



POPULAR ANNUAL FINANCIAL REPORT

YEAR ENDING SEPTEMBER 30, 2019



MESSAGE FROM THE CITY MANAGER

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The City of New Braunfels is pleased to present the City's first Popular Annual Financial Report (PAFR) for the fiscal year ended September 30, 2019. The purpose of this report is to highlight and summarize key information and metrics from the City's three guiding financial documents: the Comprehensive Annual Financial Report (CAFR), Five Year Financial Forecast and the Adopted Budget and Plan of Municipal Services. All of these documents support our efforts to ensure compliance with generally accepted accounting principles (GAAP) and engage our leadership and elected officials in long term financial and strategic planning as well as the development of annual fiscal plans that reflect the current priorities of the citizens, City Council, and leadership of the organization.

Please note that the PAFR includes information from selected funds and excludes data from component units. The PAFR does not serve as a replacement to the CAFR or any other financial documents. If you wish to access any of the financial documents listed above, please visit the City's website at www.nbtexas.org. For any questions related to the information presented in this document, please contact the Finance department at 830-221-4380.



*Robert Camareno,
City Manager*



New Braunfels City Council
2018-2019

CITY COUNCIL AND ADMINISTRATION

Mayor: Barron Casteel

District One: Shane Hines
District Two: Justin Meadows
District Three: Harry Bowers
District Four: Matthew Hoyt
District Five: Wayne Peters
District Six: Leah Garcia

City Manager: Robert Camareno

City Attorney: Valeria Acevedo
Municipal Court Judge: Rose Zamora

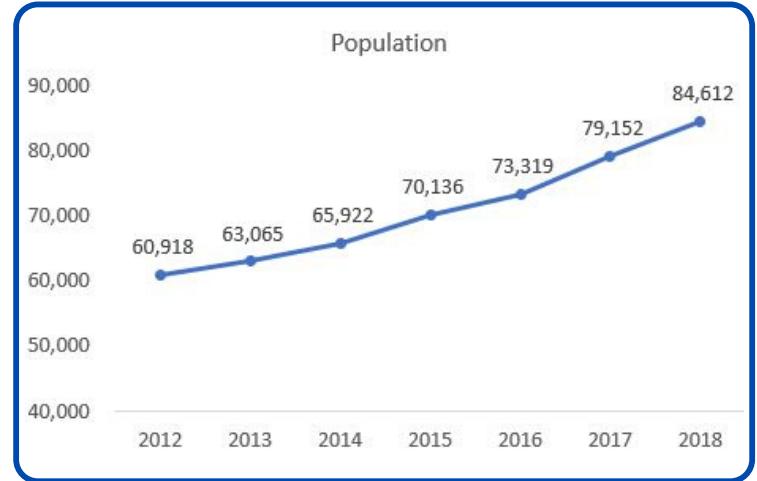
Executive Leadership Team

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
Director of Economic and Community Development:	Jeff Jewell
Director of Comm. and Community Engagement:	Jenna Vinson
Human Resources Director:	Nokihomis Willis
Information Technology Director:	Tony Gonzalez
Planning and Development Services Director:	Christopher Looney
Parks and Recreation Director:	Stacey Laird Dickie
Library Director:	Gretchen Pruett

Economic Outlook

Population

Like other communities in the San Antonio-New Braunfels area, the City of New Braunfels saw significant population growth over the last decade. Between the years 2011 and 2019, the City's population grew from 57,740 to 84,612, a 46.3% increase. Each year in May, the census releases new population estimates. New Braunfels has been recognized as the 2nd fastest growing City for the second year in a row. The data estimated that New Braunfels currently is home to 84,612 citizens, a growth rate of 7.2% from the previous year.



Economy

Median household income has risen 87% in New Braunfels since 2001, which is higher than the state and metro-area averages. Continued investments in business development and primary job recruitment have resulted in an average of 1,191 new primary jobs each year between 2010 and 2018. Since 2008, growth in employment in New Braunfels has averaged 3.25% annually*. This continued job growth should continue to drive new housing and commercial developments, along with moderate to strong growth in sales tax collections.

