409
Committed to:						
Special Donation	-	-	-	-	209,959	209,959
IT	-	-	-	-	89,524	89,524
Enterprise Equipment	-	-	-	-	3,995,021	3,995,021
Assigned to:						
Equipment Replacement	2,515,830	-	-	-	-	2,515,830
Unassigned	16,095,872	-	-	-	(591,194)	15,504,678
	\$ 18,611,702	\$ 1,958,667	\$ 1,715,060	\$ 41,453,563	\$ 21,242,328	\$ 84,981,320

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Minimum fund balance policy

The City will maintain an operating reserve for use in the event of unanticipated, extraordinary expenditures and/or the loss of a major revenue source. In the General Fund, the operating reserve and specified contingencies shall be established at a minimum of 25 percent of the General Fund budgeted expenditures for the current fiscal year. For all other Special Revenue Funds, the operating reserve shall equal 10 percent of the budgeted annual expenditures. These funds can only be appropriated by an affirmative vote of five of the seven Council members.

Capital project funds' reserves will be established by project, not by fund and will, in general, reflect 3 percent of the total project costs.

The City will maintain a balance in the Debt Service Funds equal to not less than ten percent of the principal and interest payments on outstanding debt for each fiscal year. These funds can only be appropriated by an affirmative vote of five of the seven Council members.

Interfund activity

Interfund activity results from loans, services provided, reimbursements, or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination in the government-wide statements. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfer Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

NOTE 3: CASH, CASH EQUIVALENTS, AND INVESTMENTS

Deposits and investments

The City's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledged securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

Cash deposits

The City's cash deposits at September 30, 2016 were entirely covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name.

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 be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the area of investment practices, management reports, and establishment of appropriate policies. All investments are administered by City management under terms of an investment policy and strategy that is updated to conform to the Texas Public Funds Investment Act (the Act) as last amended. The preservation of capital is the City's most important investment objective. Other objectives include providing liquidity and maximizing earnings within the constraints of other objectives. The City is in substantial compliance with the requirements of the Act and with local policies.

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, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) local government investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 3: CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

The City's and New Braunfels Utilities cash and investments at September 30, 2016 are shown below.

Type of Security	Fair Value	Percentage of Total	Credit Rating	Investment Maturity				
				Less than 1 Year	1-2 Years			
Primary Government and Industrial Development Corporation Component Unit								
Local Government Pools								
	\$ 50,985,046	49.00%		\$ 50,985,046	\$ -			
Money Market Mutual Funds	14,174,944	13.62%		14,174,944	-			
Treasury Obligations	4,996,370	4.80%		4,996,370	-			
Federal Home Loan Mortgage Corporation	5,004,695	4.81%	Aaa	5,004,695	-			
Federal Home Loan Bank	9,988,460	9.60%	Aaa	9,988,460	-			
Demand Deposits	18,894,395	18.16%		18,894,395	-			
Total Investments	<u>\$ 104,043,910</u>	<u>100.00%</u>		<u>\$ 104,043,910</u>	<u>\$ -</u>			
Component Unit - NBU								
U.S. Agencies								
	\$ 29,300,393	29.84%	AA+	\$ -	\$ 29,300,393			
Certificates of Deposit	18,942,711	19.29%		18,942,711	-			
Government Mutual Fund	10	0.00%	AAAm	10	-			
Demand Deposit and Money Market	12,583,014	12.81%		12,583,014	-			
Pooled Funds	37,381,041	38.06%	AAAm	37,381,041	-			
Total Investments	<u>\$ 98,207,169</u>	<u>100.00%</u>		<u>\$ 68,906,776</u>	<u>\$ 29,300,393</u>			
Classification								
Primary Government and Industrial Development Corporation Component Unit								
Statement of Net Position-Primary Government				\$ 71,412,477				
Statement of Net Position-Primary Government Cash				17,915,197				
Industrial Development Corporation-Component Unit Cash				13,737,038				
Industrial Development Corporation-Component Unit				979,198				
				<u>\$ 104,043,910</u>				
Component Unit - NBU								
Cash and Cash Equivalents, Unrestricted				\$ 14,998,164				
Investments, Short-term Unrestricted				19,065,646				
Cash and Cash Equivalents, Restricted				34,965,901				
Investments, Short-term Restricted				3,000,981				
Investments, Long-term Restricted				2,850,000				
Investments, Long-term Unrestricted				23,326,477				
				<u>\$ 98,207,169</u>				

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:

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 3: CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

a. 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 year-end, neither the City nor its component units were significantly exposed to credit risk. At September 30, 2015, the City and its component unit's investments, other than those which are obligations of or guaranteed by the U.S. Government, are rated as to credit quality as shown in the above tables.

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. At year-end, neither the City nor its component units were 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's exposure to concentration of credit risk is shown in the table above as the percentage of each investment type. The City's adopted Investment Policy establishes diversification as a major objective of the investment program and sets diversification limits for all authorized investment types which are monitored on at least a monthly basis. Diversification limits are set by Policy as:

U.S. Obligations	90%	Repurchase Agreements	20%
U.S. Agencies/Instrumentalities	80%	LGIP	100%
Money Market Mutual Funds	25%	Certificates of Deposit	50%

NBU's policy places no limit on the amount NBU may invest in any one issuer.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. In order to limit interest and market rate risk from changes in interest rates, the City's adopted Investment Policy sets a maximum stated maturity limit of two years. The weighted average maturity (WAM) of the total City and the NBU portfolios are restricted to a maximum of 6 months and 450 days, respectively, and compared quarterly to the six-month Treasury Bill. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than two (2) years from the date of purchase. The maximum allowable stated maturity of any one individual investment owned by NBU shall not exceed five years from the time of purchase. At year-end, the City's exposure to interest rate risk is summarized in the above table. The dollar WAM of the total portfolio of the primary government was 303 days.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year-end, neither the City nor its component units were exposed to foreign currency risk.

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 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 value. All other investments are reported at fair 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 NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 3: CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Public funds investment pools

Public funds investment pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act, Chapter 79 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 fair value of its underlying investment portfolio within one half of one percent of the value of its shares.

The City's investments in Pools are reported at an amount determined by the fair value per share of the Pool's underlying portfolio, unless the Pool is 2a7-like, in which case they are reported at share value. A 2a7-like Pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

Fair Value of Investments

In fiscal year 2016, the City adopted GASB Statement No. 72, *Fair Value Measurement and Application*, which determines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurement.

Fair value is defined in GASB Statement No. 72 as the price that would be received to see an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Fair value is a market-based measurement for a particular asset or liability based on assumptions that market participants would use in pricing the asset or liability. Such assumptions include observable and unobservable inputs of market data, as well as assumptions about risk and the risk inherent in the inputs to the valuation technique. Adjustments necessary to record the City's investments at fair value are recorded in the Statement of Revenues, Expenses, and Changes in Net Position as increases or decreases in the fair value of investments. Market values may have changed significantly after year end.

As a basis for considering market participant assumptions in fair value measurements, GASB Statement No. 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1: Quoted prices for identical investments in active markets. Equity securities and U.S. Government Treasury securities are examples of Level 1 inputs.

Level 2: Observable inputs other than quoted market prices. Government agency and mortgage-backed securities are examples of Level 2 inputs.

Level 3: Unobservable inputs that reflect assumptions about factors that market participants would use in pricing the asset or liability (including assumptions about risk).

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observables and minimize the use of unobservable inputs. The City's assessment of the significance of a particular input to the fair value measurement requires judgement and may affect the valuation of fair value assets and liabilities and their place within the fair value hierarchy levels.

The valuation method used by the City for recurring fair value measurements as of September 30, 2016 is the matrix pricing technique, which uses interest rate curves and credit spreads applied to the terms of the debt instrument (maturity and coupon interest rate) and also considers the counterparty credit rating. There have been no changes in the methodologies used at September 30, 2016.

The City's and NBU's TexPool investments are reported at amortized cost.

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 3: CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

At September 30, 2016, the City had the following fair value measurements:

	Fair Value Measurements at September 30, 2016			
	Level 1	Level 2	Level 3	Total
Primary Government and Industrial Development Corporation Component Unit				
Investments:				
Debt Securities:				
U.S. Treasury	\$ -	\$ 4,996,370	\$ -	\$ 4,996,370
U.S. Agency	- -	14,993,155	- -	14,993,155
Total Investments Measured at Fair Value	<u>\$ -</u>	<u>\$ 19,989,525</u>	<u>\$ -</u>	<u>\$ 19,989,525</u>
Component Unit - NBU				
Investments:				
Debt Securities:				
U.S. Agency	\$ -	\$ 29,300,394	\$ -	\$ 29,300,394
Total Investments Measured at Fair Value	<u>\$ -</u>	<u>\$ 29,300,394</u>	<u>\$ -</u>	<u>\$ 29,300,394</u>

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 4: CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
<i>Governmental Activities</i>				
Capital Assets Not Being Depreciated				
Land	\$ 25,821,847	\$ 3,921,388	\$ -	\$ 29,743,235
Construction in Progress	- 873,590		- 873,590	
Total - Capital Assets Not Being Depreciated	<u>25,821,847</u>	<u>4,794,978</u>	<u>-</u>	<u>30,616,825</u>
Capital Assets Being Depreciated				
Road Network	97,465,062	2,202,534	-	99,667,596
Buildings	48,527,616	14,088,975	-	62,616,591
Improvements Other than Buildings	41,875,137	192,274	-	42,067,411
Machinery and Equipment	8,584,185	1,715,024	-	10,299,209
Fleet	16,401,429	1,837,608	(255,416)	17,983,621
Total - Capital Assets Being Depreciated	<u>212,853,429</u>	<u>20,036,415</u>	<u>(255,416)</u>	<u>232,634,428</u>
Less Accumulated Depreciation for:				
Road Network	(54,888,862)	(4,887,711)	-	(59,776,573)
Buildings	(32,226,649)	(988,863)	-	(33,215,512)
Improvements Other than Buildings	(12,602,807)	(2,797,839)	-	(15,400,646)
Machinery and Equipment	(7,374,319)	(954,236)	-	(8,328,555)
Fleet	(12,963,549)	(1,316,052)	255,416	(14,024,185)
Total - Accumulated Depreciation	<u>(120,056,186)</u>	<u>(10,944,701)</u>	<u>255,416</u>	<u>(130,745,471)</u>
Capital Assets Being Depreciated, net	<u>92,797,243</u>	<u>9,091,714</u>	<u>-</u>	<u>101,888,957</u>
Governmental Activities Capital Assets, Net	<u>\$ 118,619,090</u>	<u>\$ 13,886,692</u>	<u>\$ -</u>	<u>\$ 132,505,782</u>

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 4: CAPITAL ASSETS (Continued)

Capital asset activity in business-type activities for the year ended September 30, 2016, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<i>Business-type Activities</i>				
Capital Assets Not Being Depreciated				
Land	\$ 2,298,941	\$ 242,020	\$ -	\$ 2,540,961
Construction in Progress	-	1,060,737	-	1,060,737
Total - Capital Assets Not Being Depreciated	<u>2,298,941</u>	<u>1,302,757</u>	<u>-</u>	<u>3,601,698</u>
Capital Assets Being Depreciated				
Buildings	19,805,215	-	-	19,805,215
Improvements Other than Buildings	19,448,946	342,890	-	19,791,836
Furniture and Fixtures	20,190	-	-	20,190
Machinery and Equipment	635,012	164,911	-	799,923
Fleet	10,710,982	276,856	(1,012,542)	9,975,296
Airspace Easement	37,515	-	-	37,515
Total - Capital Assets Being Depreciated	<u>50,657,860</u>	<u>784,657</u>	<u>(1,012,542)</u>	<u>50,429,975</u>
Less Accumulated Depreciation for:				
Buildings	(7,958,064)	(603,477)	-	(8,561,541)
Improvements Other than Buildings	(4,727,069)	(1,296,917)	-	(6,023,986)
Furniture and Fixtures	(2,543)	(2,884)	-	(5,427)
Machinery and Equipment	(522,588)	(29,635)	-	(552,223)
Fleet	(4,358,925)	(1,664,769)	1,012,542	(5,011,152)
Airspace Easement	(20,121)	(938)	-	(21,059)
Total Accumulated Depreciation	<u>(17,589,310)</u>	<u>(3,598,620)</u>	<u>1,012,542</u>	<u>(20,175,388)</u>
Capital Assets Being Depreciated, Net	<u>33,068,550</u>	<u>(2,813,963)</u>	<u>-</u>	<u>30,254,587</u>
Business-Type Activities Capital Assets, Net	<u>\$ 35,367,491</u>	<u>\$ (1,511,206)</u>	<u>\$ -</u>	<u>\$ 33,856,285</u>

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 4: CAPITAL ASSETS (Continued)

Component Unit - NBU

	Beginning Balance	Additions	Reclasses and Retirements	Ending Balance
Capital Assets Not Being Depreciated				
Land and Improvements	\$ 26,341,588	\$ -	\$ -	\$ 26,341,588
Construction in Progress	72,778,967	56,947,478	(35,085,167)	94,641,278
Total Capital Assets, Not Being Depreciated	<u>99,120,555</u>	<u>56,947,478</u>	<u>(35,085,167)</u>	<u>120,982,866</u>
Capital Assets Being Depreciated				
Buildings	49,906,824	257,000	-	50,163,824
Infrastructure	338,228,018	30,062,002	(481,843)	367,808,177
Equipment	43,309,748	4,766,168	-	48,075,916
Wells and Springs	540,047	-	-	540,047
Total Capital Assets Being Depreciated	<u>431,984,637</u>	<u>35,085,170</u>	<u>(481,843)</u>	<u>466,587,964</u>
Less Accumulated Depreciation for:				
Buildings	(27,209,410)	(1,139,644)	-	(28,349,054)
Infrastructure	(134,354,544)	(11,223,193)	426,490	(145,151,247)
Equipment	(28,805,713)	(1,862,719)	-	(30,668,432)
Wells and Springs	(448,859)	(7,838)	-	(456,697)
Total Accumulated Depreciation	<u>(190,818,526)</u>	<u>(14,233,394)</u>	<u>426,490</u>	<u>(204,625,430)</u>
Capital Assets Being Depreciated, Net	<u>241,166,111</u>	<u>20,851,776</u>	<u>(55,353)</u>	<u>261,962,534</u>
Total Component Unit-NBU	<u>\$ 340,286,666</u>	<u>\$ 77,799,254</u>	<u>\$ (35,140,520)</u>	<u>\$ 382,945,400</u>

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities

General Government	\$ 1,266,610
Finance and Tax	191,498
Planning and Environmental Development	573,014
Public Safety	6,314,803
Public Works	1,239,438
Parks and Recreation	930,990
Library	428,348
Total Governmental Activities	<u>\$ 10,944,701</u>

Business-type Activities

Airport	\$ 1,177,327
Solid Waste	1,382,834
Golf Course	700,026
Civic Center	338,433
Total Business-type Activities	<u>\$ 3,598,620</u>

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 5: INTERFUND BALANCES AND TRANSFERS

Interfund balances result from time lags between the dates of payment for goods and service and collection of revenues. Interfund balances at September 30, 2016 consisted of the following:

Due from Fund	Due to Fund				
	General Fund	Nonmajor Governmental Funds	Internal Service Fund	Proprietary fund - Golf Course	Total
General Obligations Fund	\$ -	\$ 3,003,706	\$ -	\$ -	\$ 3,003,706
Nonmajor Governmental Funds	13,783	5,450,812	412,443	35,203	5,912,241
Agency Fund	-	2,141,097	-	-	2,141,097
	\$ 13,783	\$ 10,595,615	\$ 412,443	\$ 35,203	\$ 11,057,044

Transfers between funds occur primarily to finance programs accounted for in one fund with resources collected in other funds in accordance with budgetary authorizations. Interfund transfers among governmental and enterprise funds at September 30, 2016 consisted of the following:

Transfers In Reported in:	Transfers Out Reported in:							
	Governmental Funds		Enterprise Funds					
	General Fund	Hotel/Motel Tax Fund	Airport	Solid Waste	Golf Course	Civic Center	Total Transfers In	
Governmental Funds								
General Fund	\$ -	\$ -	\$ 60,594	\$ 672,505	\$ -	\$ 31,160	\$ 764,259	
Debt Service Fund	-	660,862	319,532	75,790	485,625	-		1,541,809
Nonmajor Governmental Funds	401,027	100,000	76,447	1,842,759	1,943	28,408		2,450,585
Total Transfers In - Governmental Funds	401,027	760,862	456,573	2,591,054	487,568	59,568		4,756,653
Enterprise Funds								
Airport	150,529	-	-	-	-	-		150,529
Solid Waste	-	-	-	-	-	-		-
Golf Course	-	-	-	-	-	-		-
Civic Center	-	67,190	-	-	-	-		67,190
Total Transfers In - Enterprise Funds	150,529	67,190	-	-	-	-		217,719
Internal Service Fund	1,467,620	-	5,565	39,393	9,066	4,940		1,526,584
Total Transfers Out	\$ 2,019,176	\$ 828,052	\$ 462,138	\$ 2,630,447	\$ 496,634	\$ 64,508	\$	6,500,955
Net Transfers - Governmental Funds							\$ 3,436,008	
Net Transfers - Enterprise Funds							(3,436,008)	
Total							\$ -	

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 6: LONG-TERM OBLIGATIONS

Long-term obligations include debt and other long-term liabilities. Compensated absences, net pension obligation, and net other postemployment benefit obligation (OPEB) are normally liquidated in the General Fund. See Notes 8 and 9 for more information on the net pension and OPEB obligations. Changes in long-term obligations for the year ended September 30, 2016, are as follows:

