

CITY OF NEW BRAUNFELS

FY2022



For the Period Ending September 30, 2022

ANNUAL COMPREHENSIVE FINANCIAL REPORT

NEW BRAUNFELS, TEXAS

(This page intentionally left blank.)

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT***

of the

CITY OF NEW BRAUNFELS, TEXAS

**For the Year Ended
September 30, 2022**

**Prepared by
Finance Department**

(This page intentionally left blank.)

CITY OF NEW BRAUNFELS, TEXAS

TABLE OF CONTENTS

September 30, 2022

	<u>Page</u>
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	3
Certificate of Achievement for Excellence in Financial Reporting	13
Organizational Chart	14
List of Elected and Appointed Officials	15
<u>FINANCIAL SECTION</u>	
Independent Auditors' Report	19
Management's Discussion and Analysis (Required Supplementary Information)	25
<u>BASIC FINANCIAL STATEMENTS</u>	
Government-Wide Financial Statements	
Statement of Net Position	36
Statement of Activities	40
Fund Financial Statements	
Governmental Funds Financial Statements	
Balance Sheet – Governmental Funds	42
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	45
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	46
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	49
Proprietary Funds Financial Statements	
Statement of Net Position	50
Statement of Revenues, Expenses, and Changes in Net Position	52
Statement of Cash Flows	54
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position	59
Statement of Changes in Fiduciary Net Position	61
Notes to Financial Statements	63
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	110
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Grants Fund	112
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Hotel/Motel Tax Fund	113

CITY OF NEW BRAUNFELS, TEXAS

TABLE OF CONTENTS

September 30, 2022

	<u>Page</u>
<u>REQUIRED SUPPLEMENTARY INFORMATION (Cont.)</u>	
Schedule of Changes in Net Pension Liability and Related Ratios – Texas Municipal Retirement System	114
Schedule of Changes in Net Pension Liability and Related Ratios – Texas Municipal Retirement System – New Braunfels Utilities	116
Schedule of Contributions – Texas Municipal Retirement System	118
Schedule of Contributions – Texas Municipal Retirement System – New Braunfels Utilities	120
Schedule of Changes in Total OPEB Liability and Related Ratios – Retiree Benefit Program	122
Schedule of Changes in Total OPEB Liability and Related Ratios – Texas Municipal Retirement System – Supplemental Death Benefits Fund	124
<u>COMBINING STATEMENTS AND SCHEDULES</u>	
Combining Balance Sheet – General Fund – Subfunds	128
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – General Fund – Subfunds	129
Combining Balance Sheet – Nonmajor Governmental Funds	130
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	131
Combining Balance Sheet – Nonmajor Special Revenue Funds	132
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	138
Combining Balance Sheet – Nonmajor Capital Projects Funds	144
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds	148
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Debt Service Fund	152
Special Revenue Funds:	
Community Development Block Grant Fund	153
Special Revenue Donations Fund	154
River Fund	155
Court Security Fund	156
Judicial Efficiency Fund	157
Court Technology Fund	158
Child Safety Fund	159
Stormwater Development Fund	160
Juvenile Case Management Fund	161
Federal Court Awards Fund	162
Non-Federal Court Awards Fund	163
Edwards Aquifer HCP Fund	164
Cable Franchise PEG Fund	165
Tax Increment Reinvestment Zone No. 1 Fund	166
Enterprise Maintenance and Equipment Fund	167
Cemetery Perpetual Fund	168

CITY OF NEW BRAUNFELS, TEXAS

TABLE OF CONTENTS

September 30, 2022

	<u>Page</u>
<u>COMBINING STATEMENTS AND SCHEDULES (CONTINUED)</u>	
Recreation Center Improvements Fund	169
Developmental Services Fund	170
River Mill TIRZ Fund	171
 <u>STATISTICAL SECTION</u>	
Net Position by Component	174
Changes in Net Position	176
Fund Balances, Governmental Funds	182
Changes in Fund Balances, Governmental Funds	184
General Governmental Tax Revenue by Source	188
Assessed Value and Estimated Actual Value of Taxable Property	190
Property Tax Rates – Direct and Overlapping Governments	192
Principal Property Taxpayers	195
Property Tax Levies and Collections	196
Ratios of Outstanding Debt by Type	198
Ratios of General Bonded Debt Outstanding	200
Direct and Overlapping Governmental Activities Debt	203
Legal Debt Margin Information	204
Demographic and Economic Statistics	207
Principal Employers	209
Authorized City Government Positions by Function	211
Operating Indicators by Function	212
Capital Asset Statistics by Function	214

(This page intentionally left blank.)

INTRODUCTORY SECTION

(This page intentionally left blank.)



FINANCE DEPARTMENT

April 26, 2023

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

The Annual Comprehensive Financial Report for the City of New Braunfels, Texas (the "City") for the fiscal year ended September 30, 2022 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, 2022 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.

TEL 830.221.4385

www.nbtexas.org

550 LANDA STREET

NEW BRAUNFELS, TEXAS 78130

PROFILE OF THE GOVERNMENT

New Braunfels is a dynamic and historic Texas community of about 100,000 located on Interstate 35, 30 miles north of San Antonio and 45 miles south of Austin. New Braunfels is the largest city in Comal County and serves as the County seat. The City's geographic boundaries encompass approximately 45.5 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. Its prime location, endless entertainment options, natural amenities, and vibrant economy are just a few of the variables that have led to the continued growth in 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 a total of three terms of office, whether served as Council member or Mayor.

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 14. 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 National Airport. Citizen engagement and involvement is a major component of the City's operations and policy development process, which has 31 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 the 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, and approves proposed debt issuances and/or rate adjustments of the utility. The City also has three Tax Increment Reinvestment Zones (TIRZ). One encompasses the areas known as the Creekside Shopping Center, one encompasses the area known as the "Milltown" area, and the newest is located in the downtown district of New Braunfels. 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 budgets, as well. Therefore, City Management has included all of the TIRZ and the New Braunfels Development Authority as blended component units. In January 2019, the Solms Landing Public Improvement District (PID) was created. The PID is a 98-acre development east of I-35 in the Creekside area and will incorporate a mixture of residential and non-residential developments. For reporting purposes, City Management includes the Solms Landing PID as a fiduciary fund.

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 1st to September 30th. 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 and 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 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. The City adopts a budget for all governmental funds except for the New Braunfels Development Authority fund. For more information, please refer to the City of New Braunfels FY 2022 Adopted Budget and Plan of Municipal Services which can be found at www.nbtexas.org.

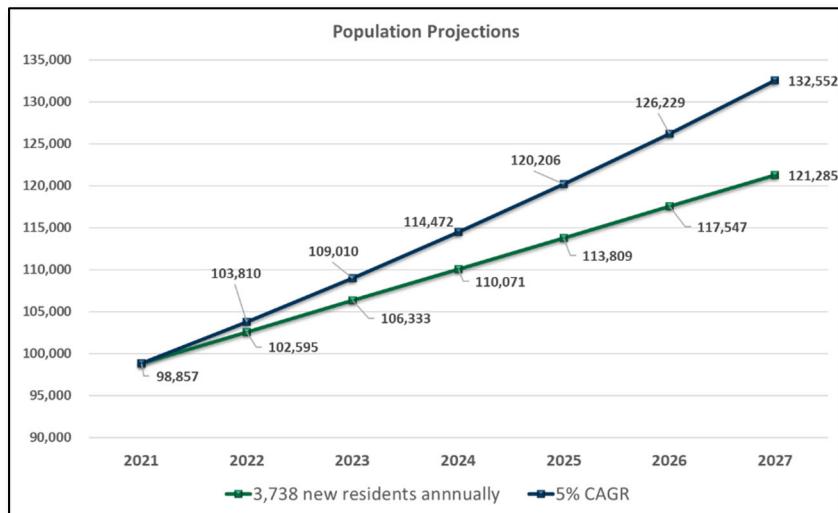
Monthly financial reports are generated that allow the leadership team, City Council, and citizens (as these reports are posted on the City's website) to monitor revenues, expenditures, and other key organizational/economic metrics. In addition, the Finance and Audit Committee, which is made up of the Mayor, Mayor Pro Tem, as well as one 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 Annual Comprehensive Financial Report.

ECONOMIC CONDITION AND OUTLOOK

Apart from some stagnation during the 2008-2010 recession, New Braunfels has been in a sustained period of growth. New Braunfels is consistently amongst the fastest growing cities in the United States. An examination of trends around its population growth suggests the city's attractiveness as a place to relocate has accelerated in recent decades. Since 2010, New Braunfels' rate of population growth (71%) has more than tripled that of the San Antonio MSA (21%) and nearly doubled that of the Austin MSA (37%).

The latest official census information for New Braunfels provides a July 2021 population estimate of 98,857. This represents a compounded annual growth rate (CAGR) of 5.01% since the 2010 census estimate of 57,740. While applying the 5.01% CAGR projection through the forecast period would make intuitive sense, there is a practical limitation to the number of people that can locate within city limits in each period. This growth rate of 5.01% means that, on average, approximately 3,738 people have located to the city every year since 2010.

When a 5.01% CAGR is applied from the 2022 figures through the forecast period, this means that approximately 5,616 people are added annually through 2027. In consideration of both the 3,738 annual population increase and the 5.01% increase, the graph below projects an estimate of the City's population around 2027 to potentially be between 122,000 to 133,000 residents.



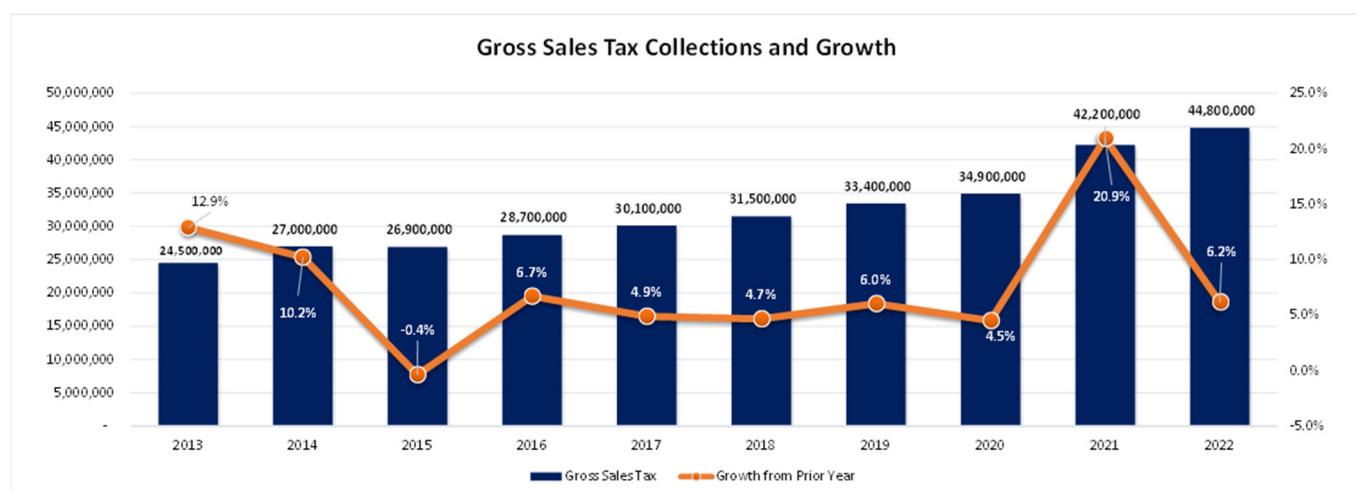
It is estimated that New Braunfels receives more than 3 million visitors a year. A 2021 economic impact analysis found that the tourism industry accounted for approximately \$985.5 million in 2021 – an increase of 39 percent from the 2017 analysis. In 2021, the hospitality industry employed 9,437 direct workers and supported another 3,376

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 retail trade, wholesale trade, and healthcare & social assistance. Retail trade, accommodation and food services, health care and social assistance, construction, transportation and warehousing, manufacturing, government (school district, local, state, and federal), administrative support services, and wholesale trade, respectively, provide the greatest number of jobs in the community.

Sales Tax Activity

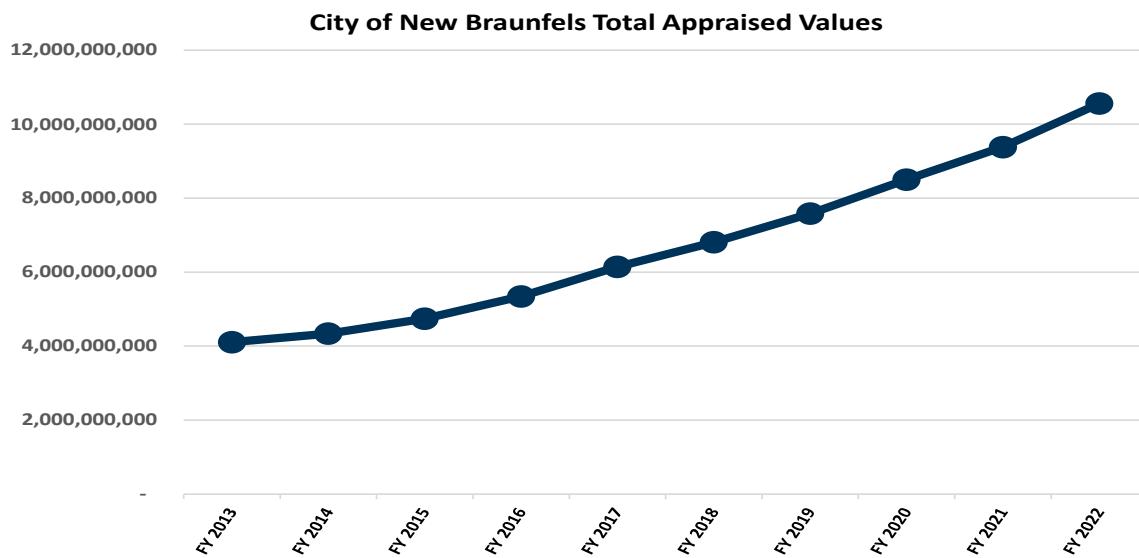
Sales taxes represent the single largest source of revenue to the City's General Fund. In addition, due to the positive effect that tourism has on our economy, sales tax collections are somewhat seasonal, with the largest monthly collection occurring during the summer. As the graph illustrates, sales tax has experienced varying levels of growth over the last ten years. Fiscal Year 2015 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 to point of sale as opposed to point of distribution. Even in the fiscal year most impacted, by the COVID pandemic, the City still experienced overall growth. Like many cities in Texas, Fiscal Year 2022 has been a record year from a sales tax perspective. This is driven by many factors such as built-up demand for various services and commodities and inflationary pressures. In February 2022, the City's sales tax collections no longer included collections from its largest sales tax contributor due to a change in their business model. As a result, the Fiscal Year 2022 sales tax budget was extremely conservative in expectation of 8 months of reduced collections. However, annual sales tax collections exceeded both the budgeted revenue and the prior year's revenues.

,



Property Values and Tax Rate

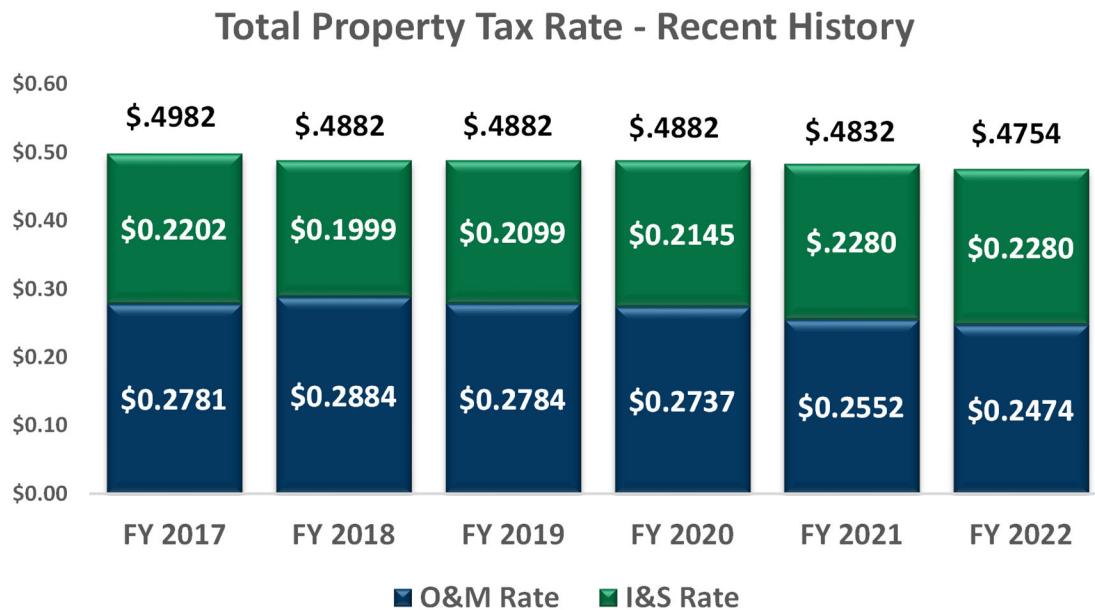
As mentioned earlier, the City of New Braunfels has been, and continues to be recognized as, one of the fastest growing cities in the country. The increase in population has also resulted in an increase in the demand for City services. As can be seen in the graph below, population growth has had a direct impact on the total increase in commercial, industrial, and residential property values. The graph below provides the most current available data – through tax year 2021 (Fiscal Year 2022).



For tax year 2021 (Fiscal Year 2022) total appraised values were approximately \$10.2 billion, which represented an 8.4 percent 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 \$8.6 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.



Major Developments

In 2007, the City established its first tax increment reinvestment zone district to facilitate the development of a 400-acre master planned, mixed-use development (Creekside TIRZ). The original value of all property within that district 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 zone exceeds \$500 million. The development's next phase will focus on additional housing and entertainment options. In 2022, the City broke ground on a new fire station (see below) within the boundaries. The project will be fully supported by the Creekside TIRZ. The City also has recently amended the boundaries to incorporate linear park development, as well as a contribution to a major road rehabilitation/widening project.



Fire Station #7

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 redevelopment plan anticipates a mix of uses on the site to include a hotel, multi-family housing, office, retail, and entertainment spaces exceeding \$100 million in total project costs.

In 2021, the City established the boundaries of TIRZ #3, which is entirely made up of portions of the downtown area. The TIRZ #3 will serve as a reinvestment tool to allow for targeted infrastructure investments in the downtown area. There are several major redevelopment projects in various stages of development in the downtown area and the TIRZ #3 will provide a dedicated funding source to ensure that the infrastructure in and around these areas are adequate.

Veramendi and Mayfair, which are both water control and improvement districts (WCID) are currently in different stages of development. These master planned communities are expected to include a variety of residential and commercial uses. While these developments are outside of the City limits, the organization has entered into development agreements with each agency. As a result of these agreements, the City will receive development related revenue, as well as an opportunity to capture a portion of the sales taxes on commercial properties. The City also stands to generate indirect economic benefit from these developments as they materialize.

While typical greenfield residential development has been occurring at a rapid pace for the last 10 to 15 years, the City is also beginning to observe more infill development (residential and commercial). In addition, there are also several developments and improvements occurring throughout the downtown area. The City expects tourism to remain strong because New Braunfels offers great attractions at reasonable prices. Collectively, the various attractions, natural resources, and commercial/industrial development provide the confidence in having a positive long-term economic outlook.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Capital Investment

Since 2003, over \$300 million in capital improvement investments have either been completed or are currently underway. \$93 million stems from the 2013 bond projects and \$143 million from the 2019 bond projects. The 2013 and 2019 bond programs’ goals continue to fund the projects identified in the 2012 Capital Improvement Plan (which exceeded \$500 million in needed investments), as well as address the priorities of the National Citizen Survey. The survey, which has now been conducted multiple times (and is currently underway) continues to support Streets, Public Safety, and Outdoor Recreation as the top three priorities of our citizens. Projects funded by the 2013 and 2019 bond programs allow for improvements in streets and drainage, public safety, libraries, and quality of life. The pictures below are of several of the bond projects that are recently completed or are currently under construction.



Fire Station #2



Fire Station #3

Westside Library (Under Construction)



Completed Police Department Station

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 May of 2023, citizens will vote on an additional \$140 million in continued capital investment. The 2023 bond program is comprised of three propositions. The streets proposition totals nearly \$99 million, with the remaining funding going towards a proposition for parks and for a southeast library branch. The 2023 bond program was developed over a nearly two-year process, which involved a bond advisory committee, citizen survey, and multiple public input meetings. These efforts then led to the City Council determining a final composition of the projects and propositions.

Maintaining and Increasing Services Levels

Maintaining and increasing service levels has been and continues to be a major challenge for the City, yet the Fiscal Year 2022 operations and maintenance portion of the tax rate is still lower in Fiscal Year 1998. Over the past 10-15 years, the City has opened and staffed 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 transportation and capital improvements division, and increased police department personnel, among many other initiatives. Over the past several years, the organization has prioritized investments in technology and equipment specifically targeted at increasing efficiency and production.

RESERVES AND BOND RATING

The General Fund ended the year with a total unassigned fund balance of \$42 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 percent balance to protect our strong bond rating. Growth in fund balance continues to be driven by conservative budgeting policies and preparing for the impact from potential legislative changes. Since the onset of the pandemic, the City has taken a conservative budgeting approach, given the economic uncertainty. Fortunately, impacts to revenues have been minimal and the City has been able to generate savings through various strategies. As a result, the organization carried surplus reserves over the past three fiscal years. This has provided the opportunity to make significant investments in one-time equipment and initiatives. The City's commitment to sound financial management and strong reserves is reflected by its Standard and Poor's rating of AA, Moody's rating of Aa2, and Fitch rating of AA, which were all reaffirmed within the past year.

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 Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021. This was the 14th year that the City has achieved this prestigious award (in recent history). In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both GAAP and applicable legal requirements.

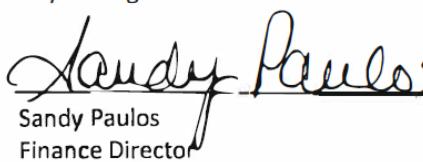
A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully Submitted,



Robert Camareno
City Manager



Sandy Paulos
Finance Director

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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO

CITY OF NEW BRAUNFELS, TEXAS

ORGANIZATIONAL CHART



CITY OF NEW BRAUNFELS, TEXAS
ELECTED AND APPOINTED OFFICIALS
September 30, 2022

NEW BRAUNFELS CITY COUNCIL



Mayor
Rusty Brockman
rbrockman@newbraunfels.gov



District One
Andrés Campos
acampos@newbraunfels.gov



District Two
Christopher Willis
cwillis@newbraunfels.gov



District Three & Mayor Pro-Tem
Harry Bowers
hbowers@newbraunfels.gov



District Four
Lawrence Spradley
lspradley@newbraunfels.gov



District Five
Jason Hurta
jhurta@newbraunfels.gov



District Six
James Blakey
jblakey@newbraunfels.gov

Appointed Officials

City Manager: Robert Camareno

City Attorney: Valeria Acevedo

Municipal Court Judge: Rose Zamora

Executive Leadership Team

Assistant City Manager:

Jared Werner

Assistant City Manager:

Jordan Matney

Police Chief:

Keith Lane

Fire Chief:

Ruy Lozano

Public Works Director:

Greg Malatek

Finance Director:

Sandy Paulos

Human Resources Director:

Becca Miears

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

Transportation and Capital Improvement Director:

Garry Ford

(This page is intentionally left blank.)

FINANCIAL SECTION

(This page is intentionally left blank.)



INDEPENDENT AUDITORS' REPORT

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

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, 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, 2022, 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.

We did not audit the financial statements of New Braunfels Utilities, a discretely presented component unit, which financial statements reflect total assets of \$1,050,424,546 and total revenues of \$273,001,504 for the fiscal year ending July 31, 2022. 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note I.F 14 to the financial statements, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*, in fiscal year 2022. Our opinion is not modified with respect to this matter.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 and total OPEB liability and related ratios, and schedules of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 combining statements and schedules are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Belt Harris Pechacek, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
April 26, 2023

(This page intentionally left blank.)

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

(This page intentionally left blank.)

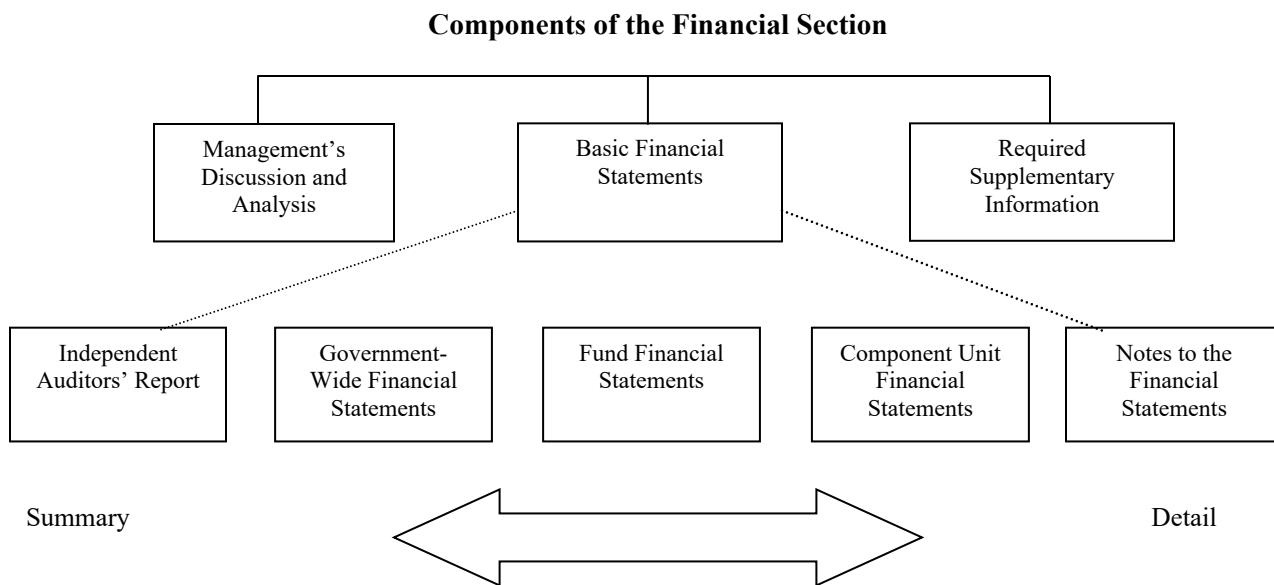
CITY OF NEW BRAUNFELS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2022

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, 2022. 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



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, 2022

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), library, finance and tax, parks and recreation, planning and environmental, 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), the New Braunfels Development Authority (NBDA), and the River Mill TIRZ, 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. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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 43 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, 2022

balances for the general, debt service, 2019 capital improvement, and grant funds which are considered to be major funds for reporting purposes. The general obligations, hotel/motel tax, roadway impact fees, and 2020 capital improvement funds are not major, but the City has elected to present them as major due to their significance.

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.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains one type of fiduciary fund. The private-purpose trust fund is used to report resources held in trust for contributions and payments made on behalf of the Solms Landing Public Improvement District (the "PID"). The fiduciary fund financial statements can be found in the basic financial statements of this report.

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, grants, and hotel/motel tax funds, schedules 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, schedule of changes in total OPEB liability and related ratios for the Retiree Benefits program, and schedules of contributions for TMRS. RSI can be found after the notes to the basic financial statements.

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2022

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 \$97,808,614 as of September 30, 2022 for the primary government. This compares with \$72,816,689 from the prior fiscal year. A portion of the City's net position, \$31,473,769, 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.

