



Popular Annual Financial Report

Fiscal Year Ending
September 30th
2023



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

**City of New Braunfels
Texas**

For its Annual Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO



Downtown
Traffic Circle

Table of Contents

Message from the City Manager	04
City Statistics	05
Economic Outlook	06
Economic Development	07
Government-Wide Revenues & Expenses	08
Debt Obligations	09
Balance Sheet Governmental Funds	10
Statement of Revenues, Expenses, Changes in Fund Balances Governmental Funds	11
General Fund Revenue	12
General Fund Expenditures	13
Statement of Revenues, Expenses, Changes in Net Position Enterprise Funds	14

Message from the City Manager



The City of New Braunfels is pleased to present the City's fifth Popular Annual Financial Report (PAFR) for the fiscal year ended September 30, 2023. The purpose of this report is to highlight and summarize key information and metrics from the City's three guiding financial documents: the Annual Comprehensive Financial Report (ACFR), Five Year Financial Forecast and the Adopted Budget and Plan of Municipal Services. These documents support our efforts to ensure compliance with generally accepted accounting principles (GAAP) and engage our leadership and elected officials in long-term financial and strategic planning, as well as the development of annual fiscal plans that reflect the current priorities of the citizens, City Council, and leadership of the organization.

Please note that the PAFR includes information from selected funds and excludes data from component units. The PAFR does not serve as a replacement to the ACFR or any other financial documents. For any questions related to the information presented in this document, please contact the Finance department at 830-221-4380.

Robert Camareno
City Manager



City Council

Mayor: Neal Linnartz
District One: Andrés Campos
District Two: Christopher Willis
District Three: Mayor Pro Tem Harry Bowers
District Four: Lawrence Spradley
District Five: Mary Ann Labowski
District Six: April Ryan

Administration

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

Executive Staff

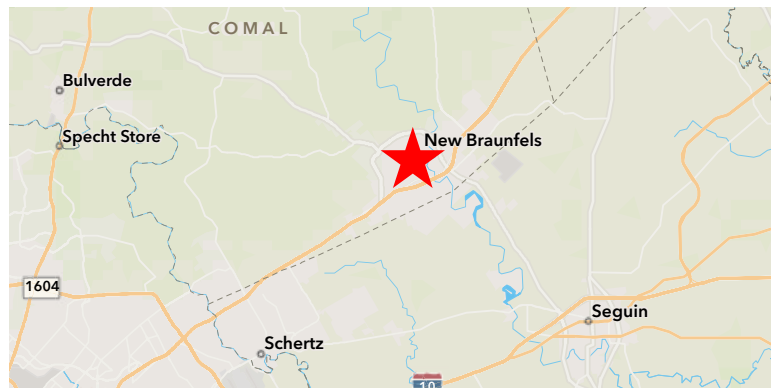
Deputy City Manager: Jordan Matney
Assistant City Manager: Jared Werner
Police Chief: Keith Lane
Fire Chief: Ruy Lozano
Director of Public Works: Greg Malatek
Director of Finance: Sandy Paulos
Director of Human Resources: Becca Miears
Director of Information Technology: Tony Gonzalez
Director of Planning & Development Services: Christopher Looney
Director of Parks & Recreation: Chad Donegan
Director of Library: Gretchen Pruett
Director of Economic & Community Development: Jeff Jewell
Director of Communications & Community Engagement: Jenna Vinson
Director of Transportation & Capital Improvements Director: Garry Ford
City Secretary: Gayle Wilkinson
Municipal Court Administrator: Ruth Sandoval

City Statistics

FY 2023

Top Ten Employers

1. Comal ISD	3,550
Government	
2. Schlitterbahn Water Park	3,000
Other	
3. New Braunfels ISD	1,302
Government	
4. Wal-Mart Distribution Center	1,200
Retail	
5. Hunter Industries	873
Wholesale	
6. Comal County	805
Government	
7. City of New Braunfels	800
Government	
8. TaskUs	620
Healthcare	
9. Christus Santa Rosa Hospital	585
Other	
10. Rush Enterprise	528
Other	



Top Ten Property Taxpayers

1. Central Texas Corridor Hospital CO LLC
2. Walmart Inc #6016
3. A L 95 Creek Side Town Center
4. Kahlig Enterprise INC
5. CNC-SWAGAT FOUR LP
6. Rush Enterprises
7. BMEF Creekside Fund LLC
8. CGT, US Limited
9. HEB Grocery CO LP
10. Grey Forest Development LLC



200,000
Library Visitors
Annually



7:50
Police Response
Time (in minutes)