	Beginning		Retirements	Ending Balance	Due Within One Year
	Balance	Additions			
Governmental Activities					
General Obligation Debt	\$ 148,315,000	\$ 37,360,000	\$ (22,575,000)	\$ 163,100,000	\$ 9,065,000
Bond Premium	6,814,780	5,953,295	(446,671)	12,321,404	-
Subtotal	155,129,780	43,313,295	(23,021,671)	175,421,404	9,065,000
Equipment Loan Payable	553,171	-	(18,870)	534,301	66,788
Capital Lease Payable	-	757,206	-	757,206	188,303
Net Pension Obligation	25,594,031	9,614,518	(3,534,874)	31,673,675	-
Net OPEB Obligation	7,555,621	1,540,098	(224,251)	8,871,468	-
Compensated Absences	4,666,810	3,074,054	(2,611,873)	5,128,991	2,611,873
Total Governmental Activities	<u>\$ 193,499,413</u>	<u>\$ 58,299,171</u>	<u>\$ (29,411,539)</u>	<u>\$ 222,387,045</u>	<u>\$ 11,931,964</u>
 Business-type Activities					
Equipment Loan Payable	\$ 592,684	\$ -	\$ (229,506)	\$ 363,178	\$ 181,589
Net Pension Obligation	2,671,609	964,314	(354,540)	3,281,383	-
Net OPEB Obligation	818,905	154,553	(22,503)	950,955	-
Compensated Absences	220,518	291,179	(271,819)	239,878	239,878
Total Business-Type Activities	<u>\$ 4,303,716</u>	<u>\$ 1,410,046</u>	<u>\$ (878,368)</u>	<u>\$ 4,835,394</u>	<u>\$ 421,467</u>
 Component Units					
Bonds Payable	\$ 68,723,170	\$ 62,390,849	\$ (16,320,000)	\$ 114,794,019	\$ 2,242,996
Bond Premium	1,638,208	666,685	-	2,304,893	-
Net Pension Obligation	5,876,095	6,731,075	(3,311,790)	9,295,380	
Compensated Absences	1,593,681	2,177,205	(2,033,989)	1,736,897	929,952
Total Component Units	<u>\$ 77,831,154</u>	<u>\$ 71,965,814</u>	<u>\$ (21,665,779)</u>	<u>\$ 128,131,189</u>	<u>\$ 3,172,948</u>

On July 13, 2016, the City issued \$37.36 million in general and refunding bonds (2016 series) with interest rates ranging between 2% and 5%. The City issued the bonds to advance refund \$9.07 million of the outstanding series 2006 general obligation bonds with interest rates ranging from 4% to 4.125%, \$2.25 million of the outstanding series 2007 tax and limited pledge revenue certificates of obligation with interest rates ranging from 4.4% to 4.625%, and \$2.96 million of the outstanding series 2008 tax and limited pledge revenue certificates of obligation with interest rates ranging from 4.25% to 5%. The proceeds for the advance refunding were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the 2006, 2007 and 2008 series bonds. As a result, that portion of the 2006, 2007 and 2008 series bonds is considered defeased, and the City has removed the liability from its accounts. The outstanding principal of the defeased bonds is \$14,275,000 at September 30, 2016. The remaining proceeds from the 2016 series bond issuance was for the purpose of providing street improvements, to construct drainage improvements, and construct and equip parks and a recreation center.

The advance refunding reduced total debt service payments over the next 20 years by \$3.06 million. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$2.8 million.

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 6: LONG-TERM OBLIGATIONS (Continued)

Details of each outstanding obligation as of September 30, 2016 are as follows:

	Date of Issue	Final Maturity	Amount of Issue	Interest Rates	Balance 9/30/16
Governmental activities					
G.O. Refunding Bonds	2006	2025	10,600,000	4.00 - 4.125%	\$ 310,000
Certificates of Obligation	2006A	2021	1,600,000	3.60 - 4.50%	700,000
Certificates of Obligation	2006B	2026	8,000,000	4.00 - 5.125%	405,000
Certificates of Obligation	2007	2027	17,500,000	4.00 - 5.25%	1,055,000
Certificates of Obligation	2008	2028	14,300,000	3.50 - 5.25%	1,300,000
Certificates of Obligation	2009	2029	9,500,000	2.00 - 4.50%	6,375,000
G.O. Refunding Bonds	2010	2018	730,000	1.00 - 2.95%	245,000
Certificates of Obligation	2011	2031	18,200,000	4.05%	15,055,000
Certificates of Obligation	2012	2032	19,470,000	2.00 - 5.00%	16,535,000
Certificate of Obligation	2013	2033	19,490,000	3.00 - 5.00%	17,445,000
Certificates of Obligation	2013	2023	3,820,000	2.00 - 3.00%	2,855,000
Certificates of Obligation	2013A	2020	7,020,000	2.00 - 4.00%	5,660,000
General Obligation	2014	2034	13,970,000	2.00 - 5.00%	13,025,000
Certificates of Obligation	2014A	2034	6,845,000	2.00 - 5.00%	6,370,000
Certificates of Obligation	2014B	2034	3,280,000	2.00 - 5.00%	3,130,000
General Obligation	2015	2035	29,260,000	2.00 - 5.00%	28,930,000
Certificates of Obligation	2015	2035	5,395,000	2.00 - 5.00%	5,245,000
Tax Notes	2015	2022	1,285,000	1.63%	1,100,000
G.O. Refunding Bonds	2016	2036	37,360,000	2.00 - 5.00%	<u>37,360,000</u>
					\$ 163,100,000

Debt service requirements on long-term debt at September 30, 2016 are as follows:

Year Ended September 30,	Governmental Activities		
	Principal	Interest	Total
2017	\$ 9,065,000	\$ 6,821,123	\$ 15,886,123
2018	8,800,000	6,130,891	14,930,891
2019	9,415,000	5,791,173	15,206,173
2020	9,640,000	5,433,805	15,073,805
2021	9,965,000	5,112,314	15,077,314
2022-2026	51,020,000	19,181,003	70,201,003
2027-2031	42,110,000	9,067,026	51,177,026
2032-2036	23,085,000	1,847,894	24,932,894
Totals	\$ 163,100,000	\$ 59,385,229	\$ 222,485,229

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 6: LONG-TERM OBLIGATIONS (Continued)

The City entered into a ten year loan payable of \$1,394,231 with an interest rate of 2.09% with a national bank on May 30, 2014. The proceeds of the loan were to acquire capital assets in which the loan is secured by. Debt service requirements on loan payable are shown below.

Year Ended September 30,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 66,788	\$ 11,167	\$ 77,955	\$ 181,589	\$ 7,590	\$ 189,179
2018	66,788	9,771	76,559	181,589	3,795	185,384
2019	63,382	8,375	71,757	-	-	-
2020	64,707	7,050	71,757	-	-	-
2021	66,059	5,698	71,757	-	-	-
2022-2024	206,577	8,694	215,271	-	-	-
Totals	\$ 534,301	\$ 50,755	\$ 585,056	\$ 363,178	\$ 11,385	\$ 374,563

The City has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the City.

New Braunfels Utilities future maturity requirements on long-term debt at September 30, 2016 are as follows:

Year Ended September 30,	Bonds Payable		
	Principal	Interest	Total
2017	\$ 2,242,996	\$ 4,127,469	\$ 6,370,465
2018	2,305,308	4,062,694	6,368,002
2019	2,087,700	3,983,044	6,070,744
2020	2,017,046	3,904,794	5,921,840
2021	2,067,564	3,838,294	5,905,858
2022-2026	12,723,018	17,942,169	30,665,187
2027-2031	17,680,387	15,233,719	32,914,106
2032-2036	20,965,000	11,806,606	32,771,606
2037-2041	23,905,000	7,848,956	31,753,956
2042-2046	28,800,000	3,071,294	31,871,294
	\$ 114,794,019	\$ 75,819,039	\$ 190,613,058

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 7: NET POSITION/FUND BALANCE

Net Position reported on the government-wide statement of net position at September 30, 2016 includes the following:

Governmental Activities

Net Investment in Capital Assets	
Nondepreciated	\$ 30,616,825
Depreciated	101,888,957
Less: Related Debt Excluding Unspent Bond Proceeds	<u>(125,415,633)</u>
Total Net Investment in Capital Assets	7,090,149
Restricted for:	
Debt Service	901,663
Capital Projects	9,261,278
Cemetery Perpetual Fund (Nonexpendable)	19,641
Grants	380,990
Municipal Court	208,409
Library	683
Public Safety	327,555
Tourism	<u>1,958,667</u>
Total Restricted Net Position	<u>13,058,886</u>
Unrestricted	<u>(16,030,354)</u>
Total Governmental Activities Net Position	<u><u>\$ 4,118,681</u></u>

Business-type Activities

Net Investment in Capital Assets	
Nondepreciated	\$ 3,601,698
Depreciated	30,254,587
Less: Related Debt Excluding Unspent Bond Proceeds	<u>(363,177)</u>
Total Net Investment in Capital Assets	<u>33,493,108</u>
Unrestricted	<u>(235,647)</u>
Total Business-type Activities Net Position	<u><u>\$ 33,257,461</u></u>

Fund deficit

The Community Development Block Grant Fund, Court Security Fund, and Edwards Aquifer HCP Fund had deficit balances of \$9,610, \$7,217, and \$574,367, respectively, as of September 30, 2016. The City plans to eliminate the deficits in coming years through positive changes in fund balances.

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 8: RETIREMENT PLANS

Plan description

The City participates as one of 860 plans in the nontraditional, join 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's defined benefit pension plan is a tax-qualified plan under Section 401(1) 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 TMRS.

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.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	<u>Plan Year 2015</u>	<u>Plan Year 2016</u>
Employee Deposit Rate	7%	7%
Matching Ratio (City to Employee):	2 to 1	2 to 1
Member is invested after:	5 years	5 years
Members can retire at certain ages, based on the years		
of service with the City	5 years/age 60	5 years/age 60
Service Retirement Eligibility for the City is:	20 years/any age	20 years/any age
Updated service credit	100% repeating, transfers	100% repeating, transfers
Annuity increase (to retirees)	70% of CPI repeating	70% of CPI repeating

Employees covered by benefit terms

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	225
Inactive Employees Entitled to But Not Yet Receiving Benefits	230
Active Employees	<hr/> 560
	1,015

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 8: RETIREMENT PLANS (Continued)

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% of the employee rate, 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.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 17.08% and 17.36% in calendar years 2015 and 2016, respectively. The City's contributions to TMRS for the year ended September 30, 2016, were \$5,966,057, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2015, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall Payroll Growth	3.5% per year
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2015 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. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the TMRS Board of Trustees amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term 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 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 real rates of return by the target asset allocation percentage and by adding 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). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 8: RETIREMENT PLANS (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.65%
Real Return	10.0%	4.03%
Real Estate	10.0%	5.00%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	8.00%
Total	100.0%	

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.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2014	\$ 122,184,913	\$ 93,919,273	\$ 28,265,640
Changes for the Year:			
Service Cost	5,732,589	-	5,732,589
Interest	8,602,512	-	8,602,512
Change on Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	420,652	-	420,652
Changes of Assumptions	(437,911)	-	(437,911)
Contributions - Employer	-	5,365,044	(5,365,044)
Contributions - Employee	-	2,213,355	(2,213,355)
Net Investment Income	-	138,605	(138,605)
Benefit Payments, Including Refunds of Employee Contributions	(4,316,359)	(4,316,359)	-
Administrative Expense	-	(84,411)	84,411
Other Changes	-	(4,169)	4,169
Net Changes	<u>10,001,483</u>	<u>3,312,065</u>	<u>6,689,418</u>
Balance at 12/31/2015	<u>\$ 132,186,396</u>	<u>\$ 97,231,338</u>	<u>\$ 34,955,058</u>

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 8: RETIREMENT PLANS (Continued)

Sensitivity of the net pension liability to changes in the discount rate

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:

	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
City's net pension liability	\$ 56,262,113	\$ 34,955,058	\$ 17,717,162

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 on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2016, the City recognized pension expense of \$10,770,263.

At September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ -	\$ 345,539
Changes in Actuarial Assumptions	- -	363,054
Difference Between Projected and Actual Investment Earnings	5,811,468	-
Contributions Subsequent to the Measurement Date	4,601,530	-
Total	\$ 10,412,998	\$ 708,593

\$4,601,530 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows)
2016	\$ 1,338,172
2017	1,338,172
2018	1,338,171
2019	1,117,213
2020	(28,853)
Thereafter	-
Total	<u><u>\$ 5,102,875</u></u>

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 8: RETIREMENT PLANS (Continued)

Supplemental death benefits fund

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

The death benefit for active employees provides a lump sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual 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.

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

The City's contributions to the TMRS SDBF for the years ended 2016, 2015, and 2014 were \$45,963; \$39,893; and \$37,082; respectively, which equaled the required contribution each year.

NOTE 9: POST-RETIREMENT HEALTH CARE BENEFITS

Plan description

In addition to providing pension benefits, the City provides certain health care benefits to retired employees under a single-employer defined benefit healthcare plan. The plan does not issue separate financial statements.

The City maintains self-funded medical, prescription drug, dental, and vision coverage for eligible employees and retired employees and their dependents. All retirees are eligible to continue their health insurance coverage at the same cost that the City pays for its employees. Thus, in effect, the City is subsidizing the cost of the higher premiums for its retirees. The City also provides \$7,500 in life insurance coverage for its retirees through TMRS. To be eligible for coverage after retirement, employees must be covered as an active employee in the City health program at the time of retirement, reach their 60th birthday and have 5 years of service with the City, or have earned 20 years of TMRS service, and pay a plan premium as set by the City for themselves and their dependents.

Funding policy

Plan members are required to pay a premium for themselves and their dependents. Currently, the premium is set at \$525 per retiree and an additional premium of \$485 for spouses, \$450 for children, and \$593 for spouse and children.

The plan is financed on a pay-as-you-go basis.

The City's annual other post-employment benefits (OPEB) cost is based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents an expense recognition that includes normal cost and the amortization of any unfunded actuarial liabilities over a period not to exceed thirty years.

The City's OPEB cost for the fiscal year ending September 30, 2016 is as follows:

Annual Required Contribution	\$ 1,692,481
Interest on OPEB Obligation	334,981
Adjustment to ARC	(332,812)
Annual OPEB Cost (Expense)	<u>1,694,650</u>
Net Employer Contributions	(246,753)
Increase (Decrease) in Net OPEB Obligation	1,447,897
Net OPEB Obligation - as of Beginning of Year	<u>8,374,526</u>
Net OPEB Obligation - as of End of Year	<u><u>\$ 9,822,423</u></u>

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 9: POST-RETIREMENT HEALTH CARE BENEFITS (Continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current year (4.0% discount rate, and level percent of pay amortization) are as follows:

Fiscal Year Ending	Net Employer Contributions	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation	Annual Required Contribution	Percentage of ARC Contributed
9/30/2013	\$ 295,210	\$ 1,451,673	20.34%	\$ 5,267,646	\$ 1,451,673	20.34%
9/30/2014	87,824	1,724,343	5.09%	6,904,165	1,722,978	5.10%
9/30/2015	254,407	1,724,767	14.75%	8,374,525	1,722,978	14.77%
9/30/2016	246,753	1,694,650	14.56%	9,822,422	1,692,481	14.58%

The funded status of the City's retiree health care plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)		Actuarial Accrued Liability (AAL) (b)		Funded Ratio (a/b)	Annual Covered Payroll	UAAL as Percentage of Covered Payroll
			Unfunded AAL (UAAL) (b-a)				
10/1/2009	\$	-	\$ 14,016,512	\$ 14,016,512	0.00%	\$ 19,693,129	71.2%
9/30/2012		-	10,473,000	10,473,000	0.00%	22,675,522	46.2%
9/30/2014		-	12,861,627	12,861,627	0.00%	23,741,806	54.2%
9/30/2016		-	11,479,532	11,479,532	0.00%	28,218,371	40.7%

Actuarial methods and assumptions

Projections of health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the City's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Significant methods and assumptions were as follows:

Investment Rate of Return	4.00%
Actuarial Cost Method	Unit Credit method
Amortization Method	level percent of payroll, 30 years- open period
Salary Growth	3.00%
Asset Valuation Method	Not applicable
Healthcare Cost Trends	For 2017 through 2020, L&E best estimate assumptions, developed by observation and extrapolation of plan experience and industry data. Thereafter, rates developed using the baseline projection of the SoA Long-Run Medical Cost Trend Model.
Inflation Rate	2.50%
Post-retirement Benefit Increases	None other than healthcare cost increases (reported above)

NOTE 10: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. There were no significant reductions in insurance coverage from the previous year, and there were no settlements which exceeded the maximum insurance coverage for any of the past three fiscal years.

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 10: RISK MANAGEMENT (Continued)

The City's health insurance program is a "self-insured" minimum premium cash flow plan. The City makes a pre-determined monthly contribution to the plan to fully cover the cost of employee-only coverage. The City and each covered employee make a pre-determined monthly contribution to the plan if they cover one or more dependents. All claims are reviewed and processed by an independent insurance company. The insurance company pays claims based on the health plan, and the City reimburses the insurance company for the amount of each claim paid. The insurance company charges the City a fee for each claim processed. Funding covers both the cost of claims and administrative expenses. The City paid \$6,375,247 in health claims and paid \$996,845 for administrative costs for the year ended September 30, 2016. The City contributed \$5,136,436 and City employees contributed \$683,108 to the health insurance program for the year ended September 30, 2016.

