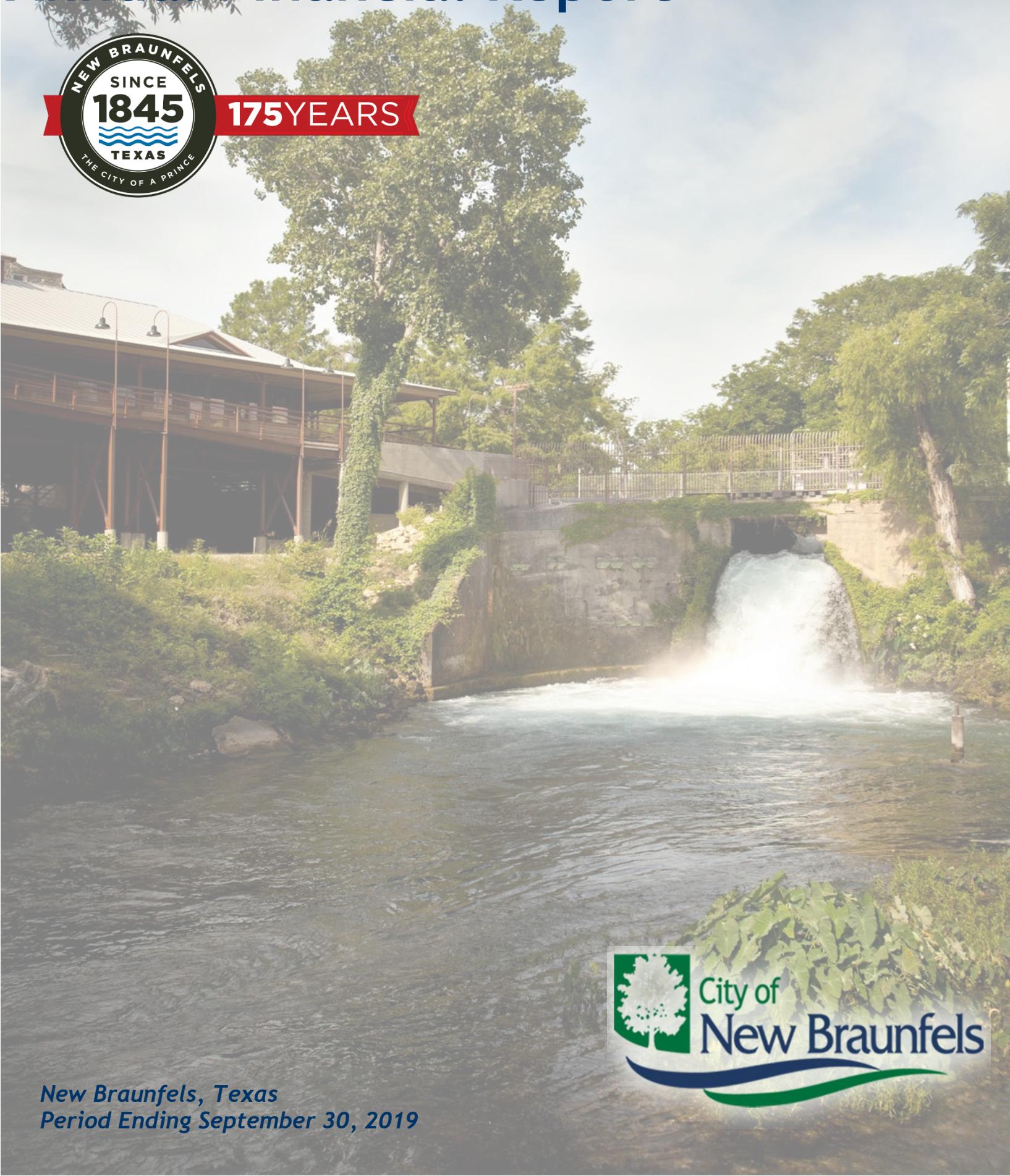


FY 2018-19 Comprehensive Annual Financial Report



*New Braunfels, Texas
Period Ending September 30, 2019*



Baseball Grounds.—Landa Park.





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.



Faust Street Bridge

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COMPREHENSIVE
ANNUAL FINANCIAL REPORT

of the

CITY OF NEW BRAUNFELS, TEXAS

For the Year Ended
September 30, 2019

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 4, 2020

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

The Comprehensive Annual Financial Report (CAFR) for the City of New Braunfels, Texas (the “City”) for the fiscal year ended September 30, 2019 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, 2019 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 85,000 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 47 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 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. It should be noted that a special election has been called to modify the structure of council term limits. If passed, the three term limit would still exist; however, any council member could serve all three continuously.

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 15. 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 infrastructure, recreational activities (including a full service indoor recreation center), library services, planning and development services, code enforcement, 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 30 active boards and commissions.

The New Braunfels Economic Development Corporation (NBEDC), a non-profit corporation, was formed to administer a special 3/8 of one cent sales tax for economic development. The City Council 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 utility. 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/New Braunfels Development Authority (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, Texas Department of Transportation, 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 foundation of said controls. It governs all expenditures within a certain fiscal year, which runs from October 1 to September 30. The budget document also ensures that resource allocation aligns to the City's long-term financial planning and initiatives. 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 be increased/decreased.

In the Community Development Block Grant, Special Revenue, Grants Funds, and NBEDC budgets, 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 assists the City Council and Executive Leadership Team in setting and operationalizing budget priorities and goals. Budget development is a year-long process that includes a number of other functions. This is best illustrated in the graphic below.



The City's budget team facilitates a kickoff meeting in the early spring to instruct all City departments on their responsibilities regarding revenue/expenditure analysis and the creation of resource requests. City Management is provided performance and budget metrics to support the justification of new resource requests. The City

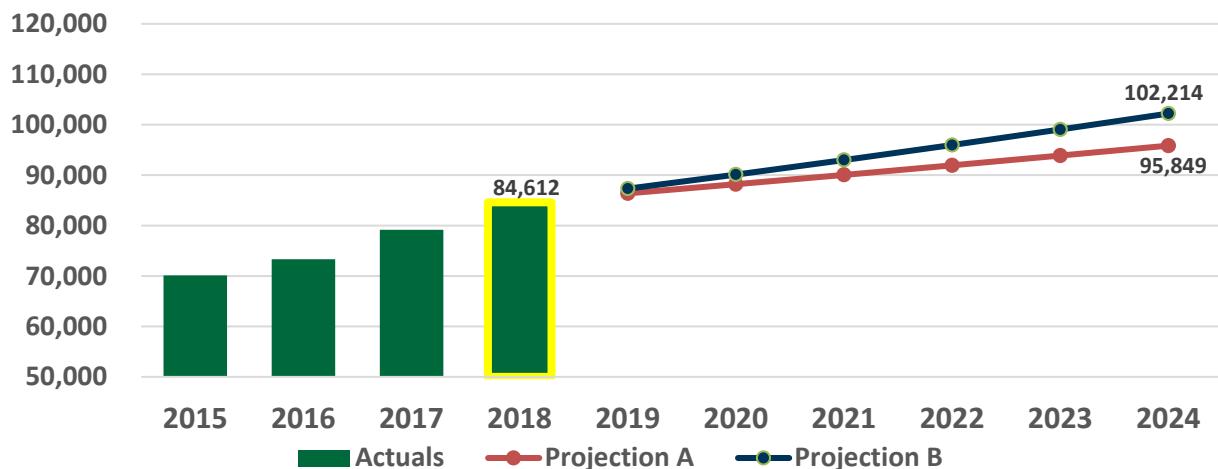
Council will hold several public workshops in an effort to thoroughly review the budget. The City Charter mandates that a proposed budget be presented to the City Council at least 45 days prior to the end of the fiscal year. Furthermore, the City Charter requires that a public hearing be held prior to 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. In addition, the Finance and Audit Committee, which is made up of the Mayor, Mayor Pro Tem, as well as an additional Council member, meet quarterly to review the latest financial report, as well as other key financial indicators such as our latest investment report and sales tax analysis. The committee is also briefed on the status of the budget document and/or the CAFR.

ECONOMIC CONDITION AND OUTLOOK

With the exception of some stagnation during the 2008-2010 recession, New Braunfels has been experiencing significant growth. In fact, the City has grown by over 100% since 2003. Every year, the census releases figures of the fastest growing cities in the country. For the second year in a row and three out of the past four years, New Braunfels has been the second fastest growing city in the country. The increase in population is driven by myriad of factors such as quality of life and economic opportunity. The office of the State of Texas' official demographer provides population projections for the state, MSA area(s), and counties. The graph below utilizes two of those projections for estimating the New Braunfels population during the forecast period. Projection A represents the San Antonio-New Braunfels MSA estimated annual growth rate of 2.1% while projection B represents the Comal County estimated annual growth rate (3.2%).

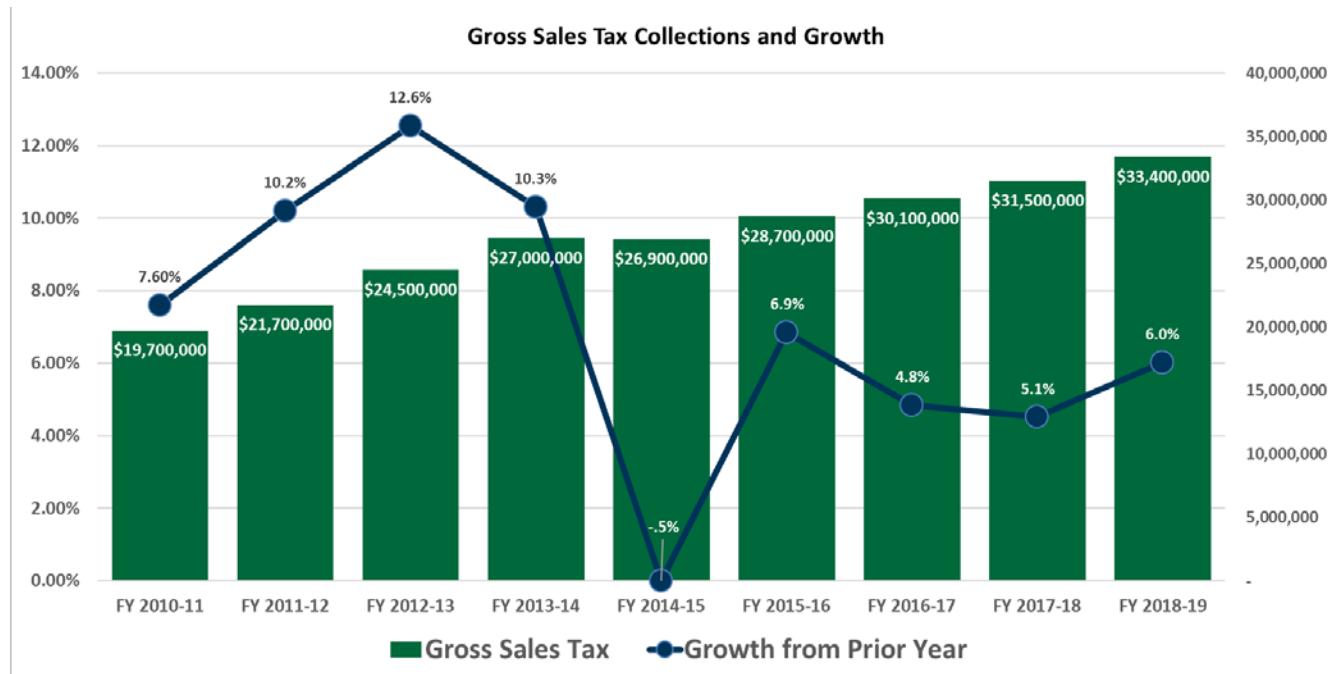
Population Projections



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% 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.

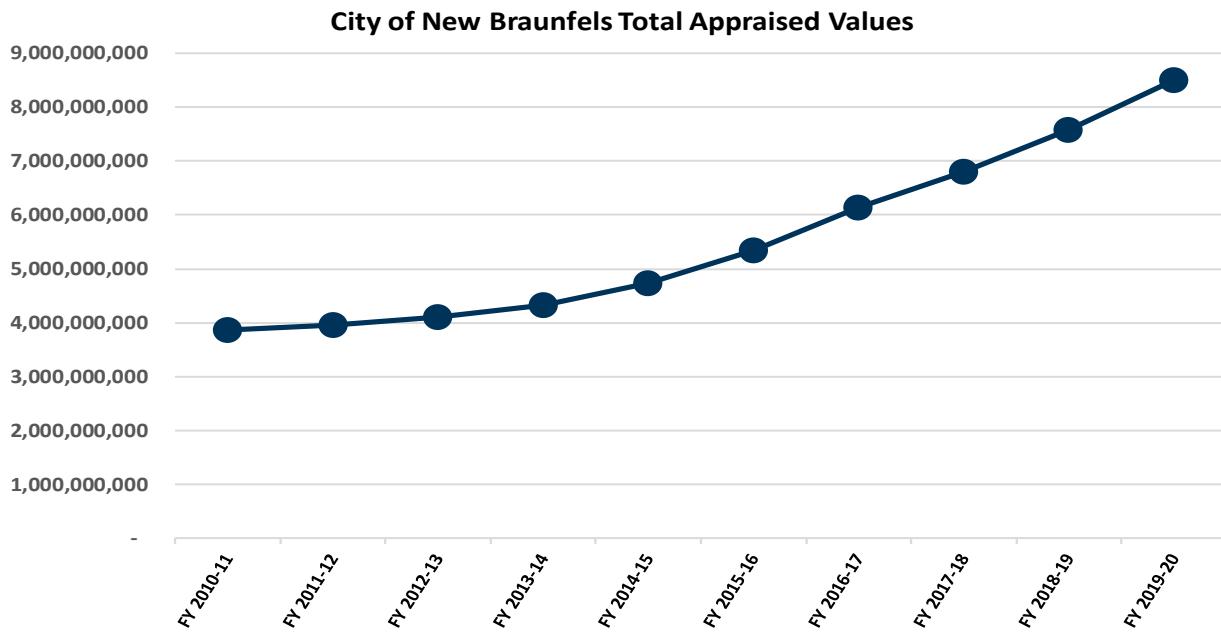
Sales Tax Activity - Sales taxes represent the largest source of revenue to the City's General Fund. In addition, due to the positive effect that tourism has on our economy, sales tax collections are somewhat seasonal, with the largest monthly collection occurring during the summer. The graph on the following page illustrates that after the

economic downturn, 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. FY 2014-15 was the only year in which the City saw a decline in sales tax collections, driven entirely by a change in legislation which 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.

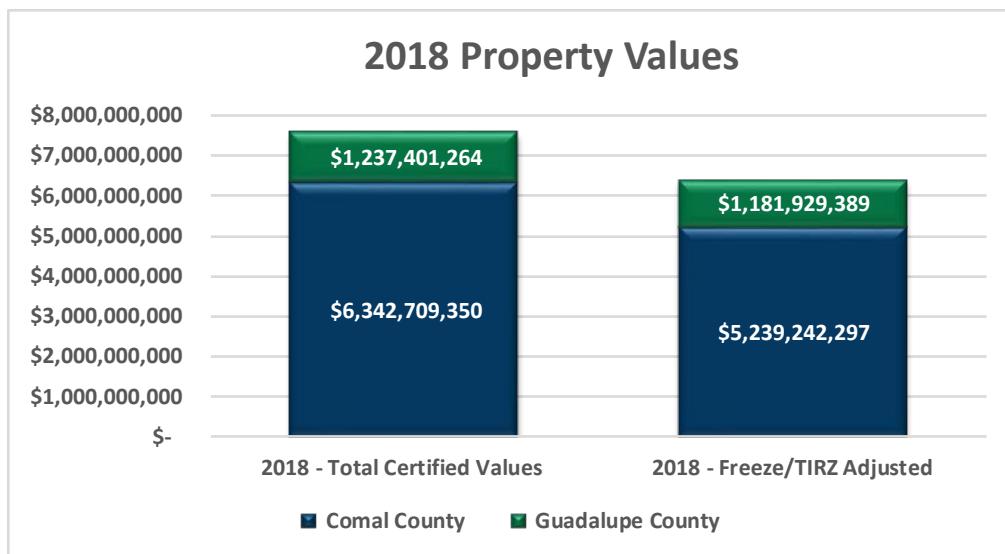


Legislative Update – The Texas comptroller recently released a draft of new rules pertaining to the sourcing of local sales tax of orders made via the internet. The City's largest sales tax producing business is HD Supply, a facility maintenance and equipment supplier. Their New Braunfels headquarters is home to over 15 different business units, and they employ over 500 individuals. If the new rules were to go into effect, the City would lose the sales taxes generated through internet orders. Due to the fact that the City has an economic development agreement with HD Supply, the sales taxes from internet orders wouldn't be redirected until January 1, 2022. The rules have yet to be approved; therefore, the City and HD Supply collectively continue to follow this issue closely. The City has, however, begun projecting the impact should the rule be implemented as written. Those projections will be incorporated into the five-year forecast so that responsive strategies can then be developed and considered for administrative and council consideration.

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 on the following page, population growth has had a direct impact on the total increase in commercial, industrial, and residential property values. The graph below provides the most current available data – through tax year 2019 (FY 2019-20).

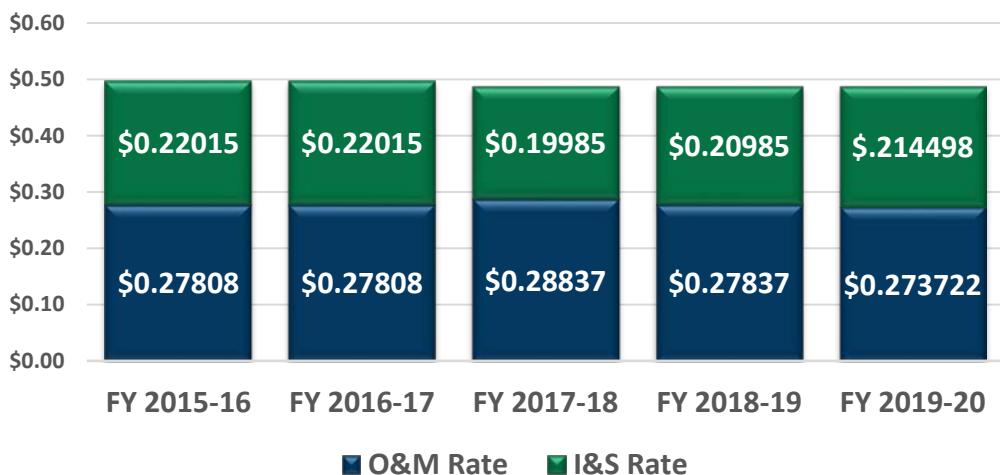


For tax year 2018 (FY 2018-19) total appraised values were approximately \$7.6 billion dollars, which represented an 11.3% increase from the prior year. Freeze adjusted values, which adjusts for the values that are impacted by the over-65 property tax exemption, as well as the TIRZ, totaled \$6.4 billion



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

Total Property Tax Rate - Recent History



Major Developments - As mentioned earlier, in 2007, the City established a TIRZ district 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 values of all improvements in the TIRZ exceed \$393 million (2019 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, and many other mixed uses and amenities. At the end of FY 2019, approximately 75 homes were either completed or under construction. 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.

Continental Automotive Systems, Inc. is a manufacturer of automotive technologies with multiple facilities in the United States and is a supplier to the global automotive market. The proposed project, including investment and job creation, would result in the establishment of a modern manufacturing facility that would represent a continuation of expansion and growth in the United States to serve Continental Automotive's customers. The company plans to build an approximate 205,000 square foot manufacturing and research facility with a total estimated capital investment of \$110,000,000 on Kohlenberg Road on the northbound side of Interstate 35. The facility will focus on the manufacturing of autonomous driving parts and will employ up to an average of 576 employees.

In the fall of 2019, the City Council established the boundaries of TIRZ #2. The zone is located in and around the area traditionally known as "Milltown" and includes some or all properties adjacent to McKenna Avenue, Oasis Street, Wright Avenue, Porter Street, and Rusk Avenue, including the Faust Street Bridge and Beaty Street. The following image is a preliminary conceptual plan of the development.



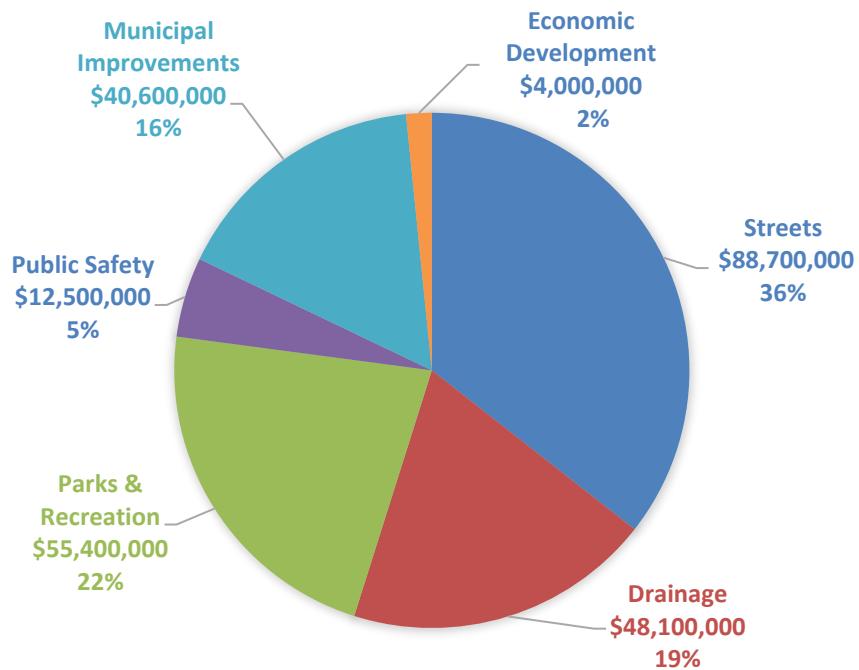
Legislative Update - This past legislative session included in passage of several bills that impacted cities ability to deliver services in high growth areas, the most impactful of which was SB2/HB2. For the FY 2020-21 Adopted Budget, the 2020 Rollback Tax Rate calculation cap will be lowered from 8% to 3.5%. Had the 3.5% cap been in effect for FY 2019-20, the O&M portion of the tax rate would have had to been reduced an additional 1.3 cents, which would have required a reduction of \$925,000 in revenue and expenditures in the General Fund. A retreat was held with the City Council in November of 2019 to begin discussions regarding strategies to consider in response to SB2/HB2. Staff intends to take the feedback received at that retreat and incorporate them into the five-year financial forecast document.

The long-term economic outlook for the New Braunfels area is positive. Advantages for the community's economic stability and growth include: the close proximity to both San Antonio and Austin, the IH 35 Corridor, the availability of choice industrial sites throughout the City, and the strong tourism sector of the economy. The City expects tourism to remain strong because New Braunfels offers great attractions at reasonable prices. Visitors can enjoy local dining, shopping, the "world's best" waterpark (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% (\$86 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, 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.