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022*	2021	2022	2021
Current and other assets	\$ 214,330,516	\$ 204,962,321	\$ 11,936,761	\$ 9,065,979	\$ 226,267,277	\$ 214,028,300
Capital assets, net	237,026,728	217,162,245	25,421,198	26,435,962	262,447,926	243,598,207
Total Assets	451,357,244	422,124,566	37,357,959	35,501,941	488,715,203	457,626,507
Deferred charge on refunding	1,180,708	1,401,910	-	-	1,180,708	1,401,910
Deferred outflows - pensions	9,979,852	8,086,659	1,016,402	833,317	10,996,254	8,919,976
Deferred outflows - OPEB	1,275,458	1,062,379	108,075	87,568	1,383,533	1,149,947
Total Deferred Outflows of Resources	12,436,018	10,550,948	1,124,477	920,885	13,560,495	11,471,833
Long-term liabilities	352,106,822	358,246,732	3,693,961	4,999,090	355,800,783	363,245,822
Other liabilities	26,502,949	25,918,783	2,165,871	2,012,901	28,668,820	27,931,684
Total Liabilities	378,609,771	384,165,515	5,859,832	7,011,991	384,469,603	391,177,506
Deferred inflows - leases	581,523	-	1,426,210	-	2,007,733	-
Deferred inflows - pensions	10,195,803	3,897,839	1,000,527	391,468	11,196,330	4,289,307
Deferred inflows - OPEB	6,197,862	744,512	595,556	70,326	6,793,418	814,838
Total Deferred Inflows of Resources	16,975,188	4,642,351	3,022,293	461,794	19,997,481	5,104,145
Net Position:						
Net investment in capital assets	6,134,619	10,249,960	25,339,150	26,435,962	31,473,769	36,685,922
Restricted	52,934,963	32,697,863	-	-	52,934,963	32,697,863
Unrestricted	9,138,721	919,825	4,261,161	2,513,079	13,399,882	3,432,904
Total Net Position	\$ 68,208,303	\$ 43,867,648	\$ 29,600,311	\$ 28,949,041	\$ 97,808,614	\$ 72,816,689

*Beginning net position has been restated

A portion of the primary government's net position, \$52,934,963, represents resources that are subject to external restriction on how they may be used. The balance of unrestricted net position is \$13,399,882.

The City's total net position increased by \$24,991,925 during the current fiscal year. Capital assets net of accumulated depreciation increased due to capital additions in excess of depreciation expense, as the City continued to add infrastructure to sustain growth. Long-term liabilities decreased during the year primarily due to the refunding of debt as well as decreases in the liabilities associated with the City's pension and OPEB plans. This decrease was offset partially by the issuance of new debt in fiscal year 2022.

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2022

Statement of Activities

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

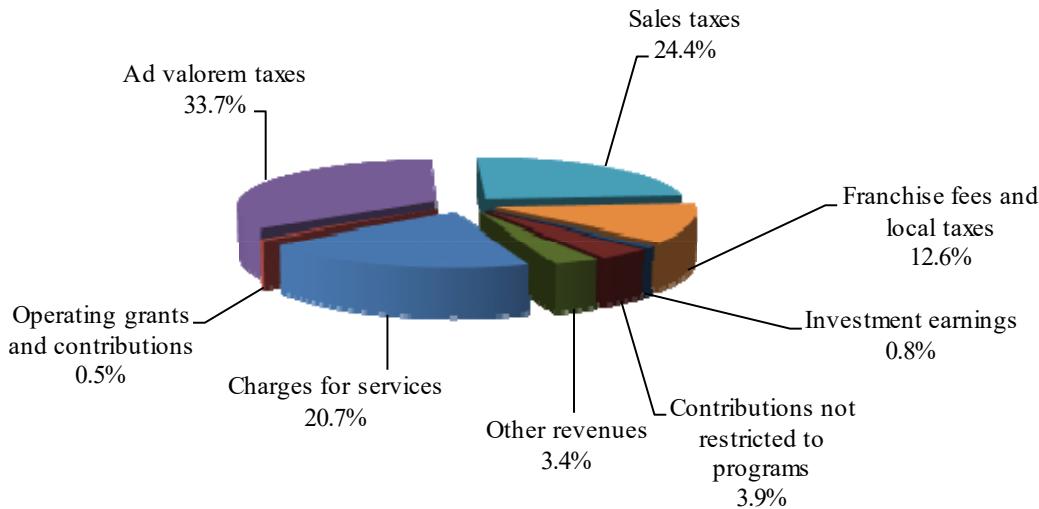
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022*	2021	2022	2021
	Revenues	2022	2021	2022*	2021	2022
Program revenues:						
Charges for services	\$ 29,353,595	\$ 21,114,417	\$ 18,400,051	\$ 15,610,889	\$ 47,753,646	\$ 36,725,306
Operating grants and contributions	685,742	5,852,879	-	1,009,760	685,742	6,862,639
Capital grants and contributions	-	-	1,707,193	-	1,707,193	-
General revenues:						
Property taxes	47,774,799	44,385,894	-	-	47,774,799	44,385,894
Sales taxes	34,519,455	31,329,222	-	-	34,519,455	31,329,222
Franchise fees and local taxes	17,797,103	15,599,535	-	-	17,797,103	15,599,535
Investment earnings	1,121,872	205,026	39,359	1,337	1,161,231	206,363
Contributions not restricted to programs	5,587,991	6,127,563	-	-	5,587,991	6,127,563
Other revenues	4,875,847	5,448,786	505,005	279,904	5,380,852	5,728,690
Gain on disposal of capital assets	191,199	-	390	-	191,589	-
Total Revenues	141,907,603	130,063,322	20,651,998	16,901,890	162,559,601	146,965,212
Expenses						
General government	10,769,312	9,828,717	-	-	10,769,312	9,828,717
Finance and tax	1,325,662	1,193,628	-	-	1,325,662	1,193,628
Planning and environmental development	3,901,028	3,922,622	-	-	3,901,028	3,922,622
Public safety	44,116,389	41,195,757	-	-	44,116,389	41,195,757
Public works	36,629,200	39,944,252	-	-	36,629,200	39,944,252
Parks and recreation	11,410,083	7,612,568	-	-	11,410,083	7,612,568
Civic/convention center	-	-	1,119,860	1,043,786	1,119,860	1,043,786
Library	2,796,129	1,897,297	-	-	2,796,129	1,897,297
Interest and fiscal agent fees	8,625,458	9,020,609	-	-	8,625,458	9,020,609
Airport	23,530	-	5,378,556	3,566,788	5,402,086	3,566,788
Solid waste	-	-	9,281,306	8,985,299	9,281,306	8,985,299
Golf course	-	-	2,191,163	1,910,218	2,191,163	1,910,218
Total Expenses	119,596,791	114,615,450	17,970,885	15,506,091	137,567,676	130,121,541
Increase in Net Position Before Transfers	22,310,812	15,447,872	2,681,113	1,395,799	24,991,925	16,843,671
Transfers	2,029,843	2,287,578	(2,029,843)	(2,287,578)	-	-
Change in Net Position	24,340,655	17,735,450	651,270	(891,779)	24,991,925	16,843,671
Beginning net position	43,867,648	26,132,198	28,949,041	29,840,820	72,816,689	55,973,018
Ending Net Position	\$ 68,208,303	\$ 43,867,648	\$ 29,600,311	\$ 28,949,041	\$ 97,808,614	\$ 72,816,689

*Beginning net position has been restated

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2022

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

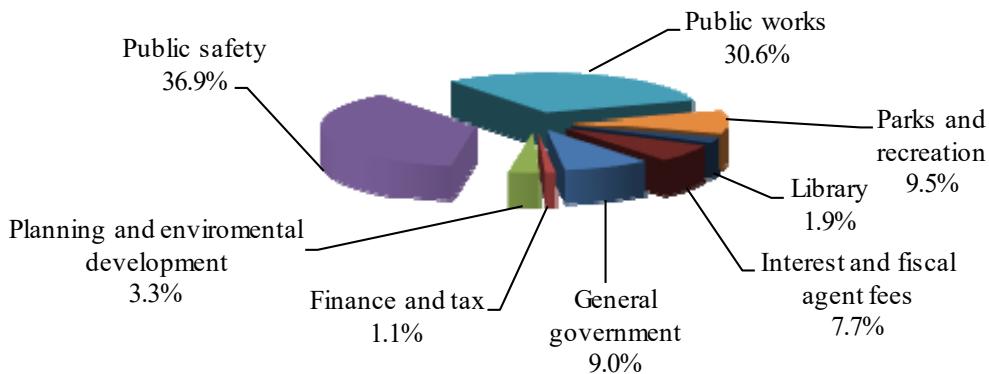
Governmental Activities - Revenues



For the year ended September 30, 2022, revenues from governmental activities totaled \$141,907,603. This \$11,844,281 increase was primarily from an increase in various tax collections mostly attributable to continued growth and consumer activity within the City. Charges for services revenue also increased in fiscal year 2022. The primary reason for this increase was increased activity at the Das Rec center. These increases were partially offset by decreases in operating grants and contributions as the City did not receive as much funding from the state and federal government during the current year.

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2022

Governmental Activities - Expenses

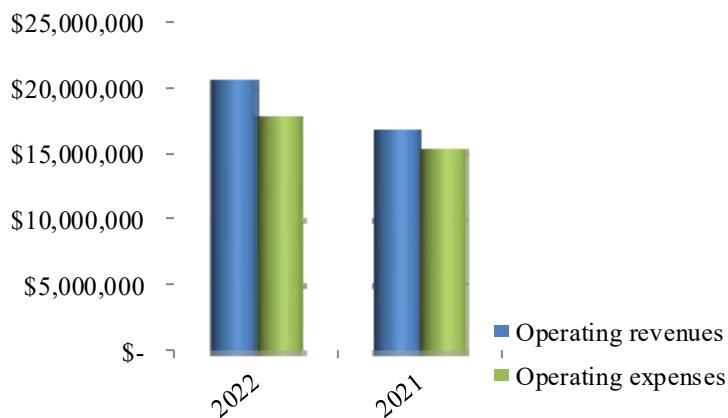


Governmental expenses increased by \$4,981,341, or 4%. This increase is primarily related to increases in public safety as well as parks and recreation. The continued increase in public safety expenses as a portion of total government expenditures is tied directly to increases in staffing. The increase in parks and recreation is primarily related to additional staffing to accommodate additional City programs during the spring and summer.

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2022

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

Business-Type Activities - Revenues and Expenses



Overall, business-type activities revenues increased by \$3,750,108 from the prior period, primarily due to increases in fuel sales as prices for fuel increased during the year.

Business-type activities expenses increased by \$2,464,794, mostly due to increases in expenses for operations of the City's airport.

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 \$185,561,959. Of this, \$243,381 is nonspendable, \$132,838,670 is restricted for various purposes, \$7,515,441 is committed, \$3,088,682 is assigned, and \$41,875,785 is unassigned.

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 \$41,884,286, while total fund balance reached \$44,973,563. 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 49% of total general fund expenditures, while total fund balance represents 52% of that same amount. The general fund balance increased by \$3,916,439 this year, primarily related to increases in various revenue sources such as, property tax, sales tax, and hotel and motel tax. These revenue sources primarily increased due to continued growth and consumer activity within the City.

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2022

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 \$3,088,682 to this stated fund balance. 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 an increase of \$1,286,532, mostly due to increased tourism activity as well as a continued City enforcement effort.

Fund balance in the debt service fund experienced a slight increase of \$6,457. The debt service fund property tax revenue increased during the year mostly due to increases in property valuations. The debt service fund also shows activity related to the issuance of refunding bonds and related payments to an escrow agent.

The fund balance in the general obligations capital projects fund had a decrease in fund balance of \$395,340, 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 an increase in fund balance of \$1,450,442, which was primarily a net result of increases in impact fees and other contributions collected by the City. This increase in collections corresponds with the increase in construction and growth within the City.

The fund balance in the 2019 capital improvement fund had a decrease in fund balance of \$14,889,345, which was primarily a result of bond proceeds being used for capital projects. This decrease was partially offset by the issuance of additional debt in order to continue funding ongoing projects.

The fund balance in the 2020 capital improvement fund had a decrease in fund balance of \$352,922, which was primarily a result of the use of bond proceeds for various capital projects.

The grant fund is used to track various special project expenditures and reimbursements for grant programs in the City. The fund experienced an increase of \$38,968 due primarily to transfers in from other funds. The City expended certain items in this fund for which grant money was ultimately not awarded and required a supplement from another fund.

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. The Airport fund experienced a decrease in net position of \$760,101 primarily related to the increase in supplies expense related to the increase in fuel and oil costs. The Solid Waste fund experienced an increase in net position of \$1,693,062 primarily related capital contributions from the enterprise maintenance fund. The Golf Course fund experienced a decrease of \$42,825 primarily related to increases personnel and supplies expenses. The Civic/Con. Center fund experienced a decrease in net position of \$238,866 due to charges for services related to the center are not covering operating costs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The amended budget included a planned decrease in fund balance in the amount of \$11,821,747. The actual fund balance for the year increased by \$3,916,439. Actual revenues exceeded the amended budget by \$12,774,651 spread across various revenue lines. The largest positive variances were in sales taxes and licenses and permits. The City's conservative revenue projections, as well as the diverse economy within the City, are both attributable to the positive variance. Actual expenditures were under the amended budget by \$3,067,004. The largest positive variances were in nondepartmental and city administration.

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2022

CAPITAL ASSETS

At the end of fiscal year 2022, the City's governmental activities had invested \$237,026,728 in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$19,864,483.

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

LONG-TERM DEBT

At the end of the current year, the City had total general obligation bonds and certificates of obligation outstanding of \$266,135,000. Of this amount, \$231,165,000 was general obligation debt and \$34,970,000 was certificates of obligation. The City had several new debt issuances during the year for capital projects and refunding purposes.

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 and a 'AA' rating from Fitch.

ECONOMIC FACTORS AND NEXT YEARS BUDGET

From a budget planning perspective, the pandemic created a significant amount of economic uncertainty. Fiscal planning over the past two years was to budget conservatively in the face of that uncertainty. Fortunately, the City's primary revenues have not been negatively impacted. As a result of a conservative budgeting approach, General Fund reserves are in a strong surplus position which allows for a major investment in one time equipment and initiatives with primary focus on increasing efficiency and/or productivity. The FY 2023 Adopted Budget includes over \$12 million of one-time investments, with significant portions dedicated to public safety and infrastructure.

The strong surplus position also allows for a number of deferred recurring initiatives to be incorporated. As a result of rapid growth, all City Departments are experiencing increased demands for services. During the past two budget cycles, many position requests remained unfunded. Long-term budgeting priorities will focus on providing additional staff to assist our departments in meeting the current demands for service. A bond election will be held in May 2023 and will include propositions to fund street improvements, parks, and a new library branch.

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, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and equity in pooled cash and investments	\$ 177,147,389	\$ 9,486,862	\$ 186,634,251
Investments	12,484,728	-	12,484,728
Receivables, net	12,016,227	924,566	12,940,793
Leases receivable	586,018	1,427,062	2,013,080
Due from other governments	41,047	-	41,047
Inventory	595	98,271	98,866
Prepaid items	-	-	-
Other current assets	-	-	-
Restricted current assets			
Cash and cash equivalents	12,054,512	-	12,054,512
Investments	-	-	-
	<u>214,330,516</u>	<u>11,936,761</u>	<u>226,267,277</u>
Capital assets:			
Nondepreciable	51,230,852	2,540,961	53,771,813
Depreciable, net	185,795,876	22,880,237	208,676,113
Investments:			
Restricted	-	-	-
Unrestricted	-	-	-
Other noncurrent assets	-	-	-
	<u>237,026,728</u>	<u>25,421,198</u>	<u>262,447,926</u>
	Total Assets	451,357,244	488,715,203
Deferred Outflows of Resources			
Deferred charge on refunding	1,180,708	-	1,180,708
Deferred outflows - pensions	9,979,852	1,016,402	10,996,254
Deferred outflows - OPEB	1,275,458	108,075	1,383,533
	Total Deferred Outflows of Resources	12,436,018	13,560,495
Liabilities			
Accounts payable	11,962,136	1,666,120	13,628,256
Deposit payable	-	127,851	127,851
Leases payable	-	82,048	82,048
Accrued expenses payable	1,737,489	289,852	2,027,341
Accrued interest	1,808,010	-	1,808,010
Unearned revenue	10,995,314	-	10,995,314
	<u>26,502,949</u>	<u>2,165,871</u>	<u>28,668,820</u>
Noncurrent liabilities:			
Due within one year:			
Bonds payable	20,305,000	-	20,305,000
Loan payable	113,110	-	113,110
Accrued compensated absences	7,690,046	308,026	7,998,072
Due in more than one year:			
Bonds payable	290,588,561	-	290,588,561
Loan payable	427,984	-	427,984
Net pension liability	24,733,864	2,595,876	27,329,740
Total OPEB liability - TMRS	2,180,207	216,549	2,396,756
Total OPEB liability - retiree benefits	5,213,601	539,285	5,752,886
Accrued compensated absences	854,449	34,225	888,674
Other noncurrent liability	-	-	-
	Total Liabilities	352,106,822	3,693,961
		378,609,771	5,859,832
		355,800,783	384,469,603

Component Units	
Economic Development Corporation	New Braunfels Utilities
\$ 13,212,583	\$ 97,763,763
-	6,936,436
4,435,154	52,346,816
-	-
-	-
-	4,337,011
-	1,763,827
9,496,323	4,070,859
-	21,442,511
-	2,926,042
<u>27,144,060</u>	<u>191,587,265</u>
-	92,434,199
-	738,883,441
-	8,576,380
-	10,526,200
<u>-</u>	<u>8,417,061</u>
<u>-</u>	<u>858,837,281</u>
<u>27,144,060</u>	<u>1,050,424,546</u>
-	-
-	8,262,710
-	-
<u>-</u>	<u>8,262,710</u>
377,550	47,016,225
-	10,363,403
-	-
-	4,226,317
-	1,214,586
<u>-</u>	<u>-</u>
<u>377,550</u>	<u>62,820,531</u>
-	6,515,000
-	35,250,000
-	1,732,965
-	368,336,215
-	-
-	12,319,133
-	-
-	-
-	834,120
-	8,722,667
<u>-</u>	<u>433,710,100</u>
<u>377,550</u>	<u>496,530,631</u>

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF NET POSITION (page 2 of 2)

September 30, 2022

Primary Government			
	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources			
Deferred inflows - pensions	\$ 10,195,803	\$ 1,000,527	\$ 11,196,330
Deferred inflows - OPEB	6,197,862	595,556	6,793,418
Deferred inflows - leases	581,523	1,426,210	2,007,733
Total Deferred Inflows of Resources	16,975,188	3,022,293	19,997,481
Net Position			
Net investment in capital assets	6,134,619	25,339,150	31,473,769
Restricted for:			
Debt service	2,779,068	-	2,779,068
Capital projects	32,263,680	-	32,263,680
Cemetery perpetual care (nonexpendable)	242,786	-	242,786
Grants	42,108	-	42,108
Impact fees	-	-	-
Municipal court	381,500	-	381,500
Public safety	10,331	-	10,331
Governmental programming	545,190	-	545,190
Tourism	3,887,182	-	3,887,182
Economic development	11,889,104	-	11,889,104
Special donation	894,014	-	894,014
Unrestricted	9,138,721	4,261,161	13,399,882
Total Net Position	\$ 68,208,303	\$ 29,600,311	\$ 97,808,614

See Notes to Financial Statements.

Component Units		
Economic Development Corporation	New Braunfels Utilities	
\$ -	\$ 6,123,885	
-	-	
-	-	
<u>-</u>	<u>6,123,885</u>	
-	471,515,162	
-	677,356	
-	-	
-	-	
-	-	
-	11,930,300	
-	-	
-	-	
-	-	
-	-	
-	-	
-	-	
<u>-</u>	<u>26,766,510</u>	<u>71,909,922</u>
<u>\$ 26,766,510</u>	<u>\$ 556,032,740</u>	

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 10,769,312	\$ 729,885	\$ 65,363	\$ -
Finance and tax	1,325,662	-	-	-
Planning and environmental	3,901,028	-	206,262	-
Public safety	44,116,389	8,064,623	229,545	-
Public works	36,629,200	9,260,461	184,572	-
Parks and recreation	11,410,083	11,284,279	-	-
Library	2,796,129	14,347	-	-
Airport	23,530	-	-	-
Interest and fiscal agent fees	8,625,458	-	-	-
Total Governmental Activities	119,596,791	29,353,595	685,742	-
Business-Type Activities				
Airport	5,378,556	4,568,994	-	50,000
Solid waste	9,281,306	11,016,471	-	1,657,193
Golf course	2,191,163	2,267,581	-	-
Civic center	1,119,860	547,005	-	-
Total Business-Type Activities	17,970,885	18,400,051	-	1,707,193
Total Primary Government	\$ 137,567,676	\$ 47,753,646	\$ 685,742	\$ 1,707,193
Component Units				
Economic Development Corporation	\$ 5,761,875	\$ -	\$ -	\$ -
New Braunfels Utilities	216,096,120	220,554,980	-	53,485,491
Total Component Units	\$ 221,857,995	\$ 220,554,980	\$ -	\$ 53,485,491
General Revenues and Transfers:				
Taxes and fees				
Property				
Sales				
Hotel/motel occupancy				
Franchise				
Mixed beverages				
Investment earnings				
Contributions not restricted to programs				
Miscellaneous				
Gain (loss) on sale of assets				
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	
\$ (9,974,064)	\$ -	\$ (9,974,064)	\$ -	\$ -	-
(1,325,662)	-	(1,325,662)	-	-	-
(3,694,766)	-	(3,694,766)	-	-	-
(35,822,221)	-	(35,822,221)	-	-	-
(27,184,167)	-	(27,184,167)	-	-	-
(125,804)	-	(125,804)	-	-	-
(2,781,782)	-	(2,781,782)	-	-	-
(23,530)	-	(23,530)	-	-	-
(8,625,458)	-	(8,625,458)	-	-	-
(89,557,454)	-	(89,557,454)	-	-	-
-	(759,562)	(759,562)	-	-	-
-	3,392,358	3,392,358	-	-	-
-	76,418	76,418	-	-	-
-	(572,855)	(572,855)	-	-	-
-	2,136,359	2,136,359	-	-	-
(89,557,454)	2,136,359	(87,421,095)	-	-	-
-	-	-	(5,761,875)	-	-
-	-	-	-	57,944,351	
-	-	-	(5,761,875)	57,944,351	
47,774,799	-	47,774,799	-	-	-
34,519,455	-	34,519,455	9,722,661	-	-
5,229,625	-	5,229,625	-	-	-
11,728,610	-	11,728,610	-	-	-
838,868	-	838,868	-	-	-
1,121,872	39,359	1,161,231	78,713	(804,589)	
5,587,991	-	5,587,991	-	-	-
4,875,847	505,005	5,380,852	131,899	-	-
191,199	390	191,589	-	(234,378)	
2,029,843	(2,029,843)	-	-	-	-
113,898,109	(1,485,089)	112,413,020	9,933,273	(1,038,967)	
24,340,655	651,270	24,991,925	4,171,398	56,905,384	
43,867,648	28,949,041	72,816,689	22,595,112	499,127,356	
\$ 68,208,303	\$ 29,600,311	\$ 97,808,614	\$ 26,766,510	\$ 556,032,740	

CITY OF NEW BRAUNFELS, TEXAS

BALANCE SHEET GOVERNMENTAL FUNDS

September 30, 2022

	General	Hotel/Motel Tax	Debt Service	General Obligations
Assets				
Cash and equity in pooled cash and investments	\$ 28,756,121	\$ 3,599,606	\$ 2,801,705	\$ 5,110,995
Investments	12,484,728	-	-	-
Receivables, net of allowance	11,002,596	373,723	323,538	-
Leases receivable	586,018	-	-	-
Due from other governments	26,243	-	14,804	-
Due from other funds	8,501	-	-	-
Inventory	595	-	-	-
Restricted cash	-	-	-	-
Total Assets	<u>52,864,802</u>	<u>3,973,329</u>	<u>3,140,047</u>	<u>5,110,995</u>
Liabilities				
Accounts payable	\$ 5,842,334	\$ 86,147	\$ 37,441	\$ 3,588
Due to other funds	-	-	-	-
Accrued wages payable	1,045,848	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	<u>6,888,182</u>	<u>86,147</u>	<u>37,441</u>	<u>3,588</u>
Deferred Inflows of Resources				
Unavailable revenue - leases receivable	581,523	-	-	-
Unavailable revenue - property taxes	421,534	-	323,538	-
Total Deferred Inflows of Resources	<u>1,003,057</u>	<u>-</u>	<u>323,538</u>	<u>-</u>
Fund Balances				
Nonspendable	595	-	-	-
Restricted	-	3,887,182	2,779,068	5,107,407
Committed	-	-	-	-
Assigned	3,088,682	-	-	-
Unassigned	41,884,286	-	-	-
Total Fund Balances	<u>44,973,563</u>	<u>3,887,182</u>	<u>2,779,068</u>	<u>5,107,407</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 52,864,802</u>	<u>\$ 3,973,329</u>	<u>\$ 3,140,047</u>	<u>\$ 5,110,995</u>

See Notes to Financial Statements.

Roadway Impact Fees	2019 Capital Improvement	2020 Capital Improvement	Grants	Nonmajor Governmental	Total Governmental Funds
\$ 11,793,695	\$ 61,728,904	\$ 12,272,750	\$ 170,986	\$ 47,473,963	\$ 173,708,725
-	-	-	-	-	12,484,728
8,043	67,555	-	32,893	207,879	12,016,227
-	-	-	-	-	586,018
-	-	-	-	-	41,047
-	-	-	-	-	8,501
-	-	-	-	-	595
-	-	-	10,833,543	1,220,969	12,054,512
<u>\$ 11,801,738</u>	<u>\$ 61,796,459</u>	<u>\$ 12,272,750</u>	<u>\$ 11,037,422</u>	<u>\$ 48,902,811</u>	<u>\$ 210,900,353</u>
\$ 1,626,690	\$ 2,140,823	\$ 361,973	\$ -	\$ 1,863,140	\$ 11,962,136
-	-	-	-	8,501	8,501
-	-	-	-	-	1,045,848
-	-	-	10,995,314	-	10,995,314
<u>1,626,690</u>	<u>2,140,823</u>	<u>361,973</u>	<u>10,995,314</u>	<u>1,871,641</u>	<u>24,011,799</u>
-	-	-	-	-	581,523
-	-	-	-	-	745,072
-	-	-	-	-	1,326,595
10,175,048	59,655,636	11,910,777	42,108	242,786	243,381
-	-	-	-	39,281,444	132,838,670
-	-	-	-	7,515,441	7,515,441
-	-	-	-	-	3,088,682
-	-	-	-	(8,501)	41,875,785
<u>10,175,048</u>	<u>59,655,636</u>	<u>11,910,777</u>	<u>42,108</u>	<u>47,031,170</u>	<u>185,561,959</u>
<u>\$ 11,801,738</u>	<u>\$ 61,796,459</u>	<u>\$ 12,272,750</u>	<u>\$ 11,037,422</u>	<u>\$ 48,902,811</u>	<u>\$ 210,900,353</u>

(This page intentionally left blank.)

