

# Mission

*The City of New Braunfels will add value to our community by planning for the future, providing quality services, encouraging community involvement and being responsive to those we serve.*





# History of New Braunfels

Several Native American tribes inhabited the New Braunfels area because of the fresh spring water available. The expedition of Domingo Terán de los Ríos of 1691 followed the "El Camino Real" (today a National Historic Trail) which crossed the Guadalupe River near today's Faust Street Bridge. Subsequent French and Spanish expeditions, including those of the Marqués de Aguayo and Louis Juchereau de St. Denis, commonly passed through this area. In 1825, a Mexican land grant gave title of the area around the springs to Juan M. Veramendi. During the eighteenth century, the springs and river (which had been called Las Fontanas and the Little Guadalupe respectively) took the name Comal, Spanish for "flat dish" and Guadalupe.

1836 saw the formation of the Republic of Texas after years of bloody battles with the Mexican Government who laid claim to this territory. To pay off war debt and weaken political ties with Mexico, the new nation of Texas offered public land to Americans and Europeans. This offer, in conjunction with political strife in their home country, enticed a group of German nobleman to form an immigration company named Adelsverein. German immigrants began to arrive in Indianola, Texas in December 1844 and make their way to San Antonio. On March 13, 1845, Prince Carl of Solms-Braunfels, Germany entered into an agreement with Maria Antonio Garza and her husband Rafael E. Garza for 1,265 acres of the Veramendi land grant for a sum of \$1,111.

The first wagon of German immigrants arrived on Good Friday, March 21, 1845. Prince Solms and his engineer, Nicholas Zink, selected a town site. The town had an open square with streets radiating out at right angles. The original town included 342 lots, each with a narrow street frontage so that the town could remain compact and defensible yet provide street frontage to as many lots as possible. This urban plan was popular in German scholarship of the nineteenth century, set New Braunfels apart from other Texas towns and is still evident today.



**Faust Street Bridge**



---

Comprehensive Annual Financial Report

---

Year Ended September 30, 2015

Prepared by  
Finance Department

**CITY OF NEW BRAUNFELS, TEXAS**  
**September 30, 2015**

**TABLE OF CONTENTS**

	<b>Page</b>	<b>Exhibit</b>
<b>INTRODUCTORY SECTION</b>		
Letter of Transmittal .....	i	
Current City Officials .....	vii	
Organizational Chart.....	viii	
<b>FINANCIAL SECTION</b>		
Independent Auditors' Report .....	1	
Required Supplementary Information:		
Management's Discussion and Analysis .....	4	
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position .....	15	A-1
Statement of Activities .....	16	A-2
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet .....	18	A-3
Reconciliation of the Governmental Funds Balance Sheet to the		
Statement of Net Position .....	20	A-4
Statement of Revenues, Expenditures, and Changes in Fund Balance .....	21	A-5
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,		
and Changes in Fund Balance to the Statement of Activities .....	23	A-6
Proprietary Funds:		
Statement of Fund Net Position .....	24	A-7
Statement of Revenues, Expenses and Changes in Fund Net Position .....	26	A-8
Statement of Cash Flows .....	28	A-9
Component Units:		
Combining Statement of Net Position .....	32	A-10
Combining Statement of Activities .....	33	A-11
Notes to Basic Financial Statements.....	34	
Required Supplementary Information:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance		
Budget and Actual – General Fund .....	59	B-1
Schedule of Revenues, Expenditures, and Changes in Fund Balance		
Budget and Actual – Hotel-Motel Tax Fund .....	61	B-2
Changes in Net Pension Liability and Related Ratios .....	62	B-3
Schedule of Contributions .....	63	B-4
Schedule of Funding Progress – Other Postemployment Benefits .....	64	B-5
Combining and Individual Fund Information and Other Supplementary Information:		
Combining Financial Schedules – General Fund – Subfunds:		
Combining Balance Sheet .....	65	C-1
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance .....	66	C-2
Combining Financial Statements – Nonmajor Governmental Funds:		
Combining Balance Sheet .....	67	C-3
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance.....	68	C-4

**CITY OF NEW BRAUNFELS, TEXAS**  
**September 30, 2015**

**TABLE OF CONTENTS - CONTINUED**

	<b>Page</b>	<b>Exhibit</b>
Combining Financial Statements – Nonmajor Special Revenue Funds:		
Combining Balance Sheet .....	69	C-5
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance.....	73	C-6
Combining Financial Statements – Nonmajor Capital Projects Funds:		
Combining Balance Sheet .....	77	C-7
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance.....	81	C-8
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:		
Debt Service Fund.....	85	C-9
Community Development Block Grant.....	86	C-10
Grants Fund.....	87	C-11
Special Revenue Donations Fund .....	88	C-12
River Fund .....	89	C-13
Court Security Fund.....	90	C-14
Judicial Efficiency Fund .....	91	C-15
Court Technology Fund .....	92	C-16
Child Safety Fund .....	93	C-17
Stormwater Development Fund .....	94	C-18
Juvenile Case Management Fund.....	95	C-19
Faust Library Fund.....	96	C-20
Federal Court Awards Fund .....	97	C-21
Non-Federal Court Awards Fund.....	98	C-22
Edwards Aquifer HCP Fund .....	99	C-23
Cable Franchise PEG Fund .....	100	C-24
Creeside Town Center Fund.....	101	C-25
Enterprise Maintenance and Equipment Replacement Fund.....	102	C-26
Cemetery Perpetual Care .....	103	C-27

**STATISTICAL SECTION**

Net Position by Component .....	105
Changes in Net Position.....	106
Fund Balances of Governmental Funds .....	109
Changes in Fund Balances of Governmental Funds .....	110
General Governmental Tax Revenues by Source .....	112
Assessed Value and Estimated Value of Taxable Property .....	113
Property Tax Rates – Direct and Overlapping Governments.....	114
Principal Property Taxpayers.....	115
Property Tax Levies and Collections.....	116
Ratios of Outstanding Debt by Type .....	117
Ratios of General Bonded Debt Outstanding.....	118
Direct and Overlapping Governmental Activities Debt.....	119
Legal Debt Margin Information.....	120
Demographic and Economic Statistics .....	121
Principal Employers.....	122
Authorized City Government Positions by Function .....	123
Operating Indicators by Function .....	124
Capital Asset Statistics by Function .....	125

**CITY OF NEW BRAUNFELS, TEXAS**  
**September 30, 2015**

**TABLE OF CONTENTS - CONTINUED**

	<b>Page</b>	<b>Exhibit</b>
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	126	
Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.....	128	
Schedule of Expenditures of Federal Awards.....	130	
Notes to the Schedule of Expenditures of Federal Awards.....	131	
Schedule of Findings and Questioned Costs.....	132	
Schedule of Status of Prior Year Findings.....	135	



## INTRODUCTORY SECTION



## FINANCE DEPARTMENT

March 28, 2016

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

The Comprehensive Annual Financial Report for the City of New Braunfels, Texas (“City”) for the fiscal year ended September 30, 2015, is hereby submitted. This report was prepared through the cooperative efforts of the Finance Department and the City’s independent auditor. 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 of 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 CliftonLarsonAllen, a firm of licensed certified public accountants. The independent auditor 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, 2015, are fairly presented in conformity with GAAP. The independent auditor’s 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  
FAX 830.608.2112  
[www.nbtexas.org](http://www.nbtexas.org)

424 SOUTH CASTELL AVENUE  
NEW BRAUNFELS, TEXAS 78130

## PROFILE OF THE GOVERNMENT

New Braunfels is a dynamic and historic Texas community of about 66,394 located on Interstate 35, thirty miles north of San Antonio and forty-five miles south of Austin. The population in 2006 was 49,514; the City has seen a 34 percent increase in population in the last ten years. New Braunfels is the largest city in Comal County and serves as the county seat. The City's geographic corporate boundaries encompass 45 square miles. The City's history is one of the richest in Texas and is cherished by its residents who strive to preserve and protect their heritage that reflects both strong German and Hispanic influences. Often referred to as the "City of a Prince" (because it was founded by Prince Carl of Solms Braunfels), early New Braunfels became an important part of Texas civilization and industry. In the 1960's, the community became more committed to preserving its rich history and this has tied into the emerging tourism industry, a major factor in the economy of today's New Braunfels. Visitor attractions abound in New Braunfels and the surrounding area. A city of tradition, New Braunfels today finds itself in a time of rapid changes. Its prime location between San Antonio and Austin drives rapidly increasing population.

As provided in its Home Rule Charter, a Mayor and a six-member City Council govern the City of New Braunfels. The Mayor is elected at large while the remaining Council members represent the six 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 develops the annual budget. Each Council member is elected for a three-year term on a staggered basis. The City Charter limits service to two consecutive terms of office, and not more than three total terms in a lifetime.

The City of New Braunfels is a full service municipal organization with the organizational structure and divisions as depicted in the organizational chart below. The City provides a full range of services that includes police and fire protection; emergency response services; solid waste service and recycling; maintenance of streets and infrastructure; recreational activities; library services; planning and development services; code enforcement and animal control; river management; golf course management; a municipal court; a system of municipal parks; and an airport.

The New Braunfels Industrial Development Corporation (NBIDC) was formed to administer a special 3/8¢ sales tax for economic development. It is a non-profit corporation. The City appoints all NBIDC board members, can remove board members at will, and must approve the NBIDC's budget and plan of work. Because of this, City management has included NBIDC in its financial reports as a discretely presented component unit. In addition, the New Braunfels Utility (NBU) is a City-owned water, wastewater and electric utility serving the City of New Braunfels and some of the surrounding area. The City appoints these board members as well and approves any proposed debt issuance. The City interacts or contracts with various other governmental and non-governmental entities (e.g. Comal County, the New Braunfels Housing Authority and the New Braunfels Independent School District), but is not financially accountable for those entities.

The City of New Braunfels maintains a system of budgetary controls, the objective of which is to ensure compliance with the legal provisions of the annual appropriated budget approved by the City Council. The annual Operating Budget and Plan of Municipal Services is the basic budget document. It governs all expenditures within a certain fiscal year, which runs from October 1 to September 30. This annual budget serves as the foundation for the City's financial planning and management. The budget is proposed by the City Manager and adopted by the City Council in accordance with policies and procedures established by the City Charter, 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, operation expenses and capital expenses).

The budget, as adopted by City Council, controls expenditures by fund, department and at the group level for all funds in these categories. These groups are: employee expenses, operations expenses, capital expenses, interfund transfers, debt service, and contingencies for the General Fund, enterprise funds, special revenue funds, and other funds.

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 have some flexibility in expensing these funds within the group. As long as the total appropriation for a group (for example employee expenses) is not exceeded, one or more line items in the group (for example health insurance) may exceed its budget allocation. Council action is required only if a group of expenditures will exceed the budget appropriation.

