

# FY 2017-18 Comprehensive Annual Financial Report



*New Braunfels, Texas  
Period Ending September 30, 2018*







## **MISSION STATEMENT:**

*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.*

## **CORE VALUES:**

### Integrity

*We operate with integrity, holding ourselves to the highest standards of performance, transparency, accountability, and ethical conduct.*

### Service

*We are responsive and respectful to those we serve with an attitude that everything is worth our best effort.*

### Visionary Leadership

*We anticipate needs, looking to our community's future, and execute to achieve our goals.*

### Stewardship of Local Resources

*We use our resources responsibly. We treasure our unique heritage and natural environment and wish to preserve them for future generations.*

### Fiscal Responsibility

*Our decisions reflect sound fiscal management and prudence.*



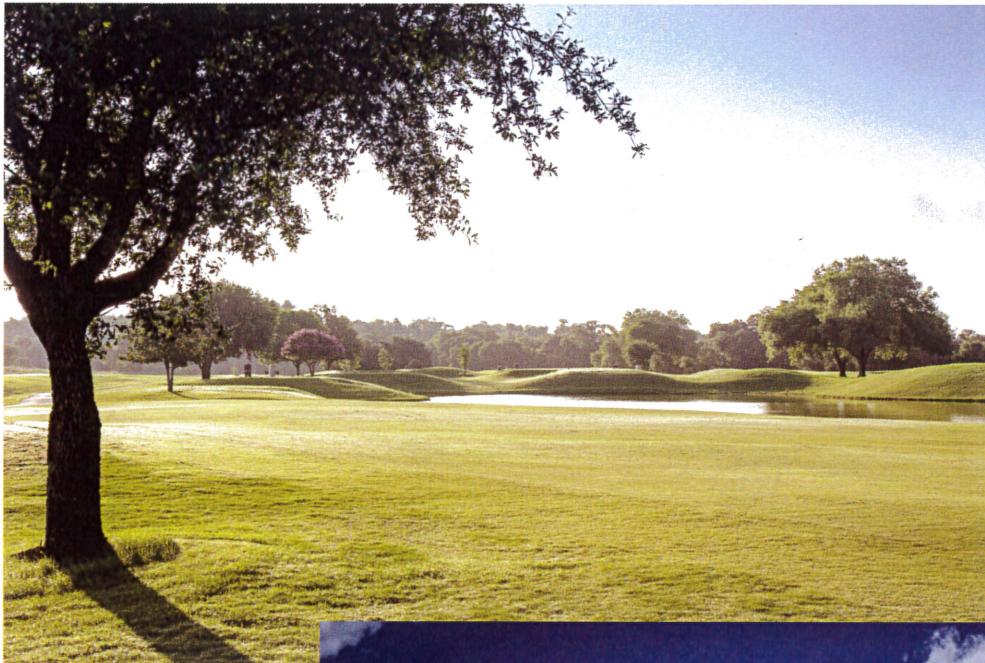
# History of New Braunfels

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.





***COMPREHENSIVE  
ANNUAL FINANCIAL REPORT***

of the

**CITY OF NEW BRAUNFELS, TEXAS**

**For the Year Ended  
September 30, 2018**

**Prepared by  
Finance Department**

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# CITY OF NEW BRAUNFELS, TEXAS

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## ***INTRODUCTORY SECTION***

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## FINANCE DEPARTMENT

March 22, 2019

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, 2018, is hereby submitted. This report was prepared through the cooperative efforts of the Finance Department and the City's independent auditors. 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 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 Belt Harris Pechacek, LLLP, a firm of licensed certified public accountants. The independent auditors 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, 2018 are fairly presented in conformity with GAAP. The independent auditors' 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 80,000 located on Interstate 35, 30 miles north of San Antonio and 45 miles south of Austin. The population in 2010 was 57,740 and the City has seen a 38 percent increase in population since the last official census figures were released. New Braunfels is the largest city in Comal County and serves as the County seat. The City's geographic corporate boundaries encompass approximately 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 established tourism industry, a major factor in the economy of today's New Braunfels. A city of tradition, New Braunfels today finds itself in a time of rapid changes. Its prime location, endless entertainment options, natural amenities and vibrant economy are just a few of the variables driving the 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 City Council members represent the six City 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 is responsible for presenting a Proposed Annual Budget and Plan of Municipal Services to City Council. Each City 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 on page 13. The City provides a full range of external services that includes police and fire protection, emergency response services, solid waste service and recycling, maintenance of streets and drainage and infrastructure, recreational activities, library services, planning and development services, code enforcement and animal control, river management, golf course management, civic/convention center management, a municipal court, a system of municipal parks, as well as the New Braunfels Regional Airport. Citizen engagement and involvement is a major component of the City's operations, which has 29 active boards and commissions.

The New Braunfels Economic Development Corporation (NBEDC) was formed to administer a special 3/8 of one cent sales tax for economic development. It is a non-profit corporation. The City appoints all NBEDC board members, and must approve the NBEDC's budget and associated expenditures. Because of this, City management has included NBEDC in its financial reports as a discretely presented component unit. In addition, New Braunfels Utilities (NBU) is a City-owned water, wastewater, and electric utility serving the City of New Braunfels and some of the surrounding area. The City Council appoints these board members as well. The City Council also approves any proposed debt issuance and/or rate adjustments of the NBU. At last, the City has a Tax Increment Reinvestment Zone (TIRZ), which encompasses the areas known as the Creekside Shopping Center. A TIRZ board and local government authority were developed to issue bonds to be repaid to the developer for public infrastructure. The City Council appoints the board members and approves the annual budget as well. Therefore, City Management has included the TIRZ/NBDA as blended component units.

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.

## FINANCIAL AND BUDGET MANAGEMENT

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, City 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, operations expenses, and capital expenses).

The budget, as adopted by City Council, controls expenditures at the fund and/or department level. 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 and City Management have some flexibility in expensing these funds. For example, City Management can approve transfers from one expenditure group to another i.e. employee expenditures to operating expenditures. City Council action is required only if a departmental budget and/or fund budget needs to be increased/decreased.

In the Community Development Block Grant, Special Revenue and Grants Funds and NBEDC budget, appropriations are controlled at the project level. As the City 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 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.

Budget preparation begins with at least one City Council retreat to establish clear budget priorities of both the City Manager and City Council. During one of the retreats, the five-year financial forecast is presented, which aids the leadership team and Council in setting and operationalizing budget priorities and goals.

The City's budget team prepares 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 45 days prior to the end of the fiscal year. Furthermore, the City Charter requires that a public hearing be held prior to the adoption of the budget.

Monthly financial reports are generated that allow the leadership team, City Council, and citizens (as these reports are posted on the City's website) to monitor revenues, expenditures, and other key organizational/economic metrics.

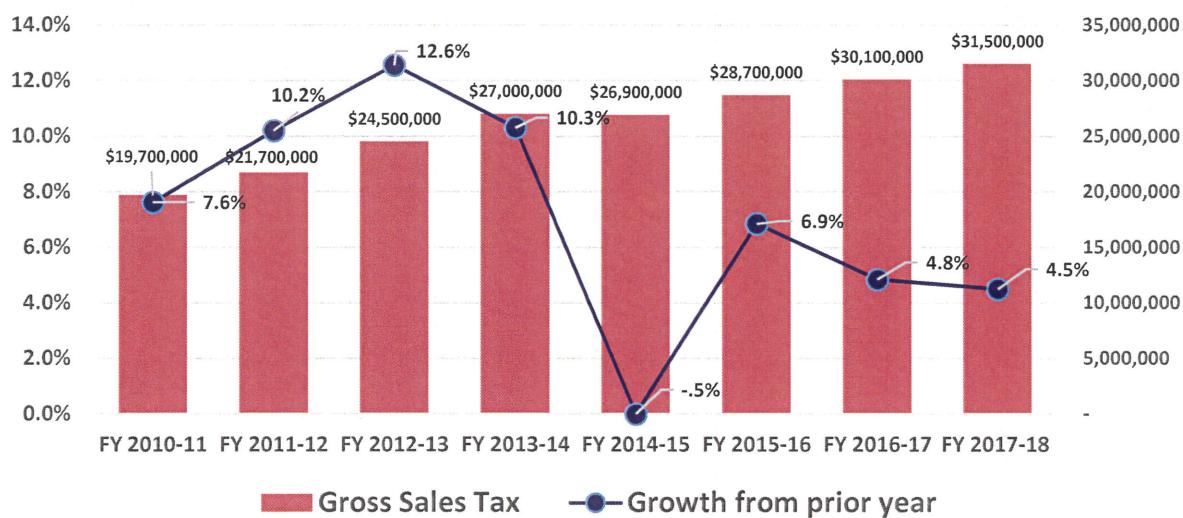
## **ECONOMIC CONDITION AND OUTLOOK**

The City experienced rapid growth prior to the recession years. After a swift recovery, the City has continued to grow at a dramatic pace. Every year, the census releases figures of the fastest growing cities in the country. Their latest release revealed that New Braunfels was the second fastest growing city in the country from July 2016 to July 2017. In fact, for the past three years, the City has consistently ranked as one of the top ten cities in population growth. The increase in population is driven by a myriad of factors such as quality of life and economic opportunity. For example, commercial and industrial property values have grown by over 220 percent in the last 15 years. Over the same time period, employment opportunities have increased by an average of 3.25 percent annually.

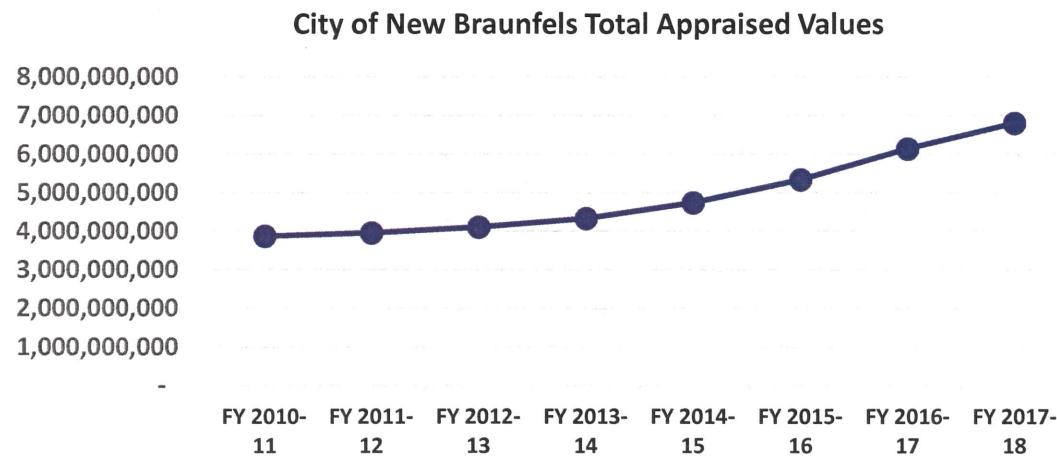
It is estimated that New Braunfels receives approximately 3.6 million visitors a year. A 2017 economic impact analysis found that the tourism industry accounted for approximately \$706.5 million in 2017 – an increase of 32.9 percent from the 2013 analysis. In 2017, the hospitality industry employed 7,764 direct workers and supported another 3,109 indirect workers in spinoff jobs in the community. Exclusive of government, the City's three largest industries in terms of the value of goods and services provided are manufacturing, health care and social

assistance, and retail trade. The government (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.

**Sales Tax Activity** - Sales taxes represent the largest source of revenue to the City's General Fund. In addition, due to the positive effect that tourism has on our economy, sales tax collections are somewhat seasonal, with the largest monthly collection occurring during the summer. The graph below illustrates that the City benefited from double digit growth in sales tax revenue, driven in large part by the addition of retail at the Creekside shopping center (TIRZ). In recent years, the growth has normalized, reflecting the continuation of new sales tax supporting businesses operating in New Braunfels and inflation. Fiscal year 2014-15 was the only year in which the City saw a decline in sales tax collections, driven entirely by a change in legislation that redirected sales tax from point of sale as opposed to point of distribution. This diverted sales taxes from a major distribution center in New Braunfels to the communities in which the physical store was located.

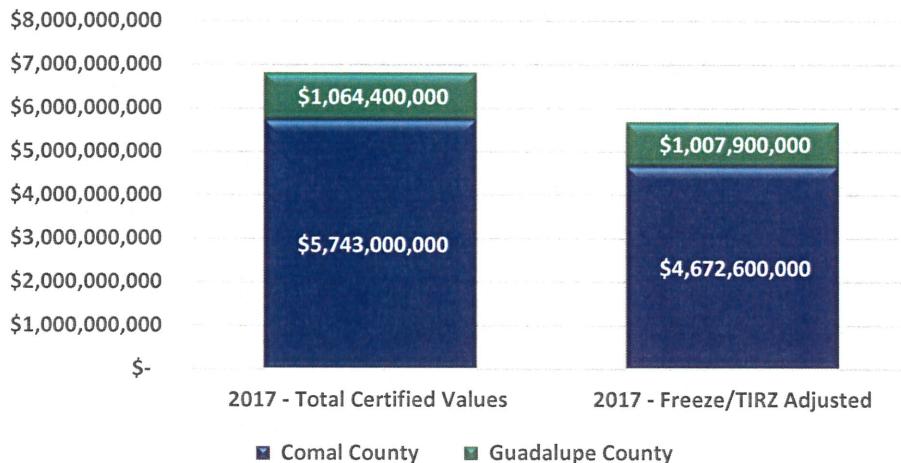


**Property Values and Tax Rate** - As mentioned earlier, the City of New Braunfels has been and continues to be recognized as one of the fastest growing cities in the country. The increase in population has also resulted in an increase in the demand for City services. As can be seen in the graph below, population growth has had a direct impact on the total increase in commercial, industrial, and residential property values.



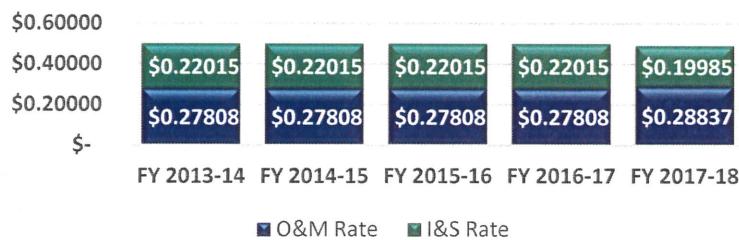
For tax year 2017 (FY 2017-18) total appraised values were approximately \$6.8 billion which represented a 10.9 percent increase from the prior year. Freeze adjusted values, which adjusts for frozen values, totaled \$5.7 billion.

## 2017 Property Values



Growth in property tax, sales tax and other revenue sources has allowed the City to maintain and even reduce its tax rate in recent history, as evidenced in the graph below.

## Total Property Tax Rate - Recent History

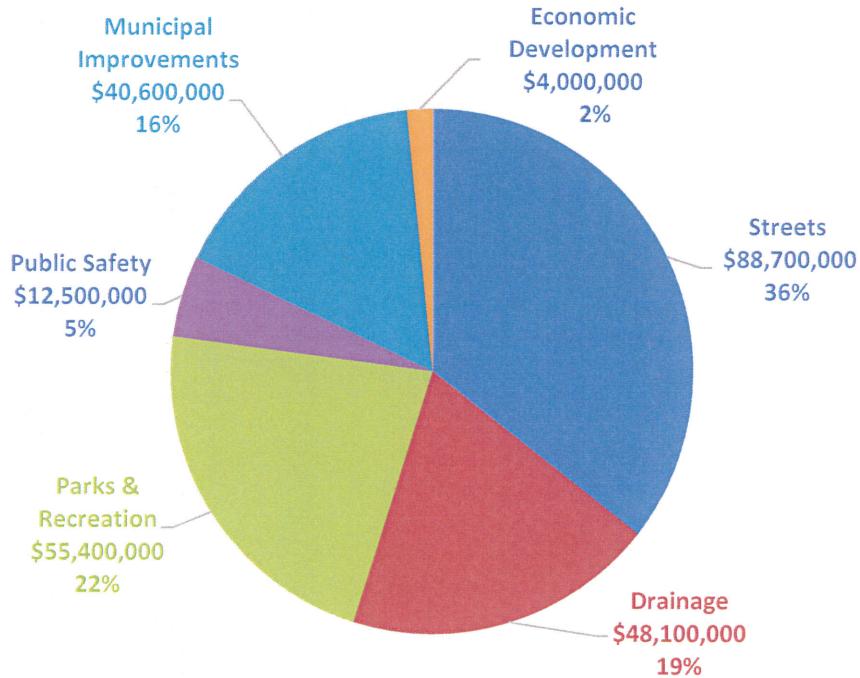


**Major Developments** - As mentioned earlier, in 2007, the City established a TIRZ to facilitate the development of a 400-acre master planned, mixed use development. The original value of all property within that TIRZ was approximately \$5 million. Today, the development integrates over 1 million square feet of retail with a 130-bed hospital, various restaurants, multi-family developments, and an entertainment complex. The total taxable value of all improvements in the district exceed \$374 million (2018 values). The Veramendi Development broke ground in FY 2017-18, which is a 2,400-acre property that will ultimately include over 5,000 residential units, a town center, a university campus, and many other mixed uses and amenities. This development is not within the City limits but has entered into a strategic partnership agreement with the City of New Braunfels. Part of that agreement includes the sharing of sales tax revenues. Other direct revenues will be generated from this Development such as permitting fees; however, there is likely to be additional economic impact throughout the City which stems from the Veramendi Project.

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 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 AND ACCOMPLISHMENTS

**Capital Investment** - Since 2003, \$249 million in capital improvement investments have either been completed or are currently underway. Approximately 33 percent (\$83 million) stems from the 2013 bond projects. Streets and drainage improvements make up a large portion of the total investment and include projects such as the Walnut Avenue widening project, South Tributary Drainage improvements, the extension of Walnut Avenue to Klein Road; Alves Lane improvements; Solms, Morningside and Rueckle Road reconstruction, Klein Road reconstruction and the \$10 million Citywide streets improvement program, among others. Parks and recreation improvements include the development of Fischer Park, the Landa Park riverfront rehabilitation project, a new irrigation system in Landa Park, land acquisition for a future sports complex, and the construction of the Das Rec Community Recreation Center. 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, Downtown Pedestrian Improvements, the expansion of the Central Texas Technology Center, various airport infrastructure and facility improvements, and the City Hall acquisition and renovation, among others.



Additional detail on completed or in progress capital investment can be found in the Operating Budget and Plan of Municipal Services Document.

**Future Capital Investment** - In 2017, the City Council appointed a bond advisory committee (BAC) to begin the planning process towards a 2019 bond program. The 2013 and 2019 bond programs continue to fund the projects identified in the 2012 Capital Improvement Plan (which exceeded \$500 million in needed investments), as well as address the priorities of the National Citizen Survey. The survey, which has now been conducted three times in New Braunfels, continues to support streets, public safety and outdoor recreation as the top three priorities of our citizens. Scheduled to go to the voters in May, the 2019 bond program will total \$143,000,000. This includes

the strategic use of roadway impact fees to increase the investment in streets, as well as partnership with the NBEDC to support a portion of the phase 1 development of the sports complex. The graph below reflects the breakdown of the 2019 bond program investments. Please visit the City's website for detailed information on the 2019 bond.



***Maintaining and Increasing Services Levels*** - Growth has been referenced multiple times. Maintaining and increasing service levels has been a major challenge for the City, yet the FY 2017-18 operations and maintenance portion of the tax rate is approximately four cents lower than it was in FY 2006-07. In that time, the City has opened and staffed two new fire stations, established operations and staffing at various new parks and recreation facilities such as Fischer Park and the Das Rec Recreation Center, implemented an additional streets maintenance crew, added positions to enhance the development review processes, established a capital programs division, and increased police department personnel by 47 percent (based on FY 2018-19 authorized positions), among many other initiatives.

## RESERVES AND BOND RATING

The General Fund ended the year with a total fund balance of \$21.0 million. This balance provides adequate protection against unforeseen occurrences and fluctuations in revenue sources. The City's financial policies require fund balance of at least 25 percent of operating expenditures while the City has maintained a minimum of a 30 percent balance to protect our strong bond rating.

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

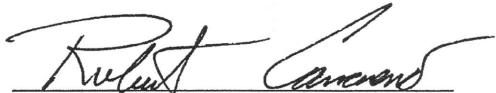
## AWARDS AND ACKNOWLEDGEMENTS

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, 2017. This was the tenth year that the City 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.

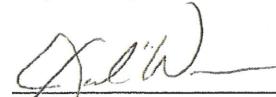
A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully Submitted,



Robert Camareno  
City Manager



Jared Werner, MPA  
Chief Financial Officer (CFO)

# **CITY OF NEW BRAUNFELS, TEXAS**

*CERTIFICATE OF ACHIEVEMENT FOR  
EXCELLENCE IN FINANCIAL REPORTING*



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, 2017**

*Christopher P. Morrill*

Executive Director/CEO

# CITY OF NEW BRAUNFELS, TEXAS

## *ORGANIZATIONAL CHART*

September 30, 2018

The following page contains the organization 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 storm water management, and maintenance of City facilities.

**Finance** – Is responsible for all City financial and accounting functions, including 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 service to the citizens of New Braunfels.

**Planning and Community Development** – Is responsible for overseeing those activities that 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.

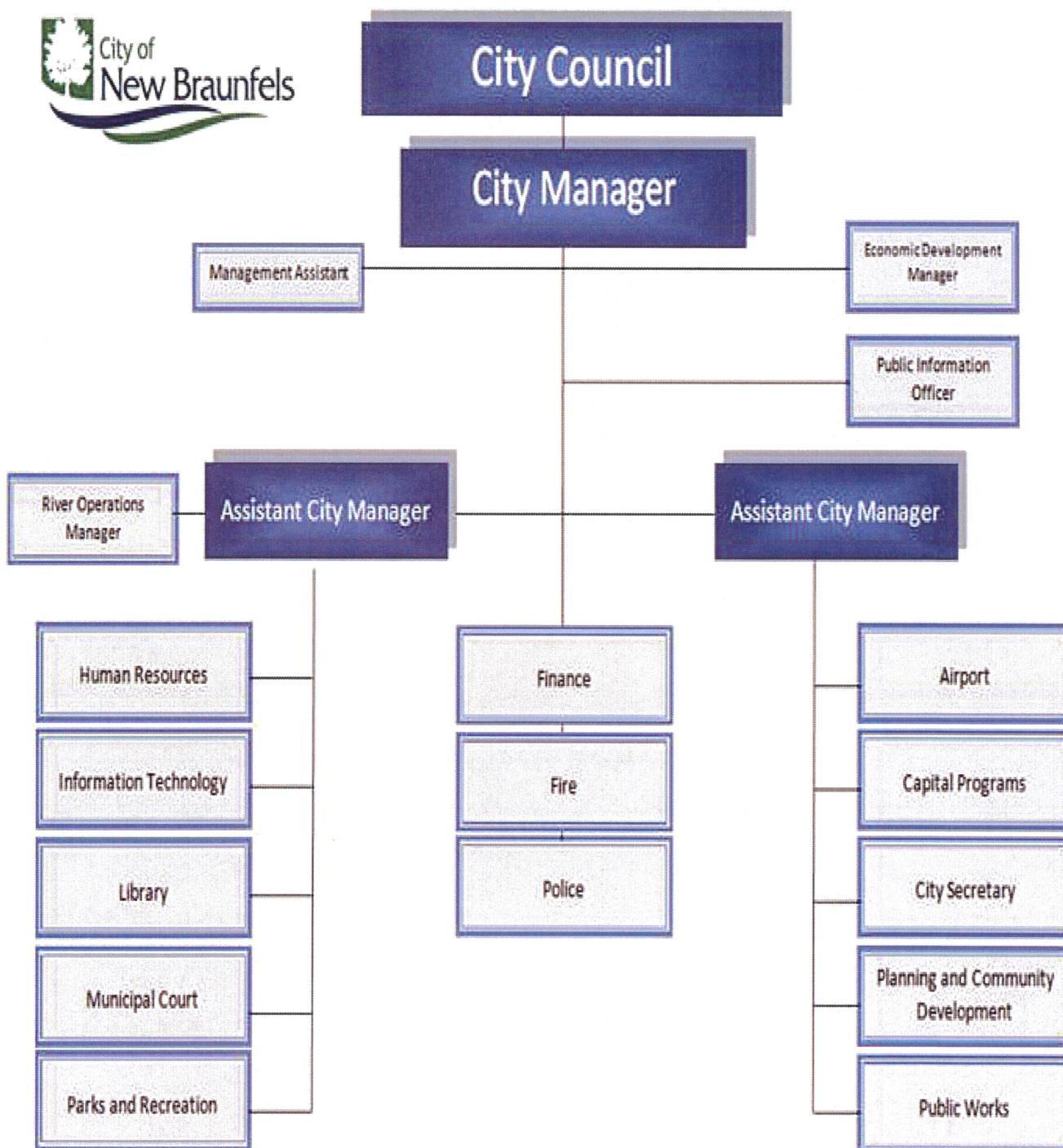
**Parks and Recreation** – Is responsible for the provision of parks and recreation services and facilities. This includes park development and management, program development and administration, special events coordination, management of a spring-fed and Olympic-size pool, and efforts to provide a safe 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, and 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.

**CITY OF NEW BRAUNFELS, TEXAS**  
*ORGANIZATIONAL CHART*  
September 30, 2018





**CITY OF NEW BRAUNFELS, TEXAS**  
***LIST OF ELECTED AND APPOINTED OFFICIALS***

<u>Elected Officials</u>	<u>Position</u>
Barron Casteel	Mayor
Shane Hines	Council Member, District 1
Justin Meadows	Council Member, District 2
Harry Bowers	Council Member, District 3
Matthew E Hoyt	Council Member, District 4
Wayne Peters	Council Member, District 5
Leah A. Garcia	Council Member, District 6

<u>Appointed Officials</u>	<u>Position</u>
Robert Camareno	City Manager
Valeria Acevedo	City Attorney
Rose Zamora	Municipal Court Judge

<u>Department Directors</u>	<u>Position</u>
Kristi Aday	Assistant City Manager
Thomas Wibert	Police Chief
Kenneth Jacks	Fire Chief
Greg Malatek	Public Works Director
Jared Werner	Chief Financial Officer
Jared Werner	Interim Human Resources Director
Christopher Looney	Planning and Community Development Director
Stacey Dicke	Parks and Recreation Director
Gretchen Pruitt	Library Director
Tony Gonzalez	Information Technology Director
Robert Lee	Airport Director

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## ***FINANCIAL SECTION***

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## ***INDEPENDENT AUDITORS' REPORT***

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Braunfels, Texas (the "City"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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, a discretely presented component unit, which financial statements reflect total assets of \$622,016,353 and total revenues of \$169,588,778 for the fiscal year. 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 City'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 City'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 discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2018, 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 Matter**

### *Change in Accounting Principle*

In 2018, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule of changes in net pension liability and total OPEB liabilities and related ratios, schedule of contributions, and schedule of funding progress, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management 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's basic financial statements. The introductory section, combining statements and schedules, and statistical section are presented for purposes of additional analysis and are not required parts of the financial statements

The combining statements and schedules 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 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 combining statements and schedules and the schedule of expenditures of federal awards are 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 them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2019 on our consideration of the City's 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 results of that testing, and not to provide an opinion on the effectiveness of the City's 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 the City's internal control over financial reporting and compliance.

*Belt Harris Pechacek, LLP*

Belt Harris Pechacek, LLP  
*Certified Public Accountants*  
Houston, Texas  
March 22, 2019



***MANAGEMENT'S DISCUSSION  
AND ANALYSIS***

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# **CITY OF NEW BRAUNFELS, TEXAS**

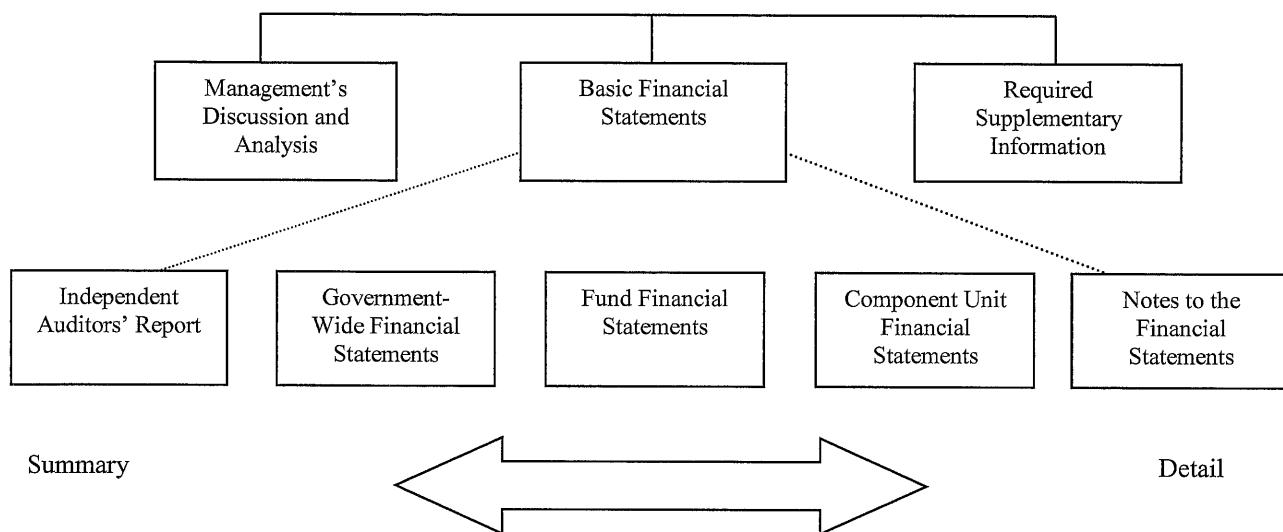
## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **For the Year Ended September 30, 2018**

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the City of New Braunfels, Texas (the "City") for the year ending September 30, 2018. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the City's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

## THE STRUCTURE OF OUR ANNUAL REPORT

## Components of the Financial Section



The City's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

## Government-Wide Statements

The government-wide statements report information for the City as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the City as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the City's financial statements, report information on the City's activities that enable the reader to understand the financial condition of the City. These statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other nonfinancial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

**CITY OF NEW BRAUNFELS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2018**

The Statement of Activities presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City's financials into two classes of activities:

1. *Governmental Activities* – The City's tax-supported services are reported here including police and fire protection (public safety), streets and drainage (public works), public improvements, parks and recreation, planning and development, and general administrative services (general government). Interest payments on the City's tax-supported debt are also reported here. Property tax, sales tax, franchise fees, municipal court fines, and permit fees finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's airport, solid waste, golf course, and civic/convention center services, as well as interest payments on debt issued for equipment financing.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate economic development corporation and a legally separate utilities entity for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The Tax Increment Reinvestment Zone No. 1 (TIRZ) and the New Braunfels Development Authority (NBDA), although legally separate, function for all practical purposes as departments of the City and have been included as an integral part of the primary government.

## **FUND FINANCIAL STATEMENTS**

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance related legal reporting requirements. The two categories of City funds are governmental and proprietary.