The transactions of the self-insurance plan are reported in the Insurance Internal Service Fund. The City pays a specified monthly amount for each employee and a portion of an employee's dependent coverage which averages approximately \$1,126. The largest portion of this amount is dedicated to the direct payment of claims. The remaining part of the monthly amount is dedicated to the payment of administrative fees and commercial insurance for excess claims. The commercial insurance coverage becomes effective when the claims exceed the maximum amount per employee.

Estimated health claims that have been incurred but not reported are accrued at year-end. The estimated liability for health claims is \$333,906 at September 30, 2016. The estimated liability for health claims is based upon historical claims experience. The change in the claim liability for the years ended September 30, 2016 and 2015 are as follows:

	2016	2015
Claims Payable Beginning of Year	\$ 283,618	\$ 133,192
Claims Incurred	6,444,733	6,071,914
Claims Paid (Calculated)	<u>(6,394,445)</u>	<u>(5,921,488)</u>
Claims Payable End of Year	<u><u>\$ 333,906</u></u>	<u><u>\$ 283,618</u></u>

NOTE 11: COMMITMENTS AND CONTINGENCIES

The City participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired.

At September 30, 2016, the City is involved in various lawsuits pending against the City. These lawsuits generally involve claims relating to general liability, automobile liability, civil rights actions, and various contractual matters. In the opinion of management, any liabilities resulting from such litigation except as follows would not have a material adverse effect on the City's financial statements. The city has booked a commitment of \$890,000 related to an unfavorable outcome in a legal action.

NOTE 12: OPERATING LEASE

NBU has an operating lease with LCRA to lease certain transmission assets to LCRA. Payments for the lease facilities are based on the original cost of the facilities, adjusted for depreciation, and are updated annually to reflect additions, retirements, and depreciation. The terms of the lease are perpetual, but may be terminated by either party upon five years written notice. Lease revenues were \$791,039 and \$840,692 in fiscal year 2016 and fiscal year 2015, respectively. The receipts for fiscal year 2017 are expected to be \$768,856. Due to the nature of the agreement, the amount of receipts beyond that time has not been determined. The original cost of the transmission assets was \$20,741,772 and the accumulated depreciation totals \$11,144,469.

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2016

NOTE 13: SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 31, 2017, the date that the financial statements were available to be issued.

NOTE 14: RESTATEMENT

The Creekside Town Center is a holding fund for the Tax Increment Participation Interlocal Agreement for Reinvestment Zone Number One (TIRZ). The fund is used to account for activities of the TIRZ which accumulates resources for debt service payments via a tax levy. The City had previously accounted for this fund as a special revenue fund. The City reviewed its relationship with the Creekside Town Center and it identified it as fiduciary in nature as the money is not allowed for city purposes and contains receipts from other external entities that participate in TIRZ. The fund has been reclassified from a special revenue governmental fund to a fiduciary fund that has resulted in a restatement to beginning net position for governmental activities at September 30, 2016 of \$1,147,265.

This information is an integral part of the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year Ended September 30, 2016

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes				
Ad Valorem	\$ 14,298,805	\$ 14,298,805	\$ 14,361,289	\$ 62,484
Sales	18,678,278	18,678,278	19,076,944	398,666
Beverage	482,580	482,580	471,951	(10,629)
Franchise	9,064,804	9,064,804	8,634,726	(430,078)
Licenses and Permits				
General Government	166,423	166,423	169,723	3,300
Health	296,435	296,435	305,733	9,298
Miscellaneous	131,139	131,139	146,646	15,507
Code Enforcement	161,244	161,244	161,382	138
Code Enforcement	2,180,914	2,180,914	2,816,043	635,129
Intergovernmental Revenue				
Federal Government	45,000	45,000	67,613	22,613
Contribution	237,500	237,500	160,000	(77,500)
Charges for Services				
Charges for Services	8,500	8,500	14,062	5,562
Public Safety	3,094,300	3,094,300	3,944,463	850,163
Library	112,000	112,000	100,543	(11,457)
Fines and Forfeitures				
Animal Control	16,300	16,300	12,889	(3,411)
Law Enforcement	1,193,000	1,193,000	1,230,097	37,097
Municipal Court	87,000	87,000	55,396	(31,604)
Bailiff	115,500	115,500	105,172	(10,328)
Parks and Recreation				
Aquatics	570,000	570,000	595,420	25,420
Recreation	388,007	388,007	390,126	2,119
Picnic	238,200	238,200	263,051	24,851
Miscellaneous	46,035	46,035	53,084	7,049
Interest	70,000	70,000	117,595	47,595
Other Contributions	42,500	42,500	54,676	12,176
Miscellaneous	1,712,600	1,712,600	1,938,369	225,769
Total Revenues	<u>53,437,064</u>	<u>53,437,064</u>	<u>55,246,993</u>	<u>1,809,929</u>
EXPENDITURES				
City Council				
Employee Expenses	14,000	14,000	13,782	218
Operations Expenses	33,350	33,350	29,696	3,654
Total City Council	<u>47,350</u>	<u>47,350</u>	<u>43,478</u>	<u>3,872</u>
City Attorney				
Employee Expenses	474,805	474,805	474,769	36
Operations Expenses	554,850	554,850	531,848	23,002
Total City Attorney	<u>1,029,655</u>	<u>1,029,655</u>	<u>1,006,617</u>	<u>23,038</u>
City Administration				
Employee Expenses	2,371,797	2,371,797	2,207,854	163,943
Operations Expenses	564,366	565,366	524,821	40,545
Total City Administration	<u>2,936,163</u>	<u>2,937,163</u>	<u>2,732,675</u>	<u>204,488</u>
Human Resources				
Employee Expenses	563,507	563,507	563,424	83
Operations Expenses	125,434	125,434	115,094	10,340
Total Human Resources	<u>688,941</u>	<u>688,941</u>	<u>678,518</u>	<u>10,423</u>
Support Services				
Employee Expenses	837,081	837,081	837,078	3
Operations Expenses	66,975	66,975	63,041	3,934
Total Support Services	<u>904,056</u>	<u>904,056</u>	<u>900,119</u>	<u>3,937</u>

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - continued
BUDGET AND ACTUAL
GENERAL FUND
Year Ended September 30, 2016

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
	Original	Final	Original	Final
Planning				
Employee Expenses	\$ 2,373,264	\$ 2,373,264	\$ 2,373,264	\$ -
Operations Expenses	505,068	505,068	499,767	5,301
Total Planning	<u>2,878,332</u>	<u>2,878,332</u>	<u>2,873,031</u>	<u>5,301</u>
Police				
Employee Expenses	13,102,171	13,102,171	13,102,297	(126)
Operations Expenses	1,733,848	1,733,848	1,706,701	27,147
Capital Expenses	51,650	51,650	57,644	(5,994)
Total Police	<u>14,887,669</u>	<u>14,887,669</u>	<u>14,866,642</u>	<u>21,027</u>
Fire				
Employee Expenses	14,347,118	14,347,118	14,346,318	800
Operations Expenses	1,768,572	1,768,572	1,656,781	111,791
Capital Expenses	-	-	4,688	(4,688)
Total Fire	<u>16,115,690</u>	<u>16,115,690</u>	<u>16,007,787</u>	<u>107,903</u>
Public Works				
Employee Expenses	3,132,081	3,132,081	3,287,629	(155,548)
Operations Expenses	2,913,355	2,913,355	2,920,315	(6,960)
Capital Expenses	21,500	21,500	21,500	-
Total Public Works	<u>6,066,936</u>	<u>6,066,936</u>	<u>6,229,444</u>	<u>(162,508)</u>
Parks and Recreation				
Employee Expenses	3,292,376	3,292,376	3,289,610	2,766
Operations Expenses	1,599,565	1,599,565	1,586,450	13,115
Capital Expenses	10,500	10,500	10,500	-
Total Parks and Recreation	<u>4,902,441</u>	<u>4,902,441</u>	<u>4,886,560</u>	<u>15,881</u>
Library				
Employee Expenses	1,421,739	1,421,739	1,440,927	(19,188)
Operations Expenses	522,070	522,070	482,946	39,124
Total Library	<u>1,943,809</u>	<u>1,943,809</u>	<u>1,923,873</u>	<u>19,936</u>
Nondepartmental				
Employee Expenses	-	-	295,919	(295,919)
Operations Expenses	1,406,134	1,406,134	3,312,686	(1,906,552)
Capital Expenses	565,000	565,000	550,199	14,801
Total Nondepartmental	<u>1,971,134</u>	<u>1,971,134</u>	<u>4,158,804</u>	<u>(2,187,670)</u>
Total Expenditures	<u>54,372,176</u>	<u>54,373,176</u>	<u>56,307,548</u>	<u>(1,934,372)</u>
Excess of Revenues Over (Under) Expenditures	(935,112)	(936,112)	(1,060,555)	(124,443)
Other Financing Sources (Uses)				
Transfers In	764,259	764,259	764,259	-
Transfers Out	(2,212,525)	(2,212,525)	(2,019,176)	193,349
Payments to Bond Escrow Agent	-	-	(92,486)	(92,486)
Proceeds from Sale of Capital Assets	-	-	23,209	23,209
Total Other Financing Sources (Uses)	<u>(1,448,266)</u>	<u>(1,448,266)</u>	<u>(1,324,194)</u>	<u>124,072</u>
Change in Fund Balance	(2,383,378)	(2,384,378)	(2,384,749)	(371)
Fund Balance - October 1	<u>13,487,779</u>	<u>13,487,779</u>	<u>20,996,451</u>	<u>3,348,605</u>
Fund Balance - September 30	<u>\$ 11,104,401</u>	<u>\$ 11,103,401</u>	<u>\$ 18,611,702</u>	<u>\$ 3,348,234</u>

Note: Certain transfers out are budgeted within departmental budgets. Thus, to more accurately reflect the departmental budgets, these transfers out are reported within the departments rather than as other financing uses.

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOTEL-MOTEL FUND
Year Ended September 30, 2016

	<u>Budgeted Amounts</u>		Actual	Variance
	Original	Final	GAAP	with Final
			Basis	Budget
REVENUE				
Taxes	\$ 4,089,729	\$ 4,089,729	\$ 3,766,653	\$ (323,076)
Interest	-	-	3,752	3,752
Miscellaneous	-	-	75	75
Total Revenues	4,089,729	4,089,729	3,770,480	(319,249)
EXPENDITURES				
Current				
General Government - Operations	2,867,029	2,867,029	2,671,698	195,331
Civic Center				
Operations	-	-	5,901	(5,901)
Capital	660,000	660,000	82,842	577,158
	660,000	660,000	88,743	571,257
Total Expenditures	3,527,029	3,527,029	2,760,441	766,588
Excess (Deficiency) of Revenue over Expenditures				
	562,700	562,700	1,010,039	(1,085,837)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,040,570)	(1,040,570)	(828,052)	212,518
Total Other Financing Sources (Uses)	(1,040,570)	(1,040,570)	(828,052)	212,518
Net Change in Fund Balance	(477,870)	(477,870)	181,987	(873,319)
Fund Balance - October 1	1,039,060	1,003,060	1,776,680	(27,128)
Fund Balance - September 30	\$ 561,190	\$ 525,190	\$ 1,958,667	\$ (900,447)

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
Last 10 Years
For the Year Ended December 31,

	2015	2014
Total Pension Liability		
Service Cost	\$ 5,732,589	\$ 5,143,064
Interest (on the Total Pension Liability)	8,602,512	8,027,752
Difference Between Expected and Actual Experience	420,652	(1,028,253)
Change of Assumptions	(437,911)	-
Benefit Payments, Including Refunds of Employee Contributions	(4,316,359)	(4,136,590)
Net Change in Total Pension Liability	10,001,483	8,005,973
Total Pension Liability - Beginning	122,184,913	114,178,940
Total Pension Liability - Ending (a)	\$ 132,186,396	\$ 122,184,913
Plan Fiduciary Net Position		
Contributions - Employer	\$ 5,365,044	\$ 4,725,941
Contributions - Employee	2,213,355	2,011,041
Net Investment Income	138,605	4,945,274
Benefit Payments, Including Refunds of Employee Contributions	(4,316,359)	(4,136,590)
Administrative Expense	(84,411)	(51,621)
Other	(4,169)	(4,244)
Net Change in Plan Fiduciary Net Position	3,312,065	7,489,801
Plan Fiduciary Net Position - Beginning	93,919,273	86,429,472
Plan Fiduciary Net Position - Ending (b)	\$ 97,231,338	\$ 93,919,273
Net Pension Liability - Ending (a) - (b)	\$ 34,955,058	\$ 28,265,640
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	73.56%	76.87%
Covered Employee Payroll	\$ 31,619,357	\$ 28,695,633
Net Pension Liability as a Percentage of Covered Employee Payroll	110.55%	98.50%

Notes to Schedule:

N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is completed, the City will present information for those years for which information is available.

CITY OF NEW BRAUNFELS, TEXAS

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

Year Ended December 31,

	2015	2014
Actuarially Determined Contribution	\$ 5,365,044	\$ 4,725,941
Contributions in Relation to the Actuarially Determined Contribution	<u>5,400,580</u>	<u>4,705,262</u>
Contribution Deficiency (Excess)	\$ (35,536)	\$ 20,679
Covered Employee Payroll	\$ 31,619,357	\$ 28,695,633
Contributions as a Percentage of Covered Employee Payroll	17.08%	16.40%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is completed, the City will present information for those years for which information is available.

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	30 Years
Asset Valuation Method	10 Year Smoothed Market; 15% Soft Corridor
Inflation	2.5%
Salary Increases	3.50% to 10.5% Including Inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information:

Notes There were no benefit changes during the year.

SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS
Year Ended September 30, 2016

Year <u>Ending</u>	Actuarial <u>Valuation</u>	Actuarial <u>Date</u>	Value of <u>Assets</u>	Actuarial				Covered <u>Covered</u>	UAAL as a Percentage of <u>Payroll</u>
				Liability (AAL)	Unit Credit	Unfunded AAL	Funded		
9/30/2011	10/1/2009	\$ -	\$ 14,016,512	\$ 14,016,512	0.00%	\$ 19,693,129		71.2%	
9/30/2012	9/30/2011	-	10,473,000	10,473,000	0.00%	22,675,522		46.2%	
9/30/2013	9/30/2011	-	10,473,000	10,473,000	0.00%	22,675,522		46.2%	
9/30/2014	9/30/2014	-	12,861,627	12,861,627	0.00%	23,741,806		54.2%	
9/30/2015	9/30/2014	-	12,861,627	12,861,627	0.00%	23,741,806		54.2%	
9/30/2016	9/30/2016	-	11,479,532	11,479,532	0.00%	28,218,371		40.7%	

OTHER SUPPLEMENTARY INFORMATION

CITY OF NEW BRAUNFELS, TEXAS
COMBINING BALANCE SHEET
General Fund - Subfunds
September 30, 2016

	General Fund	Equipment Replacement Fund	Facilities Maintenance Fund	Totals
ASSETS				
Cash and Cash Equivalents	\$ 10,546,946	\$ 262,205	\$ -	\$ 10,809,151
Pooled and Temporary Investments	3,380,177	2,292,122	12,560	5,684,859
Receivables, Net				
Taxes	363,638	-	-	363,638
Accounts	6,424,916	-	-	6,424,916
Interest	2,859	-	-	2,859
Due from Other Governments	17,474	-	-	17,474
Due from Other Funds	-	-	-	-
Total Assets	<u><u>\$ 20,736,010</u></u>	<u><u>\$ 2,554,327</u></u>	<u><u>\$ 12,560</u></u>	<u><u>\$ 23,302,897</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 2,774,851	\$ 38,497	\$ -	\$ 2,813,348
Due to Other Governments	6,516	-	-	6,516
Due to Other Funds	-	-	13,783	13,783
Deposits Payable	393,135	-	-	393,135
Accrued Expenditures	1,100,775	-	-	1,100,775
Total Liabilities	<u><u>4,275,277</u></u>	<u><u>38,497</u></u>	<u><u>13,783</u></u>	<u><u>4,327,557</u></u>
Deferred inflows of resources				
Unavailable Revenue	<u><u>363,638</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>363,638</u></u>
Fund Balances				
Assigned	-	2,515,830	-	2,515,830
Unassigned	<u><u>16,097,095</u></u>	<u><u>-</u></u>	<u><u>(1,223)</u></u>	<u><u>16,095,872</u></u>
Total Fund Balances	<u><u>16,097,095</u></u>	<u><u>2,515,830</u></u>	<u><u>(1,223)</u></u>	<u><u>18,611,702</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 20,736,010</u></u>	<u><u>\$ 2,554,327</u></u>	<u><u>\$ 12,560</u></u>	<u><u>\$ 23,302,897</u></u>

CITY OF NEW BRAUNFELS, TEXAS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
General Fund - Subfunds
Year Ended September 30, 2016