In the CDBG, Special Revenue, Grants Funds, and New Braunfels Industrial Development Corporation (NBIDC) Budget, appropriations are controlled at the project level. As the 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 and to NBIDC 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.

The City's budget staff prepares the revenue estimates and budget instructions and each City department completes expenditure estimates and budget requests. Estimates and requests are reviewed by the City Manager, and evaluated within the total financial framework of the City. The City Manager makes final decisions as to what budget recommendations are submitted to the City Council. The City Council reviews the budget in a public process. The City Charter mandates that a proposed budget be presented to the City Council at least forty-five days prior to the end of the fiscal year. Furthermore, the Charter requires that a public hearing be held prior to the adoption of the budget.

Monthly reports are generated that allow management, the City Council and citizens (as these reports are posted on the City's website) to monitor expenditures on a fund and departmental basis. Transfers of budget appropriations may occur with the approval of the City Council. This report includes all organizations and activities for which the elected officials exercise financial control.

## **ECONOMIC CONDITION AND OUTLOOK**

In the ten years prior to FY 2010-11, the City of New Braunfels enjoyed a very robust, high growth period. Population grew at an average annual rate of 3.6 percent. Property values increased an average of 7.3 percent annually. Sales tax growth averaged 13.9 percent annually over the same period, both from major new businesses attracted through economic development agreements as well as general retail growth. The City, during that same time frame, attracted some major business generators, positively affecting the City's property tax revenue.

Between cultural tourism and tourist visits to the Comal River, it is estimated that New Braunfels receives approximately two million visitors a year. A 2009 economic impact analysis found that the tourism industry accounted for approximately \$470 million annually in direct, indirect and induced economic output. This amount constitutes approximately 20 percent of the City's annual total economic output of \$2.4 billion. The tourism and accommodation industry does not, however, provide a majority of the jobs in New Braunfels. Exclusive of government, the City's three largest industries in the value of goods and services provided are manufacturing, health care and social assistance and retail trade. The governmental (school district, local, state and federal), retail trade, health care and social assistance, accommodation and food services, and finance and insurance industries respectively provide the greatest number of jobs in the community.

As with most areas around the country, New Braunfels was impacted by the significant economic downturn. The City's sales tax revenue has grown annually – 4.5 percent in FY 2009-10, 7.6 percent in FY 2010-11, 10.2 percent in FY 2011-12, 12.6 percent in FY 2012-13 and 10.3 percent in FY 2013-



14. In FY 2014-15, sales tax revenue actually decreased by .5%. This was entirely by the loss of sales tax from a furniture distribution company within the city limits, stemming from new state legislation. Effective, September 2014, sales tax allocation was changed to the point of sale as opposed to point of distribution.

Existing taxable property values dropped slightly in FY 2009-10, new property gave the City an overall growth in property values of 2.9 percent that year. For FY 2010-11, taxable property values showed an overall decline of just less than 1 percent. However, in FY 2011-12, property values began to rebound showing overall growth of 2.2 percent. In FY 2012-13, the rebound continued, with a growth rate of 3.7 percent. In FY 2013-14, the City saw growth of 5.5 percent. In FY 2014-15, the City experienced even larger growth, 11.1 percent (freeze adjusted), the largest level of growth experienced since the economic downturn. The figures previously mentioned demonstrate that New Braunfels was less severely impacted and is recovering at a faster rate when compared to other communities.

The City also recognizes the value of commercial development to its economic base and continues to encourage commercial growth that will be beneficial to the tax base and support the citizens' needs. The community invests in a business development and primary job recruitment program that has created an average of 831 new primary jobs annually since 2003. Ashley Furniture located and then expanded a distribution center (adding 150 jobs to the existing 200) in the City and Home Depot Supply located a sales facility within the City. These developments had a very positive impact on the City's sales tax revenue. In 2007, the City established a tax increment financing district to facilitate the development of a 400 acre master planned, mixed use development. The original value of all property within that district was \$3.4 million. Today, the development integrates over 1 million square feet of retail with a 130 bed hospital, two multi-family developments and an entertainment complex. The total taxable values of all improvements in the district exceed \$317 million (2015 values), and the development generates approximately \$3 million in annual sales tax revenue to the City of New Braunfels and Comal County.

Infrastructure investments and property acquisition from state and local governments totaling more than \$20 million has created significant operational, financial and safety enhancements at the City's regional airport. A recently completed runway extension, new taxiway and apron construction, hangar and lighting enhancements have led the airport to be nominated for the Most Improved General Aviation airport by the Aviation Division of the Texas Department of Transportation. As a consequence of these investments, the airport has seen major new developments with two new hangars being constructed in the last three years. These hangars have helped multiple new aircraft base at the airport. These new aircraft have increased fuel sales, property tax revenue and generated new operations at the airport. The City's industrial development corporation has a dedicated funding source and is able to offer incentives for businesses to choose New Braunfels, which is a large differentiator in today's competitive economy.

The long-term economic outlook for the New Braunfels area is positive. Advantages for the community's economic stability and growth include: the close proximity to both San Antonio and Austin; the IH 35 Corridor; the availability of choice industrial sites throughout the City; and the strong tourism sector of the economy. The City expects tourism to remain strong because New Braunfels offers great attractions at reasonable prices. Visitors can enjoy local dining, shopping, the "world's best" water park (Schlitterbahn), and river activities in and along the two rivers running through the heart of the community.

## **MAJOR INITIATIVES**

Since 2004, the City has completed \$119 million in capital improvement projects. Streets and drainage improvements make up a large portion of that amount and include projects such as the Walnut Avenue Widening project, South Tributary Drainage improvements, the extension of Walnut Avenue to Klein Road and the Church Hill road drainage improvements among others. Parks and Recreation improvements include the development of Fischer Park, the Landa Park riverfront rehabilitation project, a new irrigation system in Landa Park and improvements to the Landa Park Aquatic Complex. The remaining investments are made up of various municipal improvement projects such as the renovations to the Civic and Convention center and the construction of two fire stations.

Approximately \$31 million of capital improvement projects are in progress or nearing completion. This includes projects such as the New City Hall, which is scheduled for completion in the fall of 2016, the Railroad Quiet Zones project, Downtown Pedestrian Improvements, and the North Tributary Flood Control Project among others.

Also in progress are the 2013 bond program projects. The citizens approved an \$86 million bond program that includes four propositions: street improvements (\$37.5 million for four projects), drainage improvements (\$24.5 million for five projects), parks improvements (\$20 million for four projects) and expansion of a major education facility in the community (\$4 million). The street projects include \$10 million for City-wide street improvements as well as a major investment in a growing area of the community. The drainage funds will complete four projects and design a fifth in a critical intersection in the City. The parks projects include a recreation center, expansion of a hike and bike trail, development of a neighborhood park, and acquisition of land for a new youth sports complex.

In addition to these various capital improvements, since FY 2005-06, the City has increased its police sworn officer workforce by 38 percent. This was accomplished within the context of an operating and maintenance property tax rate lower than the rate of ten years ago.

## **FINANCIAL INFORMATION**

The General Fund ended the year with total fund balance of \$20.9 million. This balance provides adequate protection against unforeseen occurrences and fluctuations in revenue sources. The City's financial policies require at least a 25 percent fund balance (of operating expenditures) and the City has maintained a minimum of a 30 percent balance to protect our strong bond rating. The City receives a significant portion (about 37 percent) of its General Fund revenue from sales tax, a source sensitive to economic fluctuations. Therefore, the City has worked to maintain a minimum operating reserve of at least 110 days.

The City's commitment to sound financial management and strong reserves paid dividends in FY 2007-08 as Standard and Poors raised the City's bond rating from A+ to AA-. Moody's maintained its rating of Aa2 for the City. And, for the first time, the City received a bond rating from Fitch – also a AA. These ratings were reaffirmed with the City's debt issuances in 2014.

The City maintains a five year capital improvement program (CIP), with all planned capital projects reviewed annually by the City staff and City Council. This annual review allows the City to change and adjust priorities by responding to changing growth patterns, economic conditions, and federal and state mandates. The five year CIP is used exclusively as a planning tool, and therefore does not commit the City to any project or project funding. The intent of the CIP is for the City staff to identify specific capital improvements needed during the subsequent five years and prioritize those projects. Recommended improvements are not approved until official action has been taken by the City Council. As stated, in May 2013, the citizens of New Braunfels approved an \$86 million bond program that includes streets and drainage improvements, park improvements and expansion of the Central Texas Technology Center, an education facility.

The most recently updated five year capital improvement plan is shown below. It identified \$353.4 million in unfunded, needed capital improvements during the next ten years (through 2022). These recommended improvements are identified by the following activities:

Street Improvements	\$170,461,100	32%
Drainage Improvements	\$118,032,000	22%
Parks and park facilities	\$105,351,800	20%
Airport	\$21,377,000	4%
Municipal Improvements	\$121,745,900	22%
Total	\$536,967,800	100%

These improvements provide for new facilities and facilities expansion; airport improvements; equipment acquisition and replacement; roads and storm water drainage systems; park land acquisition; parks and recreation facilities; and public safety facilities.

Annually, the Council also adopts a capital improvement program with the annual operating budget and work plan, authorizing funding for and directing staff to initiate certain projects. Over the last five years, the City has maintained an aggressive program to meet long-standing infrastructure needs in streets, drainage, parks and fire stations. The approval of the bond program helps further this program.

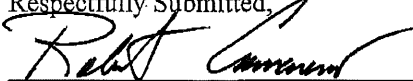
#### AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of New Braunfels for its comprehensive annual financial report for the fiscal year ended September 30, 2014. This was the seventh year that the government has achieved this prestigious award (in recent history). In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully Submitted,



Robert Camareno  
City Manager



Martie Simpson, CPA  
Director of Finance

## **CURRENT CITY OFFICIALS**

### **Elected Officials**

Mayor	Barron Casteel
Councilmember, District 1	George Green
Councilmember, District 2	Aja Edwards
Councilmember, District 3	Ron Reaves
Councilmember, District 4	Chris Monceballez
Councilmember, District 5	Wayne Peters
Councilmember, District 6	Leah A. Garcia

### **Appointed Officials**

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

### **Department Directors**

Assistant City Manager	Kristi Aday
Police Chief	Thomas Wibert
Fire Chief	Kenneth Jacks
Public Works Director	Greg Malatek
Director of Finance	Martie Simpson
Human Resources Director	Gary Wuest
Planning and Community Development Director	Christopher Looney
Parks and Recreation Director	Stacey Dicke
Library Director	Gretchen Pruett
Airport Director	Vinicio Llerena



## **CITY OF NEW BRAUNFELS ORGANIZATIONAL CHART**

The following page contains the organizational chart for the City of New Braunfels. Department directors are as follows:

**City Attorney (Legal Services)** - Is the City's legal division and provides legal representation and advice to all City departments. Attorneys also review all proposed City ordinances and contracts and provide prosecutorial and other support to municipal court.