### **Governmental Funds**

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

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

**CITY OF NEW BRAUNFELS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Year Ended September 30, 2018

The City maintains 39 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, hotel/motel tax, debt service, and general obligation funds, which are considered to be major funds for reporting purposes.

The City adopts an annual appropriated budget for its general fund, debt service fund, and select special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

**Proprietary Funds**

The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its airport, solid waste, golf course, and civic/convention center services. The proprietary fund financial statements provide separate information for the airport, solid waste, golf course, and civic/convention center operations. The basic proprietary fund financial statements can be found in the basic financial statements of this report.

The City also uses an internal service fund to account for its self-funded health plan. This internal service fund has been included within governmental activities in the government-wide financial statements.

**Notes to Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

**Other Information**

In addition to basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes a budgetary comparison schedule for the general and hotel/motel tax funds, a schedule of changes in net pension liability and related ratios for the Texas Municipal Retirement System (TMRS), a schedule of changes in total OPEB liability and related ratios for the TMRS Supplemental Death Benefit Fund (SBDF), schedule of changes in total OPEB liability and related ratios for the Retiree Health Benefits plan, schedule of contributions for TMRS, and schedule of funding progress for post employment healthcare benefits. RSI can be found after the notes to the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$32,943,640 as of September 30, 2018 for the primary government. This compares with \$40,387,811 from the prior fiscal year. The largest portion of the City's net position, \$26,116,434, reflects its investments in capital assets (e.g., land, buildings and improvements, equipment, construction in progress, and infrastructure), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

**CITY OF NEW BRAUNFELS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Year Ended September 30, 2018

**Statement of Net Position:**

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 95,966,324	\$ 85,349,560	\$ 5,019,478	\$ 3,742,645	\$ 100,985,802	\$ 89,092,205
Capital assets, net	163,917,703	163,479,656	29,514,887	31,206,074	193,432,590	194,685,730
<b>Total Assets</b>	<b>259,884,027</b>	<b>248,829,216</b>	<b>34,534,365</b>	<b>34,948,719</b>	<b>294,418,392</b>	<b>283,777,935</b>
Deferred charge on refunding	1,944,755	2,114,149	-	-	1,944,755	2,114,149
Deferred outflows - pensions	6,160,760	9,083,955	618,715	930,328	6,779,475	10,014,283
Deferred outflows - OPEB	277,074	7,579	27,750	759	304,824	8,338
<b>Total Deferred Outflows of Resources</b>	<b>8,382,589</b>	<b>11,205,683</b>	<b>646,465</b>	<b>931,087</b>	<b>9,029,054</b>	<b>12,136,770</b>
Long-term liabilities	250,785,073	238,817,670	4,205,946	4,784,794	254,991,019	243,602,464
Other liabilities	10,997,911	10,499,128	589,366	609,804	11,587,277	11,108,932
<b>Total Liabilities</b>	<b>261,782,984</b>	<b>249,316,798</b>	<b>4,795,312</b>	<b>5,394,598</b>	<b>266,578,296</b>	<b>254,711,396</b>
Deferred inflows - pensions	3,580,300	736,840	345,210	78,658	3,925,510	815,498
<b>Total Deferred Inflows of Resources</b>	<b>3,580,300</b>	<b>736,840</b>	<b>345,210</b>	<b>78,658</b>	<b>3,925,510</b>	<b>815,498</b>
<b>Net Position:</b>						
Net investment in capital assets	(3,398,453)	5,470,679	29,514,887	31,024,485	26,116,434	36,495,164
Restricted	24,333,055	21,268,918	-	-	24,333,055	21,268,918
Unrestricted	(18,031,270)	(16,758,336)	525,421	(617,935)	(17,505,849)	(17,376,271)
<b>Total Net Position</b>	<b>\$ 2,903,332</b>	<b>\$ 9,981,261</b>	<b>\$ 30,040,308</b>	<b>\$ 30,406,550</b>	<b>\$ 32,943,640</b>	<b>\$ 40,387,811</b>

A portion of the primary government's net position, \$24,333,055, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$17,505,849.

The City's total net position decreased by \$7,444,171 during the current fiscal year. This included a decrease of \$7,077,929 in the governmental activities, which primarily was a result of the implementation of GASB 75. Business-type activities net position decreased by \$366,242, which was primarily a result of decreased capital grants and contributions revenue offset by increases in charges for services.

**CITY OF NEW BRAUNFELS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Year Ended September 30, 2018

**Statement of Activities:**

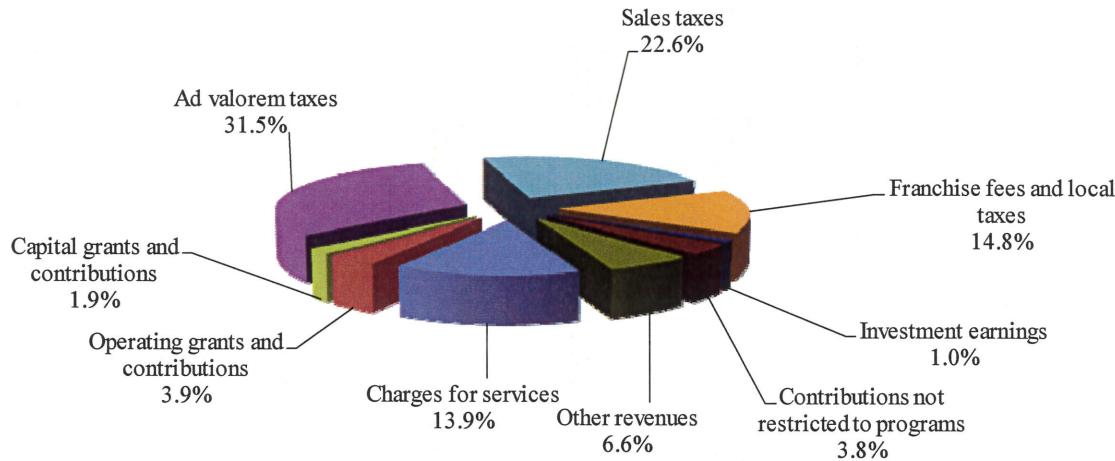
The following table provides a summary of the City's changes in net position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 13,562,179	\$ 13,152,170	\$ 14,765,116	\$ 12,948,685	\$ 28,327,295	\$ 26,100,855
Operating grants and contributions	3,819,394	1,758,775	-	396,551	3,819,394	2,155,326
Capital grants and contributions	1,831,361	3,459,563	-	-	1,831,361	3,459,563
General revenues:						
Ad valorem taxes	30,659,021	30,499,340	-	-	30,659,021	30,499,340
Sales taxes	21,995,983	21,007,931	-	-	21,995,983	21,007,931
Franchise fees and local taxes	14,403,633	14,099,076	-	-	14,403,633	14,099,076
Investment earnings	965,747	471,299	39,056	17,184	1,004,803	488,483
Contributions not restricted to programs	3,682,713	4,569,922	-	-	3,682,713	4,569,922
Other revenues	6,422,897	3,948,192	1,238,709	320,282	7,661,606	4,268,474
<b>Total Revenues</b>	<b>97,342,928</b>	<b>92,966,268</b>	<b>16,042,881</b>	<b>13,682,702</b>	<b>113,385,809</b>	<b>106,648,970</b>
<b>Expenses</b>						
General government	13,085,159	11,764,095	-	-	13,085,159	11,764,095
Finance and tax	1,574,140	1,268,615	-	-	1,574,140	1,268,615
Planning and environmental development	4,873,594	4,526,748	-	-	4,873,594	4,526,748
Public safety	57,457,403	43,327,850	-	-	57,457,403	43,327,850
Public works	11,911,806	11,857,970	-	-	11,911,806	11,857,970
Parks and recreation	8,018,087	6,356,643	-	-	8,018,087	6,356,643
Civic/convention center	-	-	962,954	979,636	962,954	979,636
Library	3,091,327	2,664,469	-	-	3,091,327	2,664,469
Interest and fiscal agent fees	6,553,237	5,752,596	-	-	6,553,237	5,752,596
Airport	8,512	15,252	3,499,564	3,219,773	3,508,076	3,235,025
Solid waste	-	-	7,896,622	7,720,622	7,896,622	7,720,622
Golf course	-	-	1,897,574	1,838,105	1,897,574	1,838,105
<b>Total Expenses</b>	<b>106,573,266</b>	<b>87,534,238</b>	<b>14,256,714</b>	<b>13,758,136</b>	<b>120,829,980</b>	<b>101,292,374</b>
<b>Increase (Decrease) in Net Position Before Transfers</b>						
	(9,230,338)	5,432,030	1,786,167	(75,434)	(7,444,171)	5,356,596
Transfers	2,152,409	2,904,979	(2,152,409)	(2,904,979)	-	-
<b>Change in Net Position</b>	<b>(7,077,929)</b>	<b>8,337,009</b>	<b>(366,242)</b>	<b>(2,980,413)</b>	<b>(7,444,171)</b>	<b>5,356,596</b>
Beginning net position	9,981,261	1,644,252	30,406,550	33,386,963	40,387,811	35,031,215
<b>Ending Net Position</b>	<b>\$ 2,903,332</b>	<b>\$ 9,981,261</b>	<b>\$ 30,040,308</b>	<b>\$ 30,406,550</b>	<b>\$ 32,943,640</b>	<b>\$ 40,387,811</b>

**CITY OF NEW BRAUNFELS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2018**

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities.

**Governmental Activities - Revenues**

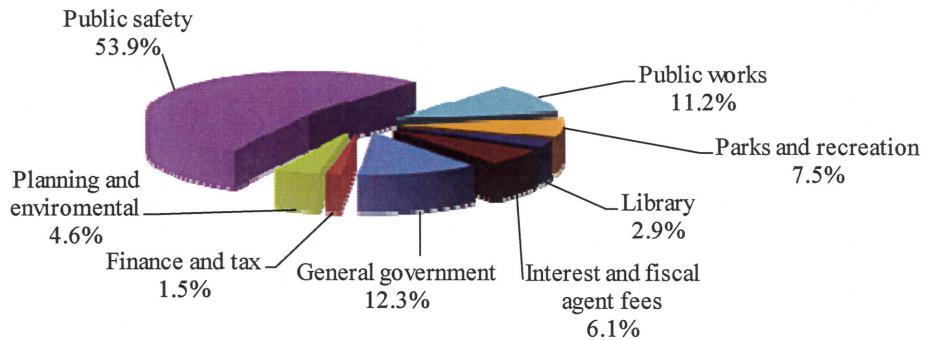


For the year ended September 30, 2018, revenues from governmental activities totaled \$97,342,928. This \$4,376,660 increase from prior year occurred primarily as the result of \$2,474,705 in additional other revenue, \$2,060,619 in additional operating grants & contributions, \$988,052 in additional sales tax revenue and \$159,681 in additional property tax revenue.

Sales tax revenue increased as a result of a boost in sales throughout the City. Property tax revenue increased due to the rise in property valuations.

**CITY OF NEW BRAUNFELS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Year Ended September 30, 2018

**Governmental Activities - Expenses**



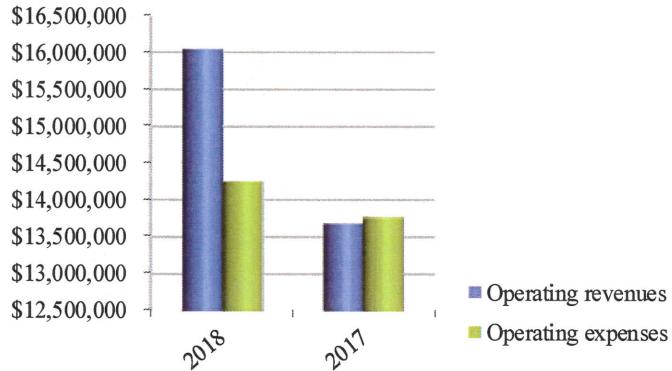
Governmental expenses increased by \$19,039,028, or 22%. This increase is primarily due to increases in expenses related to public safety, general government, and parks and recreation of \$14,129,553, \$1,321,064, and \$1,661,444, respectively.

The increase in public safety expenses can be partially attributed to increases in wages due to more officers and public safety officials, as well as an increase in expenses related to the City's pension and other postemployment benefits (OPEB) plans. The increase in general government is primarily related to increases in personnel costs as well as an increase in expenses related to the City's pension and OPEB plans. Parks and recreation expenses increased primarily due to increase in number of, and activity in, ongoing projects in the City.

**CITY OF NEW BRAUNFELS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2018**

Business-type activities are shown comparing operating costs to revenue generated by related services.

**Business-Type Activities - Revenues and Expenses**



Overall, business-type activity revenues increased by \$2,360,179 from the prior period, primarily due to an increase in charges for services of \$1,816,431, mostly attributed to increase in customers and usage of City facilities.

Business-type activity expenses increased by \$498,578, with increases reflected in Airport, Solid Waste and Golf Course, offset by a decrease in Civic/Convention Center expenses.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

**Governmental Funds** – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

The City's governmental funds reflect a combined fund balance of \$84,581,738. Of this, \$169,717 is nonspendable, \$56,071,011 is restricted for various purposes, \$7,413,139 is committed, \$551,352 is assigned, and \$20,376,519 is unassigned.

There was a increase in the combined fund balance of \$9,633,304 over the prior year. This is largely attributable to two debt issuances during the year.

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$20,376,519, while total fund balance reached \$20,929,035. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 32 percent of total general fund expenditures, while total fund balance represents 33 percent of that same amount.

It is important to note that this fund balance includes all of the fund balance in the general fund and equipment replacement sub-fund. The equipment replacement sub-fund contributes \$551,352 to this stated fund balance.

**CITY OF NEW BRAUNFELS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2018**

It is important to note that this fund balance includes all of the fund balance in the general fund and equipment replacement sub-fund. The equipment replacement sub-fund contributes \$551,352 to this stated fund balance. This fund allows the City to account for equipment replacement and improvements in a separate sub fund and not include these activities in the primary general operating fund

The hotel/motel tax fund experienced a decrease of \$927,498, which was a result of the net effect of an increase in overall one-time expenditures.

Fund balance in the debt service fund experienced a slight decrease of \$816.

The fund balance in the general obligation capital projects fund had a increase in fund balance of \$11,133,887, which was primarily a result of two issuances of debt the City had during the year.

**Proprietary Funds** – The City's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The amended budget included a planned decrease in fund balance in the amount of \$652,971. The actual fund balance for the year increased by \$1,861,388. Actual revenues exceeded the amended budget by \$1,056,104 spread across various revenue lines. The largest positive variances were in miscellaneous items and intergovernmental revenues. Actual expenditures were under the amended budget by \$1,088,736. The majority of this positive variance from the amended budget was a result of under runs in projected expenditures across various departments.

### **CAPITAL ASSETS**

At the end of fiscal year 2018, the City's governmental activities had invested \$163,917,703 in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$438,047.

Major capital asset events during the year included the following:

- Completion of the Das Rec recreation center for \$6,262,104
- Police station renovation of \$374,827
- Airport taxiway extension of \$837,966

More detailed information about the City's capital assets is presented in note III. C. to the financial statements.

**CITY OF NEW BRAUNFELS, TEXAS**  
***MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)***  
**For the Year Ended September 30, 2018**

**LONG-TERM DEBT**

At the end of the current year, the City had total general obligation bonds and certificates of obligation outstanding of \$170,100,000. Of this amount, \$111,150,000 was general obligation debt and \$58,950,000 was certificates of obligation. This includes an increase for the series 2018 general obligation bonds in the amount of \$21,620,000 and \$3,000,000 for the series 2018 tax notes.

More detailed information about the City's long-term liabilities is presented in note III. D. to the financial statements.

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

**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 finances of the City. For questions concerning this report, separately issued statements for New Braunfels Utilities or the Housing Authority, or for additional financial information, contact the City's Finance Department, 550 Landa Street, New Braunfels, TX, 78130; telephone 830-221-4000; or for general City information, visit the City's website at [www.nbtexas.org](http://www.nbtexas.org).

## ***BASIC FINANCIAL STATEMENTS***

# **CITY OF NEW BRAUNFELS, TEXAS**

## **STATEMENT OF NET POSITION (page 1 of 2)**

September 30, 2018

<b>Primary Government</b>			
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and equity in pooled cash and investments	\$ 81,370,510	\$ 4,000,887	\$ 85,371,397
Pooled and temporary investments	5,136,929	-	5,136,929
Receivables, net	8,255,462	951,876	9,207,338
Inventories	1,164	66,715	67,879
Prepaid items	-	-	-
Other current assets	-	-	-
Restricted assets			
Cash and cash equivalents	1,202,259	-	1,202,259
Investments	-	-	-
	<u>95,966,324</u>	<u>5,019,478</u>	<u>100,985,802</u>
Capital assets:			
Nondepreciable	46,916,287	3,378,926	50,295,213
Depreciable, net	117,001,416	26,135,961	143,137,377
Investments:			
Restricted	-	-	-
Unrestricted	-	-	-
Other noncurrent assets	-	-	-
Deposit - Headwaters at the Comal - restricted	-	-	-
	<u>163,917,703</u>	<u>29,514,887</u>	<u>193,432,590</u>
	<b>Total Assets</b>	<b>259,884,027</b>	<b>34,534,365</b>
<b>Deferred Outflows of Resources</b>			
Deferred charge on refunding	1,944,755	-	1,944,755
Deferred outflows - pensions	6,160,760	618,715	6,779,475
Deferred outflows - OPEB	277,074	27,750	304,824
	<b>Total Deferred Outflows of Resources</b>	<b>8,382,589</b>	<b>646,465</b>
<b>Liabilities</b>			
Accounts payable	8,495,859	351,002	8,846,861
Deposit payable	-	109,149	109,149
Accrued expenses payable	2,502,052	129,215	2,631,267
Internal balances	-	-	-
Unearned revenue	-	-	-
	<u>10,997,911</u>	<u>589,366</u>	<u>11,587,277</u>
Noncurrent liabilities:			
Due within one year:			
Bonds payable	11,385,000	-	11,385,000
Loan payable	63,382	-	63,382
Capital lease payable	433,925	-	433,925
Accrued compensated absences	5,905,233	317,249	6,222,482
Due in more than one year:			
Bonds payable	193,268,146	-	193,268,146
Loan payable	337,343	-	337,343
Capital lease payable	1,351,970	-	1,351,970
Net pension liability	27,400,375	2,853,574	30,253,949
Total OPEB liability - TMRS	1,349,636	135,168	1,484,804
Total OPEB liability	8,633,926	864,705	9,498,631
Accrued compensated absences	656,137	35,250	691,387
Other noncurrent liability	-	-	-
	<b>Total Liabilities</b>	<b>250,785,073</b>	<b>4,205,946</b>

Component Units		
Economic Development Corporation	New Braunfels Utilities	
\$ 15,396,427	\$ 18,356,133	
-	10,123,150	
1,946,156	23,933,628	
-	3,077,467	
-	439,068	
2,455	4,895,191	
-	23,861,836	
-	30,821,160	
<u>17,345,038</u>	<u>115,507,633</u>	
-	93,605,081	
-	383,962,088	
-	3,463,458	
-	14,608,362	
-	10,541,797	
-	327,934	
<u>-</u>	<u>506,508,720</u>	
<u>17,345,038</u>	<u>622,016,353</u>	
-	-	
-	2,274,979	
<u>-</u>	<u>2,274,979</u>	
1,004,771	30,282,624	
-	5,893,051	
-	4,187,014	
-	-	
<u>1,004,771</u>	<u>40,362,689</u>	
-	4,915,000	
-	-	
-	-	
-	941,676	
-	156,482,916	
-	-	
-	-	
-	12,151,338	
-	-	
-	577,364	
-	469,071	
<u>-</u>	<u>175,537,365</u>	
<u>1,004,771</u>	<u>215,900,054</u>	

# **CITY OF NEW BRAUNFELS, TEXAS**

## **STATEMENT OF NET POSITION (page 2 of 2)**

September 30, 2018

<b>Primary Government</b>			
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflows - pensions	\$ 3,580,300	\$ 345,210	\$ 3,925,510
<b>Net Position</b>			
Net investment in capital assets	(3,398,453)	29,514,887	26,116,434
Restricted for:			
Debt service	1,876,372	-	1,876,372
Capital projects	13,584,798	-	13,584,798
Cemetery perpetual care (nonexpendable)	168,553	-	168,553
Grants	281,544	-	281,544
Impact fees	-	-	-
Municipal court	300,526	-	300,526
Library	1,546	-	1,546
Public safety	247,369	-	247,369
Governmental programming	400,303	-	400,303
Tourism	1,309,763	-	1,309,763
Other special projects	6,162,281	-	6,162,281
Deposit - Headwaters at the Comal	-	-	-
Unrestricted	(18,031,270)	525,421	(17,505,849)
<b>Total Net Position</b>	<b>\$ 2,903,332</b>	<b>\$ 30,040,308</b>	<b>\$ 32,943,640</b>

See Notes to Financial Statements.

<b>Component Units</b>	
<b>Economic Development Corporation</b>	<b>New Braunfels Utilities</b>
\$ -	\$ 2,265,518
-	370,402,366
-	427,076
-	-
-	-
-	-
-	462,563
-	-
-	-
-	-
-	-
-	-
-	327,934
16,340,267	34,505,821
<b>\$ 16,340,267</b>	<b>\$ 406,125,760</b>

# **CITY OF NEW BRAUNFELS, TEXAS**

## **STATEMENT OF ACTIVITIES**

For the Year Ended September 30, 2018

Functions/Programs	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government</b>					
<b>Governmental Activities</b>					
General government	\$ 13,085,159	\$ 150,484	\$ 207,532	\$ 1,831,361	
Finance and tax	1,574,140	-	-	-	
Planning and environmental	4,873,594	-	267,727	-	
Public safety	57,457,403	6,527,681	1,132,739	-	
Public works	11,911,806	4,506,895	2,211,396	-	
Parks and recreation	8,018,087	2,288,394	-	-	
Library	3,091,327	88,725	-	-	
Airport	8,512	-	-	-	
Interest and fiscal agent fees	6,553,237	-	-	-	
<b>Total Governmental Activities</b>	<b>106,573,266</b>	<b>13,562,179</b>	<b>3,819,394</b>	<b>1,831,361</b>	
<b>Business-Type Activities</b>					
Airport	3,499,564	2,599,466	-	-	
Solid waste	7,896,622	10,168,114	-	-	
Golf course	1,897,574	1,577,632	-	-	
Civic center	962,954	419,904	-	-	
<b>Total Business-Type Activities</b>	<b>14,256,714</b>	<b>14,765,116</b>	<b>-</b>	<b>-</b>	
<b>Total Primary Government</b>	<b>\$ 120,829,980</b>	<b>\$ 28,327,295</b>	<b>\$ 3,819,394</b>	<b>\$ 1,831,361</b>	
<b>Component Units</b>					
Economic Development Corporation	\$ 5,158,679	\$ -	\$ -	\$ -	
New Braunfels Utilities	153,514,436	144,270,371	-	24,272,251	
<b>Total Component Units</b>	<b>\$ 158,673,115</b>	<b>\$ 144,270,371</b>	<b>\$ -</b>	<b>\$ 24,272,251</b>	

### **General Revenues and Transfers:**

Taxes and fees  
 Property  
 Sales  
 Hotel/motel occupancy  
 Franchise  
 Mixed beverages  
 Investment income  
 Contributions not restricted to programs  
 Miscellaneous  
 Transfers

**Total General Revenues and Transfers**

**Change in Net Position**

Beginning net position

**Ending Net Position**

See Notes to Financial Statements.

**Net (Expense) Revenue and Changes in Net Position**

<b>Primary Government</b>			<b>Component Units</b>	
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Economic Development Corporation</b>	<b>New Braunfels Utilities</b>
\$ (10,895,782)	\$ -	\$ (10,895,782)	\$ -	\$ -
(1,574,140)	-	(1,574,140)	-	-
(4,605,867)	-	(4,605,867)	-	-
(49,796,983)	-	(49,796,983)	-	-
(5,193,515)	-	(5,193,515)	-	-
(5,729,693)	-	(5,729,693)	-	-
(3,002,602)	-	(3,002,602)	-	-
(8,512)	-	(8,512)	-	-
(6,553,237)	-	(6,553,237)	-	-
<u>(87,360,332)</u>	<u>-</u>	<u>(87,360,332)</u>	<u>-</u>	<u>-</u>
- (900,098)		(900,098)	-	-
- 2,271,492		2,271,492	-	-
- (319,942)		(319,942)	-	-
- (543,050)		(543,050)	-	-
<u>- 508,402</u>	<u>508,402</u>	<u>508,402</u>	<u>-</u>	<u>-</u>
<u>(87,360,332)</u>	<u>508,402</u>	<u>(86,851,930)</u>	<u>-</u>	<u>-</u>
-	-	-	(5,158,679)	-
-	-	-	-	15,028,186
<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,158,679)</u>	<u>15,028,186</u>
30,659,021	-	30,659,021	-	-
21,995,983	-	21,995,983	6,452,482	-
4,070,096	-	4,070,096	-	-
9,749,648	-	9,749,648	-	-
583,889	-	583,889	-	-
965,747	39,056	1,004,803	180,189	1,046,156
3,682,713	-	3,682,713	-	-
6,422,897	1,238,709	7,661,606	160,052	-
2,152,409	(2,152,409)	-	-	-
<u>80,282,403</u>	<u>(874,644)</u>	<u>79,407,759</u>	<u>6,792,723</u>	<u>1,046,156</u>
<u>(7,077,929)</u>	<u>(366,242)</u>	<u>(7,444,171)</u>	<u>1,634,044</u>	<u>16,074,342</u>
<u>9,981,261</u>	<u>30,406,550</u>	<u>40,387,811</u>	<u>14,706,223</u>	<u>390,051,418</u>
<u>\$ 2,903,332</u>	<u>\$ 30,040,308</u>	<u>\$ 32,943,640</u>	<u>\$ 16,340,267</u>	<u>\$ 406,125,760</u>

# CITY OF NEW BRAUNFELS, TEXAS

## BALANCE SHEET GOVERNMENTAL FUNDS

September 30, 2018

	<u>General</u>	<u>Hotel/Motel Tax</u>	<u>Debt Service</u>	<u>General Obligations</u>
<b>Assets</b>				
Cash and equity in pooled cash and investments	\$ 7,951,483	\$ 2,420,291	\$ 7,073,552	\$ 42,121,781
Investments	-	-	-	4,992,929
Receivables, net of allowance:	7,128,950	309,438	240,587	-
Due from other funds	10,155,424	-	-	2
Inventory	1,164	-	-	-
Restricted cash	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 25,237,021</u></b>	<b><u>\$ 2,729,729</u></b>	<b><u>\$ 7,314,139</u></b>	<b><u>\$ 47,114,712</u></b>
<b>Liabilities</b>				
Accounts payable	\$ 3,118,042	\$ 1,419,966	\$ -	\$ 2,753,301
Due to other funds	-	-	5,213,393	9,370,885
Accrued wages payable	882,189	-	-	-
<b>Total Liabilities</b>	<b><u>4,000,231</u></b>	<b><u>1,419,966</u></b>	<b><u>5,213,393</u></b>	<b><u>12,124,186</u></b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	307,755	-	224,374	-
<b>Fund Balances</b>				
Nonspendable	1,164	-	-	-
Restricted	-	1,309,763	1,876,372	34,990,526
Committed	-	-	-	-
Assigned	551,352	-	-	-
Unassigned	20,376,519	-	-	-
<b>Total Fund Balances</b>	<b><u>20,929,035</u></b>	<b><u>1,309,763</u></b>	<b><u>1,876,372</u></b>	<b><u>34,990,526</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 25,237,021</u></b>	<b><u>\$ 2,729,729</u></b>	<b><u>\$ 7,314,139</u></b>	<b><u>\$ 47,114,712</u></b>

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 21,802,967	\$ 81,370,074
-	4,992,929
576,091	8,255,066
12,005,072	22,160,498
-	1,164
<u>1,202,259</u>	<u>1,202,259</u>
<u><u>\$ 35,586,389</u></u>	<u><u>\$ 117,981,990</u></u>
\$ 1,204,550	\$ 8,495,859
8,905,797	23,490,075
-	882,189
<u>10,110,347</u>	<u>32,868,123</u>
<u><u>-</u></u>	<u><u>532,129</u></u>
168,553	169,717
17,894,350	56,071,011
7,413,139	7,413,139
-	551,352
-	20,376,519
<u>25,476,042</u>	<u>84,581,738</u>
<u><u>\$ 35,586,389</u></u>	<u><u>\$ 117,981,990</u></u>

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**CITY OF NEW BRAUNFELS, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**September 30, 2018**

Total fund balances for governmental funds \$ 84,581,738

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, not reported in the governmental funds.

Capital assets - nondepreciable	46,916,287
Capital assets - depreciable	<u>117,001,416</u>
	163,917,703

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.

532,129

Some liabilities, including bonds payable, are not reported as liabilities in the governmental funds.

Accrued interest	(1,261,099)
Noncurrent liabilities due in one year	(11,385,000)
Noncurrent liabilities due in more than one year	<u>(181,770,000)</u>
	(194,416,099)

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 statement over the life of the bond.

Premiums	(11,498,146)
Deferred charge on refunding	<u>1,944,755</u>
	(9,553,391)

Net pension liability and other postemployment benefit (OPEB) obligations are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds balance sheet

Net pension liability	(27,400,375)
Total OPEB liability - TMRS	(1,349,636)
Total OPEB liability	<u>(8,633,926)</u>
	(37,383,937)

Deferred outflows and inflows of resources related to the net pension and total OPEB liability are not reported in the funds.

Deferred outflows - pensions	6,160,760
Deferred inflows - pensions	(3,580,300)
Deferred outflows - OPEB	<u>277,074</u>
	2,857,534
	(6,561,370)

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.

Loans payable and capital leases are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.

(2,186,620)

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.

**Net Position of Governmental Activities**

1,115,645

\$ 2,903,332

See Notes to Financial Statements.