	General Fund	Equipment Replacement Fund	Facilities Maintenance Fund	Eliminations	Totals
REVENUE					
Taxes	\$ 42,544,910	\$ -	\$ -	\$ -	\$ 42,544,910
Licenses and Permits	3,599,527	-	-	-	3,599,527
Intergovernmental	227,613	-	-	-	227,613
Fines and Forfeitures	1,403,554	-	-	-	1,403,554
Interest	107,168	10,391	36	-	117,595
State and Local Grants	54,676	-	-	-	54,676
Parks and Recreation	1,301,681	-	-	-	1,301,681
Miscellaneous	1,927,023	11,346	-	-	1,938,369
Charges for Services	4,059,068	-	-	-	4,059,068
Total Revenues	<u>55,225,220</u>	<u>21,737</u>	<u>36</u>	<u>-</u>	<u>55,246,993</u>
EXPENDITURES					
Current					
General Government	6,682,087	139,158	-	-	6,821,245
Finance and Tax	900,119	-	-	-	900,119
Planning and Environmental	2,873,031	106,301	-	-	2,979,332
Public Safety	31,631,636	1,636,303	-	-	33,267,939
Public Works	6,229,444	-	-	-	6,229,444
Parks and Recreation	4,886,560	26,670	-	-	4,913,230
Library	1,923,873	-	-	-	1,923,873
Debt Service					
Principal	18,870	-	-	-	18,870
Interest	10,703	-	-	-	10,703
Total Expenditures	<u>55,156,323</u>	<u>1,908,432</u>	<u>-</u>	<u>-</u>	<u>57,064,755</u>
Excess (Deficiency) of Revenues over Expenditures					
	<u>68,897</u>	<u>(1,886,695)</u>	<u>36</u>	<u>-</u>	<u>(1,817,762)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	764,259	61,196	-	(61,196)	764,259
Transfers Out	(2,080,372)	-	-	61,196	(2,019,176)
Payments to Escrow Agent	(92,486)	-	-	-	(92,486)
Proceeds from Capital Lease	757,207	-	-	-	757,207
Proceeds from Sale of Capital Assets	1,026	22,183	-	-	23,209
Total Other Financing Sources (Uses)	<u>(650,366)</u>	<u>83,379</u>	<u>-</u>	<u>-</u>	<u>(566,987)</u>
Net Change in Fund Balance					
	<u>(581,469)</u>	<u>(1,803,316)</u>	<u>36</u>	<u>-</u>	<u>(2,384,749)</u>
Fund Balance - October 1					
	<u>16,678,564</u>	<u>4,319,146</u>	<u>(1,259)</u>	<u>-</u>	<u>20,996,451</u>
Fund Balance - September 30					
	<u><u>\$ 16,097,095</u></u>	<u><u>\$ 2,515,830</u></u>	<u><u>\$ (1,223)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 18,611,702</u></u>

CITY OF NEW BRAUNFELS, TEXAS
COMBINING BALANCE SHEET
Nonmajor Governmental Funds
September 30, 2016

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery Perpetual Care	Total Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 1,097,207	\$ 3,331,687	\$ 19,641	\$ 4,448,535
Pooled and Temporary Investments	1,688,387	19,803,976	0	21,492,363
Accounts Receivable	256,795	11,942	-	268,737
Due from Other Funds	2,306,634	3,605,607	-	5,912,241
Total Assets	<u>\$ 6,637,032</u>	<u>\$ 26,753,212</u>	<u>\$ 19,641</u>	<u>\$ 33,409,885</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 1,084,000	\$ 487,942	\$ -	\$ 1,571,942
Due to Other Funds	814,728	9,780,887	-	10,595,615
Total Liabilities	<u>1,898,728</u>	<u>10,268,829</u>	<u>-</u>	<u>12,167,557</u>
Deferred inflows of resources				
Unavailable Revenue	-	-	-	-
Fund Balances				
Nonspendable	-	-	19,641	19,641
Restricted	1,034,994	16,484,383	-	17,519,377
Committed	4,294,504	-	-	4,294,504
Unassigned	(591,194)	-	-	(591,194)
Total Fund Balances	<u>4,738,304</u>	<u>16,484,383</u>	<u>19,641</u>	<u>21,242,328</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,637,032</u>	<u>\$ 26,753,212</u>	<u>\$ 19,641</u>	<u>\$ 33,409,885</u>

CITY OF NEW BRAUNFELS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Nonmajor Governmental Funds
Year Ended September 30, 2016

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery Perpetual Care	Total Nonmajor Governmental Funds
REVENUE				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	6,950	-	-	6,950
Fines and Forfeitures	237,464	-	700	238,164
Parks and Recreation	746,998	604,475	3,150	1,354,623
Interest	4,795	55,612	166	60,573
Federal Grants	2,116,652	-	-	2,116,652
State and Local Grants	139,165	-	-	139,165
Miscellaneous	767,363	45,316	-	812,679
Other Contributions	106,495	2,301,732	-	2,408,227
Charges and Fees	379,934	-	-	379,934
Total Revenues	4,505,816	3,007,135	4,016	7,516,967
EXPENDITURES				
General Government	1,902,449	5,395,611	-	7,298,060
Planning and Environmental Devel.	352,146	-	-	352,146
Public Safety	1,414,842	243,434	-	1,658,276
Public Works	2,156,717	4,017,128	-	6,173,845
Parks and Recreation	62,802	376,400	78,774	517,976
Civic Center	-	-	-	-
Library	81,920	-	-	81,920
Airport	231,485	1,302,757	-	1,534,242
Debt Service				
Bond Issuance Costs and Fees	-	-	-	-
Total Expenditures	6,202,361	11,335,330	78,774	17,616,465
Excess (Deficiency) of Revenues Over Expenditures	(1,696,545)	(8,328,195)	(74,758)	(10,099,498)
OTHER FINANCING SOURCES (USES)				
Transfers In	2,450,584	-	-	2,450,584
Proceeds From Sale of Capital Assets	15,713	-	-	15,713
Proceeds From the Issuance of Debt	-	-	-	-
Premium on Issuance of Debt	-	-	-	-
Total Other Financing Sources (Uses)	2,466,297	-	-	2,466,297
Net Change in Fund Balance	769,752	(8,328,195)	(74,758)	(7,633,201)
Fund Balance - October 1	5,115,817	24,812,578	94,399	30,022,794
Restatement	(1,147,265)	-	-	(1,147,265)
Fund Balance-October 1 AS RESTATED	3,968,552	24,812,578	94,399	28,875,529
Fund Balance - September 30	\$ 4,738,304	\$ 16,484,383	\$ 19,641	\$ 21,242,328

CITY OF NEW BRAUNFELS, TEXAS
COMBINING BALANCE SHEET
Nonmajor Special Revenue Funds
September 30, 2016

	Community Development Block Grant	Grants Fund	Special Revenue Donations	River
ASSETS				
Cash	\$ -	\$ -	\$ 220,416	\$ 25,006
Pooled and Temporary Investments	- -	- -	- -	- -
Accounts Receivable	193,015 -	- -	- -	- -
Due from Other Governments	- -	1,288,009 -	- -	- -
Due from Other Funds	- -	- -	- -	- -
Total Assets	<u>\$ 193,015</u>	<u>\$ 1,288,009</u>	<u>\$ 220,416</u>	<u>\$ 25,006</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 171,000	\$ 308,714	\$ 10,457	\$ 25,006
Due to Other Funds	31,625	598,305	- -	- -
Accrued Wages Payable	- -	- -	- -	- -
Total Liabilities	<u>202,625</u>	<u>907,019</u>	<u>10,457</u>	<u>25,006</u>
Deferred inflows of resources				
Unavailable Revenue	- -	- -	- -	- -
Fund Balances				
Restricted	- -	380,990 -	- -	- -
Committed	- -	- -	209,959 -	- -
Unassigned	<u>(9,610)</u>	<u>380,990</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>(9,610)</u>	<u>380,990</u>	<u>209,959</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 193,015</u>	<u>\$ 1,288,009</u>	<u>\$ 220,416</u>	<u>\$ 25,006</u>

Exhibit C-5

Court Security	Judicial Efficiency	Court Technology	Child Safety	Stormwater Development	Juvenile Case Management
\$ -	\$ 23,768	\$ 11,127	\$ 180,123	\$ 117,357	\$ 130,148
-	-	-	-	-	-
-	-	-	1,094	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$	\$ 23,768	\$ 11,127	\$ 181,217	\$ 117,357	\$ 130,148
<hr/>					
\$ -	\$ -	\$ -	\$ 18,354	\$ -	\$ 351
7,217	-	-	-	-	-
-	-	-	-	-	-
7,217	-	-	18,354	-	351
<hr/>					
	23,768	11,127	162,863	117,357	129,797
-	-	-	-	-	-
(7,217)	-	-	-	-	-
(7,217)	23,768	11,127	162,863	117,357	129,797
\$ -	\$ 23,768	\$ 11,127	\$ 181,217	\$ 117,357	\$ 130,148

CITY OF NEW BRAUNFELS, TEXAS
COMBINING BALANCE SHEET - continued
Nonmajor Special Revenue Funds
September 30, 2016

	Faust Library	Federal Court Awards	Non-Federal Court Awards	Edwards Aquifer HCP
ASSETS				
Cash	\$ 683	\$ 123,556	\$ 85,567	\$ -
Pooled and Temporary Investments	-	-	-	-
Accounts Receivable	-	-	-	18,001
Due from Other Governments	-	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	<u>\$ 683</u>	<u>\$ 123,556</u>	<u>\$ 85,567</u>	<u>\$ 18,001</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ -	\$ 676	\$ 38	\$ 414,787
Due to Other Funds	-	-	-	177,581
Accrued Wages Payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>676</u>	<u>38</u>	<u>592,368</u>
Deferred inflows of resources				
Unavailable revenue	-	-	-	-
Fund Balances				
Restricted	683	122,880	85,529	-
Committed	-	-	-	-
Unassigned	-	-	-	(574,367)
Total Fund Balances	<u>683</u>	<u>122,880</u>	<u>85,529</u>	<u>(574,367)</u>
Total Liabilities and Fund Balances	<u>\$ 683</u>	<u>\$ 123,556</u>	<u>\$ 85,567</u>	<u>\$ 18,001</u>

Cable Franchise PEG	Creekside Town Center	Enterprise Maintenance and Equipment Fund	Total Nonmajor Special Revenue Funds
\$ 179,456	\$ -	\$ -	\$ 1,097,207
-	-	1,688,387	1,688,387
44,685	-	-	256,795
-	-	-	1,288,009
-	-	2,306,634	2,306,634
\$ 224,141	\$ -	\$ 3,995,021	\$ 6,637,032
<hr/>			
\$ 134,617	\$ -	\$ -	\$ 1,084,000
-	-	-	814,728
-	-	-	-
134,617	-	-	1,898,728
<hr/>			
-	-	-	-
-	-	-	1,034,994
89,524	-	3,995,021	4,294,504
-	-	-	(591,194)
89,524	-	3,995,021	4,738,304
\$ 224,141	\$ -	\$ 3,995,021	\$ 6,637,032

CITY OF NEW BRAUNFELS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Nonmajor Special Revenue Funds
Year Ended September 30, 2016

	Community Development Block Grant	Grants Fund	Special Revenue Donations	River
REVENUE				
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	- -	- -	- -	- -
Licenses and Permits	- -	- -	- -	6,950
Fines and Forfeitures	- -	- -	- -	81,615
Parks and Recreation	- -	- -	- -	746,998
Interest	- -	- -	- -	- -
Federal Grants	358,463	1,535,863	- -	- -
State and Local Grants	- -	8,640	8,868	- -
Miscellaneous	- -	5,000	48,010	6
Other Contributions	- -	- -	106,214	- -
Charges and Fees	- -	- -	- -	- -
Total Revenues	<u>358,463</u>	<u>1,549,503</u>	<u>163,092</u>	<u>835,569</u>
EXPENDITURES				
Current				
General Government	- -	1,065,655	- -	- -
Finance and Tax	- -	- -	- -	- -
Planning and Environmental Development	352,146	- -	- -	- -
Public Safety	- -	341,841	23,592	619,610
Public Works	- -	0	- -	652,382
Parks and Recreation	- -	11,040	51,762	- -
Civic Center	- -	- -	- -	- -
Library	- -	1,197	73,119	- -
Airport	- -	- -	85.00	- -
Total Expenditures	<u>352,146</u>	<u>1,419,733</u>	<u>148,558</u>	<u>1,271,992</u>
Excess (Deficiency) of Revenues Over Expenditures	6,317	129,770	14,534	(436,423)
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	- -	- -	- -	- -
Transfers In	- -	43,476	- -	436,423
Transfers Out	- -	- -	- -	- -
Total Other Financing Sources (Uses)	<u>- -</u>	<u>43,476</u>	<u>- -</u>	<u>436,423</u>
Net Change in Fund Balance	6,317	173,246	14,534	
Fund Balance - October 1	(15,927)	207,744	195,425	
Restatement	- -	- -	- -	- -
Fund Balance - October 1 AS RESTATED	(15,927)	207,744	195,425	- -
Fund Balance - September 30	\$ (9,610)	\$ 380,990	\$ 209,959	\$ -

Court Security	Judicial Efficiency	Court Technology	Child Safety	Stormwater Development	Juvenile Case Management
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
31,318	9,460	41,786	12,397	-	60,888
-	-	-	-	-	-
-	-	-	55	45	224
-	-	-	-	-	-
-	-	-	121,657	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
31,318	9,460	41,786	134,109	97,128	61,112
<hr/>					
-	-	40,000	-	-	404
-	-	-	-	-	-
-	-	-	-	-	-
50,857	5,986	23,291	142,808	-	96,427
-	-	-	-	170,751	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
50,857	5,986	63,291	142,808	170,751	96,831
<hr/>					
(19,539)	3,474	(21,505)	(8,699)	(73,578)	(35,719)
<hr/>					
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(19,539)	3,474	(21,505)	(8,699)	(73,578)	(35,719)
<hr/>					
12,322	20,294	32,632	171,562	190,935	165,516
12,322	20,294	32,632	171,562	190,935	165,516
<hr/>					
\$ (7,217)	\$ 23,768	\$ 11,127	\$ 162,863	\$ 117,357	\$ 129,797

CITY OF NEW BRAUNFELS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Nonmajor Special Revenue Funds - continued
Year Ended September 30, 2016

	Faust Library	Federal Court Awards	Non-Federal Court Awards
REVENUE			
Ad Valorem Taxes	\$ -	\$ -	\$ -
Sales Taxes	- -	- -	- -
Licenses and Permits	- -	- -	- -
Fines and Forfeitures	- -	- -	- -
Parks and Recreation	- -	- -	- -
Interest	186	100	78
Federal Grants	- -	100,769	- -
State and Local Grants	- -	- -	- -
Miscellaneous	- -	- -	18,581
Other Contributions	281	- -	- -
Charges and Fees	- -	- -	- -
Total Revenues	<u>467</u>	<u>100,869</u>	<u>18,659</u>
EXPENDITURES			
Current			
General Government	- -	- -	- -
Finance and Tax	- -	- -	- -
Planning and Environmental Development	- -	- -	- -
Public Safety	- -	101,601	8,829
Public Works	- -	- -	- -
Parks and Recreation	- -	- -	- -
Civic Center	- -	- -	- -
Library	7,604.00	- -	- -
Airport	- -	- -	- -
Total Expenditures	<u>7,604</u>	<u>101,601</u>	<u>8,829</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(7,137)</u>	<u>(732)</u>	<u>9,830</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	- -	- -	15,713
Transfers In	- -	891	- -
Transfers Out	- -	- -	- -
Total Other Financing Sources (Uses)	<u>-</u>	<u>891</u>	<u>15,713</u>
Net Change in Fund Balance	<u>(7,137)</u>	<u>159</u>	<u>25,543</u>
Fund Balance - October 1	7,820	122,721	59,986
Restatement	- -	- -	- -
Fund Balance - October 1 AS RESTATED	<u>7,820</u>	<u>122,721</u>	<u>59,986</u>
Fund Balance - September 30	<u>\$ 683</u>	<u>\$ 122,880</u>	<u>\$ 85,529</u>

Edwards Aquifer HCP	Cable Franchise PEG	Creekside Town Center	Enterprise Maintenance and Equipment Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	6,950
-	-	-	-	237,464
-	-	-	-	746,998
-	-	-	4,107	4,795
121,557	-	-	-	2,116,652
-	-	-	-	139,165
695,766	-	-	-	767,363
-	-	-	-	106,495
-	268,944	-	13,862	379,934
<u>817,323</u>	<u>268,944</u>	<u>-</u>	<u>17,969</u>	<u>4,505,816</u>
-	796,390.00	-	-	1,902,449
-	-	-	-	-
-	-	-	-	352,146
-	-	-	-	1,414,842
1,288,129	-	-	45,455	2,156,717
-	-	-	-	62,802
-	-	-	-	-
-	-	-	-	81,920
-	-	-	231,400	231,485
<u>1,288,129</u>	<u>796,390</u>	<u>-</u>	<u>276,855</u>	<u>6,202,361</u>
<u>(470,806)</u>	<u>(527,446)</u>	<u>-</u>	<u>(258,886)</u>	<u>(1,696,545)</u>
-	-	-	-	15,713
91,559	-	-	1,878,235	2,450,584
-	-	-	-	-
<u>91,559</u>	<u>-</u>	<u>-</u>	<u>1,878,235</u>	<u>2,466,297</u>
(379,247)	(527,446)	-	1,619,349	769,752
(195,120)	616,970	1,147,265	2,375,672	5,115,817
<u>(195,120)</u>	<u>616,970</u>	<u>(1,147,265)</u>	<u>2,375,672</u>	<u>(1,147,265)</u>
<u>\$ (574,367)</u>	<u>\$ 89,524</u>	<u>\$ -</u>	<u>\$ 3,995,021</u>	<u>\$ 4,738,304</u>

CITY OF NEW BRAUNFELS, TEXAS
COMBINING BALANCE SHEET
Nonmajor Capital Projects Funds
September 30, 2016