310
Permits Reviewed
and Completed



17,896
Das Rec
Memberships

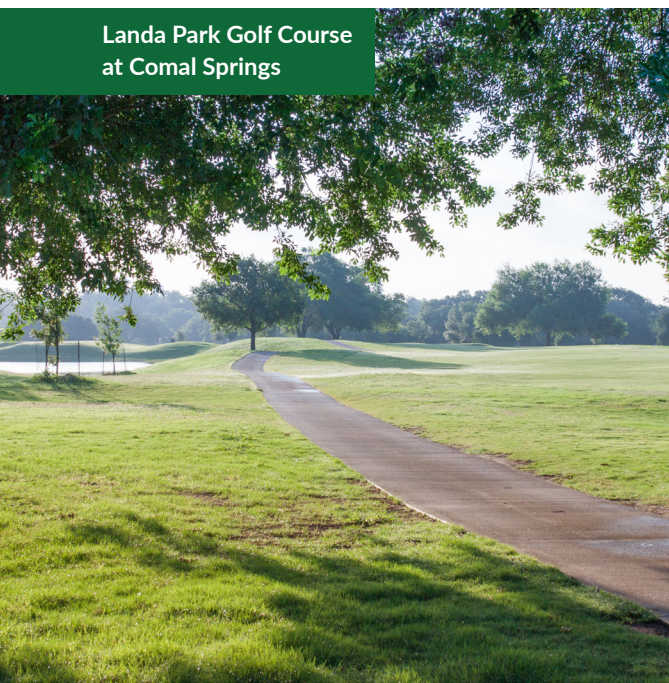


71,151
Annual Flight
Operations

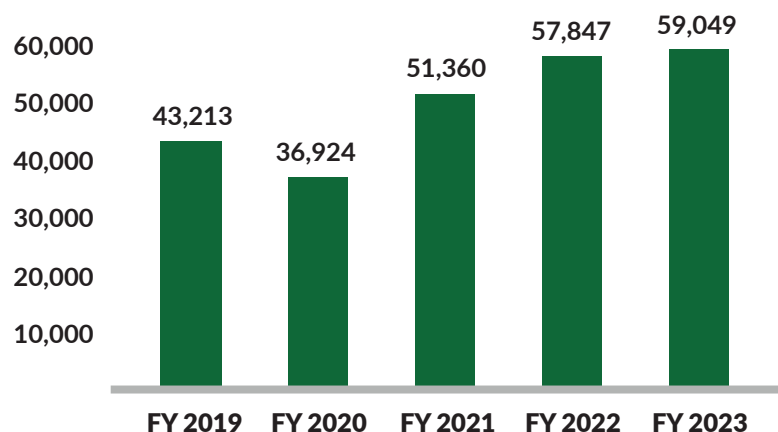


382
Bags of Litter Recovered
from the Comal River

Landa Park Golf Course
at Comal Springs



Golf Course Rounds Played

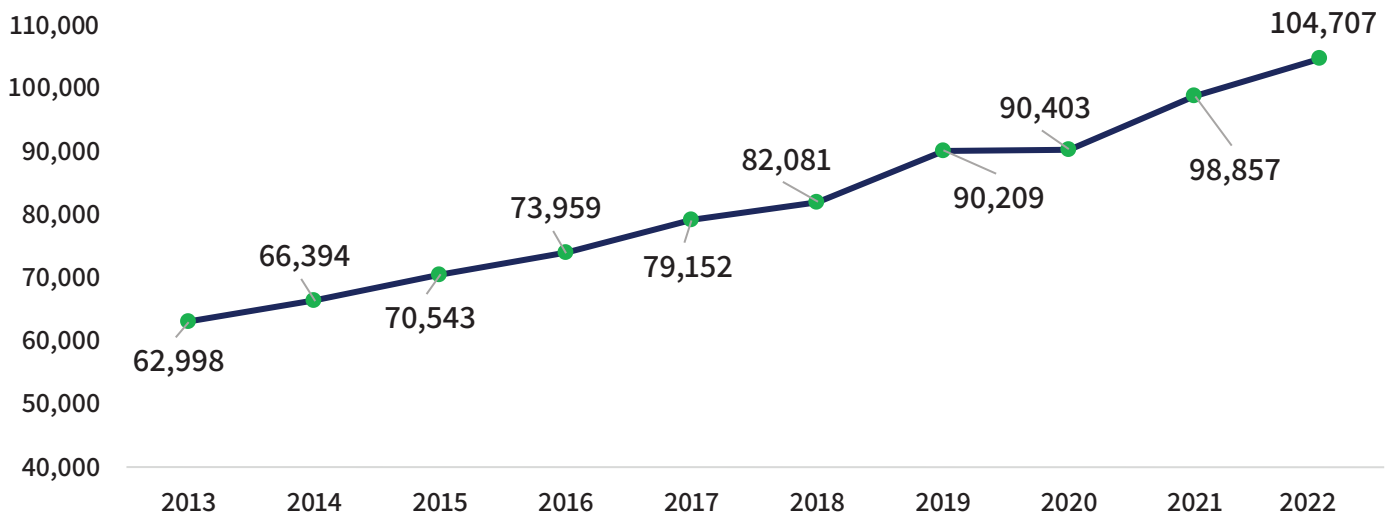


Economic Outlook

Population

Comal County ranked seventh in the nation for annual population growth (by percentage between 2022 and 2023). The City of New Braunfels, however, did not find itself as one of the top ten fastest-growing cities as it had been from the mid-2010s into the 2020s. During that time, the City found its population increasing by percentage at a rate more than three times that of the San Antonio-Austin mega-region. The greatest percent of population growth was in individuals under the age of 18. The community is still relatively young with an average age of 35.9 years, but not as young as near-by San Antonio or Austin with average ages of 32.8 and 31.1 years respectively.

Ten Year Population Trend



Founder's Oak in
Historic Landa Park



Economy

Since 2015, New Braunfels saw overall jobs increase from around 46,000 to more than 62,000 in 2023, with increases in nearly every industry classification over that period. New Braunfels has seen a significant increase in the percentage of adults with at least a bachelor's degree (38%). This has corresponded with an increase in the average household income (\$109,187) that is beginning to more closely parallel Austin's (\$122,878) rather than San Antonio's (\$82,567).

The City has also attracted more high-income households over the last decade, with the greatest percentage increase in those making \$200,000 or more annually. The city's Economic Development Corporation's (NBEDC) recruitment and support of the expansion of local businesses continued in 2023. In 2023, the NBEDC paid out almost \$1 million in previously contracted or new business recruitment and expansion incentives for projects that have added more than \$260 million to the local property valuations.