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

September 30, 2022

Total fund balances for governmental funds	\$ 185,561,959
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	51,230,852
Capital assets - depreciable	<u>185,795,876</u>
	237,026,728
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.	745,072
Some liabilities, including bonds payable, are not reported as liabilities in the governmental funds.	
Accrued interest	(1,808,010)
Bonds, notes, and other payables due in one year	(20,305,000)
Bonds, notes, and other payables due in more than one year	<u>(263,355,000)</u>
	(285,468,010)
Premiums on bond issuance and deferred loss on bond refunding are recorded as other financing sources and uses in the fund financial statements, but are capitalized and amortized in the government-wide financial statements over the life of the bond.	
Premiums	(27,233,561)
Deferred charge on refunding	<u>1,180,708</u>
	(26,052,853)
Loans payable are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	(541,094)
Net pension liability and total other postemployment benefits (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	(24,733,864)
Total OPEB liability - TMRS	(2,180,207)
Total OPEB liability - retiree benefits	<u>(5,213,601)</u>
	(32,127,672)
Deferred outflows and inflows of resources related to the net pension and total OPEB liability are not reported in the funds.	
Deferred outflows - pensions	9,979,852
Deferred inflows - pensions	(10,195,803)
Deferred outflows - OPEB	1,275,458
Deferred inflows - OPEB	<u>(6,197,862)</u>
	(5,138,355)
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.	(8,544,495)
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 are included in governmental activities.	2,747,023
Net Position of Governmental Activities	<u>\$ 68,208,303</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, 2022

	General	Hotel/Motel Tax	Debt Service	General Obligations
Revenues				
Taxes and fees	\$ 69,081,990	\$ 5,229,625	\$ 21,484,854	\$ -
Licenses and permits	7,310,674	-	-	-
Intergovernmental	56,651	-	-	-
Fines and forfeitures	1,072,071	-	-	-
Investment earnings	403,117	225	13,115	31,961
Parks and recreation	4,920,043	-	-	-
Miscellaneous	3,304,552	-	-	82,736
Other contributions	-	-	2,057,496	-
Charges for services	5,002,914	-	-	-
Total Revenues	91,152,012	5,229,850	23,555,465	114,697
Expenditures				
Current:				
General government	10,720,218	2,990,940	-	-
Finances and tax	1,441,956	-	-	-
Planning and environmental	4,304,670	-	-	-
Public safety	47,111,486	-	-	-
Public works	10,013,440	-	-	3,113,199
Parks and recreation	9,549,533	-	-	-
Library	2,994,652	-	-	-
Airport	-	-	-	-
Debt Service:				
Principal	-	-	16,055,000	-
Interest	-	-	8,860,395	-
Issuance cost and fiscal charges	-	-	247,405	33,551
Total Expenditures	86,135,955	2,990,940	25,162,800	3,146,750
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,016,057	2,238,910	(1,607,335)	(3,032,053)
Other Financing Sources (Uses)				
Transfers in	897,760	-	1,371,588	-
Transfers (out)	(2,094,219)	(952,378)	-	-
Sale of capital assets	96,841	-	-	-
Long-term debt issuance	-	-	-	2,544,775
Refunding bonds issued	-	-	21,785,000	-
Premium received on the issuance of debt	-	-	3,155,720	91,938
Payment to refunding bond escrow agent	-	-	(24,698,516)	-
Total Other Financing Sources (Uses)	(1,099,618)	(952,378)	1,613,792	2,636,713
Net Change in Fund Balances	3,916,439	1,286,532	6,457	(395,340)
Beginning fund balances	41,057,124	2,600,650	2,772,611	5,502,747
Ending Fund Balances	\$ 44,973,563	\$ 3,887,182	\$ 2,779,068	\$ 5,107,407

See Notes to Financial Statements.

Roadway Impact Fees	2019 Capital Improvement	2020 Capital Improvement	Grants	Nonmajor Governmental	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 4,294,888	\$ 100,091,357
-	-	-	-	7,150	7,317,824
-	-	-	102,499	526,592	685,742
1,349,793	-	-	-	371,666	2,793,530
31,746	399,714	96,727	55,547	76,836	1,108,988
-	-	-	-	6,352,006	11,272,049
-	48,091	-	-	1,440,468	4,875,847
3,436,383	-	-	90,000	4,112	5,587,991
-	-	-	-	2,967,278	7,970,192
<u>4,817,922</u>	<u>447,805</u>	<u>96,727</u>	<u>248,046</u>	<u>16,040,996</u>	<u>141,703,520</u>
-	220,276	56,825	-	67,685	14,055,944
-	-	-	-	-	1,441,956
-	-	-	-	129,157	4,433,827
-	-	-	89,452	1,563,460	48,764,398
-	28,638,925	392,824	258,416	6,922,379	49,339,183
3,367,480	-	-	14,356	286,225	13,217,594
-	-	-	-	113,185	3,107,837
-	-	-	-	23,530	23,530
-	-	-	-	2,110,000	18,165,000
-	-	-	-	1,066,030	9,926,425
-	<u>176,143</u>	-	-	<u>140,336</u>	<u>597,435</u>
<u>3,367,480</u>	<u>29,035,344</u>	<u>449,649</u>	<u>362,224</u>	<u>12,421,987</u>	<u>163,073,129</u>
<u>1,450,442</u>	<u>(28,587,539)</u>	<u>(352,922)</u>	<u>(114,178)</u>	<u>3,619,009</u>	<u>(21,369,609)</u>
-	294	-	153,146	6,871,118	9,293,906
-	-	-	-	(4,217,466)	(7,264,063)
-	65,000	-	-	105,421	267,262
-	13,150,225	-	-	9,415,000	25,110,000
-	-	-	-	-	21,785,000
-	482,675	-	-	725,336	4,455,669
-	-	-	-	-	(24,698,516)
-	<u>13,698,194</u>	<u>-</u>	<u>153,146</u>	<u>12,899,409</u>	<u>28,949,258</u>
<u>1,450,442</u>	<u>(14,889,345)</u>	<u>(352,922)</u>	<u>38,968</u>	<u>16,518,418</u>	<u>7,579,649</u>
<u>8,724,606</u>	<u>74,544,981</u>	<u>12,263,699</u>	<u>3,140</u>	<u>30,512,752</u>	<u>177,982,310</u>
<u>\$ 10,175,048</u>	<u>\$ 59,655,636</u>	<u>\$ 11,910,777</u>	<u>\$ 42,108</u>	<u>\$ 47,031,170</u>	<u>\$ 185,561,959</u>

(This page intentionally left blank.)

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, 2022

Net changes in fund balances - total governmental funds \$ 7,579,649

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 expense	(16,921,849)
Capital outlay	36,862,395
Disposals, net	(76,063)

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.

550,098

The issuance of long-term debt (e.g., bonds, leases, and certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when it is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities.

General obligation bonds issued	(46,895,000)
Payment to escrow agent	24,698,516
Premium from issuance of debt	(4,455,669)
Principal repayments	18,165,000
Note principal payment	329,314
Amortization of deferred charge on refunding	(759,718)
Amortization of premium on bonds	2,585,361
Accrued interest on long-term debt	72,759

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	(325,423)
Change in net pension liability	6,736,653
Change in total OPEB liability - TMRS	(169,605)
Change in total OPEB liability - retiree benefits	6,009,279
Change in deferred outflows - pensions	1,893,193
Change in deferred inflows - pensions	(6,297,964)
Change in deferred outflows - OPEB	213,079
Change in deferred inflows - OPEB	<u>(5,453,350)</u>

Change in Net Position of Governmental Activities \$ 24,340,655

See Notes to Financial Statements.

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

September 30, 2022

	Business-Type Activities			
	Airport	Solid Waste	Golf Course	Civic/Con. Center
Assets				
Current assets:				
Cash and equity in pooled cash and investments	\$ 2,110,210	\$ 5,694,427	\$ 1,503,830	\$ 178,395
Receivables, net	19,782	878,170	23,702	2,912
Lease receivable	1,427,062	-	-	-
Inventories	-	98,271	-	-
Total Current Assets	3,557,054	6,670,868	1,527,532	181,307
Noncurrent assets:				
Capital assets:				
Nondepreciable	2,405,961	-	135,000	-
Net depreciable capital assets	8,673,846	4,944,007	4,245,014	5,017,370
Total Capital Assets,	11,079,807	4,944,007	4,380,014	5,017,370
Net of Accumulated Depreciation	11,079,807	4,944,007	4,380,014	5,017,370
Total Noncurrent Assets	11,079,807	4,944,007	4,380,014	5,017,370
Total Assets	14,636,861	11,614,875	5,907,546	5,198,677
Deferred Outflows of Resources				
Deferred outflows - pensions	112,634	697,713	132,539	73,516
Deferred outflows - OPEB	10,033	71,273	17,374	9,395
Total Deferred Outflows of Resources	122,667	768,986	149,913	82,911
Liabilities				
Current liabilities:				
Accounts payable	1,276,626	281,947	82,574	24,973
Deposits payable	45,356	-	-	82,495
Lease payable	-	-	82,048	-
Accrued expenses payable	28,121	208,827	32,708	20,196
Current portion of long-term liabilities:				
Accrued compensated absences	21,080	181,161	95,420	10,365
Total Current Liabilities	1,371,183	671,935	292,750	138,029
Noncurrent liabilities:				
Compensated absences	2,342	20,129	10,602	1,152
Net pension liability	250,137	1,710,334	453,281	182,124
Total OPEB liability - TMRS	22,624	147,769	29,782	16,374
Total OPEB liability - retiree benefits	38,797	375,182	85,939	39,367
Total Noncurrent Liabilities	313,900	2,253,414	579,604	239,017
Total Liabilities	1,685,083	2,925,349	872,354	377,046
Deferred Inflows of Resources				
Deferred inflows - leases	1,426,210	-	-	-
Deferred inflows - pension	113,691	692,322	117,376	77,138
Deferred inflows - OPEB	67,213	406,099	75,957	46,287
Total Deferred Inflows of Resources	1,607,114	1,098,421	193,333	123,425
Net Position				
Net investment in capital assets	11,079,807	4,944,007	4,297,966	5,017,370
Unrestricted	387,524	3,416,084	693,806	(236,253)
Total Net Position	\$ 11,467,331	\$ 8,360,091	\$ 4,991,772	\$ 4,781,117

See Notes to Financial Statements.

Business-Type Activities	Governmental Activities
Total	Internal Service
\$ 9,486,862	\$ 3,438,664
924,566	-
1,427,062	-
98,271	-
<u>11,936,761</u>	<u>3,438,664</u>
2,540,961	-
<u>22,880,237</u>	<u>-</u>
25,421,198	-
25,421,198	-
<u>37,357,959</u>	<u>3,438,664</u>
1,016,402	-
108,075	-
<u>1,124,477</u>	<u>-</u>
1,666,120	-
127,851	-
82,048	-
289,852	691,641
<u>308,026</u>	<u>-</u>
<u>2,473,897</u>	<u>691,641</u>
34,225	-
2,595,876	-
216,549	-
539,285	-
<u>3,385,935</u>	<u>-</u>
<u>5,859,832</u>	<u>691,641</u>
1,426,210	-
1,000,527	-
595,556	-
<u>3,022,293</u>	<u>-</u>
25,339,150	-
4,261,161	2,747,023
<u>\$ 29,600,311</u>	<u>\$ 2,747,023</u>

CITY OF NEW BRAUNFELS, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2022

	Business-Type Activities			
	Airport	Solid Waste	Golf Course	Civic/Con. Center
Operating Revenues				
Charges for services	\$ 4,568,994	\$ 11,016,471	\$ 2,267,581	\$ 547,005
Miscellaneous	731	437,961	65,538	775
Total Operating Revenues	4,569,725	11,454,432	2,333,119	547,780
Operating Expenses				
Personnel	673,874	4,121,512	900,220	459,273
Purchased services	354,339	2,528,115	190,791	256,045
Professional services	182,098	83,230	-	-
Supplies	2,852,020	1,568,699	423,128	38,012
Depreciation and amortization	1,316,225	979,750	677,024	366,530
Insurance premiums	-	-	-	-
Claims	-	-	-	-
Total Operating Expenses	5,378,556	9,281,306	2,191,163	1,119,860
Operating Income (Loss)	(808,831)	2,173,126	141,956	(572,080)
Nonoperating Revenues				
Investment earnings	20,601	18,758	-	-
Gain on sale of assets	-	-	-	390
Total Nonoperating Revenue	20,601	18,758	-	390
Income (Loss) Before Transfers and Capital Contributions	(788,230)	2,191,884	141,956	(571,690)
Transfers and Contributions				
Capital contributions	50,000	1,657,193	-	-
Transfers in	349,910	-	-	368,003
Transfers (out)	(371,781)	(2,156,015)	(184,781)	(35,179)
Total Transfers and Contributions	28,129	(498,822)	(184,781)	332,824
Change in Net Position	(760,101)	1,693,062	(42,825)	(238,866)
Beginning net position	12,227,432	6,667,029	5,034,597	5,019,983
Ending Net Position	\$ 11,467,331	\$ 8,360,091	\$ 4,991,772	\$ 4,781,117

See Notes to Financial Statements.

Business-Type Activities		Governmental Activities	
		Internal Service	
	Total		
\$	18,400,051	\$	7,389,819
	505,005		29,792
	<u>18,905,056</u>		<u>7,419,611</u>
6,154,879		-	
3,329,290		-	
265,328		61,792	
4,881,859		-	
3,339,529		-	
-		988,350	
-		5,832,255	
<u>17,970,885</u>		<u>6,882,397</u>	
934,171		537,214	
39,359		12,884	
390		-	
<u>39,749</u>		<u>12,884</u>	
973,920		550,098	
1,707,193		-	
717,913		-	
<u>(2,747,756)</u>		<u>-</u>	
<u>(322,650)</u>		<u>-</u>	
651,270		550,098	
<u>28,949,041</u>		<u>2,196,925</u>	
<u>\$ 29,600,311</u>		<u>\$ 2,747,023</u>	

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 1 of 2)

For the Year Ended September 30, 2022

	Business-Type Activities			
	Airport	Solid Waste	Golf Course	Civic/Con. Center
<u>Cash Flows from Operating Activities</u>				
Receipts from customers	\$ 4,900,896	\$ 11,428,775	\$ 2,326,909	\$ 551,303
Receipts for interfund services provided and used	-	-	-	-
Payments to suppliers	(3,254,639)	(4,222,118)	(563,397)	(284,492)
Payments for premiums, claims, and administrative charges	-	-	-	-
Payments for personnel services	(705,344)	(4,451,132)	(908,535)	(480,702)
Net Cash Provided (Used) by Operating Activities	940,913	2,755,525	854,977	(213,891)
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers in from other funds	349,910	-	-	368,003
Transfers (out) to other funds	(371,781)	(2,156,015)	(184,781)	(35,179)
Net Cash Provided (Used) by Noncapital Financing Activities	(21,871)	(2,156,015)	(184,781)	332,824
<u>Cash Flows from Capital and Related Financing Activities</u>				
Acquisition and construction of capital assets	(130,002)	-	(481,139)	(6,428)
Gain on sale of capital assets	-	-	-	390
Net Cash Used by Capital and Related Financing Activities	(130,002)	-	(481,139)	(6,038)
<u>Cash Flows from Investing Activities</u>				
Interest on investments	20,601	18,758	-	-
Net Cash Provided by Investing Activities	20,601	18,758	-	-
Net Increase in Cash and Equity in Pooled Cash and Investments	809,641	618,268	189,057	112,895
Beginning cash and equity in pooled cash and investments	1,300,569	5,076,159	1,314,773	65,500
Ending Cash and Equity in Pooled Cash and Investments	\$ 2,110,210	\$ 5,694,427	\$ 1,503,830	\$ 178,395
Total Cash and Cash Equivalents	\$ 2,110,210	\$ 5,694,427	\$ 1,503,830	\$ 178,395

Business-Type Activities	Governmental Activities
Total	Internal Service
\$ 19,207,883	\$ -
-	7,429,898
(8,324,646)	-
-	(7,240,397)
(6,545,713)	-
<u>4,337,524</u>	<u>189,501</u>
717,913	-
<u>(2,747,756)</u>	<u>-</u>
<u>(2,029,843)</u>	<u>-</u>
(617,569)	-
<u>390</u>	<u>-</u>
<u>(617,179)</u>	<u>-</u>
<u>39,359</u>	<u>12,884</u>
<u>39,359</u>	<u>12,884</u>
1,729,861	202,385
<u>7,757,001</u>	<u>3,236,279</u>
<u>\$ 9,486,862</u>	<u>\$ 3,438,664</u>
<u>\$ 9,486,862</u>	<u>\$ 3,438,664</u>

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended September 30, 2022

	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)	\$ (808,831)	\$ 2,173,126	\$ 141,956	\$ (572,080)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	1,316,225	979,750	677,024	366,530
Changes in Operating Assets and Liabilities:				
(Increase) Decrease in:				
Accounts receivable	332,002	(25,657)	(6,210)	(2,912)
Inventories	-	(11,082)	-	-
Due from other funds	(1,427,062)	-	-	-
Deferred outflows - pensions	(30,334)	(126,008)	(23,022)	(13,754)
Deferred outflows - OPEB	7,713	(13,961)	(2,622)	(1,604)
Increase (Decrease) in:				
Accounts payable	128,993	(97,268)	(37,707)	1,960
Leases payable	-	-	82,048	-
Accrued expenses	3,858	54,987	4,119	6,373
Net pension liability	(72,238)	(448,383)	(81,921)	(48,943)
Total OPEB liability - TMRS	1,819	11,289	2,062	1,232
Total OPEB liability - retiree benefit	(65,293)	(394,677)	(73,808)	(45,002)
Accrued compensated absences	1,893	(123,925)	29,490	1,276
Customer deposits	(831)	-	-	6,435
Deferred inflows - leases	1,426,210	-	-	-
Deferred inflows - pensions	67,534	419,184	76,586	45,755
Deferred inflows - OPEB	59,255	358,150	66,982	40,843
Net Cash Provided (Used) by Operating Activities	<u>\$ 940,913</u>	<u>\$ 2,755,525</u>	<u>\$ 854,977</u>	<u>\$ (213,891)</u>
Noncash Capital Activities:				
Capital assets contributed during the year	<u>\$ 50,000</u>	<u>\$ 1,657,193</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

Business-Type Activities	Governmental Activities
Total	Internal Service

\$ 934,171	\$ 537,214
------------	------------

3,339,529	-
-----------	---

297,223	10,287
(11,082)	-
(1,427,062)	-
(193,118)	-
(10,474)	-
(4,022)	-
82,048	-
69,337	(358,000)
(651,485.00)	-
16,402.00	-
(578,780.00)	-
(91,266)	-
5,604	-
1,426,210	-
609,059	-
<u>525,230</u>	<u>-</u>

<u>\$ 4,337,524</u>	<u>\$ 189,501</u>
---------------------	-------------------

<u>\$ 1,707,193</u>	<u>\$ -</u>
---------------------	-------------

(This page intentionally left blank.)

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

September 30, 2022

	Private-Purpose Trust
<u>Assets</u>	
Cash	\$ 2,727,304
	Total Assets
	<u>2,727,304</u>
<u>Net Position</u>	
Restricted for debt service	2,727,304
	Total Net Position
	<u>2,727,304</u>

See Notes to Financial Statements.

(This page intentionally left blank.)

CITY OF NEW BRAUNFELS, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
For the Year Ended September 30, 2022

	Private Purpose Trust
Additions	
Contributions	\$ 8,563,160
Investment earnings	6,293
	Total Additions
	8,569,453
Deductions	
Payment to developer	5,118,832
Payment to bond holders	284,436
Payment to fiscal agents	438,881
	Total Deductions
	5,842,149
	Net Increase in Fiduciary Net Position
Beginning net position	2,727,304
	Ending net position
	\$ 2,727,304

See Notes to Financial Statements.

(This page intentionally left blank.)

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2022

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 (the “State”) 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, as listed below, 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.

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 to provide economic development benefits for the City. Prior to fiscal year 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 Corporation.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

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 No. 1), 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 No. 1 includes participation by a developer and by other governmental entities, 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. In fiscal year 2021, city council voted on and implemented a change to this arrangement to be implemented in fiscal year 2022. Effective October 2021, the City's portion of sales tax collected is no longer utilized for TIRZ infrastructure costs. Such tax revenue is controlled by the Board of Directors managing the TIRZ No. 1 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 No 1 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 No 1. 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 No 1 tax increment as outlined in the Agreement. Such taxes and payment of debt service activity 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.

River Mill Tax Increment Reinvestment Zone

In December 2019, the City Council established the River Mill Tax Increment Reinvestment Zone (TIRZ No. 2). Similar to TIRZ No. 1, the City's participation is limited to 85% of the real and business personal property tax revenue and 1/3 of all sales tax revenue. The current property owner is finalizing redevelopment plans for the approximate seven-acre River Mill area, which is conveniently located off I-35, directly behind Marketplace shopping area. The conceptual plan

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

includes various uses for the property such as a hotel, entertainment venue, and boutique retail, as well as other multi-family housing options. The City is currently engaging other public sector partners to participate in the TIRZ No. 2 as well. The project and finance plan has not been approved, therefore, the City Council has not established a board for TIRZ No. 2 at this point. Once the project and finance plan is approved, a board will be established to oversee the utilization of the incremental funds to support appropriate public improvements in accordance with section 311 of the Texas Tax Code.

Separate financial statements for both of 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 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 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.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

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.

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, 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 grants fund was the only special revenue fund that was considered major. The special revenue funds are considered nonmajor funds for reporting purposes, except for the hotel/motel tax fund, which does not qualify as major, but the City has elected to present it as major due to its significance.

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

Grants fund: This fund accounts for the receipt and expenditures of various grant funds and special projects for the City.

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 2019 capital improvement fund. The general obligations fund, roadway impact fees fund, and the 2020 capital improvement fund were not major funds, but the City elected to present them as major due to their significance.

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 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.

2020 capital improvement fund: This fund accounts for the expenditures of the proceeds from the 2020 debt issuance related to capital improvements in the City.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

Roadway impact fees fund: This fund accounts for the collection of impact fees to be used in specific roadway and paved surface repairs, improvements, and developments.

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.

The City reports the following proprietary funds:

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

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

The City reports the following fiduciary fund:

The *private-purpose trust fund* accounts for contributions and payments made on behalf of the Solms Landing Public Improvement District (the "PID").

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.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

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 leases are reported as other financing sources.

Property taxes, sales taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability 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 pools operate in accordance with appropriate state laws and regulations and are 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

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

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

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.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

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*, represent a consumption of net assets that applies to future periods 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*, represent an acquisition of net assets that applies to future periods 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.
- 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 two types of items, which arises only under a modified accrual basis of accounting, that qualify for reporting in this category. Accordingly, these items, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and from leases in which the government is the lessor. These amounts are 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

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

accrues its liability for such accumulated unpaid benefits in the government-wide financial statements and proprietary fund financial statements. The general fund has historically been used to liquidate this liability.

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 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.

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.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

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.

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.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

	General	Hotel/Motel Tax	Debt Service	General Obligations	Roadway Impact Fees	2019 Capital Improvement	2020 Capital Improvement	Grants	Nonmajor Governmental	Total Governmental Funds
Nonspendable:										
Cemetery perpetual care	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 242,786	\$ 242,786
Inventory	595	-	-	-	-	-	-	-	-	595
Total Nonspendable	595	-	-	-	-	-	-	-	242,786	243,381
Restricted:										
Tourism	-	3,887,182	-	-	-	-	-	-	-	3,887,182
Debt service	-	-	2,779,068	-	-	-	-	-	-	2,779,068
Grants	-	-	-	-	-	-	-	42,108	-	42,108
Special donation	-	-	-	-	-	-	-	-	894,014	894,014
Stormwater development	-	-	-	-	-	-	-	-	698,329	698,329
Edwards Aquifer HCP	-	-	-	-	-	-	-	-	86,326	86,326
Capital projects	-	-	-	5,107,407	10,175,048	59,655,636	11,910,777	-	24,776,650	111,625,518
Public safety	-	-	-	-	-	-	-	-	10,331	10,331
Municipal court	-	-	-	-	-	-	-	-	381,500	381,500
Governmental programming	-	-	-	-	-	-	-	-	545,190	545,190
Economic development	-	-	-	-	-	-	-	-	11,889,104	11,889,104
Total Restricted	-	3,887,182	2,779,068	5,107,407	10,175,048	59,655,636	11,910,777	42,108	39,281,444	132,838,670
Committed:										
Facilities maintenance	-	-	-	-	-	-	-	-	1,500,000	1,500,000
Enterprise equipment	-	-	-	-	-	-	-	-	6,015,441	6,015,441
Assigned:										
Equipment replacement	3,088,682	-	-	-	-	-	-	-	-	3,088,682
Unassigned	41,884,286	-	-	-	-	-	-	-	(8,501)	41,875,785
Total Fund Balances	\$ 44,973,563	\$ 3,887,182	\$ 2,779,068	\$ 5,107,407	\$ 10,175,048	\$ 59,655,636	\$ 11,910,777	\$ 42,108	\$ 47,031,170	\$ 185,561,959

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 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 City 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.

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.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

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 retirees.

14. Leases

The City is a lessee for a noncancellable lease of equipment. The City recognizes a lease liability and an intangible, right-to-use lease asset (the "lease asset") in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

The City is a lessor for a noncancellable lease of a building. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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.

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 and internal service funds 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.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

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, department, 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.

A. Deficit Fund Equity

At September 30, 2022, the Tax Note 2015 fund, a nonmajor fund had a deficit balance of \$8,501. This deficit was due to expenses charged to the fund for which there was not money to cover. The City plans to clear this deficit when it closes the fund next fiscal year.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

As of September 30, 2022, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)	Credit Rating
Primary Government and Component Unit-EDC:			
U.S. agency treasury notes	\$ 20,873,359	0.69	AAA
Federal Home Loan Bank	9,991,173	0.82	Aaa
Certificates of deposit	7,009,672	0.02	
External investment pools:			
TexPool	100,496,812	0.07	AAAm
Texas CLASS	19,348,996	0.22	AAAm
Texas FIT	12,853,506	0.05	AAAmmf
Total	<u>\$ 170,573,518</u>		
Portfolio weighted average maturity		0.31	
Component Unit - NBU			
U.S. agency securities	\$ 14,535,604	1.20	AA+
U.S. agency treasury notes	14,429,454	3.10	
Demand deposit and money market	51,976,032	0.00	
Pooled funds	67,230,243	0.00	AAAm
Total	<u>\$ 148,171,333</u>		
Portfolio weighted average maturity		0.86	

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

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

asset. The income approach converts future amounts, such as cash flows, to a single current (discounted) amount.

As of September 30, 2022, the City had the following recurring fair value measurements:

	September 30, 2022	Significant Other Observable Inputs (Level 2)			
Investments by Fair Value Level					
Primary Government					
U.S. agency treasury notes	\$ 20,873,359	\$ 20,873,359			
Federal Home Loan Bank	9,991,173		9,991,173		
Total - Primary Government	<u>\$ 30,864,532</u>	<u>\$ 30,864,532</u>			
Component Unit - NBU					
U.S. agency securities	\$ 14,535,604	\$ 14,535,604			
U.S. agency treasury notes	14,429,454		14,429,454		
Total - NBU	<u>\$ 28,965,058</u>	<u>\$ 28,965,058</u>			

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, 2022, the City's investments in investment pools 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, 2022, fair 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 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

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

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

Texas CLASS

The Texas Cooperative Liquid Assets Securities System Trust – Texas (CLASS) is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Texas Government Code, as amended. CLASS is created under an amended and restated trust agreement, dated as of December 14, 2011 (the “Agreement”), among certain Texas governmental entities investing in CLASS (the “Participants”), with Cutwater Investor Services Corporation as program administrator and Wells Fargo Bank Texas, NA as custodian. CLASS is not SEC registered and is not subject to regulation by the State. Under the Agreement, however, CLASS is administered and supervised by a seven-member board of trustees (the “Board”), whose members are investment officers of the Participants, elected by the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, CLASS has contracted with Cutwater Investors Service Corporation to provide for the investment and management of the public funds of CLASS. Separate financial statements for CLASS may be obtained from CLASS’ website at www.texasclass.com.