# **CITY OF NEW BRAUNFELS, TEXAS**

## **STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS**

**For the Year Ended September 30, 2018**

	<b>General</b>	<b>Hotel/Motel Tax</b>	<b>Debt Service</b>	<b>General Obligations</b>
<b>Revenues</b>				
Taxes and fees	\$ 49,288,668	\$ 4,070,096	\$ 12,471,472	\$ -
Licenses and permits	4,170,417	-	-	-
Intergovernmental	207,532	-	-	1,200,000
Fines and forfeitures	1,561,633	-	-	-
Interest	230,448	25,316	73,156	394,873
Parks and recreation	2,098,546	-	-	-
Miscellaneous	2,946,110	-	-	-
Other contributions	-	-	1,384,115	-
Charges for services	4,049,640	-	-	-
<b>Total Revenues</b>	<b>64,552,994</b>	<b>4,095,412</b>	<b>13,928,743</b>	<b>1,594,873</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	7,147,015	4,013,570	-	-
Finances and tax	1,037,133	-	-	-
Planning and environmental	3,166,765	-	-	-
Public safety	35,811,059	-	-	-
Public works	7,076,997	-	-	19,260,986
Parks and recreation	6,346,212	-	-	-
Library	2,165,962	-	-	-
<b>Debt Service:</b>				
Principal	475,738	-	8,855,000	-
Interest	24,504	-	6,032,307	-
Bond issuance costs and fees	-	-	4,850	-
<b>Total Expenditures</b>	<b>63,251,385</b>	<b>4,013,570</b>	<b>14,892,157</b>	<b>19,260,986</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>1,301,609</b>	<b>81,842</b>	<b>(963,414)</b>	<b>(17,666,113)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	875,087	-	962,598	5,800,000
Transfers (out)	(321,308)	(1,009,340)	-	-
Sale of capital assets	6,000	-	-	-
Long-term debt issuance	-	-	-	21,620,000
Premium received on the issuance of debt	-	-	-	1,593,974
Bond issuance costs	-	-	-	(213,974)
<b>Total Other Financing Sources (Uses)</b>	<b>559,779</b>	<b>(1,009,340)</b>	<b>962,598</b>	<b>28,800,000</b>
<b>Net Change in Fund Balances</b>	<b>1,861,388</b>	<b>(927,498)</b>	<b>(816)</b>	<b>11,133,887</b>
Beginning fund balances	19,067,647	2,237,261	1,877,188	23,856,639
<b>Ending Fund Balances</b>	<b>\$ 20,929,035</b>	<b>\$ 1,309,763</b>	<b>\$ 1,876,372</b>	<b>\$ 34,990,526</b>

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
2,764,307	\$ 68,594,543
7,800	4,178,217
2,411,862	3,819,394
238,280	1,799,913
241,947	965,740
179,575	2,278,121
1,890,811	4,836,921
2,298,598	3,682,713
1,256,287	5,305,927
<u>11,289,467</u>	<u>95,461,489</u>
141,717	11,302,302
-	1,037,133
267,936	3,434,701
2,028,997	37,840,056
7,905,107	34,243,090
135,538	6,481,750
57,555	2,223,517
1,270,000	10,600,738
824,710	6,881,521
-	4,850
<u>12,631,560</u>	<u>114,049,658</u>
<u>(1,342,093)</u>	<u>(18,588,169)</u>
1,803,436	9,441,121
(5,850,000)	(7,180,648)
-	6,000
3,000,000	24,620,000
-	1,593,974
(45,000)	(258,974)
<u>(1,091,564)</u>	<u>28,221,473</u>
(2,433,657)	9,633,304
27,909,699	74,948,434
<u>\$ 25,476,042</u>	<u>\$ 84,581,738</u>

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# **CITY OF NEW BRAUNFELS, TEXAS**

## **RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**For the Year Ended September 30, 2018**

Net changes in fund balances - total governmental funds	\$ 9,633,304
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation	(26,662,074)
Capital outlay	25,376,824
Capital contributions	1,723,297
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.	440,606
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	44,071
The issuance of long-term debt (e.g., bonds, leases, and certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when it is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities.	
General obligation bonds issued	(24,620,000)
Principal repayments	10,125,000
Amortization of premium on bonds	(832,472)
Capital lease principal payment	(842,261)
Loan principal payment	66,788
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences	(518,998)
Change in net pension liability	5,436,248
Change in total OPEB liability - TMRS	(200,133)
Change in total OPEB liability	(581,575)
Change in deferred outflows - pensions	963,876
Change in deferred inflows - pensions	(6,730,531)
Change in deferred outflows -OPEB	<u>269,495</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ (7,077,929)</u></b>

See Notes to Financial Statements.

# **CITY OF NEW BRAUNFELS, TEXAS**

## **STATEMENT OF NET POSITION**

### **PROPRIETARY FUNDS**

September 30, 2018

	<b>Business-Type Activities</b>			
	<b>Airport</b>	<b>Solid Waste</b>	<b>Golf Course</b>	<b>Civic/Con. Center</b>
<b>Assets</b>				
Current assets:				
Cash and equity in pooled cash and investments	\$ 329,282	\$ 3,230,123	\$ 277,102	\$ 164,380
Restricted cash	-	-	-	-
Receivables, net	67,200	840,474	44,202	-
Due from other funds	-	-	-	-
Inventories	-	66,715	-	-
<b>Total Current Assets</b>	<b>396,482</b>	<b>4,137,312</b>	<b>321,304</b>	<b>164,380</b>
Noncurrent assets:				
Capital assets:				
Nondepreciable	3,243,926	-	135,000	-
Net depreciable capital assets	11,553,921	2,636,492	5,486,162	6,459,386
<b>Total Capital Assets,</b>	<b>14,797,847</b>	<b>2,636,492</b>	<b>5,621,162</b>	<b>6,459,386</b>
<b>Net of Accumulated Depreciation</b>	<b>14,797,847</b>	<b>2,636,492</b>	<b>5,621,162</b>	<b>6,459,386</b>
<b>Total Noncurrent Assets</b>	<b>15,194,329</b>	<b>6,773,804</b>	<b>5,942,466</b>	<b>6,623,766</b>
<b>Total Assets</b>	<b>15,194,329</b>	<b>6,773,804</b>	<b>5,942,466</b>	<b>6,623,766</b>
<b>Deferred Outflows of Resources</b>				
Deferred outflows - pensions	32,920	216,841	56,156	24,230
Deferred outflows - OPEB	2,767	18,906	3,985	2,092
<b>Total Deferred Outflows of Resources</b>	<b>35,687</b>	<b>235,747</b>	<b>60,141</b>	<b>26,322</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	63,334	229,583	35,230	22,855
Deposits payable	32,549	-	-	76,600
Accrued expenses payable	13,602	87,401	18,243	9,969
Current portion of long-term liabilities:				
Accrued compensated absences	8,198	269,031	32,108	7,912
<b>Total Current Liabilities</b>	<b>117,683</b>	<b>586,015</b>	<b>85,581</b>	<b>117,336</b>
Noncurrent liabilities:				
Compensated absences	911	29,892	3,568	879
Net pension liability	286,209	1,890,109	472,634	204,622
Total OPEB liability - TMRS	13,477	92,092	19,410	10,189
Total OPEB liability	86,217	589,136	124,169	65,183
<b>Total Noncurrent Liabilities</b>	<b>386,814</b>	<b>2,601,229</b>	<b>619,781</b>	<b>280,873</b>
<b>Total Liabilities</b>	<b>504,497</b>	<b>3,187,244</b>	<b>705,362</b>	<b>398,209</b>
<b>Deferred Inflows of Resources</b>				
Deferred inflows - pension	5,567	37,283	9,335	4,457
<b>Net Position</b>				
Net investment in capital assets	14,797,847	2,636,492	5,621,162	6,459,386
Unrestricted	(77,895)	1,148,532	(333,252)	(211,964)
<b>Total Net Position</b>	<b>\$ 14,719,952</b>	<b>\$ 3,785,024</b>	<b>\$ 5,287,910</b>	<b>\$ 6,247,422</b>

See Notes to Financial Statements.

Business-Type Activities	Governmental Activities
Total	Internal Service Fund

\$ 4,000,887	\$ 436
-	144,000
951,876	396
-	1,329,577
66,715	-
<u>5,019,478</u>	<u>1,474,409</u>

3,378,926	-
<u>26,135,961</u>	<u>-</u>
<u>29,514,887</u>	<u>-</u>
<u>29,514,887</u>	<u>-</u>
<u>34,534,365</u>	<u>1,474,409</u>

330,147	-
27,750	-
<u>357,897</u>	<u>-</u>

351,002	-
109,149	-
129,215	358,764
<u>317,249</u>	<u>-</u>
<u>906,615</u>	<u>358,764</u>

35,250	-
2,853,574	-
135,168	-
864,705	-
<u>3,888,697</u>	<u>-</u>
<u>4,795,312</u>	<u>358,764</u>

<u>56,642</u>	<u>-</u>
---------------	----------

29,514,887	-
525,421	1,115,645
<u>\$ 30,040,308</u>	<u>\$ 1,115,645</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
For the Year Ended September 30, 2018

	<b>Business-Type Activities</b>			
	<b>Airport</b>	<b>Solid Waste</b>	<b>Golf Course</b>	<b>Civic/Con. Center</b>
<b>Operating Revenues</b>				
Charges for services	\$ 2,599,466	\$ 10,168,114	\$ 1,577,632	\$ 419,904
Miscellaneous	998,771	186,651	52,954	333
<b>Total Operating Revenues</b>	<b>3,598,237</b>	<b>10,354,765</b>	<b>1,630,586</b>	<b>420,237</b>
<b>Operating Expenses</b>				
Personnel	546,518	3,649,023	779,296	391,982
Purchased services	301,223	1,904,383	129,855	187,803
Professional services	45,490	90,094	-	-
Supplies	1,404,675	1,091,367	281,219	30,619
Depreciation and amortization	1,201,658	1,161,755	703,409	352,550
Insurance premiums	-	-	-	-
Claims	-	-	-	-
<b>Total Operating Expenses</b>	<b>3,499,564</b>	<b>7,896,622</b>	<b>1,893,779</b>	<b>962,954</b>
<b>Operating Income (Loss)</b>	<b>98,673</b>	<b>2,458,143</b>	<b>(263,193)</b>	<b>(542,717)</b>
<b>Nonoperating Revenues (Expenses)</b>				
Investment earnings	-	39,056	-	-
Interest expense	-	-	(3,795)	-
<b>Total Nonoperating Revenue (Expenses)</b>	<b>-</b>	<b>39,056</b>	<b>(3,795)</b>	<b>-</b>
<b>Income (Loss) Before Transfers</b>	<b>98,673</b>	<b>2,497,199</b>	<b>(266,988)</b>	<b>(542,717)</b>
Transfers in	162,091	-	-	348,240
Transfers (out)	(477,641)	(2,149,680)	(1,943)	(33,476)
<b>Change in Net Position</b>	<b>(216,877)</b>	<b>347,519</b>	<b>(268,931)</b>	<b>(227,953)</b>
Beginning net position	14,936,829	3,437,505	5,556,841	6,475,375
<b>Ending Net Position</b>	<b>\$ 14,719,952</b>	<b>\$ 3,785,024</b>	<b>\$ 5,287,910</b>	<b>\$ 6,247,422</b>

See Notes to Financial Statements.

<b>Business-Type Activites</b>	<b>Governmental Activities</b>
<b>Total</b>	<b>Internal Service Fund</b>
\$ 14,765,116	\$ 7,036,334
1,238,709	9,769
<b>16,003,825</b>	<b>7,046,103</b>
5,366,819	-
2,523,264	-
135,584	82,461
2,807,880	-
3,419,372	-
-	1,070,660
-	5,452,383
<b>14,252,919</b>	<b>6,605,504</b>
1,750,906	440,599
39,056	7
(3,795)	-
<b>35,261</b>	<b>7</b>
1,786,167	440,606
510,331	-
(2,662,740)	-
(366,242)	440,606
<b>30,406,550</b>	<b>675,039</b>
<b>\$ 30,040,308</b>	<b>\$ 1,115,645</b>

# **CITY OF NEW BRAUNFELS, TEXAS**

## **STATEMENT OF CASH FLOWS**

### **PROPRIETARY FUNDS (Page 1 of 2)**

For the Year Ended September 30, 2018

	<b>Business-Type Activities</b>			
	<b>Airport</b>	<b>Solid Waste</b>	<b>Golf Course</b>	<b>Civic/Con. Center</b>
<b><u>Cash Flows from Operating Activities</u></b>				
Receipts from customers	\$ 3,627,449	\$ 9,537,890	\$ 1,620,323	\$ 441,860
Receipts from interfund services provided and used	-	-	-	-
Payments to suppliers	(1,315,374)	(2,591,060)	(358,670)	(188,788)
Payments for premiums, claims, and administrative charges	-	-	-	-
Payments for personnel services	(558,334)	(3,690,991)	(781,807)	(419,451)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>1,753,741</b>	<b>3,255,839</b>	<b>479,846</b>	<b>(166,379)</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>				
Transfers in from other funds	162,091	-	-	348,240
Cash contribution received	-	-	-	-
Transfers (out) to other funds	(477,641)	(2,149,680)	(1,943)	(33,476)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(315,550)</b>	<b>(2,149,680)</b>	<b>(1,943)</b>	<b>314,764</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>				
Acquisition and construction of capital assets	(1,108,909)	(451,148)	(21,035)	(147,094)
Principal payments on debt	-	-	(181,589)	-
Interest paid on debt	-	-	(3,795)	-
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<b>(1,108,909)</b>	<b>(451,148)</b>	<b>(206,419)</b>	<b>(147,094)</b>
<b><u>Cash Flows from Investing Activities</u></b>				
Interest on investments	-	39,056	-	-
<b>Net Cash Provided by Investing Activities</b>	<b>-</b>	<b>39,056</b>	<b>-</b>	<b>-</b>
<b>Net Increase in Cash and Equity in Pooled Cash and Investments</b>	<b>329,282</b>	<b>694,067</b>	<b>271,484</b>	<b>1,291</b>
Beginning cash and equity in pooled cash and investments	-	2,536,056	5,618	163,089
<b>Ending Cash and Equity in Pooled Cash and Investments</b>	<b>\$ 329,282</b>	<b>\$ 3,230,123</b>	<b>\$ 277,102</b>	<b>\$ 164,380</b>

<b>Business-Type Activities</b>	<b>Governmental Activities</b>
<b>Total</b>	<b>Internal Service Fund</b>
\$ 15,227,522	\$ -
-	7,098,281
(4,453,892)	-
-	(6,974,274)
<u>(5,450,583)</u>	<u>-</u>
<u>5,323,047</u>	<u>124,007</u>
 510,331	 -
 -	 -
<u>(2,662,740)</u>	<u>-</u>
<u>(2,152,409)</u>	<u>-</u>
 (1,728,186)	 -
 (181,589)	 -
<u>(3,795)</u>	<u>-</u>
<u>(1,913,570)</u>	<u>-</u>
 39,056	 7
<u>39,056</u>	<u>7</u>
 1,296,124	 124,014
 2,704,763	 20,422
<u>\$ 4,000,887</u>	<u>\$ 144,436</u>

# **CITY OF NEW BRAUNFELS, TEXAS**

## **STATEMENT OF CASH FLOWS** **PROPRIETARY FUNDS (Page 2 of 2)** For the Year Ended September 30, 2018

	<b>Business-Type Activities</b>			
	<b>Airport</b>	<b>Solid Waste</b>	<b>Golf Course</b>	<b>Civic/Con. Center</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)				
\$ 98,673	\$ 2,458,143	\$ (263,193)	\$ (542,717)	
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	1,201,658	1,161,755	703,409	352,550
<b>Changes in Operating Assets and Liabilities:</b>				
(Increase) Decrease in:				
Accounts receivable	48,392	(816,875)	(10,263)	6,490
Inventories	-	(173)	-	-
Due from other funds	568,570	267,160	-	-
Deferred outflows - pensions	61,200	402,636	96,559	39,786
Increase (Decrease) in:				
Accounts payable	(123,780)	(14,700)	(2,883)	(4,240)
Accrued expenses	13,602	87,401	18,243	-
Due to other funds	(44,010)	-	-	-
Net pension liability	(54,285)	(370,942)	(78,181)	(41,041)
Total OPEB liability - TMRS	21,632	155,096	37,044	33,874
Total OPEB liability	(16,517)	(120,144)	(29,677)	(20,041)
Accrued compensated absences	(19)	61,482	11,949	(4,513)
Customer deposits	(19,180)	-	-	15,133
Deferred inflows - pensions	(2,195)	(15,000)	(3,161)	(1,660)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 1,753,741</b>	<b>\$ 3,255,839</b>	<b>\$ 479,846</b>	<b>\$ (166,379)</b>

See Notes to Financial Statements.

<b>Business-Type Activities</b>	<b>Governmental Activities</b>
<b>Total</b>	<b>Internal Service Fund</b>
\$ 1,750,906	\$ 440,599
3,419,372	-
(772,256)	52,178
(173)	-
835,730	(330,351)
600,181	-
(145,603)	-
119,246	(38,419)
(44,010)	-
(544,449)	-
247,646	-
(186,379)	-
68,899	-
(4,047)	-
(22,016)	-
<b><u>\$ 5,323,047</u></b>	<b><u>\$ 124,007</u></b>

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# **CITY OF NEW BRAUNFELS, TEXAS**

## **NOTES TO FINANCIAL STATEMENTS**

For the Year Ended September 30, 2018

### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Reporting Entity**

The City of New Braunfels, Texas (the “City”) was founded in 1845. It has adopted a “Home Rule Charter”, which provides for a “Mayor-Council” form of government. A Mayor and seven Council members are elected by voters of the City at large for three-year terms.

The City Council is the principal legislative and administrative body of the City.

The City Manager is the head of the administrative departments of the City and is the supervisor of all administrative officers, employees, directors, and department heads. Departments and agencies of the City submit budget requests to the City Manager.

The City provides the following services: public safety (police, fire, and EMS), public works, parks and recreation, library, airport, solid waste collection, community services, and general government.

The City is an independent political subdivision of the State of Texas governed by an elected Council and a Mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City’s financial reporting entity. The component units, on the following page, although legally separate, are considered part of the reporting entity. No other entities have been included in the City’s reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the City’s financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City’s financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (*Continued*)

For the Year Ended September 30, 2018

### Discretely Presented Component Units

#### Economic Development Corporation

The New Braunfels Economic Development Corporation (the “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. Prior to fiscal year 2017-2018, the entity was operating as the “Industrial Development Corporation”. On April 9, 2018, City Council amended the bylaws, renaming the Corporation as the New Braunfels Economic Development Corporation. The Corporation is presented as a governmental component unit. City Council appoints the Board of Directors and approves expenditures. Separate financial statements are not prepared.

#### New Braunfels Utilities

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 NBU 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 NBU’s administrative offices at 263 Main Plaza, New Braunfels, Texas 78130. The NBU’s financial statements are presented on a July 31 fiscal year end.

### Blended Component Units

#### Tax Increment Reinvestment Zone No. 1

During fiscal year 2007, the City passed a resolution creating a Tax Increment Reinvestment Zone No. 1 (TIRZ), in accordance with Section 311 of the Texas Tax Code, for the purpose of financing public improvements in support of the Creekside Town Center Development. The TIRZ includes participation by a developer and by other governmental entities, the Economic Development Corporation (the “Corporation”) and Comal County, Texas (the “County”). Under this arrangement, a certain percentage of the incremental ad valorem tax revenue collected by the City and the County and one-half cent of sales taxes collected by the City and the Corporation will be utilized to pay for certain infrastructure costs. Such tax revenue is controlled by the Board of Directors managing the TIRZ and is accounted for in a special revenue fund with the City’s financial oversight. The Board of Directors is made up of seven members, five of which are appointed by the City Council.

#### New Braunfels Development Authority

During fiscal year 2007, the City passed a resolution creating the New Braunfels Development Authority (NBDA) in accordance with Section 394 of the Texas Local Government Code. The NBDA has been included in the reporting entity as a blended component unit. The NBDA was created to assist and act on behalf of the City in the performance of the City’s governmental functions to promote the common good and general welfare of the TIRZ and to promote, develop, encourage, and maintain employment, commerce, and economic development in the City. During fiscal year 2007, the City passed an agreement (the “Agreement”) between the City, the NBDA, and the TIRZ in which the NBDA will facilitate the implementation of the TIRZ plan and assist the City with reimbursement to the developer participating in the TIRZ. Reimbursement to the developer will be made through the issuance of bonds, notes, or other obligations available to the NBDA but only after consent of the City Council. Efforts of the NBDA will be financed using the TIRZ tax increment as outlined in the Agreement. Such taxes and payment of debt service activity

# **CITY OF NEW BRAUNFELS, TEXAS**

## **NOTES TO FINANCIAL STATEMENTS (Continued)**

**For the Year Ended September 30, 2018**

are controlled by the Board of Directors managing the NBDA and are accounted for in a special revenue fund with the City's financial oversight. The Board of Directors is made up of seven members, five of which are appointed by the City Council.

Separate financial statements for the TIRZ and NBDA funds are not prepared.

The City also has the following related organization:

The Housing Authority of the City of New Braunfels (the "Authority") 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, it sets its rental rate, and it can issue debt in its own name. The City is not responsible for the deficits or liabilities of the Authority. Separately audited financial statements may be obtained at the City's administrative offices at 550 Landa Street, New Braunfels, Texas 78130.

### **B. Government-Wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

### **C. Basis of Presentation – Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and wastewater functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

### **D. Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (*Continued*)

For the Year Ended September 30, 2018

The City reports the following governmental funds:

The *general fund* is used to account for and report all financial resources not accounted for and reported in another fund. The principal sources of revenues include local property taxes, sales taxes and franchise fees, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, parks and recreation, and library. The general fund is always considered a major fund for reporting purposes.

The *debt service fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on long-term debt of the City. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

The *special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The special revenue funds are considered nonmajor funds for reporting purposes, except for the hotel/motel tax fund.

*Hotel/motel tax fund:* This fund accounts for the tax collections of the hotel/motel occupancy taxes and the disbursement of those funds.

The *capital projects funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The capital projects funds are considered nonmajor funds for reporting purposes, except for the general obligations fund.

*General obligations fund:* This fund accounts for the expenditures of the proceeds from the June 2014, April 2015, and July 2016 debt series issued for various purposes, including for street improvements, construction of drainage, equipping of parks and a recreations center, and constructing and building the Center Texas Technology Center.

The *permanent fund* is used 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. It is considered a nonmajor fund for reporting purposes.

The City reports the following proprietary funds:

The *enterprise funds* are used to account for the operations that provide airport, solid waste, golf course, and civic/convention center operations. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The airport and solid waste funds are considered major funds for reporting purposes. While the golf course and civic/convention center funds did not technically meet the criteria to be presented as major funds, the City has elected to present them as such due to their significance.

*Internal service funds* account for services provided to other departments or agencies of the primary government, or to other governments, on a cost reimbursement basis. The City's internal service fund is used to account for services for the City's self-funded health plan, which is financed from systematic transfers from general governmental and enterprise funds.

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (*Continued*)

For the Year Ended September 30, 2018

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

### **E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year 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.

The 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 City 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise fees, 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability

# **CITY OF NEW BRAUNFELS, TEXAS**

## **NOTES TO FINANCIAL STATEMENTS (Continued)**

**For the Year Ended September 30, 2018**

period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

### **F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

#### **1. Cash and Cash Equivalents**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, balances in statewide investment pools, and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

The City maintains a pooled cash account. Each fund whose monies are deposited in the pooled cash account has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end. Amounts on deposit in interest bearing accounts and other investments are displayed on the combined balance sheet as "cash and equity in pooled cash."

#### **2. Investments**

Investments, except for certain investment pools and commercial paper, are reported at fair value. The investment pool operates in accordance with appropriate state laws and regulations and is reported at amortized cost. Commercial paper is reported at amortized cost.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"). The City is required by the 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 City's funds may be invested and the maximum allowable stated maturity of any individual investment owned by the City.

The Act contains specific provisions in the area of investment practices, management reports, and establishment of appropriate policies. Investments are administered by City management under terms of an investment policy and strategy that is updated to conform to 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.

In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. government
- Money market mutual funds that meet certain criteria
- Collateralized certificates of deposit
- Municipal securities that meet certain criteria
- Fully collateralized repurchase agreements that meet certain criteria
- Bankers' acceptances
- Commercial paper that meets certain criteria
- Guaranteed investment contracts that meet certain criteria
- Statewide investment pools

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (*Continued*)

For the Year Ended September 30, 2018

### 3. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

### 4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful years:

Asset Description	Estimated Useful Life
Streets/Drainage Infrastructure	20 years
Buildings	30 years
Building Improvements	20 years
Equipment	5-7 years
Fleet	5-7 years

### 5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has four items that qualify for reporting in this category on the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred charges have been recognized as a result of differences between the actuarial expectations and the actual economic experience related to the City's defined benefit pension plan. This amount is deferred and amortized over the average of the expected service lives of pension plan members. Deferred charges have also been recognized for the difference between the projected and actual investment earnings on the pension plan assets. This amount is deferred and amortized over a period of five years. A deferred charge has been recognized for employer pension

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2018

and OPEB plan contributions that were made subsequent to the measurement date through the end of the City's fiscal year. This amount is deferred and recognized as a reduction to the net pension liability during the measurement period in which the contributions were made.

In addition to liabilities, the statement of financial position 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 City has two items that qualify for reporting in this category in the government-wide Statement of Net Position. Deferred inflows of resources are recognized as a result of differences between the actuarial expectations and the actual economic experience and the changes in actuarial assumptions related to the City's defined benefit pension plan. These amounts are deferred and amortized over the average of the expected service lives of pension plan members. At the fund level, the City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

### 6. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Amounts accumulated, up to certain amounts, may be paid to employees upon termination of employment. 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 in October 2011. Employees are paid for all accrued vacation leave when they leave the City's employment. The City accrues its liability for such accumulated unpaid benefits in the government-wide financial statements and proprietary fund financial statements.

The estimated amount of compensation for services provided that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it matures or becomes due. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

### 7. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources

# **CITY OF NEW BRAUNFELS, TEXAS**

## ***NOTES TO FINANCIAL STATEMENTS (Continued)***

**For the Year Ended September 30, 2018**

while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund. Although a portion of the general obligation debt was directly related to the purchase of solid waste infrastructure, the debt service expenditures are included in the governmental fund financial statements as they are expected to be paid from debt service tax revenues instead of solid waste revenues.

Assets acquired under the terms of a capital lease are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the applicable fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

### **8. Net Position Flow Assumption**

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

### **9. Fund Balance Flow Assumptions**

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

### **10. Fund Balance Policies**

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (*Continued*)

For the Year Ended September 30, 2018

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance includes amounts that have not been assigned to other funds or restricted, committed, or assigned to specific purpose within the general fund or deficit balances in other funds.

	General	Hotel/Motel Tax	Debt Service	General Obligations	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>						
Cemetery perpetual care	\$ -	\$ -	\$ -	\$ -	\$ 168,553	\$ 168,553
Inventory	1,164	-	-	-	-	1,164
<b>Total Nonspendable</b>	<b>1,164</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>168,553</b>	<b>169,717</b>
<b>Restricted to:</b>						
Tourism	- -	1,309,763	- -	- -	- -	1,309,763
Debt service	- -	- -	1,876,372	- -	- -	1,876,372
Grants	- -	- -	- -	- -	281,544	281,544
Special donation	- -	- -	- -	- -	299,236	299,236
Stormwater development	- -	- -	- -	- -	314,711	314,711
Library	- -	- -	- -	- -	1,546	1,546
Capital projects	- -	- -	- -	34,990,526	9,886,834	44,877,360
Public safety	- -	- -	- -	- -	247,369	247,369
Municipal court	- -	- -	- -	- -	300,526	300,526
Governmental programming	- -	- -	- -	- -	400,303	400,303
Other special projects	- -	- -	- -	- -	6,162,281	6,162,281
<b>Total Restricted</b>	<b>- -</b>	<b>1,309,763</b>	<b>1,876,372</b>	<b>34,990,526</b>	<b>17,894,350</b>	<b>56,071,011</b>
<b>Committed to:</b>						
Enterprise equipment	- -	- -	- -	- -	7,413,139	7,413,139
<b>Assigned</b>						
Equipment replacement	551,352	- -	- -	- -	- -	551,352
<b>Unassigned</b>	<b>20,376,519</b>	<b>- -</b>	<b>- -</b>	<b>- -</b>	<b>- -</b>	<b>20,376,519</b>
<b>Total Fund Balances</b>	<b>\$ 20,929,035</b>	<b>\$ 1,309,763</b>	<b>\$ 1,876,372</b>	<b>\$ 34,990,526</b>	<b>\$ 25,476,042</b>	<b>\$ 84,581,738</b>

### 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. The funds can only be appropriated by an affirmative vote of five of the seven Council members.

# **CITY OF NEW BRAUNFELS, TEXAS**

## **NOTES TO FINANCIAL STATEMENTS (Continued)**

**For the Year Ended September 30, 2018**

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

The City will maintain a balance in the debt service fund equal to not less than 10 percent of the principal and interest payments on outstanding debt for each fiscal year.

### **11. Estimates**

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

### **12. Pensions**

For the 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' 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.

### **13. Other Postemployment Benefits**

The City participates in a single-employer, unfunded, defined benefit group-term life insurance plan operated by 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 funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. Benefit payments are treated as being equal to the employer's yearly contributions for retirees. Benefit payments and refunds are due and payable in accordance with the benefit terms. Information about the City's total other postemployment (OPEB) liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense is provided by TMRS from reports prepared by their consulting actuary.

The City also provides their own defined benefit group health benefit plan to eligible employees.

## **G. Revenues and Expenditures/Expenses**

### **1. Program Revenues**

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

# **CITY OF NEW BRAUNFELS, TEXAS**

## **NOTES TO FINANCIAL STATEMENTS (Continued)**

For the Year Ended September 30, 2018

### **2. Property Taxes**

Property taxes are levied by October 1 of each year 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 upon receipt of the City's tax bill and become delinquent, with an enforceable lien on property, on February 1 of the following year.

Allowance 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.

### **3. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

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 funds and internal service fund are charges to customers for sales and services. The enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds and internal service fund 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.

## **II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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 meeting 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 except the capital projects funds, which adopt project length budgets. The general obligations fund, a major fund for reporting purposes, is considered a capital projects fund and does not present an annual operating budget. Budgetary legal level of control is set at the fund, departmental, or project level. 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. Appropriations lapse at the end of the year, excluding capital project budgets.

Encumbrances represent the estimated amount of expenditures ultimately to result when unperformed contracts (in progress at year end) are completed. Such encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (*Continued*)

For the Year Ended September 30, 2018

### III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

#### A. Deposits and Investments

As of September 30, 2018, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)	Credit Rating
<b>Primary Government and Component Unit-EDC:</b>			
U.S. agencies:			
Treasury Notes	\$ 4,994,750	0.13	AAA
External investment pools:			
TexPool	90,582,348	0.00	AAAm
	<b>Total</b> <u>\$ 95,577,098</u>		
Portfolio weighted average maturity		0.01	
<b>Component Unit - NBU</b>			
U.S. agency securities	\$ 39,192,589	1.65	AA+
Treasury notes	9,975,780	0.25	AAA
State and local bonds	497,760	0.79	AAA
Certificates of deposit	9,350,000	0.65	
Demand deposit and money market	10,613,365	0.00	
Pooled funds	31,604,603	0.00	AAAm
	<b>Total</b> <u>\$ 101,234,097</u>		
Portfolio weighted average maturity		0.71	

#### Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value establishing a three-level fair value hierarchy that describes the inputs used to measure assets and liabilities:

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Fair value is measured in a manner consistent with one of the three approaches: market approach, cost approach, and the income approach. The valuation methodology used is based upon whichever technique is the most appropriate and provides the best representation of fair value for that particular asset or liability. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or groups of assets and liabilities.

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (*Continued*)

For the Year Ended September 30, 2018

The cost approach reflects the amount that would be required to replace the present service capacity of an asset. The income approach converts future amounts, such as cash flows, to a single current (discounted) amount.