Economic Development

Recent & Ongoing Developments

The amount of undeveloped land in the City continued to decline in 2023. With approximately 2,900 acres shifting from “undeveloped” to “developed” since 2016, the City currently has around 5,300 acres of land classified as being “undeveloped.” This represents a 36% decline in the availability of parcels in the City limits without a plat or building improvement on them in some fashion.

Since late 2022, the NBEDC has been undertaking significant and strategic investments in city-owned and quality-of-life amenities. Projects that improve and expand tourism and visitor amenities, as well as open space and parkland preservation, enhance the arts and culture infrastructure through investments in venues and multi-modal transportation investments. Since that time, the NBEDC has funded the construction and design of more than \$25 million of improvements, with more than another \$20 million that will be considered over the next two years. Currently, the city is looking into acquiring roughly 130 acres of land to be used as parkland near FM 1102 & Conrads Lane. This investment will allow us to provide play structures and recreation facilities along with wooded hike and bike trails.



These strategic investments also parallel some incentives provided to local companies expanding their operations in New Braunfels. Texas Tito's, a local food manufacturer, broke ground on a new 26,000-square-foot facility with the assistance of a grant from the NBEDC for public infrastructure. The facility is expected to open in 2024 and represents a \$3 million investment by the company with up to 20 new full-time jobs. Also in 2023, Detex Corporation, a locally-based manufacturer and supplier of locking and entry devices, started construction on an expanded facility that costs more than \$16 million. The company will ultimately hire an additional 90 full-time employees at the New Braunfels facility.