**Police (Law Enforcement Services)** - Is responsible for police protection and crime prevention throughout the City.

**Fire** - Is responsible for fire inspection, fire suppression, fire prevention education and emergency response services (including ambulance response).

**Public Works** - Is responsible for providing services for solid waste collection and recycling; maintenance and improvements of City streets and drainage infrastructure and facilities; plans and plans review for new developments in the City limits, water quality and stormwater management, and maintenance of City facilities.

**Finance** - Is responsible for all City financial and accounting functions; centralized purchasing, grant coordination, coordination and completion of the City's Comprehensive Annual Financial Report and completion of the annual operating and capital budget.

**Human Resources** - Is a full service human resources function for civil service and non-civil service employees. This department manages the employee compensation programs, all employee benefits including a wellness program, employee training and development, recruitment and risk management.

**Planning and Community Development** - Is responsible for overseeing those activities which ensure appropriate enforcement of the City's building and environmental codes, historic preservation, and animal control. Staff also is responsible for code compliance and reviews building plans and plats for compliance with regulations. Staff works on all aspects of zoning and annexation issues.

**Parks and Recreation** - Is responsible for the provision of parks and recreation services and facilities. This includes park development and management, program development and administration, special events coordination, management of a spring-fed and Olympic-size pool, and efforts to provide a safe and enjoyable environment for citizens and tourists partaking in river-related activities. The department also manages the City's golf course.

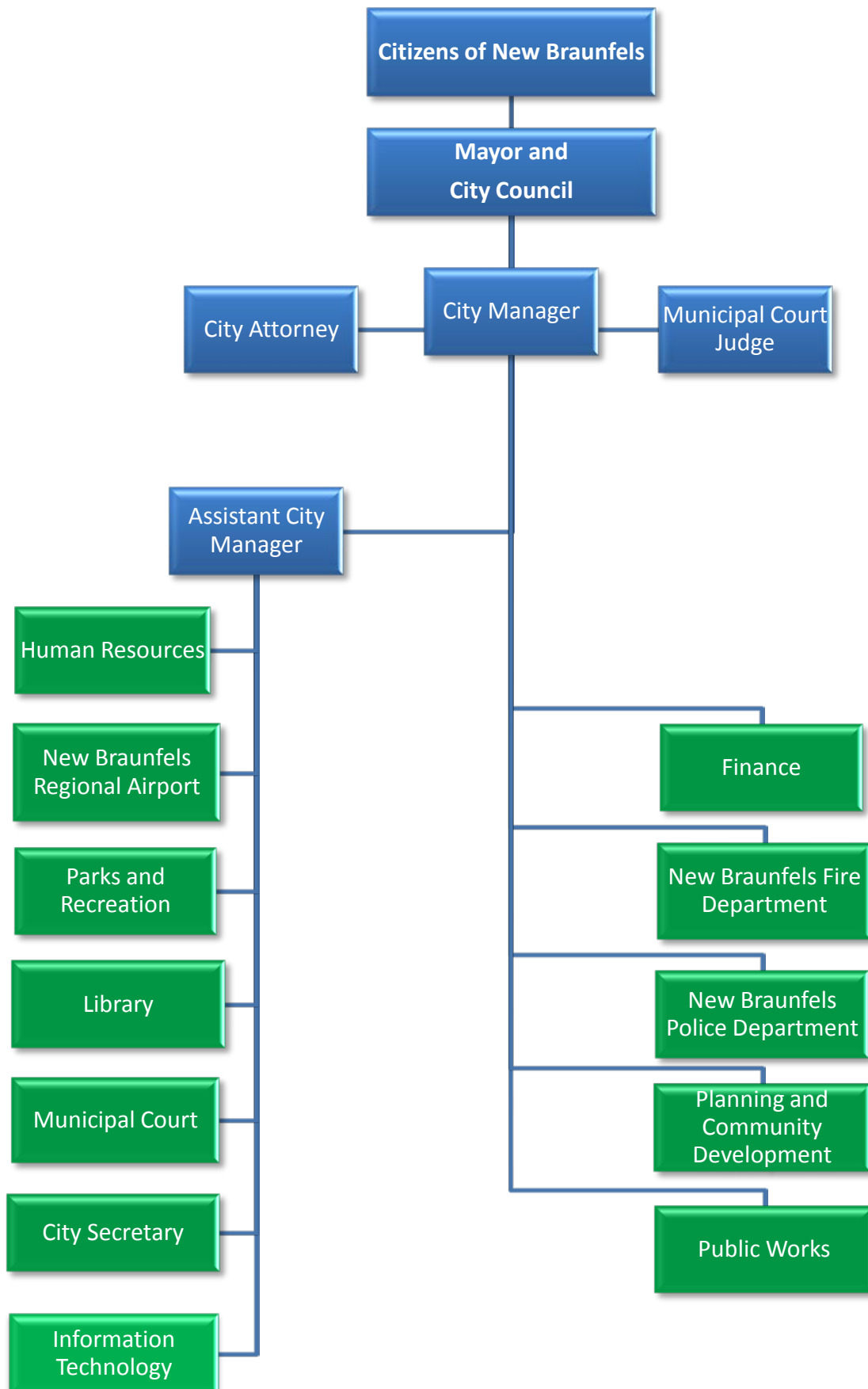
**Library** - Is responsible for providing access to books and materials, information and reference services, programs and computers for the general public. Staff also develops and conducts adult and children's programs to foster literacy and learning.

**Airport** - Is responsible for maintaining a safe and efficient air transportation portal for the area as well as planning for future airport development and infrastructure projects.

**City Secretary's Office** - Is responsible for minutes of meetings of the governing body of the City and its boards and commissions, coordinating City elections, and City-wide records management.

**Convention/Civic Center** - Is responsible for operating and maintaining the City's convention/civic center.

**Information Technology** - Is responsible for supporting all of the City of New Braunfels technology and communications systems and ensuring their efficient and secure operation.







Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of New Braunfels  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2014**

Executive Director/CEO



## FINANCIAL SECTION

## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor  
Members of the City Council  
City of New Braunfels  
New Braunfels, Texas

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Braunfels, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of New Braunfels Utilities, which represent 96.1 percent, 95.2 percent, and 97.2 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for New Braunfels Utilities, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Braunfels as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of a Matter***

As discussed in Note 13, the City of New Braunfels adopted the provisions of GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB No. 68*, effective October 1, 2014. The cumulative effect of the change is shown in the current year. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, changes in net pension liability and related ratios, schedule of contributions, and notes to schedule of contributions on page 4 through 14 and page 61 through 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of New Braunfels's basic financial statements. The introductory section, statistical section, and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, nonmajor schedules of revenues, expenditures, and changes in fund balance – budget and actual, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

The Honorable Mayor  
Members of the City Council  
City of New Braunfels

In our opinion, the combining and individual nonmajor fund financial statements, nonmajor schedules of revenues, expenditures, and changes in fund balance – budget and actual, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2016, on our consideration of the City of New Braunfels's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of New Braunfels's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Clifton Larson Allen LLP". The signature is written in a cursive, flowing style.

Dallas, Texas  
May 25, 2016

## REQUIRED SUPPLEMENTARY INFORMATION

# CITY OF NEW BRAUNFELS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of New Braunfels annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended September 30, 2015. Please read it in conjunction with the City's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

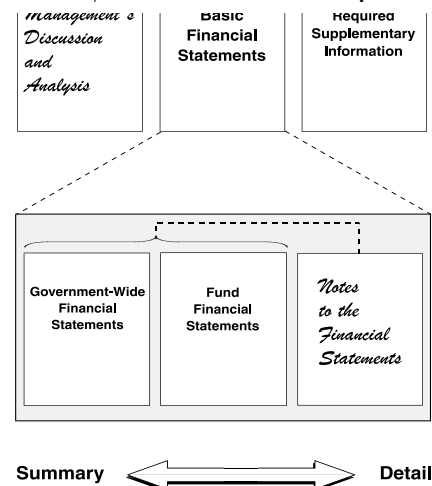
- The City's total combined net position was \$40,217,719 as of September 30, 2015.
- During the year, the City's expenses for governmental activities were \$80,108,754 or \$4,580,114 (5.7 percent) more than the \$75,528,640 generated in taxes and program revenues for governmental activities.
- The General Fund reported an ending fund balance this year of \$20,996,451, a decrease of \$1,623,004 or 7.18 percent in comparison to the prior fiscal year. This balance exceeds the City's required 25 percent of operating expenditures. However, it is important to note that this fund balance includes all of the fund balance in the General Fund, Equipment Replacement Fund, and the Facilities Maintenance Fund. The Equipment Replacement Fund contributes \$4,319,146 to this stated fund balance. This fund allows the City to account for equipment replacement and improvements to the Civic/Convention Center in a separate fund and not include these activities – which are business activities – in the general operating fund.
- The City of New Braunfels major revenue sources remained fairly steady or showed growth in FY 2014-15 when compared to the prior year. Taxable Property tax values (freeze adjusted) increased by 11.1 percent overall with values from new growth a major portion of the increase. Sales tax revenue grew a healthy 10.3 percent overall in FY 2013-14 in comparison to the prior fiscal year. This maintained the trend of growth in FY 2010-11 (7.6 percent), FY 2011-12 (10.2 percent) and FY 2012-13 (12.6 percent). In 2014-15, sales tax revenue actually decreased by .5%. This was entirely driven by the loss of sales tax from a furniture distribution company within the city limits, stemming from new state legislation. Effective September 2014, sales tax allocation was changed to the point of sale as opposed to point of distribution.
- In fiscal year 2014-15, the City's operating costs were \$11,379,772 or 14 percent higher than the prior year.
- The City did issue \$29.2 million in general obligation bonds, \$1.3 million in tax notes, and \$5.4 million in certificates of obligation in FY 2014-15 to fund various needed capital improvement projects and early refund of \$15.6 million of certificates of obligation.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of several parts—management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the City's operations in more detail than the government-wide statements.
  - The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.
  - Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses, such as the airport, civic/convention center, solid waste and golf.
  - Component unit statements provide information about other organizations which provide support to the City.

Figure A-1, Required Components of the City's Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The financial report also includes statistical tables that provide further information and data covering, in many cases, the last ten years. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2 summarizes the features of the City's financial including the portion of the City they cover and the types of they contain. The remainder of section of management's and analysis explains the contents of each of the

### Government-wide Statements

The government-wide report information about the City using accounting methods those used by private-sector. The statement of net position of the government's assets, outflows, liabilities, and deferred of the current year's revenues expenses are accounted for in statement of activities regardless of when cash is received or paid.