As of September 30, 2018, the City had the following recurring fair value measurements:

	September 30, 2018	Significant Other Observable Inputs (Level 2)
<b>Investments by Fair Value Level</b>		
<b>Primary Government and Component Unit-EDC</b>		
<b>U.S. Government Agency Bonds/Notes</b>		
Treasury notes	\$ 4,994,750	\$ 4,994,750
<b>Total</b>	<b>\$ 4,994,750</b>	<b>\$ 4,994,750</b>
<b>Component Unit - NBU</b>		
U.S. agency securities	\$ 39,192,589	\$ 39,192,589
Treasury notes	9,975,780	9,975,780
Municipal bonds	497,760	497,760
<b>Total</b>	<b>\$ 49,666,129</b>	<b>\$ 49,666,129</b>

U. S. Government agency bonds and notes are classified in Level 2 of the fair value hierarchy and are valued using the market approach.

*Interest rate risk.* In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

*Credit risk.* The City's policy requires that investment pools must be rated no lower than 'AAA' or 'AAAm'. As of September 30, 2018, the City's investments in TexPool were rated 'AAAm' by Standard & Poor's. All other investments are guaranteed (either express or implied) by the full faith and credit of the United States government or the issuing U.S. agency. These investments were rated not less than 'Aaa' by both Moody's and Standard & Poor's.

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that the City's deposits may not be returned in the event of a bank failure. The City's investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of September 30, 2018, market values of pledged securities and FDIC coverage exceeded bank balances.

*Custodial credit risk – investments.* For an investment, this is the risk that the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party in the event of the failure of the counterparty. The City's investment policy requires that it will seek to safekeep securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, shall be conducted on a delivery versus payment basis or commercial book entry system as utilized by the Federal Reserve and shall be protected through the use of a third-party custody/safekeeping agent.

### **TexPool**

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes

# **CITY OF NEW BRAUNFELS, TEXAS**

## ***NOTES TO FINANCIAL STATEMENTS (Continued)***

**For the Year Ended September 30, 2018**

the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rates TexPool 'AAAm'. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexcPool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool's liquidity.

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (*Continued*)

For the Year Ended September 30, 2018

### B. Receivables

Amounts are aggregated into a single accounts receivable line (net of allowance for uncollectibles) for certain funds and aggregated columns. Below is the detail of receivables for the general fund, hotel/motel tax fund, debt service fund, the nonmajor governmental funds in the aggregate, and the proprietary funds, including the applicable allowances for uncollectible accounts:

	Governmental Funds						
	Hotel/Motel		Nonmajor				
	General	Tax	Debt Service	Funds	Total		
Ad valorem taxes	\$ 375,402	\$ -	\$ 265,315	\$ -	\$ 640,717		
Franchise fees and local taxes	- -	- -	- -	53,628	53,628		
Accounts	6,821,195	309,438	16,213	319,570	7,466,416		
Intergovernmental	- -	- -	- -	202,893	202,893		
Less allowance	(67,647)	- -	(40,941)	- -	(108,588)		
	<u>\$ 7,128,950</u>	<u>\$ 309,438</u>	<u>\$ 240,587</u>	<u>\$ 576,091</u>	<u>\$ 8,255,066</u>		

	Proprietary Funds					
	Solid		Civic/Conv.			
	Airport	Waste	Golf Course	Center		
Accounts	\$ 67,200	\$ 840,474	\$ 5,360	\$ -	\$ 913,034	
Other	- -	- -	38,842	- -	38,842	
	<u>\$ 67,200</u>	<u>\$ 840,474</u>	<u>\$ 44,202</u>	<u>\$ -</u>	<u>\$ 951,876</u>	

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2018

### C. Capital Assets

A summary of changes in capital assets for the year end is as follows:

	Beginning Balance	Increases	Reclassifications (Decreases)	Ending Balance
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 34,893,455	\$ 4,343,412	\$ -	\$ 39,236,867
Construction in progress*	14,046,986	7,672,966	(14,040,532)	7,679,420
Total capital assets not being depreciated	48,940,441	12,016,378	(14,040,532)	46,916,287
Other capital assets				
Road network	103,192,207	4,144,676	-	107,336,883
Infrastructure	25,040,967	-	-	25,040,967
Buildings	64,201,473	20,835,312	-	85,036,785
Improvements other than buildings	43,290,833	2,420,928	-	45,711,761
Machinery and equipment	10,400,222	549,547	-	10,949,769
Fleet	18,267,579	1,218,761	(44,949)	19,441,391
Total other capital assets	264,393,281	29,169,224	(44,949)	293,517,556
Less accumulated depreciation for:				
Road network	(65,746,667)	(4,809,868)	-	(70,556,535)
Infrastructure	(7,925,735)	(834,699)	-	(8,760,434)
Buildings	(34,616,056)	(1,765,405)	-	(36,381,461)
Improvements other than buildings	(18,227,964)	(2,965,610)	-	(21,193,574)
Machinery and equipment	(8,739,984)	(457,964)	-	(9,197,948)
Fleet	(14,597,660)	(15,873,477)	44,949	(30,426,188)
Total accumulated depreciation	(149,854,066)	(26,707,023)	44,949	(176,516,140)
Other capital assets, net	114,539,215	2,462,201	-	117,001,416
<b>Governmental Activities</b>				
<b>Capital Assets, Net</b>				
	\$ 163,479,656	\$ 14,478,579	\$ (14,040,532)	\$ 163,917,703
			Less associated debt	(206,839,766)
			Plus deferred charge on refunding	1,944,755
			Plus unspent bond proceeds	37,578,855
			<b>Net Investment in Capital Assets</b>	<b>\$ (3,398,453)</b>

\*Beginning balance has been restated.

All capital assets constructed or paid for with funds of the component units are titled in the City's name. Accordingly, component unit capital assets and construction in progress are recorded in the governmental activities totals.

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2018

Depreciation was charged to governmental functions as follows:

General government	\$ 2,296,804
Finance and tax	518,116
Planning and environmental development	1,431,496
Public safety	17,648,001
Public works	2,408,973
Parks and recreation	1,562,361
Library	841,271
<b>Total Governmental Activities Depreciation Expense</b>	<b>\$ 26,707,023</b>

The following is a summary of changes in capital assets for business-type activities for the year end:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Reclassifications (Decreases)</u>	<u>Ending Balance</u>
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 2,540,961	\$ -	\$ -	\$ 2,540,961
Construction in progress	-	837,965	-	837,965
Total capital assets not being depreciated	<u>2,540,961</u>	<u>837,965</u>	<u>-</u>	<u>3,378,926</u>
Other capital assets				
Buildings	20,963,170	271,880	-	21,235,050
Improvements other than building	19,869,713	147,095	-	20,016,808
Furniture and fixtures	20,190	-	-	20,190
Machinery and equipment	910,910	196,490	-	1,107,400
Fleet	10,482,545	275,689	-	10,758,234
Airspace easement	37,515	-	-	37,515
Total other capital assets	<u>52,284,043</u>	<u>891,154</u>	<u>-</u>	<u>53,175,197</u>
Less accumulated depreciation for:				
Buildings	(9,187,534)	(601,290)	-	(9,788,824)
Improvements other than building	(7,345,445)	(1,329,551)	-	(8,674,996)
Furniture and fixtures	(8,311)	(2,884)	-	(11,195)
Machinery and equipment	(594,442)	(60,664)	-	(655,106)
Fleet	(6,461,201)	(1,424,979)	-	(7,886,180)
Airspace easement	(21,997)	(938)	-	(22,935)
Total accumulated depreciation	<u>(23,618,930)</u>	<u>(3,420,306)</u>	<u>-</u>	<u>(27,039,236)</u>
Other capital assets, net	<u>28,665,113</u>	<u>(2,529,152)</u>	<u>-</u>	<u>26,135,961</u>
<b>Business-Type Activities</b>				
<b>Capital Assets, Net</b>	<b><u>\$ 31,206,074</u></b>	<b><u>\$ (1,691,187)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 29,514,887</u></b>
			<b>Net Investment in Capital Assets</b>	<b><u>\$ 29,514,887</u></b>

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (*Continued*)

For the Year Ended September 30, 2018

Depreciation was charged to business-type functions as follows:

Airport	\$ 1,202,594
Solid waste	1,161,753
Golf course	703,409
Civic center	<u>352,550</u>
<b>Total Business-Type Activities Depreciation Expense</b>	<b><u>\$ 3,420,306</u></b>

The following is a summary of changes in capital assets for discretely presented component units for the year end:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Reclassifications (Decreases)</b>	<b>Ending Balance</b>
<b>Component Units:</b>				
Capital assets not being depreciated:				
Land and improvements	\$ 26,341,588	\$ 296,935	\$ -	\$ 26,638,523
Construction in progress	<u>29,100,251</u>	<u>78,092,681</u>	<u>(40,226,374)</u>	<u>66,966,558</u>
Total capital assets not being depreciated	<u>55,441,839</u>	<u>78,389,616</u>	<u>(40,226,374)</u>	<u>93,605,081</u>
Other capital assets				
Buildings	70,915,568	1,504,531	-	72,420,099
Infrastructure	421,132,757	33,564,426	(10,201,332)	444,495,851
Equipment	91,897,912	4,277,242	-	96,175,154
Wells and springs	<u>613,820</u>	<u>583,243</u>	<u>-</u>	<u>1,197,063</u>
Total other capital assets	<u>584,560,057</u>	<u>39,929,442</u>	<u>(10,201,332)</u>	<u>614,288,167</u>
Less accumulated depreciation for:				
Buildings	(29,845,184)	(1,674,560)	-	(31,519,744)
Infrastructure	(152,468,774)	(13,958,092)	6,073,697	(160,353,169)
Equipment	(34,082,017)	(3,893,874)	-	(37,975,891)
Wells and springs	<u>(466,378)</u>	<u>(10,897)</u>	<u>-</u>	<u>(477,275)</u>
Total accumulated depreciation	<u>(216,862,353)</u>	<u>(19,537,423)</u>	<u>6,073,697</u>	<u>(230,326,079)</u>
Other capital assets, net	<u>367,697,704</u>	<u>20,392,019</u>	<u>(4,127,635)</u>	<u>383,962,088</u>
<b>Component Units Capital Assets, Net</b>	<b><u>\$ 423,139,543</u></b>	<b><u>\$ 98,781,635</u></b>	<b><u>\$ (44,354,009)</u></b>	<b><u>\$ 477,567,169</u></b>

Depreciation was charged to the component unit – New Braunfels Utilities as follows:

Electric	\$ 8,244,960
Water	4,827,300
Wastewater	6,429,952
<b>Total Business-Type Activities Depreciation Expense</b>	<b><u>\$ 19,502,212</u></b>

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2018

### D. Long-Term Debt

The following is a summary of changes in the City's total long-term liabilities for the year end. In general, the City uses the general and debt service funds to liquidate governmental long-term liabilities.

	Beginning Balance*	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Bonds, notes, and other payables:					
General obligation bonds/Notes	\$ 91,205,000	\$ 24,620,000	\$ (4,675,000)	\$ 111,150,000	\$ 6,420,000
Certificates of obligation	63,130,000	-	(4,180,000)	58,950,000	3,650,000
Contract revenue obligations	24,325,000	-	(1,270,000)	23,055,000	1,315,000
Bond premium	10,665,674	1,593,974	(761,502)	11,498,146	-
	<u>189,325,674</u>	<u>26,213,974</u>	<u>(10,886,502)</u>	<u>204,653,146</u>	<u>**</u>
Other liabilities:					
Equipment loan payable	467,513	-	(66,788)	400,725	**
Capital lease payable	943,634	1,251,211	(408,950)	1,785,895	**
Net pension liability - TMRS	32,836,623	-	(5,436,248)	27,400,375	-
Total OPEB liability - TMRS	1,149,503	200,133	-	1,349,636	-
Total OPEB liability	8,052,351	581,575	-	8,633,926	-
Compensated absences	6,042,372	5,957,133	(5,438,135)	6,561,370	5,905,233
<b>Total Governmental Activities</b>	<b><u>\$ 238,817,670</u></b>	<b><u>\$ 34,204,026</u></b>	<b><u>\$ (22,236,623)</u></b>	<b><u>\$ 250,785,073</u></b>	<b><u>\$ 17,787,540</u></b>
<b>Long-term debt due in more than one year</b>					
<u>\$ 232,997,533</u>					

\*Beginning balances have been restated.

\*\* Debt associated with capital assets \$ 206,839,766

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>Business-Type Activities:</b>					
Equipment loan payable	\$ 181,589	\$ -	\$ (181,589)	\$ -	\$ -
Net pension liability - TMRS	3,398,024	-	(544,451)	2,853,573	-
Total OPEB liability - TMRS	115,125	20,044	-	135,169	-
Total OPEB liability	806,459	58,246	-	864,705	-
Compensated absences	283,599	324,139	(255,239)	352,499	317,249
<b>Total Business-Type Activities</b>	<b><u>\$ 4,784,796</u></b>	<b><u>\$ 402,429</u></b>	<b><u>\$ (981,279)</u></b>	<b><u>\$ 4,205,946</u></b>	<b><u>\$ 317,249</u></b>
<b>Long-term debt due in more than one year</b>					
<u>\$ 3,888,697</u>					

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>Component Units:</b>					
Bonds payable	\$ 112,700,032	\$ 45,355,798	\$ (2,320,000)	\$ 155,735,830	\$ 4,915,000
Bond premium	2,304,893	3,357,192	-	5,662,085	-
Net pension liability	9,295,380	2,855,958	-	12,151,338	-
Compensated absences	1,519,805	795,019	(795,784)	1,519,040	941,676
<b>Total Component Units</b>	<b><u>\$ 125,820,110</u></b>	<b><u>\$ 52,363,967</u></b>	<b><u>\$ (3,115,784)</u></b>	<b><u>\$ 175,068,293</u></b>	<b><u>\$ 5,856,676</u></b>
<b>Long-term debt due in more than one year</b>					
<u>\$ 169,211,617</u>					

# **CITY OF NEW BRAUNFELS, TEXAS**

## **NOTES TO FINANCIAL STATEMENTS (Continued)**

**For the Year Ended September 30, 2018**

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. The governmental activities compensated absences, net pension liability, and OPEB obligations are generally liquidated by the general fund. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

Long-term debt at year end was comprised of the following debt issues:

<b>Governmental Activities:</b>		<b>Final Maturity</b>	<b>Original Issue</b>	<b>Interest Rate</b>	<b>Balance</b>
<b>Series</b>					
<b>General Obligation Bonds/Notes</b>					
2013 General Obligation Refunding Bonds		2023	\$ 3,820,000	2.000-3.000%	\$ 2,130,000
2013A General Obligation Refunding Bonds		2020	\$ 7,020,000	2.000-4.000%	2,915,000
2014 General Obligation Bonds		2034	\$ 13,970,000	2.000-5.000%	11,930,000
2015 General Obligation and Refunding Bonds		2035	\$ 29,260,000	2.000-5.000%	27,515,000
2015 Tax Note		2022	\$ 1,285,000	1.630%	745,000
2016 General Obligation Refunding Bonds		2036	\$ 37,360,000	2.000-5.000%	36,095,000
2017 General Obligation Refunding Bonds		2029	\$ 5,255,000	1.910%	5,200,000
2018 General Obligation Bonds		2038	\$ 21,620,000	3.000-5.000%	21,620,000
2018 Tax Note		2025	\$ 3,000,000	2.780%	3,000,000
<b>Total General Obligation</b>					<b>111,150,000</b>
<b>Certificates of Obligation</b>					
2006A Certificates of Obligation		2021	\$ 1,600,000	3.600-4.500%	440,000
2009 Certificates of Obligation		2019 *	\$ 9,500,000	2.000-4.500%	475,000
2011 Certificates of Obligation		2031	\$ 18,200,000	4.050%	13,535,000
2012 Certificates of Obligation		2032	\$ 19,470,000	2.000-5.000%	14,940,000
2013 Certificates of Obligation		2033	\$ 19,490,000	3.000-5.000%	15,985,000
2014A Certificates of Obligation		2034	\$ 6,845,000	2.000-5.000%	5,825,000
2014B Certificates of Obligation		2034	\$ 3,280,000	2.000-5.000%	2,920,000
2015 Certificates of Obligation		2035	\$ 5,395,000	2.000-5.000%	4,830,000
<b>Total Certificates of Obligation</b>					<b>58,950,000</b>
<b>Tax Increment Contract Revenue Obligations</b>					
2012 Tax Increment Contract Revenue					
Improvement and Refunding Obligations		2032	\$ 11,670,000	2.93%	8,990,000
2014 Tax Increment Contract Revenue Notes		2032	\$ 17,000,000	3.68%	14,065,000
<b>Total Tax Increment Contract Revenue Obligations</b>					<b>23,055,000</b>
<b>Total Governmental Activities Long-Term Debt</b>					<b>\$ 193,155,000</b>

*\*After refunding*

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (*Continued*)

For the Year Ended September 30, 2018

The annual requirements to amortize general obligation bonds, certificates of obligation, and tax increment contract revenue obligations outstanding at year end were as follows:

Year Ending Sep. 30	Governmental Activities							
	General Obligation		Certificates of Obligation		Tax Increment Contract Revenue Obligations		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Total		
2019	\$ 6,420,000	\$ 4,254,311	\$ 3,650,000	\$ 2,310,029	\$ 1,315,000	\$ 780,999	\$ 18,730,339	
2020	7,710,000	4,065,685	3,270,000	2,194,136	1,360,000	736,545	19,336,366	
2021	7,485,000	3,821,006	3,385,000	2,080,776	1,405,000	690,584	18,867,366	
2022	7,715,000	3,559,765	3,385,000	1,962,853	1,450,000	643,080	18,715,698	
2023	7,605,000	3,227,911	3,515,000	1,833,200	1,500,000	594,033	18,275,144	
2024-2028	33,885,000	11,281,146	19,895,000	6,842,838	8,305,000	2,172,973	82,381,957	
2029-2033	23,725,000	5,692,323	20,385,000	2,260,516	7,720,000	665,988	60,448,827	
2034-2035	16,605,000	1,167,903	1,465,000	47,950	-	-	19,285,853	
<b>Total</b>	<b>\$ 111,150,000</b>	<b>\$ 37,070,050</b>	<b>\$ 58,950,000</b>	<b>\$ 19,532,298</b>	<b>\$ 23,055,000</b>	<b>\$ 6,284,202</b>	<b>\$ 256,041,550</b>	

General obligation bonds and certificates of obligation are direct obligations of the City for which its full faith and credit are pledged. Repayment of general obligation bonds and certificates of obligation are from taxes levied on all taxable property located within the City. The City is not obligated in any manner for special assessment debt.

In December 2012 and July 2014, the NBDA issued Tax Increment Contract Revenue and Refunding Obligations, series 2012 and Tax Increment Contract Revenue Obligations, series 2014, respectively, with the authorization and approval of the City. The obligations were issued to reimburse a developer for certain public improvement projects related to the Creekside Town Center Development and pay the costs of issuance. The debt issuances are the limited obligation of the NBDA, payable solely from pledged revenues. The pledged revenues consist of tax increments from the TIRZ payable to the NBDA as specified in the tri-party agreement between the City, the TIRZ, and the NBDA. The City is not obligated to make payments on the series 2012 and series 2014 obligations.

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 used to acquire capital assets by which the loan is secured. The annual requirements to amortize the equipment loan payable outstanding at year end were as follows:

### Equipment Loan Payable:

Year Ending Sep. 30	Governmental Activities			
	Principal	Interest	Total	
2019	\$ 63,382	\$ 8,375	\$	71,757
2020	64,707	7,050		71,757
2021	66,059	5,698		71,757
2022	67,440	4,317		71,757
2023	68,849	2,908		71,757
2024-2028	70,288	1,469		71,757
<b>Total</b>	<b>\$ 400,725</b>	<b>\$ 29,817</b>	<b>\$</b>	<b>430,542</b>

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (*Continued*)

For the Year Ended September 30, 2018

The City has entered into various capital lease financing arrangements with interest rates that range from 1.85% to 2.25%. The annual requirements to amortize the capital leases payable outstanding at year end were as follows:

Year Ending	Governmental Activities		
	Principal	Interest	Total
Sep. 30			
2019	\$ 433,925	\$ 48,460	\$ 482,385
2020	435,851	46,534	482,385
2021	252,288	34,021	286,309
2022	261,875	24,435	286,310
2023	44,260	14,442	58,702
2023-2027	246,329	47,182	293,511
2028-2032	<u>111,367</u>	<u>6,037</u>	<u>117,404</u>
<b>Total</b>	<b><u>1,785,895</u></b>	<b><u>221,111</u></b>	<b><u>2,007,006</u></b>

The annual requirements to amortize NBU bonds outstanding at year end were as follows:

Year Ending	Bonds Payable		
	Principal	Interest	Total
Sep. 30			
2019	\$ 4,915,000	\$ 5,951,119	\$ 10,866,119
2020	3,562,732	5,816,769	9,379,501
2021	3,836,860	5,704,819	9,541,679
2022	3,870,821	5,582,819	9,453,640
2023	3,015,210	5,451,569	8,466,779
2024-2028	20,000,207	25,284,394	45,284,601
2029-2033	23,535,000	21,162,700	44,697,700
2034-2038	27,160,000	16,677,963	43,837,963
2039-2043	32,970,000	10,820,300	43,790,300
2044-2048	<u>32,870,000</u>	<u>4,137,875</u>	<u>37,007,875</u>
<b>Total</b>	<b><u>\$ 155,735,830</u></b>	<b><u>\$ 106,590,327</u></b>	<b><u>\$ 262,326,157</u></b>

### **Federal Arbitrage**

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or are not performed correctly, a substantial liability to the City could result. The City periodically engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS.

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (*Continued*)

For the Year Ended September 30, 2018

### **E. Interfund Receivables and Payables**

Interfund balances at September 30, 2018 consisted of the following:

<b>Receivable Fund</b>	<b>Payable Fund</b>	
General fund	Nonmajor governmental	\$ 10,155,424
Nonmajor governmental	Debt Service	5,213,393
Self insurance	Nonmajor governmental	1,329,577
Nonmajor governmental	Nonmajor capital	<u>6,791,681</u>
		<u><u>\$ 23,490,075</u></u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

### **F. Interfund Transfers**

Transfers between the primary government funds during the year were as follows:

	<b>Transfers In</b>	<b>Transfers Out</b>	<b>Explanation</b>
General	\$ -	\$ 71,159	From Airport fund for administration services
	-	33,476	From Civic/Convention Center fund for administration services
	-	707,828	From Solid Waste fund for administration services and street impact fees
	-	12,624	From Grant fund for General fund reimbursement
	<u>875,087</u>	<u>50,000</u>	From Recreation Center Improvement fund for aquatic operations support
<b>Total General Fund</b>	<b><u>875,087</u></b>	<b><u>875,087</u></b>	
Grant	108,828	108,828	From General fund for cash match on grant projects
<b>Total Grant Fund</b>	<b><u>108,828</u></b>	<b><u>108,828</u></b>	
River Activities	-	137,317	From Solid Waste fund for river litter pick up
	<u>172,061</u>	<u>34,744</u>	From General fund for gap funding river activities
<b>Total River Activities Fund</b>	<b><u>172,061</u></b>	<b><u>172,061</u></b>	
Enterprise Maintenance	-	106,447	From Airport fund for equipment replacement and loan payoffs
	-	1,943	From Golf Course fund for equipment replacement
	-	1,233,519	From Solid Waste fund for heavy equipment replacement
	<u>1,441,909</u>	<u>100,000</u>	From Hotel/Motel Tax fund for Civic/Convention Center repairs
<b>Total Enterprise Maintenance Fund</b>	<b><u>1,441,909</u></b>	<b><u>1,441,909</u></b>	
Edwards Aquifer HCP	80,638	80,638	From General fund for administration support for the EAHCP program
<b>Total Edwards Aquifer HCP Fund</b>	<b><u>80,638</u></b>	<b><u>80,638</u></b>	
Debt Service	-	330,482	From Airport fund for debt service support
	-	71,016	From Solid Waste fund for debt service support
	<u>962,598</u>	<u>561,100</u>	From Hotel/Motel Tax fund for Civic Center debt service support and operating costs
<b>Total Debt Service Fund</b>	<b><u>962,598</u></b>	<b><u>962,598</u></b>	
Airport	162,091	162,091	From General fund for land lease for the CTTC building
<b>Total Airport Fund</b>	<b><u>162,091</u></b>	<b><u>162,091</u></b>	
Civic/Convention Center	348,240	348,240	From Hotel/Motel Tax fund for gap funding for Civic/Convention Center expenses
<b>Total Civic/Convention Center Fund</b>	<b><u>348,240</u></b>	<b><u>348,240</u></b>	
2013 Bond	5,800,000	5,800,000	From 2018 Certificates of Obligation fund for Das Rec construction costs support by the NBEDC
<b>Total Bond 2013 Fund</b>	<b><u>5,800,000</u></b>	<b><u>5,800,000</u></b>	
	<b><u>\$ 9,951,452</u></b>	<b><u>\$ 9,951,452</u></b>	

Transfers between funds occur primarily to finance programs accounted for in one fund with resources collected in other funds in accordance with budgetary authorizations.

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (*Continued*)

For the Year Ended September 30, 2018

### G. Restatement of Net Position

The City's net position for government and business-type activities has been restated to adjust for three items. Beginning net position for governmental activities, airport, solid waste, golf course and civic/convention center activities were restated for the implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The Component unit net position was restated as a result of costs that had been capitalized as assets in the prior year in governmental activities that should be reflected as a note receivable in the component unit. The final restatement is related to a payment made in the prior year that was considered Construction in Progress, but should not have been capitalized.

	Governmental Activities	Airport	Solid Waste	Golf Course	Civic Center	Economic Development Corporation
<b>Beginning net position, as reported</b>	<b>\$ 10,834,107</b>	<b>\$ 14,925,907</b>	<b>\$ 3,355,595</b>	<b>\$ 5,535,221</b>	<b>\$ 6,459,566</b>	<b>\$ 14,136,223</b>
TMRS OPEB liability	(1,149,503)	(11,479)	(78,436)	(16,532)	(8,678)	-
Deferred outflows - OPEB	7,579	76	517	109	57	-
Net OPEB obligation	10,411,429	102,735	709,281	153,848	85,223	-
Total OPEB Liability	(8,052,351)	(80,410)	(549,452)	(115,805)	(60,793)	-
Component unit receivable	(570,000)	-	-	-	-	570,000
CIP reclass	(1,500,000)	-	-	-	-	-
<b>Beginning net position, as restated</b>	<b>\$ 9,981,261</b>	<b>\$ 14,936,829</b>	<b>\$ 3,437,505</b>	<b>\$ 5,556,841</b>	<b>\$ 6,475,375</b>	<b>\$ 14,706,223</b>

## IV. OTHER INFORMATION

### A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,617 other entities in the Texas Municipal League's Intergovernmental Risk Pools (the "Pool"). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

The City's health insurance program is a self-insured minimum premium cash flow plan (the "Plan"). The City makes pre-determined monthly contributions 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 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 \$5,571,484 in health claims and paid \$1,136,396 for administrative costs for the year ended September 30, 2018. The City contributed \$5,685,528 and City employees contributed \$1,350,805 to the Plan for the year ended September 30, 2018.

The transactions of the Plan are reported in the City's internal service fund. The City pays a specified monthly amount for each employee and a portion of an employee's dependent coverage which averages to approximately \$793. 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 payments of administrative

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (*Continued*)

For the Year Ended September 30, 2018

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 \$358,764 at September 30, 2018. The estimated liability for health claims is based upon historical claims experience.

The change in the claim liability for the years ended September 30, 2018 and 2017 are as follows:

	<b>2018</b>	<b>2017</b>
Claims payable, beginning of year	\$ 397,183	\$ 333,906
Plus: incurred claims	5,452,383	5,444,117
Less: claims paid	(5,490,802)	(5,380,840)
<b>Claims Payable, End of Year</b>	<b>\$ 358,764</b>	<b>\$ 397,183</b>

### B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

At September 30, 2018, the City is involved in various lawsuits. These lawsuits generally involve claims relating to general liability, automobile liability, civil rights actions, and various contractual matters. In the opinion of management, any liability resulting from such litigation would not have a material adverse effect on the City's financial statements.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. With the exception of health claims, no other claim liabilities are reported at year end.

### C. Pension Plan

#### Texas Municipal Retirement System

##### Plan Description

The City participates as one of 883 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by 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 TMRS with a six-member Board of Trustees (the "Board"). 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(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at [www.tmrs.com](http://www.tmrs.com).

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (*Continued*)

For the Year Ended September 30, 2018

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 percent 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:

	<b>2018</b>	<b>2017</b>
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI	70% of CPI

### Employees Covered by Benefit Terms

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	246
Inactive employees entitled to, but not yet receiving, benefits	278
Active employees	587
<b>Total</b>	<b><u>1,111</u></b>

### Contributions

The contribution rates for employees in TMRS are either five percent, six percent, or seven percent of employee gross earnings, and the City-matching percentages are either 100 percent, 150 percent, or 200 percent, 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 seven percent of their annual gross earnings during the fiscal year. The contribution rates for the City were 17.22 percent and 17.11 percent in

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (*Continued*)

For the Year Ended September 30, 2018

calendar years 2017 and 2018, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2018 were \$6,439,837, which were equal to the required contributions.

### Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2017 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

### Actuarial Assumptions

The TPL in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% 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 Tables with Blue Collar Adjustment, with male rates multiplied by 109 percent and female rates multiplied by 103 percent. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109 percent and female rates multiplied by 103 percent with a three-year set-forward for both males and females. In addition, a three percent minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the three percent floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and annuity purchase rate are based on the mortality experience investigation study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, TMRS adopted the EAN actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation, as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (*Continued*)

For the Year Ended September 30, 2018

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.50%	4.55%
International Equity	17.50%	6.35%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	4.15%
Real Return	10.00%	4.15%
Real Estate	10.00%	4.75%
Absolute Return	10.00%	4.00%
Private Equity	5.00%	7.75%
<b>Total</b>	<b>100.00%</b>	

### Discount Rate

The discount rate used to measure the TPL was 6.75 percent. 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 TPL.

### Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
<b>Changes for the year:</b>			
Service cost	\$ 6,602,665	\$ -	\$ 6,602,665
Interest	9,783,894	-	9,783,894
Changes in current period benefits	-	-	-
Difference between expected and actual experience	1,216,121	-	1,216,121
Changes in assumptions	-	-	-
Contributions - employer	-	6,162,902	(6,162,902)
Contributions - employee	-	2,546,656	(2,546,656)
Net investment income	-	14,955,206	(14,955,206)
Benefit payments, including refunds of employee contributions	(4,868,903)	(4,868,903)	-
Administrative expense	-	(77,461)	77,461
Other changes	-	(3,925)	3,925
<b>Net Changes</b>	<b>12,733,777</b>	<b>18,714,475</b>	<b>(5,980,698)</b>
Balance at December 31, 2016	144,079,694	107,845,047	36,234,647
<b>Balance at December 31, 2017</b>	<b>\$ 156,813,471</b>	<b>\$ 126,559,522</b>	<b>\$ 30,253,949</b>

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (*Continued*)

For the Year Ended September 30, 2018

### Sensitivity of the NPL to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
	<u>\$ 55,379,956</u>	<u>\$ 30,253,949</u>	<u>\$ 9,922,530</u>
City's Net Pension Liability			

### 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](http://www.tmrs.com).

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

For the fiscal year ended September 30, 2018, the City recognized pension expense of \$6,811,066.