*These figures are provided by the New Braunfels Chamber of Commerce

Economic Development

Recent & Ongoing Developments

Go Retail! expanded operations at their current building this year, taking in more square footage and adding 5 jobs to their previous 65 jobs when they started late last year. They now occupy nearly 280,000 square feet of the 400,000 square feet in a large warehouse building south of town.

McCoy's Corporation has operated a door and mill work manufacturing operation with 70 employees in 55,000 square feet. As this business grew, they eventually outgrew their current facility. The community worked with McCoy's and helped them to relocate and rehabilitate a previously vacant industrial building that will not only result in the expansion of their operations to serve more than 80 stores in 5 states, but also the addition of 30 quality jobs.

PNC Bank announced in the fall of 2019 that New Braunfels was their choice for a new operations center. This followed an 18-month search of 40 different sites in multiple states. The Chamber of Commerce worked with the company and helped them locate a suitable site and facility to house 500 new jobs in a 60,000 square foot office building.

The Veramendi project, an approximate 2,400-acre master planned development in the City's extra territorial jurisdiction, is progressing with home construction and sales. The developer is currently in negotiations with several end users on the project's next phase, which is primarily entertainment and retail. There are approximately \$25 million of planned infrastructure improvements in the coming year, with the proposed construction of the regional storm-water dam and elevated storage tank, as well as other improvements that will provide adequate public infrastructure for the project to continue developing. With approximately \$24 million in built value currently on the appraisal rolls, the Water Improvement District is planning to issue its first reimbursement bonds in Spring 2020.

Rivermill Tax Increment Reinvestment Zone (TIRZ)

In late 2019 the City established the Rivermill Tax Increment Reinvestment Zone (TIRZ) to provide a source of funding for proposed public infrastructure improvements associated with redevelopment of the Mission Valley Cooperative Textile Mill. Historically one of the City's largest employers, the textile mill shuttered its operations in 2006 and has remained vacant since. A San Antonio-based developer purchased the property and has undertaken preliminary development and planning efforts with an anticipated start date in 2020. The creation of the TIRZ will help attract the \$80 million in private development for the mixed-use project, which anticipates multifamily, office, and retail uses.



City Statistics

FY 2018-19

Top Property Taxpayers

1. A L 95 Creek Side Town Center
2. Central Texas Corridor Hospital
3. CO LLC
4. Kahlig Enterprise INC
5. New Braunfels Waterpark LLC
6. PAC Creekside LLC
7. CGT, US Limited
8. HEB Grocery CO LP
9. WRIA 2016-4 LP
10. Grey Forest Development LLC

84,612
NEW BRAUNFELS
CITIZENS

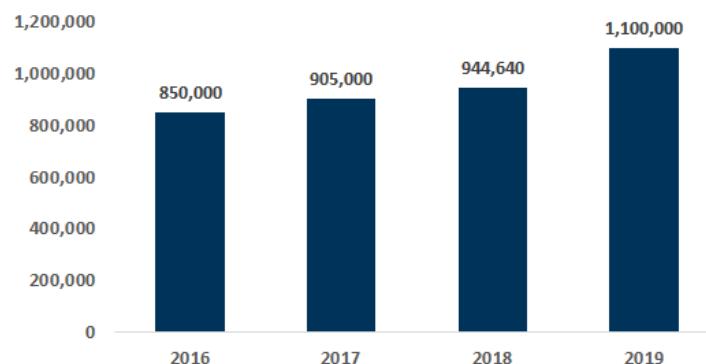
Sales Tax Information

Sales Tax Rate	8.25%
State	6.25%
County	0.50%
City/NBEDC	1.50%

City Employees (Full-Time Equivalent)