Texas FIT

The TX-FIT Government Pool provides Texas' public entities a conservatively managed, PFIA compliant, investment option with no corporate exposure. The TX-FIT Government Pool seeks the preservation of principal, a competitive yield and a stable NAV, while also providing same day liquidity to its participants. Performance data quoted represents past performance; past performance does not guarantee future results. Current performance of the investment pools may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling (888) 909-9998. Complete performance history can be found at www.tx-fit.com/yield-and-pool-characteristics. Investments in the TX-FIT investment pools are not insured or guaranteed by the FDIC or any other government agency. Certain securities in the pool may be FDIC insured through participating FDIC insured banks as part of a sponsored program by an affiliate bank. The FDIC insurance pertains only to the specific securities and not the entire pool. Programs, rates, and terms and conditions are subject to change at any time without notice. TX-FIT may invest in fixed income securities, which are subject to risks including interest rate, credit and inflation.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

B. Receivables

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

	Governmental Funds									
	Hotel/Motel		Roadway Impact Fees		2019 Capital Improvement		Nonmajor Funds			
	General	Tax	Debt Service				Grants			
Ad valorem taxes	\$ 467,289	\$ -	\$ 353,031	\$ 8,043	\$ 67,555	\$ -	\$ -	\$ 34,152	\$ 820,320	
Franchise fees and local taxes	-	-	-	-	-	-	-	-	109,750	
Accounts	10,581,061	373,723	-	-	-	-	-	173,727	11,128,511	
Intergovernmental	-	-	-	-	-	-	32,893	-	32,893	
Other	-	-	-	-	-	-	-	-	-	
Less allowances	(45,754)	-	(29,493)	-	-	-	-	-	(75,247)	
	<u>\$ 11,002,596</u>	<u>\$ 373,723</u>	<u>\$ 323,538</u>	<u>\$ 8,043</u>	<u>\$ 67,555</u>	<u>\$ 32,893</u>	<u>\$ 207,879</u>	<u>\$ 12,016,227</u>		
Proprietary Funds										
	Solid Waste					Civic/Con. Center				
	Airport	Waste	Golf Course			Center		Total		
	\$ 19,782	\$ 878,170	\$ 900	\$ 22,802	\$ 2,912	\$ 901,764	\$ 22,802			
Accounts	-	-	-	-	-	-	-			
Other	-	-	-	-	-	-	-			
	<u>\$ 19,782</u>	<u>\$ 878,170</u>	<u>\$ 23,702</u>	<u>\$ 2,912</u>	<u>\$ 924,566</u>	<u>\$ 924,566</u>	<u>\$ 924,566</u>	<u>\$ 924,566</u>		
Component Unit										
	NBU									
	Customer accounts									
	\$ 44,898,303									
Interest	53,417									
Other	7,811,948									
Less allowance	(416,852)									
	<u>\$ 52,346,816</u>									

The City is a lessor for two agreements related to the lease of space. These leases combined are for 86 years. The City receives annual payments of \$14,500 for these two leases. The City recognized \$2,946 in lease revenue and \$6,054 in interest revenue related to these leases in the current year. As of September 30, 2022, the City's receivable for these lease payments was \$586,018. The City also has a deferred inflow of resources associated with these leases that will be recognized over the lease term. As of September 30, 2022, the balance of the deferred inflow of resources was \$581,523.

The Airport is a lessor of land space for a variety of different parties. The combined lease term for these leases is 59 years. The Airport receives variable amounts for annual payments related to these leases. The Airport recognized \$31,018 in lease revenue and \$19,749 in interest revenue during the current fiscal year related to these leases. As of September 30, 2022, the Airport's receivable for lease payments was \$1,427,062. The Airport fund also has a deferred inflow of resources related to these leases that will be recognized as revenue over the lease term. As of year end, this balance of the deferred inflow of resources was \$1,426,210

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

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	\$ 42,384,360	\$ 192,714	\$ -	\$ 42,577,074
Construction in progress	56,835,338	31,670,085	(79,851,645)	8,653,778
Total capital assets not being depreciated	<u>99,219,698</u>	<u>31,862,799</u>	<u>(79,851,645)</u>	<u>51,230,852</u>
Other capital assets				
Road network	118,951,523	39,695,280	-	158,646,803
Infrastructure	25,040,967	-	-	25,040,967
Buildings	85,658,562	34,162,728	-	119,821,290
Improvements other than buildings	51,959,409	7,243,463	-	59,202,872
Machinery and equipment	15,850,230	1,870,341	(81,914)	17,638,657
Fleet	22,644,174	1,879,429	(193,836)	24,329,767
Total other capital assets	<u>320,104,865</u>	<u>84,851,241</u>	<u>(275,750)</u>	<u>404,680,356</u>
Less accumulated depreciation for:				
Road network	(87,817,235)	(6,960,264)	-	(94,777,499)
Infrastructure	(11,264,531)	(834,699)	-	(12,099,230)
Buildings	(42,694,027)	(2,669,397)	-	(45,363,424)
Improvements other than buildings	(30,649,398)	(3,702,540)	-	(34,351,938)
Machinery and equipment	(11,269,380)	(1,118,052)	5,851	(12,381,581)
Fleet	(18,467,747)	(1,636,897)	193,836	(19,910,808)
Total accumulated depreciation	<u>(202,162,318)</u>	<u>(16,921,849)</u>	<u>199,687</u>	<u>(218,884,480)</u>
Other capital assets, net	<u>117,942,547</u>	<u>67,929,392</u>	<u>(76,063)</u>	<u>185,795,876</u>
Governmental Activities				
Capital Assets, Net	<u><u>\$ 217,162,245</u></u>	<u><u>\$ 99,792,191</u></u>	<u><u>\$ (79,927,708)</u></u>	<u><u>237,026,728</u></u>
		Less associated debt		(311,434,655)
		Plus deferred charge on refunding		1,180,708
		Plus unspent bond proceeds		79,361,838
		Net Investment in Capital Assets	\$ 6,134,619	

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, 2022

Depreciation was charged to governmental functions as follows:

General government	\$ 1,223,449
Finance and tax	360,435
Planning and environmental development	998,389
Public safety	11,407,020
Public works	1,484,046
Parks and recreation	1,020,387
Library	428,123
Total Governmental Activities Depreciation Expense	<u>\$ 16,921,849</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	52,272	-	(52,272)	-
Total capital assets not being depreciated	<u>2,593,233</u>	<u>-</u>	<u>(52,272)</u>	<u>2,540,961</u>
Other capital assets				
Buildings	21,412,931	-	-	21,412,931
Improvements other than building	22,070,496	5,852	-	22,076,348
Furniture and fixtures	20,190	-	-	20,190
Machinery and equipment	1,507,726	541,697	-	2,049,423
Fleet	13,200,303	1,720,339	(697,796)	14,222,846
Airspace easement	37,515	-	-	37,515
Right-to-use assets	109,148	-	-	109,148
Total other capital assets	<u>58,358,309</u>	<u>2,267,888</u>	<u>(697,796)</u>	<u>59,928,401</u>
Less accumulated depreciation/amortization for:				
Buildings	(11,609,851)	(611,568)	-	(12,221,419)
Improvements other than building	(12,928,308)	(1,440,753)	-	(14,369,061)
Furniture and fixtures	(19,502)	(687)	-	(20,189)
Machinery and equipment	(1,039,754)	(195,915)	-	(1,235,669)
Fleet	(8,783,268)	(1,063,296)	697,796	(9,148,768)
Airspace easement	(25,749)	(938)	-	(26,687)
Right-to-use assets	-	(26,371)	-	(26,371)
Total accumulated depreciation	<u>(34,406,432)</u>	<u>(3,339,528)</u>	<u>697,796</u>	<u>(37,048,164)</u>
Other capital assets, net	<u>23,951,877</u>	<u>(1,071,640)</u>	<u>-</u>	<u>22,880,237</u>
Business-Type Activities				
Capital Assets, Net	<u>\$ 26,545,110</u>	<u>\$ (1,071,640)</u>	<u>\$ (52,272)</u>	<u>\$ 25,421,198</u>
		Less associated debt		(82,048)
		Net Investment in Capital Assets		<u>\$ 25,339,150</u>

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

Depreciation was charged to business-type functions as follows:

Airport	\$ 1,316,225
Solid waste	979,750
Golf course	677,023
Civic center	366,530
Total Business-Type Activities Depreciation Expense	<u>\$ 3,339,528</u>

The following is a summary of changes in capital assets for the NBU, a component unit, for the year end:

	Beginning Balance	Increases	Reclassifications (Decreases)	Ending Balance
Component Unit:				
Capital assets not being depreciated:				
Land and improvements	\$ 38,973,195	\$ 2,882,912	\$ -	\$ 41,856,107
Construction in progress	86,884,847	114,297,668	(108,748,316)	92,434,199
Total capital assets not being depreciated	<u>125,858,042</u>	<u>117,180,580</u>	<u>(108,748,316)</u>	<u>134,290,306</u>
Other capital assets				
Buildings	123,695,514	21,154,403	-	144,849,917
Infrastructure	662,646,325	80,641,866	(1,431,340)	741,856,851
Equipment	123,115,433	3,928,888	(8,437)	127,035,884
Wells and springs	2,023,739	140,246	-	2,163,985
Total other capital assets	<u>911,481,011</u>	<u>105,865,403</u>	<u>(1,439,777)</u>	<u>1,015,906,637</u>
Less accumulated depreciation for:				
Buildings	(33,371,367)	(3,130,288)	-	(36,501,655)
Infrastructure	(205,940,811)	(21,284,710)	1,084,982	(226,140,539)
Equipment	(49,639,581)	(5,966,986)	4,470	(55,602,097)
Wells and springs	(586,669)	(48,343)	-	(635,012)
Total accumulated depreciation	<u>(289,538,428)</u>	<u>(30,430,327)</u>	<u>1,089,452</u>	<u>(318,879,303)</u>
Other capital assets, net	<u>621,942,583</u>	<u>75,435,076</u>	<u>(350,325)</u>	<u>697,027,334</u>
Component Unit Capital Assets, Net	<u>\$ 747,800,625</u>	<u>\$ 192,615,656</u>	<u>\$ (109,098,641)</u>	<u>\$ 831,317,640</u>

Depreciation was charged to the NBU as follows:

Electric	\$ 11,508,270
Water	8,164,932
Wastewater	10,757,125
Total Component Unit Activities Depreciation Expense	<u>\$ 30,430,327</u>

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

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	\$ 197,225,000	\$ 46,895,000	\$ (12,955,000)	\$ 231,165,000	\$ 16,740,000
Certificates of obligation	62,890,000	-	(27,920,000)	34,970,000	2,065,000
Contract revenue obligations	18,975,000	-	(1,450,000)	17,525,000	1,500,000
Bond premium	25,363,253	4,455,669	(2,585,361)	27,233,561	-
	<u>304,453,253</u>	<u>51,350,669</u>	<u>(44,910,361)</u>	<u>310,893,561</u>	<u>** 20,305,000</u>
Other liabilities:					
Note payable	870,408	-	(329,314)	541,094	** 113,110
Net pension liability	31,470,517	-	(6,736,653)	24,733,864	-
Total OPEB liability - TMRS	2,010,602	169,605	-	2,180,207	-
Total OPEB liability - Retiree benefit	11,222,880	-	(6,009,279)	5,213,601	-
Compensated absences	8,219,072	7,722,588	(7,397,165)	8,544,495	7,690,046
Total Governmental Activities	<u>\$ 358,246,732</u>	<u>\$ 59,242,862</u>	<u>\$ (65,382,772)</u>	<u>\$ 352,106,822</u>	<u>\$ 28,108,156</u>
Long-term debt due in more than one year					
** Debt associated with capital assets					
	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-Type Activities:					
Leases payable	\$ 109,148	\$ -	\$ (27,100)	\$ 82,048	\$ 27,220
Net pension liability	3,247,361	-	(651,485)	2,595,876	-
Total OPEB liability - TMRS	200,147	16,402	-	216,549	-
Total OPEB liability - Retiree benefit	1,118,065	-	(578,780)	539,285	-
Compensated absences	433,517	298,898	(390,164)	342,251	308,026
Total Business-Type Activities	<u>\$ 5,108,238</u>	<u>\$ 315,300</u>	<u>\$ (1,647,529)</u>	<u>\$ 3,776,009</u>	<u>\$ 335,246</u>
Long-term debt due in more than one year					
	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Component Units:					
Bonds payable	\$ 279,034,694	\$ 73,988,351	\$ (6,155,000)	\$ 346,868,045	\$ 6,515,000
Bond premium	24,861,488	3,121,682	-	27,983,170	-
Net pension liability	14,800,005	-	(2,480,872)	12,319,133	-
Compensated absences	2,359,028	1,420,986	(1,212,929)	2,567,085	1,732,965
Total Component Units	<u>\$ 321,055,215</u>	<u>\$ 78,531,019</u>	<u>\$ (9,848,801)</u>	<u>\$ 389,737,433</u>	<u>\$ 8,247,965</u>
Long-term debt due in more than one year					

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

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

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

Governmental Activities:

Series	Final Maturity	Original Issue	Interest Rate	Balance
General Obligation Bonds/Notes				
2013 General Obligation Refunding Bonds	2023	\$ 3,820,000	2.00-3.00%	\$ 465,000
2014 General Obligation Bonds	2034	\$ 13,970,000	2.00-5.00%	9,565,000
2015 General Obligation and Refunding Bonds	2035	\$ 29,260,000	2.00-5.00%	22,010,000
2016 General Obligation Refunding Bonds	2036	\$ 37,360,000	2.00-5.00%	25,065,000
2017 General Obligation Refunding Bonds	2029	\$ 5,255,000	1.91%	3,705,000
2018 General Obligation Bonds	2038	\$ 21,620,000	3.00-5.00%	19,660,000
2018 Tax Note	2025	\$ 3,000,000	2.78%	1,350,000
2018A Tax Note	2026	\$ 2,300,000	2.35-2.87%	1,380,000
2019 General Obligation Bonds	2039	\$ 19,985,000	2.00-5.00%	17,630,000
2020 General Obligation Bonds	2040	\$ 47,770,000	3.00-5.00%	45,895,000
2020 Tax Note	2027	\$ 1,675,000	2.00-4.00%	1,225,000
2020 General Obligation Refunding Bonds	2031	\$ 10,100,000	3.00-4.00%	9,310,000
2021 Tax Note	2028	\$ 2,835,000	2.00-3.00%	2,455,000
2021 General Obligation Bonds	2031	\$ 27,140,000	2.00-5.00%	24,970,000
2021 General Obligation Refunding Bonds	2033	\$ 21,785,000	2.00-5.00%	21,370,000
2022 Tax Note	2029	\$ 9,415,000	4.00-5.00%	9,415,000
2022 General Obligation Bonds	2042	\$ 15,695,000	3.50-5.00%	<u>15,695,000</u>
		Total General Obligation		231,165,000
Certificates of Obligation				
2014A Certificates of Obligation	2034	\$ 6,845,000	2.00-5.00%	4,640,000
2014B Certificates of Obligation	2034	\$ 3,280,000	2.00-5.00%	2,425,000
2015 Certificates of Obligation	2035	\$ 5,395,000	2.00-5.00%	3,935,000
2018 Certificates of Obligation	2038	\$ 8,120,000	2.00-5.00%	6,970,000
2019 Certificates of Obligation	2039	\$ 4,755,000	2.00-5.00%	4,205,000
2020 Certificates of Obligation	2040	\$ 14,470,000	3.00-5.00%	<u>12,795,000</u>
		Total Certificates of Obligation		34,970,000
Tax Increment Contract Revenue Obligations				
2012 Tax Increment Contract Revenue				
Improvement and Refunding Obligations	2032	\$ 11,670,000	2.93%	6,785,000
2014 Tax Increment Contract Revenue Notes	2032	\$ 17,000,000	3.68%	<u>10,740,000</u>
		Total Tax Increment Contract Revenue Obligations		17,525,000
		Total Governmental Activities Long-Term Debt		\$ 283,660,000

Component Unit - NBU:

Series	Original Issue	Interest Rate	Balance
Revenue Bonds			
2004 Utility System Revenue - Capital Appreciation	2,572,596	3.10-5.16%	\$ 936,529
2015 Utility System Revenue	23,940,000	2.00-4.00%	25,455,000
2016 Utility System Revenue and Refunding	26,870,000	2.00-4.00%	57,265,000
2018 Utility System Revenue	62,235,000	2.00-5.00%	37,425,000
2020 Utility System Revenue Refunding	45,200,000	2.00-5.00%	83,240,000
2021 Utility System Revenue Refunding	88,100,000	3.00-5.00%	67,250,000
2022 Utility System Revenue Refunding	73,855,000	5.00%	<u>73,855,000</u>
	Total Capital Appreciation Bonds		344,490,000
	Total Accrued Interest on Capital Appreciation Bonds		1,441,516
	Total Component Unit - NBU		\$ 346,868,045

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

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								Total	
	General Obligation		Certificates of Obligation		Tax Increment Contract Revenue Obligations					
	Principal	Interest	Principal	Interest	Principal	Interest				
2023	\$ 16,740,000	\$ 8,600,884	\$ 2,065,000	\$ 1,347,138	\$ 1,500,000	\$ 594,033			\$ 30,847,055	
2024	15,610,000	7,958,019	2,160,000	1,261,513	1,550,000	543,295			29,082,827	
2025	16,630,000	7,228,910	2,245,000	1,167,789	1,605,000	490,830			29,367,529	
2026	15,955,000	6,492,986	2,345,000	1,069,283	1,660,000	436,491			27,958,760	
2027	15,595,000	5,796,584	2,445,000	965,719	1,715,000	380,240			26,897,543	
2028-2032	70,525,000	19,612,812	13,895,000	3,162,969	9,495,000	988,104			117,678,885	
2033-2037	53,590,000	7,982,078	7,755,000	879,553	-	-			70,206,631	
2038-2042	26,520,000	1,386,054	2,060,000	65,728	-	-			30,031,782	
Total	\$ 231,165,000	\$ 65,058,327	\$ 34,970,000	\$ 9,919,692	\$ 17,525,000	\$ 3,432,993			\$ 362,071,012	

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 \$21,785,000 in General Obligation Refunding bonds, Series 2021 (the “Refunding Bonds”) with interest rates ranging from 2% to 5%. The proceeds were used to fully refund the Series 2012 Certificates of Obligation in the amount of \$11,470,000 and the Series 2013 Certificates of Obligation in the amount of \$12,690,000. The reacquisition price exceeded the net carrying amount of the old debt by \$1,734. Based on the dollar amount, the City elected to recognize all of it in this years activity. The current refunding reduced total debt service by \$4,711,877 and resulted in a present value economic gain of \$4,304,915.

The City issued \$15,695,000 of General Obligation bonds, Series 2022 (the “Bonds”) with interest rates ranging from 3.5% to 5.0%. The proceeds will be used for drainage and flood control improvements, various roadway and street improvements throughout the City, and improving and equipping public safety facilities. The Bonds are set to mature in 2042.

The City issued \$9,415,000 of Tax Notes, Series 2022 (the “Notes”) with interest rates ranging from 4% to 5%. The proceeds will be used for contractual obligations of the City to be incurred for making permanent public improvements. The Notes are set to mature in 2029.

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 (the “Obligations”), 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 Obligations.

In November 2021, the Solms Landing Public Improvement District (PID) issued \$8,828,000 of special assessment revenue bonds. This is not considered a debt of the City, however, the City presents a private-purpose trust fund to account for the servicing of this debt. At the end of the fiscal

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

year, the principal balance on the debt was \$8,828,000 which will be serviced with special assessment revenue collected within the PID.

The City entered into a ten-year note payable (the “Note”) of \$1,394,231 with an interest rate of 2.09% with a national bank on May 30, 2014. The proceeds of the Note were used to acquire capital assets by which the Note is secured. The City has also entered into various notes payable financing arrangements with interest rates that range from 1.85% to 2.25%. The annual requirements to amortize the note payables outstanding at year end were as follows:

Fiscal Year Ending	Governmental Activities		
	Sep. 30	Principal	Interest
2023	\$ 113,110	\$ 17,350	\$ 130,460
2024	116,139	14,321	130,460
2025	47,498	11,204	58,702
2026	49,205	9,498	58,703
2027	50,972	7,730	58,702
2028-2030	164,170	11,935	176,105
Total	\$ 541,094	\$ 72,038	\$ 613,132

The City’s golf course fund recognizes a lease related to equipment used in operation of the golf course. An initial lease liability was recorded in the amount of \$109,148 during the fiscal year. As of September 30, 2022, the value of the lease liability was \$82,048. The City is required to make annual principal and interest payments of \$27,610. The lease has an interest rate of 2%. The equipment has a 4-year estimated useful life. The value of the right-to-use lease assets at the end of the current fiscal year was \$82,777 and had accumulated amortization of \$26,371.

The future principal and interest payments as of September 30, 2022 are as follows:

Fiscal Year	Business-Type Activities		
	Principal	Interest	Total
2023	\$ 27,220	\$ 390	\$ 27,610
2024	27,350	260	27,610
2025	27,479	131	27,610
	\$ 82,048	\$ 781	\$ 82,829

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

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

Year Ending Sep. 30	Bonds Payable		
	Principal	Interest	Total
2023	\$ 6,515,000	\$ 14,555,781	\$ 21,070,781
2024	7,520,210	14,273,731	21,793,941
2025	7,669,041	13,955,231	21,624,272
2026	7,924,213	13,616,281	21,540,494
2027	8,079,581	13,263,581	21,343,162
2028-2032	45,970,000	60,426,106	106,396,106
2033-2037	52,450,000	50,487,763	102,937,763
2038-2042	60,695,000	39,475,069	100,170,069
2043-2047	69,865,000	27,189,175	97,054,175
2048-2053	80,180,000	12,711,050	92,891,050
Total	\$ 346,868,045	\$ 259,953,768	\$ 606,821,813

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, 2022 consisted of the following:

Receivable Fund	Payable Fund	Total
General	Nonmajor governmental	\$ 8,501
		\$ 8,501

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, 2022

F. Interfund Transfers

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

	Transfers In	Transfers Out	Explanation
General	\$ -	\$ 1,500,000	Facilities Maintenance Fund
	- 250,000		Airport One Time transfer
	77,737 -		Airport administrative fees
	35,179 -		Civic Center administrative fees
	632,006 -		Solid Waste administrative fees
	82,838 -		Golf administrative fees
	- 153,145		Grant Fund
	- 91,164		Edwards Aquifer Habitat Conservation Fund
	- 99,910		Airport land lease
	70,000 -		Fire Apparatus Fund reimbursement for Pumper Truck to close fund (359) GO Series 2019
	Total General Fund	897,760	2,094,219
Hotel/Motel Tax	- -	584,375 368,003	Civic/Convention Center Fund Debt Service
	Total Hotel/Motel Tax Fund	-	952,378
Debt Service	48,000 100,000 264,044 375,169 584,375	- - - -	Fire Apparatus Replacement Maintenance Fund Golf - Debt Service Airport-Debt Service Solid Waste-Debt Service Hotel Motel Tax Fund-Civic/Convention Center
	Total Debt Service Fund	1,371,588	-
2019 Bond Program	294	- -	To close out fund
	Total 2019 Bond Program Fund	294	-
Grant	153,146	- -	General Fund
	Total Grant Fund	153,146	-
Various nonmajor capital projects	- -	295 295	To close out funds
	Total Various Nonmajor Capital Projects Funds	-	295
Facilities Maintenance	1,500,000	- -	General Fund
	Total Facilities Maintenance Fund	1,500,000	-
NB Development Authority	4,099,171	- -	Tax Increment Reinvestment Zone No. 1
	Total NB Development Authority Fund	4,099,171	-
Tax Increment Reinvestment Zone No. 1	- -	4,099,171 4,099,171	NB Development Authority-pass through of TIRZ revenue and existing balance to NBDA to support debt service.
	Total TIRZ No. 1 Fund	-	4,099,171
River Activities	148,841	- -	Solid Waste Fund - Litter Removal
	Total River Activities Fund	148,841	-

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Explanation</u>
Edwards Aquifer HCP	\$ 91,163	\$ -	General Fund -administrative support
Total Edwards Aquifer HCP Fund	<u>91,163</u>	<u>-</u>	
Enterprise Maintenance	1,000,000	-	Solid Waste Fund
	30,000	-	Airport
	1,943	-	Golf
	-	48,000	Debt Service
	-	70,000	Reimburse General Fund for pumper truck
Total Enterprise Maintenance Fund	<u>1,031,943</u>	<u>118,000</u>	
Airport	-	77,737	General Fund - administrative costs
	99,910	-	General Fund - airport land lease
	250,000	-	General Fund
	-	30,000	Enterprise Equipment Replacement Fund
	-	264,044	Debt Service
Total Airport Fund	<u>349,910</u>	<u>371,781</u>	
Solid Waste	-	632,006	General Fund admin
	-	1,000,000	Enterprise Equipment Replacement Fund
	-	375,168	Debt Service
	-	148,841	River fund- River Litter Removal
Total Solid Waste Fund	<u>-</u>	<u>2,156,015</u>	
Golf Course	-	82,838	General Fund
	-	100,000	Debt Service
	-	1,943	Enterprise Equipment Replacement Fund
Total Golf Course Fund	<u>-</u>	<u>184,781</u>	
Civic/Convention Center	368,003	-	Hotel/Motel Tax Fund
	-	35,179	General Fund
Total Civic/Convention Center Fund	<u>368,003</u>	<u>35,179</u>	
	<u>\$ 10,011,819</u>	<u>\$ 10,011,819</u>	

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

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 \$5,832,255 in health claims and paid \$900,025 for administrative costs for the year ended September 30, 2022. The City contributed \$7,266,891 and City employees contributed \$988,350 to the Plan for the year ended September 30, 2022.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

The transactions of the Plan are reported in the City's internal service fund. The City pays a specified monthly amount for each employee and a portion of an employee's dependent coverage which averages to approximately \$793. The largest portion of this amount is dedicated to the direct payment of claims. The remaining part of the monthly amount is dedicated to the payments of administrative 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 \$691,641 at September 30, 2022. The estimated liability for health claims is based upon historical claims experience.