At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Outflows of Resources	Inflows of Resources
Differences between expected and actual economic experience	\$ 1,787,457	\$ 360,318
Changes in actuarial assumptions	-	213,341
Difference between projected and actual investment earnings	-	3,351,851
Contributions subsequent to the measurement date	4,992,018	-
<b>Total</b>	<b>\$ 6,779,475</b>	<b>\$ 3,925,510</b>

\$4,992,018 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 NPL for the fiscal year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30	Pension Expense
2019	\$ 169,316
2020	(51,642)
2021	(1,197,706)
2022	(1,194,105)
2023	136,084
Thereafter	-
<b>Total</b>	<b>\$ (2,138,053)</b>

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2018

### D. Other Postemployment Benefits

#### 1. TMRS Supplemental Death Benefits

##### Plan Description

The City participates in an OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the SDBF. This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers 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 member city contributes to the SDBF at a contractually required rate (based on the covered payroll of employee members) 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. No assets are accumulated in a trust that meets the criteria in paragraph 4 GASB 75. As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The TMRS Act requires the PTF to allocate a five percent interest credit from investment income to the SDBF on an annual basis each December 31 based on the mean balance in the SDBF during the year.

##### Benefits

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). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated). Participation in the SDBF as of December 31, 2017 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	212
Inactive employees entitled to, but not yet receiving, benefits	88
Active employees	587
<b>Total</b>	<b>887</b>

##### Total OPEB Liability

The City's total OPEB liability of \$1,484,805 was measured as of December 31, 2017 and was determined by an actuarial valuation as of that date.

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (*Continued*)

For the Year Ended September 30, 2018

### Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 10.50% including inflation
Discount rate	3.31%*
Retirees' share of benefit-related costs	Zero
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates-service retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality rates-disabled retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

\* The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2017.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

### Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
Changes for the year:	
Service cost	\$ 58,109
Interest	48,695
Changes of assumptions	124,268
Benefit payments*	<u>(10,895)</u>
	<b>Net Changes</b>
	220,177
Beginning balance	<u>1,264,628</u>
	<b>Ending Balance</b>
	<u><u>\$ 1,484,805</u></u>

\* Benefit payments are treated as being equal to the employer's yearly contributions for retirees due to the SDBF being considered an unfunded OPEB plan under GASB 75.

There were no changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (*Continued*)

For the Year Ended September 30, 2018

### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (2.31%)	Discount Rate (3.31%)	1% Increase in Discount Rate (4.31%)
City's Total OPEB Liability	\$ 1,809,402	\$ 1,484,805	\$ 1,237,080

### OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	\$ 106,179	\$ -
Contributions subsequent to the measurement date	8,898	-
<b>Total</b>	<b>\$ 115,078</b>	<b>\$ -</b>

\$8,898 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction the of total OPEB liability for the fiscal year ending September 30, 2019.

Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended <u>September 30</u>	OPEB Expense Amount
2019	\$ 18,089
2020	18,089
2021	18,089
2022	18,089
2023	18,089
Thereafter	15,734
<b>Total</b>	<b>\$ 106,179</b>

## 2. Retiree Health Plan

### Plan Description

The City provides post-retirement medical, dental, vision, and life insurance benefits on behalf of its eligible retirees. GASB adopted statement No. 75 to replace GASB 45. GASB 75 requires public employers to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statements of the employer.

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (*Continued*)

For the Year Ended September 30, 2018

### Benefits

The City maintains self-funded medical and prescription drug coverage administered by Aetna for eligible employees and retired employees and their dependents (prior to attaining Medicare eligibility). Employees and retirees are also eligible for the City's fully-insured dental and vision plan options. In addition, retirees eligible for Medicare can remain with the City but are moved to a fully-insured Medicare Advantage plan. The dental, vision, and Medicare Advantage plans are 100% funded through retiree contributions. Since the retiree has to pay the full premium and there is not a material implicit subsidy for these benefits, there is no liability for the City. Therefore, the dental, vision, and Medicare Advantage plans were excluded from this valuation.

Inactive employees or beneficiaries currently receiving benefits	12
Inactive employees entitled to, but not yet receiving, benefits	-
Active employees	571
<b>Total</b>	<b>583</b>

### Total OPEB Liability

The City's total OPEB liability of \$9,498,631 was measured as of September 30, 2018 and was determined by an actuarial valuation as of that date.

### Actuarial Assumptions and Other Inputs

The total OPEB liability in the September 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40%
Salary increases	3.00%
Discount rate	3.73%

The discount rate was based on an average of the 9/30/18 S&P Municipal Bond 20-Year High Grade Rate Index and the Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the RPH-2014 Employee Mortaility Table, Generational with Projection Scale MP-2018 for males or females, as appropriate.

Mortality rates for retireesdisables employees were based on the RPH-2014 Healthy Annuitant and Disabled Retiree Mortality Table, Generaltional with Projection Scale MP-2018 for males or females, as appropriate.

The actuarial assumptions used in the September 30, 2018 valuation were based on the results of an actuarial experience study for the period September 30, 2016 to September 30, 2018.

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (*Continued*)

For the Year Ended September 30, 2018

### Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
Changes for the year:	
Service cost	\$ 431,371
Interest	363,757
Changes of assumptions	237,182
Benefit payments	<u>(392,489)</u>
	<b>Net Changes</b>
	639,821
Beginning balance	<u>8,858,810</u>
	<b>Ending Balance</b>
	<u><u>\$ 9,498,631</u></u>

### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (2.73%)	Discount Rate (3.73%)	1% Increase in Discount Rate (4.73%)
City's Total OPEB Liability	<u>\$ 11,014,791</u>	<u>\$ 9,498,631</u>	<u>\$ 8,219,615</u>

	Current Healthcare Cost Trend Rate 1% Decrease	Assumption	1% Increase
City's Total OPEB Liability	<u>\$ 8,095,073</u>	<u>\$ 9,498,631</u>	<u>\$ 11,199,624</u>

### OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	<u>\$ 189,746</u>	<u>\$ -</u>
<b>Total</b>	<b><u>\$ 189,746</u></b>	<b><u>\$ -</u></b>

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (*Continued*)

For the Year Ended September 30, 2018

Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30	OPEB Expense Amount
2019	\$ 47,436
2020	47,436
2021	47,436
2022	47,436
2023	-
Thereafter	-
<b>Total</b>	<b>\$ 189,744</b>

## E. Operating Lease

NBU has an operating lease (the “Lease”) with Lower Colorado River Authority (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 Leases are perpetual, but may be terminated by either party upon five years written notice. On March 30, 2017, LCRA and NBU executed a Memorandum of Agreement (MOA) to terminate the Lease effective March 31, 2022. The MOA outlines a lease payment freeze that reverts the Lease payments to the Lease asset value as of NBU’s Transmission Cost of Service (TCOS) rate case dated July 7, 2014. The compensable Lease asset value at the time was \$10,992,460, which equates to Lease revenue of \$855,667 per year. Lease revenues were \$855,667 and \$797,793 in fiscal year 2018 and fiscal year 2017, respectively. The receipts for fiscal year 2019 are expected to be \$855,667.

## F. Tax Abatements

### 1. Chapter 378 Neighborhood Empowerment Zone Agreement

Chapter 378 of the Texas Local Government Code, *Neighborhood Empowerment Zone*, provides the authority to the governing body of a municipality to create a Neighborhood Empowerment Zone that would promote an increase in economic development in the municipality. The City has entered into a property tax abatement agreement (the “Agreement”) with a company (the “Company”) as authorized by Chapter 378 of the Texas Local Government Code. Under the Agreement, the Company agrees to establish a customer contact center that will employ 120 people by the end of the first year of operation and will employ at least 343 people by the end of the tenth year of operation. In exchange, the City will pay the Company 50 percent of the sales tax revenue received by the City which is connected to the Company’s business activities within the City starting on the date outlined in the Agreement for a period of 10 years. The Agreement provides for recapture of sales taxes in the event of material breach. For the year ended September 30, 2018, the total amount of taxes abated were \$1,951,611 for the City and \$650,537 for the EDC.

### 2. Chapter 380 Economic Development Agreement

Chapter 380 of the Texas Local Government Code, *Miscellaneous Provisions Relating to Municipal Planning and Development*, provides the authority to the governing body of a municipality to establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the municipality.

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2018

### Sales Taxes

The City has entered into sales tax abatement agreements (the “Agreements”) with several developers (the “Developers”) as authorized by Chapter 380 of the Texas Local Government Code.

Under each Agreement, the Developers must meet certain commercial/retail development and/or employment requirements in order to have a portion of their sales taxes abated. The minimum limitation value varies by Agreement. Each Agreement provides for recapture in the event of material breach. The following summarizes the current Agreements:

- A Developer constructed a commercial and mixed-use development of approximately 160.56 acres of land for the purpose of promoting economic development in the City and stimulating business and commercial activity. The improvements were to be completed based on the terms of the Agreement. The Agreement expires 25 years after the effective date of the Agreement. The City will make payments to the Developer from sales tax revenues at an amount equal to 50 percent of sales tax revenue collected by the City and generated by the project. For the year ended September 30, 2018, the total amount of taxes abated were \$220,092 for the City.
- A Developer will construct a new grocery retail store with approximately 120,000 square feet for the purpose of creating and/or retaining at least 108 full-time equivalent (FTE) employees. The City has granted the Developer a tax limitation of \$1.5 million for a period of 5 years. In order to be eligible to receive the limitation, the Developer must have invested at least \$14 million during the time period beginning October 1, 2015 and ending December 31, 2016. The City will make quarterly payments to the Developer from sales tax revenues at an amount equal to 50 percent of sales taxes generated not to exceed a cumulative amount of \$700,000 paid by the City and \$800,000 paid by the EDCinning after the grocery store opens to the public. For the year ended September 30, 2018, the total amount of taxes abated were \$188,516 for the City.

A reconciliation of gross sales tax collections for these tax abatement agreements and the Creekside Town Center TIRZ is disclosed below:

### Sales Tax Reconciliation

	General Fund	Creekside Town Center TIRZ	Economic Dev. Corporation	Total
Payments from Comptroller	\$ 23,593,104	1,016,049	\$ 7,864,037	\$ 32,473,190
Direct from City taxable services/commodities	2,063	-	1,019	3,082
<b>Gross Sales Tax Collected</b>	<b>23,595,167</b>	<b>1,016,049</b>	<b>7,865,056</b>	<b>32,476,272</b>
Creekside Town Center - Chapter 380 Abatement Payments	(2,614,233)	-	(1,412,574)	(4,026,807)
<b>Net Sales Tax Collected</b>	<b>\$ 20,980,934</b>	<b>1,016,049</b>	<b>\$ 6,452,482</b>	<b>\$ 28,449,465</b>

### Property Taxes

The City has entered into property tax abatement agreements (the “Agreements”) with several developers (the “Developers”) as authorized by Chapter 380 of the Texas Local Government Code.

Under each Agreement, the Developers must meet certain commercial/retail development and/or employment requirements in order to have a portion of their property taxes abated. The minimum limitation value varies by Agreement.

# CITY OF NEW BRAUNFELS, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2018

Each Agreement provides for recapture in the event of material breach. The following summarizes the current Agreements:

- The Developer constructed a commercial and mixed-use development of approximately 160.56 acres of land for the purpose of promoting economic development in the City and stimulating business and commercial activity. In exchange, the City will pay the company an amount annually equal to 70 percent of all property taxes received by the City related to the property in each tax year starting the first tax year following a transition period as outlined in the Agreement for a period of 25 years or until \$4,117,000 of the economic development grant is paid. For the year ended September 30, 2018, the total amount of taxes abated were \$279,748 for the City.
- The Developer agrees to construct a manufacturing facility of approximately 240,000 square-feet for the purpose of promoting economic development in the City and stimulating business and commercial activity. The City has granted the Developer a tax limitation for a period of 15 years. In order to be eligible to receive the limitation, the Developer agrees to make an investment of \$80 million that increases total taxable assessed value of at least \$35 million by January 2017 and \$50 million by January 2018. In addition, the Developer must meet certain employment conditions. The City will make annual payments to the Developer from property tax revenues at an amount equal to 80 percent, 60 percent, and 50 percent of total taxable assessed value for years one through five, six through eight, and nine through fifteen, respectively.

A reconciliation of gross property tax collections for these tax abatement agreements and the Creekside Town Center TIRZ is disclosed below:

	Maintenance and Operations	Interest and Sinking	Total
General fund	\$ 18,299,631	\$ 12,595,092	\$ 30,894,723
Creekside Town Center TIRZ	881,785	698,192	1,579,977
<b>Gross Property Taxes Collected</b>	<b>19,181,416</b>	<b>13,293,284</b>	<b>32,474,700</b>
Creekside Town Center - Chapter 380 Abatement Payments	(1,037,940)	(821,784)	(1,859,724)
Deferred revenue adjustment for governmental activities	44,045	-	44,045
<b>Net Property Taxes Collected</b>	<b>\$ 18,187,521</b>	<b>12,471,500</b>	<b>30,659,021</b>

***REQUIRED SUPPLEMENTARY INFORMATION***

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (Page 1 of 2)**  
**GENERAL FUND**  
For the Year Ended September 30, 2018

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes:				
Ad valorem	\$ 18,138,200	\$ 18,138,200	\$ 18,143,478	\$ 5,278
Sales	21,069,270	21,069,270	20,979,934	(89,336)
Franchise and other taxes	10,097,632	10,097,632	10,165,256	67,624
Licenses and permits	4,122,895	4,122,895	4,170,417	47,522
Intergovernmental	50,000	50,000	207,532	157,532
Fines and forfeitures	1,785,125	1,785,125	1,561,633	(223,492)
Interest	85,000	85,000	230,448	145,448
Parks and recreation	2,028,800	2,028,800	2,098,546	69,746
Miscellaneous	2,143,400	2,143,400	2,946,110	802,710
Charges for services	3,976,568	3,976,568	4,049,640	73,072
<b>Total Revenues</b>	<b>63,496,890</b>	<b>63,496,890</b>	<b>64,552,994</b>	<b>1,056,104</b>
<b>Expenditures</b>				
General government:				
City council	38,189	38,189	29,902	8,287
City attorney	907,482	900,866	724,561	176,305
City administration	3,546,359	4,043,270	4,036,061	7,209
Human resources	824,499	824,499	793,813	30,686
Nondepartmental	1,673,750	1,573,750	1,562,678	11,072
Finance and tax	1,049,814	1,049,815	1,037,133	12,682
Planning and environmental				
development	3,065,455	3,166,765	3,166,765	-
Public safety:				
Police	17,975,900	18,035,792	17,894,181	141,611
Fire	17,994,574	17,994,573	17,916,880	77,693
Public works	7,040,835	7,343,761	7,076,997	266,764
Parks and recreation	6,607,091	6,595,395	6,346,212	249,183
Library	2,273,202	2,273,204	2,165,960	107,244
Debt service				
Principal	-	475,738	475,738	-
Interest	-	24,504	24,504	-
<b>Total Expenditures</b>	<b>62,997,150</b>	<b>64,340,121</b>	<b>63,251,385</b>	<b>1,088,736</b>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<b>499,740</b>	<b>(843,231)</b>	<b>1,301,609</b>	<b>2,144,840</b>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (Page 2 of 2)**  
**GENERAL FUND**  
**For the Year Ended September 30, 2017**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual GAAP Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ 875,087	\$ 875,087	\$ 875,087	\$ -
Transfers (out)	(684,827)	(684,827)	(321,308)	363,519
Sale of capital asset	-	-	6,000	6,000
<b>Total Other Financing Sources</b>	<b>190,260</b>	<b>190,260</b>	<b>559,779</b>	<b>369,519</b>
<b>Net Change in Fund Balance</b>	<b>\$ 690,000</b>	<b>\$ (652,971)</b>	<b>1,861,388</b>	<b>\$ 2,514,359</b>
Beginning fund balance			<u>19,067,647</u>	
<b>Ending Fund Balance</b>			<b><u>\$ 20,929,035</u></b>	

Notes to Required Supplementary Information (RSI):

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**HOTEL/MOTEL TAX FUND**  
For the Year Ended September 30, 2018

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 4,149,945	\$ 4,149,945	\$ 4,070,096	\$ (79,849)
Interest	8,150	8,150	25,316	17,166
<b>Total Revenues</b>	<b>4,158,095</b>	<b>4,158,095</b>	<b>4,095,412</b>	<b>(62,683)</b>
<b>Expenditures</b>				
Current				
General government	4,179,802	4,179,802	4,013,570	166,232
<b>Total Expenditures</b>	<b>4,179,802</b>	<b>4,179,802</b>	<b>4,013,570</b>	<b>166,232</b>
<b>Excess (Deficit) of Revenues Over (Under) Expenditures</b>	<b>(21,707)</b>	<b>(21,707)</b>	<b>81,842</b>	<b>103,549</b>
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	(947,246)	(947,246)	(1,009,340)	(62,094)
<b>Total Other Financing (Uses)</b>	<b>(947,246)</b>	<b>(947,246)</b>	<b>(1,009,340)</b>	<b>(62,094)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (968,953)</b>	<b>\$ (968,953)</b>	<b>(927,498)</b>	<b>\$ 41,455</b>
Beginning fund balance			2,237,261	
<b>Ending Fund Balance</b>			<b>\$ 1,309,763</b>	

Notes to Required Supplementary Information (RSI):

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
For the Year Ended September 30, 2018

	<b>Measurement Year*</b>			
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Total Pension Liability</b>				
Service cost	\$ 5,143,064	\$ 5,732,589	\$ 6,283,281	\$ 6,602,665
Interest (on the total pension liability)	8,027,752	8,602,512	8,990,600	9,783,894
Changes in current period benefits	-	-	-	-
Difference between expected and actual experience	(1,028,253)	420,652	887,337	1,216,121
Change in assumptions	-	(437,911)	-	-
Benefit payments, including refunds of employee contributions	(4,136,590)	(4,316,359)	(4,267,920)	(4,868,903)
<b>Net Change in Total Pension Liability</b>	<b>8,005,973</b>	<b>10,001,483</b>	<b>11,893,298</b>	<b>12,733,777</b>
Beginning total pension liability	114,178,940	122,184,913	132,186,396	144,079,694
<b>Ending Total Pension Liability</b>	<b>\$ 122,184,913</b>	<b>\$ 132,186,396</b>	<b>\$ 144,079,694</b>	<b>\$ 156,813,471</b>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 4,725,941	\$ 5,365,044	\$ 5,961,496	\$ 6,162,903
Contributions - employee	2,011,041	2,213,355	2,424,270	2,546,656
Net investment income	4,945,274	138,605	6,574,073	14,955,206
Benefit payments, including refunds of employee contributions	(4,136,590)	(4,316,359)	(4,267,920)	(4,868,903)
Administrative expense	(51,621)	(84,411)	(74,212)	(77,461)
Other	(4,244)	(4,169)	(3,998)	(3,926)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>7,489,801</b>	<b>3,312,065</b>	<b>10,613,709</b>	<b>18,714,475</b>
Beginning plan fiduciary net position	86,429,472	93,919,273	97,231,338	107,845,047
<b>Ending Plan Fiduciary Net Position</b>	<b>\$ 93,919,273</b>	<b>\$ 97,231,338</b>	<b>\$ 107,845,047</b>	<b>\$ 126,559,522</b>
<b>Net Pension Liability</b>	<b>\$ 28,265,640</b>	<b>\$ 34,955,058</b>	<b>\$ 36,234,647</b>	<b>\$ 30,253,949</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	76.87%	73.56%	74.85%	80.71%
<b>Covered Payroll</b>	\$ 28,695,633	\$ 31,619,357	\$ 34,599,565	\$ 36,318,289
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	98.50%	110.55%	104.73%	83.30%

\*Only four years of information is currently available. The City will build this schedule over the next six-year period.

# **CITY OF NEW BRAUNFELS, TEXAS**

## *SCHEDULE OF CONTRIBUTIONS*

### **TEXAS MUNICIPAL RETIREMENT SYSTEM**

**For the Year Ended September 30, 2018**

	<b>Fiscal Year*</b>			
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Actuarially determined contribution	\$ 4,725,941	\$ 5,365,044	\$ 6,066,843	\$ 6,102,303
Contributions in relation to the actuarially determined contribution	<u>4,705,262</u>	<u>5,400,580</u>	<u>6,066,843</u>	<u>6,102,303</u>
Contribution deficiency (excess)	<u><u>\$ 20,679</u></u>	<u><u>(\$ 35,536)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Covered payroll	\$ 28,695,633	\$ 31,619,357	\$ 35,348,062	\$ 35,884,508
Contributions as a percentage of covered payroll	16.40%	17.08%	17.16%	17.01%

\*Only five years of information is currently available. The City will build this schedule over the next five-year period.

#### **Notes to Required Supplementary Information:**

##### 1. Valuation Date:

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

##### 2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method

Entry age normal

Amortization method

Level percentage of payroll, closed

Remaining amortization period

28 Years

Asset valuation method

10 year smoothed market, 15% soft corridor

Inflation

2.50%

Salary increases

3.5% 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 2017 valuation pursuant to an experience of the period 2010-2014.

Mortality

RP2000 Combined Mortality Table with Blue Collar Adjustments with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

##### 3. Other Information:

There were no benefit changes during the year.

**Fiscal Year\***  
**2018**

\$ 6,439,837

6,439,837  
\$  
—

\$ 38,208,179

16.85%

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**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**RETIREE BENEFIT PROGRAM**  
**For the Year Ended September 30, 2018**

	Measurement Year*
	<u>2017</u>
<b>Total Pension Liability</b>	
Service cost	\$ 431,371
Interest (on the total pension liability)	363,757
Difference between expected and actual experience	237,182
Change of assumptions	-
Benefit payments	<u>(392,489)</u>
	<b>Net Change in Total OPEB Liability</b>
Beginning total OPEB liability	639,821
	<u>8,858,810</u>
	<b>Ending Total OPEB Liability</b>
	<u><u>\$ 9,498,631</u></u>
 <b>Covered Payroll</b>	 \$ 30,768,150
 <b>Total OPEB Liability as a Percentage of Covered Payroll</b>	 30.87%

\*Only one year of information is currently available. The City will build this schedule over the next nine-year period.

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**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)**  
For the Year Ended September 30, 2018

	Measurement	
	Year*	2017
<b>Total OPEB Liability</b>		
Service cost	\$ 58,109	
Interest (on the total pension liability)	48,695	
Change of assumptions	124,268	
Benefit payments**	(10,895)	
<b>Net Change in Total OPEB Liability</b>	<b>220,177</b>	
Beginning total OPEB liability	1,264,628	
<b>Ending Total OPEB Liability</b>	<b>\$ 1,484,805</b>	
<b>Covered Payroll</b>	<b>\$ 36,318,289</b>	

<b>Total OPEB Liability as a Percentage</b>	
<b>of Covered Payroll</b>	<b>4.09%</b>

\*Only one year of information is currently available. The City will build this schedule over the next nine-year period.

\*\*Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

**Notes to Required Supplementary Information:**

Valuation Date:

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
Inflation	2.5%
Salary increases	3.50% to 10.50% including inflation
Discount rate	3.31%
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB Statement No. 68.

Mortality - service retirees

RP2000 Combined Mortality Table with Blue Collar Adjustments with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Mortality - disabled retirees

RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

Other Information:

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

The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2017.

Change in assumptions is the annual change in the municipal bond index rate.

There were no benefit changes during the year.

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***COMBINING STATEMENTS  
AND SCHEDULES***

# **CITY OF NEW BRAUNFELS, TEXAS**

## **COMBINING BALANCE SHEET GENERAL FUND - SUBFUNDS**

September 30, 2018

	<b>General</b>	<b>Equipment Replacement</b>	<b>Eliminations</b>	<b>Totals</b>
<b>Assets</b>				
Cash and equity in pooled cash and investments	\$ 6,116,304	\$ 1,835,179	\$ -	\$ 7,951,483
Receivables, net				
Taxes and fees	307,755	-	-	307,755
Accounts	6,821,195	-	-	6,821,195
Due from other funds	11,265,705	-	(1,110,281)	10,155,424
Inventory	1,164	-	-	1,164
<b>Total Assets</b>	<b><u>\$ 24,512,123</u></b>	<b><u>\$ 1,835,179</u></b>	<b><u>\$ (1,110,281)</u></b>	<b><u>\$ 25,237,021</u></b>
<b>Liabilities</b>				
Accounts payable	\$ 2,944,496	\$ 173,546	\$ -	\$ 3,118,042
Due to other funds	-	1,110,281	(1,110,281)	-
Accrued wages payable	882,189	-	-	882,189
<b>Total Liabilities</b>	<b><u>3,826,685</u></b>	<b><u>1,283,827</u></b>	<b><u>(1,110,281)</u></b>	<b><u>4,000,231</u></b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	307,755	-	-	307,755
<b>Fund Balances</b>				
Nonspendable	1,164	-	-	1,164
Assigned	-	551,352	-	551,352
Unassigned	20,376,519	-	-	20,376,519
<b>Total Fund Balances</b>	<b><u>20,377,683</u></b>	<b><u>551,352</u></b>	<b><u>-</u></b>	<b><u>20,929,035</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 24,512,123</u></b>	<b><u>\$ 1,835,179</u></b>	<b><u>\$ (1,110,281)</u></b>	<b><u>\$ 25,237,021</u></b>

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GENERAL FUND - SUBFUNDS**  
**For the Year Ended September 30, 2018**

	General Fund	Equipment Replacement Fund	Eliminations	Totals
<b>Revenues</b>				
Taxes and fees	\$ 49,288,668	\$ -	\$ -	\$ 49,288,668
Licenses and permits	4,170,417	-	-	4,170,417
Intergovernmental	207,532	-	-	207,532
Fines and forfeitures	1,561,633	-	-	1,561,633
Interest	202,609	27,839	-	230,448
Parks and recreation	2,098,546	-	-	2,098,546
Miscellaneous	2,940,310	5,800	-	2,946,110
Charges for services	4,049,640	-	-	4,049,640
<b>Total Revenues</b>	<b>64,519,355</b>	<b>33,639</b>	<b>-</b>	<b>64,552,994</b>
<b>Expenditures</b>				
Current				
General government	7,121,949	25,066	-	7,147,015
Finance and tax	1,037,133	-	-	1,037,133
Planning and environmental	3,166,765	-	-	3,166,765
Public safety	35,184,530	626,529	-	35,811,059
Public works	6,994,575	82,422	-	7,076,997
Parks and recreation	6,252,658	93,554	-	6,346,212
Library	2,165,962	-	-	2,165,962
Debt service				
Principal	327,372	148,366	-	475,738
Interest	24,504	-	-	24,504
<b>Total Expenditures</b>	<b>62,275,448</b>	<b>975,937</b>	<b>-</b>	<b>63,251,385</b>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<b>2,243,907</b>	<b>(942,298)</b>	<b>-</b>	<b>1,301,609</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	875,087	120,000	(120,000)	875,087
Transfers (out)	(441,308)	-	120,000	(321,308)
Sale of capital assets	-	6,000	-	6,000
<b>Total Other Financing Sources</b>	<b>433,779</b>	<b>126,000</b>	<b>-</b>	<b>559,779</b>
<b>Net Change in Fund Balances</b>	<b>2,677,686</b>	<b>(816,298)</b>	<b>-</b>	<b>1,861,388</b>
Beginning fund balances	17,699,997	1,367,650	-	19,067,647
<b>Ending Fund Balances</b>	<b>\$ 20,377,683</b>	<b>\$ 551,352</b>	<b>\$ -</b>	<b>\$ 20,929,035</b>

# **CITY OF NEW BRAUNFELS, TEXAS**

## *COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS*

September 30, 2018

	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Permanent Fund</b>		<b>Total Nonmajor Governmental Funds</b>
			<b>Cemetery Perpetual Care</b>		
<b>Assets</b>					
Cash and equity in pooled cash and investments	\$ 10,508,142	\$ 11,126,272	\$ 168,553	\$ 21,802,967	
Accounts receivable	555,974	20,117	-	576,091	
Due from other funds	3,373,731	8,631,341	-	12,005,072	
Restricted cash	1,202,259	-	-	1,202,259	
<b>Total Assets</b>	<b>\$ 15,640,106</b>	<b>\$ 19,777,730</b>	<b>\$ 168,553</b>	<b>\$ 35,586,389</b>	
<b>Liabilities</b>					
Accounts payable	\$ 174,540	\$ 1,030,010	\$ -	\$ 1,204,550	
Due to other funds	44,911	8,860,886	-	8,905,797	
<b>Total Liabilities</b>	<b>219,451</b>	<b>9,890,896</b>	<b>-</b>	<b>10,110,347</b>	
<b>Fund Balances</b>					
Nonspendable	-	-	168,553	168,553	
Restricted	8,007,516	9,886,834	-	17,894,350	
Committed	7,413,139	-	-	7,413,139	
<b>Total Fund Balances</b>	<b>15,420,655</b>	<b>9,886,834</b>	<b>168,553</b>	<b>25,476,042</b>	
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 15,640,106</b>	<b>\$ 19,777,730</b>	<b>\$ 168,553</b>	<b>\$ 35,586,389</b>	

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2018**

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery Perpetual Care	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Taxes	\$ 2,764,307	\$ -	\$ -	\$ 2,764,307
Licenses and permits	7,050	-	750	7,800
Fines and forfeitures	238,280	-	-	238,280
Parks and recreation	-	179,575	-	179,575
Interest	108,811	133,136	-	241,947
Intergovernmental	2,411,862	-	-	2,411,862
Miscellaneous	942,755	817,056	131,000	1,890,811
Other contributions	-	2,298,598	-	2,298,598
Charges and fees	1,246,764	-	9,523	1,256,287
<b>Total Revenues</b>	<b>7,719,829</b>	<b>3,428,365</b>	<b>141,273</b>	<b>11,289,467</b>
<b>Expenditures</b>				
General government	31,867	109,850	-	141,717
Planning and environmental development	267,936	-	-	267,936
Public safety	1,460,137	568,860	-	2,028,997
Public works	2,093,088	5,812,019	-	7,905,107
Parks and recreation	47,871	86,672	995	135,538
Library	57,555	-	-	57,555
Debt service				
Principal	1,270,000	-	-	1,270,000
Interest and fiscal charges	824,710	-	-	824,710
<b>Total Expenditures</b>	<b>6,053,164</b>	<b>6,577,401</b>	<b>995</b>	<b>12,631,560</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>1,666,665</b>	<b>(3,149,036)</b>	<b>140,278</b>	<b>(1,342,093)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,803,436	-	-	1,803,436
Transfers (out)	(50,000)	(5,800,000)	-	(5,850,000)
Proceeds from issuance of debt	-	3,000,000	-	3,000,000
Issuance costs	-	(45,000)	-	(45,000)
<b>Total Other Financing Sources (Uses)</b>	<b>1,753,436</b>	<b>(2,845,000)</b>	<b>-</b>	<b>(1,091,564)</b>
<b>Net Change in Fund Balances</b>	<b>3,420,101</b>	<b>(5,994,036)</b>	<b>140,278</b>	<b>(2,433,657)</b>
Beginning fund balances	<b>12,000,554</b>	<b>15,880,870</b>	<b>28,275</b>	<b>27,909,699</b>
<b>Ending Fund Balances</b>	<b>\$ 15,420,655</b>	<b>\$ 9,886,834</b>	<b>\$ 168,553</b>	<b>\$ 25,476,042</b>