	Roadway Impact Fees	Park Improvement	Certificates of Obligation 2004 Fund
ASSETS			
Cash	\$ -	\$ 1,617,362	\$ 60,643
Pooled and Temporary Investments	4,021,924	-	-
Receivables (Net of Allowance for Uncollectibles)			
Interest	-	-	-
Due from Other Funds	3,516,476	-	-
Total Assets	<u><u>\$ 7,538,400</u></u>	<u><u>\$ 1,617,362</u></u>	<u><u>\$ 60,643</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ -	\$ 11,841	\$ -
Due to Other Funds	-	-	-
Accrued Expenses	-	-	-
Total Liabilities	<u><u>-</u></u>	<u><u>11,841</u></u>	<u><u>-</u></u>
Fund Balances			
Restricted	7,538,400	1,605,521	60,643
Total Fund Balances	<u><u>7,538,400</u></u>	<u><u>1,605,521</u></u>	<u><u>60,643</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 7,538,400</u></u>	<u><u>\$ 1,617,362</u></u>	<u><u>\$ 60,643</u></u>

Exhibit C-7

Certificates of Obligation 2007	Certificates of Obligation 2008	Certificates of Obligation 2009	Certificates of Obligation 2011	Certificates of Obligation 2012
Fund	Fund	Fund	Fund	Fund
\$ 68,706	\$ -	\$ -	\$ -	\$ 1,074,832
62,272	1,006,690	680,817	1,981,350	1,227,730
-	-	-	-	11,942
-	-	-	-	89,131
\$ 130,978	\$ 1,006,690	\$ 680,817	\$ 1,981,350	\$ 2,403,635
<hr/>				
\$ -	\$ -	\$ 12,000	\$ 4,218	\$ 27,866
-	133,331	189,164	819,195	-
-	-	-	-	-
-	133,331	201,164	823,413	27,866
130,978	873,359	479,653	1,157,937	2,375,769
130,978	873,359	479,653	1,157,937	2,375,769
\$ 130,978	\$ 1,006,690	\$ 680,817	\$ 1,981,350	\$ 2,403,635

CITY OF NEW BRAUNFELS, TEXAS
COMBINING BALANCE SHEET
Nonmajor Capital Projects Funds - continued
September 30, 2016

	Certificates of Obligation 2013 Fund	Certificates of Obligation 2014 Fund	Certificates of Obligation 2015 Fund
ASSETS			
Cash	\$ -	\$ -	\$ -
Pooled and Temporary Investments	3,966,087	1,339,856	5,517,250
Receivables (Net of Allowance for Uncollectibles)			
Interest	- -	- -	- -
Due from Other Funds	- -	- -	- -
Total Assets	<u>3,966,087</u>	<u>1,339,856</u>	<u>5,517,250</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 16,128	\$ 50,000	\$ 365,889
Due to Other Funds	3,401,090	1,086,290	4,151,817
Accrued Expenses	- -	- -	- -
Total Liabilities	<u>3,417,218</u>	<u>1,136,290</u>	<u>4,517,706</u>
Fund Balances			
Restricted	<u>548,869</u>	<u>203,566</u>	<u>999,544</u>
Total Fund Balances	<u>548,869</u>	<u>203,566</u>	<u>999,544</u>
Total Liabilities and Fund Balances	<u>3,966,087</u>	<u>1,339,856</u>	<u>5,517,250</u>

Tax Notes 2015		Total Nonmajor Capital Projects Funds	
Fund		Projects	Funds
\$ 510,144		\$ 3,331,687	
-		19,803,976	
		11,942	
-		3,605,607	
<u>\$ 510,144</u>		<u>\$ 26,753,212</u>	
\$ -		\$ 487,942	
-		9,780,887	
-		-	
<u>-</u>		<u>10,268,829</u>	
<u>510,144</u>		<u>16,484,383</u>	
<u>510,144</u>		<u>16,484,383</u>	
<u>\$ 510,144</u>		<u>\$ 26,753,212</u>	

CITY OF NEW BRAUNFELS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Nonmajor Capital Projects Funds
Year Ended September 30, 2016

	Roadway Impact Fees	Park Improvement	Certificates of Obligation 2004 Fund
REVENUE			
Parks and Recreation	\$ -	\$ 604,475	\$ -
Interest	11,500	186	371
State and Local Grants	-	-	-
Miscellaneous	-	-	-
Other Contributions	2,301,732	-	-
Total Revenues	2,313,232	604,661	371
EXPENDITURES			
Current			
General Government	-	-	-
Finance and Tax	-	-	-
Public Safety	-	-	-
Public Works	179,309	-	-
Parks and Recreation	-	71,611	-
Library	-	-	-
Airport	-	-	-
Debt Service			
Bond Issuance Costs and Fees	-	-	-
Total Expenditures	179,309	71,611	-
Excess (Deficiency) of Revenues Over Expenditures			
	2,133,923	533,050	371
OTHER FINANCING SOURCES			
Transfers In	-	-	-
Transfers Out	-	-	-
Proceeds from Long-term Debt Issued	-	-	-
Premium Received on the Issuance of Debt	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	2,133,923	533,050	371
Fund Balance - October 1	5,404,477	1,072,471	60,272
Fund Balance - September 30	\$ 7,538,400	\$ 1,605,521	\$ 60,643

Certificates of Obligation 2007 Fund	Certificates of Obligation 2008 Fund	Certificates of Obligation 2009 Fund	Certificates of Obligation 2011 Fund	Certificates of Obligation 2012 Fund
\$ - 179	\$ - 2,899	\$ - 1,395	\$ - 731	\$ - 3,534
-	-	-	-	-
36,156	-	-	9,160	-
-	-	-	-	-
36,335	2,899	1,395	9,891	3,534
- 122,139	78,587	-	-	-
-	-	-	-	-
-	79,835	-	-	-
- 3,666	-	420,444	658,752	
10,751	- 28,328	50,000	155,612	
-	-	-	-	-
-	-	242,020	-	-
- 10,751	125,805	186,750	712,464	814,364
25,584	(122,906)	(185,355)	(702,573)	(810,830)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
25,584	(122,906)	(185,355)	(702,573)	(810,830)
105,394	996,265	665,008	1,860,510	3,186,599
\$ 130,978	\$ 873,359	\$ 479,653	\$ 1,157,937	\$ 2,375,769

CITY OF NEW BRAUNFELS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Nonmajor Capital Projects Funds - continued
Year Ended September 30, 2016

	Certificates of Obligation 2013 Fund	Certificates of Obligation 2014 Fund	Certificates of Obligation 2015 Fund
REVENUE			
Parks and Recreation	\$ -	\$ -	\$ -
Interest	14,837	4,097	15,883
State and Local Grants	-	-	-
Miscellaneous	-	-	-
Other Contributions	-	-	-
Total Revenues	<u>14,837</u>	<u>4,097</u>	<u>15,883</u>
EXPENDITURES			
Current			
General Government	412,925	-	4,517,705
Finance and Tax	-	-	-
Public Safety	17,649	-	-
Public Works	2,439,680	17,625	-
Parks and Recreation	15,883	7,216	-
Library	-	-	-
Airport	-	1,060,737	-
Debt Service			
Bond Issuance Costs and Fees	-	-	-
Total Expenditures	<u>2,886,137</u>	<u>1,085,578</u>	<u>4,517,705</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,871,300)</u>	<u>(1,081,481)</u>	<u>(4,501,822)</u>
OTHER FINANCING SOURCES			
Transfers In	-	-	-
Transfers Out	-	-	-
Proceeds from Long-term Debt Issued	-	-	-
Premium Received on the Issuance of Debt	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(2,871,300)</u>	<u>(1,081,481)</u>	<u>(4,501,822)</u>
Fund Balance - October 1	<u>3,420,169</u>	<u>1,285,047</u>	<u>5,501,366</u>
Fund Balance - September 30	<u>\$ 548,869</u>	<u>\$ 203,566</u>	<u>\$ 999,544</u>

Tax Notes 2015	Total Fund	Nonmajor Capital Projects Funds
\$ -	\$ 604,475	
-	55,612	
-	-	
-	45,316	
-	2,301,732	
<u>-</u>	<u>3,007,135</u>	
264,255	5,395,611	
-	-	
145,950	243,434	
297,652	4,017,128	
36,999	376,400	
-	-	
-	1,302,757	
<u>-</u>	<u>744,856</u>	<u>11,335,330</u>
<u>(744,856)</u>	<u>(8,328,195)</u>	
-	-	
-	-	
-	-	
<u>-</u>	<u>-</u>	<u>-</u>
<u>(744,856)</u>	<u>(8,328,195)</u>	
<u>1,255,000</u>	<u>24,812,578</u>	
<u>\$ 510,144</u>	<u>\$ 16,484,383</u>	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Ad Valorem Taxes	\$ 11,305,750	\$ 11,305,750	11,340,428	\$ 34,678
Interest	500	500	1,325	825
Miscellaneous	-	-	-	-
Other Contributions	1,684,428	1,684,428	1,684,428	-
Total Revenues	<u>12,990,678</u>	<u>12,990,678</u>	<u>13,026,181</u>	<u>35,503</u>
EXPENDITURES				
Debt Service:				
Principal	8,300,000	8,300,000	8,300,000	-
Interest	6,163,977	6,163,977	5,965,947	198,030
Bond Issuance Costs and Fees	-	-	154,910	(154,910)
Total Expenditures	<u>14,463,977</u>	<u>14,463,977</u>	<u>14,420,857</u>	<u>43,120</u>
Excess (Deficiency) of Revenue over Expenditures				
	(1,473,299)	(1,473,299)	(1,394,676)	78,623
OTHER FINANCING SOURCES (USES)				
Transfers In	1,541,809	1,541,809	1,541,809	-
Proceeds from Bond Issuance for Refunding	-	-	12,755,000	12,755,000
Premium Received on the Issuance of Debt	-	-	2,101,027	2,101,027
Payments to Escrow Agent for Bond Refunding	-	-	(14,706,017)	(14,706,017)
Total Other Financing Sources (Uses)	<u>1,541,809</u>	<u>1,541,809</u>	<u>1,691,819</u>	<u>150,010</u>
Net Change in Fund Balance				
	68,510	68,510	297,143	228,633
Fund Balance - October 1				
	<u>1,404,122</u>	<u>1,404,122</u>	<u>1,417,917</u>	<u>704,908</u>
Fund Balance - September 30				
	<u>\$ 1,472,632</u>	<u>\$ 1,472,632</u>	<u>\$ 1,715,060</u>	<u>\$ 933,541</u>

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT
Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
	<hr/>	<hr/>	<hr/>	<hr/>
REVENUE				
Federal Grants	\$ 930,199	\$ 930,199	\$ 358,463	\$ (571,736)
Total Revenues	<hr/> 930,199	<hr/> 930,199	<hr/> 358,463	<hr/> (571,736)
EXPENDITURES				
Planning and Environmental Devel.-Operations	930,199	930,199	352,146	578,053
Total Expenditures	<hr/> 930,199	<hr/> 930,199	<hr/> 352,146	<hr/> 578,053
Excess (Deficiency) of Revenue Over Expenditures	-	-	6,317	6,317
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<hr/> -	<hr/> -	<hr/> -	<hr/> -
Net Change in Fund Balance	147,675	116,435	(5,697)	(122,132)
Fund Balance - October 1	<hr/> (22,619)	<hr/> (22,619)	<hr/> (15,927)	<hr/> (8,633)
Fund Balance - September 30	<hr/> \$ (22,619)	<hr/> \$ (22,619)	<hr/> \$ (9,610)	<hr/> \$ (2,316)

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GRANTS FUND
Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Federal Grants	\$ 1,865,000	\$ 1,865,000	\$ 1,535,863	\$ (329,137)
State and Local Grants	-	-	8,640	8,640
Other Contributions	-	-	5,000	5,000
Total Revenues	1,865,000	1,865,000	1,549,503	(315,497)
EXPENDITURES				
General Government - Capital	1,125,000	1,125,000	1,065,655	59,345
Public Safety				
Employee	-	-	135,632	(135,632)
Operations	205,000	205,000	95,000	110,000
Capital	125,000	125,000	111,209	13,791
	330,000	330,000	341,841	(11,841)
Parks and Recreation-Operations	205,000	205,000	11,040	193,960
Library-Operations	205,000	205,000	1,197	203,803
Total Expenditures	1,865,000	1,865,000	1,419,733	445,267
Excess (Deficiency) of Revenue Over Expenditures	-	-	129,770	129,770
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	43,476	43,476
Total Other Financing Sources (Uses)	-	-	43,476	43,476
Net Change in Fund Balance	-	-	173,246	173,246
Fund Balance - October 1	(12,886)	(12,886)	207,744	(158,097)
Fund Balance - September 30	\$ (12,886)	\$ (12,886)	\$ 380,990	\$ 15,149

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE DONATIONS FUND
Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Interest	\$ -	\$ -	\$ -	\$ -
Intergovernmental	30,000	30,000	-	(30,000)
State and Local Grants	-	-	8,868	8,868
Other Contributions	70,000	70,000	106,214	36,214
Miscellaneous	-	-	48,010	48,010
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>163,092</u>	<u>63,092</u>
EXPENDITURES				
Public Safety-Operations	27,500	27,500	23,592	3,908
Public Works-Capital	75,000	75,000	-	75,000
Parks and Recreation				
Operations	27,500	27,500	42,891	(15,391)
Capital	<u>75,000</u>	<u>75,000</u>	<u>8,871</u>	<u>66,129</u>
	<u>102,500</u>	<u>102,500</u>	<u>51,762</u>	<u>50,738</u>
Library-Operations	27,500	27,500	73,119	(45,619)
Airport-Operations	-	-	85	(85)
Total Expenditures	<u>232,500</u>	<u>232,500</u>	<u>148,558</u>	<u>83,942</u>
Excess (Deficiency) of Revenue Over Expenditures	(132,500)	(132,500)	14,534	147,034
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(132,500)	(132,500)	14,534	117,966
Fund Balance - October 1	<u>94,313</u>	<u>94,313</u>	<u>195,425</u>	<u>101,112</u>
Fund Balance - September 30	<u>\$ (38,187)</u>	<u>\$ (38,187)</u>	<u>\$ 209,959</u>	<u>\$ 248,146</u>

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
RIVER FUND
Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Licenses and Permits	\$ 6,000	\$ 6,000	\$ 6,950	\$ 950
Fines and Forfeitures	77,000	77,000	81,615	4,615
Parks and Recreation	867,200	867,200	746,998	(120,202)
Miscellaneous	-	-	6	6
Total Revenues	950,200	950,200	835,569	(114,631)
EXPENDITURES				
Public Safety				
Employee	466,999	466,999	610,098	(143,099)
Operations	149,595	149,595	9,512	140,083
	616,594	616,594	619,610	(3,017)
Public Works				
Employee	466,999	466,999	323,884	143,115
Operations	149,595	149,595	277,482	(127,888)
Capital	51,016	51,016	51,016	-
	667,610	667,610	652,382	15,228
Total Expenditures	1,284,203	1,284,203	1,271,992	12,211
Excess (Deficiency) of Revenue Over Expenditures	(334,003)	(334,003)	(436,423)	(102,420)
OTHER FINANCING SOURCES (USES)				
Transfers In	330,302	330,302	436,423	106,121
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	330,302	330,302	436,423	106,121
Net Change in Fund Balance	(3,701)	(3,701)	-	3,701
Fund Balance - October 1	996	(162,004)	-	143,019
Fund Balance - September 30	\$ (2,705)	\$ (165,705)	\$ -	\$ 146,720

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COURT SECURITY FUND
Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Fines and Forfeitures	\$ 36,500	\$ 36,500	\$ 31,318	\$ (5,182)
Total Revenues	<u>36,500</u>	<u>36,500</u>	<u>31,318</u>	<u>(5,182)</u>
EXPENDITURES				
Public Safety				
Employee	50,887	50,887	50,857	30
Net Change in Fund Balance	(14,387)	(14,387)	(19,539)	(5,152)
Fund Balance - October 1	<u>6,852</u>	<u>6,852</u>	<u>12,322</u>	<u>7,458</u>
Fund Balance (Deficit) - September 30	<u>\$ (7,535)</u>	<u>\$ (7,535)</u>	<u>\$ (7,217)</u>	<u>\$ 2,306</u>

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
JUDICIAL EFFICIENCY FUND
Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP	with Final
	Basis	Basis	Basis	Budget
REVENUE				
Fines and Forfeitures	\$ 8,138	\$ 8,138	\$ 9,460	\$ 1,322
Total Revenues	<u>8,138</u>	<u>8,138</u>	<u>9,460</u>	<u>1,322</u>
EXPENDITURES				
Current				
Public Safety-Employee	8,000	8,000	5,986	2,014
Public Safety-Operations	13,750	13,750	-	13,750
Total Expenditures	<u>21,750</u>	<u>21,750</u>	<u>5,986</u>	<u>15,764</u>
Excess (Deficiency) of Revenue Over Expenditures	(13,612)	(13,612)	3,474	17,086
Fund Balance - October 1	20,294	20,294	20,294	27,443
Fund Balance - September 30	<u>\$ 6,682</u>	<u>\$ 6,682</u>	<u>\$ 23,768</u>	<u>\$ 44,529</u>

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COURT TECHNOLOGY FUND
Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP	with Final
	Basis	Basis	Basis	Budget
REVENUE				
Fines and Forfeitures	\$ 40,215	\$ 40,215	\$ 41,786	\$ 1,571
Total Revenues	<u>40,215</u>	<u>40,215</u>	<u>41,786</u>	<u>1,571</u>
EXPENDITURES				
Current				
General Government-Operations	32,000	32,000	40,000	(8,000)
Public Safety-Operations	<u>32,000</u>	<u>32,000</u>	<u>23,291</u>	<u>8,709</u>
Total Expenditures	<u>64,000</u>	<u>64,000</u>	<u>63,291</u>	<u>709</u>
Excess (Deficiency) of Revenue Over Expenditures	(23,785)	(23,785)	(21,505)	2,280
Fund Balance - October 1	32,632	32,632	32,632	25,680
Fund Balance - September 30	<u>\$ 8,847</u>	<u>\$ 8,847</u>	<u>\$ 11,127</u>	<u>\$ 27,960</u>