Gazebo -
Landa Park

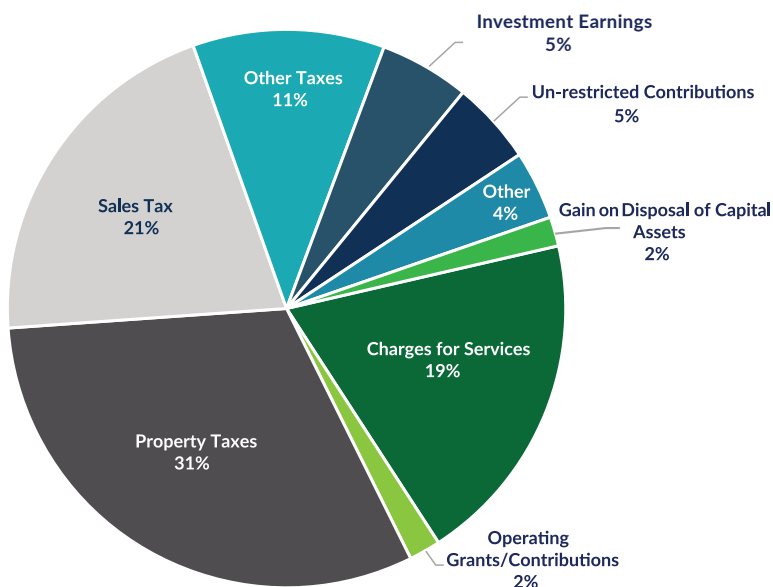




Prince Solms Park -
Comal River

Government-Wide Revenues & Expenses

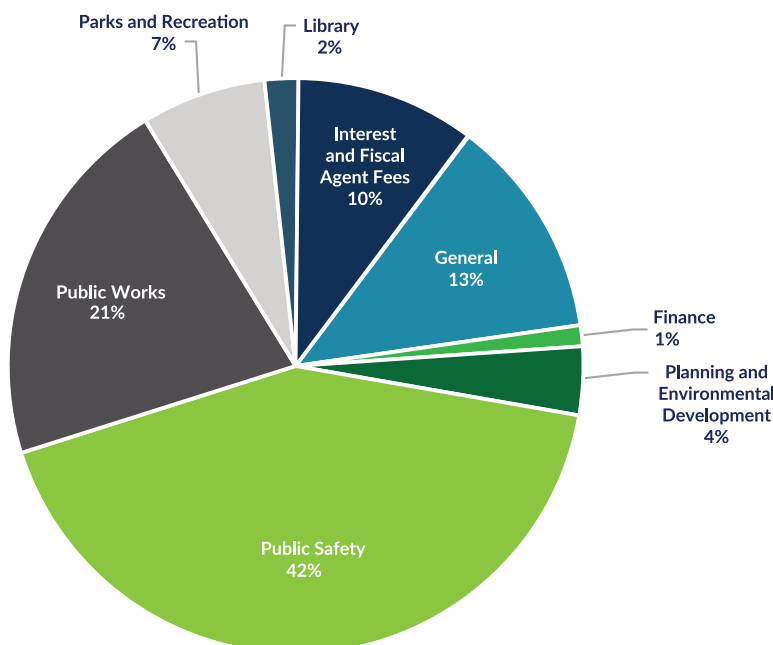
The government-wide statements report information for the City, as a whole, across all funds. These statements are designed to provide information about costs of services, operating results and the financial position of the City as an economic entity. These statements are prepared using the accrual method of accounting, which is similar to the accounting used by private sector companies. All of the current year's revenues and expenses are taken into account even if the cash has not been exchanged.



FY 2023 Revenue

(Per Annual Comprehensive Financial Report)

- Property Taxes, 31%
- Sales Tax, 21%
- Charges for Services, 19%
- Other Taxes, 11%
- Un-restricted Contributions, 5%
- Investment Earnings, 5%
- Other, 4%
- Gain on Disposal of Capital Assets, 2%
- Operation Grants/Contributions, 2%



FY 2023 Expenses

(Per Annual Comprehensive Financial Report)

- Public Safety, 42%
- Public Works, 21%
- General, 13%
- Interest and Fiscal Agent Fees, 10%
- Parks and Recreation, 7%
- Planning and Environmental Development, 4%
- Library, 2%
- Finance, 1%

Debt Obligations

Uses of Debt

The City of New Braunfels issues bonds, certificates of obligation, and tax notes to fund needed capital improvement projects such as streets and drainage improvements, park improvements, the construction of libraries, fire and police stations, civic/convention center renovations, additions, airport improvements, other major projects, and the replacement of vehicles, heavy equipment, and apparatuses.