Police	175.0
Fire	138.0
Non-Uniform	640.5

Annual Circulation of Library Materials



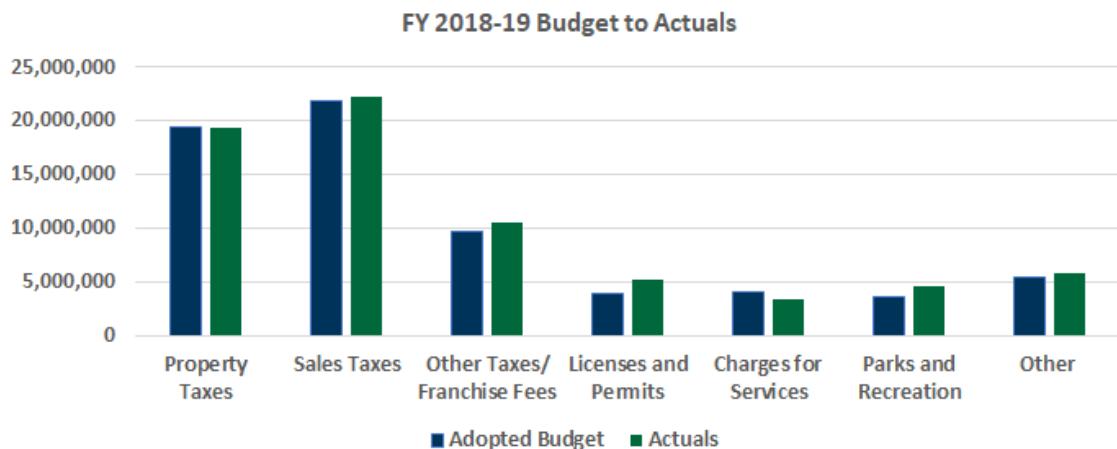
DID YOU KNOW? (In 2019)

Police Response Time	7:45
Annual Flight Operations	67,861
Avg Response Time EMS	7:15
Annual Library Visitors	67,861
Waste Diverted From Landfill	30%
Golf Rounds Played	6,200
River Wristbands Sold	67,000
Pounds of River Litter Removed	13,000

Top Ten Employers

Employees
1. Comal ISD
2. Schlitterbaun Water Park
3. WalMart Distribution Center
4. New Braunfels ISD
5. City of New Braunfels
6. Sysco
7. Hunter Industries/Colorado Materials
8. Comal County
9. HD Supply
10. CBE