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CHILD SAFETY FUND
Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Fines and Forfeitures	\$ 17,010	\$ 17,010	\$ 12,397	\$ (4,613)
Interest	-	-	55	55
State and Local Grants	122,000	122,000	121,657	(343)
Total Revenues	139,010	139,010	134,109	(4,901)
EXPENDITURES				
Current				
Public Safety				
Operations	83,000	83,000	30,200	52,800
Library	83,000	83,000	112,608	(29,608)
Total Expenditures	166,000	166,000	142,808	23,192
Excess (Deficiency) of Revenue Over Expenditures	(26,990)	(26,990)	(8,699)	18,291
Fund Balance - October 1	171,562	171,562	171,562	208,264
Fund Balance - September 30	\$ 144,572	\$ 144,572	\$ 162,863	\$ 226,555

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STORMWATER DEVELOPMENT FUND
Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Interest	\$ -	\$ -	\$ 45	\$ 45
Charges and Fees	70,000	70,000	97,128	27,128
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>97,173</u>	<u>27,173</u>
EXPENDITURES				
Current				
Public Works				
Operations	120,000	120,000	119,751	249
Capital	51,000	51,000	51,000	-
Total Expenditures	<u>171,000</u>	<u>171,000</u>	<u>170,751</u>	<u>249</u>
Excess (Deficiency) of Revenue Over Expenditures	(101,000)	(101,000)	(73,578)	27,422
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(101,000)	(101,000)	(73,578)	27,422
Fund Balance - October 1	<u>190,935</u>	<u>190,935</u>	<u>190,935</u>	<u>223,250</u>
Fund Balance - September 30	<u><u>\$ 89,935</u></u>	<u><u>\$ 89,935</u></u>	<u><u>\$ 117,357</u></u>	<u><u>\$ 27,422</u></u>

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
JUVENILE CASE MANAGEMENT FUND
Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Fines and Forfeitures	\$ 64,155	\$ 64,155	\$ 60,888	\$ (3,267)
Interest	-	-	224	224
Total Revenues	<u>64,155</u>	<u>64,155</u>	<u>61,112</u>	<u>(3,043)</u>
EXPENDITURES				
Current				
General Government-Operations	-	-	404	(404)
Public Safety				
Employee	83,500	83,500	82,383	1,117
Operations	<u>29,951</u>	<u>29,951</u>	<u>14,044</u>	<u>15,907</u>
	<u>113,451</u>	<u>113,451</u>	<u>96,427</u>	<u>17,024</u>
Total Expenditures	<u>113,451</u>	<u>113,451</u>	<u>96,831</u>	<u>16,620</u>
Excess (Deficiency) of Revenue Over Expenditures				
	(49,296)	(49,296)	(35,719)	13,577
Fund Balance - October 1	<u>165,516</u>	<u>165,516</u>	<u>165,516</u>	<u>56,936</u>
Fund Balance - September 30	<u>\$ 116,220</u>	<u>\$ 116,220</u>	<u>\$ 129,797</u>	<u>\$ 70,513</u>

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FAUST LIBRARY FUND
Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP	with Final
REVENUE				
Interest	\$ -	\$ -	\$ 186	\$ 186
Other Contributions	-	-	281	281
Total Revenues	-	-	467	467
EXPENDITURES				
Current				
Library-Operations	7,604	7,604	7,604	-
Total Expenditures	7,604	7,604	7,604	-
Excess (Deficiency) of Revenue Over Expenditures	(7,604)	(7,604)	(7,137)	467
Fund Balance - October 1	7,820	7,820	7,820	7,819
Fund Balance - September 30	<u><u>\$ 216</u></u>	<u><u>\$ 216</u></u>	<u><u>\$ 683</u></u>	<u><u>\$ 8,286</u></u>

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FEDERAL COURT AWARDS FUND
Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Interest	\$ -	\$ -	\$ 100	\$ 100
Federal Grants	-	-	100,769	100,769
Total Revenues	-	-	100,869	100,869
EXPENDITURES				
Current				
Public Safety				
Operations	119,000	119,000	101,601	17,399
Capital	5,000	57,500	-	57,500
Total Expenditures	124,000	176,500	101,601	74,899
Excess (Deficiency) of Revenue Over Expenditures	(124,000)	(176,500)	(732)	175,768
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	891	891
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	891	891
Fund Balance - October 1	<u>122,721</u>	<u>122,721</u>	<u>122,721</u>	<u>333,455</u>
Fund Balance - September 30	<u><u>\$ (1,279)</u></u>	<u><u>\$ (53,779)</u></u>	<u><u>\$ 122,880</u></u>	<u><u>\$ 511,005</u></u>

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NON-FEDERAL COURT AWARDS FUND
Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Interest	\$ -	\$ -	\$ 78	\$ 78.00
Miscellaneous	-	-	18,581	18,581
Total Revenues	<u>-</u>	<u>-</u>	<u>18,659</u>	<u>18,659</u>
EXPENDITURES				
Current				
Public Safety				
Operations	53,500	53,500	8,829	44,671
Total Expenditures	<u>53,500</u>	<u>53,500</u>	<u>8,829</u>	<u>44,671</u>
Excess (Deficiency) of Revenue Over Expenditures	(53,500)	(53,500)	9,830	63,330
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	15,713	15,713
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>15,713</u>	<u>15,713</u>
Net Change in Fund Balance	(53,500)	(53,500)	25,543	79,043
Fund Balance - October 1	<u>59,986</u>	<u>59,986</u>	<u>59,986</u>	<u>116,920</u>
Fund Balance - September 30	<u>\$ 6,486</u>	<u>\$ 6,486</u>	<u>\$ 85,529</u>	<u>\$ 195,963</u>

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDWARDS AQUIFER HCP FUND
Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Intergovernmental	\$ -	\$ -	\$ 121,557	\$ 121,557
Miscellaneous	1,801,300	1,801,300	695,766	(1,105,534)
Total Revenues	1,801,300	1,801,300	817,323	(983,977)
EXPENDITURES				
Current				
Public Works				
Employee	88,374	88,374	77,218	11,156
Operations	1,804,300	1,804,300	1,083,852	720,448
Capital	-	-	127,059	(127,059)
Total Expenditures	1,892,674	1,892,674	1,288,129	604,545
Excess (Deficiency) of Revenue Over Expenditures	(91,374)	(91,374)	(470,806)	(379,432)
OTHER FINANCING SOURCES (USES)				
Transfers in	91,374	91,374	91,559	185
Total Other Financing Sources (Uses)	91,374	91,374	91,559	185
Net Change in Fund Balance	-	-	(379,247)	(379,247)
Fund Balance - October 1	(195,120)	(195,120)	(195,120)	(43,540)
Fund Balance - September 30	\$ (195,120)	\$ (195,120)	\$ (574,367)	\$ (422,787)

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CABLE FRANCHISE PEG FUND
Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Franchise Taxes	\$ 213,250	\$ 213,250	\$ 268,944	\$ 55,694
Total Revenues	<u>213,250</u>	<u>213,250</u>	<u>268,944</u>	<u>55,694</u>
EXPENDITURES				
Current				
General Government-Operations	80,000	80,000	66,988	13,012
Public Works-Capital	<u>750,000</u>	<u>750,000</u>	<u>729,402</u>	<u>20,598</u>
Total Expenditures	<u>750,000</u>	<u>750,000</u>	<u>796,390</u>	<u>20,598</u>
Excess (Deficiency) of Revenue Over Expenditures				
	(536,750)	(536,750)	(527,446)	76,292
Fund Balance - October 1	<u>616,970</u>	<u>616,970</u>	<u>616,970</u>	<u>271,558</u>
Fund Balance - September 30	<u>\$ 80,220</u>	<u>\$ 80,220</u>	<u>\$ 89,524</u>	<u>\$ 347,850</u>

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CREEKSIDE TOWN CENTER FUND
Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP	with Final
REVENUE				
Ad Valorem Taxes	\$ 2,120,890	\$ 2,120,890	\$ -	\$ (2,120,890)
Sales Tax	959,300	959,300	-	(959,300)
Miscellaneous	-	-	-	-
Other Contributions	-	-	-	-
Total Revenues	3,080,190	3,080,190		(3,080,190)
EXPENDITURES				
Current				
General Government-Operations	30,000	30,000	-	30,000
Debt Service	2,095,616	2,095,616	-	2,095,616
Total Expenditures	2,125,616	2,125,616		2,125,616
Excess (Deficiency) of Revenue Over Expenditures	954,574	954,574		(954,574)
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-		-
Net Change in Fund Balance	954,574	954,574		(954,574)
Fund Balance - October 1	1,147,265	1,147,265	1,147,265	917,853
Restatement	-	-	(1,147,265)	-
Fund Balance - October 1 as Restated	1,147,265	1,147,265	-	917,853
Fund Balance - September 30	\$ 2,101,839	\$ 2,101,839	\$ -	\$ (36,721)

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ENTERPRISE MAINTENANCE AND EQUIPMENT REPLACEMENT FUND
Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Interest	\$ 750	\$ 750	\$ 4,107	\$ 3,357
Charges and Fees	-	-	13,862	13,862
Total Revenues	<u>750</u>	<u>750</u>	<u>17,969</u>	<u>17,219</u>
EXPENDITURES				
Current				
Public Works-Capital	77,102	77,102	45,455	31,647
Airport-Capital	<u>231,306</u>	<u>231,306</u>	<u>231,400</u>	<u>(94)</u>
Total Expenditures	<u>308,408</u>	<u>308,408</u>	<u>276,855</u>	<u>31,553</u>
Excess (Deficiency) of Revenue Over Expenditures	(307,658)	(307,658)	(258,886)	48,772
OTHER FINANCING SOURCES (USES)				
Transfers In	1,832,234	1,832,234	1,878,235	46,001
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,832,234</u>	<u>1,832,234</u>	<u>1,878,235</u>	<u>46,001</u>
Net Change in Fund Balance	1,524,576	1,524,576	1,619,349	94,773
Fund Balance - October 1	2,375,672	2,375,672	2,375,672	184,169
Fund Balance - September 30	\$ 3,900,248	\$ 3,900,248	\$ 3,995,021	\$ 278,942

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CEMETERY PERPETUAL CARE
Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Fines and Forfeitures	\$ -	\$ -	\$ 700	\$ 700
Interest	50	50	166	116
Parks and Recreation	-	-	3,150	3,150
Total Revenues	<u>50</u>	<u>50</u>	<u>4,016</u>	<u>3,966</u>
EXPENDITURES				
Current				
Parks and Recreation - Capital	86,500	86,500	78,774	7,726
Total Expenditures	<u>86,500</u>	<u>86,500</u>	<u>78,774</u>	<u>7,726</u>
Excess (Deficiency) of Revenue Over Expenditures	(86,450)	(86,450)	(74,758)	11,692
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(86,450)	(86,450)	(74,758)	11,692
Fund Balance - October 1	<u>94,399</u>	<u>94,399</u>	<u>94,399</u>	<u>80,185</u>
Fund Balance - September 30	<u><u>\$ 7,949</u></u>	<u><u>\$ 7,949</u></u>	<u><u>\$ 19,641</u></u>	<u><u>\$ 91,877</u></u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of New Braunfels' comprehensive 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 the government's overall financial health.

Contents	Page
Financial Trends	105
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	112
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, property tax revenues.</i>	
Debt Capacity	117
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	121
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	124
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the service the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1

City of New Braunfels, Texas
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Net Investment in Capital Assets	\$ 16,701	\$ 28,406	\$ 24,535	\$ 25,853	\$ 26,047	\$ 25,891	\$ 24,207	\$ 8,094	\$ 5,121	\$ 7,090
Restricted	17,170	8,705	5,001	3,834	4,571	4,587	7,931	6,879	10,919	13,059
Unrestricted	25,817	23,302	27,138	23,972	22,021	15,937	12,650	13,828	(10,896)	(16,030)
Total Governmental Activities	\$ 59,688	\$ 60,413	\$ 56,674	\$ 53,659	\$ 52,639	\$ 46,415	\$ 44,788	\$ 28,801	\$ 5,144	\$ 4,119
Business-type Activities										
Net Investment in Capital Assets	\$ 8,620	\$ 8,716	\$ 8,414	\$ 7,940	\$ 6,951	\$ 8,200	\$ 11,549	\$ 34,960	\$ 34,775	\$ 33,493
Unrestricted	3,363	2,251	3,103	2,151	1,235	1,930	2,054	1,967	298	(236)
Total Business-type Activities	\$ 11,983	\$ 10,967	\$ 11,517	\$ 10,091	\$ 8,186	\$ 10,130	\$ 13,603	\$ 36,927	\$ 35,073	\$ 33,257
Primary Government										
Net Investment in Capital Assets	\$ 25,321	\$ 37,122	\$ 32,949	\$ 33,793	\$ 32,998	\$ 34,091	\$ 35,756	\$ 43,054	\$ 39,896	\$ 40,583
Restricted	17,170	8,705	5,001	3,834	4,571	4,587	7,931	6,879	10,919	13,059
Unrestricted	29,180	25,553	30,241	26,123	23,256	17,867	14,704	15,795	(10,598)	(16,266)
Total Primary Government	\$ 71,671	\$ 71,380	\$ 68,191	\$ 63,750	\$ 60,825	\$ 56,545	\$ 58,391	\$ 65,728	\$ 40,217	\$ 37,376

Source: City financial statements

Table 2

City of New Braunfels, Texas
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

Expenses	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities:										
General Government	\$ 5,048	\$ 5,992	\$ 6,016	\$ 5,409	\$ 7,918	\$ 9,416	\$ 12,083	\$ 14,850	\$ 17,936	\$ 22,722
Finance and Tax	949	1,285	1,011	966	912	1,050	1,305	972	719	690
Planning and Environmental Development	2,656	2,468	2,896	2,861	3,350	2,816	3,413	2,489	2,622	2,772
Public Safety	19,107	22,472	25,901	27,303	28,515	31,810	30,057	31,597	33,327	29,273
Public Works	4,050	5,116	6,460	6,631	6,675	8,180	12,973	8,241	9,377	15,314
Parks and Recreation	3,661	4,042	4,538	5,321	5,069	5,995	3,632	4,572	8,551	4,597
Library	1,529	1,717	1,860	1,769	1,836	1,954	2,203	2,400	1,969	1,660
Civic/Convention Center	713	1,185	-	-	-	-	6	5	191	49
Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-
Airport	-	-	15	249	9	-	219	107	48	1,493
Contributions	-	-	-	-	-	-	-	-	-	-
Interest on Long-term Debt	1,639	2,610	3,181	3,552	3,184	4,213	3,913	4,985	5,369	6,757
Total Governmental Activities Expenses	39,352	46,887	51,878	54,061	57,468	65,434	69,804	70,218	80,109	85,327
Business-type Activities:										
Airport	1,093	1,458	1,134	1,730	1,968	2,174	2,305	2,855	2,778	2,968
Solid Waste	4,846	5,433	5,552	6,389	5,506	5,167	5,779	6,171	6,670	7,271
Golf Course	916	924	888	884	979	1,015	904	678	1,775	1,938
Civic/Convention Center	-	-	656	752	746	730	671	924	894	886
Total Business-type Activities Expenses	6,855	7,815	8,230	9,755	9,199	9,086	9,659	10,628	12,117	13,063
Total Primary Government Expenses	\$ 46,207	\$ 54,702	\$ 60,108	\$ 63,816	\$ 66,667	\$ 74,520	\$ 79,463	\$ 80,846	\$ 92,226	\$ 98,390

Table 2

City of New Braunfels, Texas
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

Program Revenues	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities:										
Charges for Services:										
General Government	\$ 150	\$ 95	\$ 155	\$ 158	\$ 260	\$ 165	\$ 1,182	\$ 1,095	\$ 1,265	\$ 1,505
Finance and Tax	-	-	-	-	-	-	-	-	-	-
Planning and Environmental Development	2,197	2,269	1,967	2,000	2,385	2,988	3,209	3,335	3,912	3,489
Public Safety	2,362	2,827	4,477	4,245	4,684	3,822	3,936	3,108	3,841	4,384
Public Works	602	656	620	295	222	1,141	75	898	1,076	1,231
Parks and Recreation	1,162	1,337	1,375	1,181	1,352	1,386	1,600	1,963	1,642	2,745
Library	82	90	103	137	177	98	111	114	102	101
Facilities Maintenance	-	-	-	-	-	-	-	-	-	-
Civic/Convention Center	58	179	-	-	-	-	-	-	8	14
Operating Grants and Contributions	1,803	1,531	1,739	1,874	2,760	1,366	1,000	1,539	1,963	2,377
Capital Grants and Contributions	490	801	701	837	1,555	2,072	3,000	-	-	-
Total Governmental Activities Program Revenues	8,906	9,785	11,137	10,727	13,395	13,038	14,113	12,052	13,809	15,846
Business-type Activities:										
Charges for Services:										
Airport	841	1,028	783	1,361	1,406	1,667	1,771	2,387	2,317	2,077
Solid Waste	5,259	5,046	5,690	5,855	6,415	7,020	7,215	7,591	7,985	8,280
Golf Course	890	1,056	1,103	867	957	975	1,076	128	1,378	1,486
Civic/Convention Center	-	-	224	291	321	279	293	371	418	436
Operating Grants and Contributions	-	-	-	-	71	50	55	43	50	50
Capital Grants and Contributions	9	87	650	955	223	2,224	4,570	441	290	2,263
Total Business-type Activities Program Revenues	6,999	7,217	8,450	9,329	9,393	12,215	14,980	10,961	12,438	14,592
Total Primary Government Program Revenues	\$ 15,905	\$ 17,002	\$ 19,587	\$ 20,056	\$ 22,788	\$ 25,253	\$ 29,093	\$ 23,013	\$ 26,247	\$ 30,438
Net (Expense) Revenue										
Governmental Activities	\$ (30,446)	\$ (37,102)	\$ (40,741)	\$ (43,334)	\$ (44,073)	\$ (52,396)	\$ (55,691)	\$ (58,166)	\$ (66,300)	\$ (69,481)
Business-type Activities	144	(598)	220	(426)	194	3,129	5,321	333	321	1,529
Total Primary Government Net Expense	\$ (30,302)	\$ (37,700)	\$ (40,521)	\$ (43,760)	\$ (43,879)	\$ (49,267)	\$ (50,370)	\$ (57,833)	\$ (65,979)	\$ (67,952)