Westside Library Branch



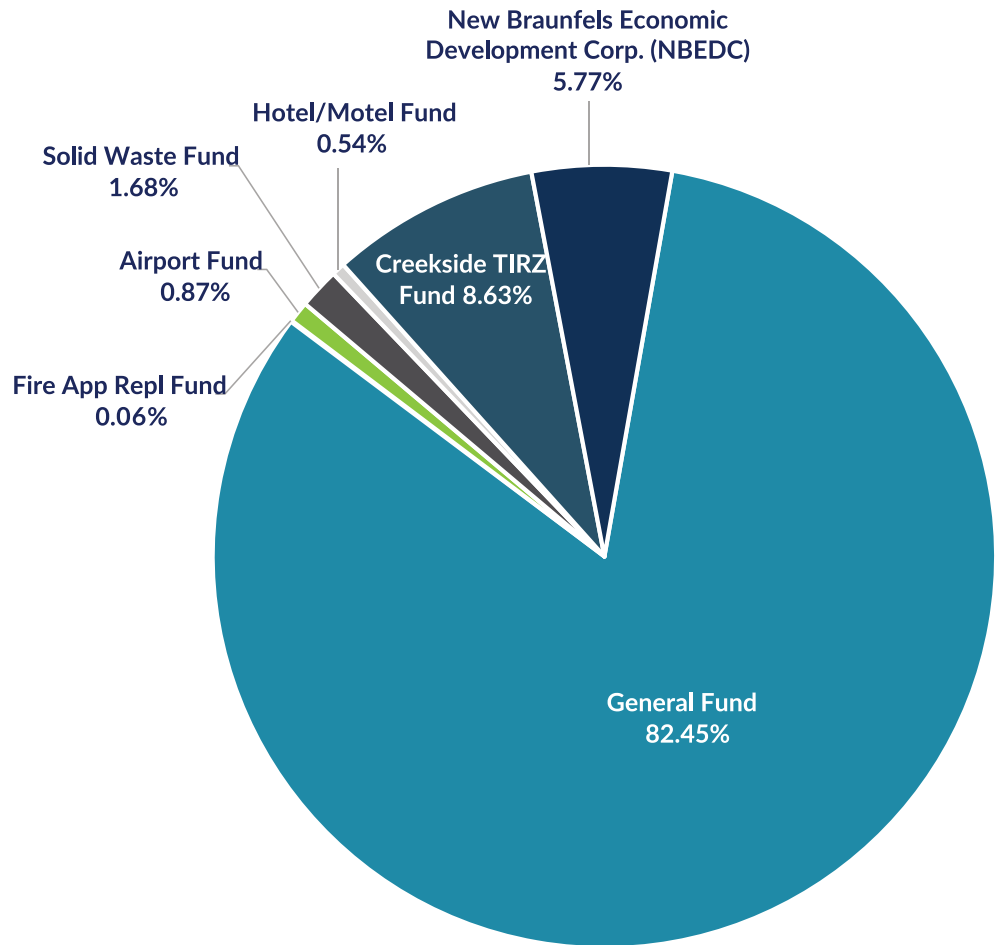
Mission Hills Park



Southeast Library Rendering



Fire Station 7



Outstanding Debt By Funding Source (Principal and Interest as of 9/30/2023)

General Fund	\$	273,105,000	82.45%
Fire Apparatus Replacement Fund	\$	185,000	0.06%
Airport Fund	\$	2,884,000	0.87%
Solid Waste Fund	\$	5,565,000	1.68%
Hotel/Motel Fund	\$	1,788,000	0.54%
Creekside TIRZ Fund	\$	28,597,000	8.63%
New Braunfels Economic Development Corp. (NBEDC)	\$	19,100,000	5.77%
Total	\$	331,224,000	100.00%

Balance Sheet

Governmental Funds

The City uses fund accounting to ensure and demonstrate compliance with finance related reporting requirements. The focus of governmental financial statements is on near-term inflows and outflows of spendable resources and the balance of spendable resources at the end of the year. Governmental funds include: General fund, Special Revenue funds, Capital funds and Debt Service funds.

	FY 2023	FY 2022	FY 2021
ASSETS			
Cash and Equity in pooled cash and investments	\$ 158,407,580	\$ 173,708,725	\$ 174,055,783
Investments	24,887,636	12,484,728	10,151,705
Receivables, net of allowance:	10,192,126	12,602,245	10,788,916
Due from other governments	586,018	41,047	-
Due from other funds	70,357	8,501	493,219
Inventory	905	595	607
Restricted Cash	10,656,710	12,054,512	6,718,744
Total Assets	\$ 204,801,332	\$ 210,900,353	\$ 202,208,974
LIABILITIES			
Accounts Payable	\$ 15,584,580	\$ 11,962,136	\$ 15,877,341
Due to other funds	36,646	8,501	493,219
Accrued wages payable	1,838,120	1,045,848	1,613,375
Unearned Revenue	9,294,751	10,995,314	5,497,657
Total Liabilities	\$ 26,754,097	\$ 24,011,799	\$ 23,481,592
DEFERED INFLOW OF RESOURCES			
Unavailable revenue- leases receivable	\$ 574,102	\$ 581,523	\$ -
Unavailable revenue- property taxes	937,905	745,072	745,072
	\$ 1,512,007	\$ 1,326,595	\$ 745,072
FUND BALANCES			
Nonspendable	\$ 256,613	\$ 243,381	\$ 231,795
Restricted	128,861,048	132,838,670	129,876,277
Committed	6,016,758	7,515,441	6,817,721
Assigned	4,113,268	3,088,682	892,803
Unassigned	37,287,541	41,875,785	40,163,714
Total Fund Balances	\$ 176,535,228	\$ 185,561,959	\$ 177,982,310
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 204,801,332	\$ 210,900,353	\$ 202,208,974