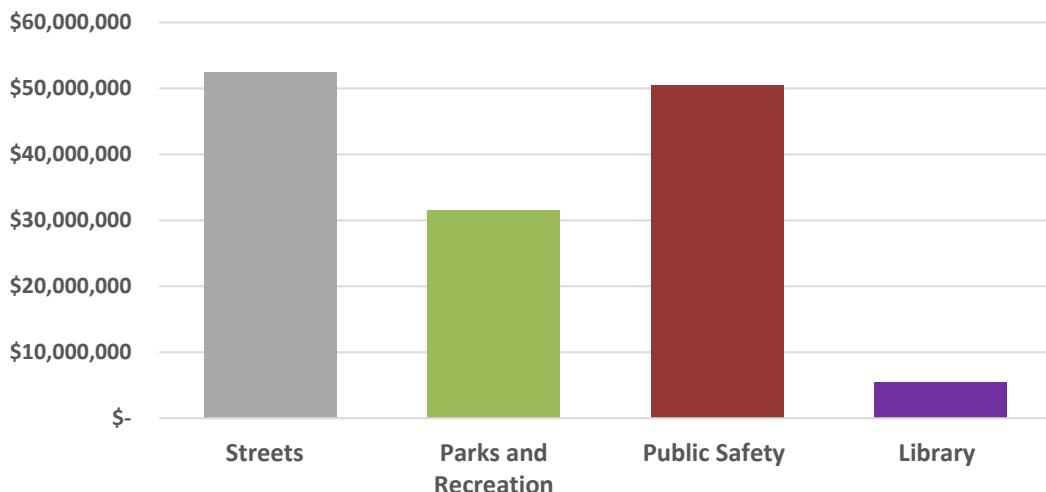
Capital Improvement Investments



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

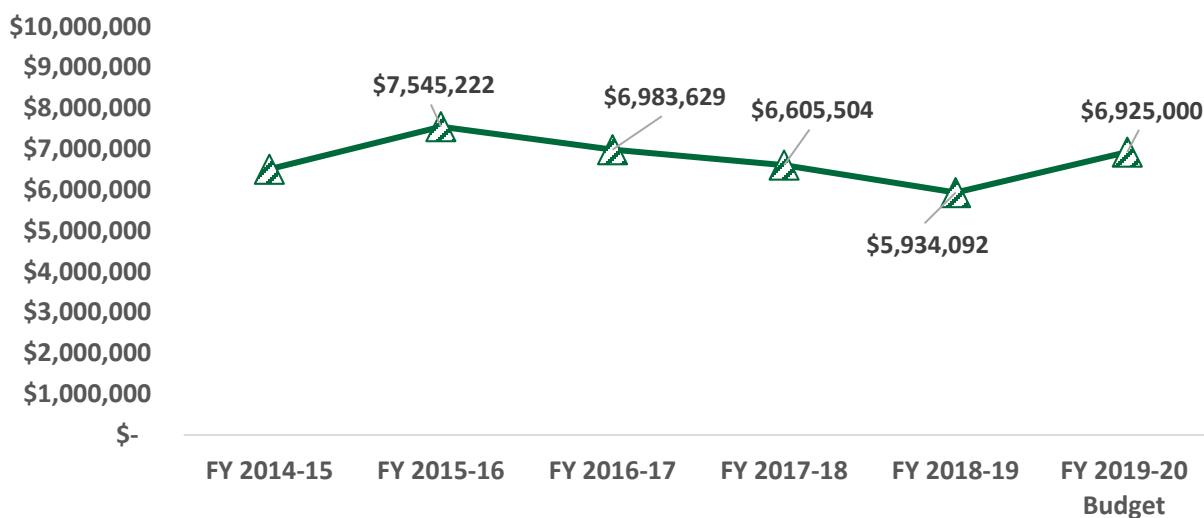
Future Capital Investment - in 2019, the City of New Braunfels voters approved a \$143 million bond program. The 2013 and 2019 bond program(s) goals continue to be to fund the projects identified in the 2012 Capital Improvement Plan (which exceeded \$500 million in needed investments), as well as address 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. The bond program 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 on the following page reflects the breakdown of the 2019 bond program investments. Please visit the City's website for detailed information on the 2019 bond program.

2019 Bond Program



Self-Insurance Fund – In FY 2014-15 and FY 2015-16, the City saw a dramatic increase in health insurance costs. Over the past five years, the City has had to increase premiums and contributions for both employees and employer. In addition, we have made significant changes to our insurance benefits, many of which encourage preventive health care and lower cost alternatives. As a result of our collective changes, expenditures have decreased significantly. In addition, the Self-Insurance Fund exceeded its fund balance target at the end of FY 2018-19, three years earlier than anticipated.

Self-Insurance Fund Annual Expenditures



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 2018-19 operations and maintenance portion of the tax rate is still 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 (FTE) by 45% (based on FY 2019-20 authorized positions), among many other initiatives.

RESERVES AND BOND RATING

The General Fund ended the year with a total fund balance of \$26 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 and the City has maintained a minimum of a 30% balance to protect our strong bond rating. Growth in fund balance continues to be driven by conservative budgeting policies and preparation for the impact from SB2/HB2. The growth in fund balance also provides us the ability to increase one-time investments that increase efficiency and productivity within our General Fund.

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. The City's Standard and Poor's rating of AA and the Moody's rating of Aa2 were maintained in FY 2018-19.

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 CAFR for the fiscal year ended September 30, 2018. This was the eleventh year that the government has achieved this prestigious award (in recent history). In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

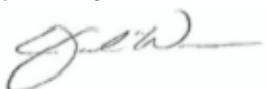
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the CAFR 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 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**

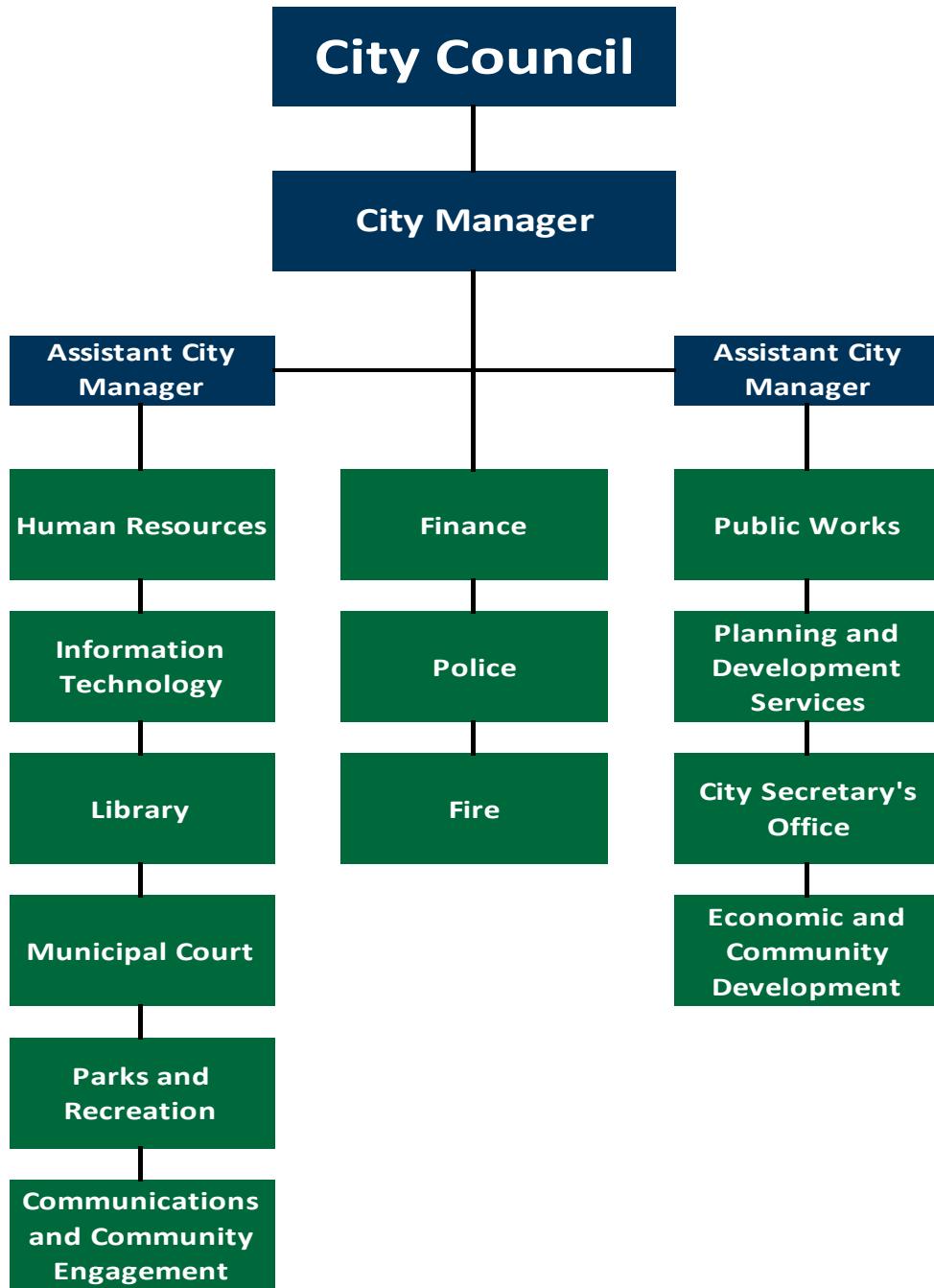
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO

CITY OF NEW BRAUNFELS, TEXAS
ORGANIZATIONAL CHART



CITY OF NEW BRAUNFELS, TEXAS

CITY COUNCIL

September 30, 2019



New Braunfels City Council
2019-2020

Mayor: Barron Casteel

District 1: Shane Hines

District 4: Matthew E. Hoyt

District 2: Justin Meadows

District 5: Wayne Peters

District 3: Harry Bowers

District 6: Leah A. Garcia

Appointed Officials

City Manager: Robert Camareno

City Attorney: Valeria Acevedo

Municipal Court Judge: Rose Zamora

Executive Leadership Team

Assistant City Manager:

Kristi Aday

Assistant City Manager:

Jordan Matney

Police Chief:

Thomas Wibert

Fire Chief:

Patrick O'Connell

Public Works Director:

Greg Malatek

Chief Financial Officer:

Jared Werner

Human Resources Director:

Nokihomis Willis

Information Technology Director:

Tony Gonzalez

Planning and Development Services Director:

Christopher Looney

Parks and Recreation Director:

Stacey Laird Dicke

Library Director:

Gretchen Pruett

Director of Economic and Community Development:

Jeff Jewell

Director of Comm. and Community Engagement:

Jenna Vinson

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, 2019, 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 \$663,424,863 and total revenues of \$172,001,011 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. 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, 2019, 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.

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, schedules of changes in net pension liability and total OPEB liabilities and related ratios and schedule of contributions, 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 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.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP

Certified Public Accountants

Houston, Texas

March 4, 2020

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

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CITY OF NEW BRAUNFELS, TEXAS

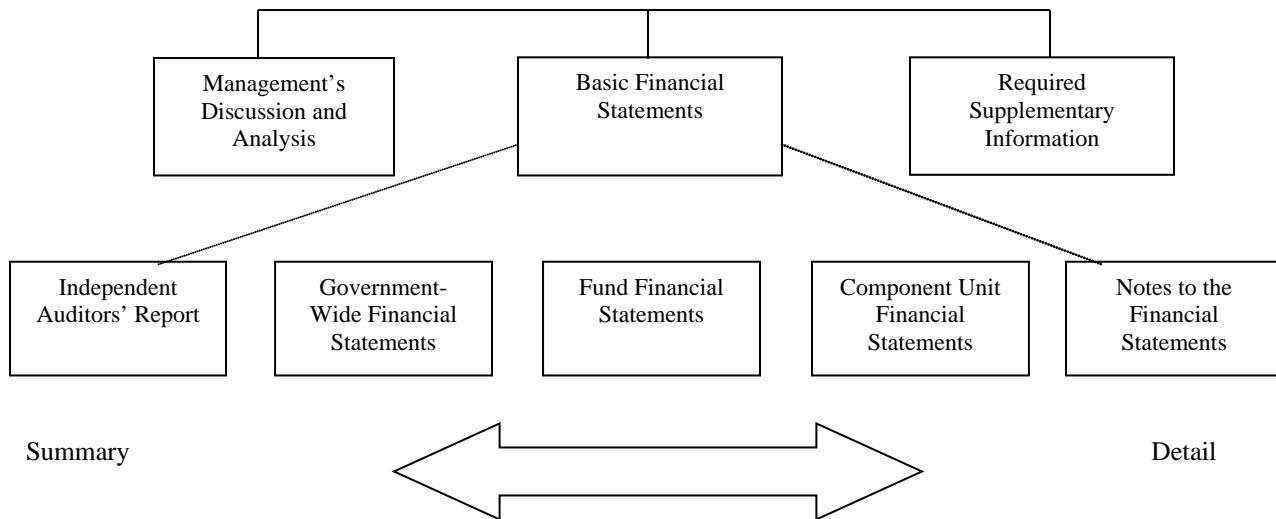
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2019

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, 2019. 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, 2019

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*.

The City maintains 49 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

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2019

balances for the general, hotel/motel tax, debt service, general obligation, roadway impact fees, and 2019 construction 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, and schedule of contributions for TMRS. 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 \$53,516,522 as of September 30, 2019 for the primary government. This compares with \$47,448,318 from the prior fiscal year. A portion of the City's net position, \$36,166,078, 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, 2019

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 133,228,188	\$ 95,966,324	\$ 3,496,048	\$ 5,019,478	\$ 136,724,236	\$ 100,985,802
Capital assets, net	178,841,763	178,422,381	28,869,028	29,514,887	207,710,791	207,937,268
Total Assets	312,069,951	274,388,705	32,365,076	34,534,365	344,435,027	308,923,070
Deferred charge on refunding	1,671,065	1,944,755	-	-	1,671,065	1,944,755
Deferred outflows - pensions	12,181,640	6,160,760	1,231,505	618,715	13,413,145	6,779,475
Deferred outflows - OPEB	757,776	277,074	74,407	27,750	832,183	304,824
Total Deferred Outflows of Resources	14,610,481	8,382,589	1,305,912	646,465	15,916,393	9,029,054
Long-term liabilities	287,544,104	250,785,073	5,522,478	4,205,946	293,066,582	254,991,019
Other liabilities	12,644,604	10,997,911	760,294	589,366	13,404,898	11,587,277
Total Liabilities	300,188,708	261,782,984	6,282,772	4,795,312	306,471,480	266,578,296
Deferred inflows - pensions	297,067	3,580,300	33,960	345,210	331,027	3,925,510
Deferred inflows - OPEB	30,062	-	-	-	30,062	-
Total Deferred Inflows of Resources	327,129	3,580,300	33,960	345,210	361,089	3,925,510
Net Position:						
Net investment in capital assets	7,297,050	(3,398,453)	28,869,028	31,024,485	36,166,078	27,626,032
Restricted	18,232,206	24,333,055	-	-	18,232,206	24,333,055
Unrestricted	635,339	(3,526,592)	(1,517,101)	(984,177)	(881,762)	(4,510,769)
Total Net Position	\$ 26,164,595	\$ 17,408,010	\$ 27,351,927	\$ 30,040,308	\$ 53,516,522	\$ 47,448,318

A portion of the primary government's net position, \$18,232,206, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is \$881,762.

The City's total net position increased by \$6,068,204 during the current fiscal year. This increase is primarily a result of increase in tax revenue streams due to increases in growth within the City. Business-type activities net position decreased by \$2,688,381, which was primarily a result of decreased capital grants and contributions revenue and increases in solid waste and golf course expenses when compared to prior year.

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2019

Statement of Activities

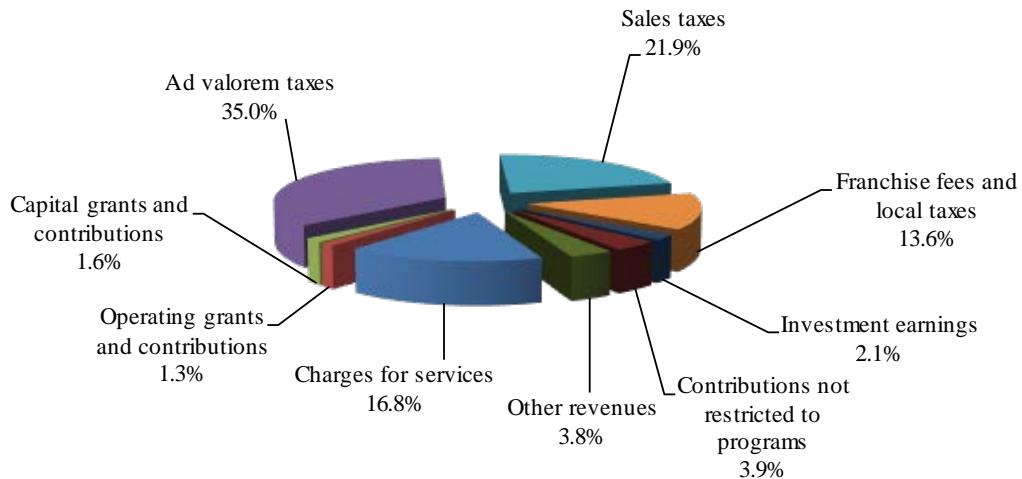
The following table provides a summary of the City's changes in net position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services	\$ 18,097,252	\$ 13,562,179	\$ 14,969,036	\$ 14,765,116	\$ 33,066,288	\$ 28,327,295
Operating grants and contributions	1,402,915	3,819,394	50,000	-	1,452,915	3,819,394
Capital grants and contributions	1,767,804	1,831,361	-	-	1,767,804	1,831,361
General revenues:						
Ad valorem taxes	37,801,817	30,659,021	-	-	37,801,817	30,659,021
Sales taxes	23,675,199	21,995,983	-	-	23,675,199	21,995,983
Franchise fees and local taxes	14,719,930	14,403,633	-	-	14,719,930	14,403,633
Investment earnings	2,299,375	965,747	62,974	39,056	2,362,349	1,004,803
Contributions not restricted to programs	4,215,270	3,682,713	-	-	4,215,270	3,682,713
Other revenues	3,915,362	6,422,897	141,270	1,238,709	4,056,632	7,661,606
Total Revenues	107,894,924	97,342,928	15,223,280	16,042,881	123,118,204	113,385,809
Expenses						
General government	11,176,633	13,085,159	-	-	11,176,633	13,085,159
Finance and tax	1,210,073	1,574,140	-	-	1,210,073	1,574,140
Planning and environmental development	3,758,509	4,873,594	-	-	3,758,509	4,873,594
Public safety	41,359,702	42,952,725	-	-	41,359,702	42,952,725
Public works	26,421,540	11,911,806	-	-	26,421,540	11,911,806
Parks and recreation	8,322,020	8,018,087	-	-	8,322,020	8,018,087
Civic/convention center	-	-	1,071,279	962,954	1,071,279	962,954
Library	2,460,328	3,091,327	-	-	2,460,328	3,091,327
Interest and fiscal agent fees	6,827,505	6,553,237	-	-	6,827,505	6,553,237
Airport	-	8,513	3,644,525	3,499,564	3,644,525	3,508,077
Solid waste	-	-	8,778,594	7,896,622	8,778,594	7,896,622
Golf course	-	-	2,019,292	1,897,574	2,019,292	1,897,574
Total Expenses	101,536,310	92,068,588	15,513,690	14,256,714	117,050,000	106,325,302
Increase (Decrease) in Net Position						
Before Transfers	6,358,614	5,274,340	(290,410)	1,786,167	6,068,204	7,060,507
Transfers	2,397,971	2,152,409	(2,397,971)	(2,152,409)	-	-
Change in Net Position	8,756,585	7,426,749	(2,688,381)	(366,242)	6,068,204	7,060,507
Beginning net position	17,408,010	9,981,261	30,040,308	30,406,550	47,448,318	40,387,811
Ending Net Position	\$ 26,164,595	\$ 17,408,010	\$ 27,351,927	\$ 30,040,308	\$ 53,516,522	\$ 47,448,318

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2019

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

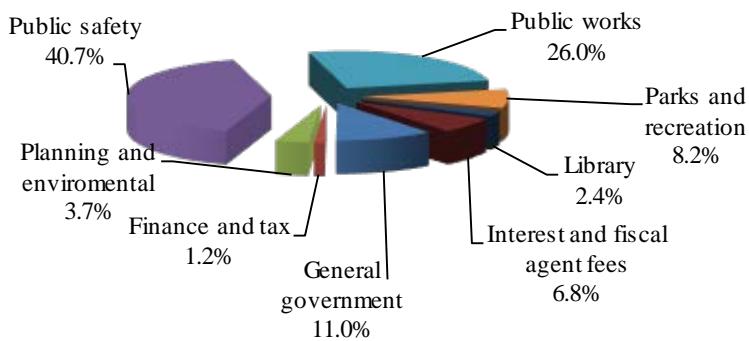
Governmental Activities - Revenues



For the year ended September 30, 2019, revenues from governmental activities totaled \$107,894,924. This \$10,551,996 increase from prior year occurred primarily as the result of \$7,142,796 in additional ad valorem tax revenue as a result of increases in growth within the City. 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, 2019

Governmental Activities - Expenses

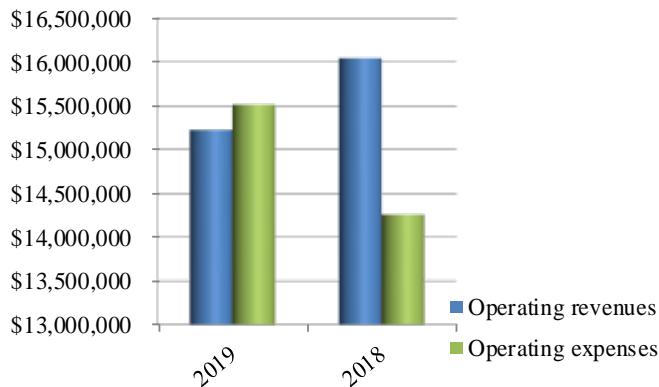


Governmental expenses increased by \$9,467,722, or 10%. This increase is primarily due to increases in expenses related to public works as a result of investments in capital outlay and increases in public safety as a result of increases in staff size within the City.

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2019

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 decreased by \$819,601 from the prior period, primarily due to a transfer from the EDC in the prior year that was not received in the current year.

Business-type activity expenses increased by \$1,256,976, with increases reflected across all functions of these activities.

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 \$118,756,026. Of this, \$223,242 is nonspendable, \$82,728,988 is restricted for various purposes, \$9,728,569 is committed, \$1,124,345 is assigned, and \$24,950,882 is unassigned.

There was a increase in the combined fund balance of \$34,174,288 over the prior year. This is largely attributable to four 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 \$24,950,882, while total fund balance reached \$26,075,792. 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 38 percent of total general fund expenditures, while total fund balance represents 39 percent of that same amount. The general fund fund balance increased by \$5,146,757 this year, primarily related to increases in various revenue sources such as but not limited to sales taxes, licenses and permits, and parks and recreation.

It is important to note that this fund balance includes all of the fund balance in the general fund and equipment replacement subfund. The equipment replacement subfund contributes \$1,124,345 to this stated fund balance.

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2019

This fund allows the City to account for equipment replacement and improvements in a separate subfund and not include these activities in the primary general operating fund

The hotel/motel tax fund experienced a increase of \$496,479, 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 increase of \$318,280.

The fund balance in the general obligation capital projects fund had a decrease in fund balance of \$7,363,163, which was primarily a result of the use of debt proceeds for capital outlay projects.

The fund balance in the roadway impact fees fund had a decrease in fund balance of \$4,579,738, which was primarily a result of a planned transfer out to the 2019 capital improvement fund.

The fund balance in the 2019 capital improvement fund had an increase in fund balance of \$25,821,421, which was primarily a result of transfers in, as well as two issuances of debt in the current 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 \$496,182. The actual fund balance for the year increased by \$5,146,757. Actual revenues exceeded the amended budget by \$3,097,093 spread across various revenue lines. The largest positive variances were in licenses and permits and parks and recreation. Actual expenditures were under the amended budget by \$1,754,781. The majority of this positive variance from the amended budget was a result of conservative personnel budgeting and various operational savings.

CAPITAL ASSETS

At the end of fiscal year 2019, the City's governmental activities had invested \$178,841,763 in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$419,383.

Major capital asset events during the year included the following:

- Land for future police department facility for \$1,775,331
- Paved surface reconstruction in progress of 10,429,228

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, 2019

LONG-TERM DEBT

At the end of the current year, the City had total general obligation bonds and certificates of obligation outstanding of \$194,895,000. Of this amount, \$127,015,000 was general obligation debt and \$67,880,000 was certificates of obligation.

The City had four separate debt issuances during the year:

- 2018 Certificates of Obligation for \$8,120,000
- Tax Notes Series 2018A for \$2,300,000
- General Obligation bonds Series 2019 for 19,985,000
- 2019 Certificates of Obligation for \$4,755,000

More detailed information about the City's long-term liabilities and issuances of debt 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.

ECONOMIC FACTORS AND NEXT YEARS BUDGET

The short term economic projections for New Braunfels are for sustained growth. However, our five year forecast assumes that a leveling off period will occur in the next three to five years. In addition, the organization continues to develop responsive strategies as it related to SB2/HB2, which will impact the way in which the General Fund has leveraged growth in property taxes to address increased service demands.