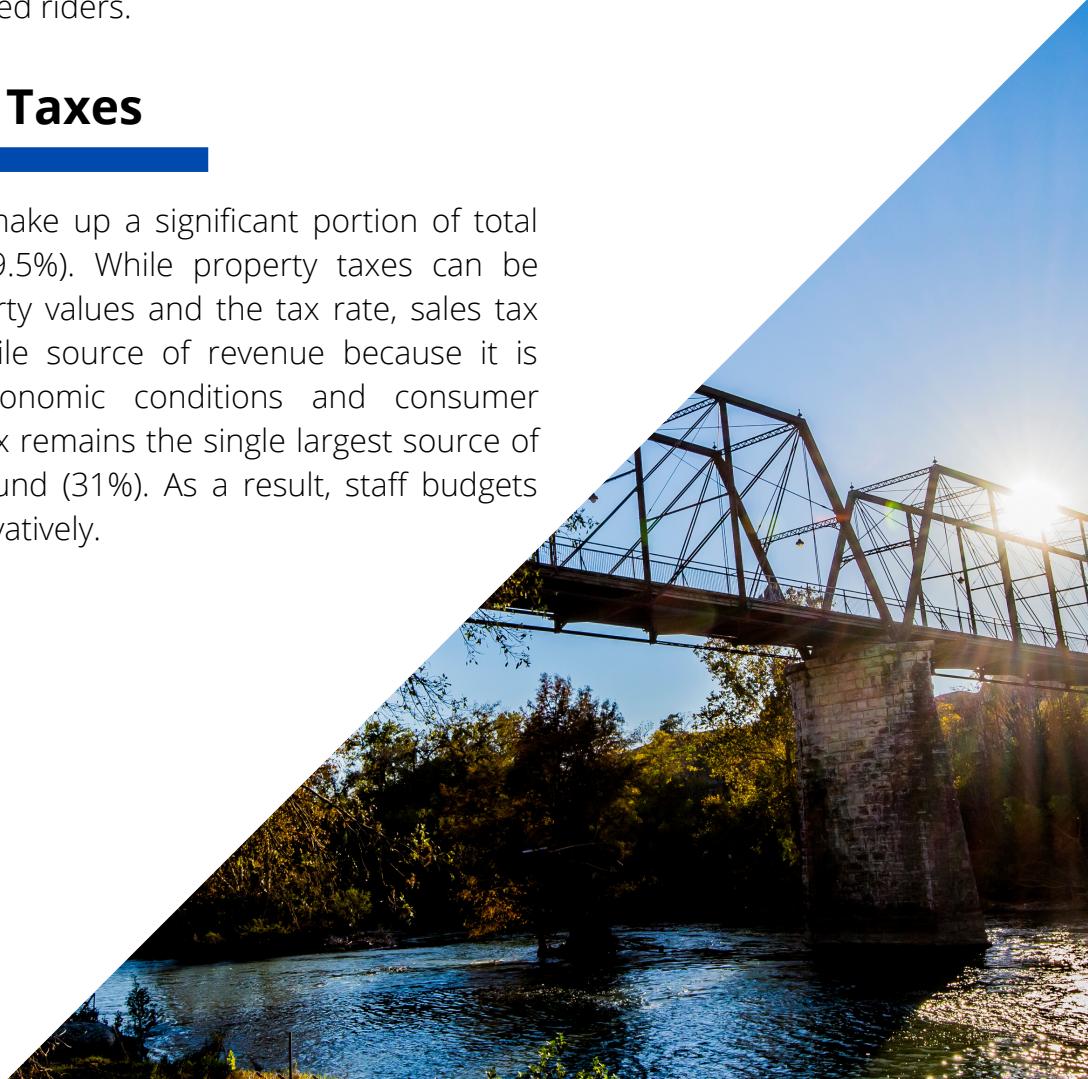
General Fund Revenue



In FY 2018-19, budgeted revenues in the General fund totaled **\$68,158,361**. At fiscal year end, the total actual revenue totaled **\$71,110,712**, approximately **4%** over budget. The increase is driven by various sources, such as collections of property tax, sales tax, franchise fees, increases in licenses and permits, and higher than anticipated Das Rec membership revenues. Charges for Services was one of the only revenue sources that saw a significant decline in comparing budget to actuals. The decline is driven mainly by a significant reduction in the payment received from the state of Texas for ambulance operations from Medicaid/Medicare/uninsured riders.

Property & Sales Taxes

Property and sales taxes make up a significant portion of total General Fund revenue (59.5%). While property taxes can be estimated based on property values and the tax rate, sales tax tends to be a more volatile source of revenue because it is directly correlated to economic conditions and consumer spending patterns. Sales tax remains the single largest source of revenue for the General Fund (31%). As a result, staff budgets this revenue source conservatively.