Figure A-2. Major Features of the City's Government-wide and Fund Financial Statements

Type of Statements	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire agency's government (except fiduciary funds) and the agency's component units	The activities of the agency that are not proprietary or fiduciary	Activities the agency operates similarly to private businesses	Instances in which the agency is the trustee or agent for someone else's resources
Required financial statements	◊ Statement of net position	◊ Balance sheet	◊ Statement of net position	Statement of fiduciary net assets
	◊ Deferred inflows/outflows	◊ Statement of revenues, expenditures and changes in fund balances	◊ Deferred inflows/outflows	Statement of changes in fiduciary net assets
	◊ Statement of activities		◊ Statement of revenues, expenditures and changes in fund net assets ◊ Statement of cash flows	
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

major statements, government information this overview discussion structure and statements.

statements as a whole similar to companies. includes all deferred inflows. All and the

The two government-wide statements report the City's net position and how they have changed. Net position—the difference between the City's assets/deferred outflows and liabilities/deferred inflows—is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City, consideration must be given to additional non-financial factors such as changes in the City's property and sales tax base.

The government-wide financial statements of the City include the Governmental Activities. Most of the City's basic services are included here such as public safety, streets and drainage, public improvements, parks and recreation, planning and development, library, and general administration. Property and sales taxes finance a significant portion of these activities.

### Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds—not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by debt covenants.
- The City establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.
- Over the last several years, the City has worked to consolidate funds where appropriate to better manage, account for and administer its financial resources. In the last five years, more than twenty funds have been closed.

The City has two kinds of funds:

- **Governmental funds**—Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a



detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

- *Proprietary funds*—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short and long-term financial information. These include the City's enterprise funds – Airport, Civic/Convention Center, Solid Waste, Stormwater, Golf, and internal service funds.

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

**Table A-1**  
**City of New Braunfels**  
**(in thousands of dollars)**

	Governmental Activities		Business Type Activities		Total		Total Percent Change
	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	
<b>Assets:</b>							
Cash and cash equivalents	\$ 69,079	\$ 76,100	\$ 3,685	\$ 4,035	\$ 72,764	\$ 80,135	10%
Accounts receivable (net)	5,903	6,893	16	17	5,919	6,910	17%
Due from other govts	214	360	-	-	214	360	68%
Prepaid items	673	-	-	-	673	-	-100%
Inventories, at cost	1	-	40	62	41	62	51%
<b>Capital assets</b>							
Land & constr. In progress	25,776	25,822	2,299	2,299	28,075	28,121	0%
Other capital assets, net	89,118	92,797	33,383	33,068	122,501	125,865	3%
<b>Total Assets</b>	<b>190,764</b>	<b>201,972</b>	<b>39,423</b>	<b>39,481</b>	<b>230,187</b>	<b>241,453</b>	<b>5%</b>
<b>Deferred Outflows of Resources</b>	<b>\$ 788</b>	<b>\$ 6,422</b>	<b>\$ -</b>	<b>\$ 451</b>	<b>\$ 788</b>	<b>\$ 6,873</b>	<b>772%</b>
<b>Liabilities:</b>							
Accounts payable	\$ 6,318	\$ 4,409	\$ 165	\$ 227	\$ 6,483	\$ 4,636	-28%
Deposits payable	320	275	110	123	430	398	-7%
Accrued expenses payable	2,417	4,351	164	2	2,581	4,353	69%
Due (from) to	-	(64)		64	-	-	0%
Unearned revenue	-	-	106	58	106	58	-45%
<b>Non-current liabilities:</b>							
Due within one year	9,988	10,615	339	349	10,327	10,964	6%
Due in more than one year	143,708	182,884	1,612	3,955	145,320	186,839	29%
<b>Total Liabilities</b>	<b>162,751</b>	<b>202,470</b>	<b>2,496</b>	<b>4,778</b>	<b>165,247</b>	<b>207,248</b>	<b>25%</b>
<b>Deferred Inflows of Resources</b>	<b>\$ -</b>	<b>\$ 780</b>	<b>\$ -</b>	<b>\$ 81</b>	<b>\$ -</b>	<b>\$ 861</b>	<b>100%</b>
<b>Net Position:</b>							
Net investment in capital assets	\$ 8,094	\$ 5,120	\$ 34,960	\$ 34,775	\$ 43,054	\$ 39,895	-7%
<b>Restricted:</b>							
Capital projects	4,169	6,668	-	-	4,169	6,668	60%
Cemetery perpetual care	94	94	-	-	94	94	0%
Other	2,616	4,158	-	-	2,616	4,158	59%
Unrestricted	13,828	(10,896)	1,967	298	15,795	(10,598)	-167%
<b>Total Net Position</b>	<b>28,801</b>	<b>5,144</b>	<b>36,927</b>	<b>35,073</b>	<b>65,728</b>	<b>40,217</b>	<b>-39%</b>

**Changes in Net Position.** The City's total revenues were \$87.77 million. A significant portion, \$55.41 million or 63.1 percent the City's revenue comes from taxes and franchise fees (contributions from the City owned utility and other franchised utilities). (See Figure A-3.) 27.2 percent relates to charges for services (including licenses and permits and parks fees), 0.1 percent is from interest income and 2.6 percent comes from grants and contributions.

The total cost of all programs and services was \$92.3 million; 41.6 percent of the governmental activities costs are for public safety.

**Table A-2**  
**City of New Braunfels**  
**(in thousands of dollars)**

	Governmental Activities		Business Type Activities		Total		Percentage Change
	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	
Program Revenues:							
Charges for services	\$ 10,512	\$ 11,846	\$ 10,478	\$ 12,098	\$ 20,990	\$ 23,944	14%
Operating grants and contributions	1,539	1,963	43	50	1,582	2,013	27%
Capital grants and contributions	-	-	441	290	441	290	-34%
General Revenues							
Taxes and Franchise Fees	50,973	55,410	-	-	50,973	55,410	9%
Investment income	87	47	1	2	88	49	-44%
Miscellaneous	6,172	5,979	67	86	6,239	6,065	-3%
Total Revenues	\$ 69,283	\$ 75,245	\$ 11,030	\$ 12,526	\$ 80,313	\$ 87,771	9.3%
Expenses:							
General government	\$ 14,850	\$ 17,936	\$ -	\$ -	\$ 14,850	\$ 17,936	21%
Finance and tax	972	719	-	-	972	719	-26%
Planning and environmental development	2,489	2,622	-	-	2,489	2,622	5%
Public safety	31,597	33,327	-	-	31,597	33,327	5%
Public works	8,241	9,378	-	-	8,241	9,378	14%
Parks and recreation	4,572	8,551	-	-	4,572	8,551	87%
Library	2,400	1,969	-	-	2,400	1,969	-18%
Civic/Convention Center	5	191	924	903	929	1,094	18%
Interest on long term debt	4,985	5,369	-	-	4,985	5,369	8%
Airport	107	48	2,855	2,790	2,962	2,838	-4%
Solid waste	-	-	6,171	6,750	6,171	6,750	9%
Golf Course	-	-	678	1,795	678	1,795	165%
Total Expenses	\$ 70,218	\$ 80,110	\$ 10,628	\$ 12,238	\$ 80,846	\$ 92,348	14%
Change in net position before Transfers in (out)	(935)	(4,865)	402	288	(533)	(4,577)	759%
Change in net position	(8,222)	284	8,222	(284)	-	-	
	(9,157)	(4,581)	8,624	4	(533)	(4,577)	759%
Net position - beg. of year	37,958	28,801	28,303	36,927	66,261	65,728	-1%
Cumulative effect of change in accounting principle	-	(19,076)	-	(1,858)	-	(20,934)	
Net position - end of year	\$ 28,801	\$ 5,144	\$ 36,927	\$ 35,073	\$ 65,728	\$ 40,217	-39%

**Figure A-3**  
**Sources of Revenue for Fiscal Year 2014-15**

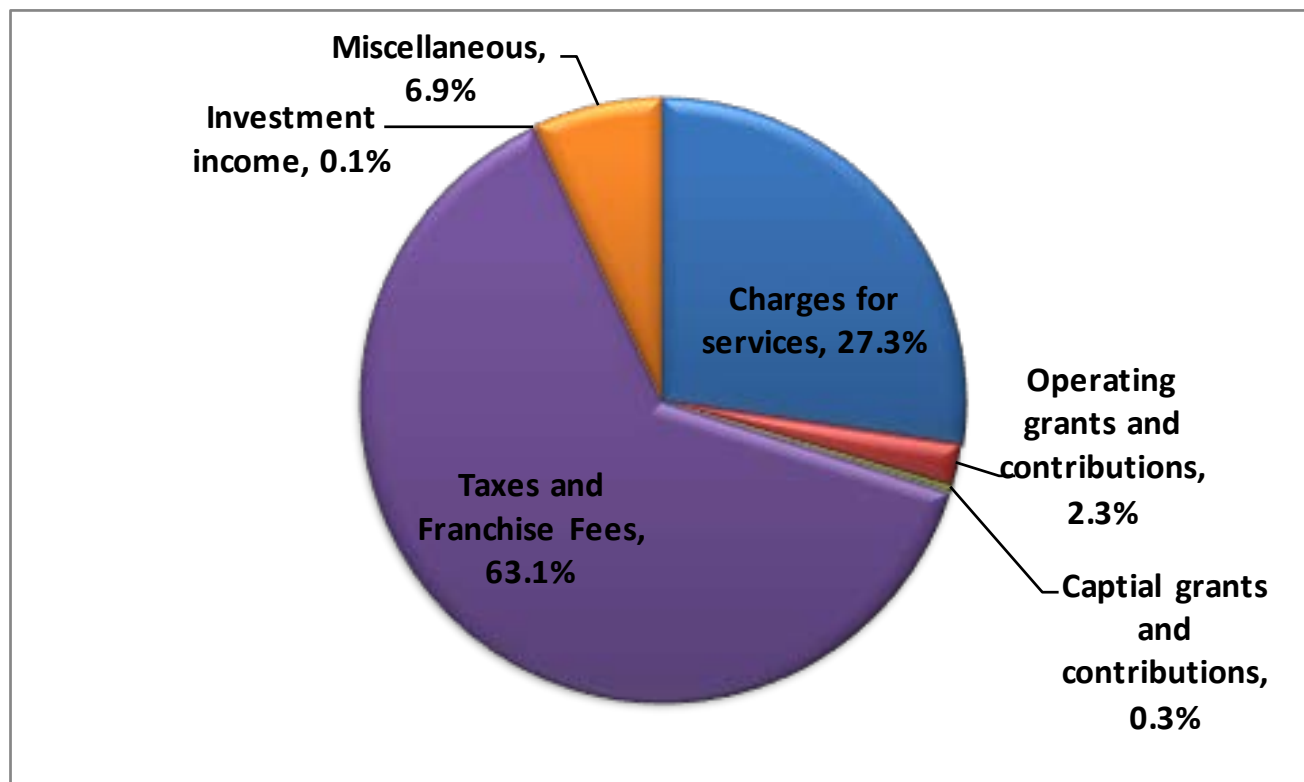


Table A-3 presents the cost of each of the City's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was mostly funded by local tax dollars.