As the annual financial report indicates, General Fund reserves are currently very strong. Management intends to continue to place emphasis on one time investments, specifically on equipment and technology enhancements that have the potential to increase efficiency and productivity. As a result, management anticipates that these investments will reduce long term staffing needs. The fiscal year 2020-21 Budget will also highlight the 2019 bond projects as the City is anticipating a \$55 million issuance in August, allowing the projects to progress faster than originally anticipated. 1

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.

BASIC FINANCIAL STATEMENTS

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF NET POSITION (page 1 of 2)

September 30, 2019

Primary Government			
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and equity in pooled cash and investments	\$ 118,104,529	\$ 3,334,922	\$ 121,439,451
Pooled and temporary investments	5,582,177	-	5,582,177
Receivables, net	8,286,840	130,983	8,417,823
Inventories	565	30,258	30,823
Prepaid items	-	-	-
Other current assets	-	-	-
Restricted assets			
Cash and cash equivalents	1,212,126	-	1,212,126
Investments	-	-	-
	<u>133,228,188</u>	<u>3,496,048</u>	<u>136,724,236</u>
Capital assets:			
Nondepreciable	57,837,523	2,540,961	60,378,484
Depreciable, net	121,004,240	26,328,067	147,332,307
Investments:			
Restricted	-	-	-
Unrestricted	-	-	-
Other noncurrent assets	-	-	-
	<u>178,841,763</u>	<u>28,869,028</u>	<u>207,710,791</u>
	Total Assets	312,069,951	344,435,027
Deferred Outflows of Resources			
Deferred charge on refunding	1,671,065	-	1,671,065
Deferred outflows - pensions	12,181,640	1,231,505	13,413,145
Deferred outflows - OPEB	757,776	74,407	832,183
	Total Deferred Outflows of Resources	14,610,481	1,305,912
Liabilities			
Accounts payable	9,757,413	494,237	10,251,650
Deposit payable	-	113,107	113,107
Accrued expenses payable	2,887,191	152,950	3,040,141
	<u>12,644,604</u>	<u>760,294</u>	<u>13,404,898</u>
Noncurrent liabilities:			
Due within one year:			
Bonds payable	13,990,000	-	13,990,000
Loan payable	64,707	-	64,707
Capital lease payable	435,850	-	435,850
Accrued compensated absences	5,722,755	355,606	6,078,361
Due in more than one year:			
Bonds payable	215,333,552	-	215,333,552
Loan payable	272,636	-	272,636
Capital lease payable	916,120	-	916,120
Net pension liability	38,838,183	3,992,001	42,830,184
Total OPEB liability - TMRS	1,323,588	132,556	1,456,144
Total OPEB liability	10,010,851	1,002,803	11,013,654
Accrued compensated absences	635,862	39,512	675,374
Other noncurrent liability	-	-	-
	Total Liabilities	287,544,104	5,522,478
		300,188,708	6,282,772
		293,066,582	306,471,480

Component Units		
Economic Development Corporation	New Braunfels Utilities	
\$ 18,193,632	\$ 15,906,409	
-	20,895,722	
2,033,020	21,167,076	
-	2,215,068	
-	542,702	
2,455	5,330,449	
-	29,419,254	
-	1,997,066	
<u>20,229,107</u>	<u>97,473,746</u>	
-	110,227,864	
-	436,245,225	
-	1,496,931	
-	7,000,004	
-	10,981,093	
<u>-</u>	<u>565,951,117</u>	
<u>20,229,107</u>	<u>663,424,863</u>	
-	-	
-	6,563,661	
-	-	
<u>-</u>	<u>6,563,661</u>	
267,501	31,153,576	
-	6,565,975	
-	10,593,086	
<u>267,501</u>	<u>48,312,637</u>	
-	3,595,000	
-	-	
-	-	
-	1,124,780	
-	152,372,666	
-	20,250,000	
-	-	
-	19,281,588	
-	-	
-	592,824	
-	347,259	
<u>-</u>	<u>197,564,117</u>	
<u>267,501</u>	<u>245,876,754</u>	

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF NET POSITION (page 2 of 2)

September 30, 2019

Primary Government			
	Governmental Activities	Business-Type Activities	Total
<u>Deferred Inflows of Resources</u>			
Deferred inflows - pensions	\$ 297,067	\$ 33,960	\$ 331,027
Deferred inflows - OPEB	30,062	2,329	32,391
Total Deferred Inflows	327,129	36,289	363,418
<u>Net Position</u>			
Net investment in capital assets	7,297,050	28,869,028	36,166,078
Restricted for:			
Debt service	2,194,652	-	2,194,652
Capital projects	3,507,699	-	3,507,699
Cemetery perpetual care (nonexpendable)	222,677	-	222,677
Grants	112,908	-	112,908
Impact fees	-	-	-
Municipal court	270,845	-	270,845
Library	1,733	-	1,733
Public safety	183,044	-	183,044
Governmental programming	578,519	-	578,519
Tourism	1,806,242	-	1,806,242
Other special projects	9,353,887	-	9,353,887
Unrestricted	635,339	(1,517,101)	(881,762)
Total Net Position	\$ 26,164,595	\$ 27,351,927	\$ 53,516,522

See Notes to Financial Statements.

Component Units		
Economic Development Corporation	New Braunfels Utilities	
\$ -	\$ 192,057	
<hr/>	<hr/>	<hr/>
		192,057
<hr/>	<hr/>	<hr/>
		400,068,067
		314,064
-	-	
-	-	
-	-	
-	-	
-	54	
-	-	
-	-	
-	-	
-	-	
-	-	
-	-	
19,961,606	23,537,528	
<hr/>	<hr/>	<hr/>
\$ 19,961,606	\$ 423,919,713	

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2019

Functions/Programs	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government					
Governmental Activities					
General government	\$ 11,176,633	\$ 151,862	\$ 587,189	\$ 1,767,804	
Finance and tax	1,210,073	-	-	-	
Planning and environmental	3,758,509	-	272,225	-	
Public safety	41,359,702	5,917,582	337,708	-	
Public works	26,421,540	6,465,314	205,793	-	
Parks and recreation	8,322,020	5,501,075	-	-	
Library	2,460,328	61,419	-	-	
Interest and fiscal agent fees	6,827,505	-	-	-	
Total Governmental Activities	101,536,310	18,097,252	1,402,915	1,767,804	
Business-Type Activities					
Airport	3,644,525	2,894,328	50,000	-	
Solid waste	8,778,594	9,864,784	-	-	
Golf course	2,019,292	1,713,661	-	-	
Civic center	1,071,279	496,263	-	-	
Total Business-Type Activities	15,513,690	14,969,036	50,000	-	
Total Primary Government	\$ 117,050,000	\$ 33,066,288	\$ 1,452,915	\$ 1,767,804	
Component Units					
Economic Development Corporation	\$ 3,754,391	\$ -	\$ -	\$ -	
New Braunfels Utilities	154,207,058	146,909,595	-	23,608,542	
Total Component Units	\$ 157,961,449	\$ 146,909,595	\$ -	\$ 23,608,542	

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

Primary Government			Component Units		
Governmental Activities	Business-Type Activities	Total	Economic Development Corporation	New Braunfels Utilities	
\$ (8,669,778)	\$ -	\$ (8,669,778)	\$ -	\$ -	-
(1,210,073)	-	(1,210,073)	-	-	-
(3,486,284)	-	(3,486,284)	-	-	-
(35,104,412)	-	(35,104,412)	-	-	-
(19,750,433)	-	(19,750,433)	-	-	-
(2,820,945)	-	(2,820,945)	-	-	-
(2,398,909)	-	(2,398,909)	-	-	-
(6,827,505)	-	(6,827,505)	-	-	-
<u>(80,268,339)</u>	<u>-</u>	<u>(80,268,339)</u>	<u>-</u>	<u>-</u>	<u>-</u>
- (700,197)		(700,197)	-	-	-
- 1,086,190		1,086,190	-	-	-
- (305,631)		(305,631)	-	-	-
<u>- (575,016)</u>	<u></u>	<u>(575,016)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>- (494,654)</u>	<u></u>	<u>(494,654)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(80,268,339)</u>	<u>(494,654)</u>	<u>(80,762,993)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	(3,754,391)	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,311,079</u>	<u></u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,754,391)</u>	<u>16,311,079</u>	<u></u>
37,801,817	-	37,801,817	-	-	-
23,675,199	-	23,675,199	6,541,256	-	-
4,000,950	-	4,000,950	-	-	-
10,069,603	-	10,069,603	-	-	-
649,377	-	649,377	-	-	-
2,299,375	62,974	2,362,349	329,860	1,482,874	
4,215,270	-	4,215,270	-	-	-
3,915,362	141,270	4,056,632	504,614	-	-
2,397,971	(2,397,971)	-	-	-	-
<u>89,024,924</u>	<u>(2,193,727)</u>	<u>86,831,197</u>	<u>7,375,730</u>	<u>1,482,874</u>	<u></u>
<u>8,756,585</u>	<u>(2,688,381)</u>	<u>6,068,204</u>	<u>3,621,339</u>	<u>17,793,953</u>	<u></u>
<u>17,408,010</u>	<u>30,040,308</u>	<u>47,448,318</u>	<u>16,340,267</u>	<u>406,125,760</u>	<u></u>
<u>\$ 26,164,595</u>	<u>\$ 27,351,927</u>	<u>\$ 53,516,522</u>	<u>\$ 19,961,606</u>	<u>\$ 423,919,713</u>	<u></u>

CITY OF NEW BRAUNFELS, TEXAS

BALANCE SHEET GOVERNMENTAL FUNDS

September 30, 2019

	General	Hotel/Motel Tax	Debt Service	General Obligations
Assets				
Cash and equity in pooled cash and investments	\$ 15,372,681	\$ 2,359,684	\$ 2,230,619	\$ 32,445,267
Investments	5,031,003	-	-	-
Receivables, net of allowance:	7,349,868	321,930	253,615	-
Due from other governments	24,424	-	17,527	-
Due from other funds	4,147,348	-	-	-
Inventory	565	-	-	-
Restricted cash	-	-	-	-
Total Assets	<u>31,925,889</u>	<u>2,681,614</u>	<u>2,501,761</u>	<u>32,445,267</u>
Liabilities				
Accounts payable	\$ 4,447,680	\$ 875,372	\$ 53,494	\$ 3,128,615
Due to other funds	-	-	-	1,689,289
Accrued wages payable	1,062,880	-	-	-
Total Liabilities	<u>5,510,560</u>	<u>875,372</u>	<u>53,494</u>	<u>4,817,904</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes	339,537	-	253,615	-
Fund Balances				
Nonspendable	565	-	-	-
Restricted	-	1,806,242	2,194,652	27,627,363
Committed	-	-	-	-
Assigned	1,124,345	-	-	-
Unassigned	24,950,882	-	-	-
Total Fund Balances	<u>26,075,792</u>	<u>1,806,242</u>	<u>2,194,652</u>	<u>27,627,363</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>31,925,889</u>	<u>2,681,614</u>	<u>2,501,761</u>	<u>32,445,267</u>

See Notes to Financial Statements.

Roadway Impact Fees	2019 Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
\$ 8,376,772	\$ 28,210,780	\$ 26,604,407	\$ 115,600,210
-	-	-	5,031,003
16,317	-	341,886	8,283,616
-	-	-	41,951
-	-	-	4,147,348
-	-	-	565
-	-	1,212,126	1,212,126
<u>\$ 8,393,089</u>	<u>\$ 28,210,780</u>	<u>\$ 28,158,419</u>	<u>\$ 134,316,819</u>
\$ 40,095	\$ 611,905	\$ 600,252	\$ 9,757,413
2,099,011	-	359,048	4,147,348
-	-	-	1,062,880
<u>2,139,106</u>	<u>611,905</u>	<u>959,300</u>	<u>14,967,641</u>
-	-	-	593,152
-	-	222,677	223,242
6,253,983	27,598,875	17,247,873	82,728,988
-	-	9,728,569	9,728,569
-	-	-	1,124,345
-	-	-	24,950,882
<u>6,253,983</u>	<u>27,598,875</u>	<u>27,199,119</u>	<u>118,756,026</u>
<u>\$ 8,393,089</u>	<u>\$ 28,210,780</u>	<u>\$ 28,158,419</u>	<u>\$ 134,316,819</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, 2019

Total fund balances for governmental funds	\$ 118,756,026
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	57,837,523
Capital assets - depreciable	<u>121,004,240</u>
	178,841,763
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.	593,152
Some liabilities, including bonds payable, are not reported as liabilities in the governmental funds.	
Accrued interest	(1,332,458)
Noncurrent liabilities due in one year	(13,990,000)
Noncurrent liabilities due in more than one year	<u>(202,645,000)</u>
	(217,967,458)
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	(12,688,552)
Deferred charge on refunding	<u>1,671,065</u>
	(11,017,487)
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	(38,838,183)
Total OPEB liability - TMRS	(1,323,588)
Total OPEB liability	<u>(10,010,851)</u>
	(50,172,622)
Deferred outflows and inflows of resources related to the net pension and total OPEB liability are not reported in the funds.	
Deferred outflows - pensions	12,181,640
Deferred inflows - pensions	(297,067)
Deferred outflows - OPEB	757,776
Deferred inflows - OPEB	<u>(30,062)</u>
	12,612,287
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.	(6,358,617)
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.	(1,689,313)
The City uses an internal service fund to charge the costs of certain activities to individual funds. Assets and liabilities of the internal service fund is included in governmental activities.	2,566,864
Net Position of Governmental Activities	<u>\$ 26,164,595</u>

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, 2019

	General	Hotel/Motel Tax	Debt Service	General Obligations
Revenues				
Taxes and fees	\$ 52,101,310	\$ 4,000,950	\$ 14,666,576	\$ -
Licenses and permits	5,255,529	-	-	-
Intergovernmental	587,189	-	-	-
Fines and forfeitures	1,436,711	-	-	-
Interest	655,477	35,965	153,554	1,054,889
Parks and recreation	4,560,195	-	-	-
Miscellaneous	2,378,675	13,909	-	-
Other contributions	-	-	1,701,359	-
Charges for services	3,413,856	-	-	-
Total Revenues	70,388,942	4,050,824	16,521,489	1,054,889
Expenditures				
Current:				
General government	7,937,770	2,691,473	-	-
Finances and tax	1,158,759	-	-	-
Planning and environmental	3,312,623	-	-	-
Public safety	36,555,601	-	-	-
Public works	7,118,357	-	-	11,045,714
Parks and recreation	7,694,305	-	-	-
Library	2,292,436	-	-	-
Debt Service:				
Principal	-	-	10,365,000	-
Interest	-	-	6,810,635	-
Fiscal agent fees	-	-	4,625	36,515
Total Expenditures	66,069,851	2,691,473	17,180,260	11,082,229
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,319,091	1,359,351	(658,771)	(10,027,340)
Other Financing Sources (Uses)				
Transfers in	816,510	70,000	977,051	-
Transfers (out)	(187,845)	(932,872)	-	-
Sale of capital assets	199,001	-	-	-
Long-term debt issuance	-	-	-	2,500,123
Premium received on the issuance of debt	-	-	-	164,054
Total Other Financing Sources (Uses)	827,666	(862,872)	977,051	2,664,177
Net Change in Fund Balances	5,146,757	496,479	318,280	(7,363,163)
Beginning fund balances	20,929,035	1,309,763	1,876,372	34,990,526
Ending Fund Balances	\$ 26,075,792	\$ 1,806,242	\$ 2,194,652	\$ 27,627,363

See Notes to Financial Statements.

Roadway Impact Fees	2019 Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	5,367,087	\$ 76,135,923
-	-	9,100	5,264,629
-	-	815,726	1,402,915
-	-	318,151	1,754,862
199,996	-	199,484	2,299,365
-	-	935,408	5,495,603
-	-	1,323,777	3,716,361
2,507,661	-	6,250	4,215,270
-	-	2,168,302	5,582,158
<u>2,707,657</u>	<u>-</u>	<u>11,143,285</u>	<u>105,867,086</u>
-	-	1,815,790	12,445,033
-	-	-	1,158,759
-	-	313,745	3,626,368
-	-	1,460,512	38,016,113
-	4,918,619	3,108,120	26,190,810
287,395	-	183,268	8,164,968
-	-	85,926	2,378,362
-	-	-	10,365,000
-	-	2,297,767	9,108,402
-	-	-	41,140
<u>287,395</u>	<u>4,918,619</u>	<u>9,265,128</u>	<u>111,494,955</u>
<u>2,420,262</u>	<u>(4,918,619)</u>	<u>1,878,157</u>	<u>(5,627,869)</u>
-	7,000,000	10,800,020	19,663,581
(7,000,000)	-	(9,144,893)	(17,265,610)
-	-	-	199,001
-	22,239,877	10,420,000	35,160,000
-	1,500,163	380,968	2,045,185
<u>(7,000,000)</u>	<u>30,740,040</u>	<u>12,456,095</u>	<u>39,802,157</u>
(4,579,738)	25,821,421	14,334,252	34,174,288
<u>10,833,721</u>	<u>1,777,454</u>	<u>12,864,867</u>	<u>84,581,738</u>
<u>\$ 6,253,983</u>	<u>\$ 27,598,875</u>	<u>\$ 27,199,119</u>	<u>\$ 118,756,026</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, 2019

Net changes in fund balances - total governmental funds \$ 34,174,288

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	(13,709,093)
Capital outlay	12,360,671

The City uses an internal service fund to charge the costs of certain activities to individual funds. Net change in net position of the internal service fund is reported with governmental activities.

1,451,219

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

61,023

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.

Certificates of obligation issued	(12,875,000)
General obligation bonds issued	(22,285,000)
Principal repayments	11,680,000
Amortization of deferred charge on refunding	(273,690)
Amortization of premium on bonds	(1,190,406)
Accrued interest on long-term debt	(71,359)
Capital lease principal payment	433,925
Loan principal payment	63,382

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	202,753
Change in net pension liability	(11,437,808)
Change in total OPEB liability - TMRS	26,048
Change in total OPEB liability	(1,376,925)
Change in deferred outflows - pensions	9,084,165
Change in deferred inflows - pensions	219,948
Change in deferred outflows -OPEB	480,702
Change in deferred inflows - OPEB	(30,062)

Change in Net Position of Governmental Activities \$ 8,756,585

See Notes to Financial Statements.

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

September 30, 2019

	Business-Type Activities			
	Airport	Solid Waste	Golf Course	Civic/Con. Center
Assets				
Current assets:				
Cash and equity in pooled cash and investments	\$ (421,240)	\$ 2,876,808	\$ 761,271	\$ 118,083
Restricted cash	-	-	-	-
Receivables, net	78,501	24,784	20,251	7,447
Inventories	-	30,258	-	-
Total Current Assets	(342,739)	2,931,850	781,522	125,530
Noncurrent assets:				
Capital assets:				
Nondepreciable	2,405,961	-	135,000	-
Net depreciable capital assets	12,113,895	3,262,234	4,844,388	6,107,550
Total Capital Assets,	14,519,856	3,262,234	4,979,388	6,107,550
Net of Accumulated Depreciation	14,519,856	3,262,234	4,979,388	6,107,550
Total Noncurrent Assets	14,519,856	3,262,234	4,979,388	6,107,550
Total Assets	14,177,117	6,194,084	5,760,910	6,233,080
Deferred Outflows of Resources				
Deferred outflows - pensions	130,054	834,316	180,116	87,019
Deferred outflows - OPEB	7,784	51,331	10,599	4,693
Total Deferred Outflows of Resources	137,838	885,647	190,715	91,712
Liabilities				
Current liabilities:				
Accounts payable	96,900	300,511	76,570	20,256
Due to other funds	-	-	115	-
Deposits payable	34,957	-	-	78,150
Accrued expenses payable	15,406	103,350	21,501	12,693
Current portion of long-term liabilities:				
Accrued compensated absences	23,161	286,624	33,433	12,388
Total Current Liabilities	170,424	690,485	131,619	123,487
Noncurrent liabilities:				
Compensated absences	2,573	31,847	3,716	1,376
Net pension liability	405,816	2,668,564	631,514	286,107
Total OPEB liability - TMRS	13,203	90,306	19,045	10,002
Total OPEB liability	100,726	683,567	143,442	75,068
Total Noncurrent Liabilities	522,318	3,474,284	797,717	372,553
Total Liabilities	692,742	4,164,769	929,336	496,040
Deferred Inflows of Resources				
Deferred inflows - pension	3,267	22,313	6,279	2,101
Deferred inflows - OPEB	273	1,571	321	164
Total Deferred Inflows of Resources	3,540	23,884	6,600	2,265
Net Position				
Net investment in capital assets	14,519,856	3,262,234	4,979,388	6,107,550
Unrestricted	(901,183)	(371,156)	36,301	(281,063)
Total Net Position	\$ 13,618,673	\$ 2,891,078	\$ 5,015,689	\$ 5,826,487

See Notes to Financial Statements.

Business-Type Activities	Governmental Activities
Total	Internal Service Fund
\$ 3,334,922	\$ 2,504,319
-	551,174
130,983	3,224
30,258	-
<u>3,496,163</u>	<u>3,058,717</u>
2,540,961	-
<u>26,328,067</u>	<u>-</u>
28,869,028	-
28,869,028	-
<u>32,365,191</u>	<u>3,058,717</u>
1,231,505	-
74,407	-
<u>1,305,912</u>	<u>-</u>
494,237	-
115	-
113,107	-
152,950	491,853
<u>355,606</u>	<u>-</u>
<u>1,116,015</u>	<u>491,853</u>
39,512	-
3,992,001	-
132,556	-
1,002,803	-
<u>5,166,872</u>	<u>-</u>
<u>6,282,887</u>	<u>491,853</u>
33,960	-
2,329	-
<u>36,289</u>	<u>-</u>
28,869,028	-
(1,517,101)	2,566,864
<u>\$ 27,351,927</u>	<u>\$ 2,566,864</u>

CITY OF NEW BRAUNFELS, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2019

	Business-Type Activities			
	Airport	Solid Waste	Golf Course	Civic/Con. Center
<u>Operating Revenues</u>				
Charges for services	\$ 2,894,328	\$ 9,864,784	\$ 1,713,661	\$ 496,263
Miscellaneous	1,338	103,993	35,353	586
Total Operating Revenues	2,895,666	9,968,777	1,749,014	496,849
<u>Operating Expenses</u>				
Personnel	662,859	4,029,629	808,670	469,500
Purchased services	230,363	2,183,879	142,498	195,706
Professional services	28,271	103,276	-	-
Supplies	1,473,702	1,255,203	357,471	36,458
Depreciation and amortization	1,249,330	1,206,607	710,653	369,615
Insurance premiums	-	-	-	-
Claims	-	-	-	-
Total Operating Expenses	3,644,525	8,778,594	2,019,292	1,071,279
Operating Income (Loss)	(748,859)	1,190,183	(270,278)	(574,430)
<u>Nonoperating Revenues (Expenses)</u>				
Investment earnings	-	62,974	-	-
Intergovernmental	50,000	-	-	-
Total Nonoperating Revenue (Expenses)	50,000	62,974	-	-
Income (Loss) Before Transfers	(698,859)	1,253,157	(270,278)	(574,430)
Transfers in	99,910	-	-	187,572
Transfers (out)	(502,330)	(2,147,103)	(1,943)	(34,077)
Change in Net Position	(1,101,279)	(893,946)	(272,221)	(420,935)
Beginning net position	14,719,952	3,785,024	5,287,910	6,247,422
Ending Net Position	\$ 13,618,673	\$ 2,891,078	\$ 5,015,689	\$ 5,826,487

See Notes to Financial Statements.