Statement of Revenues, Expenses, and Changes in Fund Balances

Governmental Funds

REVENUES

Taxes and franchise fees, including interest
Other
Total Revenues

FY 2023	FY 2022	FY 2021
\$ 126,596,432	\$ 108,518,169	\$ 98,676,785
37,161,450	33,185,351	31,167,889
\$ 163,757,882	\$ 141,703,520	\$ 129,844,674

EXPENDITURES

Current operating expenditures
Debt service
Total Expenditures

\$ 139,331,958	\$ 134,384,269	\$ 128,435,820
37,044,445	28,688,860	26,605,849
\$ 176,376,403	\$ 163,073,129	\$ 155,041,669

Excess (deficiency) of revenues over expenditures

\$ (12,618,521)	\$ (21,369,609)	\$ (25,196,995)
-----------------	-----------------	-----------------

OTHER FINANCING SOURCES

Transfers in
Transfers out
Sale of capital assets
Long-term debt issuance
Other
Total other financing sources (uses)
Net changes in fund balance
Fund Balances, October 1
Fund Balances, September 30

\$ 12,176,110	\$ 9,293,906	\$ 8,728,721
(9,897,829)	(7,264,063)	(6,441,143)
563,509	267,262	217,357
-	46,895,000	41,750,000
750,000	(20,242,847)	(6,426,206)
\$ 3,591,790	\$ 28,949,258	\$ 37,828,729
(9,026,731)	7,579,649	12,631,734
185,561,959	177,982,310	165,350,576
\$ 176,535,228	\$ 185,561,959	\$ 177,982,310