The changes in the claim liability for the years ended September 30, 2022 and 2021 are as follows:

	2022	2021
Claims payable, beginning of year	\$ 1,049,641	\$ 509,851
Plus: incurred claims	5,832,255	5,852,042
Less: claims paid	(6,190,255)	(5,312,252)
Claims Payable, End of Year	<u>\$ 691,641</u>	<u>\$ 1,049,641</u>

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, 2022, 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 913 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State and administered in accordance with the Texas Government Code, Title 8, Subtitle G (the "TMRS Act") as an agent multiple-employer retirement system for municipal employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees (the "Board"); however, TMRS does not receive any funding from the State. TMRS issues a publicly available annual comprehensive financial report that can be obtained at tmrs.com.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the member's benefit is calculated based on the sum of the member's contributions, with interest, and the City-financed monetary credits, with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member contributions 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:

	2022	2021
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, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	317
Inactive employees entitled to, but not yet receiving, benefits	366
Active employees	674
Total	1,357

Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, and the City-matching ratios are either 1:1 (1 to 1), 1.5:1 (1½ to 1), or 2:1 (2 to 1), 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 actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 16.92 percent and 17.05 percent in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2022 were \$8,326,013, which were equal to the required contributions.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2021 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-Distinct 2019 Municipal Retirees of Texas mortality tables. The rates for active members, healthy retirees, and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied for males and females, respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for the annuity purchase rates is based on the mortality experience investigation study covering 2009 through 2011 and dated December 31, 2013. 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.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

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. 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)
Global public equity	35.00%	7.55%
Core fixed income	6.00%	2.00%
Non-core fixed income	20.00%	5.68%
Other public and private markets	12.00%	7.22%
Real estate	12.00%	6.85%
Hedge funds	5.00%	5.35%
Private equity	10.00%	10.00%
Total	100.00%	

Discount Rate

The discount rate used to measure the TPL was 6.75%. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made at the rates specified in statute. Based on that assumption, TMRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. 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	\$ 8,444,367	\$	\$ 8,444,367
Interest	13,696,706		13,696,706
Changes in current period benefits	-		-
Difference between expected and actual experience	3,350,245		3,350,245
Changes in assumptions	-		-
Contributions - employer		7,857,115	(7,857,115)
Contributions - employee		3,252,382	(3,252,382)
Net investment income		21,870,293	(21,870,293)
Benefit payments, including refunds of employee contributions	(7,023,616)	(7,023,616)	-
Administrative expense	-	(101,026)	101,026
Other changes	-	692	(692)
Net Changes	18,467,702	25,855,840	(7,388,138)
Balance at December 31, 2020	202,203,790	167,485,912	34,717,878
Balance at December 31, 2021	\$ 220,671,492	\$ 193,341,752	\$ 27,329,740

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

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%)
City's Net Pension Liability	<u>\$ 62,521,943</u>	<u>\$ 27,329,740</u>	<u>\$ (1,225,420)</u>

Pension Plan Fiduciary Net Position

Detailed information about the TMRS fiduciary net position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

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

For the fiscal year ended September 30, 2022, the City recognized pension expense of \$5,758,596.

At September 30, 2022, 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	\$ 4,546,905	\$ -
Changes in actuarial assumptions	272,986	-
Difference between projected and actual investment earnings		11,196,330
Contributions subsequent to the measurement date	6,176,363	-
Total	\$ 10,996,254	\$ 11,196,330

\$6,176,363 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30	Pension Expense
2023	\$ (594,939)
2024	(3,220,002)
2025	(1,250,353)
2026	(1,396,040)
2027	84,895
Thereafter	-
Total	\$ (6,376,439)

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

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, 2021 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	264
Inactive employees entitled to, but not yet receiving, benefits	106
Active employees	674
Total	<u>1044</u>

Total OPEB Liability

The City's total OPEB liability of \$2,396,756 was measured as of December 31, 2021 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, 2022

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2021 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 11.50% including inflation
Discount rate*	1.84%
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 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

* The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Changes in the Total OPEB Liability

	Total OPEB Liability
Changes for the year:	
Service cost	\$ 120,700
Interest	45,051
Differences between expected and actual experience	(20,677)
Changes of assumptions	78,072
Benefit payments*	(37,139)
	Net Changes
	186,007
Beginning balance	2,210,749
	Ending Balance
	\$ 2,396,756

* 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, 2022

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 (0.84%)	Discount Rate	1% Increase in Discount Rate (2.84%)
City's Total OPEB Liability	\$ 2,968,829	\$ 2,396,756	\$ 1,960,908

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

For the fiscal year ended September 30, 2022, the City recognized TMRS OPEB expense of \$248,580.

At September 30, 2022, 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	\$ 486,737	\$ 46,587
Changes in assumptions	-	89,826
Contributions subsequent to the measurement date	28,980	-
Total	\$ 515,717	\$ 136,413

\$29,980 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, 2023.

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

Year Ended <u>September 30</u>	OPEB Expense
2023	\$ 82,832
2024	80,474
2025	67,408
2026	79,186
2027	35,211
Thereafter	5,213
Total	\$ 350,324

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

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 75 requires public employers to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statements of the employer.

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	8
Inactive employees entitled to, but not yet receiving, benefits	-
Active employees	596
Total	604

Total OPEB Liability

The City's total OPEB liability of \$5,752,886 was measured as of September 30, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the September 30, 2022 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	5.00%
Discount rate	4.59%

The discount rate was based on an average of the September 30, 2022 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 PubG.H-2010 Employee Mortality Table, Generational with Projection Scale MP-2021 for males or females, as appropriate.

Mortality rates for retirees/disabled employees were based on the PubG.H-2010 Healthy Retiree Mortality Table, Generational with Projection Scale MP-2021 for males or females, as appropriate.

The actuarial assumptions used in the September 30, 2022 valuation were derived from a combination of plan experience and actuarial judgement.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

Changes in the Total OPEB Liability

	Total OPEB Liability
Changes for the year:	
Service cost	\$ 590,331
Interest	298,003
Changes of assumptions	873,734
Differences between expected and actual experience	(8,288,715)
Benefit payments	(61,412)
	Net Changes
	(6,588,059)
Beginning balance	12,340,945
	Ending Balance
	\$ 5,752,886

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 (3.59%)	Discount Rate	1% Increase in Discount Rate (5.59%)
City's Total OPEB Liability	<u>\$ 6,588,592</u>	<u>\$ 5,752,886</u>	<u>\$ 5,035,018</u>
Current Healthcare Cost Trend Rate			
	1% Decrease Assumption	1% Increase	
City's Total OPEB Liability	<u>\$ 4,961,498</u>	<u>\$ 5,752,886</u>	<u>\$ 6,695,106</u>

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

For the fiscal year ended September 30, 2022, the City recognized retiree OPEB expense of \$805,138.

At September 30, 2022, 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 experience	\$ 839,978	\$ -
Changes in actuarial assumptions	27,838	6,657,005
Total	<u>\$ 867,816</u>	<u>\$ 6,657,005</u>

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

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
2023	(1,967,722)
2024	(1,967,722)
2025	(1,853,745)
2026	-
2027	-
Thereafter	-
Total	\$ (5,789,189)

Aggregate OPEB Expense

The total OPEB expense for both the TMRS SBDF and Retiree Health plans for fiscal year 2022 was \$1,053,718.

E. New Braunfels Utilities Defined Benefit Pension Plan

Plan Description

NBU participates as one of 913 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (“TMRS Act”) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS’s defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available ACFR that can be obtained online at www.tmrs.com. All eligible employees of NBU are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the Board, within the options available in the state statutes governing TMRS. At retirement, the benefit is calculated as if the sum of the employee’s contributions, with interest, and NBU-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefits as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member’s deposits and interest.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

Employees Covered by Benefit Terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	144
Inactive employees entitled to, but not yet receiving, benefits	92
Active employees	342
Total	578

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and NBU matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of NBU. Under the state law governing TMRS, the contribution rate for each entity is determined annually by the actuary, using Entry Age Normal 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 of NBU were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for NBU were 17.77% and 18.02% in calendar years 2022 and 2021, respectively. NBU's contributions to TMRS for the years ended July 31, 2022 and 2021 were \$4,774,121 and \$4,371,468, respectively, and were equal to the required contributions.

Net Pension Liability

NBU's Net Pension Liability (NPL) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with both male and female rates multiplied by 107.5%. 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 are used with slight adjustments.

Actuarial assumptions used in the December 31, 2021 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2014 through December 31, 2018. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal actuarial cost method. Assumptions are reviewed annually. 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.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

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)
Global public equity	35.00%	7.55%
Core fixed income	6.00%	2.00%
Non-core fixed income	20.00%	5.68%
Other public and private markets	12.00%	7.22%
Real estate	12.00%	6.85%
Hedge funds	5.00%	5.35%
Private equity	10.00%	10.00%
Total	100.00%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assured 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.

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	\$ 4,465,895	\$ -	\$ 4,465,895
Interest	7,191,514	-	7,191,514
Changes in current period benefits	-	-	-
Difference between expected and actual experience	4,166,579	-	4,166,579
Changes in assumptions	-	-	-
Contributions - employer	-	4,578,667	(4,578,667)
Contributions - employee	-	1,794,562	(1,794,562)
Net investment income	-	11,986,679	(11,986,679)
Benefit payments, including refunds of employee contributions	(4,766,188)	(4,766,188)	-
Administrative expense	-	(55,428)	55,428
Other changes	-	380	(380)
Net Changes	11,057,800	13,538,672	(2,480,872)
Balance at December 31, 2020	106,691,102	91,891,097	14,800,005
Balance at December 31, 2021	\$ 117,748,902	\$ 105,429,769	\$ 12,319,133

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

Sensitivity of the NPL to Changes in the Discount Rate

The following presents the NPL of NBU, calculated using the discount rate that was included in the actuarial valuation, as well as what NBU's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
	\$ 29,709,782	\$ 12,319,133	\$ (1,902,785)
NBU'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 July 31, 2022, NBU recognized pension expense of \$4,441,835.

At July 31, 2022, NBU 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	\$ 5,405,590	\$ -
Changes in actuarial assumptions	100,101	-
Difference between projected and actual investment earnings	-	6,123,885
Contributions subsequent to the measurement date	2,757,019	-
Total	\$ 8,262,710	\$ 6,123,885

NBU contributions of \$2,757,019 made subsequent to the measurement date of December 31, 2021, as shown in the table above, are included as part of pension deferred outflows in the Statement of Net Position. These contributions will be recognized as a reduction of the net pension liability for the year ending July 31, 2023. The remaining net amount of \$618,194 is comprised of the difference between (i) the deferred outflows of resources of \$5,505,691 consisting of the difference between expected and actual economic experience and (ii) deferred inflows of \$6,123,885 resulting from differences between projected and actual investment earnings. This amount will be recognized in pension expense as follows:

Fiscal Year Ended July 31	Pension Expense
2023	\$ 254,814
2024	(1,245,056)
2025	(129,425)
2026	(210,231)
2027	690,975
Thereafter	20,729
Total	\$ (618,194)

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

F. New Braunfels Utilities Supplemental Death Benefit Fund

NBU also participates in the cost sharing multi-employer defined benefit group-term life insurance plan operated by the TMRS known as the Supplemental Death Benefits Fund (SDBF). NBU elected, by ordinance, to provide group life insurance coverage to both current and retired employees. NBU 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.

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); retired employees are insured for \$7,500; this coverage is an "other post-employment benefit," or OPEB.

Contributions - NBU contributes to the SDBF at a contractually required contribution rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy of this plan 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.

NBU's contributions for 2022, 2021, 2020, and 2019 were \$42,737, \$38,390, \$37,507, and \$31,250, respectively, and equaled the required contributions for those years. GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions was deemed not material and has no impact on NBU's financial reporting.

G. 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, 2022, the total amount of taxes abated were \$397,832 for the City and \$132,611 for the NBEDC. This agreement expired November 30, 2021.

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

	Sales Tax Reconciliation		
	Economic		
	General	Dev. Corporation	Total
Payments from Comptroller	\$ 33,591,537	\$ 11,197,179	\$ 44,788,716
TIRZ - Abatement Payments	(401,872)	(1,474,518)	(1,876,390)
Net Sales Tax Collected	\$ 33,189,665	\$ 9,722,661	\$ 42,912,326

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

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.

Property Taxes

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

Under each Agreement, the Developer 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 Agreement:

- 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. For the years ending September 30, 2022 and 2021, the total amount of taxes abated were \$289,097 and \$272,575 respectively.

A reconciliation of gross property tax collections for this abatement agreement and the Creekside Town Center and River Mill TIRZ is disclosed below:

Property Tax Reconciliation			
	Maintenance and Operations	Interest and Sinking	Total
Property Taxes Collected*			
Current	\$ 24,248,792	\$ 22,260,480	\$ 46,509,272
Delinquent	81,764	57,083	138,847
Penalties and Interest	160,357	130,479	290,836
Property Taxes Collected	\$ 24,490,913	\$ 22,448,042	\$ 46,938,955
Less: Adjustments**	(1,038,667)	(963,188)	(2,001,855)
Net Property Taxes Collected	\$ 23,452,246	\$ 21,484,854	\$ 44,937,100

* Per Comal County Tax Office Records

**Includes Adjustments to TIRZ & 380 Payments

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

H. Intergovernmental Revenue

NBU is a semiautonomous entity with a Board of Trustees (the “Board) that is responsible for its operations. The Board is appointed by the City Council.

The Board may authorize NBU to transfer annual payments to the General Fund of the City payable in monthly installments. The calculation is based on a rolling three-year average of electric, water, and sewer operating revenues. The formula percentage is 7.45 percent for electric, 4.35 percent for water, and 4.35 percent for wastewater. The amount is limited to income before extraordinary items less bond principal and any future bond reserve or contingency requirements. These monies can be transferred only if such funds are available after meeting the needs of properly operating and maintaining the system and fulfilling all bonded debt requirements.

I. Restatement

The City has restated beginning assets, liabilities, and deferred inflows of resources for governmental and business activities and various funds for the implementation of GASB 87. *Leases*. This restatement had no effect on beginning fund balance/net position. The solid waste fund beginning net position has been restated for an adjustment for prior year accrual.

	Governmental- Type Activities						Business-Type Activities
	General	Golf Course	Airport	Solid Waste			
Prior year ending fund balance	\$ 41,057,124	\$ 43,867,648	\$ 5,034,597	\$ 12,227,432	\$ 7,523,654	\$ 29,805,666	
Lease liability	-	(109,148)	-	-	-	(109,148)	
Right-to-Use Assets	-	109,148	-	-	-	109,148	
Leases receivable	588,964	588,964	-	1,458,080	-	1,458,080	
Deferred inflows of resources	(588,964)	(588,964)	-	(1,458,080)	-	(1,458,080)	
Adjustment for prior year accrual	-	-	-	-	(856,625)	(856,625)	
Beginning Net Position/Fund Balance- Restated	<u>\$ 41,057,124</u>	<u>\$ 43,867,648</u>	<u>\$ 5,034,597</u>	<u>\$ 12,227,432</u>	<u>\$ 6,667,029</u>	<u>\$ 28,949,041</u>	

(This page intentionally left blank.)

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, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Taxes:				
Ad valorem	\$ 23,204,256	\$ 23,204,256	\$ 23,452,246	\$ 247,990
Sales	24,900,376	24,900,376	33,189,665	8,289,289
Franchise fees and other taxes	12,221,873	12,221,873	12,440,079	218,206
Licenses and permits	5,205,530	5,205,530	7,310,674	2,105,144
Intergovernmental	50,000	50,000	56,651	6,651
Fines and forfeitures	1,401,000	1,401,000	1,072,071	(328,929)
Investment earnings	50,000	50,000	403,117	353,117
Parks and recreation	3,895,890	3,895,890	4,920,043	1,024,153
Miscellaneous	3,136,250	3,136,250	3,304,552	168,302
Charges for services	4,312,186	4,312,186	5,002,914	690,728
Total Revenues	78,377,361	78,377,361	91,152,012	12,774,651
Expenditures				
General government:				
City council	36,200	43,027	42,524	503
City attorney	1,009,434	1,076,454	1,071,461	4,993
City administration	6,788,289	6,674,864	6,250,712	424,152
Human resources	1,143,455	1,145,455	1,144,890	565
Nondepartmental	4,299,410	4,194,927	2,210,631	1,984,296
Finance and tax	1,496,547	1,496,547	1,441,956	54,591
Planning and environmental development	4,471,043	4,322,044	4,304,670	17,374
Public safety:				
Police	24,339,784	24,135,784	24,112,559	23,225
Fire	22,796,636	23,303,638	22,998,927	304,711
Public works	10,001,492	10,259,342	10,013,440	245,902
Parks and recreation	9,793,997	9,552,789	9,549,533	3,256
Library	2,756,358	2,998,088	2,994,652	3,436
Total Expenditures	88,932,645	89,202,959	86,135,955	3,067,004
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,555,284)	(10,825,598)	5,016,057	15,841,655

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, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses)				
Transfers in	\$ 997,760	\$ 997,761	\$ 897,760	\$ (100,001)
Transfers (out)	(1,993,910)	(1,993,910)	(2,094,219)	(100,309)
Sale of capital assets	-	-	96,841	96,841
Total Other Financing Sources (Uses)	(996,150)	(996,149)	(1,099,618)	(103,469)
Net Change in Fund Balance	<u><u>\$ (11,551,434)</u></u>	<u><u>\$ (11,821,747)</u></u>	3,916,439	<u><u>\$ 15,738,186</u></u>
Beginning fund balance			41,057,124	
Ending Fund Balance			<u><u>\$ 44,973,563</u></u>	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. This schedule includes budget and actual amounts for the general fund subfund.

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, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 9,715,477	\$ 9,715,477	\$ 102,499	\$ (9,612,978)
Investment earnings	-	-	55,547	55,547
Other contributions	-	-	90,000	90,000
Total Revenues	9,715,477	9,715,477	248,046	(9,467,431)
Expenditures				
Current:				
General government	13,019,763	13,019,763	-	13,019,763
Public safety	1,503,784	1,503,784	89,452	1,414,332
Public works	-	258,416	258,416	-
Parks and recreation	270,000	270,000	14,356	255,644
Total Expenditures	14,793,547	15,051,963	362,224	14,689,739
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,078,070)	(5,336,486)	(114,178)	5,222,308
Other Financing Sources (Uses)				
Transfers in	50,000	50,000	153,146	103,146
Total Other Financing Sources	50,000	50,000	153,146	103,146
Net Change in Fund Balance	\$ (5,028,070)	\$ (5,286,486)	38,968	\$ 5,325,454
Beginning fund balance			3,140	
Ending Fund Balance			\$ 42,108	

Notes to Required Supplementary Information:

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

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, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 4,371,948	\$ 4,371,948	\$ 5,229,625	\$ 857,677
Investment earnings	20	20	225	205
Total Revenues	4,371,968	4,371,968	5,229,850	857,882
Expenditures				
Current				
General government	3,324,424	3,324,424	2,990,940	333,484
Total Expenditures	3,324,424	3,324,424	2,990,940	333,484
Excess of Revenues Over Expenditures	1,047,544	1,047,544	2,238,910	1,191,366
Other Financing Sources (Uses)				
Transfers (out)	(996,838)	(996,838)	(952,378)	44,460
Total Other Financing (Uses)	(996,838)	(996,838)	(952,378)	44,460
Net Change in Fund Balance	\$ 50,706	\$ 50,706	1,286,532	\$ 1,235,826
Beginning fund balance			2,600,650	
Ending Fund Balance			\$ 3,887,182	

Notes to Required Supplementary Information:

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, 2022

	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 eight years of information is currently available. The City will build this schedule over the next two-year period.

Measurement Year*				
2018	2019	2020	2021	
\$ 7,075,714	\$ 7,548,546	\$ 8,207,720	\$ 8,444,367	
10,661,364	11,540,144	12,604,862	13,696,706	
-	-	-	-	
227,139	1,420,919	1,661,149	3,350,245	
-	615,649	-	-	
(4,810,400)	(5,552,933)	(5,809,554)	(7,023,616)	
13,153,817	15,572,325	16,664,177	18,467,702	
<u>156,813,471</u>	<u>169,967,288</u>	<u>185,539,613</u>	<u>202,203,790</u>	
<u>\$ 169,967,288</u>	<u>\$ 185,539,613</u>	<u>\$ 202,203,790</u>	<u>\$ 220,671,492</u>	
 \$ 6,539,492	 \$ 7,026,523	 \$ 7,636,802	 \$ 7,857,115	
2,719,934	2,901,000	3,172,560	3,252,382	
(3,794,347)	19,681,894	11,484,015	21,870,293	
(4,810,400)	(5,552,933)	(5,809,554)	(7,023,616)	
(73,269)	(111,060)	(74,206)	(101,026)	
(3,829)	(3,337)	(2,895)	692	
<u>577,581</u>	<u>23,942,087</u>	<u>16,406,722</u>	<u>25,855,840</u>	
<u>126,559,522</u>	<u>127,137,103</u>	<u>151,079,190</u>	<u>167,485,912</u>	
<u>\$ 127,137,103</u>	<u>\$ 151,079,190</u>	<u>\$ 167,485,912</u>	<u>\$ 193,341,752</u>	
<u>\$ 42,830,185</u>	<u>\$ 34,460,423</u>	<u>\$ 34,717,878</u>	<u>\$ 27,329,740</u>	
 74.80%	 81.43%	 82.83%	 87.62%	
\$ 38,856,198	\$ 41,430,000	\$ 45,321,482	\$ 46,423,126	
 110.23%	 83.18%	 76.60%	 58.87%	

CITY OF NEW BRAUNFELS, TEXAS

NEW BRAUNFELS UTILITIES

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM

For the Year Ended July 31, 2022

	Measurement Year*			
	2015	2016	2017	2018
Total Pension Liability				
Service cost	\$ 1,852,821	\$ 2,063,217	\$ 2,328,445	\$ 3,034,811
Interest (on the total pension liability)	4,534,158	4,623,082	5,349,632	5,697,720
Changes in current period benefits	-	-	6,881,135	-
Difference between expected and actual experience	(452,450)	(33,315)	424,537	638,332
Change in assumptions	288,151	-	-	-
Benefit payments, including refunds of employee contributions	(2,689,654)	(2,533,258)	(3,272,818)	(3,325,058)
Net Change in Total Pension Liability	3,533,026	4,119,726	11,710,931	6,045,805
Beginning total pension liability	65,192,104	68,725,130	72,844,856	84,555,787
Ending Total Pension Liability	\$ 68,725,130	\$ 72,844,856	\$ 84,555,787	\$ 90,601,592
Plan Fiduciary Net Position				
Contributions - employer	\$ 1,827,177	\$ 1,811,489	\$ 2,046,699	\$ 3,194,908
Contributions - employee	944,629	1,018,513	1,151,967	1,259,258
Net investment income	87,534	4,017,620	8,830,361	(2,169,446)
Benefit payments, including refunds of employee contributions	(2,689,654)	(2,533,258)	(3,272,818)	(3,325,058)
Administrative expense	(53,311)	(45,360)	(45,751)	(41,917)
Other	(2,634)	(2,444)	(2,319)	(2,190)
Net Change in Plan Fiduciary Net Position	113,741	4,266,560	8,708,139	(1,084,445)
Beginning plan fiduciary net position	59,316,009	59,429,750	63,696,310	72,404,449
Ending Plan Fiduciary Net Position	\$ 59,429,750	\$ 63,696,310	\$ 72,404,449	\$ 71,320,004
Net Pension Liability	\$ 9,295,380	\$ 9,148,546	\$ 12,151,338	\$ 19,281,588
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.47%	87.44%	85.63%	78.72%
Covered Payroll	\$ 13,494,694	\$ 14,550,190	\$ 16,443,818	\$ 17,989,394
Net Pension Liability as a Percentage of Covered Payroll	68.88%	62.88%	73.90%	107.18%

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

Measurement Year*					
2019		2020		2021	
\$ 3,421,657		\$ 4,031,193		\$ 4,465,895	
6,104,485		6,625,838		7,191,514	
-		-		-	
1,260,367		1,586,860		4,166,579	
205,839		-		-	
(3,751,212)		(3,395,518)		(4,766,188)	
7,241,136		8,848,373		11,057,800	
<u>90,601,592</u>		<u>97,842,728</u>		<u>106,691,102</u>	
<u>\$ 97,842,728</u>		<u>\$ 106,691,102</u>		<u>\$ 117,748,902</u>	
\$ 3,502,065		\$ 3,946,380		\$ 4,578,667	
1,407,263		1,604,227		1,794,562	
11,028,572		6,336,072		11,986,679	
(3,751,212)		(3,395,518)		(4,766,188)	
(62,302)		(40,984)		(55,428)	
(1,871)		(1,599)		380	
12,122,515		8,448,578		13,538,672	
<u>71,320,004</u>		<u>83,442,519</u>		<u>91,891,097</u>	
<u>\$ 83,442,519</u>		<u>\$ 91,891,097</u>		<u>\$ 105,429,769</u>	
<u>\$ 14,400,209</u>		<u>\$ 14,800,005</u>		<u>\$ 12,319,133</u>	
85.28%		86.13%		89.54%	
\$ 20,103,751		\$ 22,917,524		\$ 25,636,594	
71.63%		64.58%		48.05%	

CITY OF NEW BRAUNFELS, TEXAS

SCHEDULE OF CONTRIBUTIONS

TEXAS MUNICIPAL RETIREMENT SYSTEM

For the Year Ended September 30, 2022

	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 nine years of information is currently available. The City will build this schedule over the next one-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	24 Years
Asset valuation method	10 year smoother fair value, 12.00% soft corridor
Inflation	2.50%
Salary increases	3.50% to 11.50% 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 2019 valuation pursuant to an experience study of the period December 31, 2014 - December 31, 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

3. Other Information:

There were no benefit changes during the year.

Fiscal Year*				
2018	2019	2020	2021	2022
\$ 6,439,837	\$ 6,937,744	\$ 7,429,745	\$ 7,753,182	\$ 8,326,013
<u>6,439,837</u>	<u>6,937,744</u>	<u>7,429,745</u>	<u>7,753,182</u>	<u>8,326,013</u>
\$ 38,208,179	\$ 40,641,797	\$ 43,646,238	\$ 45,447,930	\$ 48,929,783
16.85%	17.07%	17.02%	17.06%	17.02%

CITY OF NEW BRAUNFELS, TEXAS
NEW BRAUNFELS UTILITIES
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended July 31, 2022

	Fiscal Year*			
	2016	2017	2018	2019
Actuarially determined contribution	\$ 1,842,516	\$ 1,941,283	\$ 2,700,430	\$ 3,343,248
Contributions in relation to the actuarially determined contribution	<u>1,838,178</u>	<u>1,969,363</u>	<u>2,730,439</u>	<u>3,374,501</u>
Contribution deficiency (excess)	<u><u>\$ 4,338</u></u>	<u><u>\$ (28,080)</u></u>	<u><u>\$ (30,009)</u></u>	<u><u>\$ (31,253)</u></u>
Covered payroll	\$ 14,029,305	\$ 15,539,867	\$ 17,387,972	\$ 19,038,042
Contributions as a percentage of covered payroll	13.10%	12.67%	15.70%	17.73%

*Only seven years of information is currently available. NBU will build this schedule over the next three-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	24 Years
Asset valuation method	10 year smoother fair value, 12.00% soft corridor
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the participant's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period December 31, 2014 – December 31, 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

3. Other Information:

There were no benefit changes during the year.

Fiscal Year*		
2020	2021	2022
\$ 3,776,143	\$ 4,333,080	\$ 4,731,381
<u>3,811,074</u>	<u>4,371,468</u>	<u>4,774,121</u>
<u><u>\$ (34,931)</u></u>	<u><u>\$ (38,388)</u></u>	<u><u>\$ (42,740)</u></u>
\$ 21,832,301	\$ 24,621,104	\$ 26,710,661
17.46%	17.75%	17.87%

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
RETIREE BENEFITS PROGRAM
For the Year Ended September 30, 2022

	Measurement Year*			
	2017	2018	2019	2020
Total Pension Liability				
Service cost	\$ 431,371	\$ 444,312	\$ 516,533	\$ 610,062
Interest (on the total pension liability)	363,757	312,824	365,899	295,949
Difference between expected and actual experience	237,182	61,055	446,312	12,307
Change of assumptions	-	846,197	69,594	(880,937)
Benefit payments	<u>(392,489)</u>	<u>(149,364)</u>	<u>24,719</u>	<u>(133,148)</u>
Net Change in Total OPEB Liability	639,821	1,515,024	1,423,057	(95,767)
Beginning total OPEB liability	8,858,810	9,498,631	11,013,655	12,436,712
Ending Total OPEB Liability	<u>\$ 9,498,631</u>	<u>\$ 11,013,655</u>	<u>\$ 12,436,712</u>	<u>\$ 12,340,945</u>
Covered Payroll	\$ 30,768,150	\$ 31,691,195	\$ 33,253,958	\$ 34,251,577
Total OPEB Liability as a Percentage of Covered Payroll	30.87%	34.75%	37.40%	36.03%

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

Notes to Required Supplementary Information:

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

Changes of Assumptions:

The following actuarial assumptions were updated from the prior valuation: claim costs, retiree contributions, trend, employee turnover rates, participation for new retirees, payroll growth, and discount rate.