Business-Type Activities		Governmental Activities	
		Internal Service Fund	
Total			
\$ 14,969,036		\$ 7,380,261	
141,270		5,041	
<u>15,110,306</u>		<u>7,385,302</u>	
5,970,658		-	
2,752,446		-	
131,547		63,401	
3,122,834		-	
3,536,205		-	
-		604,530	
-		5,266,162	
<u>15,513,690</u>		<u>5,934,093</u>	
(403,384)		<u>1,451,209</u>	
62,974		10	
50,000		-	
<u>112,974</u>		<u>10</u>	
(290,410)		1,451,219	
287,482		-	
(2,685,453)		-	
(2,688,381)		1,451,219	
<u>30,040,308</u>		<u>1,115,645</u>	
<u>\$ 27,351,927</u>		<u>\$ 2,566,864</u>	

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 1 of 2)

For the Year Ended September 30, 2019

	Business-Type Activities			
	Airport	Solid Waste	Golf Course	Civic/Con. Center
<u>Cash Flows from Operating Activities</u>				
Receipts from customers	\$ 2,886,773	\$ 10,784,467	\$ 1,772,965	\$ 456,408
Receipts from interfund services provided and used	-	-	-	-
Payments to suppliers	(1,697,240)	(3,460,265)	(462,234)	(201,075)
Payments for premiums, claims, and administrative charges	-	-	-	-
Payments for personnel services	(616,296)	(3,761,039)	(755,739)	(437,346)
Net Cash Provided (Used) by Operating Activities	573,237	3,563,163	554,992	(182,013)
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers in from other funds	99,910	-	-	187,572
Transfers (out) to other funds	(502,330)	(2,147,103)	(1,943)	(34,077)
Net Cash Provided (Used) by Noncapital Financing Activities	(352,420)	(2,147,103)	(1,943)	153,495
<u>Cash Flows from Capital and Related Financing Activities</u>				
Acquisition and construction of capital assets	(971,339)	(1,832,349)	(68,880)	(17,779)
Net Cash (Used) by Capital and Related Financing Activities	(971,339)	(1,832,349)	(68,880)	(17,779)
<u>Cash Flows from Investing Activities</u>				
Interest on investments	-	62,974	-	-
Net Cash Provided by Investing Activities	-	62,974	-	-
Net Increase (Decrease) in Cash and Equity in Pooled Cash and Investments	(750,522)	(353,315)	484,169	(46,297)
Beginning cash and equity in pooled cash and investments	329,282	3,230,123	277,102	164,380
Ending Cash and Equity in Pooled Cash and Investments	\$ (421,240)	\$ 2,876,808	\$ 761,271	\$ 118,083
Cash and cash equivalents	\$ (421,240)	\$ 2,876,808	\$ 761,271	\$ 118,083
Restricted cash amounts	-	-	-	-
Total Cash and Cash Equivalents	\$ (421,240)	\$ 2,876,808	\$ 761,271	\$ 118,083

Business-Type Activities	Governmental Activities
Total	Internal Service Fund
\$ 15,900,613	\$ -
-	7,382,474
(5,820,814)	-
-	(4,471,427)
(5,570,420)	-
<u>4,509,379</u>	<u>2,911,047</u>
287,482	-
<u>(2,685,453)</u>	<u>-</u>
<u>(2,347,971)</u>	<u>-</u>
<u>(2,890,347)</u>	<u>-</u>
<u>(2,890,347)</u>	<u>-</u>
<u>62,974</u>	<u>10</u>
<u>62,974</u>	<u>10</u>
(665,965)	2,911,057
<u>4,000,887</u>	<u>144,436</u>
<u>\$ 3,334,922</u>	<u>\$ 3,055,493</u>
\$ 3,334,922	\$ 2,504,319
-	551,174
<u>\$ 3,334,922</u>	<u>\$ 3,055,493</u>

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended September 30, 2019

	Business-Type Activities			
	Airport	Solid Waste	Golf Course	Civic/Con. Center
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (748,859)	\$ 1,190,183	\$ (270,278)	\$ (574,430)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	1,249,330	1,206,607	710,653	369,615
Changes in Operating Assets and Liabilities:				
(Increase) Decrease in:				
Accounts receivable	(11,301)	815,690	23,951	(7,447)
Inventories	-	36,457	-	-
Due from other funds	-	-	-	-
Deferred outflows - pensions	(102,151)	(598,569)	(119,975)	(60,697)
Increase (Decrease) in:				
Accounts payable	33,566	70,928	41,342	(2,598)
Accrued expenses	1,804	(23,506)	(40,401)	-
Due to other funds	-	-	115	-
Net pension liability	119,607	778,455	158,880	81,485
Total OPEB liability - TMRS	(274)	(1,786)	36,679	33,687
Total OPEB liability	14,509	94,431	19,273	9,885
Accrued compensated absences	16,625	19,548	1,473	4,973
Customer deposits	2,408	-	-	(32,994)
Deferred inflows - pensions	(2,300)	(14,970)	(3,056)	(2,356)
Deferred inflows - OPEB	273	(10,305)	(3,664)	(1,136)
Net Cash Provided (Used) by Operating Activities	<u>\$ 573,237</u>	<u>\$ 3,563,163</u>	<u>\$ 554,992</u>	<u>\$ (182,013)</u>

See Notes to Financial Statements.

Business-Type Activities	Governmental Activities
Total	Internal Service Fund
\$ (403,384)	\$ 1,451,209
3,536,205	-
820,893	(2,828)
36,457	-
-	1,329,577
(881,392)	-
143,238	-
(62,103)	133,089
115	-
1,138,427	-
68,306	-
138,098	-
42,619	-
(30,586)	-
(22,682)	-
(14,832)	-
<u>\$ 4,509,379</u>	<u>\$ 2,911,047</u>

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CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2019

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, 2019

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 can be obtained by contacting the President of the EDC.

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, 2019

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, 2019

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 and the 2019 capital improvement 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.

2019 Capital Improvement fund: This fund accounts for the expenditures of the proceeds from the 2018 and 2019 debt issuances related to capital improvements in the City.

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.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

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.

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

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

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 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, 2019

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. 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.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

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

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 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

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

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.

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.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

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	Roadway Impact Fees	2019 Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:								
Cemetery perpetual care	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 222,677	\$ 222,677
Inventory	565	-	-	-	-	-	-	565
Total Nonspendable	565	-	-	-	-	-	222,677	223,242
Restricted to:								
Tourism	-	1,806,242	-	-	-	-	-	1,806,242
Debt service	-	-	2,194,652	-	-	-	-	2,194,652
Grants	-	-	-	-	-	-	112,908	112,908
Special donation	-	-	-	-	-	-	402,353	402,353
Stormwater development	-	-	-	-	-	-	313,813	313,813
Library	-	-	-	-	-	-	1,733	1,733
Capital projects	-	-	-	27,627,363	6,253,983	27,598,875	6,030,771	67,510,992
Public safety	-	-	-	-	-	-	183,044	183,044
Municipal court	-	-	-	-	-	-	270,845	270,845
Governmental programming	-	-	-	-	-	-	578,519	578,519
Other special projects	-	-	-	-	-	-	9,353,887	9,353,887
Total Restricted	-	1,806,242	2,194,652	27,627,363	6,253,983	27,598,875	17,247,873	82,728,988
Committed to:								
Development	-	-	-	-	-	-	660,414	660,414
Enterprise equipment	-	-	-	-	-	-	9,068,155	9,068,155
Assigned								
Equipment replacement	1,124,345	-	-	-	-	-	-	1,124,345
Unassigned	24,950,882	-	-	-	-	-	-	24,950,882
Total Fund Balances	\$ 26,075,792	\$ 1,806,242	\$ 2,194,652	\$ 27,627,363	\$ 6,253,983	\$ 27,598,875	\$ 27,199,119	\$ 118,756,026

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.

Capital projects 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.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

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 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 and retirees.

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.

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.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

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.

Deficit Fund Balance

As of the year ended September 30, 2019, the Community Development Block Grant fund and the Edwards Aquifer HCP fund had deficit fund balances of \$32,280 and \$60,014, respectively, The City plans to clear these deficits with support from other funds during fiscal year 2020.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

As of September 30, 2019, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)	Credit Rating
Primary Government and Component Unit-EDC:			
Certificates of deposit	\$ 5,031,003	0.70	AA+
External investment pools:			
TexPool	78,530,863	0.09	AAAm
Total	<u>\$ 83,561,866</u>		
Portfolio weighted average maturity		0.40	
Component Unit - NBU			
U.S. agency securities	\$ 25,393,298	1.56	AA+
Treasury notes	1,496,426	0.33	
Certificates of deposit	4,500,000	1.01	
Demand deposit and money market	8,713,123	0.00	
Pooled funds	36,612,540	0.00	AAAm
Total	<u>\$ 76,715,387</u>		
Portfolio weighted average maturity		0.48	

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. 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.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

As of September 30, 2019, the City had the following recurring fair value measurements:

Investments by Fair Value Level	September 30, 2019	Significant Other Observable	
		Component Unit - NBU	
U.S. agency securities	\$ 25,393,298	\$ 25,393,298	
Treasury notes	1,496,426	1,496,426	
Total	\$ 26,889,724		\$ 26,889,724

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, 2019, 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 'AA+' 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, 2019, 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 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.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool 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, 2019

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, roadway impact fees fund, the nonmajor governmental funds in the aggregate, and the proprietary funds, including the applicable allowances for uncollectible accounts:

	Governmental Funds							
	Hotel/Motel		Roadway		Nonmajor			
	General	Tax	Debt Service	Impac Fees	Funds	Total		
Ad valorem taxes	\$ 401,026	\$ -	\$ 290,520	\$ -	\$ -	\$ 691,546		
Franchise fees and local taxes	-	-	-	-	44,658	44,658		
Accounts	7,010,331	321,930	-	16,317	267,815	7,616,393		
Intergovernmental	-	-	-	-	29,413	29,413		
Less allowance	(61,489)	-	(36,905)	-	-	(98,394)		
	<u>\$ 7,349,868</u>	<u>\$ 321,930</u>	<u>\$ 253,615</u>	<u>\$ 16,317</u>	<u>\$ 341,886</u>	<u>\$ 8,283,616</u>		

	Proprietary Funds							
	Solid		Civic/Conv.		Total			
	Airport	Waste	Golf Course	Center	Total			
Accounts	\$ 78,501	\$ 24,784	\$ 8,065	\$ 7,292	\$ 118,642			
Other	-	-	12,186	155	12,341			
	<u>\$ 78,501</u>	<u>\$ 24,784</u>	<u>\$ 20,251</u>	<u>\$ 7,447</u>	<u>\$ 130,983</u>			

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

C. Capital Assets

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

	Beginning Balance	Increases	Reclassifications (Decreases)	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 39,236,867	\$ 1,945,824	\$ -	\$ 41,182,691
Construction in progress	7,679,420	10,939,691	(1,964,279)	16,654,832
Total capital assets not being depreciated	<u>46,916,287</u>	<u>12,885,515</u>	<u>(1,964,279)</u>	<u>57,837,523</u>
Other capital assets				
Road network	107,336,883	694,258	-	108,031,141
Infrastructure	25,040,967	-	-	25,040,967
Buildings	85,036,785	585,885	-	85,622,670
Improvements other than buildings	45,711,761	558,145	-	46,269,906
Machinery and equipment	10,949,769	-	(32,415)	10,917,354
Fleet	19,441,391	1,551,256	(149,890)	20,842,757
Total other capital assets	<u>293,517,556</u>	<u>3,389,544</u>	<u>(182,305)</u>	<u>296,724,795</u>
Less accumulated depreciation for:				
Road network	(70,556,535)	(5,893,500)	-	(76,450,035)
Infrastructure	(8,760,434)	(834,699)	-	(9,595,133)
Buildings	(36,381,461)	(2,106,196)	-	(38,487,657)
Improvements other than buildings	(21,193,574)	(3,063,706)	-	(24,257,280)
Machinery and equipment	(9,197,948)	(556,961)	32,415	(9,722,494)
Fleet*	<u>(15,921,511)</u>	<u>(1,436,335)</u>	<u>149,890</u>	<u>(17,207,956)</u>
Total accumulated depreciation	<u>(162,011,463)</u>	<u>(13,891,397)</u>	<u>182,305</u>	<u>(175,720,555)</u>
Other capital assets, net	<u>131,506,093</u>	<u>(10,501,853)</u>	<u>-</u>	<u>121,004,240</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 178,422,380</u>	<u>\$ 2,383,662</u>	<u>\$ (1,964,279)</u>	<u>178,841,763</u>
		Less associated debt	(231,012,865)	
		Plus deferred charge on refunding	1,671,065	
		Plus unspent bond proceeds	<u>57,797,087</u>	
		Net Investment in Capital Assets	<u>\$ 7,297,050</u>	

*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, 2019

Depreciation was charged to governmental functions as follows:

General government	\$ 996,013
Finance and tax	277,828
Planning and environmental development	725,131
Public safety	9,333,630
Public works	1,257,171
Parks and recreation	854,321
Library	447,303
Total Governmental Activities Depreciation Expense	<u>\$ 13,891,397</u>

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

	Beginning Balance	Increases	Reclassifications (Decreases)	Ending Balance
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 2,540,961	\$ -	\$ -	\$ 2,540,961
Construction in progress	<u>837,965</u>	<u>-</u>	<u>(837,965)</u>	<u>-</u>
Total capital assets not being depreciated	<u>3,378,926</u>	<u>-</u>	<u>(837,965)</u>	<u>2,540,961</u>
Other capital assets				
Buildings	21,235,050	13,201	-	21,248,251
Improvements other than building	20,016,808	1,831,849	-	21,848,657
Furniture and fixtures	20,190	-	-	20,190
Machinery and equipment	1,107,400	115,456	(15,000)	1,207,856
Fleet	10,758,234	1,767,805	-	12,526,039
Airspace easement	<u>37,515</u>	<u>-</u>	<u>-</u>	<u>37,515</u>
Total other capital assets	<u>53,175,197</u>	<u>3,728,311</u>	<u>(15,000)</u>	<u>56,888,508</u>
Less accumulated depreciation for:				
Buildings	(9,788,824)	(605,859)	-	(10,394,683)
Improvements other than building	(8,674,996)	(1,369,070)	-	(10,044,066)
Furniture and fixtures	(11,195)	(2,884)	-	(14,079)
Machinery and equipment	(655,106)	(107,791)	15,000	(747,897)
Fleet	(7,886,180)	(1,449,663)	-	(9,335,843)
Airspace easement	<u>(22,935)</u>	<u>(938)</u>	<u>-</u>	<u>(23,873)</u>
Total accumulated depreciation	<u>(27,039,236)</u>	<u>(3,536,205)</u>	<u>15,000</u>	<u>(30,560,441)</u>
Other capital assets, net	<u>26,135,961</u>	<u>192,106</u>	<u>-</u>	<u>26,328,067</u>
Business-Type Activities				
Capital Assets, Net	<u>\$ 29,514,887</u>	<u>\$ 192,106</u>	<u>\$ (837,965)</u>	<u>\$ 28,869,028</u>
			Net Investment in Capital Assets	<u>\$ 28,869,028</u>

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

Depreciation was charged to business-type functions as follows:

Airport	\$ 1,249,330
Solid waste	1,206,607
Golf course	710,653
Civic center	369,615
Total Business-Type Activities Depreciation Expense	<u>\$ 3,536,205</u>

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

	Beginning Balance	Increases	Reclassifications (Decreases)	Ending Balance
Component Units:				
Capital assets not being depreciated:				
Land and improvements	\$ 26,638,523	\$ 1,154,942	\$ -	\$ 27,793,465
Construction in progress	<u>66,966,558</u>	<u>89,987,022</u>	<u>(74,519,181)</u>	<u>82,434,399</u>
Total capital assets not being depreciated	<u>93,605,081</u>	<u>91,141,964</u>	<u>(74,519,181)</u>	<u>110,227,864</u>
Other capital assets				
Buildings	72,420,099	3,649,982	-	76,070,081
Infrastructure	444,495,851	55,113,691	(915,041)	498,694,501
Equipment	96,175,154	14,246,504	(109,136)	110,312,522
Wells and springs	<u>1,197,063</u>	<u>354,063</u>	<u>-</u>	<u>1,551,126</u>
Total other capital assets	<u>614,288,167</u>	<u>73,364,240</u>	<u>(1,024,177)</u>	<u>686,628,230</u>
Less accumulated depreciation for:				
Buildings	(31,519,744)	(1,703,669)	-	(33,223,413)
Infrastructure	(160,353,169)	(14,859,237)	694,148	(174,518,258)
Equipment	(37,975,891)	(4,214,834)	57,208	(42,133,517)
Wells and springs	<u>(477,275)</u>	<u>(30,542)</u>	<u>-</u>	<u>(507,817)</u>
Total accumulated depreciation	<u>(230,326,079)</u>	<u>(20,808,282)</u>	<u>751,356</u>	<u>(250,383,005)</u>
Other capital assets, net	<u>383,962,088</u>	<u>52,555,958</u>	<u>(272,821)</u>	<u>436,245,225</u>
Component Units Capital Assets, Net	<u>\$ 477,567,169</u>	<u>\$ 143,697,922</u>	<u>\$ (74,792,002)</u>	<u>\$ 546,473,089</u>

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

Electirc	\$ 9,080,023
Water	4,970,642
Wastewater	6,749,183
Total Business-Type Activities Depreciation Expense	<u>\$ 20,799,848</u>

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

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
Governmental Activities:					
Bonds, notes, and other payables:					
General obligation bonds/notes	\$ 111,150,000	\$ 22,285,000	\$ (6,420,000)	\$ 127,015,000	\$ 8,895,000
Certificates of obligation	58,950,000	12,875,000	(3,945,000)	67,880,000	3,735,000
Contract revenue obligations	23,055,000	-	(1,315,000)	21,740,000	1,360,000
Bond premium	11,498,146	2,045,184	(854,778)	12,688,552	-
	<u>204,653,146</u>	<u>37,205,184</u>	<u>(12,534,778)</u>	<u>229,323,552</u>	<u>** 13,990,000</u>
Other liabilities:					
Equipment loan payable	400,725	-	(63,382)	337,343	** 64,707
Capital lease payable	1,785,895	-	(433,925)	1,351,970	** 435,850
Net pension liability - TMRS	27,400,375	11,437,808	-	38,838,183	-
Total OPEB liability - TMRS	1,349,636	-	(26,048)	1,323,588	-
Total OPEB liability	8,633,926	1,376,925	-	10,010,851	-
Compensated absences	6,561,370	5,702,480	(5,905,233)	6,358,617	5,722,755
Total Governmental Activities	<u>\$ 250,785,073</u>	<u>\$ 55,722,397</u>	<u>\$ (18,963,366)</u>	<u>\$ 287,544,104</u>	<u>\$ 20,213,312</u>
Long-term debt due in more than one year					
				<u>\$ 267,330,792</u>	
** Debt associated with capital assets					
				<u>\$ 231,012,865</u>	
	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-Type Activities:					
Net pension liability - TMRS	\$ 2,853,573	\$ 1,138,428	\$ -	\$ 3,992,001	\$ -
Total OPEB liability - TMRS	135,169	-	(2,613)	132,556	-
Total OPEB liability	864,705	138,098	-	1,002,803	-
Compensated absences	352,499	359,868	(317,249)	395,118	355,606
Total Business-Type Activities	<u>\$ 4,205,946</u>	<u>\$ 1,636,394</u>	<u>\$ (319,862)</u>	<u>\$ 5,522,478</u>	<u>\$ 355,606</u>
Long-term debt due in more than one year					
				<u>\$ 5,166,872</u>	
	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Component Units:					
Bonds payable	\$ 155,735,830	\$ 155,502	\$ (4,915,000)	\$ 150,976,332	\$ 3,595,000
Bond premium	5,662,085	-	(670,751)	4,991,334	-
Net pension liability	12,151,338	7,130,250	-	19,281,588	-
Compensated absences	1,519,040	1,031,821	(854,854)	1,717,604	1,124,780
Total Component Units	<u>\$ 175,068,293</u>	<u>\$ 8,317,573</u>	<u>\$ (6,440,605)</u>	<u>\$ 176,966,858</u>	<u>\$ 4,719,780</u>
Long-term debt due in more than one year					
				<u>\$ 172,247,078</u>	

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

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

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:

Governmental Activities:		Final			
	Series	Maturity	Original Issue	Interest Rate	Balance
General Obligation Bonds/Notes					
2013 General Obligation Refunding Bonds		2023	\$ 3,820,000	2.00-3.00%	\$ 1,740,000
2013A General Obligation Refunding Bonds		2020	\$ 7,020,000	2.00-4.00%	1,480,000
2014 General Obligation Bonds		2034	\$ 13,970,000	2.00-5.00%	11,365,000
2015 General Obligation and Refunding Bonds		2035	\$ 29,260,000	2.00-5.00%	26,555,000
2015 Tax Note		2022	\$ 1,285,000	1.63%	565,000
2016 General Obligation Refunding Bonds		2036	\$ 37,360,000	2.00-5.00%	33,860,000
2017 General Obligation Refunding Bonds		2029	\$ 5,255,000	1.91%	5,135,000
2018 General Obligation Bonds		2038	\$ 21,620,000	3.00-5.00%	21,435,000
2018 Tax Note		2025	\$ 3,000,000	2.78%	2,595,000
Series 2018A Tax Note		2026	\$ 2,300,000	2.35-2.87%	2,300,000
Series 2019 General Obligation Bonds		2039	\$ 19,985,000	2.00-5.00%	<u>19,985,000</u>
				Total General Obligation	<u>127,015,000</u>
Certificates of Obligation					
2006A Certificates of Obligation		2021	\$ 1,600,000	3.60-4.50%	300,000
2009 Certificates of Obligation		2019 *	\$ 9,500,000	2.00-4.50%	-
2011 Certificates of Obligation		2031	\$ 18,200,000	4.05%	12,725,000
2012 Certificates of Obligation		2032	\$ 19,470,000	2.00-5.00%	14,100,000
2013 Certificates of Obligation		2033	\$ 19,490,000	3.00-5.00%	15,210,000
2014A Certificates of Obligation		2034	\$ 6,845,000	2.00-5.00%	5,540,000
2014B Certificates of Obligation		2034	\$ 3,280,000	2.00-5.00%	2,810,000
2015 Certificates of Obligation		2035	\$ 5,395,000	2.00-5.00%	4,615,000
2018 Certificates of Obligation		2038	\$ 8,120,000	2.00-5.00%	7,825,000
2019 Certificates of Obligation		2039	\$ 4,755,000	2.00-5.00%	<u>4,755,000</u>
				Total Certificates of Obligation	<u>67,880,000</u>
Tax Increment Contract Revenue Obligations					
2012 Tax Increment Contract Revenue					
Improvement and Refunding Obligations		2032	\$ 11,670,000	2.93%	8,465,000
2014 Tax Increment Contract Revenue Notes		2032	\$ 17,000,000	3.68%	<u>13,275,000</u>
				Total Tax Increment Contract Revenue Obligations	<u>21,740,000</u>
				Total Governmental Activities Long-Term Debt	<u>\$ 216,635,000</u>

*After refunding

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

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	Total	
2020	\$ 8,895,000	\$ 4,715,579	\$ 3,735,000	\$ 2,635,238	\$ 1,360,000	\$ 736,545	\$ 22,077,362	
2021	8,515,000	4,278,834	3,845,000	2,698,021	1,405,000	690,284	21,432,139	
2022	8,775,000	4,169,971	3,865,000	2,377,059	1,450,000	643,080	21,280,110	
2023	8,695,000	3,807,242	4,010,000	2,229,781	1,500,000	594,033	20,836,056	
2024	8,525,000	3,428,074	4,170,000	2,077,090	1,550,000	543,295	20,293,459	
2025-2029	36,620,000	11,867,193	23,715,000	7,499,628	8,590,000	1,891,611	90,183,432	
2030-2034	29,540,000	5,856,356	20,530,000	2,358,267	5,885,000	404,353	64,573,976	
2035-2039	17,450,000	1,275,568	4,010,000	77,984	-	-	22,813,552	
Total	\$ 127,015,000	\$ 39,398,817	\$ 67,880,000	\$ 21,953,068	\$ 21,740,000	\$ 5,503,201	\$ 283,490,086	

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.

The City issued \$8,120,000 of Certificates of Obligation, Series 2018 with interest rates ranging from 2% to 5%. The proceeds will be used for various capital related improvements throughout the City. The certificates are set to mature in 2038.