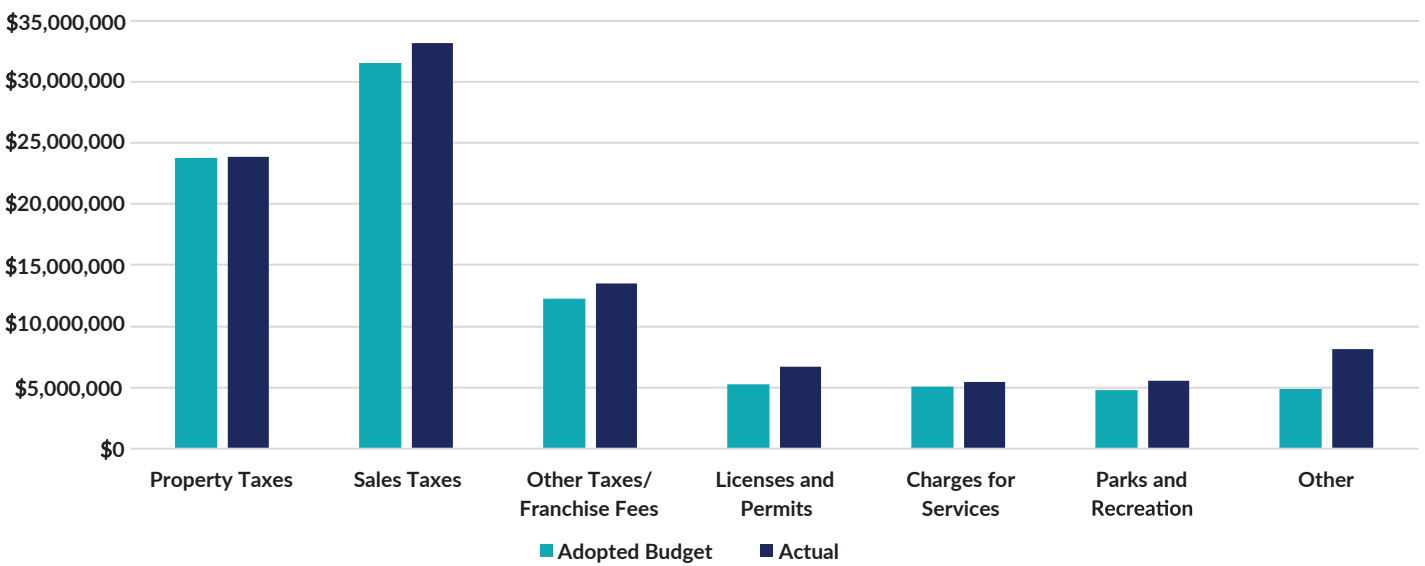
New Braunfels Police
Station



General Fund Revenue

In FY 2023 total budgeted revenues in the General fund were \$88,571,671. At fiscal year end, the total actual revenue was \$96,400,857, approximately 10% over budget. The increase is driven by various sources including sales tax, increases in licenses and permits and parks and recreation revenue. General Fund totals include the Equipment Replacement Fund.

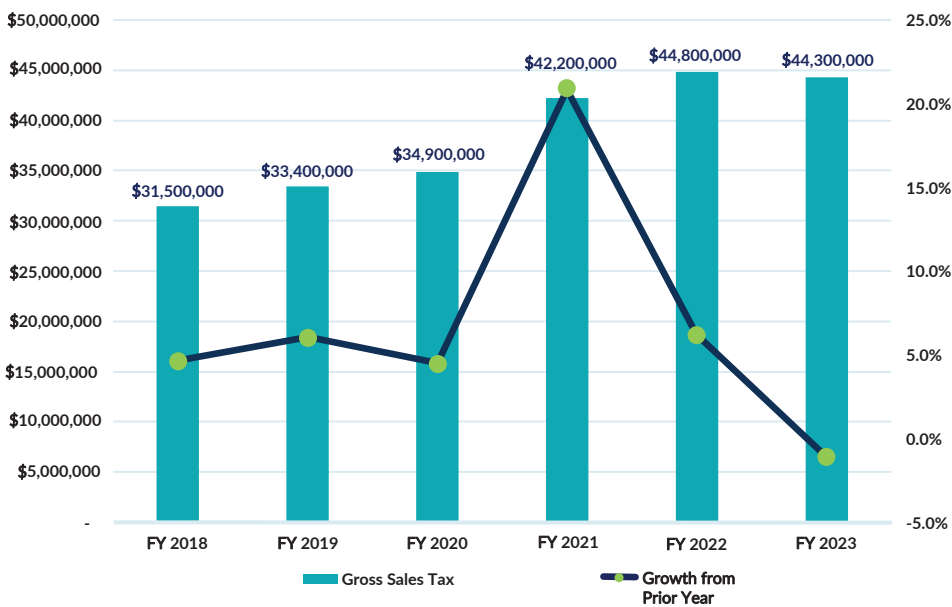
General Fund Revenue
FY 2023 Budget to Actual



Property and sales taxes make up a significant portion of total General Fund revenue (60%). While property taxes can be estimated based on property values and the tax rate, sales tax tends to be a more volatile source of revenue because it is directly correlated to economic conditions and consumer spending patterns. Sales tax remains the single largest source of revenue for the General Fund (35%). As a result, staff budgets this revenue source conservatively.