Table 2

City of New Braunfels, Texas
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

General Revenues and Other Changes in Net Position

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities:										
Taxes										
Property Taxes, Levied for General Purposes	\$ 9,800	\$ 9,809	\$ 10,781	\$ 10,838	\$ 10,340	\$ 10,578	\$ 11,206	\$ 10,851	\$ 13,956	\$ 14,409
Property Taxes, Levied for Debt Service	2,385	3,774	4,688	4,992	5,698	7,260	8,019	9,231	10,159	11,414
Sales Tax	11,200	11,974	11,858	12,562	13,457	14,665	16,420	18,613	18,608	19,077
Hotel/Motel Occupancy Taxes	2,096	2,346	2,155	2,486	2,615	3,118	3,375	3,604	3,813	3,767
Franchise Taxes	6,125	5,869	6,351	6,986	7,448	7,694	7,875	8,283	8,435	8,904
Mixed Beverage	-	190	193	220	232	211	275	390	439	472
Investment Income	3,314	2,544	740	189	114	155	187	87	47	242
Other Contributions	26	20	183	343	205	171	1,806	1,989	2,336	2,892
Miscellaneous	545	775	357	643	817	1,052	4,492	4,183	3,643	4,989
Transfers	(2,827)	699	(304)	1,015	2,127	1,268	1,618	(8,222)	284	3,436
Total Governmental Activities	32,664	38,000	37,002	40,274	43,053	46,172	55,273	49,009	61,720	69,602
Business-type Activities:										
Investment Income	199	109	30	14	3	2	2	1	2	8
Miscellaneous Income	-	-	-	-	25	82	(233)	68	86	83
Transfers	2,827	(699)	304	(1,015)	(2,127)	(1,269)	(1,618)	8,222	(284)	(3,436)
Total Business-type Activities	3,026	(590)	334	(1,001)	(2,099)	(1,185)	(1,849)	8,291	(196)	(3,345)
Total Primary Government	\$ 35,690	\$ 37,410	\$ 37,336	\$ 39,273	\$ 40,954	\$ 44,987	\$ 53,424	\$ 57,300	\$ 61,524	\$ 66,257
Change in Net Position										
Governmental Activities	\$ 2,218	\$ 898	\$ (3,739)	\$ (3,060)	\$ (1,020)	\$ (6,224)	\$ (418)	\$ (9,157)	\$ (4,580)	\$ 121
Business-type Activities	3,170	(1,188)	554	(1,427)	(1,905)	1,944	3,472	8,624	125	(1,816)
Total Primary Government	\$ 5,388	\$ (290)	\$ (3,185)	\$ (4,487)	\$ (2,925)	\$ (4,280)	\$ 3,054	\$ (533)	\$ (4,455)	\$ (1,695)

Source: Statement of Activities from City CAFRs

Table 3

City of New Braunfels, Texas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 1	\$ -	\$ 1	\$ -	\$ -
Assigned	1,507	560	258	267	9,318	7,611	4,662	4,430	4,319	2,516
Unassigned	23,647	21,461	23,260	26,139	18,291	16,838	15,189	18,188	16,677	16,096
Total General Fund	\$ 25,154	\$ 22,021	\$ 23,518	\$ 26,406	\$ 27,611	\$ 24,450	\$ 19,851	\$ 22,619	\$ 20,996	\$ 18,612
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 135	\$ 88	\$ 95	\$ 94	\$ 94	\$ 19
Restricted	-	39,619	30,361	\$ 2,586	27,222	36,789	45,162	40,930	51,895	62,647
Committed	-	-	-	-	104	531	3,160	2,863	3,188	4,295
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned, Reported in:										
Debt Service Fund	2,473	2,504	1,725	679	-	-	-	-	-	-
Hotel/Motel Tax Fund	174	224	203	443	-	-	-	-	-	-
Special Revenue Funds	1,344	1,257	312	598	-	(19)	(733)	(187)	(211)	(591)
Permanent Fund	192	198	144	146	-	-	-	-	-	-
Capital Project Funds (Deficit)	42,210	621	1,381	15,350	-	(2,014)	-	-	-	-
Total All Other Governmental Funds	\$ 46,393	\$ 44,423	\$ 34,126	\$ 19,802	\$ 27,461	\$ 35,375	\$ 47,684	\$ 43,700	\$ 54,966	\$ 66,370

Source: Balance Sheet

Table 4

City of New Braunfels, Texas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes and Transfers	\$ 31,515	\$ 33,898	\$ 35,823	\$ 38,778	\$ 39,841	\$ 43,365	\$ 47,119	\$ 52,201	\$ 55,205	\$ 57,652
Licenses and Permits	1,705	1,792	1,542	1,490	1,693	2,340	2,252	2,581	3,052	3,606
Intergovernmental	-	-	-	-	-	-	107	152	242	228
Charges for Services	2,278	2,484	3,377	3,001	3,857	3,946	3,093	3,133	3,573	4,439
Fines and Forfeitures	931	1,168	1,191	1,465	1,845	1,233	1,173	1,235	1,743	1,642
Parks and Recreation	1,130	1,491	1,384	1,180	1,358	1,062	1,528	1,883	2,307	2,656
Interest	3,267	2,511	715	185	114	302	187	87	46	241
Federal Grants	800	306	385	635	1,137	267	689	1,990	758	2,117
State and Local Grants	214	223	260	207	554	57	1,980	312	368	194
Other Contributions	1,257	1,669	1,830	2,067	1,773	1,150	2,917	3,594	3,374	4,804
Miscellaneous	843	1,255	1,467	830	1,073	2,047	4,440	2,565	3,466	2,751
Charges and Fees	-	-	-	-	-	-	-	-	-	-
Total Revenues	43,940	46,797	47,974	49,838	53,245	55,769	65,485	69,733	74,134	80,330
Expenditures										
General Government	5,783	5,952	5,200	5,183	6,764	8,312	8,550	12,490	11,695	16,791
Finance and Tax	859	1,171	862	811	742	870	1,120	848	855	900
Planning and Environmental Devel.	2,438	2,391	2,511	2,463	2,959	2,335	3,264	2,729	2,983	3,331
Public Safety	18,122	25,919	23,176	22,631	26,137	34,934	28,311	30,207	31,134	34,169
Public Works	7,532	16,751	20,670	13,566	13,742	10,112	20,863	18,319	15,231	21,618
Parks and Recreation	5,690	4,812	5,713	6,395	4,953	5,907	5,555	18,797	11,645	5,431
Library	1,369	1,551	1,645	1,560	1,602	1,608	2,020	2,059	2,187	2,006
Facilities Maintenance	229	260	1,493	-	-	-	-	-	-	-
Civic/Convention Center	7,374	4,458	-	-	-	-	55	61	296	89
Contributions	-	-	-	-	-	-	-	-	-	-
Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-
Airport	112	-	15	249	9	-	263	1,977	407	1,534
Capital Projects	-	-	-	-	-	-	-	-	-	-

Table 4

City of New Braunfels, Texas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Service										
Principal	\$ 1,390	\$ 2,805	\$ 3,575	\$ 4,000	\$ 4,140	\$ 4,715	\$ 5,825	\$ 6,775	\$ 7,805	\$ 8,319
Interest	1,529	2,540	3,182	3,513	3,222	3,961	4,242	4,762	5,056	5,977
Other	542	243	151	3	107	249	185	414	551	462
Total Expenditures	<u>52,969</u>	<u>68,853</u>	<u>68,193</u>	<u>60,374</u>	<u>64,377</u>	<u>73,003</u>	<u>80,253</u>	<u>99,438</u>	<u>89,845</u>	<u>100,627</u>
Excess of Revenues Over (Under) Expenditures	(9,029)	(22,056)	(20,219)	(10,536)	(11,132)	(17,234)	(14,768)	(29,705)	(15,711)	(20,297)
Other Financing Sources (Uses)										
Transfer In	4,127	4,389	3,641	2,399	3,486	4,975	6,871	3,827	4,923	4,757
Transfer Out	(3,854)	(3,690)	(3,946)	(1,384)	(1,858)	(4,106)	(5,253)	(1,491)	(2,017)	(2,847)
Proceeds from Issuance of Debt	37,700	16,300	9,500	-	18,930	19,470	30,330	24,095	35,940	37,360
Premium (Discount) on Debt Issuance	46	100	65	-	-	1,526	1,795	1,016	3,309	5,953
Payment to Bond Escrow Agent	(10,432)	-	-	-	(719)	-	(11,677)	-	(17,101)	(14,799)
Proceeds from Sale of Assets	45	25	68	12	114	121	412	369	301	39
Proceeds from Loan Payable	-	-	-	-	-	-	673	-	-	-
Net Other Financing Sources (Uses)	<u>27,632</u>	<u>17,124</u>	<u>9,328</u>	<u>1,027</u>	<u>19,953</u>	<u>21,986</u>	<u>22,478</u>	<u>28,489</u>	<u>25,355</u>	<u>30,463</u>
Net Change in Fund Balances	<u>\$ 18,603</u>	<u>\$ (4,932)</u>	<u>\$ (10,891)</u>	<u>\$ (9,509)</u>	<u>\$ 8,821</u>	<u>\$ 4,752</u>	<u>\$ 7,710</u>	<u>\$ (1,216)</u>	<u>\$ 9,644</u>	<u>\$ 10,166</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>6.5%</u>	<u>8.1%</u>	<u>10.1%</u>	<u>12.4%</u>	<u>11.6%</u>	<u>12.2%</u>	<u>12.8%</u>	<u>12.0%</u>	<u>14.9%</u>	<u>14.7%</u>

Source: Statement of Revenues, Expenditures, and Changes in Fund Balance for Governmental Funds

Table 5

City of New Braunfels, Texas
General Governmental Tax Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Utilities Transfer	Hotel Occupancy Tax	Mixed Beverage Tax	Total
2007	11,938	11,200	874	5,251	2,096	156	31,515
2008	13,519	11,974	939	4,929	2,343	190	33,894
2009	15,266	11,858	1,045	5,306	2,155	193	35,823
2010	15,830	12,562	1,336	5,650	2,486	220	38,084
2011	16,089	13,457	1,629	5,819	2,615	232	39,841
2012	17,828	14,665	1,475	6,065	3,118	211	43,362
2013	19,174	16,420	1,671	6,204	3,375	275	47,119
2014	21,311	18,613	1,805	6,478	3,604	390	52,201
2015	24,115	23,978	1,961	6,474	3,813	439	60,780
2016	25,823	19,077	1,934	6,970	3,767	472	58,043

Data Source: City CAFRs and detailed financial records

Table 6

City of New Braunfels, Texas
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended	Total Assessed	Total Real Property	Total Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value¹ as a Percentage of Actual Value
2007	3,825,235	3,500,619	324,616	524,642	3,300,593	0.40986	3,300,593	86.28%
2008	4,434,090	4,074,265	359,825	635,571	3,798,519	0.40986	3,798,519	85.67%
2009	4,815,790	4,485,101	330,689	715,980	4,099,810	0.40986	4,099,810	85.13%
2010	4,731,368	4,379,000	352,368	789,412	3,941,956	0.40986	3,941,956	83.32%
2011	4,871,687	4,488,892	382,795	809,339	4,062,348	0.40986	4,062,348	83.39%
2012	4,959,408	4,610,203	349,205	853,111	4,106,297	0.44836	4,106,297	82.80%
2013	5,044,593	4,665,542	379,051	866,905	4,177,688	0.46734	4,177,688	82.82%
2014	5,313,743	4,917,972	395,771	904,189	4,409,554	0.49823	4,409,554	82.98%
2015	5,955,309	5,528,399	426,910	1,047,373	4,907,936	0.49823	4,907,936	82.41%
2016	6,678,646	6,138,209	540,437	1,050,021	5,628,625	0.49823	5,628,625	84.28%

Source: Comal County Appraisal District

¹Assessed Actual Values are net of local option over-65 exemptions, state mandated agricultural exemptions, and disabled veterans' exemptions.

Table 7

City of New Braunfels, Texas
Property Tax Rates¹
Direct and Overlapping² Governments
(per \$100 of assessed value)
Last Ten Fiscal Years

Fiscal Year	City of New Braunfels Tax Rate			Overlapping Tax Rates					Total Direct & Overlapping		Total Direct & Overlapping		Total Direct & Overlapping			
	General Government	Debt Service	Total	Comal County	Guadalupe County	Navarro ISD	New		NBISD	Comal ISD	Navarro ISD					
							Braunfels ISD	Comal ISD								
2007	0.32702	0.08285	0.40986	0.31520	0.40310	1.44000	1.65250	1.64000	2.37756	2.36506	2.25296					
2008	0.29486	0.11500	0.40986	0.31799	0.38950	1.44000	1.34486	1.31000	2.07272	2.03786	2.23936					
2009	0.28218	0.12768	0.40986	0.30802	0.38950	1.44000	1.33880	1.31000	2.05669	2.02789	2.23936					
2010	0.28218	0.12768	0.40986	0.31296	0.38950	1.46000	1.33910	1.31000	2.06192	2.03282	2.25936					
2011	0.26136	0.14850	0.40986	0.33400	0.39990	1.46000	1.33910	1.37000	2.08296	2.11386	2.26976					
2012	0.26136	0.18700	0.44836	0.35042	0.40360	1.43000	1.33910	1.43000	2.13788	2.22878	2.28196					
2013	0.26856	0.19878	0.46734	0.30522	0.34560	1.43000	1.33910	1.43000	2.11167	2.20257	2.24294					
2014	0.27808	0.22015	0.49823	0.27822	0.34190	1.42000	1.33910	1.43000	2.11555	2.20645	2.26013					
2015	0.27808	0.22015	0.49823	0.29282	0.33610	1.39000	1.33910	1.39000	2.13015	2.18105	2.22433					
2016	0.27808	0.22015	0.49823	0.29282	0.33110	1.34960	1.33910	1.39000	2.13015	2.18105	2.17893					

Source: Comal County Tax Assessor-Collector and Guadalupe Appraisal District

¹Tax rate is per \$100 of taxable assessed value

²Overlapping rates are those of local and county governments that apply to property owners within the City of New Braunfels. Overlapping rates are shown for each of the three school districts serving New Braunfels

Table 8

City of New Braunfels, Texas
Principal Property Taxpayers
Fiscal Year End 2015 and 2006

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Central Texas Corridor Hospital (Resolute Health)	\$ 123,139,290	1	2.19%			
Creekside Town Center	113,815,220	2	2.02%			
Rush Trucking Leasing	77,863,825	3	1.38%			
TAV3LLC	28,743,650	4	0.51%			
Sundance Apartments	27,800,000	5	0.49%			
Augusta Gruene Apartments	25,296,470	6	0.45%			
Continental 306 Fund LLC	22,048,850	7	0.39%			
Healthcare	19,897,350	8	0.35%			
Bucees	18,470,440	9	0.33%			
Creekside Park Apartments LTD	18,300,000	10	0.33%			
LPF Westpointe LLC				\$ 12,617,063	1	0.38%
NB Marketplace LP				12,000,000	2	0.36%
Westshore Colony LLC				10,100,000	3	0.31%
Walmart Real Estate Trust				9,820,090	4	0.30%
Bluebonnet Motors Inc				9,639,940	5	0.29%
Advenir at Grand Cypress LLC				9,100,000	6	0.28%
Augusta II Associates LP				8,957,000	7	0.27%
R P I Courtyard Ltd				8,880,790	8	0.27%
New Braunfels Utilities				8,800,000	9	0.27%
New Braunfels Office Ltd				8,249,840	10	0.25%
AT&T						
Totals	<u><u>\$ 475,375,095</u></u>		<u><u>8.45%</u></u>	<u><u>\$ 98,164,723</u></u>		<u><u>2.97%</u></u>

Source: Comal County Tax Assessor-Collector's Office

Table 9

City of New Braunfels, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended	Total Tax Levy for Fiscal Year	Collections Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	11,820	11,568	96.67%	229	11,797	99.8%
2008	13,422	13,094	97.56%	286	13,380	99.7%
2009	15,178	14,817	97.62%	274	15,091	99.4%
2010	15,623	15,210	98.06%	257	15,467	99.0%
2011	15,838	15,612	98.57%	400	16,012	101.1%
2012	17,747	17,431	98.22%	325	17,756	100.1%
2013	19,108	19,092	99.92%	334	19,426	101.7%
2014	21,543	21,251	98.64%	195	21,446	99.5%
2015	24,029	23,817	99.12%	283	24,100	100.3%
2016	27,065	26,830	99.13%	251	27,081	100.1%

Source: Comal County Tax Assessor and City CAFR

Note: Taxes stated are for General Fund and Debt Service Funds.