# **CITY OF NEW BRAUNFELS, TEXAS**

## *COMBINING BALANCE SHEET*

### *NONMAJOR SPECIAL REVENUE FUNDS (page 1 of 2)*

September 30, 2018

	<b>Community Development Block Grant</b>	<b>Grants</b>	<b>Special Revenue Donations</b>	<b>River</b>
<b>Assets</b>				
Cash and equity in pooled cash and investments	\$ -	\$ 132,822	\$ 103,359	\$ 55,345
Accounts receivable	51,521	151,372	11,260	1,069
Due from other funds	-	-	197,988	-
Restricted cash	-	-	-	-
<b>Total Assets</b>	<b>\$ 51,521</b>	<b>\$ 284,194</b>	<b>\$ 312,607</b>	<b>\$ 56,414</b>
<b>Liabilities</b>				
Accounts payable	\$ 31,521	\$ 5,626	\$ 13,371	\$ 54,694
Due to other funds	10,760	-	-	-
<b>Total Liabilities</b>	<b>42,281</b>	<b>5,626</b>	<b>13,371</b>	<b>54,694</b>
<b>Fund Balances</b>				
Restricted	9,240	278,568	299,236	1,720
Committed	-	-	-	-
<b>Total Fund Balances</b>	<b>9,240</b>	<b>278,568</b>	<b>299,236</b>	<b>1,720</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 51,521</b>	<b>\$ 284,194</b>	<b>\$ 312,607</b>	<b>\$ 56,414</b>

Court Security	Judicial Efficiency	Court Technology	Child Safety	Stormwater Development	Juvenile Case Management
\$ 2,246	\$ 14,166	\$ 52,185	\$ 134,663	\$ 314,711	\$ 68,852
151	35	202	970	-	288
-	-	-	-	-	-
<b>\$ 2,397</b>	<b>\$ 14,201</b>	<b>\$ 52,387</b>	<b>\$ 135,633</b>	<b>\$ 314,711</b>	<b>\$ 69,140</b>
\$ 847	\$ -	\$ 863	\$ 22,327	\$ -	\$ 2,352
-	-	-	-	-	-
<b>847</b>	<b>-</b>	<b>863</b>	<b>22,327</b>	<b>-</b>	<b>2,352</b>
1,550	14,201	51,524	113,306	314,711	66,788
-	-	-	-	-	-
<b>1,550</b>	<b>14,201</b>	<b>51,524</b>	<b>113,306</b>	<b>314,711</b>	<b>66,788</b>
<b>\$ 2,397</b>	<b>\$ 14,201</b>	<b>\$ 52,387</b>	<b>\$ 135,633</b>	<b>\$ 314,711</b>	<b>\$ 69,140</b>

# **CITY OF NEW BRAUNFELS, TEXAS**

## *COMBINING BALANCE SHEET*

### **NONMAJOR SPECIAL REVENUE FUNDS (page 2 of 2)**

September 30, 2018

	<b>Faust Library</b>	<b>Federal Court Awards</b>	<b>Non-Federal Court Awards</b>	<b>Edwards Aquifer HCP</b>
<b>Assets</b>				
Cash and equity in pooled cash and investments	\$ 1,468	\$ 170,316	\$ 130,210	\$ -
Accounts receivable	78	-	-	69,542
Due from other funds	-	-	-	-
Restricted cash	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 1,546</u></b>	<b><u>\$ 170,316</u></b>	<b><u>\$ 130,210</u></b>	<b><u>\$ 69,542</u></b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 41,655
Due to other funds	-	-	-	34,151
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>75,806</u></b>
<b>Fund Balances</b>				
Restricted	1,546	170,316	130,210	(6,264)
Committed	-	-	-	-
<b>Total Fund Balances</b>	<b><u>1,546</u></b>	<b><u>170,316</u></b>	<b><u>130,210</u></b>	<b><u>(6,264)</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 1,546</u></b>	<b><u>\$ 170,316</u></b>	<b><u>\$ 130,210</u></b>	<b><u>\$ 69,542</u></b>

<b>Cable Franchise PEG</b>	<b>Tax Increment Reinvestment Zone No. 1</b>	<b>New Braunfels Development Authority</b>	<b>Recreation Center Improvements</b>	<b>Enterprise Maintenance and Equipment</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ 347,959	\$ 3,719,701	\$ -	\$ -	\$ 5,260,139	\$ 10,508,142
53,628	195,858	-	-	20,000	555,974
-	-	-	1,042,743	2,133,000	3,373,731
-	-	1,202,259	-	-	1,202,259
<b>\$ 401,587</b>	<b>\$ 3,915,559</b>	<b>\$ 1,202,259</b>	<b>\$ 1,042,743</b>	<b>\$ 7,413,139</b>	<b>\$ 15,640,106</b>
\$ 1,284	\$ -	\$ -	\$ -	\$ -	\$ 174,540
-	-	-	-	-	44,911
<b>1,284</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>219,451</b>
400,303	3,915,559	1,202,259	1,042,743	-	8,007,516
-	-	-	-	7,413,139	7,413,139
<b>400,303</b>	<b>3,915,559</b>	<b>1,202,259</b>	<b>1,042,743</b>	<b>7,413,139</b>	<b>15,420,655</b>
<b>\$ 401,587</b>	<b>\$ 3,915,559</b>	<b>\$ 1,202,259</b>	<b>\$ 1,042,743</b>	<b>\$ 7,413,139</b>	<b>\$ 15,640,106</b>

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS (page 1 of 2)**  
For the Year Ended September 30, 2018

	<b>Community Development Block Grant</b>	<b>Grants</b>	<b>Special Revenue Donations</b>	<b>River</b>
<b>Revenues</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	- -	- -	- -	- -
Franchise fees and local taxes	- -	- -	- -	- -
Licenses and permits	- -	- -	- -	7,050
Fines and forfeitures	- -	- -	510	82,593
Interest	- -	- -	- -	- -
Intergovernmental	267,727	967,099	- -	- -
Miscellaneous	- -	2,000	171,559	180
Charges and fees	- -	- -	- -	950,382
<b>Total Revenues</b>	<b>267,727</b>	<b>969,099</b>	<b>172,069</b>	<b>1,040,205</b>
<b>Expenditures</b>				
Current				
General government	- -	- -	- -	- -
Planning and environmental development	267,936	- -	- -	- -
Public safety	- -	371,657	28,798	601,142
Public works	- -	811,064	15,709	610,056
Parks and recreation	- -	- -	47,871	- -
Library	- -	- -	57,555	- -
Debt service				
Principal	- -	- -	- -	- -
Interest and fiscal charges	- -	- -	- -	- -
<b>Total Expenditures</b>	<b>267,936</b>	<b>1,182,721</b>	<b>149,933</b>	<b>1,211,198</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(209)</b>	<b>(213,622)</b>	<b>22,136</b>	<b>(170,993)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	- -	108,828	- -	172,061
Transfers (out)	- -	- -	- -	- -
<b>Total Other Financing Sources (Uses)</b>	<b>- -</b>	<b>108,828</b>	<b>- -</b>	<b>172,061</b>
<b>Net Change in Fund Balances</b>	<b>(209)</b>	<b>(104,794)</b>	<b>22,136</b>	<b>1,068</b>
Beginning fund balances	9,449	383,362	277,100	652
<b>Ending Fund Balances</b>	<b>\$ 9,240</b>	<b>\$ 278,568</b>	<b>\$ 299,236</b>	<b>\$ 1,720</b>

Court Security	Judicial Efficiency	Court Technology	Child Safety	Stormwater Development	Juvenile Case Management
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
31,890	7,579	42,521	10,666	-	62,521
-	-	-	-	-	-
-	-	-	127,781	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>31,890</u>	<u>7,579</u>	<u>42,521</u>	<u>138,447</u>	<u>279,719</u>	<u>62,521</u>
-	-	-	-	-	-
-	-	-	-	-	-
36,075	-	30,750	187,373	-	104,113
-	-	-	-	103,913	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>36,075</u>	<u>-</u>	<u>30,750</u>	<u>187,373</u>	<u>103,913</u>	<u>104,113</u>
<u>(4,185)</u>	<u>7,579</u>	<u>11,771</u>	<u>(48,926)</u>	<u>175,806</u>	<u>(41,592)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(4,185)	7,579	11,771	(48,926)	175,806	(41,592)
<u>5,735</u>	<u>6,622</u>	<u>39,753</u>	<u>162,232</u>	<u>138,905</u>	<u>108,380</u>
<u>\$ 1,550</u>	<u>\$ 14,201</u>	<u>\$ 51,524</u>	<u>\$ 113,306</u>	<u>\$ 314,711</u>	<u>\$ 66,788</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS (page 2 of 2)**  
For the Year Ended September 30, 2018

	Faust Library	Federal Court Awards	Non-Federal Court Awards	Edwards Aquifer HCP
<b>Revenues</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Franchise fees and local taxes	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Intergovernmental	-	37,859	-	11,396
Miscellaneous	412	-	11,497	434,667
Charges and fees	-	-	-	-
<b>Total Revenues</b>	<b>412</b>	<b>37,859</b>	<b>11,497</b>	<b>446,063</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	-	-	-	-
Planning and environmental development	-	-	-	-
Public safety	-	32,233	67,996	-
Public works	-	-	-	552,346
Parks and recreation	-	-	-	-
Library	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>32,233</b>	<b>67,996</b>	<b>552,346</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>412</b>	<b>5,626</b>	<b>(56,499)</b>	<b>(106,283)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	80,638
Transfers (out)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80,638</b>
<b>Net Change in Fund Balances</b>	<b>412</b>	<b>5,626</b>	<b>(56,499)</b>	<b>(25,645)</b>
Beginning fund balances	1,134	164,690	186,709	19,381
<b>Ending Fund Balances</b>	<b>\$ 1,546</b>	<b>\$ 170,316</b>	<b>\$ 130,210</b>	<b>\$ (6,264)</b>

<b>Cable Franchise PEG</b>	<b>Tax Increment Reinvestment Zone No. 1</b>	<b>New Braunfels Development Authority</b>	<b>Recreation Center Improvements</b>	<b>Enterprise Maintenance and Equipment</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ -	\$ 1,579,977	\$ -	\$ -	\$ -	\$ 1,579,977
	1,016,049	-	-	-	1,016,049
168,281	-	-	-	-	168,281
-	-	-	-	-	7,050
-	-	-	-	-	238,280
-	36,110	-	-	72,701	108,811
-	-	-	1,000,000	-	2,411,862
-	-	-	92,743	229,697	942,755
-	-	-	-	16,663	1,246,764
<b>168,281</b>	<b>2,632,136</b>	<b>-</b>	<b>1,092,743</b>	<b>319,061</b>	<b>7,719,829</b>
 1,867	 30,000	 -	 -	 -	 31,867
-	-	-	-	-	267,936
-	-	-	-	-	1,460,137
-	-	-	-	-	2,093,088
-	-	-	-	-	47,871
-	-	-	-	-	57,555
-	1,270,000	-	-	-	1,270,000
-	824,710	-	-	-	824,710
<b>1,867</b>	<b>2,124,710</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,053,164</b>
 166,414	 507,426	 -	 1,092,743	 319,061	 1,666,665
-	-	-	-	1,441,909	1,803,436
-	-	-	(50,000)	-	(50,000)
-	-	-	(50,000)	1,441,909	1,753,436
 166,414	 507,426	 -	 1,042,743	 1,760,970	 3,420,101
 233,889	 3,408,133	 1,202,259	 -	 5,652,169	 12,000,554
<b>\$ 400,303</b>	<b>\$ 3,915,559</b>	<b>\$ 1,202,259</b>	<b>\$ 1,042,743</b>	<b>\$ 7,413,139</b>	<b>\$ 15,420,655</b>

# **CITY OF NEW BRAUNFELS, TEXAS**

## *COMBINING BALANCE SHEET*

### *NONMAJOR CAPITAL PROJECTS FUNDS (page 1 of 2)*

September 30, 2018

	<b>Roadway Impact Fees</b>	<b>Park Improvement</b>	<b>Certificates of Obligation 2004</b>	<b>Certificates of Obligation 2007</b>
<b>Assets</b>				
Cash and equity in pooled cash and investments	\$ 8,176,776	\$ -	\$ 60,643	\$ 63,674
Accounts receivable (net of allowance)	18,917	1,200	-	-
Due from other funds	2,638,028	2,523,314	-	-
<b>Total Assets</b>	<b><u>10,833,721</u></b>	<b><u>2,524,514</u></b>	<b><u>60,643</u></b>	<b><u>63,674</u></b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	46,875
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>46,875</u></b>
<b>Fund Balances</b>				
Restricted	10,833,721	2,524,514	60,643	16,799
<b>Total Fund Balances</b>	<b><u>10,833,721</u></b>	<b><u>2,524,514</u></b>	<b><u>60,643</u></b>	<b><u>16,799</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 10,833,721</u></b>	<b><u>\$ 2,524,514</u></b>	<b><u>\$ 60,643</u></b>	<b><u>\$ 63,674</u></b>

<b>Certificates of Obligation 2008</b>	<b>Certificates of Obligation 2009</b>	<b>Certificates of Obligation 2011</b>	<b>Certificates of Obligation 2012</b>	<b>Certificates of Obligation 2013</b>	<b>Certificates of Obligation 2014</b>
\$ 839,092	\$ 53,825	\$ 94,966	\$ 1,255,377	\$ 136,222	\$ 114,805
-	-	-	-	-	-
		811,999			
<b>\$ 839,092</b>	<b>\$ 53,825</b>	<b>\$ 906,965</b>	<b>\$ 1,255,377</b>	<b>\$ 136,222</b>	<b>\$ 114,805</b>
<b>\$ -</b>	<b>\$ 19,332</b>	<b>\$ -</b>	<b>\$ 62,236</b>	<b>\$ 26,984</b>	<b>\$ -</b>
<b>-</b>	<b>-</b>	<b>-</b>	<b>784,540</b>	<b>-</b>	<b>-</b>
<b>-</b>	<b>19,332</b>	<b>-</b>	<b>846,776</b>	<b>26,984</b>	<b>-</b>
<b>839,092</b>	<b>34,493</b>	<b>906,965</b>	<b>408,601</b>	<b>109,238</b>	<b>114,805</b>
<b>839,092</b>	<b>34,493</b>	<b>906,965</b>	<b>408,601</b>	<b>109,238</b>	<b>114,805</b>
<b>\$ 839,092</b>	<b>\$ 53,825</b>	<b>\$ 906,965</b>	<b>\$ 1,255,377</b>	<b>\$ 136,222</b>	<b>\$ 114,805</b>

# **CITY OF NEW BRAUNFELS, TEXAS**

## **COMBINING BALANCE SHEET**

### **NONMAJOR CAPITAL PROJECTS FUNDS (page 2 of 2)**

September 30, 2018

	<b>Certificates of Obligation 2015</b>	<b>Tax Note 2015</b>	<b>Certificates of Obligation 2018</b>	<b>Tax Note 2018</b>
<b>Assets</b>				
Cash and equity in pooled cash and investments	\$ 104,168	\$ 226,563	\$ -	\$ 161
Accounts receivable (net of allowance)	-	-	-	-
Due from other funds	-	-	-	2,658,000
<b>Total Assets</b>	<b><u>104,168</u></b>	<b><u>226,563</u></b>	<b><u>\$ -</u></b>	<b><u>2,658,161</u></b>
<b>Liabilities</b>				
Accounts payable	\$ 6,475	\$ -	\$ 34,276	\$ 880,707
Due to other funds	-	-	8,029,471	-
<b>Total Liabilities</b>	<b><u>6,475</u></b>	<b><u>-</u></b>	<b><u>8,063,747</u></b>	<b><u>880,707</u></b>
<b>Fund Balances</b>				
Restricted	97,693	226,563	(8,063,747)	1,777,454
<b>Total Fund Balances</b>	<b><u>97,693</u></b>	<b><u>226,563</u></b>	<b><u>(8,063,747)</u></b>	<b><u>1,777,454</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 104,168</u></b>	<b><u>\$ 226,563</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,658,161</u></b>

**Total Nonmajor  
Capital  
Projects Funds**

\$ 11,126,272  
20,117  
8,631,341  
\$ 19,777,730

\$ 1,030,010  
8,860,886  
9,890,896

9,886,834  
9,886,834

\$ 19,777,730

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS (page 1 of 2)**  
**For the Year Ended September 30, 2018**

	<u>Roadway Impact Fees</u>	<u>Park Improvement</u>	<u>Certificates of Obligation 2004</u>	<u>Certificates of Obligation 2007</u>
<b>Revenues</b>				
Parks and recreation	\$ -	\$ 179,575	\$ -	\$ -
Interest	124,037	-	-	970
Miscellaneous	-	-	-	-
Other contributions	2,298,598	-	-	-
<b>Total Revenues</b>	<b>2,422,635</b>	<b>179,575</b>	<b>-</b>	<b>970</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	-	-	-	-
Public safety	-	-	-	77,686
Public works	178,605	-	-	6,348
Parks and recreation	-	-	-	-
<b>Total Expenditures</b>	<b>178,605</b>	<b>-</b>	<b>-</b>	<b>84,034</b>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<b>2,244,030</b>	<b>179,575</b>	<b>-</b>	<b>(83,064)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	-	-	-	-
Proceeds from long-term debt issued	-	-	-	-
Premium received on the issuance of debt	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>2,244,030</b>	<b>179,575</b>	<b>-</b>	<b>(83,064)</b>
Beginning fund balances	8,589,691	2,344,939	60,643	99,863
<b>Ending Fund Balances</b>	<b>\$ 10,833,721</b>	<b>\$ 2,524,514</b>	<b>\$ 60,643</b>	<b>\$ 16,799</b>

<u>Certificates of Obligation 2008</u>	<u>Certificates of Obligation 2009</u>	<u>Certificates of Obligation 2011</u>	<u>Certificates of Obligation 2012</u>	<u>Certificates of Obligation 2013</u>	<u>Certificates of Obligation 2014</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7,940	-	-	-	69	23
-	-	-	26,131	790,925	-
<u>7,940</u>	<u>-</u>	<u>-</u>	<u>26,131</u>	<u>790,994</u>	<u>23</u>
-	-	-	11,303	780	-
-	386,725	-	99,782	4,667	-
48,977	-	541	1,169,528	950,201	-
-	-	-	1,649	-	85,023
<u>48,977</u>	<u>386,725</u>	<u>541</u>	<u>1,282,262</u>	<u>955,648</u>	<u>85,023</u>
<u>(41,037)</u>	<u>(386,725)</u>	<u>(541)</u>	<u>(1,256,131)</u>	<u>(164,654)</u>	<u>(85,000)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(41,037)</u>	<u>(386,725)</u>	<u>(541)</u>	<u>(1,256,131)</u>	<u>(164,654)</u>	<u>(85,000)</u>
<u>880,129</u>	<u>421,218</u>	<u>907,506</u>	<u>1,664,732</u>	<u>273,892</u>	<u>199,805</u>
<u>\$ 839,092</u>	<u>\$ 34,493</u>	<u>\$ 906,965</u>	<u>\$ 408,601</u>	<u>\$ 109,238</u>	<u>\$ 114,805</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS (page 2 of 2)**  
**For the Year Ended September 30, 2018**

	<u>Certificates of Obligation 2015</u>	<u>Tax Note 2015</u>	<u>Certificates of Obligation 2018</u>	<u>Tax Note 2018</u>
<b>Revenues</b>				
Parks and recreation	\$ -	\$ -	\$ -	\$ -
Interest	97	-	-	-
Miscellaneous	-	-	-	-
Other contributions	-	-	-	-
<b>Total Revenues</b>	<u>97</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	81,672	16,095	-	-
Public safety	-	-	-	-
Public works	-	16,526	2,263,747	1,177,546
Parks and recreation	-	-	-	-
<b>Total Expenditures</b>	<u>81,672</u>	<u>32,621</u>	<u>2,263,747</u>	<u>1,177,546</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(81,575)</u>	<u>(32,621)</u>	<u>(2,263,747)</u>	<u>(1,177,546)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	-	-	(5,800,000)	-
Proceeds from long-term debt issued	-	-	-	3,000,000
Issuance costs	-	-	-	(45,000)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(5,800,000)</u>	<u>2,955,000</u>
<b>Net Change in Fund Balances</b>	<u>(81,575)</u>	<u>(32,621)</u>	<u>(8,063,747)</u>	<u>1,777,454</u>
Beginning fund balances	<u>179,268</u>	<u>259,184</u>	<u>-</u>	<u>-</u>
<b>Ending Fund Balances</b>	<u><b>\$ 97,693</b></u>	<u><b>\$ 226,563</b></u>	<u><b>\$ (8,063,747)</b></u>	<u><b>\$ 1,777,454</b></u>

**Total Nonmajor  
Capital  
Projects Funds**

\$	179,575
	133,136
	817,056
	<u>2,298,598</u>
	<u>3,428,365</u>

109,850
568,860
5,812,019
86,672
<u>6,577,401</u>

<u>(3,149,036)</u>
--------------------

(5,800,000)
3,000,000
(45,000)
<u>(2,845,000)</u>

(5,994,036)
<u>15,880,870</u>
<u>\$ 9,886,834</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
For the Year Ended September 30, 2018

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Ad valorem taxes	\$ 12,536,142	\$ 12,536,142	\$ 12,471,472	\$ (64,670)
Interest	3,000	3,000	73,156	70,156
Other contributions	1,384,115	1,384,115	1,384,115	-
<b>Total Revenues</b>	<b>13,923,257</b>	<b>13,923,257</b>	<b>13,928,743</b>	<b>5,486</b>
<b>Expenditures</b>				
<b>Debt Service:</b>				
Principal	8,066,000	8,855,000	8,855,000	-
Interest	6,808,855	6,808,855	6,032,307	776,548
Bond issuance costs and fees	18,000	18,000	4,850	13,150
<b>Total Expenditures</b>	<b>14,892,855</b>	<b>15,681,855</b>	<b>14,892,157</b>	<b>789,698</b>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<b>(969,598)</b>	<b>(1,758,598)</b>	<b>(963,414)</b>	<b>795,184</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	962,598	962,598	962,598	-
<b>Total Other Financing Sources</b>	<b>962,598</b>	<b>962,598</b>	<b>962,598</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ (7,000)</b>	<b>\$ (796,000)</b>	<b>(816)</b>	<b>\$ 795,184</b>
Beginning fund balance			1,877,188	
<b>Ending Fund Balance</b>			<b>\$ 1,876,372</b>	

**CITY OF NEW BRAUNFELS, TEXAS**  
***SCHEDULE OF REVENUES, EXPENDITURES, AND***  
***CHANGES IN FUND BALANCE - BUDGET AND ACTUAL***  
***COMMUNITY DEVELOPMENT BLOCK GRANT FUND***  
**For the Year Ended September 30, 2018**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual GAAP Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>				
Intergovernmental	\$ 382,622	\$ 382,622	\$ 267,727	\$ (114,895)
<b>Total Revenues</b>	<b><u>382,622</u></b>	<b><u>382,622</u></b>	<b><u>267,727</u></b>	<b><u>(114,895)</u></b>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
Planning and environmental development	313,470	313,470	267,936	45,534
<b>Total Expenditures</b>	<b><u>313,470</u></b>	<b><u>313,470</u></b>	<b><u>267,936</u></b>	<b><u>45,534</u></b>
<b>Net Change in Fund Balance</b>	<b><u>\$ 69,152</u></b>	<b><u>\$ 69,152</u></b>	<b><u>(209)</u></b>	<b><u>\$ (69,361)</u></b>
Beginning fund balance			9,449	
<b>Ending Fund Balance</b>			<b><u>\$ 9,240</u></b>	

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GRANTS FUND**

For the Year Ended September 30, 2018

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 629,624	\$ 629,624	\$ 967,099	\$ 337,475
Miscellaneous	-	-	2,000	2,000
<b>Total Revenues</b>	<b>629,624</b>	<b>629,624</b>	<b>969,099</b>	<b>339,475</b>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	443,624	443,624	371,657	71,967
Public works	813,000	813,000	811,064	1,936
<b>Total Expenditures</b>	<b>1,256,624</b>	<b>1,256,624</b>	<b>1,182,721</b>	<b>73,903</b>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<b>(627,000)</b>	<b>(627,000)</b>	<b>(213,622)</b>	<b>413,378</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	117,000	117,000	108,828	(8,172)
<b>Total Other Financing Sources</b>	<b>117,000</b>	<b>117,000</b>	<b>108,828</b>	<b>(8,172)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (510,000)</b>	<b>\$ (510,000)</b>	<b>(104,794)</b>	<b>\$ 405,206</b>
Beginning fund balance			383,362	
<b>Ending Fund Balance</b>			<b>\$ 278,568</b>	

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE DONATIONS FUND**

For the Year Ended September 30, 2018

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual GAAP Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Fines and forfeitures	\$ 20,000	\$ 20,000	\$ 510	\$ (19,490)
Miscellaneous	150,000	150,000	171,559	21,559
<b>Total Revenues</b>	<b>170,000</b>	<b>170,000</b>	<b>172,069</b>	<b>2,069</b>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	100,000	100,000	28,798	71,202
Public works	100,000	100,000	15,709	84,291
Parks and recreation	100,000	100,000	47,871	52,129
Library	100,000	100,000	57,555	42,445
<b>Total Expenditures</b>	<b>400,000</b>	<b>400,000</b>	<b>149,933</b>	<b>250,067</b>
<b>Net Change in Fund Balance</b>	<b>\$ (230,000)</b>	<b>\$ (230,000)</b>	<b>22,136</b>	<b>\$ 252,136</b>
Beginning fund balance			277,100	
<b>Ending Fund Balance</b>			<b>\$ 299,236</b>	

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**RIVER FUND**

For the Year Ended September 30, 2018

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual GAAP Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Licenses and permits	\$ 7,500	\$ 7,500	\$ 7,050	\$ (450)
Fines and forfeitures	71,000	71,000	82,593	11,593
Miscellaneous	-	-	180	180
Charges and fees	774,952	774,952	950,382	175,430
<b>Total Revenues</b>	<b>853,452</b>	<b>853,452</b>	<b>1,040,205</b>	<b>186,753</b>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	609,600	609,600	601,142	8,458
Public works	611,588	611,588	610,056	1,532
<b>Total Expenditures</b>	<b>1,221,188</b>	<b>1,221,188</b>	<b>1,211,198</b>	<b>9,990</b>
<b>(Deficiency) of Revenues</b>				
<b>(Under) Expenditures</b>	<b>(367,736)</b>	<b>(367,736)</b>	<b>(170,993)</b>	<b>196,743</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	367,736	367,736	172,061	(195,675)
<b>Total Other Financing Sources</b>	<b>367,736</b>	<b>367,736</b>	<b>172,061</b>	<b>(195,675)</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>1,068</b>	<b>\$ 1,068</b>
Beginning fund balance			652	
<b>Ending Fund Balance</b>			<b>\$ 1,720</b>	

**CITY OF NEW BRAUNFELS, TEXAS**  
***SCHEDULE OF REVENUES, EXPENDITURES, AND***  
***CHANGES IN FUND BALANCE - BUDGET AND ACTUAL***  
***COURT SECURITY FUND***  
**For the Year Ended September 30, 2018**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual GAAP Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Fines and forfeitures	\$ 37,500	\$ 37,500	\$ 31,890	\$ (5,610)
<b>Total Revenues</b>	<b><u>37,500</u></b>	<b><u>37,500</u></b>	<b><u>31,890</u></b>	<b><u>(5,610)</u></b>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	36,075	36,075	36,075	-
<b>Total Expenditures</b>	<b><u>36,075</u></b>	<b><u>36,075</u></b>	<b><u>36,075</u></b>	<b><u>-</u></b>
<b>Net Change in Fund Balance</b>	<b><u>\$ 1,425</u></b>	<b><u>\$ 1,425</u></b>	<b><u>(4,185)</u></b>	<b><u>\$ (5,610)</u></b>
Beginning fund balance			5,735	
<b>Ending Fund Balance</b>			<b><u>\$ 1,550</u></b>	

**CITY OF NEW BRAUNFELS, TEXAS**  
***SCHEDULE OF REVENUES, EXPENDITURES, AND***  
***CHANGES IN FUND BALANCE - BUDGET AND ACTUAL***  
***JUDICIAL EFFICIENCY FUND***  
**For the Year Ended September 30, 2018**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual GAAP Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>				
Fines and forfeitures	\$ 10,500	\$ 10,500	\$ 7,579	\$ (2,921)
<b>Total Revenues</b>	<b><u>10,500</u></b>	<b><u>10,500</u></b>	<b><u>7,579</u></b>	<b><u>(2,921)</u></b>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
Public safety	15,500	15,500	-	15,500
<b>Total Expenditures</b>	<b><u>15,500</u></b>	<b><u>15,500</u></b>	<b><u>-</u></b>	<b><u>15,500</u></b>
<b>Net Change in Fund Balance</b>	<b><u>\$ (5,000)</u></b>	<b><u>\$ (5,000)</u></b>	<b><u>7,579</u></b>	<b><u>\$ 12,579</u></b>
Beginning fund balance			6,622	
<b>Ending Fund Balance</b>			<b><u>\$ 14,201</u></b>	

**CITY OF NEW BRAUNFELS, TEXAS**  
***SCHEDULE OF REVENUES, EXPENDITURES, AND***  
***CHANGES IN FUND BALANCE - BUDGET AND ACTUAL***  
***COURT TECHNOLOGY FUND***  
**For the Year Ended September 30, 2018**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual GAAP Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Fines and forfeitures	\$ 50,000	\$ 50,000	\$ 42,521	\$ (7,479)
<b>Total Revenues</b>	<b><u>50,000</u></b>	<b><u>50,000</u></b>	<b><u>42,521</u></b>	<b><u>(7,479)</u></b>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	80,000	80,000	30,750	49,250
<b>Total Expenditures</b>	<b><u>80,000</u></b>	<b><u>80,000</u></b>	<b><u>30,750</u></b>	<b><u>49,250</u></b>
<b>Net Change in Fund Balance</b>	<b><u>\$ (30,000)</u></b>	<b><u>\$ (30,000)</u></b>	11,771	<b><u>\$ 41,771</u></b>
Beginning fund balance			<u>39,753</u>	
<b>Ending Fund Balance</b>			<b><u>\$ 51,524</u></b>	