The City issued \$4,755,000 of Certificates of Obligation, Series 2019 with interest rates ranging from 2% to 5%. The proceeds will be used for various capital related improvements throughout the City. The certificates are set to mature in 2039.

The City issued \$2,300,000 in Tax Notes Series 2018A with interest rates ranging from 2.35% to 2.87%. The proceeds will be used for various capital related improvements and vehicle replacements. The certificates are set to mature in 2026.

The City issued \$19,985,000 of Series 2019 General Obligation bonds with interest rates ranging from 2% to 5%. The proceeds will be used for various capital related improvements throughout the City. The certificates are set to mature in 2039.

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.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

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	Governmental Activities		
	Sep. 30	Principal	Interest
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	70,288	1,469	71,757
Total	\$ 337,343	\$ 21,442	\$ 358,785

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		
	Sep. 30	Principal	Interest
2020	\$ 435,850	\$ 46,534	\$ 482,384
2021	252,288	34,021	286,309
2022	261,875	24,435	286,310
2023	44,260	14,442	58,702
2024	45,851	12,852	58,703
2025-2029	255,180	38,332	293,512
2030-2032	56,666	2,036	58,702
Total	\$ 1,351,970	\$ 172,652	\$ 1,524,622

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

Year Ending	Bonds Payable		
	Sep. 30	Principal	Interest
2020	\$ 3,595,000	\$ 5,816,769	\$ 9,411,769
2021	3,852,609	5,704,819	9,557,428
2022	3,886,050	5,582,819	9,468,869
2023	3,037,254	5,451,569	8,488,823
2024	3,839,386	5,344,319	9,183,705
2025-2029	20,636,033	24,512,644	45,148,677
2030-2034	24,170,000	20,323,531	44,493,531
2035-2039	28,190,000	15,634,156	43,824,156
2040-2044	34,010,000	9,505,881	43,515,881
2045-2049	25,760,000	2,762,700	28,522,700
Total	\$ 150,976,332	\$ 100,639,207	\$ 251,615,539

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

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.

E. Interfund Receivables and Payables

Interfund balances at September 30, 2019 consisted of the following:

Receivable Fund	Payable Fund	
General	Community Development Block Gra	\$ 20,269
	Child Saftey	36,609
	Edwards Aquifer Habitat Conservatio	52,399
	2007 Certificates of Obligation	11,538
	Roadway Decelopment Impact Fees	2,099,011
	General Obligations	1,689,288
	2012 Certificate of Obligation	54,826
	2013 Certificate of Obligation	183,408
		<hr/>
		\$ 4,147,348

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.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

F. Interfund Transfers

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

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Explanation</u>	
General	\$ -	\$ 63,101	Aiport Fund - administration services	
	-	34,077	Civic/Convention center - administration services	
	816,510	719,332	Solid Waste - administration services	
Total General Fund	816,510	816,510		
Grant	399	399	General Fund - cash match for grant projects	
	Total Grant Fund	399	399	
NB Development Authority	9,129,893	9,129,893	Creekside TIRZ Fund - pass through of TIRZ revenue and existing balance to NBDA to support debt service	
Total NB Development Authority Fund	9,129,893	9,129,893		
River Activities	140,283	140,283	Solid Waste Fund - river litter pick up	
	Total River Activities Fund	140,283	140,283	
Equipment Replacement	570,000	570,000	General Fund - equipment replacement	
Total Equipment Replacement Fund	570,000	570,000		
Enterprise Maintenance	-	106,447	payoff	
	-	1,943	Golf Course Fund operating expenditures - equipment replacement	
	-	1,233,519	Solid Waste Fund operating expenditures - heavy equipment replacement	
	1,441,909	100,000	repairs	
Total Enterprise Maintenance Fund	1,441,909	1,441,909		
Edwards Aquifer HCP	83,316	83,316	General Fund - administrative support for the Edwards Aquifer HCP	
Total Edwards Aquifer HCP Fund	83,316	83,316		
2019 Bond Program	7,000,000	7,000,000	Roadway impact fees fund - support funding for streets project	
Total 2019 Bond Program Fund	7,000,000	7,000,000		
Debt Service	-	332,782	Airport Fund - Debt Service	
	-	68,969	Solid Waste Fund - Debt Service	
	977,051	575,300	Hotel Motel Tax Fund - Civic/Convention Center	
Total Debt Service Fund	977,051	977,051		
Airport	99,910	99,910	General Fund - land lease for CTTC buildings	
	Total Airport Fund	99,910	99,910	
Solid Waste	15,000	15,000	Grant Fund - classification of expenditures	
	Total Solid Waste Fund	15,000	15,000	
Civic/Convention Center	257,572	257,572	Hotel/Motel Tax Fund - gap funding for Civic/Convention Center expenditures and classification of capital expenditures	
Total Civic/Convention Center Fund	257,572	257,572		
Non-Federal Court Awards	4,220	4,220	General Fund - reimbursement for incorrectly posted seizure funds	
Total Non-Federal Court Awards	4,220	4,220		
Hotel Motel Tax	70,000	70,000	Civic/Convention Center Fund - reimburse Hotel/Motel Tax fund for transfer received but not required based on cost recovery and reserve requirement	
Total Hotel Motel Tax Fund	70,000	70,000		
	\$ 20,606,063	\$ 20,606,063		

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, 2019

G. Restatement of Net Position

The City's net position for governmental activities has been restated to reflect a change in depreciation calculation from the prior year.

Governmental Activities	
Beginning net position, as reported	\$ 2,903,332
Depreciation	14,504,678
Beginning net position, as restated	\$ 17,408,010

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 \$5,690,161 in health claims and paid \$667,930 for administrative costs for the year ended September 30, 2019. The City contributed \$5,015,352 and City employees contributed \$1,278,009 to the Plan for the year ended September 30, 2019.

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 \$766. 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 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 \$491,853 at September 30, 2019. The estimated liability for health claims is based upon historical claims experience.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

The change in the claim liability for the years ended September 30, 2019 and 2018 are as follows:

	2019	2018
Claims payable, beginning of year	\$ 358,764	\$ 397,183
Plus: incurred claims	5,266,162	5,452,383
Less: claims paid	(5,133,073)	(5,490,802)
Claims Payable, End of Year	\$ 491,853	\$ 358,764

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, 2019, 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 887 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.

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.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

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:

	2019	2018
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/yrs 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, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	258
Inactive employees entitled to, but not yet receiving, benefits	301
Active employees	612
Total	1,171

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 17.14 percent and 17.27 percent in calendar years 2018 and 2019, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2019 were \$6,937,744, which were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2018 and the Total Pension Liability (TPL) used to calculate the NPL 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, 2019

Actuarial Assumptions

The TPL in the December 31, 2018 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).

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.50%	4.30%
International Equity	17.50%	6.10%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.39%
Real Return	10.00%	3.78%
Real Estate	10.00%	4.44%
Absolute Return	10.00%	3.56%
Private Equity	5.00%	7.75%
Total	100.00%	

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)
Changes for the year:			
Service cost	\$ 7,075,714	\$ -	\$ 7,075,714
Interest	10,661,364	-	10,661,364
Changes in current period benefits	-	-	-
Difference between expected and actual experience	227,139	-	227,139
Changes in assumptions	-	-	-
Contributions - employer	-	6,539,492	(6,539,492)
Contributions - employee	-	2,719,934	(2,719,934)
Net investment income	-	(3,794,347)	3,794,347
Benefit payments, including refunds of employee contributions	(4,810,400)	(4,810,400)	-
Administrative expense	-	(73,269)	73,269
Other changes	-	(3,828)	3,828
Net Changes	13,153,817	577,582	12,576,235
Balance at December 31, 2017	156,813,471	126,559,522	30,253,949
Balance at December 31, 2018	\$ 169,967,288	\$ 127,137,104	\$ 42,830,184

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

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%)
	\$ 69,969,617	\$ 42,830,184	\$ 20,854,013
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.tmrss.com.

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

For the fiscal year ended September 30, 2019, the City recognized pension expense of \$9,229,661.

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,532,770	\$ 193,334
Changes in actuarial assumptions	-	137,693
Difference between projected and actual investment earnings	6,547,003	-
Contributions subsequent to the measurement date	5,333,372	-
Total	\$ 13,413,145	\$ 331,027

\$5,333,372 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, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended <u>September 30</u>	Pension Expense
2020	\$ 2,457,230
2021	1,311,166
2022	1,314,767
2023	2,644,958
2024	20,625
Thereafter	-
Total	\$ 7,748,746

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

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, 2018 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	218
Inactive employees entitled to, but not yet receiving, benefits	95
Active employees	612
Total	<u>925</u>

Total OPEB Liability

The City's total OPEB liability of \$1,456,144 was measured as of December 31, 2018 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, 2019

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 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	2.50%
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, 2018.

The actuarial assumptions used in the December 31, 2018 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

	Total OPEB Liability
Changes for the year:	
Service cost	\$ 73,827
Interest	50,176
Differences between expected and actual experience	(29,490)
Changes of assumptions	(111,517)
Benefit payments*	(11,657)
	Net Changes
	(28,661)
Beginning balance	<u>1,484,805</u>
	Ending Balance
	<u>\$ 1,456,144</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, 2019

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	<u>\$ 1,759,421</u>	<u>\$ 1,456,144</u>	<u>\$ 1,223,729</u>

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

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 88,091	\$ 95,285
Changes in assumptions	-	25,197
Contributions subsequent to the measurement date	9,434	-
Total	<u>\$ 97,525</u>	<u>\$ 120,482</u>

\$9,434 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the fiscal year ending September 30, 2020.

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
2020	\$ (2,436)
2021	(2,436)
2022	(2,436)
2023	(2,436)
2024	(4,791)
Thereafter	<u>(17,856)</u>
Total	<u>\$ (32,391)</u>

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, 2019

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
Total	583

Total OPEB Liability

The City's total OPEB liability of \$11,013,654 was measured as of September 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the September 30, 2019 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 9/30/19 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-2019 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, 2019 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, 2019

Changes in the Total OPEB Liability

	Total OPEB Liability
Changes for the year:	
Service cost	\$ 444,312
Interest	312,824
Changes of assumptions	61,055
Differences between expected and actual expirence	846,197
Benefit payments	(149,365)
	Net Changes
	1,515,023
Beginning balance	<u>9,498,631</u>
	Ending Balance
	<u>\$ 11,013,654</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>\$ 12,733,133</u>	<u>\$ 11,013,654</u>	<u>\$ 9,554,865</u>

	Current Healthcare Cost Trend Rate		
	1% Decrease	Assumption	1% Increase
City's Total OPEB Liability	<u>\$ 9,313,960</u>	<u>\$ 11,013,654</u>	<u>\$ 13,083,222</u>

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

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected expirence	\$ 188,101	\$ -
Changes in actuarial assumptions	634,648	-
Total	<u>\$ 822,749</u>	<u>\$ -</u>

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

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
2020	\$ 274,250
2021	274,250
2022	274,249
2023	-
2024	-
Thereafter	-
Total	\$ 822,749

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 \$855,667 in fiscal year 2019 and fiscal year 2018, respectively. The receipts for fiscal year 2020 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, 2019, the total amount of taxes abated were \$2,019,971 for the City and \$673,324 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, 2019

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, 2019, the total amount of taxes abated were \$232,780 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 EDC beginning after the grocery store opens to the public. For the year ended September 30, 2019, the total amount of taxes abated were \$212,617 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	\$ 25,016,361	1,498,943	\$ 8,338,787	\$ 34,854,091
Creekside Town Center - Chapter 380 Abatement Payments	(2,840,105)	-	(1,797,531)	(4,637,636)
Net Sales Tax Collected	\$ 22,176,256	1,498,943	\$ 6,541,256	\$ 30,216,455

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.

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

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

- 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, 2019, the total amount of taxes abated were \$280,046 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:

Property Tax Reconciliation			
	Maintenance and Operations	Interest and Sinking	Total
General fund	\$ 19,426,339	\$ 14,601,476	\$ 34,027,815
Creekside Town Center TIRZ	873,859	658,761	1,532,620
Gross Property Taxes Collected	20,300,198	15,260,237	35,560,435
Penalties and interest collected	287,731	209,898	497,629
Creekside Town Center / Chapter 380 Abatement Payments	(1,203,639)	(803,559)	(2,007,198)
Creekside Town Center TIRZ collections	3,689,928	-	3,689,928
Deferred revenue adjustment for governmental activities	61,023	-	61,023
Net Property Taxes Collected	\$ 19,445,313	14,456,678	37,801,817

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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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Taxes:				
Ad valorem	\$ 19,415,645	\$ 19,415,645	\$ 19,384,291	\$ (31,354)
Sales	21,819,921	21,819,921	22,176,256	356,335
Franchise fees and other taxes	9,775,907	9,775,907	10,540,764	764,857
Licenses and permits	3,985,990	3,985,990	5,255,529	1,269,539
Intergovernmental	50,000	50,000	587,189	537,189
Fines and forfeitures	1,672,400	1,672,400	1,436,711	(235,689)
Interest	200,000	200,000	655,477	455,477
Parks and recreation	3,601,376	3,601,376	4,560,195	958,819
Miscellaneous	2,622,511	2,622,511	2,378,675	(243,836)
Charges for services	4,148,100	4,148,100	3,413,856	(734,244)
Total Revenues	67,291,850	67,291,850	70,388,943	3,097,093
Expenditures				
General government:				
City council	34,421	34,421	33,355	1,066
City attorney	927,458	927,458	793,704	133,754
City administration	4,381,389	4,381,389	4,343,296	38,093
Human resources	845,703	845,703	842,103	3,600
Nondepartmental	1,988,750	1,988,750	1,925,312	63,438
Finance and tax	1,158,894	1,158,894	1,158,759	135
Planning and environmental development	3,413,555	3,413,555	3,312,623	100,932
Public safety:				
Police	18,917,862	18,917,862	18,184,069	733,793
Fire	18,648,813	18,648,813	18,371,533	277,280
Public works	7,383,687	7,383,687	7,118,357	265,330
Parks and recreation	7,753,117	7,753,117	7,694,305	58,812
Library	2,370,984	2,370,984	2,292,436	78,548
Total Expenditures	67,824,633	67,824,633	66,069,852	1,754,781
Excess (Deficiency) of Revenues Over (Under) Expenditures	(532,783)	(532,783)	4,319,091	4,851,874

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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses)				
Transfers in	\$ 866,511	\$ 866,511	\$ 816,510	\$ (50,001)
Transfers (out)	(829,910)	(829,910)	(187,845)	642,065
Sale of capital asset	-	-	199,001	199,001
Total Other Financing Sources	36,601	36,601	827,666	791,065
Net Change in Fund Balance	<u>(496,182)</u>	<u>(496,182)</u>	5,146,757	<u>5,642,939</u>
Beginning fund balance			<u>20,929,035</u>	
Ending Fund Balance			<u>\$ 26,075,792</u>	

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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 4,248,312	\$ 4,248,312	\$ 4,000,950	\$ (247,362)
Interest	26,016	26,016	35,965	9,949
Miscellaneous	-	-	13,909	13,909
Total Revenues	4,274,328	4,274,328	4,050,824	(223,504)
Expenditures				
Current				
General government	3,404,356	3,404,356	2,691,473	712,883
Total Expenditures	3,404,356	3,404,356	2,691,473	712,883
Excess of Revenues Over Expenditures	869,972	869,972	1,359,351	489,379
Other Financing Sources (Uses)				
Transfers in	-	-	70,000	70,000
Transfers (out)	(932,872)	(932,872)	(932,872)	-
Total Other Financing (Uses)	(932,872)	(932,872)	(862,872)	70,000
Net Change in Fund Balance	\$ (62,900)	\$ (62,900)	496,479	\$ 559,379
Beginning fund balance			1,309,763	
Ending Fund Balance			\$ 1,806,242	

Notes to Required Supplementary Information (RSI):

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

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, 2019

	Measurement Year*			
	2014	2015	2016	2017
Total Pension Liability				
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)
Net Change in Total Pension Liability	8,005,973	10,001,483	11,893,298	12,733,777
Beginning total pension liability	114,178,940	122,184,913	132,186,396	144,079,694
Ending Total Pension Liability	\$ 122,184,913	\$ 132,186,396	\$ 144,079,694	\$ 156,813,471
Plan Fiduciary Net Position				
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)
Net Change in Plan Fiduciary Net Position	7,489,801	3,312,065	10,613,709	18,714,475
Beginning plan fiduciary net position	86,429,472	93,919,273	97,231,338	107,845,047
Ending Plan Fiduciary Net Position	\$ 93,919,273	\$ 97,231,338	\$ 107,845,047	\$ 126,559,522
Net Pension Liability	\$ 28,265,640	\$ 34,955,058	\$ 36,234,647	\$ 30,253,949
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	76.87%	73.56%	74.85%	80.71%
Covered Payroll	\$ 28,695,633	\$ 31,619,357	\$ 34,599,565	\$ 36,318,289
Net Pension Liability as a Percentage of Covered Payroll	98.50%	110.55%	104.73%	83.30%

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

Measurement**Year*****2018**

\$ 7,075,714
10,661,364

227,139

(4,810,400)
13,153,817

156,813,471

\$ 169,967,288

\$ 6,539,492
2,719,934
(3,794,347)

(4,810,400)
(73,269)
(3,827)
577,583

126,559,522

\$ 127,137,105
\$ 42,830,183

74.80%

\$ 38,856,198

110.23%

CITY OF NEW BRAUNFELS, TEXAS

SCHEDULE OF CONTRIBUTIONS

TEXAS MUNICIPAL RETIREMENT SYSTEM

For the Year Ended September 30, 2019

	Fiscal Year*			
	2014	2015	2016	2017
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 six-years of information is currently available. The City will build this schedule over the next four-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	27 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 2015 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	2019
\$ 6,439,837	\$ 6,937,744
<u>6,439,837</u> \$ -	<u>6,937,744</u> \$ -
\$ 38,208,179	\$ 40,641,797
16.85%	17.07%

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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, 2019

	Measurement Year*	
	2017	2018
Total Pension Liability		
Service cost	\$ 431,371	\$ 444,312
Interest (on the total pension liability)	363,757	312,824
Difference between expected and actual experience	237,182	61,055
Change of assumptions	-	846,197
Benefit payments	(392,489)	(149,365)
Net Change in Total OPEB Liability	639,821	1,515,023
Beginning total OPEB liability	8,858,810	9,498,631
Ending Total OPEB Liability	\$ 9,498,631	\$ 11,013,654
 Covered Payroll		
	\$ 30,768,150	\$ 31,691,195
 Total OPEB Liability as a Percentage of Covered Payroll		
	30.87%	34.75%

*Only two years of information is currently available. The City will build this schedule over the next eight-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, 2019

	Measurement Year*	
	2017	2018
Total OPEB Liability		
Service cost	\$ 58,109	\$ 73,827
Interest (on the total pension liability)	48,695	50,176
Difference between expected and actual experience	-	(29,490)
Change of assumptions	124,268	(111,517)
Benefit payments**	(10,895)	(11,657)
Net Change in Total OPEB Liability	220,177	(28,661)
Beginning total OPEB liability	1,264,628	1,484,805
Ending Total OPEB Liability	\$ 1,484,805	\$ 1,456,144
Covered Payroll	\$ 36,318,289	\$ 38,856,198

Total OPEB Liability as a Percentage

of Covered Payroll 4.09% 3.75%

*Only two years of information is currently available. The City will build this schedule over the next eight-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	3.71%
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, 2018.

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, 2019

	General	Equipment Replacement	Eliminations	Totals
Assets				
Cash and equity in pooled cash and investments	\$ 14,223,359	\$ 1,149,323	\$ -	\$ 15,372,682
Pooled and temporary investments	5,031,003	-	-	5,031,003
Receivables, net				
Taxes and fees	339,537	-	-	339,537
Accounts	7,010,331	-	-	7,010,331
Due from other governments	24,424	-	-	24,424
Due from other funds	4,147,347	-		4,147,347
Inventory	565	-	-	565
Total Assets	<u>\$ 30,776,566</u>	<u>\$ 1,149,323</u>	<u>\$ -</u>	<u>\$ 31,925,889</u>
Liabilities				
Accounts payable	\$ 4,422,702	\$ 24,978	\$ -	\$ 4,447,680
Accrued wages payable	1,062,880	-	-	1,062,880
Total Liabilities	<u>5,485,582</u>	<u>24,978</u>	<u>-</u>	<u>5,510,560</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes	339,537	-	-	339,537
Fund Balances				
Nonspendable	565	-	-	565
Assigned	-	1,124,345	-	1,124,345
Unassigned	24,950,882	-	-	24,950,882
Total Fund Balances	<u>24,951,447</u>	<u>1,124,345</u>	<u>-</u>	<u>26,075,792</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 30,776,566</u>	<u>\$ 1,149,323</u>	<u>\$ -</u>	<u>\$ 31,925,889</u>

CITY OF NEW BRAUNFELS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND - SUBFUND
For the Year Ended September 30, 2019

	General	Equipment Replacement	Eliminations	Totals
Revenues				
Taxes and fees	\$ 52,101,310	\$ -	\$ -	\$ 52,101,310
Licenses and permits	5,255,529	-	-	5,255,529
Intergovernmental	587,189	-	-	587,189
Fines and forfeitures	1,436,711	-	-	1,436,711
Interest	612,108	43,369	-	655,477
Parks and recreation	4,560,195	-	-	4,560,195
Miscellaneous	2,327,304	51,371	-	2,378,675
Charges for services	3,413,856	-	-	3,413,856
Total Revenues	70,294,202	94,740	-	70,388,942
Expenditures				
Current				
General government	7,694,020	243,750	-	7,937,770
Finance and tax	1,158,759	-	-	1,158,759
Planning and environmental	3,312,623	-	-	3,312,623
Public safety	36,555,601	-	-	36,555,601
Public works	7,071,359	46,998	-	7,118,357
Parks and recreation	7,694,305	-	-	7,694,305
Library	2,292,436	-	-	2,292,436
Total Expenditures	65,779,103	290,748	-	66,069,851
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,515,099	(196,008)	-	4,319,091
Other Financing Sources (Uses)				
Transfers in	816,510	570,000	(570,000)	816,510
Transfers (out)	(757,845)	-	570,000	(187,845)
Sale of capital assets	-	199,001	-	199,001
Total Other Financing Sources	58,665	769,001	-	827,666
Net Change in Fund Balances	4,573,764	572,993	-	5,146,757
Beginning fund balances	20,377,683	551,352	-	20,929,035
Ending Fund Balances	\$ 24,951,447	\$ 1,124,345	\$ -	\$ 26,075,792

CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2019

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery Perpetual Care	Total Nonmajor Governmental Funds
Assets				
Cash and equity in pooled cash and investments	\$ 19,927,770	\$ 6,448,355	\$ 228,282	\$ 26,604,407
Accounts receivable	265,853	76,033	-	341,886
Restricted cash	1,212,126	-	-	1,212,126
Total Assets	\$ 21,405,749	\$ 6,524,388	\$ 228,282	\$ 28,158,419
Liabilities				
Accounts payable	\$ 350,801	\$ 243,846	\$ 5,605	\$ 600,252
Due to other funds	109,277	249,771	-	359,048
Total Liabilities	460,078	493,617	5,605	959,300
Fund Balances				
Nonspendable	-	-	222,677	222,677
Restricted	11,217,102	6,030,771	-	17,247,873
Committed	9,728,569	-	-	9,728,569
Total Fund Balances	20,945,671	6,030,771	222,677	27,199,119
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 21,405,749	\$ 6,524,388	\$ 228,282	\$ 28,158,419