City of New Braunfels, Texas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities			Business Type Activities			Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Certificates of Obligation	Loan Payable	Revenue Bond	Certificates of Obligation	Loan Payable			
2007	10,600	50,060	-	210	-	-	60,870	2.6%	1,128
2008	10,600	63,555	-	160	-	-	74,315	3.2%	1,330
2009	10,545	78,645	-	110	-	-	89,300	3.7%	1,547
2010	10,490	65,590	-	55	-	-	76,135	3.0%	1,273
2011	10,975	79,180	-	-	-	-	90,155	3.4%	1,483
2012	10,725	94,190	-	-	-	-	104,915	3.7%	1,695
2013	21,305	97,030	-	-	-	-	118,335	5.3%	1,878
2014	34,685	100,970	673	-	-	721	137,049	6.1%	2,175
2015	52,730	95,585	553	-	-	593	149,461	4.9%	2,251
2016	88,385	74,715	534	-	-	363	163,997	4.8%	2,325

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

¹See the Schedule of Demographic and Economic Statistics for personal income and population data.

Table 11

City of New Braunfels, Texas
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value¹ of Property	Per Capita²
2007	10,600	-	10,600	0.28%	190
2008	10,600	-	10,600	0.28%	190
2009	10,545	-	10,545	0.26%	183
2010	10,490	-	10,490	0.27%	175
2011	10,975	-	10,975	0.27%	181
2012	10,725	786	9,939	0.24%	161
2013	21,305	809	20,496	0.49%	325
2014	34,685	1,279	33,406	0.76%	530
2015	52,730	1,418	51,312	1.05%	773
2016	88,385	1,577	86,808	1.54%	1,231

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

¹See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

² Population data can be found in the Schedule of Demographic and Economic Statistics

Table 12

City of New Braunfels, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2016

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable¹	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
New Braunfels Independent School District	\$ 163,583,263	84.7%	\$ 138,489,590
Comal Independent School District	588,496,596	20.6%	121,465,697
Navarro Independent School District	34,113,490	1.2%	392,305
Guadalupe County	9,000,000	8.9%	796,500
Comal County	57,785,000	36.0%	20,808,379
Subtotal - Overlapping Debt	<u>852,978,349</u>		<u>281,952,472</u>
City of New Braunfels Direct Debt	<u>\$ 163,100,000</u>	<u>100%</u>	<u>163,100,000</u>
Total Direct and Overlapping Debt			<u>\$ 445,052,472</u>

Note:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of New Braunfels. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the government's taxable assessed value that is within the government's boundaries and dividing it by the government's total taxable assessed value.

Table 13

City of New Braunfels, Texas
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	\$ 382,524	\$ 443,409	\$ 481,579	\$ 473,137	\$ 487,169	\$ 495,941	\$ 504,459	\$ 531,374	\$ 595,531	\$ 667,865
Total Net Debt Applicable to Limit	-	10,600	10,545	10,490	10,975	10,725	21,305	34,685	52,730	88,385
Legal Debt Margin	\$ 382,524	\$ 432,809	\$ 471,034	\$ 462,647	\$ 476,194	\$ 485,216	\$ 483,154	\$ 496,689	\$ 542,801	\$ 579,480
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.0%	2.4%	2.2%	2.2%	2.3%	2.2%	4.2%	6.5%	8.9%	13.2%

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed Value	\$ 5,628,625
Add Back: Exempt Real Property	<u>1,050,021</u>
Total Assessed Value	\$ 6,678,646
Debt Limit (10% of Total Assessed Value)	667,865
Debt Applicable to Limit:	
General Obligation Bonds	88,385
Legal Debt Margin	<u>\$ 579,480</u>

Note: Under state finance law, the City of New Braunfels's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Table 14

City of New Braunfels, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Total Wages		School Enrollment³	Unemployment Rate⁴
		All Industries²	(expressed in thousands)		
2007	52,056	2,191,376	33,380	22,366	3.4%
2008	53,975	2,361,258	34,348	23,656	4.0%
2009	55,867	2,349,085	34,565	24,371	5.7%
2010	57,740	2,388,266	34,998	24,941	5.8%
2011	59,823	2,544,510	35,970	14,273	6.1%
2012	60,791	2,642,199	37,555	15,883	5.1%
2013	61,885	2,822,616	41,155	8,269	4.6%
2014	62,998	2,232,220	43,800	8,463	3.8%
2015	66,394	3,064,162	46,871	8,438	3.5%
2016	70,543	3,394,824	51,558	8,552	4.0%

²Total wages and average annual pay is for Comal and Guadalupe counties combined; data provided by the Bureau of Labor Statistics

³School enrollment is for Comal County through 2010; 2011 and all following years are for City of New Braunfels only; 2013 and following years include only New Braunfels Independent School District

⁴Data is for the City of New Braunfels

Table 15

City of New Braunfels, Texas
Principal Employers
Current Year and Ten Years Ago

Employer	2016			2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Comal ISD	2,648	1	7.7%	1,700	2	6.66%
Schlitterbahn Water Park	1,689	2	4.9%	1,800	1	7.05%
Wal-Mart Distribution Center	1,237	3	3.6%	1,200	3	4.70%
New Braunfels ISD	1,050	4	3.1%	912	4	3.57%
Hunter Industries-Colorado Materials	995	5	2.9%	550	7	2.15%
McKenna Memorial Hospital				900	5	3.52%
The Scooter Store				870	6	3.41%
Sysco	864	6				
IBEX Corporation	659	7	1.9%			
Comal County	657	8	1.9%	523	8	2.05%
City of New Braunfels	607	9	1.8%	450	9	1.76%
GE Oil and Gas	573	10	1.7%			
HD Supply		10	0.0%	450	9	1.76%
Walmart Super Center		0	0.0%	435	10	1.70%
Total	10,979		29.4%	9,790		38.33%

Source: Greater New Braunfels Chamber of Commerce

Table 16

City of New Braunfels, Texas
Authorized City Government Positions by Function
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
GENERAL FUND										
City Secretary	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
City Attorney	2.0	2.0	2.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0
City Manager	3.0	4.0	5.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0
Information Technology									7.0	8.0
Human Resources	0.0	0.0	6.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0
Finance	14.0	18.0	14.0	14.0	15.0	16.0	17.0	17.0	10.0	11.0
Municipal Court	10.0	11.0	11.0	11.0	11.0	10.0	10.0	10.0	10.0	10.0
Police*	115.0	123.0	140.0	139.0	139.0	143.0	148.0	150.5	157.0	149.0
Fire	104.0	114.0	116.0	116.0	116.0	134.0	134.0	134.0	134.0	134.0
Planning and Community Development	21.0	23.0	24.0	25.0	24.0	26.0	29.0	30.0	31.0	33.0
Planning and Comm. Dev. - Main Street	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Parks and Recreation	150.0	151.0	152.0	140.0	140.5	141.5	150.5	150.5	161.5	160.5
Public Works	42.0	46.0	42.0	42.0	41.5	47.0	44.5	43.5	45.5	50.5
Library	24.0	25.5	25.8	25.8	26.5	26.5	28.5	28.5	28.25	28.25
Total General Fund	490.0	522.5	542.8	529.8	531.5	564.0	581.5	584.0	604.25	604.25
GOLF COURSE FUND	10.0	10.0	13.0	13.0	12.0	11.5	11.5	12.5	17.0	17.0
AIRPORT FUND	3.5	3.5	4.5	5.5	6.0	6.0	7.0	7.0	7.0	7.0
SOLID WASTE FUND	53.0	51.0	51.0	51.0	44.5	48.0	50.5	49.5	52.5	52.5
CAPITAL PROJECT FUNDS**	0.0	0.0	0.0	0.0	0.0	0.0	6.0	6.5	8.0	9.0
CIVIC/CONVENTION CENTER FUND	0.0	0.0	8.0	8.0	8.0	8.0	8.5	8.5	8.5	8.5
RIVER ACTIVITIES FUND	24.0	20.0	20.0	16.0	16.0	67.5	54.5	54.5	54.5	55.5
FACILITIES MAINTENANCE FUND	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	0.0
CDBG FUND	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EAHCP FUND	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0
	581.5	608.0	640.3	623.3	619.0	706.0	721.5	724.5	753.75	754.75

Source: City of New Braunfels Annual Budget - pgs 35-37

Full time and seasonal positions = 1 position

Part time position = .5 position

*Police positions decreased as a result of contracting out crossing guard services

**Positions supported by both Capital Project Funds and the General Fund

Table 17

City of New Braunfels, Texas
Operating Indicators by Function
Last Nine Fiscal Years

Function	Fiscal Years									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Serious crimes that result in arrest or cleared for prosecution	N/A	N/A	N/A	N/A	1,087	957	900	611	388	550
Avg. time from intake of crimes in progress call until officer on scene	N/A	N/A	N/A	N/A	6:10	6:41	6:36	7:34	6:50	6:30
Fire										
Response times - structure fire	N/A	N/A	N/A	N/A	4:43	3:45	4:30	6:38	5:36	5:21
Response times - EMS	N/A	N/A	N/A	N/A	5:30	5:32	5:30	7:05	6:21	5:41
Smoke detectors issued/inspected/updated	N/A	N/A	N/A	N/A	762	842	1,200	420	440	425
Public Works										
Subdivision plans reviewed within 30 days of receipt	50%	50%	100%	100%	100%	100%	90%	100%	100%	100%
Permits reviewed	265	280	274	296	285	240	240	360	497	514
Miles of roadway repaired/improved	2	2	2	4	4	14	38	35	38	40
Acres of right-of-way mowed	174	174	174	185	185	165	188	188	188	188
Solid Waste										
Waste diverted from landfill	13%	13%	13%	13%	20%	36%	35%	29%	29%	30%
Residential operating cost per ton collected	N/A	N/A	N/A	N/A	\$ 63.32	\$ 94.00	\$ 104.00	\$ 73.90	\$ 51.39	\$ 71.89
Parks and Recreation										
Participants in recreation programs	2,623	2,710	2,426	2,126	3,198	3,080	3,000	3,918	6,499	6,478
Athletic leagues teams' participants	N/A	N/A	N/A	N/A	196	212	190	233	219	213
Golf course rounds played	42,000	42,500	47,976	41,000	40,574	39,140	43,000	N/A	34,396	39,175
Planning and Community Development										
Residential permits issued	1,924	2,034	1,924	2,116	1,019	1,556	1,603	2,302	2,185	3,000
Commercial permits issued	282	291	282	310	552	442	455	344	446	400
Calls for service - Animal Control	5,250	5,504	6,144	5,040	5,994	5,553	6,900	7,349	8,404	7,800
Cases abated without court action - Code Compliance	95%	97%	97%	92%	96%	98%	98%	97%	98%	98%
Special projects completed	N/A	N/A	N/A	N/A	4	5	15	5	4	5
Historic landmark designations	10	4	7	7	6	3	3	2	4	3
Airport Operations										
Flight operations annually	64,000	58,000	47,462	58,000	32,340	28,099	39,880	45,000	42,475	48,000
Gallons of fuel sold	N/A	N/A	N/A	N/A	221,106	289,882	308,000	399,151	370,915	445,000
Library										
Visitors annually	241,000	257,868	270,838	378,000	313,996	312,138	285,000	283,790	282,335	290,000
Annual circulation of library materials	440,000	482,064	568,327	802,500	756,549	762,491	800,000	828,426	781,603	850,000
Database accesses	N/A	N/A	N/A	N/A	14,117	18,021	28,000	45,780	48,557	45,000
Municipal Court										
Time from plea to trial	1 year	1 year	1 year	45 days	123 days	27 days	37 days	45 days	28 days	60 days
Time to issue warrant for failure to appear	1 year	1 year	1 year	75 days	1 year	72 days	96 days	90 days	43 days	90 days

* Information is not available prior to fiscal year 2006 as the City did not begin tracking performance indicators until that time.

Table 18

City of New Braunfels, Texas
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Police and Fire:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	4	5	5	5	5	6	6	6	6	6
Highways and Streets										
Streets (Miles)	275	283	291	305	317	318	318	323	323	323
Area in Square Miles	1.7	1.7	1.8	1.8	1.9	1.9	1.9	2.0	2.0	2.0
Culture and Recreation										
Parks Acreage	349	349	373	373	373	373	373	373	435	435
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Golf Course	1	1	1	1	1	1	1	1	1	1

Sources: Various city departments.



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

**INDEPENDENT AUDITORS' 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**

City Council
City of New Braunfels
New Braunfels, Texas

We have audited, in accordance with the 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of New Braunfels, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise City of New Braunfels's basic financial statements, and have issued our report thereon dated May 31, 2017. Our report includes a reference to other auditors who audited the financial statements of New Braunfels Utilities, as described in our report on the City of New Braunfels' financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of New Braunfels' internal control over financial reporting (internal control) 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 City of New Braunfels' internal control. Accordingly, we do not express an opinion on the effectiveness of City of New Braunfels' 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control 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 City of New Braunfels' financial statements are free from 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 result 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Dallas, TX
May 31, 2017

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

City Council
City of New Braunfels
New Braunfels, Texas

Report on Compliance for Each Major Federal Program

We have audited City of New Braunfels, TX's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of New Braunfels, TX's major federal programs for the year ended September 30, 2016. City of New Braunfels, TX's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of City of New Braunfels, TX's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of New Braunfels, TX's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of New Braunfels, TX's compliance.

Opinion on Each Major Federal Program

In our opinion, City of New Braunfels, TX complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2016.

Report on Internal Control Over Compliance

Management of City of New Braunfels, TX is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of New Braunfels, TX's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of New Braunfels, TX's internal control over compliance.

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

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Dallas, TX
May 31, 2017

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2016

<u>Grantor Agency/Program Title</u>	<u>CFDA Number</u>	<u>Contract Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development				
Direct Program				
Community Development Block Grant Entitlement Program	14.218	B-13-MC-48-0512	\$ -	\$ 712
Community Development Block Grant Entitlement Program	14.218	B-14-MC-48-0512	32,828	33,037
Community Development Block Grant Entitlement Program	14.218	B-15-MC-48-0513	76,746	139,751
Community Development Block Grant Entitlement Program	14.218	B-16-MC-48-0513	179,965	184,965
			289,539	358,465
U.S. Department of Homeland Security				
Passed Through Texas Department of Public Safety				
State Homeland Security Grant Program	97.067	14-SR-50820-01	-	25,435
Passed Through Texas Office of the Governor - Criminal Justice Division				
State Homeland Security Grant Program	97.067	2964801	-	147,000
				172,435
U.S. Department of Justice				
Direct Program				
Bullet Proof Vest Program	16.607	2014BUBX14074527	-	1,229
Bullet Proof Vest Program	16.607	2015BUBX15077877	-	8,862
Bullet Proof Vest Program	16.607	2016BUBX16084278	-	1,399
			-	11,490
National Highway Traffic Safety Administration				
Passed Through Texas Department of Transportation				
Selective Traffic Enforcement Program	20.600	585EGF6084	-	13,314
Selective Traffic Enforcement Program	20.600	2016NewBrau-S-1YG-0090	-	55,480
			-	68,794
US Department of Justice				
Passed Through Texas Office of the Governor- Criminal Justice Division				
Violence Against Women Formula Grant	16.588	2879901	-	55,952
Violence Against Women Formula Grant	16.588	2879902	-	5,633
			-	61,585
U.S Department of Commerce Economic Development Administration				
Direct Program				
Economic Development Assistance Program	11.300	08-01-04929	-	1,018,968
			-	1,018,968
Environmental Protection Agency				
Passed Through Texas Commission on Environmental Quality				
Cooperative Reimbursement Contract for State and Local Gov	66.460	582-15-53180	-	105,660
Cooperative Reimbursement Contract for State and Local Gov	66.460	582-16-60283	-	15,896
			-	121,556
Federal Emergency Management Agency				
Passed Through Texas Department of Public Safety				
Public Assistance Grants, 4245, Severe Storms	97.036	PA-06-TX-4245-PW-00211	-	26,454
Public Assistance Grants, 4245, Severe Storms	97.036	PA-06-TX-4245-PW-00154	-	106,450
Public Assistance Grants, 4245, Severe Storms	97.036	PA-06-TX-4245-PW-00182	-	26,000
Public Assistance Grants, 4245, Severe Storms	97.036	PA-06-TX-4245-PW-00197	-	43,688
			-	202,592
			\$ 289,539	\$ 2,015,885

CITY OF NEW BRAUNFELS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SEPTEMBER 30, 2016

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City of New Braunfels (City) under programs of the federal government for the year ended September 30, 2016. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position or changes in net position of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance 9 wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City has elected to use a 10 % de minimis indirect cost rate.

CITY OF NEW BRAUNFELS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2016

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Type of auditor's report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None reported
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
11.300	Economic Development Assistance Program
Dollar threshold used to distinguish between Type A and type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	No

CITY OF NEW BRAUNFELS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2016

Section II - Financial Statement Findings

No findings noted in the current year.

Section III - Federal Awards Findings and Questioned Costs

No findings noted in the current year.

CITY OF NEW BRAUNFELS
SCHEUDLE OF STATUS OF PRIOR YEAR FINDINGS
September 30, 2016

Section IV – Prior Year Financial Statement Findings

2015-001 Year-End Financial Close and Reporting - resolved

Section V – Prior Year Federal Awards Findings and Questioned Costs

There were no federal awards findings in the prior year.