**CITY OF NEW BRAUNFELS, TEXAS**  
***SCHEDULE OF REVENUES, EXPENDITURES, AND***  
***CHANGES IN FUND BALANCE - BUDGET AND ACTUAL***  
***CHILD SAFETY FUND***  
**For the Year Ended September 30, 2018**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual GAAP Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Fines and forfeitures	\$ 12,500	\$ 12,500	\$ 10,666	\$ (1,834)
Intergovernmental	127,000	127,000	127,781	781
<b>Total Revenues</b>	<b><u>139,500</u></b>	<b><u>139,500</u></b>	<b><u>138,447</u></b>	<b><u>(1,053)</u></b>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	198,000	198,000	187,373	10,627
<b>Total Expenditures</b>	<b><u>198,000</u></b>	<b><u>198,000</u></b>	<b><u>187,373</u></b>	<b><u>10,627</u></b>
<b>Net Change in Fund Balance</b>	<b><u>\$ (58,500)</u></b>	<b><u>\$ (58,500)</u></b>	<b><u>(48,926)</u></b>	<b><u>\$ 9,574</u></b>
Beginning fund balance			<u>162,232</u>	
<b>Ending Fund Balance</b>			<b><u>\$ 113,306</u></b>	

**CITY OF NEW BRAUNFELS, TEXAS**  
***SCHEDULE OF REVENUES, EXPENDITURES, AND***  
***CHANGES IN FUND BALANCE - BUDGET AND ACTUAL***  
***STORMWATER DEVELOPMENT FUND***  
For the Year Ended September 30, 2018

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual GAAP Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Charges and fees	\$ 75,000	\$ 75,000	\$ 279,719	\$ 204,719
<b>Total Revenues</b>	<b><u>75,000</u></b>	<b><u>75,000</u></b>	<b><u>279,719</u></b>	<b><u>204,719</u></b>
<b>Expenditures</b>				
Current:				
Public works	215,000	215,000	103,913	111,087
<b>Total Expenditures</b>	<b><u>215,000</u></b>	<b><u>215,000</u></b>	<b><u>103,913</u></b>	<b><u>111,087</u></b>
<b>Net Change in Fund Balance</b>	<b><u>\$ (140,000)</u></b>	<b><u>\$ (140,000)</u></b>	<b><u>175,806</u></b>	<b><u>\$ 315,806</u></b>
Beginning fund balance			138,905	
<b>Ending Fund Balance</b>			<b><u>\$ 314,711</u></b>	

**CITY OF NEW BRAUNFELS, TEXAS**  
***SCHEDULE OF REVENUES, EXPENDITURES, AND***  
***CHANGES IN FUND BALANCE - BUDGET AND ACTUAL***  
***JUVENILE CASE MANAGEMENT FUND***  
**For the Year Ended September 30, 2018**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual GAAP Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Fines and forfeitures	\$ 73,000	\$ 73,000	\$ 62,521	\$ (10,479)
<b>Total Revenues</b>	<b>73,000</b>	<b>73,000</b>	<b>62,521</b>	<b>(10,479)</b>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	160,000	160,000	104,113	55,887
<b>Total Expenditures</b>	<b>160,000</b>	<b>160,000</b>	<b>104,113</b>	<b>55,887</b>
<b>Net Change in Fund Balance</b>	<b>\$ (87,000)</b>	<b>\$ (87,000)</b>	<b>(41,592)</b>	<b>\$ 45,408</b>
Beginning fund balance			108,380	
<b>Ending Fund Balance</b>			<b>\$ 66,788</b>	

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FAUST LIBRARY FUND**  
For the Year Ended September 30, 2018

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual GAAP Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Miscellaneous	\$ -	\$ -	\$ 412	\$ 412
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>412</u>	<u>412</u>
<b>Expenditures</b>				
Current:				
Library	1,151	1,151	-	1,151
<b>Total Expenditures</b>	<u>1,151</u>	<u>1,151</u>	<u>-</u>	<u>1,151</u>
<b>Net Change in Fund Balance</b>	<u>\$ (1,151)</u>	<u>\$ (1,151)</u>	412	<u>\$ 1,563</u>
Beginning fund balance				1,134
<b>Ending Fund Balance</b>				<u>\$ 1,546</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
***SCHEDULE OF REVENUES, EXPENDITURES, AND***  
***CHANGES IN FUND BALANCE - BUDGET AND ACTUAL***  
***FEDERAL COURT AWARDS FUND***  
For the Year Ended September 30, 2018

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual GAAP Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>				
Intergovernmental	\$ _____	\$ _____	\$ 37,859	\$ 37,859
<b>Total Revenues</b>	<u>    -</u>	<u>    -</u>	<u>37,859</u>	<u>37,859</u>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
Public safety	102,000	102,000	32,233	69,767
<b>Total Expenditures</b>	<u>102,000</u>	<u>102,000</u>	<u>32,233</u>	<u>69,767</u>
<b>Net Change in Fund Balance</b>	<u>\$ (102,000)</u>	<u>\$ (102,000)</u>	5,626	<u>\$ 107,626</u>
Beginning fund balance			164,690	
<b>Ending Fund Balance</b>			<u>\$ 170,316</u>	

**CITY OF NEW BRAUNFELS, TEXAS**  
***SCHEDULE OF REVENUES, EXPENDITURES, AND***  
***CHANGES IN FUND BALANCE - BUDGET AND ACTUAL***  
***NON-FEDERAL COURT AWARDS FUND***  
For the Year Ended September 30, 2018

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual GAAP Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Miscellaneous	\$ -	\$ -	\$ 11,497	\$ 11,497
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>11,497</u>	<u>11,497</u>
<b>Expenditures</b>				
Current:				
Public safety	165,000	165,000	67,996	97,004
<b>Total Expenditures</b>	<u>165,000</u>	<u>165,000</u>	<u>67,996</u>	<u>97,004</u>
<b>Net Change in Fund Balance</b>	<u>\$ (165,000)</u>	<u>\$ (165,000)</u>	<u>(56,499)</u>	<u>\$ 108,501</u>
Beginning fund balance			<u>186,709</u>	
<b>Ending Fund Balance</b>			<u>\$ 130,210</u>	

**CITY OF NEW BRAUNFELS, TEXAS**  
***SCHEDULE OF REVENUES, EXPENDITURES, AND***  
***CHANGES IN FUND BALANCE - BUDGET AND ACTUAL***  
***EDWARDS AQUIFER HCP FUND***  
For the Year Ended September 30, 2018

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual GAAP Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 11,396	\$ 11,396
Miscellaneous	647,000	647,000	434,667	(212,333)
<b>Total Revenues</b>	<b>647,000</b>	<b>647,000</b>	<b>446,063</b>	<b>(200,937)</b>
<b>Expenditures</b>				
<b>Current:</b>				
Public works	732,000	732,000	552,346	179,654
<b>Total Expenditures</b>	<b>732,000</b>	<b>732,000</b>	<b>552,346</b>	<b>179,654</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(85,000)</b>	<b>(85,000)</b>	<b>(106,283)</b>	<b>(21,283)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	85,000	85,000	80,638	(4,362)
<b>Total Other Financing Sources</b>	<b>85,000</b>	<b>85,000</b>	<b>80,638</b>	<b>(4,362)</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(25,645)</b>	<b>\$ (25,645)</b>
Beginning fund balance			19,381	
<b>Ending Fund Balance</b>			<b>\$ (6,264)</b>	

**CITY OF NEW BRAUNFELS, TEXAS**  
***SCHEDULE OF REVENUES, EXPENDITURES, AND***  
***CHANGES IN FUND BALANCE - BUDGET AND ACTUAL***  
***CABLE FRANCHISE PEG FUND***  
**For the Year Ended September 30, 2018**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual GAAP Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>				
Franchise fees and local taxes	\$ 146,000	\$ 146,000	\$ 168,281	\$ 22,281
<b>Total Revenues</b>	<b><u>146,000</u></b>	<b><u>146,000</u></b>	<b><u>168,281</u></b>	<b><u>22,281</u></b>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	350,000	350,000	1,867	348,133
<b>Total Expenditures</b>	<b><u>350,000</u></b>	<b><u>350,000</u></b>	<b><u>1,867</u></b>	<b><u>348,133</u></b>
<b>Net Change in Fund Balance</b>	<b><u>\$ (204,000)</u></b>	<b><u>\$ (204,000)</u></b>	166,414	<b><u>\$ 370,414</u></b>
Beginning fund balance			233,889	
<b>Ending Fund Balance</b>			<b><u>\$ 400,303</u></b>	

# **CITY OF NEW BRAUNFELS, TEXAS**

## ***SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL TAX INCREMENT REINVESTMENT ZONE NO. 1 FUND***

For the Year Ended September 30, 2018

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual GAAP Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Ad valorem taxes	\$ 2,583,466	\$ 2,583,466	\$ 1,579,977	\$ (1,003,489)
Sales taxes	955,000	955,000	1,016,049	61,049
Interest	-	-	36,110	36,110
<b>Total Revenues</b>	<b><u>3,538,466</u></b>	<b><u>3,538,466</u></b>	<b><u>2,632,136</u></b>	<b><u>(906,330)</u></b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	30,000	30,000	30,000	-
Principal	1,270,000	1,270,000	1,270,000	-
Interest and fiscal charges	824,710	824,710	824,710	-
<b>Total Expenditures</b>	<b><u>2,124,710</u></b>	<b><u>2,124,710</u></b>	<b><u>2,124,710</u></b>	<b><u>-</u></b>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<b><u>1,413,756</u></b>	<b><u>1,413,756</u></b>	<b><u>507,426</u></b>	<b><u>(906,330)</u></b>
<b>Net Change in Fund Balance</b>	<b><u>\$ 1,413,756</u></b>	<b><u>\$ 1,413,756</u></b>	<b><u>507,426</u></b>	<b><u>\$ (906,330)</u></b>
Beginning fund balance			<u>3,408,133</u>	
<b>Ending Fund Balance</b>			<b><u>\$ 3,915,559</u></b>	

# **CITY OF NEW BRAUNFELS, TEXAS**

## ***SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL ENTERPRISE MAINTENANCE AND EQUIPMENT FUND***

For the Year Ended September 30, 2018

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual GAAP Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Interest	\$ 9,391	\$ 9,391	\$ 72,701	\$ 63,310
Charges and fees	20,000	20,000	16,663	(3,337)
Miscellaneous	-	-	229,697	229,697
<b>Total Revenues</b>	<b>29,391</b>	<b>29,391</b>	<b>319,061</b>	<b>289,670</b>
<b>Expenditures</b>				
Current:				
General government	53,262	53,262	-	53,262
Public works	290,000	290,000	-	290,000
<b>Total Expenditures</b>	<b>343,262</b>	<b>343,262</b>	<b>-</b>	<b>343,262</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,441,910	1,441,910	1,441,909	(1)
<b>Total Other Financing Sources</b>	<b>1,441,910</b>	<b>1,441,910</b>	<b>1,441,909</b>	<b>(1)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 1,128,039</b>	<b>\$ 1,128,039</b>	<b>1,760,970</b>	<b>\$ 632,931</b>
Beginning fund balance			<u>5,652,169</u>	
<b>Ending Fund Balance</b>			<u>\$ 7,413,139</u>	

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**CEMETARY PERPETUAL FUND**  
For the Year Ended September 30, 2018

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual GAAP Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Licenses and permits	\$ 500	\$ 500	\$ 750	\$ 250
Miscellaneous	-	-	131,000	131,000
Charges and fees	9,000	9,000	9,523	523
<b>Total Revenues</b>	<b>9,500</b>	<b>9,500</b>	<b>141,273</b>	<b>131,773</b>
<b>Expenditures</b>				
<b>Current:</b>				
Parks and recreation	8,000	8,000	995	7,005
<b>Total Expenditures</b>	<b>8,000</b>	<b>8,000</b>	<b>995</b>	<b>7,005</b>
<b>Net Change in Fund Balance</b>	<b>\$ 1,500</b>	<b>\$ 1,500</b>	<b>140,278</b>	<b>\$ 138,778</b>
Beginning fund balance			28,275	
<b>Ending Fund Balance</b>			<b>\$ 168,553</b>	

## **STATISTICAL SECTION**

This part of the City's 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 City's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends	152
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	166
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, property tax revenues.</i>	
Debt Capacity	176
<i>These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	185
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	189
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

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

# **CITY OF NEW BRAUNFELS, TEXAS**

## **NET POSITION BY COMPONENT**

**Last Ten Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<b>Fiscal Year</b>			
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 24,535	\$ 25,853	\$ 26,047	\$ 25,891
Restricted	5,001	3,834	4,571	4,587
Unrestricted	27,138	23,972	22,021	15,937
<b>Total Governmental Activities Net Position</b>	<b>\$ 56,674</b>	<b>\$ 53,659</b>	<b>\$ 52,639</b>	<b>\$ 46,415</b>
<b>Business-Type Activities</b>				
Net investment in capital assets	\$ 8,414	\$ 7,940	\$ 6,951	\$ 8,200
Unrestricted	3,103	2,151	1,235	1,930
<b>Total Business-Type Activities Net Position</b>	<b>\$ 11,517</b>	<b>\$ 10,091</b>	<b>\$ 8,186</b>	<b>\$ 10,130</b>
<b>Primary Government</b>				
Net investment in capital assets	\$ 32,949	\$ 33,793	\$ 32,998	\$ 34,091
Restricted	5,001	3,834	4,571	4,587
Unrestricted	30,241	26,123	23,256	17,867
<b>Total Primary Government Net Position</b>	<b>\$ 68,191</b>	<b>\$ 63,750</b>	<b>\$ 60,825</b>	<b>\$ 56,545</b>

Source: City financial statements

\*Balances have been restated.

**Fiscal Year**

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018*</b>
\$ 24,207	\$ 8,094	\$ 5,121	\$ 2,127	\$ 5,470	\$ (3,398)
7,931	6,879	10,919	16,400	21,269	24,333
12,650	13,828	(10,896)	(16,030)	(15,905)	(18,031)
<b>\$ 44,788</b>	<b>\$ 28,801</b>	<b>\$ 5,144</b>	<b>\$ 2,497</b>	<b>\$ 10,834</b>	<b>\$ 2,904</b>
\$ 11,549	\$ 34,960	\$ 34,775	\$ 33,493	\$ 31,025	\$ 29,515
2,054	1,967	298	(236)	(748)	525
<b>\$ 13,603</b>	<b>\$ 36,927</b>	<b>\$ 35,073</b>	<b>\$ 33,257</b>	<b>\$ 30,277</b>	<b>\$ 30,040</b>
\$ 35,756	\$ 43,054	\$ 39,896	\$ 35,620	\$ 36,495	\$ 26,117
7,931	6,879	10,919	16,400	21,269	24,333
14,704	15,795	(10,598)	(16,266)	(16,653)	(17,506)
<b>\$ 58,391</b>	<b>\$ 65,728</b>	<b>\$ 40,217</b>	<b>\$ 35,754</b>	<b>\$ 41,111</b>	<b>\$ 32,944</b>

# **CITY OF NEW BRAUNFELS, TEXAS**

## ***CHANGES IN NET POSITION (page 1 of 3)***

**Last Ten Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<b>Fiscal Year</b>			
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Expenses</b>				
Governmental activities				
General government	\$ 6,016	\$ 5,409	\$ 7,918	\$ 9,416
Finance and tax	1,011	966	912	1,050
Planning and environmental development	2,896	2,861	3,350	2,816
Public safety	25,901	27,303	28,515	31,810
Public works	6,460	6,631	6,675	8,180
Parks and recreation	4,538	5,321	5,069	5,995
Library	1,860	1,769	1,836	1,954
Civic/convention center	-	-	-	-
Airport	15	249	9	-
Interest on long-term debt	3,181	3,552	3,184	4,213
<b>Total Governmental Activities Expenses</b>	<b><u>51,878</u></b>	<b><u>54,061</u></b>	<b><u>57,468</u></b>	<b><u>65,434</u></b>
<b>Business-Type Activities</b>				
Airport	1134	1,730	1,968	2174
Solid waste	5552	6,389	5,506	5167
Golf course	888	884	979	1015
Civic/convention center	656	752	746	730
<b>Total Business-Type Activities Expenses</b>	<b><u>8,230</u></b>	<b><u>9,755</u></b>	<b><u>9,199</u></b>	<b><u>9,086</u></b>
<b>Total Expenses</b>	<b><u>\$ 60,108</u></b>	<b><u>\$ 63,816</u></b>	<b><u>\$ 66,667</u></b>	<b><u>\$ 74,520</u></b>

Fiscal Year											
2013		2014		2015		2016		2017		2018	
\$ 12,083	\$ 14,850	\$ 17,936	\$ 22,722	\$ 11,764	\$ 13,085						
1,305	972	719	690	1,269	1,574						
3,413	2,489	2,622	2,772	4,527	4,874						
30,057	31,597	33,327	29,273	43,328	57,457						
12,973	8,241	9,377	15,314	11,858	11,912						
3,632	4,572	8,551	4,597	6,357	8,018						
2,203	2,400	1,969	1,660	2,664	3,091						
6	5	191	49	-	-						
219	107	48	1,493	15	9						
3,913	4,985	5,369	6,757	5,752	6,553						
<u>69,804</u>	<u>70,218</u>	<u>80,109</u>	<u>85,327</u>	<u>87,534</u>	<u>106,573</u>						
2,305	2,855	2,778	2,968	3,221	3,499						
5,779	6,171	6,670	7,271	7,721	7,897						
904	678	1,775	1,938	1,838	1,898						
671	924	894	886	979	963						
<u>9,659</u>	<u>10,628</u>	<u>12,117</u>	<u>13,063</u>	<u>13,759</u>	<u>14,257</u>						
<u>\$ 79,463</u>	<u>\$ 80,846</u>	<u>\$ 92,226</u>	<u>\$ 98,390</u>	<u>\$ 101,293</u>	<u>\$ 120,830</u>						

# **CITY OF NEW BRAUNFELS, TEXAS**

## ***CHANGES IN NET POSITION (page 2 of 3)***

**Last Ten Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<b>Fiscal Year</b>			
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Program Revenues</b>				
Governmental activities				
Charges for services				
General government	\$ 155	\$ 158	\$ 260	\$ 165
Planning and environmental development	1,967	2,000	2,385	2,988
Public safety	4,477	4,245	4,684	3,822
Public works	620	295	222	1,141
Parks and recreation	1,375	1,181	1,352	1,386
Library	103	137	177	98
Civic/convention center	-	-	-	-
Operating grants and contributions	1,739	1,874	2,760	1,366
Capital grants and contributions	701	837	1,555	2,072
<b>Total Governmental Activities Program Revenues</b>	<b><u>11,137</u></b>	<b><u>10,727</u></b>	<b><u>13,395</u></b>	<b><u>13,038</u></b>
<b>Business-Type Activities</b>				
Charges for services				
Airport	783	1,361	1,406	1,667
Solid waste	5,690	5,855	6,415	7,020
Golf course	1,103	867	957	975
Civic/convention center	224	291	321	279
Operating grants and contributions	-	-	71	50
Capital grants and contributions	650	955	223	2,224
<b>Total Business-Type Activities Program Revenues</b>	<b><u>8,450</u></b>	<b><u>9,329</u></b>	<b><u>9,393</u></b>	<b><u>12,215</u></b>
<b>Total Program Revenues</b>	<b><u>\$ 19,587</u></b>	<b><u>\$ 20,056</u></b>	<b><u>\$ 22,788</u></b>	<b><u>\$ 25,253</u></b>
<b>Net (Expense)/Revenue</b>				
Governmental activities				
	\$ (40,741)	\$ (43,334)	\$ (44,073)	\$ (52,396)
Business-type activities	220	(426)	194	3,129
<b>Total Net Expense</b>	<b><u>\$ (40,521)</u></b>	<b><u>\$ (43,760)</u></b>	<b><u>\$ (43,879)</u></b>	<b><u>\$ (49,267)</u></b>

Fiscal Year									
	2013	2014	2015	2016	2017	2018			
\$	1,182	\$ 1,095	\$ 1,265	\$ 1,505	\$ 164	\$ 150			
	3,209	3,335	3,912	3,489	-	-			
	3,936	3,108	3,841	4,384	6,503	6,528			
	75	898	1,076	1,231	4,163	4,507			
	1,600	1,963	1,642	2,745	2,226	2,288			
	111	114	102	101	96	89			
	-	-	8	14	-	-			
	1,000	1,539	1,963	2,377	1,759	3,819			
	3,000	-	-	-	3,460	1,831			
	<u>14,113</u>	<u>12,052</u>	<u>13,809</u>	<u>15,846</u>	<u>18,371</u>	<u>19,212</u>			
	1,771	2,387	2,317	2,077	2399	2,599			
	7,215	7,591	7,985	8,280	8664	10,168			
	1,076	128	1,378	1,486	1436	1,578			
	293	371	418	436	450	420			
	55	43	50	50	397	-			
	<u>4,570</u>	<u>441</u>	<u>290</u>	<u>2,263</u>	<u>-</u>	<u>-</u>			
	<u>14,980</u>	<u>10,961</u>	<u>12,438</u>	<u>14,592</u>	<u>13,346</u>	<u>14,765</u>			
	<u>\$ 29,093</u>	<u>\$ 23,013</u>	<u>\$ 26,247</u>	<u>\$ 30,438</u>	<u>\$ 31,717</u>	<u>\$ 33,977</u>			
\$	(55,691)	\$ (58,166)	\$ (66,300)	\$ (69,481)	\$ (69,163)	\$ (87,361)			
	5,321	333	321	1,529	(413)	508			
\$	<u>(50,370)</u>	<u>\$ (57,833)</u>	<u>\$ (65,979)</u>	<u>\$ (67,952)</u>	<u>\$ (69,576)</u>	<u>\$ (86,853)</u>			

# **CITY OF NEW BRAUNFELS, TEXAS**

## **CHANGES IN NET POSITION (page 3 of 3)**

**Last Ten Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<b>Fiscal Year</b>			
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities				
Property taxes, levied for general purposes	\$ 10,781	\$ 10,838	\$ 10,340	\$ 10,578
Property taxes, levied for debt services	4,688	4,992	5,698	7,260
Sales tax	11,858	12,562	13,457	14,665
Hotel/motel occupancy taxes	2,155	2,486	2,615	3,118
Franchise taxes	6,351	6,986	7,448	7,694
Mixed beverage tax	193	220	232	211
Investment income	740	189	114	155
Other contributions	183	343	205	171
Miscellaneous	357	643	817	1,052
Transfers	(304)	1,015	2,127	1,268
<b>Total Governmental Activities</b>	<b>37,002</b>	<b>40,274</b>	<b>43,053</b>	<b>46,172</b>
Business-type activities				
Investment earnings	30	14	3	2
Miscellaneous income	-	-	25	82
Transfers	304	(1,015)	(2,127)	(1,269)
<b>Total Business-Type Activities</b>	<b>334</b>	<b>(1,001)</b>	<b>(2,099)</b>	<b>(1,185)</b>
<b>Total Primary Government</b>	<b>\$ 37,336</b>	<b>\$ 39,273</b>	<b>\$ 40,954</b>	<b>\$ 44,987</b>
<b>Change in Net Position</b>				
Governmental activities	\$ (3,739)	\$ (3,060)	\$ (1,020)	\$ (6,224)
Business-type activities	554	(1,427)	(1,905)	1,944
<b>Total Change in Net Position</b>	<b>\$ (3,185)</b>	<b>\$ (4,487)</b>	<b>\$ (2,925)</b>	<b>\$ (4,280)</b>

Source: Statements of Activities from City CAFRs

Fiscal Year											
	2013		2014		2015		2016		2017		2018
\$	11,206	\$	10,851	\$	13,956	\$	14,409	\$	18,065	\$	18,188
	8,019		9,231		10,159		11,414		12,434		12,471
	16,420		18,613		18,608		19,077		21,008		21,997
	3,375		3,604		3,813		3,767		3,994		4,070
	7,875		8,283		8,435		8,904		9,590		9,749
	275		390		439		472		515		584
	187		87		47		242		471		966
	1,806		1,989		2,336		2,892		4,570		3,683
	4,492		4,183		3,643		4,989		3,948		6,423
	1,618		(8,222)		284		3,436		2,905		2,152
	<u>55,273</u>		<u>49,009</u>		<u>61,720</u>		<u>69,602</u>		<u>77,500</u>		<u>80,283</u>
	2		1		2		8		17		39
	(233)		68		86		83		320		1,239
	<u>(1,618)</u>		<u>8,222</u>		<u>(284)</u>		<u>(3,436)</u>		<u>(2,905)</u>		<u>(2,152)</u>
	<u>(1,849)</u>		<u>8,291</u>		<u>(196)</u>		<u>(3,345)</u>		<u>(2,568)</u>		<u>(874)</u>
	<u>\$ 53,424</u>		<u>\$ 57,300</u>		<u>\$ 61,524</u>		<u>\$ 66,257</u>		<u>\$ 74,932</u>		<u>\$ 79,409</u>
	\$ (418)		\$ (9,157)		\$ (4,580)		\$ 121		\$ 8,337		\$ (7,078)
	<u>\$ 3,472</u>		<u>\$ 8,624</u>		<u>\$ 125</u>		<u>\$ (1,816)</u>		<u>\$ (2,981)</u>		<u>\$ (366)</u>
	<u>\$ 3,054</u>		<u>\$ (533)</u>		<u>\$ (4,455)</u>		<u>\$ (1,695)</u>		<u>\$ 5,356</u>		<u>\$ (7,444)</u>

# **CITY OF NEW BRAUNFELS, TEXAS**

## **FUND BALANCES, GOVERNMENTAL FUNDS**

**Last Ten Years**

**(modified accrual basis of accounting)**

**(amounts expressed in thousands)**

	<b>Fiscal Year</b>			
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>General Fund</b>				
Nonspendable	\$ -	\$ -	\$ 2	\$ -
Assigned	258	267	9,318	7,611
Unassigned	23,260	26,139	18,291	16,838
<b>Total General Fund</b>	<b>\$ 23,518</b>	<b>\$ 26,406</b>	<b>\$ 27,611</b>	<b>\$ 24,449</b>
<b>All Other Governmental Funds</b>				
Nonspendable	\$ -	\$ -	\$ 135	\$ 88
Restricted	30,361	2,586	27,222	36,789
Committed	-	-	104	531
Unassigned, reported in:				
Debt service fund	1,725	679	-	-
Hotel/motel tax fund	203	443	-	-
Special revenue funds	312	598	-	(19)
Permanent fund	144	146	-	-
Capital project funds (deficit)	1,381	15350	-	(2,014)
<b>Total All Other Governmental Funds</b>	<b>\$ 34,126</b>	<b>\$ 19,802</b>	<b>\$ 27,461</b>	<b>\$ 35,375</b>

**Fiscal Year**

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ -	\$ 1	\$ -	\$ -	\$ 1	\$ 1
4,662	4,430	4,319	2,516	1,368	551
15,189	18,188	16,677	16,096	17,699	20,377
<b>\$ 19,851</b>	<b>\$ 22,619</b>	<b>\$ 20,996</b>	<b>\$ 18,612</b>	<b>\$ 19,068</b>	<b>\$ 20,929</b>
\$ 95	\$ 94	\$ 94	\$ 19	\$ 29	\$ 169
45,162	40,930	51,895	65,988	50,200	56,071
3,160	2,863	3,188	4,295	5,652	7,413
-	-	-	-	-	-
-	-	-	-	-	-
(733)	(187)	(211)	(591)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>\$ 47,684</b>	<b>\$ 43,700</b>	<b>\$ 54,966</b>	<b>\$ 69,711</b>	<b>\$ 55,881</b>	<b>\$ 63,653</b>

**CITY OF NEW BRAUNFELS, TEXAS**  
**CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS (page 1 of 2)**

Last Ten Years  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

	<b>Fiscal Year</b>			
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Revenues</b>				
Taxes	\$ 35,823	\$ 38,778	\$ 39,841	\$ 43,365
Licenses and permits	1,542	1,490	1,693	2,340
Intergovernmental	-	-	-	-
Charges for services	3,377	3,001	3,857	3,946
Fines and forfeitures	1,191	1,465	1,845	1,233
Parks and recreation	1,384	1,180	1,358	1,062
Interest	715	185	114	302
Federal grants*	385	635	1,137	267
State and local grants*	260	207	554	57
Other contributions	1,830	2,067	1,773	1,150
Miscellaneous	1,467	830	1,073	2,047
<b>Total Revenues</b>	<b>47,974</b>	<b>49,838</b>	<b>53,245</b>	<b>55,769</b>
<b>Expenditures</b>				
General government	5,200	5,183	6,764	8,312
Finance and tax	862	811	742	870
Planning and environmental development	2,511	2,463	2,959	2,335
Public safety	23,176	22,631	26,137	34,934
Public works	20,670	13,566	13,742	10,112
Parks and recreation	5,713	6,395	4,953	5,907
Library	1,645	1,560	1,602	1,608
Facilities maintenance	1,493	-	-	-
Civic/convention center	-	-	-	-
Airport	15	249	9	-
Debt service				
Principal	3,575	4,000	4,140	4,715
Interest	3,182	3,513	3,222	3,961
Other	151	3	107	249
<b>Total Expenditures</b>	<b>68,193</b>	<b>60,374</b>	<b>64,377</b>	<b>73,003</b>
<b>(Deficit) of Revenues</b>				
<b>(Under) Expenditures</b>	<b>(20,219)</b>	<b>(10,536)</b>	<b>(11,132)</b>	<b>(17,234)</b>

Fiscal Year											
	2013		2014		2015		2016		2017*	2018	
\$	47,119	\$	52,201	\$	55,205	\$	57,652	\$	65,735	\$	68,595
2,252		2,581		3,052		3,606		3,943		4,178	
107		152		242		228		1,759		3,819	
3,093		3,133		3,573		4,439		5,068		5,306	
1,173		1,235		1,743		1,642		1,925		1,800	
1,528		1,883		2,307		2,656		2,216		2,278	
187		87		46		241		468		966	
689		1,990		758		2,117		-		-	
1,980		312		368		194		-		-	
2,917		3,594		3,374		4,804		4,570		3,683	
4,440		2,565		3,466		2,751		3,791		4,837	
<b>65,485</b>		<b>69,733</b>		<b>74,134</b>		<b>80,330</b>		<b>89,475</b>		<b>95,462</b>	
8,550		12,490		11,695		16,791		11,594		11,302	
1,120		848		855		900		1,011		1,037	
3,264		2,729		2,983		3,331		3,796		3,435	
28,311		30,207		31,134		34,926		35,078		37,840	
20,863		18,319		15,231		21,618		28,965		34,243	
5,555		18,797		11,645		5,431		5,474		6,482	
2,020		2,059		2,187		2,006		2,136		2,224	
-		-		-		-		-		-	
55		61		296		89		-		-	
263		1,977		407		1,534		1		-	
5,825		6,775		7,805		8,319		10,550		10,601	
4,242		4,762		5,056		5,977		7,274		6,881	
185		414		551		462		97		5	
<b>80,253</b>		<b>99,438</b>		<b>89,845</b>		<b>101,384</b>		<b>105,976</b>		<b>114,050</b>	
<b>(14,768)</b>		<b>(29,705)</b>		<b>(15,711)</b>		<b>(21,054)</b>		<b>(16,501)</b>		<b>(18,588)</b>	

**CITY OF NEW BRAUNFELS, TEXAS**  
**CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS (page 2 of 2)**

Last Ten Years  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

	Fiscal Year			
	2009	2010	2011	2012
<b>Other Financing Sources (Uses)</b>				
Transfer in	\$ 3,641	\$ 2,399	\$ 3,486	\$ 4,975
Transfer out	(3,946)	(1,384)	(1,858)	(4,106)
Issuance of debt	9,500	-	18,930	19,470
Premium (discount) on debt issuance	65	-	-	1,526
Payment to bond escrow agent	-	-	(719)	-
Sale of assets	68	12	114	121
Capital lease	-	-	-	-
Loan payable	-	-	-	-
<b>Total Other Financing Sources</b>	<b>9,328</b>	<b>1,027</b>	<b>19,953</b>	<b>21,986</b>
<b>Net Change in Fund Balances</b>	<b>\$ (10,891)</b>	<b>\$ (9,509)</b>	<b>\$ 8,821</b>	<b>\$ 4,752</b>
Debt service as a percentage of noncapital expenditures	14.6%	15.8%	14.2%	14.9%

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

\*In fiscal year 2017, federal and state grant revenue was reported with intergovernmental revenue.