- The cost of all governmental activities this year was \$80.1 million.
- However, the amount that taxpayers paid for these activities through taxes was \$55.4 million.
- Some of the cost was paid by those who directly benefited from the programs (\$11.8 million), or by grants and contributions (\$1.9 million).

**Table A-3**  
**Net Cost of Selected City Functions**  
*(in thousands of dollars)*

	Total Cost of Services			Net Cost of Services		
	14	15	% Change	14	15	% Change
Public Safety	\$ 31,597	\$ 33,327	5.5%	\$ 27,230	\$ 28,285	3.9%
Public Works	8,241	9,377	13.8%	7,343	8,301	13.0%
Parks and Recreation	4,572	8,551	87.0%	2,609	6,154	135.9%
Planning and Environmental Services	2,489	2,622	5.3%	(1,078)	(1,290)	19.7%
Library	2,400	1,969	-18.0%	2,285	1,867	-18.3%

#### **Business-type Activities**

Revenues derived from the City's business-type activities were \$12.52 million, and operating expenses were \$12.23 million.

## **Governmental Activities**

- The City reduced its total ad valorem property tax rate from \$.425614 per \$100 of valuation in FY 2005-06 to \$.409862. That rate was maintained through FY 2010-11. During that time, the debt service tax rate increased to fully fund all debt service payments while the General Fund portion of the rate decreased by an equal amount. \$.10764 cents in tax rate shifted from debt service to the General Fund in that period. Property values for the ten years prior to FY 2009-10 showed an average annual growth rate of 11.7 percent. With the economic downturn, this robust growth came to a rather abrupt end. FY 2009-10 had growth in values of 2.9 percent and FY 2010-11 values declined by .9 percent overall, then rebounded slightly in FY 2011-12, showing a 2.2 percent growth. In FY 2011-12, the City increased the overall tax rate for the first time since FY 2005-06 with a \$.0385 increase, all in the debt service rate. The General Fund tax rate was held at \$.261362. For FY 2014-15, the City saw taxable property value increases of 11.1 percent. This increase in valuation provided the opportunity to again avoid a tax increase and held the tax rate flat at \$.49823.
- Revenues for FY 2014-15 increased \$7.4 million or 9.3 percent in comparison to FY 2013-14. This increase was driven in large part by an increase in tax revenue and charges for services.
- The highest percent of the revenues from charges for services in governmental activities was derived from planning and environmental development (building related permits and licenses), public safety (ambulance services fees and emergency services district fire and emergency response services), and parks and recreation. Solid Waste generates the greatest revenues in the business activities.
- The City's General Fund represents the largest single funding source for governmental activities. In FY 2014-15, 56.9 percent of the funds (General Fund alone) went to public safety (police, fire and municipal court). The remaining funding breaks down as follows: 11.2 percent for public works, 8.6 percent for parks and recreation, and 23.1 percent for the library, planning and environmental development, finance and tax, and general government.
- The General Fund's total revenue (including the Equipment Replacement and Facilities Maintenance Funds) for FY 2014-15 was \$49,799,765 which is \$2,806,562 or 5.9 percent greater than the FY 2013-14 revenues. Most of the major revenue sources showed growth for FY 2014-15 in comparison to the prior fiscal year, including sales tax, a significant revenue source to the City.

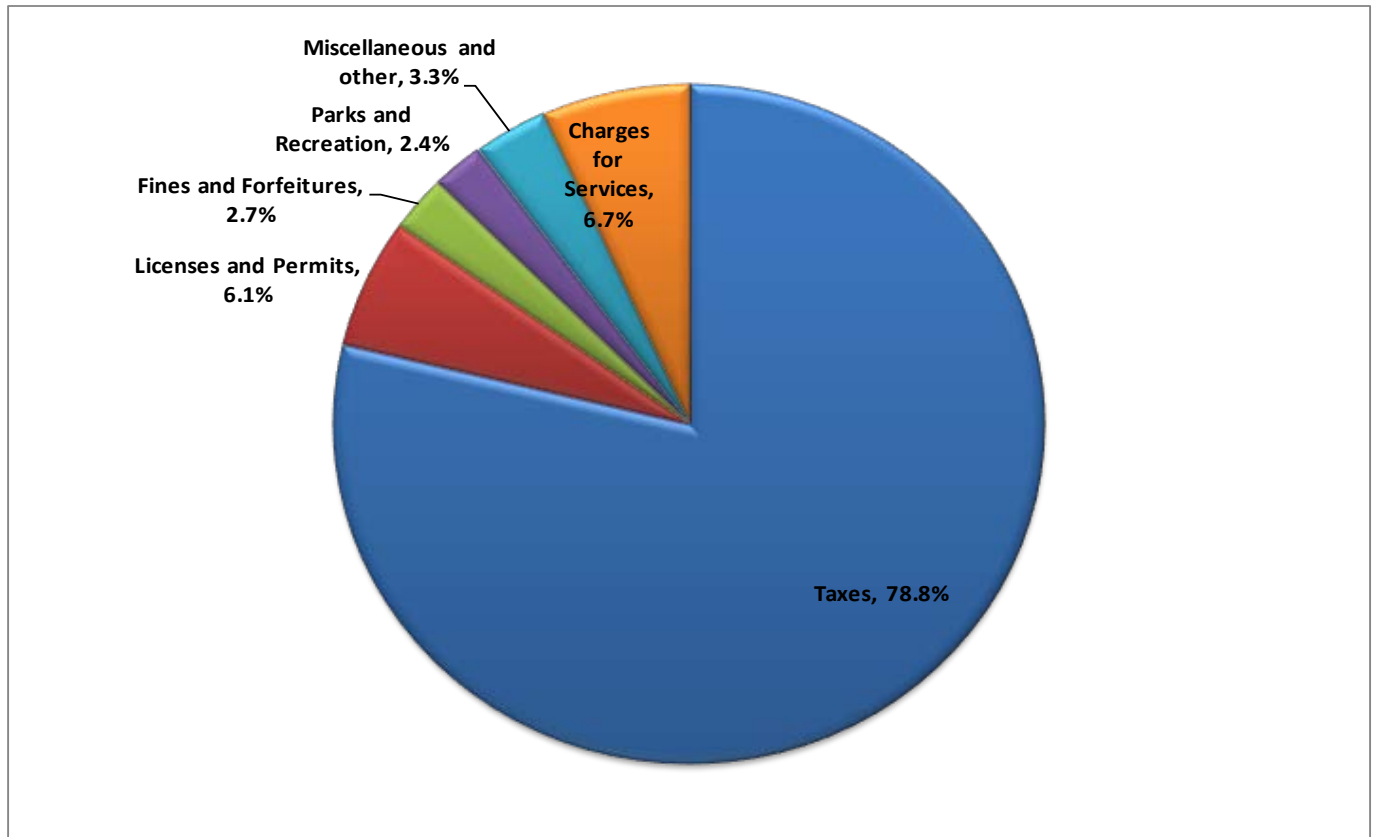
## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

Revenues from the General Fund (excluding the Equipment Replacement and Facilities Maintenance Fund) totaled \$49.8 million for fiscal year 2014-15 while the expenditures were \$51.0 million, leaving a deficit of \$1.2 million. The enterprise funds consist of Airport, Solid Waste, Golf Course, and Civic/Convention Center. The net change in net position from these funds was \$(245,803), \$672,997, \$(177,702) and (\$245,110) respectively, for a net total of \$4,382.

### **General Fund Highlights**

FY 2014-15, the City once again developed a structurally balanced budget. Funding for positions and compensation increases were also included. Specifically, funding was included to begin the implementation of a new compensation plan. The full cost to implement this new plan, which was based on a market analysis, is \$4,000,000. In FY 2014-15, 40 percent of the cost of this plan was implemented. 23 new positions were authorized, many of which were driven by new facilities that came on line, the opening of Fischer Park and the Completion of the Walnut Avenue Widening project. In addition, five Police Officers and several positions to support infrastructure and the development review process were added to the organization. In FY 2013-14, the Equipment Replacement Program was suspended to maintain structural balance in the General Fund, which removed approximately \$875,000 in recurring commitments. In FY 2014-15, the program was partially reinstated with a \$300,000 contribution. At last, operating budgets actually decreased in FY 2014-15, in an effort to provide additional resources for compensation and positions. These reductions had no impact on service levels, simply a reflection of the organization's ability to streamline processes and find operational efficiencies.

**Figure A-4**  
**Sources of General Fund Revenue for Fiscal Year 2014-15**



#### **Other Major Fund's Highlights**

The City's Debt Service Fund experienced a significant fund balance draw down in FY 2009-10 to bring the balance to the 10 percent level required by the City's financial policies. Since then, the fund's balance has stabilized at about the 10 percent level. For FY 2014-15, revenue into the fund was slightly higher than the annual debt service payments for principal and interest on all outstanding debt. As stated above, the City increased the ad valorem property tax rate for debt service by \$.02137 to generate sufficient funds for these payments.

The City's self insurance fund experienced much higher claims expenditures for medical services in FY 2009-10 than in the several years prior. However, in the three fiscal years since that time, the City saw a return to costs more in line with prior years' expenditure growth. This allowed the City to begin rebuilding the fund balance in this fund. This was accomplished by increased premium contributions (from the City and employees) as well as a one-time transfer of funds from the General Fund to the Self Insurance Fund of \$500,000 in FY 2010-11 and \$400,000 in FY 2011-12. In addition, in FY 2013-14, adjustments were again made in premium contributions from the City and employees and some plan design changes were made. In FY 2014-15, health care costs again spiked like they did in FY 2009-10. The City utilized the majority of the fund balance to pay for the health care costs. Looking ahead to FY 2015-16, the Budget includes transfers from the General Fund as well as the Enterprise Funds to begin to build the fund balance back. Staff will continue to evaluate these costs and make the appropriate plan design and premium changes necessary to sustain the fund moving forward.

#### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

##### **Capital Assets**

At the end of FY 2014-15, the City had invested \$290.8 million (excluding depreciation) in a broad range of capital assets including land, equipment, buildings, streets and drainage improvements as well as park and airport improvements. Currently, the City has undertaken the single largest public improvement project that will expand a major City thoroughfare. The project includes utility relocation and improvements, pavement widening and significant

landscaping and amenities to create a park-like environment along the roadway. More detailed information about the City's capital assets is presented in Note 4: Capital Assets of the financial statements.