CITY OF NEW BRAUNFELS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2019

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery Perpetual Care	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 5,367,087	\$ -	\$ -	\$ 5,367,087
Licenses and permits	8,450	-	650	9,100
Fines and forfeitures	318,151	-	-	318,151
Parks and recreation	-	935,408	-	935,408
Interest	180,236	19,248	-	199,484
Intergovernmental	676,895	138,831	-	815,726
Miscellaneous	1,248,859	25,043	49,875	1,323,777
Other contributions	-	-	6,250	6,250
Charges and fees	2,163,480	-	4,822	2,168,302
Total Revenues	9,963,158	1,118,530	61,597	11,143,285
Expenditures				
General government	30,000	1,785,790	-	1,815,790
Planning and environmental development	313,745	-	-	313,745
Public safety	1,460,512	-	-	1,460,512
Public works	1,963,970	1,144,150	-	3,108,120
Parks and recreation	142,317	33,478	7,473	183,268
Library	85,926	-	-	85,926
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and fiscal charges	2,096,799	200,968	-	2,297,767
Total Expenditures	6,093,269	3,164,386	7,473	9,265,128
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,869,889	(2,045,856)	54,124	1,878,157
Other Financing Sources (Uses)				
Transfers in	10,800,020	-	-	10,800,020
Transfers (out)	(9,144,893)	-	-	(9,144,893)
Proceeds from issuance of debt	-	10,420,000	-	10,420,000
Bond premium	-	380,968	-	380,968
Total Other Financing Sources (Uses)	1,655,127	10,800,968	-	12,456,095
Net Change in Fund Balances	5,525,016	8,755,112	54,124	14,334,252
Beginning fund balances	15,420,655	(2,724,341)	168,553	12,864,867
Ending Fund Balances	\$ 20,945,671	\$ 6,030,771	\$ 222,677	\$ 27,199,119

CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS (page 1 of 3)

September 30, 2019

	Community Development Block Grant	Grants	Special Revenue Donations	River
<u>Assets</u>				
Cash and equity in pooled cash and investments	\$ -	\$ 199,710	\$ 459,110	\$ 122,797
Accounts receivable	21,597	7,816	12,488	758
Restricted cash	-	-	-	-
Total Assets	<u>21,597</u>	<u>207,526</u>	<u>471,598</u>	<u>123,555</u>
<u>Liabilities</u>				
Accounts payable	\$ 33,608	\$ 2,324	\$ 69,245	\$ 61,769
Due to other funds	20,269	-	-	-
Total Liabilities	<u>53,877</u>	<u>2,324</u>	<u>69,245</u>	<u>61,769</u>
<u>Fund Balances</u>				
Restricted	(32,280)	205,202	402,353	61,786
Committed	-	-	-	-
Total Fund Balances	<u>(32,280)</u>	<u>205,202</u>	<u>402,353</u>	<u>61,786</u>
Total Liabilities and Fund Balances	<u>21,597</u>	<u>207,526</u>	<u>471,598</u>	<u>123,555</u>

Court Security	Judicial Efficiency	Court Technology	Child Safety	Stormwater Development	Juvenile Case Management
\$ 6,711 178	\$ 22,023 49	\$ 71,283 238	\$ - 119,937	\$ 313,813 -	\$ 36,438 340
\$ 6,889	\$ 22,072	\$ 71,521	\$ 119,937	\$ 313,813	\$ 36,778
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 290 -	\$ 14,872 -	\$ 2,520 -	\$ 17,506 36,609	\$ - -	\$ 2,356 -
290	14,872	2,520	54,115	-	2,356
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
6,599 -	7,200 -	69,001 -	65,822 -	313,813 -	34,422 -
6,599	7,200	69,001	65,822	313,813	34,422
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 6,889	\$ 22,072	\$ 71,521	\$ 119,937	\$ 313,813	\$ 36,778

CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS (page 2 of 3)

September 30, 2019

	Faust Library	Federal Court Awards	Non-Federal Court Awards	Edwards Aquifer HCP
Assets				
Cash and equity in pooled cash and investments	\$ 1,733	\$ 147,626	\$ 133,113	\$ -
Accounts receivable	-	-	3,235	34,150
Restricted cash	-	-	-	-
Total Assets	<u>1,733</u>	<u>147,626</u>	<u>136,348</u>	<u>34,150</u>
Liabilities				
Accounts payable	\$ -	\$ 12,754	\$ 375	\$ 41,765
Due to other funds	-	-	-	52,399
Total Liabilities	<u>-</u>	<u>12,754</u>	<u>375</u>	<u>94,164</u>
Fund Balances				
Restricted	1,733	134,872	135,973	(60,014)
Committed	-	-	-	-
Total Fund Balances	<u>1,733</u>	<u>134,872</u>	<u>135,973</u>	<u>(60,014)</u>
Total Liabilities and Fund Balances	<u>1,733</u>	<u>147,626</u>	<u>136,348</u>	<u>34,150</u>

Cable Franchise PEG	Tax Increment Reinvestment Zone No. 1	New Braunfels Development Authority	Recreation Center Improvements	Enterprise Maintenance and Equipment	Developmental Services
\$ 533,861	\$ -	\$ 7,036,335	\$ 1,043,640	\$ 9,052,496	\$ 747,081
44,658	-	-	-	17,202	3,207
-	-	1,212,126	-	-	-
<u>\$ 578,519</u>	<u>\$ -</u>	<u>\$ 8,248,461</u>	<u>\$ 1,043,640</u>	<u>\$ 9,069,698</u>	<u>\$ 750,288</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,543	\$ 89,874
-	-	-	-	-	-
-	-	-	-	1,543	89,874
578,519	-	8,248,461	1,043,640	-	-
-	-	-	-	9,068,155	660,414
<u>578,519</u>	<u>-</u>	<u>8,248,461</u>	<u>1,043,640</u>	<u>9,068,155</u>	<u>660,414</u>
<u>\$ 578,519</u>	<u>\$ -</u>	<u>\$ 8,248,461</u>	<u>\$ 1,043,640</u>	<u>\$ 9,069,698</u>	<u>\$ 750,288</u>

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CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS (page 3 of 3)

September 30, 2019

Total Nonmajor Special Revenue Funds

Assets

Cash and equity in pooled cash and investments	\$ 19,927,770
Accounts receivable	265,853
Restricted cash	1,212,126
Total Assets	\$ 21,405,749

Liabilities

Accounts payable	\$ 350,801
Due to other funds	109,277
Total Liabilities	\$ 460,078

Fund Balances

Restricted	11,217,102
Committed	9,728,569
Total Fund Balances	\$ 20,945,671
Total Liabilities and Fund Balances	\$ 21,405,749

CITY OF NEW BRAUNFELS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (page 1 of 3)
For the Year Ended September 30, 2019

	Community Development Block Grant	Grants	Special Revenue Donations	River
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	- -	- -	- -	- -
Franchise fees and local taxes	- -	- -	- -	- -
Licenses and permits	- -	- -	- -	8,450
Fines and forfeitures	- -	- -	430	138,348
Interest	- -	- -	- -	- -
Intergovernmental	272,225	196,188	- -	- -
Miscellaneous	- -	- -	496,286	463
Charges and fees	- -	- -	- -	976,599
Total Revenues	272,225	196,188	496,716	1,123,860
Expenditures				
Current				
General government	- -	- -	- -	- -
Planning and environmental development	313,745	- -	- -	- -
Public safety	- -	254,953	113,602	660,885
Public works	- -	- -	51,754	543,192
Parks and recreation	- -	- -	142,317	- -
Library	- -	- -	85,926	- -
Debt service				
Interest and fiscal charges	- -	- -	- -	- -
Total Expenditures	313,745	254,953	393,599	1,204,077
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,520)	(58,765)	103,117	(80,217)
Other Financing Sources (Uses)				
Transfers in	- -	399	- -	140,283
Transfers (out)	- -	(15,000)	- -	- -
Total Other Financing Sources (Uses)	- -	(14,601)	- -	140,283
Net Change in Fund Balances	(41,520)	(73,366)	103,117	60,066
Beginning fund balances	9,240	278,568	299,236	1,720
Ending Fund Balances	\$ (32,280)	\$ 205,202	\$ 402,353	\$ 61,786

Court Security	Judicial Efficiency	Court Technology	Child Safety	Stormwater Development	Juvenile Case Management
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
34,866	7,999	46,489	8,170	-	67,387
-	-	-	-	-	-
-	-	-	133,601	-	-
-	-	-	1,342	-	-
-	-	-	-	99,102	-
34,866	7,999	46,489	143,113	99,102	67,387
<hr/>					
-	-	-	-	-	-
-	-	-	-	-	-
29,817	15,000	29,012	190,597	-	99,753
-	-	-	-	100,000	-
-	-	-	-	-	-
-	-	-	-	-	-
29,817	15,000	29,012	190,597	100,000	99,753
<hr/>					
5,049	(7,001)	17,477	(47,484)	(898)	(32,366)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,049	(7,001)	17,477	(47,484)	(898)	(32,366)
<hr/>					
1,550	14,201	51,524	113,306	314,711	66,788
\$ 6,599	\$ 7,200	\$ 69,001	\$ 65,822	\$ 313,813	\$ 34,422

CITY OF NEW BRAUNFELS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (page 2 of 3)
For the Year Ended September 30, 2019

	Faust Library	Federal Court Awards	Non-Federal Court Awards	Edwards Aquifer HCP
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	- -	- -	- -	- -
Franchise fees and local taxes	- -	- -	- -	- -
Licenses and permits	- -	- -	- -	- -
Fines and forfeitures	- -	- -	- -	- -
Interest	- -	- -	- -	- -
Intergovernmental	- -	7,919	- -	66,962
Miscellaneous	187	- -	25,073	456,765
Charges and fees	- -	- -	- -	- -
Total Revenues	187	7,919	25,073	523,727
Expenditures				
Current				
General government	- -	- -	- -	- -
Planning and environmental development	- -	- -	- -	- -
Public safety	- -	43,363	23,530	- -
Public works	- -	- -	- -	660,793
Parks and recreation	- -	- -	- -	- -
Library	- -	- -	- -	- -
Debt service	- -	- -	- -	- -
Interest and fiscal charges	- -	- -	- -	- -
Total Expenditures	- -	43,363	23,530	660,793
Excess (Deficiency) of Revenues Over (Under) Expenditures	187	(35,444)	1,543	(137,066)
Other Financing Sources (Uses)				
Transfers in	- -	- -	4,220	83,316
Transfers (out)	- -	- -	- -	- -
Total Other Financing Sources (Uses)	- -	- -	4,220	83,316
Net Change in Fund Balances	187	(35,444)	5,763	(53,750)
Beginning fund balances	1,546	170,316	130,210	(6,264)
Ending Fund Balances	\$ 1,733	\$ 134,872	\$ 135,973	\$ (60,014)

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CITY OF NEW BRAUNFELS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (page 3 of 3)
For the Year Ended September 30, 2019

	Total Nonmajor Special Revenue Funds
Revenues	
Ad valorem taxes	\$ 3,689,928
Sales taxes	1,498,943
Franchise fees and local taxes	178,216
Licenses and permits	8,450
Fines and forfeitures	318,151
Interest	180,236
Intergovernmental	676,895
Miscellaneous	1,248,859
Charges and fees	2,163,480
Total Revenues	9,963,158

Expenditures

Current

General government	30,000
Planning and environmental development	313,745
Public safety	1,460,512
Public works	1,963,970
Parks and recreation	142,317
Library	85,926
Debt service	
Interest and fiscal charges	2,096,799
Total Expenditures	6,093,269

Excess (Deficiency) of Revenues Over (Under) Expenditures	3,869,889
----------------------------------------------------------------------	------------------

Other Financing Sources (Uses)

Transfers in	10,800,020
Transfers (out)	(9,144,893)
Total Other Financing Sources (Uses)	1,655,127

Net Change in Fund Balances	5,525,016
------------------------------------	------------------

Beginning fund balances	15,420,655
Ending Fund Balances	\$ 20,945,671

CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS (page 1 of 2)

September 30, 2019

	Park Improvement	Certificates of Obligation 2004	Certificates of Obligation 2007	Certificates of Obligation 2008
Assets				
Cash and equity in pooled cash and investments	\$ 3,459,922	\$ 60,643	\$ 148	\$ 660,342
Accounts receivable (net of allowance)	-	-	-	-
Total Assets	<u>3,459,922</u>	<u>60,643</u>	<u>148</u>	<u>660,342</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	11,537	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>11,537</u>	<u>-</u>
Fund Balances				
Restricted	3,459,922	60,643	(11,389)	660,342
Total Fund Balances	<u>3,459,922</u>	<u>60,643</u>	<u>(11,389)</u>	<u>660,342</u>
Total Liabilities and Fund Balances	<u>\$ 3,459,922</u>	<u>\$ 60,643</u>	<u>\$ 148</u>	<u>\$ 660,342</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>	<u>Certificates of Obligation 2015</u>
\$ 34,493	\$ 893,513	\$ 2,914	\$ 11	\$ 110,820	\$ 194
-	76,033	-	-	-	-
<u>\$ 34,493</u>	<u>\$ 969,546</u>	<u>\$ 2,914</u>	<u>\$ 11</u>	<u>\$ 110,820</u>	<u>\$ 194</u>
\$ -	\$ -	\$ -	\$ 4,326	\$ -	\$ -
-	-	54,826	183,408	-	-
-	-	54,826	187,734	-	-
<u>34,493</u>	<u>969,546</u>	<u>(51,912)</u>	<u>(187,723)</u>	<u>110,820</u>	<u>194</u>
<u>34,493</u>	<u>969,546</u>	<u>(51,912)</u>	<u>(187,723)</u>	<u>110,820</u>	<u>194</u>
<u>\$ 34,493</u>	<u>\$ 969,546</u>	<u>\$ 2,914</u>	<u>\$ 11</u>	<u>\$ 110,820</u>	<u>\$ 194</u>

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CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS (page 2 of 2)

September 30, 2019

	Tax Note 2015	Certificates of Obligation 2018	Tax Note 2018A	Total Nonmajor Capital Projects Funds
Assets				
Cash and equity in pooled cash and investments	\$ 50,657	\$ 241,783	\$ 932,915	\$ 6,448,355
Accounts receivable (net of allowance)	-	-	-	76,033
Total Assets	\$ 50,657	\$ 241,783	\$ 932,915	\$ 6,524,388
Liabilities				
Accounts payable	\$ 2,880	\$ -	\$ 236,640	\$ 243,846
Due to other funds	-	-	-	249,771
Total Liabilities	2,880	-	236,640	493,617
Fund Balances				
Restricted	47,777	241,783	696,275	6,030,771
Total Fund Balances	47,777	241,783	696,275	6,030,771
Total Liabilities and Fund Balances	\$ 50,657	\$ 241,783	\$ 932,915	\$ 6,524,388

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, 2019

	<u>Park Improvement</u>	<u>Certificates of Obligation 2004</u>	<u>Certificates of Obligation 2007</u>	<u>Certificates of Obligation 2008</u>
Revenues				
Parks and recreation	\$ 935,408	\$ -	\$ -	\$ -
Interest	- -	- -	1,270	12,195
Intergovernmental	- -	- -	- -	- -
Miscellaneous	- -	- -	- -	- -
Total Revenues	935,408	-	1,270	12,195
Expenditures				
Current				
General government	- -	- -	- -	- -
Public works	- -	- -	- -	190,945
Parks and recreation	- -	- -	29,458	- -
Fiscal agent fees	- -	- -	- -	- -
Total Expenditures	- -	- -	29,458	190,945
Excess (Deficiency) of Revenues Over (Under) Expenditures	935,408	-	(28,188)	(178,750)
Other Financing Sources (Uses)				
Proceeds from long-term debt issued	- -	- -	- -	- -
Bond premium	- -	- -	- -	- -
Total Other Financing Sources	- -	- -	- -	- -
Net Change in Fund Balances	935,408	-	(28,188)	(178,750)
Beginning fund balances	<u>2,524,514</u>	<u>60,643</u>	<u>16,799</u>	<u>839,092</u>
Ending Fund Balances	<u>\$ 3,459,922</u>	<u>\$ 60,643</u>	<u>\$ (11,389)</u>	<u>\$ 660,342</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>	<u>Certificates of Obligation 2015</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	91	35	127
-	138,831	-	-	-	-
-	-	25,043	-	-	-
<u>-</u>	<u>138,831</u>	<u>25,043</u>	<u>91</u>	<u>35</u>	<u>127</u>
-	-	108,693	58,932	-	-
-	76,250	376,863	238,120	-	97,626
-	-	-	-	4,020	-
-	-	-	-	-	-
<u>-</u>	<u>76,250</u>	<u>485,556</u>	<u>297,052</u>	<u>4,020</u>	<u>97,626</u>
	<u>62,581</u>	<u>(460,513)</u>	<u>(296,961)</u>	<u>(3,985)</u>	<u>(97,499)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	62,581	(460,513)	(296,961)	(3,985)	(97,499)
<u>34,493</u>	<u>906,965</u>	<u>408,601</u>	<u>109,238</u>	<u>114,805</u>	<u>97,693</u>
<u>\$ 34,493</u>	<u>\$ 969,546</u>	<u>\$ (51,912)</u>	<u>\$ (187,723)</u>	<u>\$ 110,820</u>	<u>\$ 194</u>

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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, 2019

	Tax Note 2015	Certificates of Obligation 2018	Tax Note 2018A	Total Nonmajor Capital Projects Funds
Revenues				
Parks and recreation	\$ -	\$ -	\$ -	\$ 935,408
Interest	- -	5,530	- -	19,248
Intergovernmental	- -	- -	- -	138,831
Miscellaneous	- -	- -	- -	25,043
Total Revenues	- -	5,530	- -	1,118,530
Expenditures				
Current				
General government	14,440	- -	1,603,725	1,785,790
Public works	164,346	- -	- -	1,144,150
Parks and recreation	- -	- -	- -	33,478
Fiscal agent fees	- -	200,968	- -	200,968
Total Expenditures	178,786	200,968	1,603,725	3,164,386
Excess (Deficiency) of Revenues Over (Under) Expenditures	(178,786)	(195,438)	(1,603,725)	(2,045,856)
Other Financing Sources (Uses)				
Proceeds from long-term debt issued	- -	8,120,000	2,300,000	10,420,000
Bond premium	- -	380,968	- -	380,968
Total Other Financing Sources	- -	8,500,968	2,300,000	10,800,968
Net Change in Fund Balances	(178,786)	8,305,530	696,275	8,755,112
Beginning fund balances	226,563	(8,063,747)	- -	(2,724,341)
Ending Fund Balances	\$ 47,777	\$ 241,783	\$ 696,275	\$ 6,030,771

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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Ad valorem taxes	\$ 14,624,176	\$ 14,624,176	\$ 14,666,576	\$ 42,400
Interest	75,000	75,000	153,554	78,554
Other contributions	1,790,188	1,790,188	1,701,359	(88,829)
Total Revenues	16,489,364	16,489,364	16,521,489	32,125
Expenditures				
Debt Service:				
Principal	10,365,000	10,365,000	10,365,000	-
Interest	6,882,560	6,882,560	6,810,635	71,925
Bond issuance costs and fees	4,625	4,625	4,625	-
Total Expenditures	17,252,185	17,252,185	17,180,260	71,925
(Deficiency) of Revenues				
(Under) Expenditures	(762,821)	(762,821)	(658,771)	104,050
Other Financing Sources (Uses)				
Transfers in	977,051	977,051	977,051	-
Total Other Financing Sources	977,051	977,051	977,051	-
Net Change in Fund Balance	\$ 214,230	\$ 214,230	318,280	\$ 104,050
Beginning fund balance			1,876,372	
Ending Fund Balance			\$ 2,194,652	

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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 393,459	\$ 393,459	\$ 272,225	\$ (121,234)
Total Revenues	393,459	393,459	272,225	(121,234)
Expenditures				
Current:				
Planning and environmental development	393,459	393,459	313,745	79,714
Total Expenditures	393,459	393,459	313,745	79,714
Net Change in Fund Balance	\$ -	\$ -	(41,520)	\$ (41,520)
Beginning fund balance			9,240	
Ending Fund Balance			\$ (32,280)	

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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Intergovernmental	\$ 624,944	\$ 624,944	\$ 196,188	\$ (428,756)
Total Revenues	624,944	624,944	196,188	(428,756)
<u>Expenditures</u>				
Current:				
General government	726,444	726,444	254,953	471,491
Total Expenditures	726,444	726,444	254,953	471,491
(Deficiency) of Revenues (Under) Expenditures	(101,500)	(101,500)	(58,765)	42,735
<u>Other Financing Sources (Uses)</u>				
Transfers in	101,500	101,500	399	(101,101)
Transfers (out)	-	-	(15,000)	(15,000)
Total Other Financing Sources (Uses)	101,500	101,500	(14,601)	(116,101)
Net Change in Fund Balance	\$ -	\$ -	(73,366)	\$ (73,366)
Beginning fund balance			278,568	
Ending Fund Balance	\$ -	\$ -	205,202	\$ 205,202

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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget
				Positive (Negative)
<u>Revenues</u>				
Fines and forfeitures	\$ -	\$ -	\$ 430	\$ 430
Miscellaneous	200,000	200,000	496,286	296,286
Total Revenues	200,000	200,000	496,716	296,716
<u>Expenditures</u>				
Current:				
Public safety	150,000	150,000	113,602	36,398
Public works	60,000	60,000	51,754	8,246
Parks and recreation	150,000	150,000	142,317	7,683
Library	87,000	87,000	85,926	1,074
Total Expenditures	447,000	447,000	393,599	53,401
Net Change in Fund Balance	\$ (247,000)	\$ (247,000)	103,117	\$ 350,117
Beginning fund balance			299,236	
Ending Fund Balance			\$ 402,353	

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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Licenses and permits	\$ 7,200	\$ 7,200	\$ 8,450	\$ 1,250
Fines and forfeitures	45,000	45,000	138,348	93,348
Miscellaneous	-	-	463	463
Charges and fees	1,136,000	1,136,000	976,599	(159,401)
Total Revenues	1,188,200	1,188,200	1,123,860	(64,340)
Expenditures				
Current:				
Public safety	648,668	648,668	660,885	(12,217)
River operations	666,885	666,885	543,192	123,693
Total Expenditures	1,315,553	1,315,553	1,204,077	111,476
(Deficiency) of Revenues (Under) Expenditures	(127,353)	(127,353)	(80,217)	47,136
Other Financing Sources (Uses)				
Transfers in	150,000	150,000	140,283	(9,717)
Total Other Financing Sources	150,000	150,000	140,283	(9,717)
Net Change in Fund Balance	\$ 22,647	\$ 22,647	60,066	\$ 37,419
Beginning fund balance			1,720	
Ending Fund Balance			\$ 61,786	

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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Fines and forfeitures	\$ 31,000	\$ 31,000	\$ 34,866	\$ 3,866
Total Revenues	<u>31,000</u>	<u>31,000</u>	<u>34,866</u>	<u>3,866</u>
<u>Expenditures</u>				
Current:				
Public safety	30,000	30,000	29,817	183
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>29,817</u>	<u>183</u>
Net Change in Fund Balance	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>5,049</u>	<u>\$ 4,049</u>
Beginning fund balance			<u>1,550</u>	
Ending Fund Balance	<u>\$</u>	<u>6,599</u>		

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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Fines and forfeitures	\$ 8,000	\$ 8,000	\$ 7,999	\$ (1)
Total Revenues	8,000	8,000	7,999	(1)
<u>Expenditures</u>				
Current:				
Public safety	15,000	15,000	15,000	-
Total Expenditures	15,000	15,000	15,000	-
Net Change in Fund Balance	\$ (7,000)	\$ (7,000)	(7,001)	\$ (1)
Beginning fund balance			14,201	
Ending Fund Balance			\$ 7,200	

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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Fines and forfeitures	\$ 39,000	\$ 39,000	\$ 46,489	\$ 7,489
Total Revenues	<u>39,000</u>	<u>39,000</u>	<u>46,489</u>	<u>7,489</u>
<u>Expenditures</u>				
Current:				
Public safety	40,000	40,000	29,012	10,988
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>29,012</u>	<u>10,988</u>
Net Change in Fund Balance	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>	<u>17,477</u>	<u>\$ 18,477</u>
Beginning fund balance			<u>51,524</u>	
Ending Fund Balance	<u>\$ 69,001</u>			