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Year	Rate
2018	3.73%
2019	3.17%
2020	2.28%
2021	2.31%
2022	4.59%

Measurement**Year*****2021**

\$ 590,331
298,003

873,734
(8,288,715)
(61,412)
(6,588,059)
12,340,945
\$ 5,752,886

\$ 40,551,080

14.19%

CITY OF NEW BRAUNFELS, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS ***TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS) -*** ***SUPPLEMENTAL DEATH BENEFITS FUND***

For the Year Ended September 30, 2022

	Measurement Year*			
	2017	2018	2019	2020
Total OPEB Liability				
Service cost	\$ 58,109	\$ 73,827	\$ 66,288	\$ 95,175
Interest (on the total pension liability)	48,695	50,176	55,022	50,500
Difference between expected and actual experience	-	(29,490)	(69,364)	(30,249)
Change of assumptions	124,268	(111,517)	299,899	313,359
Benefit payments**	(10,895)	(11,657)	(12,429)	(13,596)
Net Change in Total OPEB Liability	220,177	(28,661)	339,416	415,189
Beginning total OPEB liability	1,264,628	1,484,805	1,456,144	1,795,560
Ending Total OPEB Liability	\$ 1,484,805	\$ 1,456,144	\$ 1,795,560	\$ 2,210,749
Covered Payroll	\$ 36,318,289	\$ 38,856,198	\$ 41,430,000	\$ 45,321,482
Total OPEB Liability as a Percentage of Covered Payroll	4.09%	3.75%	4.33%	4.88%

*Only five years of information is currently available.

The City will build this schedule over the next five-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:

There were no changes in assumption or other inputs that affected measurement of the total OPEB liability since the prior measurement period.

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

Measurement	
Year*	
2021	

\$	120,700
	45,051
	(20,677)
	78,072
	(37,139)
	<u>186,007</u>
	<u>2,210,749</u>
<u>\$</u>	<u>2,396,756</u>
\$	46,423,126

5.16%

(This page intentionally left blank.)

***COMBINING STATEMENTS
AND SCHEDULES***

CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET GENERAL FUND - SUBFUNDs

September 30, 2022

	General	Equipment Replacement	Eliminations	Totals
Assets				
Cash and equity in pooled cash and investments	\$ 25,539,638	\$ 3,216,483	\$ -	\$ 28,756,121
Investments	12,484,728	-	-	12,484,728
Receivables, net				
Taxes and fees	421,534	-	-	421,534
Accounts receivable	10,573,102	1,641	-	10,574,743
Interest	6,319	-	-	6,319
Leases receivable	586,018	-	-	586,018
Due from other governments	26,243	-	-	26,243
Due from other funds	8,501	-	-	8,501
Inventory	595	-	-	595
Total Assets	<u>\$ 49,646,678</u>	<u>\$ 3,218,124</u>	<u>\$ -</u>	<u>\$ 52,864,802</u>
Liabilities				
Accounts payable	\$ 5,712,892	\$ 129,442	\$ -	\$ 5,842,334
Accrued wages payable	1,045,848	-	-	1,045,848
Total Liabilities	<u>6,758,740</u>	<u>129,442</u>	<u>-</u>	<u>6,888,182</u>
Deferred Inflows of Resources				
Unavailable revenue - leases receivable	581,523	-	-	581,523
Unavailable revenue - property taxes	421,534	-	-	421,534
Total Deferred Inflows of Resources	<u>1,003,057</u>	<u>-</u>	<u>-</u>	<u>1,003,057</u>
Fund Balances				
Nonspendable	595	-	-	595
Assigned	-	3,088,682	-	3,088,682
Unassigned	41,884,286	-	-	41,884,286
Total Fund Balances	<u>41,884,881</u>	<u>3,088,682</u>	<u>-</u>	<u>44,973,563</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 49,646,678</u>	<u>\$ 3,218,124</u>	<u>\$ -</u>	<u>\$ 52,864,802</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, 2022

	General	Equipment Replacement	Eliminations	Totals
Revenues				
Taxes and fees	\$ 69,081,990	\$ -	\$ -	\$ 69,081,990
Licenses and permits	7,310,674	-	-	7,310,674
Intergovernmental	56,651	-	-	56,651
Fines and forfeitures	1,072,071	-	-	1,072,071
Investment earnings	396,286	6,831	-	403,117
Parks and recreation	4,920,043	-	-	4,920,043
Miscellaneous	3,141,951	162,601	-	3,304,552
Charges for services	5,002,914	-	-	5,002,914
Total Revenues	90,982,580	169,432	-	91,152,012
Expenditures				
Current				
General government	10,414,167	306,051	-	10,720,218
Finance and tax	1,441,956	-	-	1,441,956
Planning and environmental	4,252,050	52,620	-	4,304,670
Public safety	45,963,416	1,148,070	-	47,111,486
Public works	9,958,946	54,494	-	10,013,440
Parks and recreation	9,520,374	29,159	-	9,549,533
Library	2,994,652	-	-	2,994,652
Total Expenditures	84,545,561	1,590,394	-	86,135,955
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,437,019	(1,420,962)	-	5,016,057
Other Financing Sources (Uses)				
Transfers in	897,760	3,520,000	(3,520,000)	897,760
Transfers (out)	(5,614,219)	-	3,520,000	(2,094,219)
Sale of capital assets	-	96,841	-	96,841
Total Other Financing Sources (Uses)	(4,716,459)	3,616,841	-	(1,099,618)
Net Change in Fund Balances	1,720,560	2,195,879	-	3,916,439
Beginning fund balances	40,164,321	892,803	-	41,057,124
Ending Fund Balances	\$ 41,884,881	\$ 3,088,682	\$ -	\$ 44,973,563

CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2022

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent Fund Cemetery Improvements</u>	Total Nonmajor Governmental Funds
Assets				
Cash and equity in pooled cash and investments	\$ 21,417,324	\$ 25,813,136	\$ 243,503	\$ 47,473,963
Accounts receivable	207,879	-	-	207,879
Restricted cash	1,220,969	-	-	1,220,969
Total Assets	<u>\$ 22,846,172</u>	<u>\$ 25,813,136</u>	<u>\$ 243,503</u>	<u>\$ 48,902,811</u>
Liabilities				
Accounts payable	\$ 825,937	\$ 1,036,486	\$ 717	\$ 1,863,140
Due to other funds	-	8,501	-	8,501
Total Liabilities	<u>825,937</u>	<u>1,044,987</u>	<u>717</u>	<u>1,871,641</u>
Fund Balances				
Nonspendable	-	-	242,786	242,786
Restricted	14,504,794	24,776,650	-	39,281,444
Committed	7,515,441	-	-	7,515,441
Unassigned	-	(8,501)	-	(8,501)
Total Fund Balances	<u>22,020,235</u>	<u>24,768,149</u>	<u>242,786</u>	<u>47,031,170</u>
Total Liabilities and Fund Balances	<u>\$ 22,846,172</u>	<u>\$ 25,813,136</u>	<u>\$ 243,503</u>	<u>\$ 48,902,811</u>

CITY OF NEW BRAUNFELS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2022

	Special Revenue	Capital Projects	Permanent Fund Cemetery Improvements	Total Nonmajor Governmental Funds
Revenues				
Ad valorem taxes	\$ 2,837,699	\$ -	\$ -	\$ 2,837,699
Sales taxes	1,329,790	-	-	1,329,790
Franchise fees and local taxes	127,399	-	-	127,399
Licenses and permits	6,800	-	350	7,150
Fines and forfeitures	371,666	-	-	371,666
Parks and recreation	-	6,352,006	-	6,352,006
Investment earnings	39,942	36,894	-	76,836
Intergovernmental	526,592	-	-	526,592
Miscellaneous	1,439,767	-	701	1,440,468
Other contributions	-	-	4,112	4,112
Charges and fees	2,955,398	-	11,880	2,967,278
Total Revenues	9,635,053	6,388,900	17,043	16,040,996
Expenditures				
General government	30,109	37,576	-	67,685
Planning and environmental development	129,157	-	-	129,157
Public safety	1,563,460	-	-	1,563,460
Public works	4,917,354	2,005,025	-	6,922,379
Parks and recreation	82,710	198,070	5,445	286,225
Library	113,185	-	-	113,185
Airport	23,530	-	-	23,530
Debt service				
Principal	2,110,000	-	-	2,110,000
Interest expense	1,066,030	-	-	1,066,030
Issuance cost and fiscal charges	-	140,336	-	140,336
Total Expenditures	10,035,535	2,381,007	5,445	12,421,987
Excess (Deficiency) of Revenues Over (Under) Expenditures	(400,482)	4,007,893	11,598	3,619,009
Other Financing Sources (Uses)				
Sale of capital assets	105,421	-	-	105,421
Transfers in	6,871,118	-	-	6,871,118
Transfers (out)	(4,217,171)	(295)	-	(4,217,466)
Issuance of debt	-	9,415,000	-	9,415,000
Premium	-	725,336	-	725,336
Total Other Financing Sources	2,759,368	10,140,041	-	12,899,409
Net Change in Fund Balances	2,358,886	14,147,934	11,598	16,518,418
Beginning fund balances	19,661,349	10,620,215	231,188	30,512,752
Ending Fund Balances	\$ 22,020,235	\$ 24,768,149	\$ 242,786	\$ 47,031,170

CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS (page 1 of 3)

September 30, 2022

	Community Development Block Grant	Special Revenue Donations	River	Court Security
Assets				
Cash and equity in pooled cash and investments	\$ 74,070	\$ 820,799	\$ 334,891	\$ 36,988
Accounts receivable	34,963	2,250	-	-
Restricted cash	-	-	-	-
Total Assets	<u>109,033</u>	<u>823,049</u>	<u>334,891</u>	<u>36,988</u>
Liabilities				
Accounts payable	\$ 31,928	\$ 6,140	\$ 26,757	\$ -
Total Liabilities	<u>31,928</u>	<u>6,140</u>	<u>26,757</u>	<u>-</u>
Fund Balances				
Restricted	77,105	816,909	308,134	36,988
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>77,105</u>	<u>816,909</u>	<u>308,134</u>	<u>36,988</u>
Total Liabilities and Fund Balances	<u>109,033</u>	<u>823,049</u>	<u>334,891</u>	<u>36,988</u>

River Mill TIRZ	Judicial Efficiency	Court Technology	Child Safety	Stormwater Development	Juvenile Case Management
\$ 73,153	\$ 19,006	\$ 108,242	\$ 30,438 1,361	\$ 698,329	\$ 10,531
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 73,153</u>	<u>\$ 19,006</u>	<u>\$ 108,242</u>	<u>\$ 31,799</u>	<u>\$ 698,329</u>	<u>\$ 10,531</u>
 \$ -	 \$ -	 \$ 43,553 43,553	 \$ 5,062 5,062	 \$ - -	 \$ 200 200
 - <u>73,153</u>	 <u>19,006</u>	 <u>64,689</u>	 <u>26,737</u>	 <u>698,329</u>	 <u>10,331</u>
 <u>\$ 73,153</u>	 <u>\$ 19,006</u>	 <u>\$ 108,242</u>	 <u>\$ 31,799</u>	 <u>\$ 698,329</u>	 <u>\$ 10,531</u>

CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS (page 2 of 3)

September 30, 2022

	Federal Court Awards	Non-Federal Court Awards	Edwards Aquifer HCP	Cable Franchise PEG
Assets				
Cash and equity in pooled cash and investments	\$ 117,399	\$ 110,977	\$ 28,361	\$ 511,038
Accounts receivable	-	5,704	97,327	34,152
Restricted cash	-	-	-	-
Total Assets	<u>117,399</u>	<u>116,681</u>	<u>125,688</u>	<u>545,190</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ 39,362	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>39,362</u>	<u>-</u>
Fund Balances				
Restricted	117,399	116,681	86,326	545,190
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>117,399</u>	<u>116,681</u>	<u>86,326</u>	<u>545,190</u>
Total Liabilities and Fund Balances	<u>117,399</u>	<u>116,681</u>	<u>125,688</u>	<u>545,190</u>

Tax Increment Reinvestment Zone No. 1	New Braunfels Development Authority	Recreation Center Improvements	Facilities Maintenance	Enterprise Maintenance and Equipment	Developmental Services
\$ -	\$ 8,140,892	\$ 918,836	\$ 1,503,291	\$ 6,346,132	\$ 1,533,951
-	-	-	-	28,367	3,755
-	1,220,969	-	-	-	-
\$ -	\$ 9,361,861	\$ 918,836	\$ 1,503,291	\$ 6,374,499	\$ 1,537,706
<hr/>					
\$ -	\$ -	\$ -	\$ 3,291	\$ 359,058	\$ 310,586
-	-	-	3,291	359,058	310,586
<hr/>					
-	9,361,861	918,836	-	-	1,227,120
-	-	-	1,500,000	6,015,441	-
-	-	-	-	-	-
-	9,361,861	918,836	1,500,000	6,015,441	1,227,120
\$ -	\$ 9,361,861	\$ 918,836	\$ 1,503,291	\$ 6,374,499	\$ 1,537,706

(This page intentionally left blank.)

CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS (page 3 of 3)

September 30, 2022

	Total Nonmajor Special Revenue Funds
<u>Assets</u>	
Cash and equity in pooled cash and investments	\$ 21,417,324
Accounts receivable	207,879
Restricted cash	1,220,969
Total Assets	\$ 22,846,172
<u>Liabilities</u>	
Accounts payable	\$ 825,937
Total Liabilities	825,937
<u>Fund Balances</u>	
Restricted	14,504,794
Committed	7,515,441
Unassigned	-
Total Fund Balances	22,020,235
Total Liabilities and Fund Balances	\$ 22,846,172

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, 2022

	Community Development Block Grant	Special Revenue Donations	River	Court Security
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	- -	- -	- -	- -
Franchise fees and local taxes	- -	- -	- -	- -
Licenses and permits	- -	- -	6,800	- -
Fines and forfeitures	- -	- -	204,399	45,964
Investment earnings	- -	- -	- -	- -
Intergovernmental	206,262	8,712	- -	- -
Miscellaneous	- -	553,391	- -	- -
Charges and fees	- -	- -	1,031,287	- -
Total Revenues	206,262	562,103	1,242,486	45,964
Expenditures				
Current				
General government	- -	- -	- -	- -
Planning and environmental development	129,157	- -	- -	- -
Public safety	- -	115,114	591,023	34,026
Public works	- -	24,748	651,372	- -
Parks and recreation	- -	82,710	- -	- -
Library	- -	113,185	- -	- -
Airport	- -	70	- -	- -
Debt service				
Principal	- -	- -	- -	- -
Interest and fiscal charges	- -	- -	- -	- -
Total Expenditures	129,157	335,827	1,242,395	34,026
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	77,105	226,276	91	11,938
Other Financing Sources (Uses)				
Sale of capital assets	- -	- -	- -	- -
Transfers in	- -	- -	148,841	- -
Transfers (out)	- -	- -	- -	- -
Total Other Financing Sources (Uses)	- -	- -	148,841	- -
Net Change in Fund Balances	77,105	226,276	148,932	11,938
Beginning fund balances	- -	590,633	159,202	25,050
Ending Fund Balances	\$ 77,105	\$ 816,909	\$ 308,134	\$ 36,988

River Mill TIRZ	Judicial Efficiency	Court Technology	Child Safety	Stormwater Development	Juvenile Case Management
\$ 38,318	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	5,048	38,348	1,018	-	48,514
-	-	-	-	-	-
-	-	-	127,046	-	-
-	-	-	50	-	-
-	-	-	-	298,302	-
<u>38,318</u>	<u>5,048</u>	<u>38,348</u>	<u>128,114</u>	<u>298,302</u>	<u>48,514</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	1,117	53,438	157,999	-	45,000
-	-	-	-	109	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>1,117</u>	<u>53,438</u>	<u>157,999</u>	<u>109</u>	<u>45,000</u>
<u>38,318</u>	<u>3,931</u>	<u>(15,090)</u>	<u>(29,885)</u>	<u>298,193</u>	<u>3,514</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>38,318</u>	<u>3,931</u>	<u>(15,090)</u>	<u>(29,885)</u>	<u>298,193</u>	<u>3,514</u>
<u>34,835</u>	<u>15,075</u>	<u>79,779</u>	<u>56,622</u>	<u>400,136</u>	<u>6,817</u>
<u>\$ 73,153</u>	<u>\$ 19,006</u>	<u>\$ 64,689</u>	<u>\$ 26,737</u>	<u>\$ 698,329</u>	<u>\$ 10,331</u>

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, 2022

	Federal Court Awards	Non-Federal Court Awards	Edwards Aquifer HCP	Cable Franchise PEG
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	- -	- -	- -	- -
Franchise fees and local taxes	- -	- -	- -	127,399
Licenses and permits	- -	- -	- -	- -
Fines and forfeitures	- -	- -	- -	- -
Investment earnings	- -	- -	- -	- -
Intergovernmental	- -	- -	184,572	- -
Miscellaneous	31,323	81,125	509,205	- -
Charges and fees	- -	- -	- -	- -
Total Revenues	<u>31,323</u>	<u>81,125</u>	<u>693,777</u>	<u>127,399</u>
Expenditures				
Current				
General government	- -	- -	- -	109
Planning and environmental development	- -	- -	- -	- -
Public safety	6,449	119,096	- -	- -
Public works	- -	- -	698,614	- -
Parks and recreation	- -	- -	- -	- -
Library	- -	- -	- -	- -
Airport	- -	- -	- -	- -
Debt service				
Principal	- -	- -	- -	- -
Interest and fiscal charges	- -	- -	- -	- -
Total Expenditures	<u>6,449</u>	<u>119,096</u>	<u>698,614</u>	<u>109</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>24,874</u>	<u>(37,971)</u>	<u>(4,837)</u>	<u>127,290</u>
Other Financing Sources (Uses)				
Sale of capital assets	- -	- -	- -	- -
Transfers in	- -	- -	91,163	- -
Transfers (out)	- -	- -	- -	- -
Total Other Financing Sources (Uses)	<u>- -</u>	<u>- -</u>	<u>91,163</u>	<u>- -</u>
Net Change in Fund Balances	<u>24,874</u>	<u>(37,971)</u>	<u>86,326</u>	<u>127,290</u>
Beginning fund balances	<u>92,525</u>	<u>154,652</u>	<u>- -</u>	<u>417,900</u>
Ending Fund Balances	<u>\$ 117,399</u>	<u>\$ 116,681</u>	<u>\$ 86,326</u>	<u>\$ 545,190</u>

Tax Increment Reinvestment Zone No. 1	New Braunfels Development Authority	Recreation Center Improvements	Facilities Maintenance	Enterprise Maintenance and Equipment	Developmental Services
\$ 2,799,381	\$ -	\$ -	\$ -	\$ -	\$ -
1,329,790	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	28,375
-	5,236	-	-	34,706	-
-	-	-	-	-	-
-	-	172	-	264,501	-
-	-	-	-	-	1,625,809
4,129,171	5,236	172	-	299,207	1,654,184
30,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	440,198	-
-	190,975	-	-	1,657,193	1,694,343
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	23,460	-
-	2,110,000	-	-	-	-
-	1,066,030	-	-	-	-
30,000	3,367,005	-	-	2,120,851	1,694,343
4,099,171	(3,361,769)	172	-	(1,821,644)	(40,159)
-	-	-	-	105,421	-
-	4,099,171	-	1,500,000	1,031,943	-
(4,099,171)	-	-	-	(118,000)	-
(4,099,171)	4,099,171	-	1,500,000	1,019,364	-
-	737,402	172	1,500,000	(802,280)	(40,159)
-	8,624,459	918,664	-	6,817,721	1,267,279
\$ -	\$ 9,361,861	\$ 918,836	\$ 1,500,000	\$ 6,015,441	\$ 1,227,120

(This page intentionally left blank.)

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, 2022

	Total Nonmajor Special Revenue Funds
Revenues	
Ad valorem taxes	\$ 2,837,699
Sales taxes	1,329,790
Franchise fees and local taxes	127,399
Licenses and permits	6,800
Fines and forfeitures	371,666
Investment earnings	39,942
Intergovernmental	526,592
Miscellaneous	1,439,767
Charges and fees	2,955,398
Total Revenues	9,635,053
Expenditures	
Current	
General government	30,109
Planning and environmental development	129,157
Public safety	1,563,460
Public works	4,917,354
Parks and recreation	82,710
Library	113,185
Airport	23,530
Debt service	
Principal	2,110,000
Interest and fiscal charges	1,066,030
Total Expenditures	10,035,535
Excess (Deficiency) of Revenues Over (Under) Expenditures	(400,482)
Other Financing Sources (Uses)	
Sale of capital assets	105,421
Transfers in	6,871,118
Transfers (out)	(4,217,171)
Total Other Financing Sources (Uses)	2,759,368
Net Change in Fund Balances	2,358,886
Beginning fund balances	19,661,349
Ending Fund Balances	\$ 22,020,235

CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS (page 1 of 2)

September 30, 2022

	Park Improvement	Certificates of Obligation 2004	Certificates of Obligation 2007	Certificates of Obligation 2008
<u>Assets</u>				
Cash and equity in pooled cash and investments	\$ 12,090,991	\$ 60,643	\$ -	\$ 358,413
Total Assets	<u>\$ 12,090,991</u>	<u>\$ 60,643</u>	<u>\$ -</u>	<u>\$ 358,413</u>
<u>Liabilities</u>				
Accounts payable	\$ 14,879	\$ -	\$ -	\$ 1,838
Due to other funds	-	-	-	-
Total Liabilities	<u>14,879</u>	<u>-</u>	<u>-</u>	<u>1,838</u>
<u>Fund Balances</u>				
Restricted	12,076,112	60,643	-	356,575
Unassigned	-	-	-	-
Total Fund Balances	<u>12,076,112</u>	<u>60,643</u>	<u>-</u>	<u>356,575</u>
Total Liabilities and Fund Balances	<u>\$ 12,090,991</u>	<u>\$ 60,643</u>	<u>\$ -</u>	<u>\$ 358,413</u>

Certificates of Obligation 2009	Certificates of Obligation 2011	Certificates of Obligation 2013	Certificates of Obligation 2014	Certificates of Obligation 2015	Tax Note 2015
\$ 15,201	\$ 720,538	\$ 237,571	\$ 55,365	\$ -	\$ -
<u>\$ 15,201</u>	<u>\$ 720,538</u>	<u>\$ 237,571</u>	<u>\$ 55,365</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,501</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,501</u>
15,201	720,538	237,571	55,365	-	-
<u>15,201</u>	<u>720,538</u>	<u>237,571</u>	<u>55,365</u>	<u>-</u>	<u>(8,501)</u>
<u>\$ 15,201</u>	<u>\$ 720,538</u>	<u>\$ 237,571</u>	<u>\$ 55,365</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS (page 2 of 2)

September 30, 2022

	Certificates of Obligation 2018	Tax Note 2018A	Tax Note 2021	Tax Note 2022
Assets				
Cash and equity in pooled cash and investments	\$ -	\$ 47,933	\$ 2,213,961	\$ 10,012,520
	Total Assets	\$ 47,933	\$ 2,213,961	\$ 10,012,520
Liabilities				
Accounts payable	\$ -	\$ -	\$ 1,019,769	\$ -
Due to other funds	- -	- -	- -	- -
	Total Liabilities	- -	1,019,769	- -
Fund Balances				
Restricted	- -	47,933	1,194,192	10,012,520
Unassigned	- -	- -	- -	- -
	Total Fund Balances	47,933	1,194,192	10,012,520
	Total Liabilities and Fund Balances	\$ 47,933	\$ 2,213,961	\$ 10,012,520

**Total Nonmajor
Capital
Projects Funds**

\$ 25,813,136
\$ 25,813,136

\$ 1,036,486
8,501
1,044,987

24,776,650
(8,501)
24,768,149

\$ 25,813,136

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, 2022

	<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	\$ 6,352,006	\$ -	\$ -	\$ -
Investment earnings	- -	- -	- -	2,943
Total Revenues	<u>6,352,006</u>	<u>-</u>	<u>-</u>	<u>2,943</u>
Expenditures				
Current				
General government	- -	- -	- -	- -
Public works	- -	- -	- -	6,670
Parks and recreation	198,070	- -	- -	- -
Debt service				
Fiscal agent fees	- -	- -	- -	- -
Total Expenditures	<u>198,070</u>	<u>-</u>	<u>-</u>	<u>6,670</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,153,936</u>	<u>-</u>	<u>-</u>	<u>(3,727)</u>
Other Financing Sources (Uses)				
Transfers (out)	- -	- -	(2)	- -
Issuance of debt	- -	- -	- -	- -
Premium	- -	- -	- -	- -
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>-</u>
Net Change in Fund Balances	<u>6,153,936</u>	<u>-</u>	<u>(2)</u>	<u>(3,727)</u>
Beginning fund balances	5,922,176	60,643	2	360,302
Ending Fund Balances	<u>\$ 12,076,112</u>	<u>\$ 60,643</u>	<u>\$ -</u>	<u>\$ 356,575</u>

<u>Certificates of Obligation 2009</u>	<u>Certificates of Obligation 2011</u>	<u>Certificates of Obligation 2013</u>	<u>Certificates of Obligation 2014</u>	<u>Certificates of Obligation 2015</u>	<u>Tax Note 2015</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7,172	-	-	-	-	30,404
-	172,585	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>7,172</u>	<u>172,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,404</u>
<u>(7,172)</u>	<u>(172,585)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,404)</u>
-	-	-	-	(196)	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(196)</u>	<u>-</u>
<u>(7,172)</u>	<u>(172,585)</u>	<u>-</u>	<u>-</u>	<u>(196)</u>	<u>(30,404)</u>
22,373	893,123	237,571	55,365	196	21,903
<u>\$ 15,201</u>	<u>\$ 720,538</u>	<u>\$ 237,571</u>	<u>\$ 55,365</u>	<u>\$ -</u>	<u>\$ (8,501)</u>

CITY OF NEW BRAUNFELS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS (page 2 of 2)
For the Year Ended September 30, 2022

	Certificates of Obligation 2018	Tax Note 2018A	Tax Note 2021	Tax Note 2021
Revenues				
Parks and recreation	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	1,510	19,921	12,520
Total Revenues	-	1,510	19,921	12,520
Expenditures				
Current				
General government	-	-	-	-
Public works	-	-	1,825,770	-
Parks and recreation	-	-	-	-
Debt service				
Fiscal agent fees	-	-	-	140,336
Total Expenditures	-	-	1,825,770	140,336
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	1,510	(1,805,849)	(127,816)
Other Financing Sources (Uses)				
Transfers (out)	(97)	-	-	-
Issuance of debt	-	-	-	9,415,000
Premium	-	-	-	725,336
Total Other Financing Sources (Uses)	(97)	-	-	10,140,336
Net Change in Fund Balances	(97)	1,510	(1,805,849)	10,012,520
Beginning fund balances	97	46,423	3,000,041	-
Ending Fund Balances	\$ -	\$ 47,933	\$ 1,194,192	\$ 10,012,520