General Fund Expenditures



Infrastructure



Public Safety



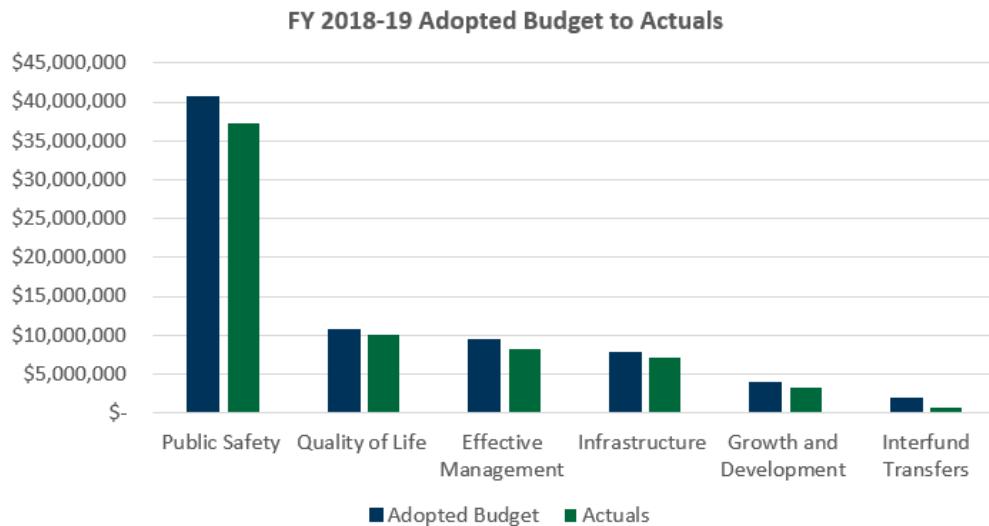
Effective Management



Quality of Life



Growth & Development



Strategic Priorities

The focus throughout the annual budget development process is meeting City Council's five Strategic Priorities of **infrastructure, public safety, effective management, quality of life, and growth & development**. The strategic priorities are all service enhancements designed to continuously improve and deliver on the demand of our growing community.

In fiscal year 2018-19, General Fund budgeted expenditures totaled **\$74,349,794**. General Fund actuals totaled **\$66,536,949**, which is approximately 11% under budget.



BALANCE SHEET

GOVERNMENTAL FUNDS

	2017	2018	2019
ASSETS			
Cash and Equity in pooled cash and investments	\$ 66,728,130	\$ 81,370,074	\$ 115,600,210
Investments	8,936,858	4,992,929	5,031,003
Receivables, net of allowance:			
Taxes	652,714	-	-
Account	8,524,653	-	-
Due from other governments	23,025	-	41,951
Due from other funds	7,783,159	22,160,498	4,147,348
Inventory	645	1,164	565
Restricted Cash	1,202,259	1,202,259	1,212,126
Total Assets	\$ 93,851,443	\$ 117,981,990	\$ 134,316,819
LIABILITIES			
Accounts Payable	8,021,106	8,495,859	9,757,413
Due to other funds	9,574,105	23,490,075	4,147,348
Accrued wages payable	819,740	882,189	1,062,880
Total Liabilities	\$ 18,414,951	\$ 32,868,123	\$ 14,967,641
DEFERRED INFLOW OF RESOURCES			
Unavailable revenue - property taxes	\$ 488,058	\$ 532,129	\$ 593,152
FUND BALANCES			
Nonspendable	28,920	169,717	223,242
Restricted	50,200,343	56,071,011	82,728,988
Committed	5,652,169	7,413,139	9,728,569
Assigned	1,367,650	551,352	1,124,345
Unassigned	17,699,352	20,376,519	24,950,882
Total Fund Balances	\$ 74,948,434	\$ 84,581,738	\$ 118,756,026
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 93,851,443	\$ 117,981,990	\$ 134,316,819



STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

REVENUES	2017	2018	2019
Taxes and franchise, including interest	\$ 66,203,264	\$ 69,560,283	\$ 78,435,288
Other	23,271,468	25,901,206	27,431,798
Total Revenues	\$ 89,474,732	\$ 95,461,489	\$ 105,867,086
 EXPENDITURES			
Current operating	\$ 88,054,613	\$ 96,562,549	\$ 91,980,413
Debt service	17,922,083	17,487,109	19,514,542
Total Expenditures	\$ 105,976,696	\$ 114,049,658	\$ 111,494,955
Excess (deficiency) of revenues over expenditures	\$ (16,501,964)	\$ (18,588,169)	\$ (5,627,869)
 OTHER FINANCING SOURCES			
Transfers in	7,835,508	9,441,121	19,663,581
Transfers out	(5,330,529)	(7,180,648)	(17,265,610)
Sale of capital assets	157,591	6,000	199,001
Capital lease	374,935	1,593,974	
Other	90,023	24,361,026	37,205,185
Total other financing sources (uses)	\$ 3,127,528	\$ 28,221,473	\$ 39,802,157
Net changes in fund balance	(13,374,436)	9,633,304	34,174,288
Fund Balances, October 1	88,322,870	74,948,434	84,581,738
Fund Balances, September 30	\$ 74,948,434	\$ 84,581,738	\$ 118,756,026



STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

	Airport	Solid Waste	Golf Course	Civic/Con. Center	TOTALS
OPERATING REVENUES					
Charges for services	\$ 2,894,328	\$ 9,864,784	\$ 1,713,661	\$ 496,263	\$ 14,969,036
Miscellaneous	1,338	166,967	35,353	586	204,244
Total Operating Revenues	\$ 2,895,666	\$ 10,031,751	\$ 1,749,014	\$ 496,849	\$ 15,173,280
OPERATING EXPENSES					
Personnel	662,859	4,029,629	808,670	469,500	5,970,658
Contractual services	258,634	2,287,155	142,498	195,706	2,883,993
Supplies	1,473,702	1,255,203	357,471	36,458	3,122,834
Depreciation	1,249,330	1,206,607	710,653	369,615	3,536,205
Total Operating Expenses	\$ 3,644,525	\$ 8,778,594	\$ 2,019,292	\$ 1,071,279	\$ 15,513,690
Operating Income (Loss)	\$ (748,859)	\$ 1,253,157	\$ (270,278)	\$ (574,430)	\$ (340,410)
NON-OPERATING REVENUES (EXPENSES)					
Intergovernmental	50,000	-	-	-	50,000
Total Nonoperating Revenues (Expenses)	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
Income Before Contributions and Transfers	\$ (698,859)	\$ 1,253,157	\$ (270,278)	\$ (574,430)	\$ (290,410)
Transfers in	99,910	-	-	187,572	287,482
Transfers (out)	(502,330)	(2,147,103)	(1,943)	(34,077)	(2,685,453)
Change in Net Position	\$ (1,101,279)	\$ (893,946)	\$ (272,221)	\$ (420,935)	\$ (2,688,381)
Beginning Net Position	14,719,952	3,785,024	5,287,910	6,247,422	30,040,308
Ending Net Position	\$ 13,618,673	\$ 2,891,078	\$ 5,015,689	\$ 5,826,487	\$ 27,351,927

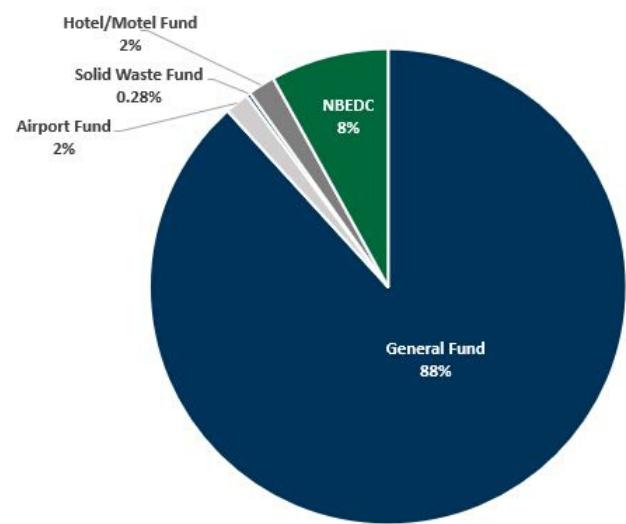
Source: 2018-19 CAFR



Debt Obligations

Outstanding Debt By Funding

General Fund	\$167,790,000
Airport Fund	\$3,110,000
Solid Waste Fund	\$540,000
Hotel/Motel Fund	\$3,490,000
NBEDC	\$15,210,000
Total	<u>\$190,140,000</u>



Uses of Debt

The City of New Braunfels issues bonds and certificates of obligation to fund needed capital improvement projects such as streets and drainage improvements, park improvements, library and fire station construction, civic/convention center renovations and additions, airport runways, taxiways and hangers and other major projects.