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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Fines and forfeitures	\$ 12,500	\$ 12,500	\$ 8,170	\$ (4,330)
Intergovernmental	130,000	130,000	133,601	3,601
Miscellaneous	-	-	1,342	1,342
Total Revenues	<u>142,500</u>	<u>142,500</u>	<u>143,113</u>	<u>613</u>
<u>Expenditures</u>				
Current:				
Public safety	204,000	204,000	190,597	13,403
Total Expenditures	<u>204,000</u>	<u>204,000</u>	<u>190,597</u>	<u>13,403</u>
Net Change in Fund Balance	<u>\$ (61,500)</u>	<u>\$ (61,500)</u>	<u>(47,484)</u>	<u>\$ 14,016</u>
Beginning fund balance			<u>113,306</u>	
Ending Fund Balance			<u>\$ 65,822</u>	

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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Charges and fees	\$ 135,000	\$ 135,000	\$ 99,102	\$ (35,898)
Total Revenues	<u>135,000</u>	<u>135,000</u>	<u>99,102</u>	<u>(35,898)</u>
<u>Expenditures</u>				
Current:				
Public works	250,000	250,000	100,000	150,000
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>100,000</u>	<u>150,000</u>
Net Change in Fund Balance	<u>\$ (115,000)</u>	<u>\$ (115,000)</u>	<u>(898)</u>	<u>\$ 114,102</u>
Beginning fund balance			<u>314,711</u>	
Ending Fund Balance			<u>\$ 313,813</u>	

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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Fines and forfeitures	\$ 58,000	\$ 58,000	\$ 67,387	\$ 9,387
Total Revenues	<u>58,000</u>	<u>58,000</u>	<u>67,387</u>	<u>9,387</u>
<u>Expenditures</u>				
Current:				
Public safety	108,000	108,000	99,753	8,247
Total Expenditures	<u>108,000</u>	<u>108,000</u>	<u>99,753</u>	<u>8,247</u>
Net Change in Fund Balance	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>	<u>(32,366)</u>	<u>\$ 17,634</u>
Beginning fund balance			<u>66,788</u>	
Ending Fund Balance	<u>\$ 34,422</u>			

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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Miscellaneous	\$ -	\$ -	\$ 187	\$ 187
Total Revenues	<u>-</u>	<u>-</u>	<u>187</u>	<u>187</u>
Expenditures				
Current:				
Library	1,333	1,333	-	1,333
Total Expenditures	<u>1,333</u>	<u>1,333</u>	<u>-</u>	<u>1,333</u>
Net Change in Fund Balance	\$ (1,333)	\$ (1,333)	187	\$ 1,520
Beginning fund balance			1,546	
Ending Fund Balance			<u>\$ 1,733</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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 7,919	\$ 7,919
Total Revenues	<u> - </u>	<u> - </u>	<u>7,919</u>	<u>7,919</u>
Expenditures				
Current:				
Public safety	149,000	149,000	43,363	105,637
Total Expenditures	<u>149,000</u>	<u>149,000</u>	<u>43,363</u>	<u>105,637</u>
Net Change in Fund Balance	<u>\$ (149,000)</u>	<u>\$ (149,000)</u>	<u>(35,444)</u>	<u>\$ 113,556</u>
Beginning fund balance			<u>170,316</u>	
Ending Fund Balance			<u>\$ 134,872</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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Miscellaneous	\$ -	\$ -	\$ 25,073	\$ 25,073
Total Revenues	<u>-</u>	<u>-</u>	<u>25,073</u>	<u>25,073</u>
<u>Expenditures</u>				
Current:				
Public safety	110,000	110,000	23,530	86,470
Total Expenditures	<u>110,000</u>	<u>110,000</u>	<u>23,530</u>	<u>86,470</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(110,000)	(110,000)	1,543	111,543
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	4,220	4,220
Total Other Financing (Uses)	<u>-</u>	<u>-</u>	<u>4,220</u>	<u>4,220</u>
Net Change in Fund Balance	<u>\$ (110,000)</u>	<u>\$ (110,000)</u>	5,763	<u>\$ 115,763</u>
Beginning fund balance			130,210	
Ending Fund Balance			<u>\$ 135,973</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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 1,202,000	\$ 1,202,000	\$ 66,962	\$ (1,135,038)
Miscellaneous	-	-	456,765	456,765
Total Revenues	1,202,000	1,202,000	523,727	(678,273)
Expenditures				
Current:				
Public works - River Authority	1,287,000	1,287,000	660,793	626,207
Total Expenditures	1,287,000	1,287,000	660,793	626,207
(Deficiency) of Revenues (Under) Expenditures	(85,000)	(85,000)	(137,066)	(52,066)
Other Financing Sources (Uses)				
Transfers in	85,000	85,000	83,316	(1,684)
Total Other Financing Sources	85,000	85,000	83,316	(1,684)
Net Change in Fund Balance	\$ -	\$ -	(53,750)	\$ (53,750)
Beginning fund balance			(6,264)	
Ending Fund Balance			\$ (60,014)	

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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Franchise fees and local taxes	\$ 167,000	\$ 167,000	\$ 178,216	\$ 11,216
Total Revenues	<u>167,000</u>	<u>167,000</u>	<u>178,216</u>	<u>11,216</u>
<u>Expenditures</u>				
Current:				
General government	350,000	350,000	-	350,000
Total Expenditures	<u>350,000</u>	<u>350,000</u>	<u>-</u>	<u>350,000</u>
Net Change in Fund Balance	<u>\$ (183,000)</u>	<u>\$ (183,000)</u>	178,216	<u>\$ 361,216</u>
Beginning fund balance			400,303	
Ending Fund Balance			<u>\$ 578,519</u>	

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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Ad valorem taxes	\$ 2,500,000	\$ 2,500,000	\$ 3,689,928	\$ 1,189,928
Sales taxes	983,650	983,650	1,498,943	515,293
Interest	-	-	55,463	55,463
Total Revenues	3,483,650	3,483,650	5,244,334	1,760,684
Expenditures				
Current:				
General government	30,000	30,000	30,000	-
Principal	2,095,999	2,095,999	-	2,095,999
Interest and fiscal charges	-	-	-	-
Total Expenditures	2,125,999	2,125,999	30,000	2,095,999
Excess of Revenues Over Expenditures				
	1,357,651	1,357,651	5,214,334	3,856,683
Other Financing Sources (Uses)				
Transfers (out)	-	-	(9,129,893)	(9,129,893)
Total Other Financing (Uses)	-	-	(9,129,893)	(9,129,893)
Net Change in Fund Balance	\$ 1,357,651	\$ 1,357,651	(3,915,559)	\$ (5,273,210)
Beginning fund balance			<u>3,915,559</u>	
Ending Fund Balance			<u>\$ -</u>	

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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Interest	\$ 69,000	\$ 69,000	\$ 111,665	\$ 42,665
Charges and fees	-	-	18,287	18,287
Miscellaneous	17,000	-	267,846	267,846
Total Revenues	86,000	69,000	397,798	328,798
Expenditures				
Current:				
Public works	1,750,040	1,750,040	184,691	1,565,349
Total Expenditures	1,750,040	1,750,040	184,691	1,565,349
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,664,040)	(1,681,040)	213,107	1,894,147
Other Financing Sources (Uses)				
Transfers in	1,441,909	1,441,909	1,441,909	-
Total Other Financing Sources	1,441,909	1,441,909	1,441,909	-
Net Change in Fund Balance	\$ (222,131)	\$ (239,131)	1,655,016	\$ 1,894,147
Beginning fund balance			7,413,139	
Ending Fund Balance	\$ 9,068,155			

CITY OF NEW BRAUNFELS, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL CEMETERY PERPETUAL FUND For the Year Ended September 30, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Licenses and permits	\$ -	\$ -	\$ 650	\$ 650
Miscellaneous	9,000	9,000	49,875	40,875
Charges and fees	- -	- -	11,072	11,072
Total Revenues	9,000	9,000	61,597	52,597
Expenditures				
Current:				
Parks and recreation	218,000	218,000	7,473	210,527
Total Expenditures	218,000	218,000	7,473	210,527
Net Change in Fund Balance	\$ (209,000)	\$ (209,000)	54,124	\$ 263,124
Beginning fund balance			168,553	
Ending Fund Balance			\$ 222,677	

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.

Contents	Page
Financial Trends	158
<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	172
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, property tax revenues.</i>	
Debt Capacity	182
<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	191
<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	195
<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)

	Fiscal Year			
	2010	2011	2012	2013
Governmental Activities				
Net investment in capital assets	\$ 25,853	\$ 26,047	\$ 25,891	\$ 24,207
Restricted	3,834	4,571	4,587	7,931
Unrestricted	23,972	22,021	15,937	12,650
Total Governmental Activities Net Position	\$ 53,659	\$ 52,639	\$ 46,415	\$ 44,788
Business-Type Activities				
Net investment in capital assets	\$ 7,940	\$ 6,951	\$ 8,200	\$ 11,549
Unrestricted	2,151	1,235	1,930	2,054
Total Business-Type Activities Net Position	\$ 10,091	\$ 8,186	\$ 10,130	\$ 13,603
Primary Government				
Net investment in capital assets	\$ 33,793	\$ 32,998	\$ 34,091	\$ 35,756
Restricted	3,834	4,571	4,587	7,931
Unrestricted	26,123	23,256	17,867	14,704
Total Primary Government Net Position	\$ 63,750	\$ 60,825	\$ 56,545	\$ 58,391

Source: City financial statements

*Balances have been restated.

Fiscal Year

2014	2015	2016	2017	2018*	2019
\$ 8,094	\$ 5,121	\$ 2,127	\$ 5,470	\$ (3,398)	\$ 7,297
6,879	10,919	16,400	21,269	24,333	18,232
13,828	(10,896)	(16,030)	(15,905)	(18,031)	635
\$ 28,801	\$ 5,144	\$ 2,497	\$ 10,834	\$ 2,904	\$ 26,164
\$ 34,960	\$ 34,775	\$ 33,493	\$ 31,025	\$ 29,515	\$ 28,869
1,967	298	(236)	(748)	525	(1,517)
\$ 36,927	\$ 35,073	\$ 33,257	\$ 30,277	\$ 30,040	\$ 27,352
\$ 43,054	\$ 39,896	\$ 35,620	\$ 36,495	\$ 26,117	\$ 36,166
6,879	10,919	16,400	21,269	24,333	18,232
15,795	(10,598)	(16,266)	(16,653)	(17,506)	(882)
\$ 65,728	\$ 40,217	\$ 35,754	\$ 41,111	\$ 32,944	\$ 53,516

CITY OF NEW BRAUNFELS, TEXAS

CHANGES IN NET POSITION (page 1 of 3)

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

	Fiscal Year			
	2010	2011	2012	2013
Expenses				
Governmental activities				
General government	\$ 5,409	\$ 7,918	\$ 9,416	\$ 12,083
Finance and tax	966	912	1,050	1,305
Planning and environmental development	2,861	3,350	2,816	3,413
Public safety	27,303	28,515	31,810	30,057
Public works	6,631	6,675	8,180	12,973
Parks and recreation	5,321	5,069	5,995	3,632
Library	1,769	1,836	1,954	2,203
Civic/convention center	-	-	-	6
Airport	249	9	-	219
Interest on long-term debt	3,552	3,184	4,213	3,913
Total Governmental Activities Expenses	54,061	57,468	65,434	69,804
Business-Type Activities				
Airport	1,730	1,968	2174	2,305
Solid waste	6,389	5,506	5167	5,779
Golf course	884	979	1015	904
Civic/convention center	752	746	730	671
Total Business-Type Activities Expenses	9,755	9,199	9,086	9,659
Total Expenses	\$ 63,816	\$ 66,667	\$ 74,520	\$ 79,463

Fiscal Year

	2014	2015	2016	2017	2018	2019
\$	14,850	\$ 17,936	\$ 22,722	\$ 11,764	\$ 13,085	\$ 11,177
972	719	690	1,269	1,574	1,210	
2,489	2,622	2,772	4,527	4,874	3,759	
31,597	33,327	29,273	43,328	57,457	41,360	
8,241	9,377	15,314	11,858	11,912	26,422	
4,572	8,551	4,597	6,357	8,018	8,322	
2,400	1,969	1,660	2,664	3,091	2,460	
5	191	49	-	-	-	
107	48	1,493	15	9	-	
4,985	5,369	6,757	5,752	6,553	6,828	
70,218	80,109	85,327	87,534	106,573	101,538	
2,855	2,778	2,968	3,221	3,499	3,645	
6,171	6,670	7,271	7,721	7,897	8,779	
678	1,775	1,938	1,838	1,898	2,019	
924	894	886	979	963	1,071	
10,628	12,117	13,063	13,759	14,257	15,514	
\$ 80,846	\$ 92,226	\$ 98,390	\$ 101,293	\$ 120,830	\$ 117,052	

CITY OF NEW BRAUNFELS, TEXAS

CHANGES IN NET POSITION (page 2 of 3)

Last Ten Years

(accrual basis of accounting)

(amounts expressed in thousands)

	Fiscal Year			
	2010	2011	2012	2013
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 158	\$ 260	\$ 165	\$ 1,182
Planning and environmental development	2,000	2,385	2,988	3,209
Public safety	4,245	4,684	3,822	3,936
Public works	295	222	1,141	75
Parks and recreation	1,181	1,352	1,386	1,600
Library	137	177	98	111
Civic/convention center	-	-	-	-
Operating grants and contributions	1,874	2,760	1,366	1,000
Capital grants and contributions	837	1,555	2,072	3,000
Total Governmental Activities Program Revenues	10,727	13,395	13,038	14,113
Business-Type Activities				
Charges for services				
Airport	1,361	1,406	1,667	1,771
Solid waste	5,855	6,415	7,020	7,215
Golf course	867	957	975	1,076
Civic/convention center	291	321	279	293
Operating grants and contributions	-	71	50	55
Capital grants and contributions	955	223	2,224	4,570
Total Business-Type Activities Program Revenues	9,329	9,393	12,215	14,980
Total Program Revenues	\$ 20,056	\$ 22,788	\$ 25,253	\$ 29,093
Net (Expense)/Revenue				
Governmental activities	\$ (43,334)	\$ (44,073)	\$ (52,396)	\$ (55,691)
Business-type activities	(426)	194	3,129	5,321
Total Net Expense	\$ (43,760)	\$ (43,879)	\$ (49,267)	\$ (50,370)

Fiscal Year											
2014		2015		2016		2017		2018		2019	
\$	1,095	\$	1,265	\$	1,505	\$	164	\$	150	\$	152
	3,335		3,912		3,489		-		-		-
	3,108		3,841		4,384		6,503		6,528		5,918
	898		1,076		1,231		4,163		4,507		6,465
	1,963		1,642		2,745		2,226		2,288		5,501
	114		102		101		96		89		61
	-		8		14		-		-		-
	1,539		1,963		2,377		1,759		3,819		1,402
	-		-		-		3,460		1,831		1,768
	<u>12,052</u>		<u>13,809</u>		<u>15,846</u>		<u>18,371</u>		<u>19,212</u>		<u>21,267</u>
	2,387		2,317		2,077		2399		2,599		2,894
	7,591		7,985		8,280		8664		10,168		9,865
	128		1,378		1,486		1436		1,578		1,714
	371		418		436		450		420		496
	43		50		50		397		-		51
	441		290		2,263		-		-		-
	<u>10,961</u>		<u>12,438</u>		<u>14,592</u>		<u>13,346</u>		<u>14,765</u>		<u>15,020</u>
	<u>\$ 23,013</u>		<u>\$ 26,247</u>		<u>\$ 30,438</u>		<u>\$ 31,717</u>		<u>\$ 33,977</u>		<u>\$ 36,287</u>
\$	(58,166)	\$	(66,300)	\$	(69,481)	\$	(69,163)	\$	(87,361)	\$	(80,271)
	333		321		1,529		(413)		508		(494)
	<u>\$ (57,833)</u>		<u>\$ (65,979)</u>		<u>\$ (67,952)</u>		<u>\$ (69,576)</u>		<u>\$ (86,853)</u>		<u>\$ (80,765)</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)

	Fiscal Year			
	2010	2011	2012	2013
General Revenues and Other Changes in Net Position				
Governmental activities				
Property taxes, levied for general purposes	\$ 10,838	\$ 10,340	\$ 10,578	\$ 11,206
Property taxes, levied for debt services	4,992	5,698	7,260	8,019
Sales tax	12,562	13,457	14,665	16,420
Hotel/motel occupancy taxes	2,486	2,615	3,118	3,375
Franchise fees	6,986	7,448	7,694	7,875
Mixed beverage tax	220	232	211	275
Investment income	189	114	155	187
Other contributions	343	205	171	1,806
Miscellaneous	643	817	1,052	4,492
Transfers	1,015	2,127	1,268	1,618
Total Governmental Activities	40,274	43,053	46,172	55,273
Business-type activities				
Investment earnings	14	3	2	2
Miscellaneous income	-	25	82	(233)
Transfers	(1,015)	(2,127)	(1,269)	(1,618)
Total Business-Type Activities	(1,001)	(2,099)	(1,185)	(1,849)
Total Primary Government	\$ 39,273	\$ 40,954	\$ 44,987	\$ 53,424
Change in Net Position				
Governmental activities	\$ (3,060)	\$ (1,020)	\$ (6,224)	\$ (418)
Business-type activities	(1,427)	(1,905)	1,944	3,472
Total Change in Net Position	\$ (4,487)	\$ (2,925)	\$ (4,280)	\$ 3,054

Source: Statements of Activities from City CAFRs

Fiscal Year

	2014	2015	2016	2017	2018	2019
\$	10,851	\$ 13,956	\$ 14,409	\$ 18,065	\$ 18,188	\$ 23,135
9,231	10,159	11,414	12,434	12,471	14,667	
18,613	18,608	19,077	21,008	21,997	23,675	
3,604	3,813	3,767	3,994	4,070	4,001	
8,283	8,435	8,904	9,590	9,749	10,070	
390	439	472	515	584	649	
87	47	242	471	966	2,300	
1,989	2,336	2,892	4,570	3,683	4,215	
4,183	3,643	4,989	3,948	6,423	3,915	
(8,222)	284	3,436	2,905	2,152	2,398	
49,009	61,720	69,602	77,500	80,283	89,025	
1	2	8	17	39	63	
68	86	83	320	1,239	141	
8,222	(284)	(3,436)	(2,905)	(2,152)	(2,398)	
8,291	(196)	(3,345)	(2,568)	(874)	(2,194)	
\$ 57,300	\$ 61,524	\$ 66,257	\$ 74,932	\$ 79,409	\$ 86,831	
\$ (9,157)	\$ (4,580)	\$ 121	\$ 8,337	\$ (7,078)	\$ 8,754	
8,624	125	(1,816)	(2,981)	(366)	(2,688)	
\$ (533)	\$ (4,455)	\$ (1,695)	\$ 5,356	\$ (7,444)	\$ 6,066	

CITY OF NEW BRAUNFELS, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

(modified accrual basis of accounting)

(amounts expressed in thousands)

	Fiscal Year			
	2010	2011	2012	2013
General Fund				
Nonspendable	\$ -	\$ 2	\$ -	\$ -
Assigned	267	9,318	7,611	4,662
Unassigned	26,139	18,291	16,838	15,189
Total General Fund	<u>\$ 26,406</u>	<u>\$ 27,611</u>	<u>\$ 24,449</u>	<u>\$ 19,851</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ 135	\$ 88	\$ 95
Restricted	2,586	27,222	36,789	45,162
Committed	-	104	531	3,160
Unassigned, reported in:				
Debt service fund	679	-	-	-
Hotel/motel tax fund	443	-	-	-
Special revenue funds	598	-	(19)	(733)
Permanent fund	146	-	-	-
Capital project funds (deficit)	15350	-	(2,014)	-
Total All Other Governmental Funds	<u>\$ 19,802</u>	<u>\$ 27,461</u>	<u>\$ 35,375</u>	<u>\$ 47,684</u>

Fiscal Year											
2014		2015		2016		2017		2018		2019	
\$	1	\$	-	\$	-	\$	1	\$	1	\$	1
	4,430		4,319		2,516		1,368		551		1,124
	18,188		16,677		16,096		17,699		20,377		24,951
<u>\$</u>	<u>22,619</u>	<u>\$</u>	<u>20,996</u>	<u>\$</u>	<u>18,612</u>	<u>\$</u>	<u>19,068</u>	<u>\$</u>	<u>20,929</u>	<u>\$</u>	<u>26,076</u>
\$	94	\$	94	\$	19	\$	29	\$	169	\$	223
	40,930		51,895		65,988		50,200		56,071		82,729
	2,863		3,188		4,295		5,652		7,413		9,729
	-		-		-		-		-		-
	-		-		-		-		-		-
	(187)		(211)		(591)		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
<u>\$</u>	<u>43,700</u>	<u>\$</u>	<u>54,966</u>	<u>\$</u>	<u>69,711</u>	<u>\$</u>	<u>55,881</u>	<u>\$</u>	<u>63,653</u>	<u>\$</u>	<u>92,681</u>

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)

	Fiscal Year			
	2010	2011	2012	2013
Revenues				
Taxes	\$ 38,778	\$ 39,841	\$ 43,365	\$ 47,119
Licenses and permits	1,490	1,693	2,340	2,252
Intergovernmental	-	-	-	107
Charges for services	3,001	3,857	3,946	3,093
Fines and forfeitures	1,465	1,845	1,233	1,173
Parks and recreation	1,180	1,358	1,062	1,528
Interest	185	114	302	187
Federal grants*	635	1,137	267	689
State and local grants*	207	554	57	1,980
Other contributions	2,067	1,773	1,150	2,917
Miscellaneous	830	1,073	2,047	4,440
Total Revenues	49,838	53,245	55,769	65,485
Expenditures				
General government	5,183	6,764	8,312	8,550
Finance and tax	811	742	870	1,120
Planning and environmental development	2,463	2,959	2,335	3,264
Public safety	22,631	26,137	34,934	28,311
Public works	13,566	13,742	10,112	20,863
Parks and recreation	6,395	4,953	5,907	5,555
Library	1,560	1,602	1,608	2,020
Facilities maintenance	-	-	-	-
Civic/convention center	-	-	-	55
Airport	249	9	-	263
Debt service				
Principal	4,000	4,140	4,715	5,825
Interest	3,513	3,222	3,961	4,242
Other	3	107	249	185
Total Expenditures	60,374	64,377	73,003	80,253
(Deficit) of Revenues				
(Under) Expenditures	(10,536)	(11,132)	(17,234)	(14,768)

Fiscal Year

	2014	2015	2016	2017*	2018	2019
\$	52,201	\$ 55,205	\$ 57,652	\$ 65,735	\$ 68,595	\$ 76,136
2,581	3,052	3,606	3,943	4,178	5,265	
152	242	228	1,759	3,819	1,403	
3,133	3,573	4,439	5,068	5,306	5,582	
1,235	1,743	1,642	1,925	1,800	1,755	
1,883	2,307	2,656	2,216	2,278	5,496	
87	46	241	468	966	2,299	
1,990	758	2,117	-	-	-	
312	368	194	-	-	-	
3,594	3,374	4,804	4,570	3,683	4,215	
2,565	3,466	2,751	3,791	4,837	3,716	
69,733	74,134	80,330	89,475	95,462	105,867	
12,490	11,695	16,791	11,594	11,302	12,446	
848	855	900	1,011	1,037	1,159	
2,729	2,983	3,331	3,796	3,435	3,626	
30,207	31,134	34,926	35,078	37,840	38,016	
18,319	15,231	21,618	28,965	34,243	26,191	
18,797	11,645	5,431	5,474	6,482	8,165	
2,059	2,187	2,006	2,136	2,224	2,378	
-	-	-	-	-	-	
61	296	89	-	-	-	
1,977	407	1,534	1	-	-	
6,775	7,805	8,319	10,550	10,601	10,365	
4,762	5,056	5,977	7,274	6,881	9,108	
414	551	462	97	5	41	
99,438	89,845	101,384	105,976	114,050	111,495	
(29,705)	(15,711)	(21,054)	(16,501)	(18,588)	(5,628)	