**Table A-4**  
City's Capital Assets  
(in thousands of dollars)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>		Total – Percentage Change
	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	
Land	\$25,776	\$25,822	2,299	2,299	\$28,075	\$28,121	0.2%
Construction in Progress			-	-	-	-	0.0%
Road Network	95,660	97,465	-	-	95,660	97,465	1.9%
Buildings	47,823	48,527	19,405	19,805	67,228	68,332	1.6%
Equipment	22,975	24,986	9,039	10,539	32,014	35,525	11.0%
Airport Easements	-	-	38	38	38	38	0.0%
Improvements	32,447	41,875	19,368	19,449	51,815	61,324	18.4%
Totals at Historical Cost	\$224,681	\$238,675	\$50,149	\$52,130	\$274,830	\$290,805	5.8%
Total accumulated depreciation	\$ (109,787)	\$ (120,056)	\$ (14,467)	\$ (16,763)	(124,254)	(136,819)	10.1%
Net capital assets	\$114,894	\$118,619	\$35,682	\$35,367	\$150,576	\$153,986	2.3%

## Long Term Debt

At year-end, the City had \$195.7 million in long-term debt outstanding as shown in Table A-5. This long term debt is the result of the issuance of certificates of obligation and general obligation bonds for drainage and street improvements, expansion/renovation of the Civic/Convention Center, major park land acquisition and park land improvements, construction of two new fire stations, land purchases and design work for a new public works and fire training facility, and airport improvements.

The City's commitment to sound financial management and strong reserves paid dividends in FY 2007-08 as Standard and Poors raised the City's bond rating from A+ to AA-. Moody's maintained its rating of Aa2 for the City. And, for the first time, the City received a bond rating from Fitch – also an AA. These ratings were reaffirmed in 2015 when the City issued the general obligation bonds and certificates of obligation.

## Bond Ratings

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



Table A-5 provides summary information on the City's long term obligations. Additional detail can be found in the Notes to Basic Financial Statements, Note 6: Long-Term Obligations.

**Table A-5**  
City's Long Term Obligations  
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	
Certificates of Obligation Debt	\$ 100,970	\$ 95,585	\$ -	\$ -	\$ 100,970	\$ 95,585	-5.3%
General Obligation Debt	34,685	52,730	-	-	34,685	52,730	52.0%
Deferred loss on bond refunding	(788)	(2,100)	-	-	(788)	(2,100)	166.5%
Bond Premium	4,126	6,815	-	-	4,126	6,815	65.2%
Loan Payable	673	553	721	593	1,394	1,146	-17.8%
Net Pension Obligation	2,926	25,594	318	2,672	3,244	28,266	771.3%
Net OPEB Obligation	6,224	7,556	680	819	6,904	8,375	21.3%
Compensated absences payable	4,092	4,667	232	220	4,324	4,887	13.0%
Total long-term debt	<u>\$ 152,908</u>	<u>\$ 191,400</u>	<u>\$ 1,951</u>	<u>\$ 4,304</u>	<u>\$ 154,859</u>	<u>\$ 195,704</u>	26.4%

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The City reduced its total ad valorem property tax rate from \$.425614 per \$100 of valuation in FY 2005-06 to \$.409862. That rate was maintained through FY 2010-11. During that time, the debt service tax rate increased to fully fund all debt service payments while the General Fund portion of the rate decreased by an equal amount. \$.10763 cents in tax rate shifted from debt service to the General Fund in that period. Property values for the ten years prior to FY 2009-10 showed an average annual growth rate of 11.7 percent. With the economic downturn, this robust growth came to a rather abrupt end. FY 2009-10 had growth in values of 2.9 percent and FY 2010-11 values declined by .9 percent overall, then rebounded slightly in FY 2011-12, showing a 2.2 percent growth. In FY 2011-12, the City increased the overall tax rate for the first time since FY 2005-06 with a \$.0385 increase, all in the debt service rate. The General Fund tax rate was held at \$.261362. For FY 2013-14, the City saw property value increases of 5.5 percent and again increased the overall tax rate to \$.49823, increasing both the debt service component (by \$.021371) and the General Fund component (by \$.009515). For FY 2014-15 Adopted Budget, the tax rate was held flat. This was achieved due to a 11.1 percent increase in taxable assessed valuation. For the FY 2015-16 Budget, the tax rate was once again held flat, driven in large part due to an even higher increase in freeze adjusted taxable assessed valuation in the amount of 14.8 percent.
- The City of New Braunfels sits in an excellent geographic position – on the main transportation corridor between Austin and San Antonio. It attracts businesses and residents interested in living in a smaller city. However, it offers the advantage of proximity to big city attractions and opportunities. This positioning is contributing to the City's strong population and economic growth. This resulted in the City's revenues and tax base remaining stable, even through the recession; revenues have begun to once again show growth.
- The City of New Braunfels, prior to FY 2008-09, enjoyed a very robust, high growth period. Population during that time grew at an average annual rate of 5.4 percent. The City, during that same time frame, attracted some major business generators, affecting the City's property and sales tax revenues. Ashley Furniture located a distribution center in the City and Home Depot sited a new contractor sales facility within the City. Both these developments had a very positive impact on the City's sales tax revenue. More recently, a million plus square foot retail facility opened the first phase of that development. The City created a tax increment financing zone (TIRZ) to provide economic development assistance to that development. A pool manufacturer moved its headquarters to New Braunfels and another major mixed use (retail, residential and office space) project began development. The retail developments were impacted by the economic downturn; however, the projections are for the ultimate build out to be achieved, but in a longer time frame than originally planned. The development will now also include a major department store and a hospital complex.
- Sales tax revenue declined in FY 2008-09 for the first time in eight years. However, sales tax rebounded in FY 2009-10 to finish the year at 4.5 percent above the prior twelve months and FY 2010-11 finished at 7.6 percent above FY 2009-10. FY 2011-12 and FY 2012-13 saw a continuation of the positive trend, with sales tax growing 10.2 percent and 12.6 percent, respectively, and FY 2013-14 saw 10.3 percent overall growth. In FY 2014-15, sales tax revenue actually decreased by .5 percent. This was entirely driven by the loss of sales

tax from a furniture distribution company within the city limits, stemming from new state legislation. Effective September 2014, sales tax allocation was changed to the point of sale as opposed to point of distribution. Looking ahead to FY 2015-16, sales tax growth is projected at 5.5 percent

- New Braunfels weathered the economic downturn by holding positions open, delaying salary increases, and postponing expenditures whenever possible. No layoffs were required to keep the City's budget balanced. In FY 2012-13, revenues actually exceeded budget estimates in some areas, particularly sales tax. This is a very positive sign for the New Braunfels economy and for City revenues. The FY 2013-14 Adopted Budget focused on and succeeded in bringing recurring expenditures in line with recurring revenues. This was achieved by funding very few new positions in the General Fund, minimal salary increases and suspending the City's vehicle replacement program (both contributions into the fund and current year purchases of vehicles). In FY 2014-15, several challenges were addressed – the loss of sales tax revenue from an economic development agreement (impacted by legislative changes); the vehicle replacement program can be reinstituted; addressing salaries City-wide to remain market competitive; and meeting the continued increasing demand for services. In FY 2014-15, revenue growth afforded the opportunity to fund compensation increases for all City Employees. The Compensation increases in FY 2014-15 are part of a compensation plan update; after completion of a market study, it was determined that all City Employees are behind the market. It is anticipated it will take several years to update the plans and employees salaries to current market conditions. The FY 2014-15 Budget also included a total of 23 new positions to support existing and growing demands for services. The FY 2014-15 Budget also partially reinstates the equipment replacement program. Looking ahead to FY 2015-16, the City continued the implementation of the compensation plan (an additional 50 percent of the cost). Now, the City has implemented 90% of the costs of compensation plan update. Additional positions to support infrastructure, public safety, growth and development as well as administration (IT and Finance) were included in the budget. The City also increased further reinstated the equipment replacement program.
- General Fund operating expenditures and transfers out were \$52.7 million in FY 2014-15 (this amount reflects only the General Fund, not the Equipment Replacement and Facilities Maintenance Funds). The General Fund (stand alone) expenditure budget for FY 2015-16 is \$55.3 million; the increase is driven by the programs described above i.e. compensation plan implementation and additional positions.

#### **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 City's finances and to demonstrate the City's accountability for the money it receives. For questions about this report, separately issued statements for New Braunfels Utilities or the Housing Authority, or for additional financial information, contact the City's Support Services Department.

## BASIC FINANCIAL STATEMENTS

**CITY OF NEW BRAUNFELS, TEXAS**  
**STATEMENT OF NET POSITION**  
**September 30, 2015**

	Primary Government			Component
	Governmental	Business-type	Total	Units
	Activities	Activities		
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 7,991,926	\$ 1,222,449	\$ 9,214,375	\$ 45,187,675
Pooled and Temporary Investments	68,108,068	2,812,690	70,920,758	49,007,273
Receivables, Net	6,893,471	16,557	6,910,028	19,631,686
Due from Other Governments	360,353	-	360,353	-
Inventories, at Cost	-	62,009	62,009	1,259,240
Prepaid Items	-	-	-	207,161
Other Current Assets	-	-	-	1,432,903
Restricted Assets				
Cash and Cash Equivalents	-	-	-	1,040,222
Pooled and Temporary Investments	-	-	-	2,850,561
Other Noncurrent Assets	-	-	-	1,514,463
Capital Assets				
Land and Construction in Progress	25,821,847	2,298,941	28,120,788	
Other Capital Assets, Net	92,797,243	33,068,548	125,865,791	340,286,666
<b>Total Assets</b>	<b>201,972,908</b>	<b>39,481,194</b>	<b>241,454,102</b>	<b>462,417,850</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Deferred Outflows	4,322,089	451,156	4,773,245	1,656,204
Deferred Charge on Refunding	2,099,811	-	2,099,811	-
<b>Total Deferred Outflows of Resources</b>	<b>6,421,900</b>	<b>451,156</b>	<b>6,873,056</b>	<b>1,656,204</b>
<b>LIABILITIES</b>				
Accounts Payable	4,408,536	226,814	4,635,350	20,185,041
Deposits Payable	275,300	122,942	398,242	4,667,473
Accrued Expenses Payable	4,351,196	1,928	4,353,124	206,810
Internal Balances	(64,022)	64,022	-	-
Unearned Revenue	-	58,325	58,325	1,374,593
Noncurrent Liabilities				
Due Within One Year:				
Bonds Payable	8,215,892	-	8,215,892	1,783,206
Loan Payable	119,891	128,485	248,376	-
Accrued Compensated Absences	2,279,423	220,518	2,499,941	808,414
Due in More Than One Year:				
Bonds Payable	146,913,888	-	146,913,888	68,578,172
Loan Payable	433,280	464,199	897,479	-
Net Pension Obligation	25,594,031	2,671,609	28,265,640	5,876,095
Net OPEB Obligation	7,555,621	818,905	8,374,526	-
Accrued Compensated Absences	2,387,387	-	2,387,387	785,267
<b>Total Liabilities</b>	<b>202,470,423</b>	<b>4,777,747</b>	<b>207,248,170</b>	<b>104,265,071</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Deferred Inflows	779,864	81,405	861,269	554,510
<b>NET POSITION</b>				
Net Investment in Capital Assets	5,120,851	34,774,805	39,895,656	271,082,390
Restricted for				
Debt Service	432,568	-	432,568	150,013
Capital Projects	6,667,883	-	6,667,883	-
Cemetery Perpetual Care (Nonexpendable)	94,399	-	94,399	-
Grants	207,744	-	207,744	-
Impact Fees	-	-	-	593,172
Municipal Court	182,707	-	182,707	-
Library	7,820	-	7,820	-
Public Safety	402,326	-	402,326	-
Tourism	2,923,945	-	2,923,945	-
Unrestricted	(10,895,722)	298,393	(10,597,329)	87,428,898
<b>Total Net Position</b>	<b>\$ 5,144,521</b>	<b>\$ 35,073,198</b>	<b>\$ 40,217,719</b>	<b>\$ 359,254,473</b>

The accompany notes are an integral part of these financial statements.