**Total Nonmajor
Capital
Projects Funds**

\$	6,352,006
	36,894
	<hr/>
	6,388,900

37,576
2,005,025
198,070

<hr/>
140,336
<hr/>
2,381,007

<hr/>
4,007,893

(295)
9,415,000
725,336
<hr/>
10,140,041

14,147,934
<hr/>
10,620,215
<hr/>
\$ 24,768,149

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, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Ad valorem taxes	\$ 21,773,976	\$ 21,773,976	\$ 21,484,854	\$ (289,122)
Investment earnings	12,500	12,500	13,115	615
Other contributions	2,057,494	2,057,494	2,057,496	2
Total Revenues	<u>23,843,970</u>	<u>23,843,970</u>	<u>23,555,465</u>	<u>(288,505)</u>
Expenditures				
Debt Service:				
Principal	16,055,000	16,055,000	16,055,000	-
Interest	8,860,395	8,860,395	8,860,395	-
Bond issuance costs and fees	117,663	247,405	247,405	-
Total Expenditures	<u>25,033,058</u>	<u>25,162,800</u>	<u>25,162,800</u>	<u>-</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(1,189,088)</u>	<u>(1,318,830)</u>	<u>(1,607,335)</u>	<u>(288,505)</u>
Other Financing Sources (Uses)				
Transfers in	1,371,588	1,371,588	1,371,588	-
Refunding bonds issued	-	21,785,000	21,785,000	-
Premium received on the issuance of debt	-	3,155,720	3,155,720	-
Payments to escrow agent for bond refunding	-	(24,698,516)	(24,698,516)	-
Total Other Financing Sources	<u>1,371,588</u>	<u>1,613,792</u>	<u>1,613,792</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 182,500</u>	<u>\$ 294,962</u>	<u>6,457</u>	<u>\$ (288,505)</u>
Beginning fund balance			2,772,611	
Ending Fund Balance			<u>\$ 2,779,068</u>	

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, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Intergovernmental	\$ 486,739	\$ 486,739	\$ 206,262	\$ (280,477)
Total Revenues	486,739	486,739	206,262	(280,477)
<u>Expenditures</u>				
Current:				
Planning and environmental development	486,739	486,739	129,157	357,582
Total Expenditures	486,739	486,739	129,157	357,582
Net Change in Fund Balance	\$ -	\$ -	77,105	\$ 77,105
Beginning fund balance				-
Ending Fund Balance	\$ 77,105			

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, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$	\$	\$	\$
Miscellaneous	200,000	200,000	553,391	353,391
Total Revenues	200,000	200,000	562,103	362,103
Expenditures				
Current:				
Public safety	414,930	414,930	115,114	299,816
Public works	50,000	50,000	24,748	25,252
Parks and recreation	50,000	85,000	82,710	2,290
Library	185,000	185,000	113,185	71,815
Airport	70	70	70	-
Total Expenditures	700,000	735,000	335,827	399,173
Net Change in Fund Balance	\$ (500,000)	\$ (535,000)	226,276	\$ 761,276
Beginning fund balance			590,633	
Ending Fund Balance			\$ 816,909	

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, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Licenses and permits	\$ 6,600	\$ 6,600	\$ 6,800	\$ 200
Fines and forfeitures	90,000	90,000	204,399	114,399
Charges and fees	975,000	975,000	1,031,287	56,287
Total Revenues	1,071,600	1,071,600	1,242,486	170,886
Expenditures				
Current:				
Public safety	613,261	613,261	591,023	22,238
River operations	623,424	653,424	651,372	2,052
Total Expenditures	1,236,685	1,266,685	1,242,395	24,290
Excess (Deficiency) of Revenues Over (Under) Expenditures	(165,085)	(195,085)	91	195,176
Other Financing Sources (Uses)				
Transfers in	150,000	150,000	148,841	(1,159)
Total Other Financing Sources	150,000	150,000	148,841	(1,159)
Net Change in Fund Balance	\$ (15,085)	\$ (45,085)	148,932	\$ 194,017
Beginning fund balance			159,202	
Ending Fund Balance			\$ 308,134	

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, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Fines and forfeitures	\$ 30,000	\$ 30,000	\$ 45,964	\$ 15,964
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>45,964</u>	<u>15,964</u>
<u>Expenditures</u>				
Current:				
Public safety	40,000	40,000	34,026	5,974
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>34,026</u>	<u>5,974</u>
Net Change in Fund Balance	<u>\$ (10,000)</u>	<u>\$ (10,000)</u>	11,938	<u>\$ 21,938</u>
Beginning fund balance			<u>25,050</u>	
Ending Fund Balance			<u>\$ 36,988</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, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 7,000	\$ 7,000	\$ 5,048	\$ (1,952)
Total Revenues	<u>7,000</u>	<u>7,000</u>	<u>5,048</u>	<u>(1,952)</u>
Expenditures				
Current:				
Public safety	13,500	13,500	1,117	12,383
Total Expenditures	<u>13,500</u>	<u>13,500</u>	<u>1,117</u>	<u>12,383</u>
Net Change in Fund Balance	<u>\$ (6,500)</u>	<u>\$ (6,500)</u>	3,931	<u>\$ 10,431</u>
Beginning fund balance			15,075	
Ending Fund Balance			<u>\$ 19,006</u>	

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, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Fines and forfeitures	\$ 30,000	\$ 30,000	\$ 38,348	\$ 8,348
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>38,348</u>	<u>8,348</u>
<u>Expenditures</u>				
Current:				
Public safety	75,000	75,000	53,438	21,562
Total Expenditures	<u>75,000</u>	<u>75,000</u>	<u>53,438</u>	<u>21,562</u>
Net Change in Fund Balance	<u>\$ (45,000)</u>	<u>\$ (45,000)</u>	<u>(15,090)</u>	<u>\$ 29,910</u>
Beginning fund balance			<u>79,779</u>	
Ending Fund Balance			<u>\$ 64,689</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, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 3,000	\$ 3,000	\$ 1,018	\$ (1,982)
Intergovernmental	148,000	148,000	127,046	(20,954)
Miscellaneous	-	-	50	50
Total Revenues	151,000	151,000	128,114	(22,886)
Expenditures				
Current:				
Public safety	158,000	158,000	157,999	1
Total Expenditures	158,000	158,000	157,999	1
Net Change in Fund Balance	\$ (7,000)	\$ (7,000)	(29,885)	\$ (22,885)
Beginning fund balance			56,622	
Ending Fund Balance			\$ 26,737	

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, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Charges and fees	\$ 80,000	\$ 80,000	\$ 298,302	\$ 218,302
Total Revenues	<u>80,000</u>	<u>80,000</u>	<u>298,302</u>	<u>218,302</u>
Expenditures				
Current:				
Public works	100,000	100,000	109	99,891
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>109</u>	<u>99,891</u>
Net Change in Fund Balance	<u>\$ (20,000)</u>	<u>\$ (20,000)</u>	<u>298,193</u>	<u>\$ 318,193</u>
Beginning fund balance			<u>400,136</u>	
Ending Fund Balance			<u>\$ 698,329</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, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 50,000	\$ 50,000	\$ 48,514	\$ (1,486)
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>48,514</u>	<u>(1,486)</u>
Expenditures				
Current:				
Public safety	45,000	45,000	45,000	-
Total Expenditures	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 5,000</u>	<u>\$ 5,000</u>	3,514	<u>\$ (1,486)</u>
Beginning fund balance			6,817	
Ending Fund Balance			<u>\$ 10,331</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, 2022

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual GAAP Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Miscellaneous	\$ -	\$ -	\$ 31,323	\$ 31,323
Total Revenues	<u>-</u>	<u>-</u>	<u>31,323</u>	<u>31,323</u>
Expenditures				
Current:				
Public safety	84,000	84,000	6,449	77,551
Total Expenditures	<u>84,000</u>	<u>84,000</u>	<u>6,449</u>	<u>77,551</u>
Net Change in Fund Balance	<u>\$ (84,000)</u>	<u>\$ (84,000)</u>	24,874	<u>\$ 108,874</u>
Beginning fund balance			<u>92,525</u>	
Ending Fund Balance			<u>\$ 117,399</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, 2022

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual GAAP Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Miscellaneous	\$ -	\$ -	\$ 81,125	\$ 81,125
Total Revenues	<u>-</u>	<u>-</u>	<u>81,125</u>	<u>81,125</u>
Expenditures				
Current:				
Public safety	120,000	120,000	119,096	904
Total Expenditures	<u>120,000</u>	<u>120,000</u>	<u>119,096</u>	<u>904</u>
Net Change in Fund Balance	<u>\$ (120,000)</u>	<u>\$ (120,000)</u>	<u>(37,971)</u>	<u>\$ 82,029</u>
Beginning fund balance			<u>154,652</u>	
Ending Fund Balance			<u>\$ 116,681</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, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 274,593	\$ 274,593	\$ 184,572	\$ (90,021)
Miscellaneous	500,000	500,000	509,205	9,205
Total Revenues	774,593	774,593	693,777	(80,816)
Expenditures				
Current:				
Public works - River Authority	868,593	868,593	698,614	169,979
Total Expenditures	868,593	868,593	698,614	169,979
(Deficiency) of Revenues (Under) Expenditures	(94,000)	(94,000)	(4,837)	89,163
Other Financing Sources (Uses)				
Transfers in	94,000	94,000	91,163	(2,837)
Total Other Financing Sources	94,000	94,000	91,163	(2,837)
Net Change in Fund Balance	\$ -	\$ -	86,326	\$ 86,326
Beginning fund balance				-
Ending Fund Balance			\$ 86,326	

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, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Franchise fees and local taxes	\$ 182,500	\$ 182,500	\$ 127,399	\$ (55,101)
Total Revenues	<u>182,500</u>	<u>182,500</u>	<u>127,399</u>	<u>(55,101)</u>
Expenditures				
Current:				
General government	350,000	350,000	109	349,891
Total Expenditures	<u>350,000</u>	<u>350,000</u>	<u>109</u>	<u>349,891</u>
Net Change in Fund Balance	<u>\$ (167,500)</u>	<u>\$ (167,500)</u>	<u>127,290</u>	<u>\$ 294,790</u>
Beginning fund balance			417,900	
Ending Fund Balance			<u>\$ 545,190</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, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Ad valorem taxes	\$ 2,806,165	\$ 2,806,165	\$ 2,799,381	\$ (6,784)
Sales taxes	1,198,362	1,198,362	1,329,790	131,428
Investment earnings	2,000	2,000	-	(2,000)
Total Revenues	4,006,527	4,006,527	4,129,171	122,644
Expenditures				
Current:				
General government	30,000	30,000	30,000	-
Principal	5,175,230	5,175,230	-	5,175,230
Total Expenditures	5,205,230	5,205,230	30,000	5,175,230
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,198,703)	(1,198,703)	4,099,171	5,297,874
Other Financing Sources (Uses)				
Transfers (out)		(4,099,171)	(4,099,171)	-
Total Other Financing (Uses)	-	(4,099,171)	(4,099,171)	-
Net Change in Fund Balance	\$ (1,198,703)	\$ (5,297,874)	-	\$ 5,297,874
Beginning fund balance				-
Ending Fund Balance			\$ -	

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, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Investment earnings	\$ 6,000	\$ 6,000	\$ 34,706	\$ 28,706
Miscellaneous	-	-	264,501	264,501
Total Revenues	6,000	6,000	299,207	293,207
Expenditures				
Current:				
Public saftey	450,000	450,000	440,198	9,802
Public works	2,000,000	2,000,000	1,657,193	342,807
Airport	50,000	50,000	23,460	26,540
Total Expenditures	2,500,000	2,500,000	2,120,851	379,149
(Deficiency) of Revenues				
(Under) Expenditures	(2,494,000)	(2,494,000)	(1,821,644)	672,356
Other Financing Sources (Uses)				
Sale of capital assets	100,000	100,000	105,421	5,421
Transfers out	-	(118,000)	(118,000)	-
Transfers in	1,031,943	1,031,943	1,031,943	-
Total Other Financing Sources	1,131,943	1,013,943	1,019,364	5,421
Net Change in Fund Balance	\$ (1,362,057)	\$ (1,480,057)	(802,280)	\$ 677,777
Beginning fund balance			6,817,721	
Ending Fund Balance			\$ 6,015,441	

CITY OF NEW BRAUNFELS, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL CEMETERY IMPROVEMENTS FUND

For the Year Ended September 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Licenses and permits	\$ -	\$ -	\$ 350	\$ 350
Miscellaneous	-	-	701	701
Charges and fees	5,000	5,000	15,992	10,992
Total Revenues	5,000	5,000	17,043	12,043
Expenditures				
Current:				
Parks and recreation	188,000	188,000	5,445	182,555
Total Expenditures	188,000	188,000	5,445	182,555
Net Change in Fund Balance	\$ (183,000)	\$ (183,000)	11,598	\$ 194,598
Beginning fund balance			231,188	
Ending Fund Balance			\$ 242,786	

CITY OF NEW BRAUNFELS, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL RECREATION CENTER IMPROVEMENTS FUND

For the Year Ended September 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Miscellaneous	\$ 100	\$ 100	\$ 172	\$ 72
Total Revenues	<u>100</u>	<u>100</u>	<u>172</u>	<u>72</u>
Excess of Revenues Over Expenditures	100	100	172	72
Other Financing Sources (Uses)				
Transfers out	(100,000)	(100,000)	-	100,000
Total Other Financing (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>
Net Change in Fund Balance	<u>\$ (99,900)</u>	<u>\$ (99,900)</u>	172	<u>\$ 100,072</u>
Beginning fund balance			918,664	
Ending Fund Balance			<u>\$ 918,836</u>	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEVELOPMENTAL SERVICES FUND
For the Year Ended September 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Fines and forfeitures	\$ -	\$ -	\$ 28,375	\$ 28,375
Charges and fees	1,145,000	1,145,000	1,625,809	480,809
Total Revenues	1,145,000	1,145,000	1,654,184	509,184
<u>Expenditures</u>				
Current:				
Public works	1,744,000	1,744,000	1,694,343	49,657
Total Expenditures	1,744,000	1,744,000	1,694,343	49,657
Net Change in Fund Balance	\$ (599,000)	\$ (599,000)	(40,159)	\$ 558,841
Beginning fund balance			1,267,279	
Ending Fund Balance			\$ 1,227,120	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RIVER MILL TIRZ FUND
For the Year Ended September 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Ad valorem taxes	\$ 27,966	\$ 27,966	\$ 38,318	\$ 10,352
Total Revenues	<u>27,966</u>	<u>27,966</u>	<u>38,318</u>	<u>10,352</u>
Net Change in Fund Balance	<u>27,966</u>	<u>27,966</u>	38,318	<u>10,352</u>
Beginning fund balance			34,835	
Ending Fund Balance			<u>73,153</u>	

(This page intentionally left blank.)

STATISTICAL SECTION

This part of the City's Annual Comprehensive 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	174
<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	188
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, property tax revenues.</i>	
Debt Capacity	198
<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	207
<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	211
<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 Annual Comprehensive 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			
	2013	2014	2015	2016
Governmental Activities				
Net investment in capital assets	\$ 24,207	\$ 8,094	\$ 5,121	\$ 2,127
Restricted	7,931	6,879	10,919	16,400
Unrestricted	12,650	13,828	(10,896)	(16,030)
Total Governmental Activities Net Position	<u>\$ 44,788</u>	<u>\$ 28,801</u>	<u>\$ 5,144</u>	<u>\$ 2,497</u>
Business-Type Activities				
Net investment in capital assets	\$ 11,549	\$ 34,960	\$ 34,775	\$ 33,493
Unrestricted	2,057	1,967	298	(236)
Total Business-Type Activities Net Position	<u>\$ 13,606</u>	<u>\$ 36,927</u>	<u>\$ 35,073</u>	<u>\$ 33,257</u>
Primary Government				
Net investment in capital assets	\$ 35,756	\$ 43,054	\$ 39,896	\$ 35,620
Restricted	7,931	6,879	10,919	16,400
Unrestricted	14,704	15,795	(10,598)	(16,266)
Total Primary Government Net Position	<u>\$ 58,391</u>	<u>\$ 65,728</u>	<u>\$ 40,217</u>	<u>\$ 35,754</u>

Source: City financial statements

*Balances have been restated.

Fiscal Year

2017	2018	2019	2019	2021*	2022
\$ 5,470	\$ (3,398)	\$ 7,297	\$ 10,678	\$ 10,250	\$ 6,135
21,269	24,333	18,232	25,877	32,698	52,935
(15,905)	(18,031)	635	(10,423)	920	9,139
\$ 10,834	\$ 2,904	\$ 26,164	\$ 26,132	\$ 43,868	\$ 68,208
\$ 31,025	\$ 29,515	\$ 28,869	\$ 27,813	\$ 26,436	\$ 25,339
(748)	525	(1,517)	2,028	2,513	4,261
\$ 30,277	\$ 30,040	\$ 27,352	\$ 29,841	\$ 28,949	\$ 29,600
\$ 36,495	\$ 26,117	\$ 36,166	\$ 38,491	\$ 36,686	\$ 31,474
21,269	24,333	18,232	25,877	32,698	52,935
(16,653)	(17,506)	(882)	(8,395)	3,433	13,400
\$ 41,111	\$ 32,944	\$ 53,516	\$ 55,973	\$ 72,817	\$ 97,809

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			
	2013	2014	2015	2016
Expenses				
Governmental Activities				
General government	\$ 12,083	\$ 14,850	\$ 17,936	\$ 22,722
Finance and tax	1,305	972	719	690
Planning and environmental development	3,413	2,489	2,622	2,772
Public safety	30,057	31,597	33,327	29,273
Public works	12,973	8,241	9,377	15,314
Parks and recreation	3,632	4,572	8,551	4,597
Library	2,203	2,400	1,969	1,660
Civic/convention center	6	5	191	49
Airport	219	107	48	1,493
Interest on long-term debt	3,913	4,985	5,369	6,757
Total Governmental Activities Expenses	69,804	70,218	80,109	85,327
Business-Type Activities				
Airport	2305	2,855	2,778	2,968
Solid waste	5779	6,171	6,670	7,271
Golf course	904	678	1,775	1,938
Civic/convention center	671	924	894	886
Total Business-Type Activities Expenses	9,659	10,628	12,117	13,063
Total Expenses	\$ 79,463	\$ 80,846	\$ 92,226	\$ 98,390

Fiscal Year											
	2017		2018		2019		2020		2021		2022
\$	11,764	\$	13,085	\$	11,177	\$	12,716	\$	9,829	\$	10,769
1,269		1,574		1,210		1,054		1,194		1,326	
4,527		4,874		3,759		3,300		3,923		3,901	
43,328		57,457		41,360		34,334		41,196		44,116	
11,858		11,912		26,422		39,376		39,944		36,629	
6,357		8,018		8,322		8,453		7,613		11,410	
2,664		3,091		2,460		2,026		1,897		2,796	
-		-		-		-		-		-	
15		9		-		-		-		24	
5,752		6,553		6,828		9,388		9,021		8,625	
87,534		106,573		101,538		110,647		114,615		119,597	
3,221		3,499		3,645		3,298		3,567		5,379	
7,721		7,897		8,779		8,718		8,985		9,281	
1,838		1,898		2,019		1,824		1,910		2,191	
979		963		1,071		1,166		1,044		1,120	
13,759		14,257		15,514		15,006		15,506		17,971	
\$ 101,293		\$ 120,830		\$ 117,052		\$ 125,653		\$ 130,122		\$ 137,568	

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			
	2013	2014	2015	2016
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 1,182	\$ 1,095	\$ 1,265	\$ 1,505
Planning and environmental development	3,209	3,335	3,912	3,489
Public safety	3,936	3,108	3,841	4,384
Public works	75	898	1,076	1,231
Parks and recreation	1,600	1,963	1,642	2,745
Library	111	114	102	101
Civic/convention center	-	-	8	14
Operating grants and contributions	1,000	1,539	1,963	2,377
Capital grants and contributions	3,000	-	-	-
Total Governmental Activities Program Revenues	14,113	12,052	13,809	15,846
Business-Type Activities				
Charges for services				
Airport	1,771	2,387	2,317	2,077
Solid waste	7,215	7,591	7,985	8,280
Golf course	1,076	128	1,378	1,486
Civic/convention center	293	371	418	436
Operating grants and contributions	55	43	50	50
Capital grants and contributions	4,570	441	290	2,263
Total Business-Type Activities Program Revenues	14,980	10,961	12,438	14,592
Total Program Revenues	\$ 29,093	\$ 23,013	\$ 26,247	\$ 30,438
Net (Expense)/Revenue				
Governmental activities	\$ (55,691)	\$ (58,166)	\$ (66,300)	\$ (69,481)
Business-type activities	5,321	333	321	1,529
Total Net Expense	\$ (50,370)	\$ (57,833)	\$ (65,979)	\$ (67,952)

Fiscal Year											
2017		2018		2019		2020		2021		2022	
\$ 164	\$ 150	\$ 152	\$ 125	\$ 112	\$ 730						
-	-	-	-	-	-						
6,503	6,528	5,918	5,748	5,479	8,065						
4,163	4,507	6,465	7,019	8,853	9,260						
2,226	2,288	5,501	3,283	6,660	11,284						
96	89	61	27	11	14						
-	-	-	-	-	-						
1,759	3,819	1,402	2,394	5,853	686						
3,460	1,831	1,768	-	-	-						
<u>18,371</u>	<u>19,212</u>	<u>21,267</u>	<u>18,597</u>	<u>26,967</u>	<u>30,039</u>						
2,399	2599	2,894	2,296	2,757	4,569						
8,664	10168	9,865	10,176	10,378	11,016						
1,436	1578	1,714	1,634	2,079	2,268						
450	420	496	274	397	547						
397	-	51	5,010	1,010	-						
-	-	-	-	-	1,707						
<u>13,346</u>	<u>14,765</u>	<u>15,020</u>	<u>19,391</u>	<u>16,621</u>	<u>20,107</u>						
<u>\$ 31,717</u>	<u>\$ 33,977</u>	<u>\$ 36,287</u>	<u>\$ 37,988</u>	<u>\$ 43,588</u>	<u>\$ 50,147</u>						
\$ (69,163)	\$ (87,361)	\$ (80,271)	\$ (92,050)	\$ (87,648)	\$ (89,557)						
(413)	508	(494)	4,386	1,115	2,136						
<u>\$ (69,576)</u>	<u>\$ (86,853)</u>	<u>\$ (80,765)</u>	<u>\$ (87,665)</u>	<u>\$ (86,534)</u>	<u>\$ (87,421)</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			
	2013	2014	2015	2016
General Revenues and Other Changes in Net Position				
Governmental Activities				
Property taxes, levied for general purposes	\$ 11,206	\$ 10,851	\$ 13,956	\$ 14,409
Property taxes, levied for debt services	8,019	9,231	10,159	11,414
Sales tax	16,420	18,613	18,608	19,077
Hotel/motel occupancy taxes	3,375	3,604	3,813	3,767
Franchise fees	7,875	8,283	8,435	8,904
Mixed beverage tax	275	390	439	472
Investment income	187	87	47	242
Other contributions	1,806	1,989	2,336	2,892
Miscellaneous	4,492	4,183	3,643	4,989
Gain on sale of asset	-	-	-	-
Transfers	1,618	(8,222)	284	3,436
Total Governmental Activities	55,273	49,009	61,720	69,602
Business-type activities				
Investment earnings	2	1	2	8
Miscellaneous income	(233)	68	86	83
Transfers	(1,618)	8,222	(284)	(3,436)
Total Business-Type Activities	(1,849)	8,291	(196)	(3,345)
Total Primary Government	\$ 53,424	\$ 57,300	\$ 61,524	\$ 66,257
Change in Net Position				
Governmental activities	\$ (418)	\$ (9,157)	\$ (4,580)	\$ 121
Business-type activities	3,472	8,624	125	(1,816)
Total Change in Net Position	\$ 3,054	\$ (533)	\$ (4,455)	\$ (1,695)

Source: Statements of Activities from City ACFRS

Fiscal Year									
	2017	2018	2019	2020	2021	2022			
\$	18,065	\$ 18,188	\$ 23,135	\$ 23,138	\$ 21,958	\$ 23,452			
12,434	12,471	14,667	17,398	22,428	24,323				
21,008	21,997	23,675	25,606	31,329	34,519				
3,994	4,070	4,001	2,872	4,412	5,230				
9,590	9,749	10,070	9,908	10,504	11,729				
515	584	649	508	683	839				
471	966	2,300	1,003	205	1,122				
4,570	3,683	4,215	4,687	6,128	5,588				
3,948	6,423	3,915	4,585	5,449	4,876				
-	-	-	-	-	192				
2,905	2,152	2,398	2,311	2,288	2,030				
<u>77,500</u>	<u>80,283</u>	<u>89,025</u>	<u>92,017</u>	<u>105,384</u>	<u>113,898</u>				
17	39	63	27	1	39				
320	1,239	141	388	280	505				
(2,905)	(2,152)	(2,398)	(2,311)	(2,288)	(2,030)				
(2,568)	(874)	(2,194)	(1,896)	(2,006)	(1,485)				
<u>\$ 74,932</u>	<u>\$ 79,409</u>	<u>\$ 86,831</u>	<u>\$ 90,121</u>	<u>\$ 103,377</u>	<u>\$ 112,413</u>				
\$ 8,337	\$ (7,078)	\$ 8,754	\$ (33)	\$ 17,735	\$ 24,341				
(2,981)	(366)	(2,688)	2,490	(892)	651				
<u>\$ 5,356</u>	<u>\$ (7,444)</u>	<u>\$ 6,066</u>	<u>\$ 2,456</u>	<u>\$ 16,844</u>	<u>\$ 24,992</u>				

CITY OF NEW BRAUNFELS, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

(modified accrual basis of accounting)

(amounts expressed in thousands)

	Fiscal Year			
	2013	2014	2015	2016
General Fund				
Nonspendable	\$ -	\$ 1	\$ -	\$ -
Assigned	4,662	4,430	4,319	2,516
Unassigned	15,189	18,188	16,677	16,096
Total General Fund	<u>\$ 19,851</u>	<u>\$ 22,619</u>	<u>\$ 20,996</u>	<u>\$ 18,612</u>
All Other Governmental Funds				
Nonspendable	\$ 95	\$ 94	\$ 94	\$ 19
Restricted	45,162	40,930	51,895	65,988
Committed	3,160	2,863	3,188	4,295
Unassigned, reported in:				
Special revenue funds	(733)	(187)	(211)	(591)
Total All Other Governmental Funds	<u>\$ 47,684</u>	<u>\$ 43,700</u>	<u>\$ 54,966</u>	<u>\$ 69,711</u>

Fiscal Year

2017	2018	2019	2020	2021	2022
\$ 1	\$ 1	\$ 1	\$ 3	\$ 1	\$ 1
1,368	551	1,124	798	893	3,089
17,699	20,377	24,951	26,585	40,164	41,884
\$ 19,068	\$ 20,929	\$ 26,076	\$ 27,386	\$ 41,057	\$ 44,974
\$ 29	\$ 169	\$ 223	\$ 223	\$ 231	\$ 243
50,200	56,071	82,729	130,313	129,876	132,839
5,652	7,413	9,729	6,519	6,818	7,515
\$ -	\$ -	\$ -	\$ 910	\$ -	\$ (9)
\$ 55,881	\$ 63,653	\$ 92,681	\$ 137,964	\$ 136,925	\$ 140,588