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			
	2010	2011	2012	2013
Other Financing Sources (Uses)				
Transfer in	\$ 2,399	\$ 3,486	\$ 4,975	\$ 6,871
Transfer out	(1,384)	(1,858)	(4,106)	(5,253)
Issuance of debt	-	18,930	19,470	30,330
Premium (discount) on debt issuance	-	-	1,526	1,795
Payment to bond escrow agent	-	(719)	-	(11,677)
Sale of assets	12	114	121	412
Capital lease	-	-	-	-
Loan payable	-	-	-	-
Total Other Financing Sources	1,027	19,953	21,986	22,478
Net Change in Fund Balances	\$ (9,509)	\$ 8,821	\$ 4,752	\$ 7,710
Debt service as a percentage of noncapital expenditures	15.8%	14.2%	14.9%	15.0%

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						
2014	2015	2016	2017*	2018	2019	
\$ 3,827	\$ 4,923	\$ 4,757	\$ 7,835	\$ 9,441	\$ 19,664	
(1,491)	(2,017)	(2,847)	(5,330)	(7,181)	(17,266)	
24,095	35,940	37,360	5,255	24,620	35,160	
1,016	3,309	5,953	-	1,594	2,045	
-	(17,101)	(14,799)	(5,165)	-	-	
369	301	39	157	6	199	
-	-	757	375	-	-	
673	-	-	-	(258)	-	
<u>28,489</u>	<u>25,355</u>	<u>31,220</u>	<u>3,127</u>	<u>28,222</u>	<u>39,802</u>	
<u>\$ (1,216)</u>	<u>\$ 9,644</u>	<u>\$ 10,166</u>	<u>\$ (13,374)</u>	<u>\$ 9,634</u>	<u>\$ 34,174</u>	
15.3%	17.0%	18.7%	20.9%	18.8%	20.0%	

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			
	2010	2011	2012	2013
Revenue				
Property tax	\$ 15,830	\$ 16,089	\$ 17,828	\$ 19,174
Sales tax	12,562	13,457	14,665	16,420
Franchise fees	1,336	1,629	1,475	1,671
Utilities franchise fees	5,650	5,819	6,065	6,204
Hotel occupancy tax	2,486	2,615	3,118	3,375
Mixed beverage tax	220	232	211	275
Total Revenue	\$ 38,084	\$ 39,841	\$ 43,362	\$ 47,119

Data Source: City CAFRs and detailed financial records

Fiscal Year

	2014		2015		2016		2017		2018		2019
\$	21,311	\$	24,115	\$	25,823	\$	30,628	\$	30,659	\$	37,802
	18,613		23,978		19,077		21,008		21,997		23,675
	1,805		1,961		1,934		1,784		1,840		1,770
	6,478		6,474		6,970		7,805		7,909		8,121
	3,604		3,813		3,767		3,994		4,070		4,001
	390		439		472		516		583		649
\$	52,201	\$	60,780	\$	58,043	\$	65,735	\$	67,058	\$	76,018

CITY OF NEW BRAUNFELS, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Years

(amounts expressed in thousands)

	Fiscal Year			
	2010	2011	2012	2013
Real property	\$ 4,379,000	\$ 4,488,892	\$ 4,610,203	\$ 4,665,542
Personal	352,368	382,795	349,205	379,051
Less: Tax Exempt Property	<u>789,412</u>	<u>809,339</u>	<u>853,111</u>	<u>866,905</u>
Total Taxable Assessed Valuation (1)	<u><u>\$ 3,941,956</u></u>	<u><u>\$ 4,062,348</u></u>	<u><u>\$ 4,106,297</u></u>	<u><u>\$ 4,177,688</u></u>
Total Direct Tax Rate	\$ 0.40986	\$ 0.40986	\$ 0.44836	\$ 0.46734
Estimated Actual Taxable Value	\$ 3,941,956	\$ 4,062,348	\$ 4,106,297	\$ 4,177,688
Assessed Value as a Percentage of Actual Value	83.32%	83.39%	82.80%	82.82%

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						
2014	2015	2016	2017	2018	2019	
\$ 4,917,972	\$ 5,528,399	\$ 6,138,209	\$ 6,716,299	\$ 7,584,703	\$ 8,406,848	
395,771	426,910	540,437	512,991	564,298	625,957	
<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>1,455,217</u>	
<u><u>\$ 4,409,554</u></u>	<u><u>\$ 4,907,936</u></u>	<u><u>\$ 5,628,625</u></u>	<u><u>\$ 6,078,435</u></u>	<u><u>\$ 6,796,794</u></u>	<u><u>\$ 7,577,588</u></u>	
\$ 0.49823	\$ 0.49823	\$ 0.49823	\$ 0.48822	\$ 0.48822	\$ 0.48822	
\$ 4,409,554	\$ 4,907,936	\$ 5,628,625	\$ 6,078,435	\$ 6,796,794	\$ 7,577,588	
82.98%	82.41%	84.28%	84.08%	83.41%	83.89%	

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

	Fiscal Year			
	2010	2011	2012	2013
City of New Braunfels Tax Rates:				
General government	\$ 0.282180	\$ 0.261360	\$ 0.261360	\$ 0.268560
Debt service	0.127680	0.148500	0.187000	0.198780
Total Direct Rates	<u>\$ 0.409860</u>	<u>\$ 0.409860</u>	<u>\$ 0.448360</u>	<u>\$ 0.467340</u>
Overlapping Tax Rates(2):				
Comal County	\$ 0.312960	\$ 0.334000	\$ 0.350420	\$ 0.305220
Guadalupe County	0.389500	0.389500	0.339990	0.403600
Navarro ISD	1.460000	1.460000	1.430000	1.430000
New Braunfels ISD	1.339100	1.339100	1.339100	1.339100
Comal ISD	1.310000	1.370000	1.430000	1.430000
Total Direct and Overlapping Rates (1)	<u>\$ 5.221420</u>	<u>\$ 5.302460</u>	<u>\$ 5.337870</u>	<u>\$ 5.375260</u>

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

Fiscal Year

2014	2015	2016	2017	2018	2019
\$ 0.278080	\$ 0.278080	\$ 0.278080	\$ 0.288370	\$ 0.278370	\$ 0.273722
0.220150	0.220150	0.220150	0.199850	0.209850	0.214498
\$ 0.498230	\$ 0.498230	\$ 0.498230	\$ 0.488220	\$ 0.488220	\$ 0.488220
\$ 0.292821	\$ 0.292921	\$ 0.292821	\$ 0.307821	\$ 0.295191	\$ 0.322415
0.336100	0.385100	0.331100	0.326900	0.330900	0.331900
1.390000	1.390000	1.349600	1.350000	1.350000	1.275930
1.339100	1.339100	1.339100	1.339100	1.365800	1.295800
1.390000	1.390000	1.390000	1.390000	1.390000	1.320000
\$ 5.246251	\$ 5.295351	\$ 5.200851	\$ 5.202041	\$ 5.220111	\$ 5.034265

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CITY OF NEW BRAUNFELS, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Property Taxpayer	2019			2010			% of Total Assessed Valuation
	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	Taxable Assessed Valuation	Rank		
A L 95 Creekside Town Center LP	\$ 99,320,099	1	1.3%	\$ 30,357,761	2		0.0%
Central Texas Corridor Hospital CO LLC	97,388,345	2	1.3%	-	-		0.0%
Kahlig Enterprises INC	59,090,620	3	0.8%	15,769,110	4		0.4%
Rush Enterprises	58,637,650	4	0.8%	31,621,600	1		0.8%
New Braunfels Waterpark LLC	47,032,960	5	0.6%	-	-		
PAC Creekside LLC	46,000,000	6	0.6%	-	-		
CGT, US Limited	45,415,950	7	0.6%	-	-		
HEB Grocery CO LP	43,781,403	8	0.6%	-	-		
WRIA 2016-4 LP	39,000,820	9	0.5%	-	-		
Grey Forest Development LLC	35,627,490	10	0.5%	17,653,870	3		
Walmart Real Estate Business Trust	-	-	0.0%	\$ -	-		0.0%
Augusta Gruene Apartments LP	-	-	0.0%	13,205,299	5		0.3%
J C Penny Properties INC	-	-	0.0%	12,879,490	6		0.3%
 American Opportunity For Housing-Comal							
Gardens LLC	-	-	0.0%	11,842,520	7		0.3%
Coleman Company INC	-	-	0.0%	11,325,154	8		0.3%
Worldmark The Club	-	-	0.0%	10,504,860	9		0.3%
Dayton Superior Corporation	-	-	0.0%	10,415,040	10		0.3%
Subtotal	<u>\$ 571,295,337</u>		<u>7.54%</u>	<u>\$ 165,574,704</u>			<u>2.98%</u>
Other Taxpayers	<u>7,006,292,663</u>			<u>3,776,381,296</u>			
Total	<u>\$ 7,577,588,000</u>			<u>\$ 3,941,956,000</u>			

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)

Fiscal Year	Tax Year	Tax Rate	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		
				Amount Collected	Percentage of Levy	
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%	
2019	2018	\$ 0.488220	\$ 35,929	\$ 35,828	99.72%	

Source: Comal County Tax Assessor or City CAFR

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

Collected in Subsequent Years	Total Collections to Date		
	Amount Collected	Amount Collected	Percentage of Levy
\$ 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%	
\$ 56	\$ 29,343	99.43%	
\$ 592	\$ 32,002	98.79%	
\$ -	\$ 35,828	99.72%	

CITY OF NEW BRAUNFELS, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

(amounts expressed in thousands, except per capita amount)

	Fiscal Year			
	2010	2011	2012	2013
Governmental Activities:				
General obligation bonds	\$ 10,490	\$ 10,975	\$ 10,725	\$ 21,305
Certificates of obligation	65,590	79,180	94,190	97,030
Contract revenue obligations	-	-	-	11,405
Loan payable	-	-	-	-
Capital lease payable	-	-	-	-
Subtotal	76,080	90,155	104,915	129,740
Business-Type Activities:				
Revenue bonds	55	-	-	-
Loan payable	-	-	-	-
Subtotal	55	-	-	-
Government-Wide:				
General obligation bonds	10,490	10,975	10,725	21,305
Certificates of obligation	65,590	79,180	94,190	97,030
Contract revenue obligations	-	-	-	11,405
Loan payable	-	-	-	-
Capital lease payable	-	-	-	-
Total Government-Wide	\$ 76,135	\$ 90,155	\$ 104,915	\$ 129,740
Percentage of Personal Income(1)				
	3.19%	3.54%	3.97%	4.60%
Per Capita(1)				
	\$ 1,319	\$ 1,507	\$ 1,726	\$ 2,096

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											
2014		2015		2016		2017		2018		2019	
\$ 34,685		\$ 52,730		\$ 99,243		\$ 100,656		\$ 111,150		\$ 127,015	
100,970		95,585		76,178		64,345		58,950		67,880	
27,950		26,745		25,555		24,325		23,055		21,740	
673		553		534		467		401		337	
-		-		757		944		1,786		1,352	
164,278		175,613		202,267		190,737		195,342		218,324	
-		-		-		-		-		-	
721		593		363		182		-		-	
721		593		363		182		-		-	
34,685		52,730		99,243		100,656		111,150		127,015	
100,970		95,585		76,178		64,345		58,950		67,880	
27,950		26,745		25,555		24,325		23,055		21,740	
1,394		1,146		897		649		401		337	
-		-		757		944		1,786		1,352	
\$ 164,999		\$ 176,206		\$ 202,630		\$ 190,919		\$ 195,342		\$ 218,324	
7.39%		5.75%		5.97%		5.60%		4.69%		4.98%	
\$ 2,619		\$ 2,654		\$ 2,872		\$ 2,581		\$ 2,468		\$ 2,660	

CITY OF NEW BRAUNFELS, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Years
 (amounts expressed in thousands, except per capita amount)

	Fiscal Year			
	2010	2011	2012	2013
Estimated Actual Taxable Value of Property	\$ 3,941,956	\$ 4,062,348	\$ 4,106,297	\$ 4,177,688
General obligation bonds	\$ 10,490	\$ 10,975	\$ 10,725	\$ 21,305
Less: amounts available in debt service fund	-	-	786	809
Total	<u>\$ 10,490</u>	<u>\$ 10,975</u>	<u>\$ 9,939</u>	<u>\$ 20,496</u>
Percentage of Estimated Actual Taxable Value of Property	0.27%	0.27%	0.24%	0.49%
Per Capita(1)	\$ 182	\$ 183	\$ 163	\$ 331

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						
2014	2015	2016	2017	2018	2019	
\$ 4,409,554	\$ 4,907,936	\$ 5,628,625	\$ 6,078,435	\$ 6,796,794	\$ 7,577,588	
\$ 34,685	\$ 52,730	\$ 88,385	\$ 165,001	\$ 170,100	\$ 194,895	
<u>1,279</u>	<u>1,418</u>	<u>1,577</u>	<u>2,237</u>	<u>1,310</u>	<u>1,806</u>	
<u>\$ 33,406</u>	<u>\$ 51,312</u>	<u>\$ 86,808</u>	<u>\$ 162,764</u>	<u>\$ 168,790</u>	<u>\$ 193,089</u>	
0.76%						
\$ 530	\$ 773	\$ 1,231	\$ 2,201	\$ 2,132	\$ 2,352	
1.05%						
1.54%						
2.68%						
2.48%						
2.55%						

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CITY OF NEW BRAUNFELS, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2019

Government Unit	Debt Outstanding	Estimated Percentage Applicable(1)	Amount Applicable to Primary Government
New Braunfels ISD	\$ 201,719,238	80.95%	\$ 163,291,723
Comal ISD	747,720,504	16.97%	126,888,170
Navarro ISD	37,734,494	3.87%	1,460,325
Guadalupe County	11,570,000	10.17%	1,176,669
Comal County	<u>149,365,000</u>	34.88%	<u>52,098,512</u>
Subtotal, overlapping debt	<u>1,148,109,236</u>		<u>344,915,399</u>
City Direct Debt	<u>194,895,000</u>	100.00%	<u>194,895,000</u>
Total Direct and Overlapping Debt			<u>\$ 539,810,399</u>

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)

	Fiscal Year			
	2010	2011	2012	2013
Debt Limit	\$ 473,137	\$ 487,169	\$ 495,941	\$ 504,459
Total Net Debt Applicable to Limit	10,490	10,975	10,725	21,305
Total	\$ 462,647	\$ 476,194	\$ 485,216	\$ 483,154
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.22%	2.25%	2.16%	4.22%

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed Value	\$ 7,577,588
Add Back: Exempt Real Property	1,455,217
Total Assessed Value	\$ 9,032,805

Debt Limit (10% of Total Assessed Value)	820,355
Debt Applicable to Limit:	
General Obligation Bonds	171,015
Legal Debt Margin	\$ 649,340

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						
2014	2015	2016	2017	2018	2019	
\$ 531,374	\$ 595,531	\$ 667,865	\$ 722,929	\$ 820,355	\$ 820,355	
34,685	52,730	88,385	165,001	171,015	171,015	
\$ 496,689	\$ 542,801	\$ 579,480	\$ 557,928	\$ 649,340	\$ 649,340	
6.53%	8.85%	13.23%	22.82%	20.85%	20.85%	

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CITY OF NEW BRAUNFELS, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Years

Fiscal Year Ended Sept. 30	Population⁽¹⁾	Total Wages		Per Capita		Average Annual Pay All Industries⁽²⁾	Public School Enrollment⁽³⁾	Unemployment Rate⁽⁴⁾
		All Industries⁽²⁾ (expressed in thousands)		Personal Income⁽²⁾ (expressed in thousands)				
2010	57,740	\$ 2,388,266		\$ 41.36		\$ 34,998	7,926	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	8,265	5.2%
2014	62,998	\$ 2,232,220		\$ 35.43		\$ 43,800	8,441	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	8,438	3.5%
2017	73,959	\$ 3,407,192		\$ 46.07		\$ 46,883	8,583	3.3%
2018	79,152	\$ 4,168,203		\$ 52.66		\$ 42,234	8,950	3.2%
2019	82,081	\$ 4,384,612		\$ 53.42		\$ 43,921	9,126	2.9%

Data sources:

(1) Total population from the census.gov website or City of New Braunfels Adopted Budget document.

(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

Employer	2019			2010		
	Employees	Percentage of Total Employment		Rank	Percentage of Total Employment	
		Employees	Percentage of Total Employment		Employees	Percentage of Total Employment
Comal ISD	2,300	5.68%	1		1,700	6.16%
Schlitterbahn Water Park	2,010	4.97%	2		1,800	6.53%
Wal-Mart Distribution Center	1,215	3.00%	3		979	3.55%
New Braunfels ISD	1,044	2.58%	4		994	3.60%
City of New Braunfels	646	1.60%	5		492	1.78%
Sysco	780	1.93%	6		N/A	0.00%
Hunter Industries-Colorado Materials	765	1.89%	7		500	1.81%
Comal County	771	1.90%	8		600	2.18%
HD Supply	542	1.34%	9		419	0.00%
CBE	350	0.86%	10		N/A	0.00%
Christus Santa Rosa Hospital	N/A	0.00%	-		750	2.72%
The Scooter Store	N/A	0.00%	-		1,748	6.34%
Wal-Mart Super Center	N/A	0.00%	-		435	1.58%
	<u>10,423</u>	<u>25.75%</u>			<u>10,417</u>	<u>36.26%</u>

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund:										
City Secretary	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.5	3.5	3.75
City Attorney	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
City Manager	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0	7.0
Information Technology	0.0	0.0	0.0	0.0	0.0	7.0	8.0	11.0	12.0	14.0
Human Resources	6.0	6.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0	9.0
Finance	14.0	15.0	16.0	17.0	17.0	10.0	11.0	11.0	11.0	13.0
Municipal Court	11.0	11.0	10.0	10.0	10.0	10.0	10.0	9.0	9.0	9.0
Police*	139.0	139.0	143.0	148.0	150.5	157.0	149.0	156.0	159.0	175.0
Fire	116.0	116.0	134.0	134.0	134.0	134.0	134.0	137.0	138.0	138.0
Planning and Community										
Development	25.0	24.0	26.0	29.0	30.0	31.0	33.0	36.0	36.0	40.0
Planning and Comm.										
Devel. - Main Street	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Parks and Recreation	140.0	140.5	141.5	150.5	150.5	161.5	160.5	162.5	252.8	272.25
Public Works	42.0	41.5	47.0	44.5	43.5	45.5	50.5	53.0	57.0	62.0
Library	25.80	26.50	26.50	28.50	28.50	28.25	28.25	28.25	28.25	28.50
Total General Fund	529.8	531.5	564.0	581.5	584.0	604.3	604.3	625.3	725.5	776.5
Golf Course Fund	13.0	12.0	11.5	11.5	12.5	17.0	17.0	17.0	17.0	17.0
Airport Fund	5.5	6.0	6.0	7.0	7.0	7.0	7.0	7.0	7.0	9.0
Solid Waste Fund	51.0	44.5	48.0	50.5	49.5	52.5	52.5	53.0	54.0	59.0
Capital Project Funds**	0.0	0.0	0.0	6.0	6.5	8.0	9.0	9.0	9.0	5.0
Civic/Convention Center										
Fund	8.0	8.0	8.0	8.5	8.5	8.5	8.5	8.5	8.5	9.0
River Activities Fund	16.0	16.0	67.5	54.5	54.5	54.5	55.5	73.5	73.5	74.0
Facilities Maint. Fund	0.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0
CDBG Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EAHCP Fund	0.0	0.0	0.0	1.0						
Development Services Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0
Total Funds	623.3	619.0	706.0	721.5	724.5	753.8	754.8	794.3	895.5	953.5

Source: City of New Braunfels Annual Budget - pgs 277-289

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. 4 employees were reclassified out of the Capital Projects Funds and into the General Fund.

CITY OF NEW BRAUNFELS, TEXAS

OPERATING INDICATORS BY FUNCTION

Last Ten Years

Function	Fiscal Year			
	2010	2011	2012	2013
Police				
Response time for priority calls	N/A	N/A	6:41	6:36
Number of DWI Arrests	N/A	N/A	297	328
Fire				
Response times - structure fire	N/A	4:43	4:39	6:48
Response times - EMS	N/A	5:30	5:38	5:51
Smoke detectors issued/inspected/updated	N/A	762	842	1,200
Public Works				
Percentage of commercial and residential permit reviews completed within twenty business days	N/A	N/A	N/A	N/A
Permits reviewed and completed	296	285	240	240
Number of plat reviews completed	N/A	N/A	N/A	N/A
Number of street service requests processed	N/A	N/A	N/A	N/A
Acres of right-of-way mowed	185	185	165	188
Construction Stormwater Inspections Completed	N/A	N/A	N/A	N/A
Solid Waste				
Waste diverted from landfill	13%	20%	36%	35%
Residential operations cost per ton collected	N/A	\$ 63.32	\$ 94.00	\$ 104.00
Parks and recreation				
Recreation programs participants	2,126	3,198	3,080	3,000
Das Rec memberships	N/A	N/A	N/A	N/A
Athletic leagues teams participants (including Das Rec)	N/A	196	212	190
Golf course rounds played	41,000	40,574	39,140	43,000
Planning and Community Development				
Residential building permits issued	2,116	1,019	1,556	1,603
Commercial building permits issued	310	552	442	455
Calls for service - Animal Control	5,040	5,994	5,553	6,900
Cases abated without court action - Code				
Historic landmark designations	7	6	3	3
Airport Operations				
Flight operations annually	58,000	32,340	28,099	39,880
Gallons of fuel sold	N/A	221,106	289,882	308,000
Library				
Visitors annually	378,000	313,996	312,138	285,000
Annual circulation of library materials	802,500	756,549	762,491	800,000
Database accesses	N/A	14,117	18,021	28,000
Municipal Court				
Percentage of cases closed in 30 days or less	N/A	N/A	N/A	N/A
Number of new cases filed	N/A	N/A	N/A	N/A
River				
Wristbands sold- private tubers	N/A	N/A	N/A	N/A
Wristbands sold- outfitter tubers	N/A	N/A	N/A	N/A
Pounds of litter recovered	N/A	N/A	N/A	N/A

Source: Various City departments
CONB FY 2018-19 Budget Document

Fiscal Year						
2014	2015	2016	2017	2018	2019	
7:34 304	6:50 387	6:30 379	6:42 419	7:27 382	7:45 400	
7:15 7:13 420	6:50 6:27 440	7:04 6:00 425	6:55 5:57 450	6:17 6:18 560	7:15 5:37 550	
N/A 360	N/A 497	N/A 514	43%	85%	85%	
N/A	N/A	N/A	234	212	250	
N/A	N/A	N/A	532	497	532	
188	188	188	188	188	220	
N/A	N/A	N/A	360	654	850	
29% \$ 73.00	29% \$ 51.39	30% \$ 71.89	33% \$ 68.61	30% \$ 62.02	30% \$ 66.62	
3,918 N/A	6,499 N/A	6,478 N/A	7,318 N/A	6,421 4,900	8,363 6,200	
233 N/A	219 34,396	213 39,175	247 38,250	353 39,673	260 40,500	
2,302 344 7,349	2185 446 8,404	3000 400 7,800	2,687 481 6,030	2,600 400 6,300	3,000 500 7,000	
2	4	3	2	2	2	
45,000 399,151	42,475 370,915	48,000 445,000	53,407 500,000	52,000 505,000	67,861 548,053	
283,790 828,426 45,780	282,335 781,603 48,557	290,000 850,000 45,000	284,437 905,000 65,000	290,000 944,640 80,000	300,000 1,100,000 92,000	
N/A N/A	N/A N/A	N/A N/A	30% 13,720	20% 12,000	25% 12,500	
N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	73,414 228,109 35,970	66,919 184,153 13,650	67,000 184,000 13,000	

CITY OF NEW BRAUNFELS, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Years

Function	Fiscal Year			
	2010	2011	2012	2013
General Government				
City vehicles	246	232	257	269
Public Safety				
Police stations	1	1	1	1
Fire stations	5	5	6	6
Highways and Streets				
Streets (miles)	305	317	318	318
Area in square miles	1.8	1.9	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

Fiscal Year					
2014	2015	2016	2017	2018	2019
291	320	360	380	412	453
1	1	1	1	1	1
6	6	6	6	6	6
323	323	323	354	368	342
2.0	2.0	2.0	2.0	2.0	1.9
373	435	435	435	557	709
2	2	2	2	4	5
1	1	1	1	1	1
1	1	1	1	2	2

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