## CITY OF NEW BRAUNFELS, TEXAS

## STATEMENT OF ACTIVITIES

Year Ended September 30, 2015

Functions / Programs	Expenses	Program Revenues		
		Charges for	Operating	Capital
		Services	Grants and	Grants and
			Contributions	Contributions
<b>Primary Government</b>				
<b>Governmental Activities</b>				
General Government	\$ 17,936,214	\$ 1,264,769	\$ 7,414	\$ -
Finance and Tax	719,339	-	-	-
Planning and Environmental Development	2,621,685	3,912,020	-	-
Public Safety	33,327,073	3,841,175	1,200,976	-
Public Works	9,376,542	1,075,924	-	-
Parks and Recreation	8,550,889	1,642,368	754,215	-
Civic Center	191,373	8,380	-	-
Library	1,968,823	101,555	-	-
Airport	48,151	-	-	-
Interest and Fees on Long-Term Debt	5,368,665	-	-	-
Total Governmental Activities	80,108,754	11,846,191	1,962,605	-
<b>Business-Type Activities</b>				
Airport	2,778,235	2,317,127	50,000	-
Solid Waste	6,669,896	7,985,082	-	-
Golf Course	1,775,315	1,377,574	-	290,498
Civic Center	893,781	418,499	-	-
Total Business-Type Activities	12,117,227	12,098,282	50,000	290,498
<b>Total Primary Government</b>	<b>\$ 92,225,981</b>	<b>\$ 23,944,473</b>	<b>\$ 2,012,605</b>	<b>\$ 290,498</b>
<b>Component Units</b>				
Industrial Development Corporation	\$ 3,561,854	\$ -	\$ -	
New Braunfels Utilities	127,331,454	131,222,831	-	19,549,481
Total Component Units	\$ 130,893,308	\$ 131,222,831	\$ -	\$ 19,549,481

**General Revenues and Transfers**

Taxes  
     Property  
     Sales  
     Hotel/Motel Occupancy  
     Franchise  
     Mixed Beverage  
 Investment Income  
 Contributions Not Restricted to Programs  
 Miscellaneous  
 Transfers  
 Total General Revenues and Transfers

**Change in Net Position****Net Position - Beginning****Cumulative Effect of Change in Accounting Principal****Net Position - Ending**

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Units
Governmental Activities	Business-Type Activities	Total	
\$ (16,664,031)	\$ -	\$ (16,664,031)	
(719,339)	-	(719,339)	
1,290,335	-	1,290,335	
(28,284,922)	-	(28,284,922)	
(8,300,618)	-	(8,300,618)	
(6,154,306)	-	(6,154,306)	
(182,993)	-	(182,993)	
(1,867,268)	-	(1,867,268)	
(48,151)	-	(48,151)	
(5,368,665)	-	(5,368,665)	
(66,299,958)	-	(66,299,958)	
	(411,108)	(411,108)	
	1,315,186	1,315,186	
	(107,243)	(107,243)	
	(475,282)	(475,282)	
	321,553	321,553	
	321,553	(65,978,405)	
			\$ (3,561,854)
			23,440,858
			19,879,004
24,114,769	-	24,114,769	-
18,608,117	-	18,608,117	5,369,215
3,812,977	-	3,812,977	-
8,434,827	-	8,434,827	-
439,249	-	439,249	-
46,751	1,584	48,335	302,855
2,335,502	-	2,335,502	-
3,643,167	86,235	3,729,402	53,193
284,485	(284,485)	-	-
61,719,844	(196,666)	61,523,178	5,725,263
(4,580,114)	124,887	(4,455,227)	25,604,267
28,800,789	36,926,878	65,727,667	345,285,857
(19,076,154)	(1,978,567)	(21,054,721)	(11,635,651)
\$ 5,144,521	\$ 35,073,198	\$ 40,217,719	\$ 359,254,473

The accompanying notes are an integral part of these financial statements.

**CITY OF NEW BRAUNFELS, TEXAS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2015**

	<b>General Fund</b>	<b>Hotel / Motel Tax Fund</b>	<b>Debt Service Fund</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 46,785	\$ 538,750	\$ 1,071,665
Investments	20,060,265	1,142,769	462,201
Receivables (Net of Allowances for Uncollectibles)			
Interest	2,858	-	-
Accounts	5,592,192	18,730	-
Taxes	302,044	523,589	193,181
Due from Other Governments	38,160	-	23,615
Due from Other Funds	-	-	-
<b>Total Assets</b>	<b>\$ 26,042,304</b>	<b>\$ 2,223,838</b>	<b>\$ 1,750,662</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 2,190,710	\$ 447,158	\$ 139,564
Due to Other Governments	3,330	-	-
Deposits Payable	275,300	-	-
Accrued Expenditures	1,992,048	-	-
Due to Other Funds	282,421	-	-
<b>Total Liabilities</b>	<b>4,743,809</b>	<b>447,158</b>	<b>139,564</b>
<b>Deferred inflows of resources</b>			
Unavailable Revenue	\$ 302,044	\$ -	\$ 193,181
<b>Fund Balance</b>			
Nonspendable		-	-
Restricted	-	1,776,680	1,417,917
Committed	-	-	-
Assigned	4,319,146	-	-
Unassigned	16,677,305	-	-
<b>Total Fund Balance</b>	<b>20,996,451</b>	<b>1,776,680</b>	<b>1,417,917</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 26,042,304</b>	<b>\$ 2,223,838</b>	<b>\$ 1,750,662</b>



<b>General Obligation 2014 Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 6,334,726	\$ 7,991,926
23,099,861	22,841,620	67,606,716
-	-	2,858
-	73,565	5,684,487
-	-	1,018,814
-	301,908	363,683
-	1,647,460	1,647,460
<u>\$ 23,099,861</u>	<u>\$ 31,199,279</u>	<u>\$ 84,315,944</u>
\$ 894,809	\$ 736,295	\$ 4,408,536
-	-	3,330
-	-	275,300
-	-	1,992,048
455,783	440,188	1,178,392
<u>1,350,592</u>	<u>1,176,483</u>	<u>7,857,606</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 495,225</u>
-	94,399	94,399
21,749,269	26,951,377	51,895,243
-	3,188,067	3,188,067
-	-	4,319,146
-	(211,047)	16,466,258
<u>21,749,269</u>	<u>30,022,796</u>	<u>75,963,113</u>
<u>\$ 23,099,861</u>	<u>\$ 31,199,279</u>	<u>\$ 84,315,944</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF NEW BRAUNFELS, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**September 30, 2015**

<b>Total Fund Balances - Governmental Funds</b>	\$ 75,963,113
---	---------------

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 are not reported in the governmental funds balance sheet.	118,619,090
Bonds (\$148,315,000) and notes payable (\$553,171) are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds balance sheet.	(148,868,171)
Net pension obligation (\$25,594,031) and other postemployment benefits obligation (\$7,555,621) are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds balance sheet.	(33,149,652)
Deferred inflows and outflows of resources related to the net pension liability and not reported in the funds:	
Pension Deferred Outflows	4,322,089
Pension Deferred Inflows	(779,864)
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.	(4,666,810)
Litigation claim is accrued in the government-wide financial statements, whereas in the fund financial statements, this expense is reported when due.	(897,000)
Interest payable on bonds is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expense is reported when due.	(1,178,530)
Premium on bond issuance and deferred loss on bond refunding are recorded as other financing sources and uses in the fund financial statements but are capitalized and amortized in the government-wide financial statements over the life of the bonds.	(4,714,969)
Revenues from property taxes, fines and federal grant revenue are unavailable in the fund financial statements until they are considered available to fund current expenditures, but such revenues are recognized in the government-wide financial statements.	495,225

<b>Net Position of Governmental Activities</b>	\$ 5,144,521
--	--------------

The accompanying notes are an integral part of these financial statements.

**CITY OF NEW BRAUNFELS, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**Year Ended September 30, 2015**

	<b>General Fund</b>	<b>Hotel / Motel Tax Fund</b>	<b>Debt Service Fund</b>
<b>REVENUES</b>			
Taxes	\$ 39,223,814	\$ 3,812,977	\$ 10,158,271
Licenses and Permits	3,045,779	-	-
Intergovernmental	242,008	-	-
Fines and Forfeitures	1,327,724	-	-
Parks and Recreation	1,176,073	-	-
Interest	20,892	592	263
Federal Grants	-	-	-
State and Local Grants	-	-	-
Miscellaneous	1,333,797	49	300
Other Contributions	70,000	-	1,665,563
Charges for Services	3,359,678	-	-
Total Revenues	<u>49,799,765</u>	<u>3,813,618</u>	<u>11,824,397</u>
<b>EXPENDITURES</b>			
<b>Current</b>			
General Government	6,327,798	2,464,917	1
Finance and Tax	854,754	-	-
Planning and Environmental Development	2,614,493	-	-
Public Safety	29,418,328	-	-
Public Works	5,800,146	-	-
Parks and Recreation	4,471,393	-	-
Civic Center	-	223,080	-
Library	2,009,689	-	-
Airport	-	-	-
<b>Debt Service</b>			
Principal	119,891	-	7,685,000
Interest	14,066	-	5,042,245
Bond Issuance Costs and Fees	-	-	204,335
Total Expenditures	<u>51,630,558</u>	<u>2,687,997</u>	<u>12,931,581</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	<u>(1,830,793)</u>	<u>1,125,621</u>	<u>(1,107,184)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	797,271	-	1,488,929
Transfers Out	(608,282)	(916,339)	-
Proceeds from Sale of Capital Assets	18,800	-	-
Proceeds from Long-term Debt Issued	-	-	14,775,000
Premium Received on the Issuance of Debt	-	-	2,083,117
Payments to Escrow Agent for Bond Refunding	-	-	(17,101,256)
Total Other Financing Sources (Uses)	<u>207,789</u>	<u>(916,339)</u>	<u>1,245,790</u>
<b>Net Change in Fund Balance</b>	(1,623,004)	209,282	138,606
<b>Fund Balance - October 1</b>	<u>22,619,455</u>	<u>1,567,398</u>	<u>1,279,311</u>
<b>Fund Balance - September 30</b>	<u>\$ 20,996,451</u>	<u>\$ 1,776,680</u>	<u>\$ 1,417,917</u>