CITY OF NEW BRAUNFELS, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (page 1 of 2)
Last Ten Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year			
	2013	2014	2015	2016
Revenues				
Taxes	\$ 47,119	\$ 52,201	\$ 55,205	\$ 57,652
Licenses and permits	2,252	2,581	3,052	3,606
Intergovernmental	107	152	242	228
Charges for services	3,093	3,133	3,573	4,439
Fines and forfeitures	1,173	1,235	1,743	1,642
Parks and recreation	1,528	1,883	2,307	2,656
Interest	187	87	46	241
Federal grants*	689	1,990	758	2,117
State and local grants*	1,980	312	368	194
Other contributions	2,917	3,594	3,374	4,804
Miscellaneous	4,440	2,565	3,466	2,751
Total Revenues	65,485	69,733	74,134	80,330
Expenditures				
General government	8,550	12,490	11,695	16,791
Finance and tax	1,120	848	855	900
Planning and environmental development	3,264	2,729	2,983	3,331
Public safety	28,311	30,207	31,134	34,926
Public works	20,863	18,319	15,231	21,618
Parks and recreation	5,555	18,797	11,645	5,431
Library	2,020	2,059	2,187	2,006
Civic/convention center	55	61	296	89
Airport	263	1,977	407	1,534
Debt service				
Principal	5,825	6,775	7,805	8,319
Interest	4,242	4,762	5,056	5,977
Other	185	414	551	462
Total Expenditures	80,253	99,438	89,845	101,384
(Deficit) of Revenues				
(Under) Expenditures	(14,768)	(29,705)	(15,711)	(21,054)

Fiscal Year											
	2017		2018		2018		2020		2021		2022
\$	65,735	\$	68,595	\$	76,136	\$	79,279	\$	91,315	\$	100,091
	3,943		4,178		5,265		5,653		7,158		7,318
	1,759		3,819		1,403		2,394		5,853		686
	5,068		5,306		5,582		6,014		5,890		7,970
	1,925		1,800		1,755		1,256		1,410		2,794
	2,216		2,278		5,496		3,280		6,656		11,272
	468		966		2,299		999		204		1,109
	-		-		-		-		-		-
	-		-		-		-		-		-
	4,570		3,683		4,215		4,687		6,128		5,588
	3,791		4,837		3,716		4,567		5,232		4,876
	<u>89,475</u>		<u>95,462</u>		<u>105,867</u>		<u>108,129</u>		<u>129,845</u>		<u>141,704</u>
	11,594		11,302		12,446		14,088		12,851		14,056
	1,011		1,037		1,159		1,288		1,280		1,442
	3,796		3,435		3,626		3,881		4,391		4,434
	35,078		37,840		38,016		40,963		44,089		48,764
	28,965		34,243		26,191		40,391		53,755		49,339
	5,474		6,482		8,165		9,180		9,865		13,218
	2,136		2,224		2,378		2,395		2,205		3,108
	-		-		-		-		-		-
	1		-		-		-		-		24
	10,550		10,601		10,365		13,990		16,535		18,165
	7,274		6,881		9,108		10,375		9,531		9,926
	97		5		41		199		540		597
	<u>105,976</u>		<u>114,050</u>		<u>111,495</u>		<u>136,748</u>		<u>155,042</u>		<u>163,073</u>
	<u>(16,501)</u>		<u>(18,588)</u>		<u>(5,628)</u>		<u>(28,619)</u>		<u>(25,197)</u>		<u>(21,370)</u>

CITY OF NEW BRAUNFELS, TEXAS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (page 2 of 2)

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

	Fiscal Year			
	2013	2014	2015	2016
Other Financing Sources (Uses)				
Transfer in	\$ 6,871	\$ 3,827	\$ 4,923	\$ 4,757
Transfer out	(5,253)	(1,491)	(2,017)	(2,847)
Issuance of debt	30,330	24,095	35,940	37,360
Premium (discount) on debt issuance	1,795	1,016	3,309	5,953
Payment to bond escrow agent	(11,677)	-	(17,101)	(14,799)
Sale of assets	412	369	301	39
Capital lease	-	-	-	757
Loan payable	-	673	-	-
Total Other Financing Sources	22,478	28,489	25,355	31,220
Net Change in Fund Balances	\$ 7,710	\$ (1,216)	\$ 9,644	\$ 10,166
Debt service as a percentage of noncapital expenditures	15.0%	15.3%	17.0%	18.7%

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

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

Fiscal Year											
2017		2018		2019		2020		2021		2022	
\$ 7,835	\$ 9,441	\$ 19,664	\$ 9,475	\$ 8,729	\$ 9,294						
(5,330)	(7,181)	(17,266)	(7,164)	(6,441)	(7,264)						
5,255	24,620	35,160	62,240	41,750	46,895						
-	1,594	2,045	10,644	4,807	4,456						
(5,165)	-	-	-	(11,233)	(24,699)						
157	6	199	19	217	267						
375	-	-	-	-	-						
-	(258)	-	-	-	-						
<u>3,127</u>	<u>28,222</u>	<u>39,802</u>	<u>75,214</u>	<u>37,829</u>	<u>28,949</u>						
<u>\$ (13,374)</u>	<u>\$ 9,634</u>	<u>\$ 34,174</u>	<u>\$ 46,595</u>	<u>\$ 12,632</u>	<u>\$ 7,580</u>						

20.9% 18.8% 20.0% 22.2% 23.8% 22.2%

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			
	2013	2014	2015	2016
Revenue				
Property tax	\$ 19,174	\$ 21,311	\$ 24,115	\$ 25,823
Sales tax	16,420	18,613	23,978	19,077
Franchise fees	1,671	1,805	1,961	1,934
Utilities franchise fees	6,204	6,478	6,474	6,970
Hotel occupancy tax	3,375	3,604	3,813	3,767
Mixed beverage tax	275	390	439	472
Total Revenue	\$ 47,119	\$ 52,201	\$ 60,780	\$ 58,043

Data Source: City ACFRs and detailed financial records

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 30,628	\$ 30,659	\$ 37,802	\$ 40,537	\$ 44,386	\$ 47,775	
21,008	21,997	23,675	25,606	31,329	34,519	
1,784	1,840	1,770	1,552	1,670	1,821	
7,805	7,909	8,121	8,204	8,833	9,907	
3,994	4,070	4,001	2,872	4,412	5,230	
516	583	649	508	683	839	
\$ 65,735	\$ 67,058	\$ 76,018	\$ 79,279	\$ 91,314	\$ 100,091	

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

	Fiscal Year			
	2013	2014	2015	2016
Real property	\$ 4,665,542	\$ 4,917,972	\$ 5,528,399	\$ 6,138,209
Personal	379,051	395,771	426,910	540,437
Less: Tax Exempt Property	<u>866,905</u>	<u>904,189</u>	<u>1,047,373</u>	<u>1,050,021</u>
Total Taxable Assessed Valuation (1)	<u><u>\$ 4,177,688</u></u>	<u><u>\$ 4,409,554</u></u>	<u><u>\$ 4,907,936</u></u>	<u><u>\$ 5,628,625</u></u>
Total Direct Tax Rate	\$ 0.46734	\$ 0.49823	\$ 0.49823	\$ 0.49823
Estimated Actual Taxable Value	\$ 4,177,688	\$ 4,409,554	\$ 4,907,936	\$ 5,628,625
Assessed Value as a Percentage of Actual Value	82.82%	82.98%	82.41%	84.28%

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						
2017	2018	2019	2020	2021	2022	
\$ 6,716,299	\$ 7,584,703	\$ 8,406,848	\$ 9,297,167	\$ 10,497,424	\$ 10,402,273	
512,991	564,298	625,957	639,947	681,287	678,446	
<u>1,150,855</u>	<u>1,352,207</u>	<u>1,455,217</u>	<u>1,634,543</u>	<u>1,835,996</u>	<u>2,069,096</u>	
<u><u>\$ 6,078,435</u></u>	<u><u>\$ 6,796,794</u></u>	<u><u>\$ 7,577,588</u></u>	<u><u>\$ 8,302,571</u></u>	<u><u>\$ 9,342,715</u></u>	<u><u>\$ 9,011,623</u></u>	
\$ 0.48822	\$ 0.48822	\$ 0.48822	\$ 0.48822	\$ 0.48319	\$ 0.47538	
\$ 6,078,435	\$ 6,796,794	\$ 7,577,588	\$ 8,302,571	\$ 9,342,715	\$ 9,011,623	
84.08%	83.41%	83.89%	83.55%	83.58%	81.33%	

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

	Fiscal Year			
	2013	2014	2015	2016
City of New Braunfels Tax Rates:				
General government	\$ 0.268560	\$ 0.278080	\$ 0.278080	\$ 0.278080
Debt service	0.198780	0.220150	0.220150	0.220150
Total Direct Rates	<u>\$ 0.467340</u>	<u>\$ 0.498230</u>	<u>\$ 0.498230</u>	<u>\$ 0.498230</u>
Overlapping Tax Rates (2):				
Comal County	\$ 0.305220	\$ 0.292821	\$ 0.292921	\$ 0.292821
Guadalupe County	0.341900	0.336100	0.331100	0.331100
Navarro ISD	1.430000	1.420000	1.390000	1.390000
New Braunfels ISD	1.339100	1.339100	1.339100	1.339100
Comal ISD	1.430000	1.390000	1.390000	1.390000
Total Direct and Overlapping Rates (1)(2)	<u>\$ 5.313560</u>	<u>\$ 5.276251</u>	<u>\$ 5.241351</u>	<u>\$ 5.241251</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 districts servicing the City. The total tax rate for a parcel in 2021 would be between \$2.05 and \$2.17 depending on the overlapping jurisdiction the parcel was located.

Fiscal Year

2017	2018	2019	2020	2021	2022
\$ 0.278080	\$ 0.288370	\$ 0.278370	\$ 0.273720	\$ 0.255238	\$ 0.247393
0.220150	0.199850	0.209850	0.214498	0.227956	0.227983
\$ 0.498230	\$ 0.488220	\$ 0.488220	\$ 0.488218	\$ 0.483194	\$ 0.475376
\$ 0.307821	\$ 0.295191	\$ 0.322415	\$ 0.358515	\$ 0.314000	\$ 0.248900
0.326900	0.330900	0.331900	0.335400	0.329900	0.293900
1.350000	1.350000	1.275930	1.262300	1.185200	1.343500
1.339100	1.365800	1.295800	1.223300	1.197800	1.195400
1.390000	1.390000	1.320000	1.275700	1.292000	1.274600
\$ 5.212051	\$ 5.220111	\$ 5.034265	\$ 4.943433	\$ 4.802094	\$ 4.831676

(This page intentionally left blank.)

CITY OF NEW BRAUNFELS, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Property Taxpayer	2022			2013		
	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation
Central Texas Corridor Hospital LLC	\$ 138,007,810	1	1.5%	\$ 28,625,330	3	0.7%
A L 95 Creekside Town Center LP	120,327,175	2	1.3%	39,879,830	2	1.0%
Walmart Inc #6016	99,596,610	3	1.1%	20,617,090	5	0.5%
Rush Enterprises	78,601,537	4	0.9%	58,071,530	1	1.4%
Kahlig Enterprises INC	71,495,167	5	0.8%	21,247,634	4	0.5%
HEB Grocery CO LP	66,873,188	6	0.7%	15,494,157	10	0.4%
BMEF Creekside Fund LLC	61,990,370	7	0.7%	-	-	0.0%
CGT, US Limited	61,574,860	8	0.7%	-	-	0.0%
Grey Forest Development LLC	60,740,566	9	0.7%	-	-	0.0%
BES Creekside Fund XIII LLC ET AL	51,602,886	10	0.6%	-	-	0.0%
KM Sundance 252 LLC	-	-	0.0%	20,178,640	6	0.5%
Buc ees LTD & Turner	-	-	0.0%	19,268,250	7	0.5%
Family Prtrrshp LTD	-	-	0.0%	18,536,710	8	0.4%
Augusta Gruene Apartments LP	-	-	0.0%	15,500,000	9	0.4%
Landmark Garden LTD	-	-	0.0%			
Subtotal	<u>810,810,169</u>		<u>9.00%</u>	<u>257,419,171</u>		<u>6.16%</u>
Other Taxpayers	<u>8,200,812,576</u>		<u>91.00%</u>	<u>3,920,268,829</u>		
Total	<u>\$ 9,011,622,745</u>		<u>100.00%</u>	<u>\$ 4,177,688,000</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)

						Collected Within the Fiscal Year of the Levy	
Fiscal Year	Tax Year	Tax Rate	Total Tax Levy for Fiscal Year	Amount Collected	Percentage of Levy		
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	\$ 32,194	\$ 32,002	99.40%		
2019	2018	\$ 0.488220	\$ 35,930	\$ 35,560	98.97%		
2020	2019	\$ 0.488220	\$ 39,994	\$ 39,507	98.78%		
2021	2020	\$ 0.483194	\$ 44,750	\$ 43,379	96.94%		
2022	2021	\$ 0.475376	\$ 47,204	\$ 44,753	94.81%		

Source: Comal County Tax Assessor or City ACFR

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
\$ 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%	
\$ 188	\$ 32,190	99.99%	
\$ 269	\$ 35,829	99.72%	
\$ 151	\$ 39,658	99.16%	
\$ 223	\$ 43,602	97.43%	
\$ -	\$ 44,753	94.81%	

CITY OF NEW BRAUNFELS, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

(amounts expressed in thousands, except per capita amount)

	Fiscal Year			
	2013	2014	2015	2016
Governmental Activities:				
General obligation bonds	\$ 21,305	\$ 34,685	\$ 52,730	\$ 99,243
Certificates of obligation	97,030	100,970	95,585	76,178
Contract revenue obligations	11,405	27,950	26,745	25,555
Loan payable	-	673	553	534
Capital lease payable	-	-	-	757
Subtotal	129,740	164,278	175,613	202,267
Business-Type Activities:				
Leases	-	-	-	-
Loan payable	-	721	593	363
Subtotal	-	721	593	363
Government-Wide:				
General obligation bonds	21,305	34,685	52,730	99,243
Certificates of obligation	97,030	100,970	95,585	76,178
Contract revenue obligations	11,405	27,950	26,745	25,555
Leases	-	-	-	-
Loan payable	-	1,394	1,146	897
Capital lease payable	-	-	-	757
Total Government-Wide	\$ 129,740	\$ 164,999	\$ 176,206	\$ 202,630
Percentage of Personal Income (1)	4.60%	7.39%	5.75%	5.97%
Per Capita (1)	\$ 2,096	\$ 2,619	\$ 2,654	\$ 2,872

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									
2017		2018		2019		2020		2022	
\$ 100,656	\$ 111,150	\$ 139,704	\$ 187,874	\$ 222,588	\$ 258,399				
64,345	58,950	67,880	78,615	62,890	34,970				
24,325	23,055	21,740	20,380	18,975	17,525				
467	401	337	273	207	541				
944	1,786	1,352	916	664	-				
190,737	195,342	231,013	288,058	305,324	311,435				
-	-	-	-	-	-	82			
182	-	-	-	-	-	-			
182	-	-	-	-	-	82			
100,656	111,150	139,704	187,874	222,588	258,399				
64,345	58,950	67,880	78,615	62,890	34,970				
24,325	23,055	21,740	20,380	18,975	4				
-	-	-	-	-	-	82			
649	401	337	273	207	541				
944	1,786	1,352	916	664	-				
\$ 190,919	\$ 195,342	\$ 231,013	\$ 288,058	\$ 305,324	\$ 293,996				
5.60%	4.69%	5.27%	6.16%	6.01%	5.03%				
\$ 2,581	\$ 2,468	\$ 2,814	\$ 3,186	\$ 3,116	\$ 2,974				

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

	Fiscal Year			
	2013	2014	2015	2016
Estimated Actual Taxable Value of Property	\$ 4,177,688	\$ 4,409,554	\$ 4,907,936	\$ 5,628,625
General obligation bonds and Certificates of obligation	\$ 21,305	\$ 34,685	\$ 52,730	\$ 88,385
Less: amounts available in debt service fund	809	1,279	1,418	1,577
Total	<u>\$ 20,496</u>	<u>\$ 33,406</u>	<u>\$ 51,312</u>	<u>\$ 86,808</u>
Percentage of Estimated Actual Taxable Value of Property	0.49%	0.76%	1.05%	1.54%
Per Capita (1)	\$ 337	\$ 540	\$ 815	\$ 1,307

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

2017	2018	2019	2020	2021	2022
\$ 6,078,435	\$ 6,796,794	\$ 7,577,588	\$ 8,302,571	\$ 9,342,715	\$ 9,011,623
\$ 165,001	\$ 170,100	\$ 207,584	\$ 266,489	\$ 285,478	\$ 293,369
<u>2,237</u>	<u>1,310</u>	<u>1,806</u>	<u>2,243</u>	<u>2,773</u>	<u>2,779</u>
<u>\$ 162,764</u>	<u>\$ 168,790</u>	<u>\$ 205,778</u>	<u>\$ 264,246</u>	<u>\$ 282,706</u>	<u>\$ 290,589</u>
2.68%	2.48%	2.72%	3.18%	3.03%	3.22%
\$ 2,307	\$ 2,282	\$ 2,600	\$ 3,219	\$ 3,127	\$ 2,939

(This page intentionally left blank.)

CITY OF NEW BRAUNFELS, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2022

Government Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to Primary Government
New Braunfels ISD	\$ 350,793,226	79.14%	\$ 277,617,759
Comal ISD	1,049,362,848	18.93%	198,644,387
Navarro ISD	119,229,494	3.03%	3,612,654
Guadalupe County	13,145,000	11.18%	1,469,611
Comal County	121,175,000	33.64%	40,763,270
Marion ISD	34,320,000	0.10%	34,320
 Subtotal, overlapping debt	 1,688,025,568		 522,142,001
 City Direct Debt	 <u>\$ 266,135,000</u>	 100.00%	 <u>266,135,000</u>
 Total Direct and Overlapping Debt	 <u>\$ 788,277,001</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			
	2013	2014	2015	2016
Debt Limit	\$ 504,459	\$ 531,374	\$ 595,531	\$ 667,865
Total Net Debt Applicable to Limit	21,305	34,685	52,730	88,385
Total	\$ 483,154	\$ 496,689	\$ 542,801	\$ 579,480
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.22%	6.53%	8.85%	13.23%

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed Value	\$ 9,011,623
Add Back: Exempt Real Property	2,069,096
Total Assessed Value	11,080,719

Debt Limit (10% of Total Assessed Value)	1,108,072
Debt Applicable to Limit:	
General Obligation Bonds	258,399
Legal Debt Margin	\$ 849,673

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						
2017	2018	2019	2020	2021	2022	
\$ 722,929	\$ 820,355	\$ 903,281	\$ 993,711	\$ 1,117,871	\$ 1,108,072	
165,001	171,015	139,704	187,874	222,588	258,399	
<u>\$ 557,928</u>	<u>\$ 649,340</u>	<u>\$ 763,577</u>	<u>\$ 805,837</u>	<u>\$ 895,283</u>	<u>\$ 849,673</u>	
22.82%	20.85%	15.47%	18.91%	19.91%	23.32%	

(This page intentionally left blank.)

CITY OF NEW BRAUNFELS, TEXAS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2022			2013		
	Employees	Percentage of Total Employment		Rank	Percentage of Total Employment	
		Employees	Percentage of Total Employment		Employees	Percentage of Total Employment
Comal ISD	3,374	26.05%	1		2,400	25.99%
Schlitterbahn Water Park	3,000	23.16%	2		1,863	20.18%
New Braunfels ISD	1,320	10.19%	3		1,005	10.88%
Wal-Mart Distribution Center	1,189	9.18%	4		1,035	11.21%
Sysco	794	6.13%	5		-	0.00%
City of New Braunfels	780	6.02%	6		540	5.85%
Comal County	734	5.67%	7		616	6.67%
Christus Santa Rosa Hospital	620	4.79%	8		534	5.78%
TaskUs	612	4.73%	9		-	0.00%
Rush Enterprises	528	4.08%	10		-	0.00%
HD Supply	-	0.00%	-		384	4.16%
Hunter Industries	-	0.00%	-		525	5.69%
Checks in the Mail, Inc.	-	0.00%	-		332	3.60%
	<u>12,951</u>	<u>100.00%</u>			<u>9,234</u>	<u>100.00%</u>

Source: Greater New Braunfels Chamber of Commerce

(This page intentionally left blank.)

CITY OF NEW BRAUNFELS, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Years

Fiscal Year Ended Sept. 30	Total Wages		Per Capita		Average Annual Pay All Industries⁽²⁾	Public School Enrollment⁽³⁾	Unemployment Rate⁽⁴⁾
	Population⁽¹⁾	All Industries⁽²⁾ (expressed in thousands)	Personal Income⁽²⁾ (expressed in thousands)	Annual Pay All Industries⁽²⁾			
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%
2020	90,403	\$ 4,674,477	\$ 51.71	\$ 45,700	9,537		6.6%
2021	97,983	\$ 5,076,170	\$ 51.81	\$ 49,803	9,282		3.9%
2022	98,857	\$ 5,842,150	\$ 59.10	\$ 53,604	9,671		3.3%

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 includes only New Braunfels ISD.

(4) Data is for the City of New Braunfels. 2020 data reflected COVID-19 shutdown related data

(This page intentionally left blank.)

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
City Secretary	3.00	3.00	3.00	3.00	3.50	3.50	3.50	3.75	3.00	4.00
City Attorney	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00
City Manager's Office	5.00	5.00	5.00	5.00	6.00	6.00	7.00	7.00	4.00	4.00
Communications and										
Community Engagement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.00	4.00
Economic and Community										
Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.75	2.75
Information Technology	0.00	0.00	7.00	11.00	11.00	12.00	14.00	14.00	14.00	16.00
Human Resources	7.00	7.00	7.00	7.00	8.00	8.00	8.00	9.00	9.00	10.00
Finance	17.00	17.00	10.00	11.00	11.00	11.00	12.00	13.00	13.00	13.75
Municipal Court	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	10.00	10.00
Police*	148.00	136.50	143.00	149.00	155.00	159.00	168.00	175.00	178.00	184.00
Fire	134.00	134.00	134.00	134.00	137.00	138.00	138.00	138.00	138.00	144.00
Planning and Community										
Development	29.00	30.00	31.00	32.00	35.00	36.00	36.00	39.00	39.00	39.00
Planning and Comm.										
Devel. - Main Street	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00
Parks and Recreation	150.50	150.50	161.50	160.50	162.50	252.75	260.75	272.25	270.50	289.50
Public Works	44.50	43.50	45.50	51.00	53.00	57.00	65.00	62.00	67.00	70.00
Library	28.50	28.50	28.25	28.25	28.25	28.25	28.75	28.50	29.00	32.50
Total General Fund	580.50	569.00	589.25	605.75	624.25	725.50	755.00	775.50	785.25	828.50
Golf Course Fund	11.50	12.50	17.00	17.00	17.00	17.00	15.00	17.00	17.00	20.00
Airport Fund	7.00	7.00	7.00	7.00	7.00	7.00	9.00	9.00	9.00	10.00
Solid Waste Fund	50.50	49.50	52.50	52.50	54.00	54.00	57.00	59.00	61.00	66.00
Capital Project Funds**	6.00	6.50	8.00	9.00	9.00	9.00	5.00	5.00	0.00	0.00
Civic/Convention Center										
Fund	8.50	8.50	8.50	8.50	8.50	8.50	8.50	9.00	9.00	9.00
River Activities Fund	54.50	54.50	54.50	55.50	74.00	73.50	74.00	74.00	74.00	73.75
Facilities Maint. Fund	1.00	1.00	1.00	0.00						
CDBG Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EAHCP Fund	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Juvenile Case Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Child Safety Fund	1.00	14.00	14.00	14.00	0.00	0.00	0.00	0.00	0.00	0.00
Development Services Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00	3.00	4.00
Total Funds	722.50	724.50	753.75	771.25	795.75	896.50	925.50	953.50	960.25	1,013.25

Source: City of New Braunfels Annual Budget

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			
	2013	2014	2015	2016
Police				
Response time for priority calls	6:36	7:34	6:50	6:30
Number of DWI Arrests	328	304	387	379
Fire				
Response times - structure fire	6:48	7:15	6:50	7:04
Response times - EMS	5:51	7:13	6:27	6:00
Smoke detectors issued/inspected/updated	1,200	420	440	425
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	240	360	497	514
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	188	188	188	188
Construction stormwater inspections completed	N/A	N/A	N/A	N/A
Solid Waste				
Waste diverted from landfill	35%	29%	29%	30%
Residential operationg cost per ton collected	\$ 104.00	\$ 73.00	\$ 51.39	\$ 71.89
Parks and Recreation				
Recreation programs participants	3,000	3,918	6,499	6,478
Das Rec memberships	N/A	N/A	N/A	N/A
Athletic leagues teams participants (including Das Rec)	190	233	219	213
Golf course rounds played	43,000	N/A	34,396	39,175
Planning and Community Development				
Residential building permits issued	1,603	2,302	2,185	3000
Commercial building permits issued	455	344	446	400
Calls for service - animal control	6,900	7,349	8,404	7,800
Historic landmark designations	3	2	4	3
Airport Operations				
Flight operations annually	39,880	45,000	42,475	48,000
Gallons of fuel sold	308,000	399,151	370,915	445,000
Library				
Visitors annually	285,000	285,000	282,335	290,000
Annual circulation of library materials	800,000	828,426	781,603	850,000
Database accesses	28,000	45,780	48,557	45,000
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 2019-20 Budget Document

Fiscal Year					
2017	2018	2019	2020	2021	2022
6:42 419	7:27 382	7:28 353	7:25 400	7:20 360	7:20 385
6:55 5:57 450	6:38 6:51 450	7:15 5:37 518	7:15 5:16 578	6:30 6:30 722	6:30 6:00 800
43% 680 234 532 188 360	43% 791 157 531 188 778	46% 577 154 556 220 1,071	52% 585 85 517 220 1,000	88% 351 184 545 188 1,000	90% 432 N/A 566 200 1,100
\$ 68.61	\$ 62.02	\$ 66.62	\$ 57.27	\$ 53.27	\$ 60.32
7,318 N/A	8,363 4,900	10,806 6,208	8,757 5,500	5,616 4,873	9,500 5,200
247 38,250	193 39,673	709 43,213	666 36,924	601 50,000	665 48,000
2,687 481 6,030 2	2,870 434 6,762 2	3,736 1,267 7,721 2	3,600 1,290 7,100 2	3,633 517 7,843 2	3,600 550 7,594 2
53,407 500,000	52,000 518,667	67,861 555,045	68,888 446,000	62,982 550,159	66,386 500,000
284,437 905,000 65,000	293,146 914,556 85,619	277,680 1,063,122 94,335	175,000 800,000 45,000	100,000 750,000 25,000	300,000 1,200,000 100,000
30% 13,720	22% 13,720	27% 14,988	30% 9,750	N/A 10,000	N/A 13,700
73,414 228,109 35,970	66,919 184,153 13,650	71,515 177,436 17,046	58,200 194,800 20,000	51,610 187,391 19,953	65,000 185,000 17,500

CITY OF NEW BRAUNFELS, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Years

Function	Fiscal Year			
	2013	2014	2015	2016
General Government				
City vehicles	269	291	320	360
Public Safety				
Police stations	1	1	1	1
Fire stations	6	6	6	6
Highways and Streets				
Streets (miles)	318	323	323	323
Area in square miles	2	2	2	2
Culture and Recreation				
Park acreage	373	373	435	435
Swimming pools	2	2	2	2
Golf course	1	1	1	1
Recreation center	1	1	1	1

Source: Various City departments

Fiscal Year					
2017	2018	2019	2020	2021	2022
380	412	453	455	475	496
1	1	1	1	1	1
6	6	6	6	6	6
354	368	342	345	353	360
2	2	2	2	2	2
435	557.45	709	684	747	747
2	4	5	5	5	5
1	1	1	1	1	1
1	2	2	2	2	2

(This page intentionally left blank.)