Fiscal Year											
2013		2014		2015		2016		2017*		2018	
\$	6,871	\$	3,827	\$	4,923	\$	4,757	\$	7,835	\$	9,441
	(5,253)		(1,491)		(2,017)		(2,847)		(5,330)		(7,181)
30,330		24,095		35,940		37,360		5,255		24,620	
1,795		1,016		3,309		5,953		-		1,594	
(11,677)		-		(17,101)		(14,799)		(5,165)		-	
412		369		301		39		157		6	
-		-		-		757		375		-	
-		673		-		-		-		(258)	
<u>22,478</u>		<u>28,489</u>		<u>25,355</u>		<u>31,220</u>		<u>3,127</u>		<u>28,222</u>	
<u>\$ 7,710</u>		<u>\$ (1,216)</u>		<u>\$ 9,644</u>		<u>\$ 10,166</u>		<u>\$ (13,374)</u>		<u>\$ 9,634</u>	

15.0% 15.3% 17.0% 18.7% 20.9% 18.8%

**CITY OF NEW BRAUNFELS, TEXAS**  
**GENERAL GOVERNMENTAL TAX REVENUE BY SOURCE**

Last Ten Years  
 (modified accrual basis of accounting)  
 (amounts expressed in thousands)

	Fiscal Year			
	2009	2010	2011	2012
<b>Revenue</b>				
Property tax	\$ 15,266	\$ 15,830	\$ 16,089	\$ 17,828
Sales tax	11,858	12,562	13,457	14,665
Franchise fees	1,045	1,336	1,629	1,475
Utilities franchise	5,306	5,650	5,819	6,065
Hotel occupancy tax	2,155	2,486	2,615	3,118
Mixed beverage tax	193	220	232	211
<b>Total Revenue</b>	<b>\$ 35,823</b>	<b>\$ 38,084</b>	<b>\$ 39,841</b>	<b>\$ 43,362</b>

Data Source: City CAFRs and detailed financial records

**Fiscal Year**

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$	19,174	\$ 21,311	\$ 24,115	\$ 25,823	\$ 30,628	\$ 30,659
16,420	18,613	23,978	19,077	21,008	21,997	
1,671	1,805	1,961	1,934	1,784	1,840	
6,204	6,478	6,474	6,970	7,805	7,909	
3,375	3,604	3,813	3,767	3,994	4,070	
275	390	439	472	516	583	
<b>\$ 47,119</b>	<b>\$ 52,201</b>	<b>\$ 60,780</b>	<b>\$ 58,043</b>	<b>\$ 65,735</b>	<b>\$ 67,058</b>	

**CITY OF NEW BRAUNFELS, TEXAS**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**Last Ten Years**  
(amounts expressed in thousands)

	<b>Fiscal Year</b>			
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Real property	\$ 4,485,101	\$ 4,379,000	\$ 4,488,892	\$ 4,610,203
Personal	330,689	352,368	382,795	349,205
Less: Tax Exempt Property	715,980	789,412	809,339	853,111
Total Taxable Assessed Valuation (1)	<u>\$ 4,099,810</u>	<u>\$ 3,941,956</u>	<u>\$ 4,062,348</u>	<u>\$ 4,106,297</u>
Total Direct Tax Rate	\$ 0.40986	\$ 0.40986	\$ 0.40986	\$ 0.44836
Estimated Actual Taxable Value	\$ 4,099,810	\$ 3,941,956	\$ 4,062,348	\$ 4,106,297
Assessed Value as a Percentage of Actual Value	85.13%	83.32%	83.39%	82.80%

Source: Comal County Appraisal District

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

Fiscal Year						
2013	2014	2015	2016	2017	2018	
\$ 4,665,542	\$ 4,917,972	\$ 5,528,399	\$ 6,138,209	\$ 6,716,299	\$ 7,584,703	
379,051	395,771	426,910	540,437	512,991	564,298	
<u>866,905</u>	<u>904,189</u>	<u>1,047,373</u>	<u>1,050,021</u>	<u>1,150,855</u>	<u>1,352,207</u>	
<u>\$ 4,177,688</u>	<u>\$ 4,409,554</u>	<u>\$ 4,907,936</u>	<u>\$ 5,628,625</u>	<u>\$ 6,078,435</u>	<u>\$ 6,796,794</u>	
\$ 0.46734	\$ 0.49823	\$ 0.49823	\$ 0.49823	\$ 0.48822	\$ 0.48822	
\$ 4,177,688	\$ 4,409,554	\$ 4,907,936	\$ 5,628,625	\$ 6,078,435	\$ 6,796,794	
82.82%	82.98%	82.41%	84.28%	84.08%	83.41%	

**CITY OF NEW BRAUNFELS, TEXAS**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
 (per \$100 of assessed value)  
 Last Ten Years

	<b>Fiscal Year</b>			
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>City of New Braunfels Tax Rates:</b>				
General government	\$ 0.282180	\$ 0.282180	\$ 0.261360	\$ 0.261360
Debt service	0.127680	0.127680	0.148500	0.187000
<b>Total Direct Rates</b>	<b><u>\$ 0.409860</u></b>	<b><u>\$ 0.409860</u></b>	<b><u>\$ 0.409860</u></b>	<b><u>\$ 0.448360</u></b>
<b>Overlapping Tax Rates(2):</b>				
Comal County	\$ 0.308020	\$ 0.312960	\$ 0.334000	\$ 0.350420
Guadalupe County	0.389500	0.389500	0.389500	0.339990
Navarro ISD	1.440000	1.460000	1.460000	1.430000
New Braunfels ISD	1.338800	1.339100	1.339100	1.339100
Comal ISD	1.310000	1.310000	1.370000	1.430000
<b>Total Direct and Overlapping Rates (1)</b>	<b><u>\$ 5.196180</u></b>	<b><u>\$ 5.221420</u></b>	<b><u>\$ 5.302460</u></b>	<b><u>\$ 5.337870</u></b>

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

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

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

**Fiscal Year**

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 0.268560	\$ 0.278080	\$ 0.278080	\$ 0.278080	\$ 0.288370	\$ 0.278370
0.198780	0.220150	0.220150	0.220150	0.199850	0.209850
<b>\$ 0.467340</b>	<b>\$ 0.498230</b>	<b>\$ 0.498230</b>	<b>\$ 0.498230</b>	<b>\$ 0.488220</b>	<b>\$ 0.488220</b>
\$ 0.305220	\$ 0.292821	\$ 0.292921	\$ 0.292821	\$ 0.307821	\$ 0.295191
0.403600	0.336100	0.385100	0.331100	0.326900	0.330900
1.430000	1.390000	1.390000	1.349600	1.350000	1.350000
1.339100	1.339100	1.339100	1.339100	1.339100	1.365800
1.430000	1.390000	1.390000	1.390000	1.390000	1.390000
<b>\$ 5.375260</b>	<b>\$ 5.246251</b>	<b>\$ 5.295351</b>	<b>\$ 5.200851</b>	<b>\$ 5.202041</b>	<b>\$ 5.220111</b>

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# CITY OF NEW BRAUNFELS, TEXAS

## PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Property Taxpayer	2018			2009		
	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation
Central Texas Corridor Hospital (Resolute Health)	\$ 95,304,080	1	1.4%	\$ -	-	0.0%
AL 95 Creekside Town Center LP	85,858,963	2	1.3%	28,979,740	1	0.7%
Rush Enterprises	61,257,910	3	0.9%	-	0	0.0%
Kahlig Enterprises Inc	55,737,900	4	0.8%	16,085,720	3	0.4%
PAC Creekside LLC	42,543,900	5	0.6%			
HEB Grocery Co LP	39,214,040	6	0.6%			
CGT, US Limited	34,924,760	7	0.5%			
Continental 306 Fund LLC	30,500,000	8	0.4%			
T4V3 LLC	28,800,000	9	0.4%			
Grey Forest Development LLC	28,560,080	10	0.4%			
Walmart Real Estate Business Trust	-	-	0.0%	\$ 18,703,410	2	0.5%
Augusta Gruene Apartments LP	-	-	0.0%	15,950,380	4	0.4%
American Opportunitiy for Housing-Comal Gardens LLC	-	-	0.0%	13,171,040	5	0.3%
Triden Westshore Colony	-	-	0.0%	13,064,510	6	0.3%
Coleman Co. Inc.	-	-	0.0%	12,811,071	7	0.3%
Liberty Partnership	-	-	0.0%	12,492,695	8	0.3%
N B Marketplace	-	-	0.0%	11,818,513	9	0.3%
Worldmark the Club	-	-	0.0%	10,527,840	10	0.3%
Subtotal	<u>\$ 502,701,633</u>		<u>7.40%</u>	<u>\$ 153,604,919</u>		<u>3.75%</u>
Other Taxpayers	<u>6,294,092,367</u>			<u>3,946,205,081</u>		
<b>Total</b>	<b><u>\$ 6,796,794,000</u></b>			<b><u>\$ 4,099,810,000</u></b>		

Source: Comal County Tax Assessor-Collector's Office

**CITY OF NEW BRAUNFELS, TEXAS**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**Last Ten Years**  
**(amounts expressed in thousands)**

<b>Fiscal Year</b>	<b>Tax Year</b>	<b>Tax Rate</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected Within the Fiscal Year of the Levy</b>	
				<b>Amount Collected</b>	<b>Percentage of Levy</b>
2009	2008	\$ 0.409860	\$ 15,145	\$ 14,817	97.83%
2010	2009	\$ 0.409860	\$ 15,751	\$ 15,210	96.57%
2011	2010	\$ 0.409860	\$ 15,846	\$ 15,612	98.52%
2012	2011	\$ 0.448360	\$ 17,740	\$ 17,431	98.26%
2013	2012	\$ 0.467340	\$ 19,163	\$ 19,092	99.63%
2014	2013	\$ 0.498230	\$ 21,493	\$ 21,251	98.87%
2015	2014	\$ 0.498230	\$ 24,003	\$ 23,817	99.23%
2016	2015	\$ 0.498230	\$ 27,061	\$ 26,830	99.15%
2017	2016	\$ 0.498230	\$ 29,510	\$ 29,287	99.24%
2018	2017	\$ 0.488220	\$ 32,393	\$ 32,002	98.79%

Source: Comal County Tax Assessor or City CAFR

Note: Taxes stated are for general fund and debt service funds

<b>Collected in Subsequent Years</b>	<b>Total Collections to Date</b>	
	<b>Amount Collected</b>	<b>Percentage of Levy</b>
\$ 314	\$ 15,131	99.91%
\$ 506	\$ 15,716	99.78%
\$ 213	\$ 15,825	99.87%
\$ 277	\$ 17,708	99.82%
\$ 8	\$ 19,100	99.67%
\$ 176	\$ 21,427	99.69%
\$ 131	\$ 23,948	99.77%
\$ 130	\$ 26,960	99.63%
\$ 267	\$ 29,554	100.15%
\$ 592	\$ 32,594	100.62%

# **CITY OF NEW BRAUNFELS, TEXAS**

## **RATIOS OF OUTSTANDING DEBT BY TYPE**

**Last Ten Years**

(amounts expressed in thousands, except per capita amount)

	<b>Fiscal Year</b>			
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Governmental Activities:</b>				
General obligation bonds	\$ 10,545	\$ 10,490	\$ 10,975	\$ 10,725
Certificates of obligation	78,645	65,590	79,180	94,190
Contract revenue obligations	-	-	-	-
Loan payable	-	-	-	-
Capital lease payable	-	-	-	-
<b>Subtotal</b>	<b>89,190</b>	<b>76,080</b>	<b>90,155</b>	<b>104,915</b>
<b>Business-Type Activities:</b>				
Revenue bonds	110	55	-	-
Loan payable	-	-	-	-
<b>Subtotal</b>	<b>110</b>	<b>55</b>	<b>-</b>	<b>-</b>
<b>Government-Wide:</b>				
General obligation bonds	10,545	10,490	10,975	10,725
Certificates of obligation	78,645	65,590	79,180	94,190
Contract revenue obligations	-	-	-	-
Loan payable	-	-	-	-
Capital lease payable	-	-	-	-
<b>Total Government-Wide</b>	<b>\$ 89,300</b>	<b>\$ 76,135</b>	<b>\$ 90,155</b>	<b>\$ 104,915</b>
<b>Percentage of Personal Income(1)</b>	<b>3.80%</b>	<b>3.19%</b>	<b>3.54%</b>	<b>3.97%</b>
<b>Per Capita(1)</b>	<b>\$ 1,598</b>	<b>\$ 1,319</b>	<b>\$ 1,507</b>	<b>\$ 1,726</b>

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

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

**Fiscal Year**

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$	21,305	\$ 34,685	\$ 52,730	\$ 99,243	\$ 100,656	\$ 111,150
97,030		100,970	95,585	76,178	64,345	58,950
11,405		27,950	26,745	25,555	24,325	23,055
-		673	553	534	467	401
-				757	944	1,786
<b>\$ 129,740</b>	<b><u>164,278</u></b>	<b><u>175,613</u></b>	<b><u>202,267</u></b>	<b><u>190,737</u></b>	<b><u>195,342</u></b>	
-	-	-	-	-	-	-
-		721	593	363	182	-
-		<u>721</u>	<u>593</u>	<u>363</u>	<u>182</u>	-
21,305	34,685	52,730	99,243	100,656	111,150	
97,030	100,970	95,585	76,178	64,345	58,950	
11,405	27,950	26,745	25,555	24,325	23,055	
-	1,394	1,146	897	649	401	
-			757	944	1,786	
<b>\$ 129,740</b>	<b><u>\$ 164,999</u></b>	<b><u>\$ 176,206</u></b>	<b><u>\$ 202,630</u></b>	<b><u>\$ 190,919</u></b>	<b><u>\$ 195,342</u></b>	
4.60%	7.39%	5.75%	5.97%	5.60%	4.69%	
\$ 2,096	\$ 2,619	\$ 2,654	\$ 2,872	\$ 2,581	\$ 2,468	

# **CITY OF NEW BRAUNFELS, TEXAS**

## ***RATIOS OF GENERAL BONDED DEBT OUTSTANDING***

**Last Ten Years**

(amounts expressed in thousands, except per capita amount)

	<b>Fiscal Year</b>			
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Estimated Actual Taxable Value of Property</b>	\$ 4,099,810	\$ 3,941,956	\$ 4,062,348	\$ 4,106,297
General obligation bonds	\$ 10,545	\$ 10,490	\$ 10,975	\$ 10,725
Less: amounts available in debt service fund	-	-	-	786
<b>Total</b>	<b>\$ 10,545</b>	<b>\$ 10,490</b>	<b>\$ 10,975</b>	<b>\$ 9,939</b>
<b>Percentage of Estimated Actual Taxable Value of Property</b>	0.26%	0.27%	0.27%	0.24%
<b>Per Capita(1)</b>	\$ 189	\$ 182	\$ 183	\$ 163

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

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

Fiscal Year						
2013	2014	2015	2016	2017	2018	
\$ 4,177,688	\$ 4,409,554	\$ 4,907,936	\$ 5,628,625	\$ 6,078,435	\$ 6,796,794	
\$ 21,305	\$ 34,685	\$ 52,730	\$ 88,385	\$ 165,001	\$ 170,100	
809	1,279	1,418	1,577	2,237	1,310	
<u>\$ 20,496</u>	<u>\$ 33,406</u>	<u>\$ 51,312</u>	<u>\$ 86,808</u>	<u>\$ 162,764</u>	<u>\$ 168,790</u>	
0.49%	0.76%	1.05%	1.54%	2.68%	2.48%	
\$ 331	\$ 530	\$ 773	\$ 1,231	\$ 2,201	\$ 2,132	

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**CITY OF NEW BRAUNFELS, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
September 30, 2018

<b>Government Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable(1)</b>	<b>Amount Applicable to Primary Government</b>
New Braunfels ISD	\$ 168,530,167	80.0%	\$ 134,739,869
Comal ISD	767,165,107	16.3%	125,278,062
Navarro ISD	39,643,778	3.9%	1,550,072
Guadalupe County	13,655,000	9.6%	1,316,342
Comal County	146,210,000	35.2%	51,465,920
Subtotal, overlapping debt	<u>\$ 1,135,204,052</u>		<u>314,350,264</u>
<b>City Direct Debt</b>	<u>170,100,000</u>	<u>100%</u>	<u>170,100,000</u>
<b>Total Direct and Overlapping Debt</b>			<b><u>\$ 484,450,264</u></b>

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire burden borne by the property taxpayers 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.

(1) The 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.

# **CITY OF NEW BRAUNFELS, TEXAS**

## **LEGAL DEBT MARGIN INFORMATION**

**Last Ten Years**  
**(amounts expressed in thousands)**

	<b>Fiscal Year</b>			
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Debt Limit	\$ 481,579	\$ 473,137	\$ 487,169	\$ 495,941
Total Net Debt Applicable to Limit	10,545	10,490	10,975	10,725
<b>Total</b>	<b>\$ 471,034</b>	<b>\$ 462,647</b>	<b>\$ 476,194</b>	<b>\$ 485,216</b>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.19%	2.22%	2.25%	2.16%
<b>Legal Debt Margin Calculation for Fiscal Year 2018</b>				
Assessed Value	\$ 6,078,435	\$ 6,796,794		
Add Back: Exempt Real Property	1,150,855	1,352,207		
<b>Total Assessed Value</b>	<b>\$ 7,229,290</b>	<b>\$ 8,149,001</b>		
Debt Limit (10% of Total Assessed Value)	722,929	814,900		
<b>Debt Applicable to Limit:</b>				
General Obligation Bonds	165,001	170,100		
<b>Legal Debt Margin</b>	<b>\$ 557,928</b>	<b>\$ 644,800</b>		

Note: Under state finance law, the City'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.

Fiscal Year						
2013	2014	2015	2016	2017	2018	
\$ 504,459	\$ 531,374	\$ 595,531	\$ 667,865	\$ 722,929	\$ 814,900	
21,305	34,685	52,730	88,385	165,001	170,100	
<u>\$ 483,154</u>	<u>\$ 496,689</u>	<u>\$ 542,801</u>	<u>\$ 579,480</u>	<u>\$ 557,928</u>	<u>\$ 644,800</u>	
4.22%	6.53%	8.85%	13.23%	22.82%	20.87%	

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# **CITY OF NEW BRAUNFELS, TEXAS**

## **DEMOGRAPHIC AND ECONOMIC STATISTICS**

**Last Ten Years**

<b>Fiscal Year Ended Sept. 30</b>	<b>Population<sup>(1)</sup></b>	<b>Total Wages</b>		<b>Per Capita</b>		<b>Average Annual Pay All Industries<sup>(2)</sup></b>	<b>Public School Enrollment<sup>(3)</sup></b>	<b>Unemployment Rate<sup>(4)</sup></b>
		<b>All Industries<sup>(2)</sup></b>	<b>(expressed in thousands)</b>	<b>Personal Income<sup>(2)</sup></b>	<b>(expressed in thousands)</b>			
2009	55,867	\$ 2,349,085	\$ 42.05	\$ 34,565	24,371	5.7%		
2010	57,740	\$ 2,388,266	\$ 41.36	\$ 34,998	24,941	5.8%		
2011	59,823	\$ 2,544,510	\$ 42.53	\$ 35,970	14,273	5.9%		
2012	60,791	\$ 2,642,199	\$ 43.46	\$ 37,555	15,883	5.1%		
2013	61,885	\$ 2,822,616	\$ 45.61	\$ 41,155	8,269	5.2%		
2014	62,998	\$ 2,232,220	\$ 35.43	\$ 43,800	8,463	3.8%		
2015	66,394	\$ 3,064,162	\$ 46.15	\$ 46,871	8,438	2.9%		
2016	70,543	\$ 3,394,824	\$ 48.12	\$ 51,558	8,552	3.5%		
2017	73,959	\$ 3,407,192	\$ 46.07	\$ 46,883	8,950	3.3%		
2018	79,152	\$ 4,168,203	\$ 52.66	\$ 42,234	9,398	3.2%		

Data sources:

(1) Total population from the census.gov website.

(2) Total wages and average annual pay are for Comal and Guadalupe counties combined. Data provided by the Bureau of Labor Statistics.

(3) School 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 ISD

(4) Data is for the City of New Braunfels

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# **CITY OF NEW BRAUNFELS, TEXAS**

## ***PRINCIPAL EMPLOYERS***

**Current Year and Nine Years Ago**

<b>Employer</b>	<b>2018</b>			<b>2009</b>		
	<b>Employees</b>	<b>Percentage of Total Employment</b>		<b>Employees</b>	<b>Percentage of Total Employment</b>	
		<b>Employees</b>	<b>Percentage of Total Employment</b>		<b>Employees</b>	<b>Rank</b>
Comal ISD	2,895	8%	1	1,700	6.68%	2
Schlitterbahn Water Park	2,100	5%	2	1,800	7.08%	1
Wal-Mart Distribution Center	1,250	3%	3	1,064	4.18%	4
New Braunfels ISD	1,188	3%	4	912	3.59%	5
City of New Braunfels	812	2%	5	490	1.93%	8
Sysco	810	2%	6	N/A	0.00%	N/A
Hunter Industries-Colorado Materials	730	2%	7	450	1.77%	9
Comal County	683	2%	8	570	2.24%	7
HD Supply	538	1%	9	N/A	0.00%	N/A
CBE	435	1%	10	N/A	0.00%	N/A
Christus Santa Rosa Hospital	410	1%	-	900	3.54%	6
The Scooter Store	-	0%	-	1,535	6.03%	3
Wal-Mart Super Center	-	0%	-	435	1.71%	10
	<b>11,851</b>	<b>30.86%</b>		<b>9,856</b>	<b>38.75%</b>	

Source: Greater New Braunfels Chamber of Commerce

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**CITY OF NEW BRAUNFELS, TEXAS**  
**AUTHORIZED CITY GOVERNMENT POSITIONS BY FUNCTION**  
Last Ten Years

	<b>Fiscal Year</b>									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Fund:</b>										
City Secretary	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.5	3.5
City Attorney	2.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
City Manager	5.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0
Information Tech.	0.0	0.0	0.0	0.0	0.0	0.0	7.0	8.0	11.0	12.0
Human Resources	6.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0
Finance	14.0	14.0	15.0	16.0	17.0	17.0	10.0	11.0	11.0	11.0
Municipal Court	11.0	11.0	11.0	10.0	10.0	10.0	10.0	10.0	9.0	9.0
Police*	140.0	139.0	139.0	143.0	148.0	150.5	157.0	149.0	156.0	159.0
Fire	116.0	116.0	116.0	134.0	134.0	134.0	134.0	134.0	137.0	138.0
Planning and Community Development	24.0	25.0	24.0	26.0	29.0	30.0	31.0	33.0	36.0	36.0
Planning and Comm.										
Devel. - Main Street	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Parks and Recreation	152.0	140.0	140.5	141.5	150.5	150.5	161.5	160.5	162.5	252.8
Public Works	42.0	42.0	41.5	47.0	44.5	43.5	45.5	50.5	53.0	57.0
Library	25.8	25.8	26.5	26.5	28.5	28.5	28.3	28.3	28.3	28.3
<b>Total General Fund</b>	<b>542.8</b>	<b>529.8</b>	<b>531.5</b>	<b>564.0</b>	<b>581.5</b>	<b>584.0</b>	<b>604.3</b>	<b>604.3</b>	<b>625.3</b>	<b>725.5</b>
<b>Golf Course Fund</b>	<b>13.0</b>	<b>13.0</b>	<b>12.0</b>	<b>11.5</b>	<b>11.5</b>	<b>12.5</b>	<b>17.0</b>	<b>17.0</b>	<b>17.0</b>	<b>17.0</b>
<b>Airport Fund</b>	<b>4.5</b>	<b>5.5</b>	<b>6.0</b>	<b>6.0</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>
<b>Solid Waste Fund</b>	<b>51.0</b>	<b>51.0</b>	<b>44.5</b>	<b>48.0</b>	<b>50.5</b>	<b>49.5</b>	<b>52.5</b>	<b>52.5</b>	<b>53.0</b>	<b>54.0</b>
<b>Capital Project Funds**</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>6.0</b>	<b>6.5</b>	<b>8.0</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>
<b>Civic/Convention Center Fund</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.5</b>	<b>8.5</b>	<b>8.5</b>	<b>8.5</b>	<b>8.5</b>	<b>8.5</b>
<b>River Activities Fund</b>	<b>20.0</b>	<b>16.0</b>	<b>16.0</b>	<b>67.5</b>	<b>54.5</b>	<b>54.5</b>	<b>54.5</b>	<b>55.5</b>	<b>73.5</b>	<b>73.5</b>
<b>Facilities Maint. Fund</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CDBG Fund</b>	<b>1.0</b>	<b>0.0</b>								
<b>EAHCP Fund</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
<b>Total Funds</b>	<b>640.3</b>	<b>623.3</b>	<b>619.0</b>	<b>706.0</b>	<b>721.5</b>	<b>724.5</b>	<b>753.8</b>	<b>754.8</b>	<b>794.3</b>	<b>895.5</b>

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

# **CITY OF NEW BRAUNFELS, TEXAS**

## **OPERATING INDICATORS BY FUNCTION**

**Last Ten Years**

<b>Function</b>	<b>Fiscal Year</b>			
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Police				
Avg. time for intake call until officer on scene	N/A	N/A	N/A	6:41
Number of DWI Arrests				297
Fire				
Response times - structure fire	N/A	N/A	4:43	4:39
Response times - EMS	N/A	N/A	5:30	5:38
Smoke detectors issued/inspected/updated	N/A	N/A	762	842
Public Works				
Subdivision plans reviewed within 30 days	100%	100%	100%	100%
Permits reviewed and completed	274	296	285	240
Number of plat reviews completed	N/A	N/A	N/A	N/A
Number of street service requests pocessed	N/A	N/A	N/A	N/A
Acres of right-of-way mowed	174	185	185	165
Construction Stormwater Inspections Completed	N/A	N/A	N/A	N/A
Solid Waste				
Waste diverted from landfill	13%	13%	20%	36%
Residential operationg cost per ton collected	N/A	N/A	\$ 63.32	\$ 94.00
Parks and recreation				
Recreation programs participants	2,426	2,126	3,198	3,080
Das Rec programs participants	N/A	N/A	N/A	N/A
Athletic leagues teams participants (including Das Rec)	N/A	N/A	196	212
Golf course rounds played	47,976	41,000	40,574	39,140
Planning and Community Development				
Residential building permits issued	1,924	2,116	1,019	1,556
Commercial building permits issued	282	310	552	442
Calls for service - Animal Control	6,144	5,040	5,994	5,553
Cases abated without court action - Code Compliance	97%	92%	96%	98%
Historic landmark designations	7	7	6	3
Airport Operations				
Flight operations annually	47,462	58,000	32,340	28,099
Gallons of fuel sold	N/A	N/A	221,106	289,882
Library				
Visitors annually	270,838	378,000	313,996	312,138
Annual circulation of library materials	568,327	802,500	756,549	762,491
Database accesses	N/A	N/A	14,117	18,021
Municipal Court				
Percentage of cases closed in 30 days or less	N/A	N/A	N/A	N/A
Cases processed	N/A	N/A	N/A	N/A

Source: Various City departments

CONB FY 2018-19 Budget Document

		Fiscal Year				
2013		2014	2015	2016	2017	2018
6:36	7:34	6:50	6:30	6:42	7:27	
328	304	387	379	419	382	
6:48	7:15	6:50	7:04	6:55	6:17	
5:51	7:13	6:27	6:00	5:57	6:18	
1,200	420	440	425	450	560	
90%	100%	100%	100%	100%	100%	
240	360	497	514	680	793	
N/A	N/A	N/A	N/A	234	212	
N/A	N/A	N/A	N/A	532	497	
188	188	188	188	188	188	
N/A	N/A	N/A	N/A	360	654	
35%	29%	29%	30%	33%	30%	
\$ 104.00	\$ 73.00	\$ 51.39	\$ 71.89	\$ 68.61	\$ 62.02	
3,000	3,918	6,499	6,478	7,318	6,421	
N/A	N/A	N/A	N/A	N/A	490	
190	233	219	213	247	353	
43,000	N/A	34,396	39,175	38,250	39,673	
1,603	2,302	2185	3000	2,687	2,600	
455	344	446	400	481	400	
6,900	7,349	8,404	7,800	6,030	6,300	
98%	97%	98%	98%	97%	97%	
3	2	4	3	2	2	
39,880	45,000	42,475	48,000	53,407	52,000	
308,000	399,151	370,915	445,000	500,000	505,000	
285,000	283,790	282,335	290,000	284,437	290,000	
800,000	828,426	781,603	850,000	905,000	944,640	
28,000	45,780	48,557	45,000	65,000	80,000	
N/A	N/A	N/A	N/A	30%	20%	
N/A	N/A	N/A	N/A	21,000	20,000	

# **CITY OF NEW BRAUNFELS, TEXAS**

## **CAPITAL ASSET STATISTICS BY FUNCTION**

Last Ten Years

<b>Function</b>	<b>Fiscal Year</b>			
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Public Safety				
Police stations	1	1	1	1
Fire stations	5	5	5	6
Highways and Streets				
Streets (miles)	291	305	317	318
Area in square miles	1.8	1.8	1.9	1.9
Culture and Recreation				
Park acreage	373	373	373	373
Swimming pools	2	2	2	2
Golf course	1	1	1	1
Recreation center	1	1	1	1

Source: Various City departments

<b>Fiscal Year</b>					
<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
1 6	1 6	1 6	1 6	1 6	1 6
318 1.9	323 2.0	323 2.0	323 2.0	354 2.0	368 2.0
373 2 1 1	373 2 1 1	435 2 1 1	435 2 1 1	435 2 1 1	557 4 1 2

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