Gross Sales Tax Collections and Growth





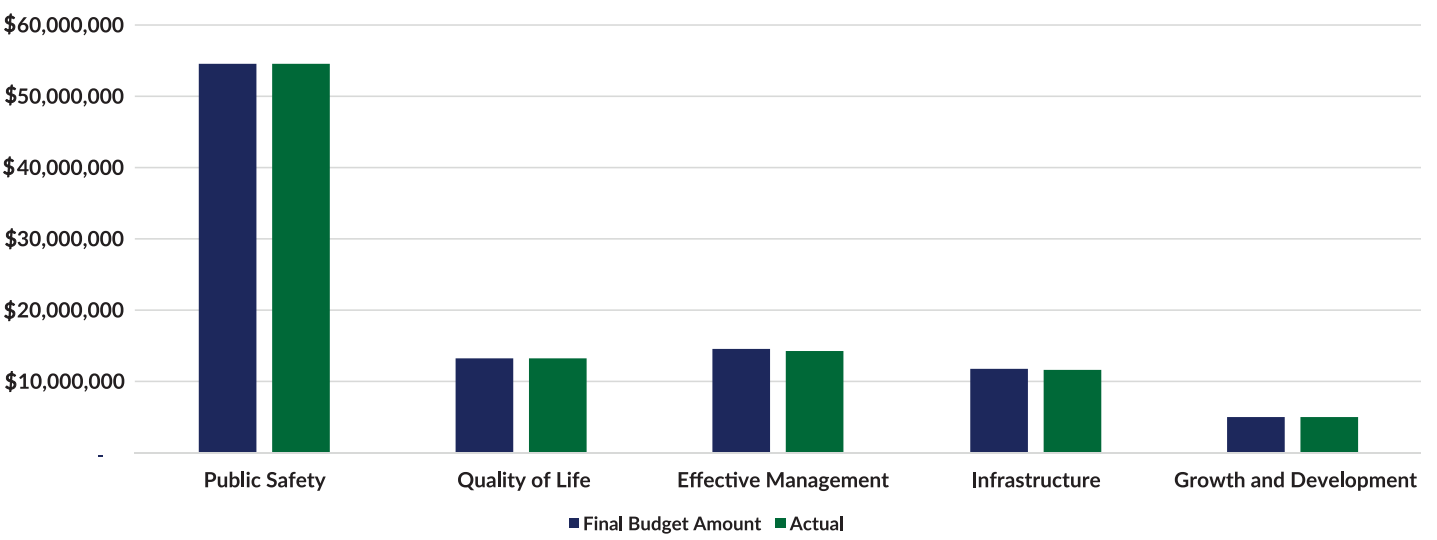
Future
Parkland

General Fund Expenditures

Strategic Priorities

The focus throughout the annual budget development process is meeting City Council’s five Strategic Priorities of infrastructure, public safety, effective management, quality of life, and growth & development. The strategic priorities are all service enhancements designed to continuously improve and deliver on the demand of our growing community. In fiscal year 2023, General Fund total budgeted expenditures were \$99,014,831 (does not include interfund transfers). General Fund actual expenditures totaled \$98,512,818 (does not include interfund transfers), which is approximately 0.51% under budget. General Fund totals include the Equipment Replacement Fund.

General Fund Expenditures
FY 2023 Budget to Actual



Statement of Revenues, Expenses, and Changes in Net Position

Enterprise Funds

Enterprise funds are used to record the business activities of the City.

	Airport	Solid Waste	Golf Course	Civic/Con. Center	TOTAL
OPERATING REVENUES					
Charges for services	\$ 4,494,355	\$ 11,005,155	\$ 2,274,543	\$ 576,722	\$ 18,350,775
Miscellaneous	12,961	182,738	74,363	810	270,872
Total Operating Revenues	\$ 4,507,316	\$ 11,187,893	\$ 2,348,906	\$ 577,532	\$ 18,621,647
OPERATING EXPENSES					
Personnel	\$ 834,296	\$ 4,913,090	\$ 1,017,112	\$ 484,705	\$ 7,249,203
Contractual services	460,760	3,096,239	209,852	282,293	4,049,144
Supplies	2,551,529	1,652,844	467,603	115,573	4,787,549
Depreciation	1,306,311	1,377,990	725,401	363,470	3,773,172
Total Operating Expenses	\$ 5,152,896	\$ 11,040,163	\$ 2,419,968	\$ 1,246,041	\$ 19,859,068
Operating Income (Loss)	\$ (645,580)	\$ 147,730	\$ (71,062)	\$ (668,509)	\$ (1,237,421)
NON-OPERATING REVENUES (EXPENSES)					
Investment earnings	\$ 18,991	\$ 147,637	\$ 15,301	\$ 266	\$ 182,195
Gain of sale of assets	-	-	5,938	8,425	14,363
Total Nonoperating Revenues (Expenses)	\$ 18,991	\$ 147,637	\$ 21,239	\$ 8,691	\$ 196,558
Income Before Contributions and Transfers	\$ (626,589)	\$ 295,367	\$ (49,823)	\$ (659,818)	\$ (1,040,863)
Capital Contributions	\$ 50,000	\$ 3,031,470	-	-	\$ 3,081,470
Transfers in	99,910	-	-	355,800	455,710
Transfers out	(419,790)	(2,082,715)	(188,216)	(43,270)	(2,733,991)
Change in Net Position	\$ (896,469)	\$ 1,244,122	\$ (238,039)	\$ (347,288)	\$ (237,674)
Beginning Net Position	\$ 11,467,331	\$ 8,360,091	\$ 4,991,772	\$ 4,781,117	\$ 29,600,311
Ending Net Position	\$ 10,570,862	\$ 9,604,213	\$ 4,753,733	\$ 4,433,829	\$ 29,362,637

Landa Park
Bridge



New Braunfels
Community



Union Avenue



Faust Street
Bridge



Das Rec
Fitness Center



Comal River
Tube Chute