<b>General Obligation 2014 Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 2,010,219	\$ 55,205,281
-	6,100	3,051,879
-	-	242,008
-	415,347	1,743,071
-	1,130,315	2,306,388
9,190	15,529	46,466
-	758,291	758,291
-	368,091	368,091
-	2,131,848	3,465,994
-	1,638,353	3,373,916
-	213,038	3,572,716
<u>9,190</u>	<u>8,687,131</u>	<u>74,134,101</u>
-	2,902,321	11,695,037
-	-	854,754
-	368,012	2,982,505
-	1,715,343	31,133,671
4,172,390	5,258,859	15,231,395
-	7,173,373	11,644,766
-	72,536	295,616
-	177,857	2,187,546
-	407,699	407,699
-	-	7,804,891
-	-	5,056,311
199,379	147,119	550,833
<u>4,371,769</u>	<u>18,223,119</u>	<u>89,845,024</u>
<u>(4,362,579)</u>	<u>(9,535,988)</u>	<u>(15,710,923)</u>
-	2,143,780	4,429,980
-	-	(1,524,621)
-	282,665	301,465
14,485,000	6,680,000	35,940,000
1,004,379	222,119	3,309,615
-	-	(17,101,256)
<u>15,489,379</u>	<u>9,328,564</u>	<u>25,355,183</u>
11,126,800	(207,424)	9,644,260
<u>10,622,469</u>	<u>30,230,220</u>	<u>66,318,853</u>
<u>\$ 21,749,269</u>	<u>\$ 30,022,796</u>	<u>\$ 75,963,113</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF NEW BRAUNFELS, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**  
**Year Ended September 30, 2015**

<b>Total Net Change in Fund Balance - Governmental Funds</b>	\$ 9,644,260
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
The City uses internal service funds to charge the costs of certain activities to individual funds. Net change in net position of the internal service funds is reported with governmental activities.	(991,788)
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements.	14,056,506
Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources.	(10,331,204)
The issuance of bonds (\$35,940,000) is reported as other financing sources in the fund financial statements but is shown as increases in long-term debt in the government-wide financial statements.	(35,940,000)
Bond principal payments are expenditures in the fund financial statements, but they are shown as reductions in long-term debt in the government-wide financial statements.	7,804,891
Bonds refunded are reported as other financing sources in the fund financial statements but are shown as a decrease in long-term debt in the government-wide financial statements.	17,101,256
Deferred losses on refunding and bond premiums are amortized over the life of the bonds in the government-wide financial statements. The net effect of capitalizing bond premiums and deferred loss, and the amortization of bond premiums and deferred charge on refunding decreases net position.	(2,883,757)
Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expense is reported when due.	(187,379)
Long-term liabilities for certain employee benefits are accrued in the government-wide financial statements, but are not reported in the fund financial statements.	
Increase in compensated absences	(574,516)
Increase in net pension obligation and related deferred inflows of pension costs	(49,971)
Increase in other postemployment benefit obligation	(1,331,412)
Litigation claim is accrued in the government-wide financial statements, whereas in the fund financial statements, this claim expense is reported when due.	(897,000)
<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ (4,580,114)</u></u>

The accompanying notes are an integral part of these financial statements.

**CITY OF NEW BRAUNFELS, TEXAS**  
**STATEMENT OF FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**September 30, 2015**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Airport</b>	<b>Solid Waste</b>	<b>Golf Course</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 522,198	\$ 458,276	\$ -
Pooled and Temporary Investments	-	2,511,217	301,473
Receivables (Net of Allowances for Uncollectibles)			
Accounts	13,120	-	3,437
Inventories, at Cost	-	62,009	-
Total Current Assets	<u>535,318</u>	<u>3,031,502</u>	<u>304,910</u>
<b>Noncurrent Assets</b>			
Capital Assets (Net of Accumulated Depreciation)			
Nondepreciable	2,163,941	-	135,000
Depreciable	12,970,682	5,354,221	7,556,552
Total Noncurrent Assets	<u>15,134,623</u>	<u>5,354,221</u>	<u>7,691,552</u>
<b>Total Assets</b>	<u>15,669,941</u>	<u>8,385,723</u>	<u>7,996,462</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Deferred Outflows	44,880	300,043	72,435
<b>Total Deferred Outflows</b>	<u>44,880</u>	<u>300,043</u>	<u>72,435</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	47,274	149,003	13,582
Due to Other Funds	-	-	64,022
Deposits Payable	52,376	-	-
Accrued Expenses Payable	3	42	1,883
Unearned Revenue	-	-	58,325
Current Portion of Long-Term Liabilities			
Accrued Compensated Absences	15,664	182,876	12,959
Loan Payable	-	-	128,485
Total Current Liabilities	<u>115,317</u>	<u>331,921</u>	<u>279,256</u>
<b>Long-Term Liabilities (Net of Current Portion)</b>			
Net Pension Obligation	265,768	1,776,757	428,942
Net Other Postemployment Benefits Obligation	70,677	548,223	128,897
Loan Payable	-	-	464,199
Total Noncurrent Liabilities	<u>336,445</u>	<u>2,324,980</u>	<u>1,022,038</u>
Total Liabilities	<u>451,762</u>	<u>2,656,901</u>	<u>1,301,294</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Deferred Inflows	8,098	54,139	13,070
<b>Total Deferred Inflows</b>	<u>8,098</u>	<u>54,139</u>	<u>13,070</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	15,134,623	5,354,221	7,098,868
Unrestricted (Deficit)	<u>120,338</u>	<u>620,505</u>	<u>(344,335)</u>
<b>Total Net Position</b>	<u>\$ 15,254,961</u>	<u>\$ 5,974,726</u>	<u>\$ 6,754,533</u>

		Governmental Activities	
Civic Center	Total	Internal Service	
\$ 241,975	\$ 1,222,449	\$ -	
-	2,812,690	501,352	
-	16,557	187,312	
-	62,009	-	
241,975	4,113,705	688,664	
-	2,298,941	-	
7,187,093	33,068,548	-	
7,187,093	35,367,489	-	
7,429,068	39,481,194	688,664	
33,798	451,156	-	
33,798	451,156	-	
16,955	226,814	-	
-	64,022	405,046	
70,566	122,942	-	
-	1,928	283,618	
-	58,325	-	
9,019	220,518	-	
-	128,485	-	
96,540	823,034	688,664	
200,142	2,671,609	-	
71,108	818,905	-	
-	464,199	-	
271,250	3,954,713	-	
367,790	4,777,747	688,664	
6,098	81,405	-	
6,098	81,405	-	
7,187,093	34,774,805	-	
(98,115)	298,393	-	
\$ 7,088,978	\$ 35,073,198	\$ -	

The accompanying notes are an integral part of these financial statements.



**CITY OF NEW BRAUNFELS, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**Year Ended September 30, 2015**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Airport</b>	<b>Solid Waste</b>	<b>Golf Course</b>
<b>OPERATING REVENUE</b>			
Charges for Services	\$ 2,317,127	\$ 7,985,082	\$ 1,377,574
State and Local Grants	50,000	-	-
Miscellaneous	346	83,188	-
Total Operating Revenues	<u>2,367,473</u>	<u>8,068,270</u>	<u>1,377,574</u>
<b>OPERATING EXPENSES</b>			
Insurance Premiums	-	-	-
Claims	-	-	-
Personnel	424,267	2,973,755	730,782
Fuel and Oil for Resale	1,068,822	-	-
Depreciation and Amortization	902,754	1,232,930	654,357
Purchased Services	249,503	1,529,497	139,990
Professional Services	46,957	18,025	-
Supplies	85,932	915,689	238,001
Total Operating Expenses	<u>2,778,235</u>	<u>6,669,896</u>	<u>1,763,130</u>
<b>Operating Income (Loss)</b>	<u>(410,762)</u>	<u>1,398,374</u>	<u>(385,556)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Income	-	1,427	157
Interest Expense	-	-	(12,185)
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>1,427</u>	<u>(12,028)</u>
<b>Income Before Contributions and Transfers</b>	<u>(410,762)</u>	<u>1,399,801</u>	<u>(397,584)</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>			
Capital Contributions	417,900	1,831,099	784,962
Transfers In	146,500	-	-
Transfers Out	(387,453)	(2,477,761)	(545,732)
Total Contributions and Transfers	<u>176,947</u>	<u>(646,662)</u>	<u>239,230</u>
<b>Change in Net Position</b>	<u>(233,815)</u>	<u>753,139</u>	<u>(158,354)</u>
<b>Net Position - Beginning of Year</b>	15,689,695	6,534,889	7,232,997
<b>Cumulative effect of change in accounting principle</b>	<u>(200,919)</u>	<u>(1,313,302)</u>	<u>(320,110)</u>
<b>Net Position - Beginning of Year as Restated</b>	<u>15,488,776</u>	<u>5,221,587</u>	<u>6,912,887</u>
<b>Net Position - End of Year</b>	<u>\$ 15,254,961</u>	<u>\$ 5,974,726</u>	<u>\$ 6,754,533</u>

		<b>Governmental Activities</b>	
		<b>Internal Service</b>	
<b>Civic Center</b>	<b>Total</b>		
\$ 418,499	\$ 12,098,282	\$ 5,600,810	
-	50,000	-	
2,701	86,235	3,794	
421,200	12,234,517	5,604,604	
-	-	602,204	
-	-	6,071,914	
332,954	4,461,758	-	
-	1,068,822	-	
332,203	3,122,244	-	
179,980	2,098,970	-	
200	65,182	109,331	
48,444	1,288,066	540	
893,781	12,105,042	6,783,989	
(472,581)	129,475	(1,179,385)	
-	1,584	285	
-	(12,185)	-	
-	(10,601)	285	
(472,581)	118,874	(1,179,100)	
64,723	3,098,684	-	
204,410	350,910	187,312	
(32,635)	(3,443,581)	-	
236,498	6,013	187,312	
(236,083)	124,887	(991,788)	
7,469,297	36,926,878	991,788	
(144,236)	(1,978,567)	-	
7,325,061	34,948,311	991,788	
\$ 7,088,978	\$ 35,073,198	\$ -	

The accompanying notes are an integral part of these financial statements.

**CITY OF NEW BRAUNFELS, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year Ended September 30, 2015**

	<b><u>Business-type Activities - Enterprise Funds</u></b>	
	<b><u>Airport</u></b>	<b><u>Solid Waste</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers	\$ 2,370,151	\$ 8,068,270
Cash Received for Interfund Services Provided and Used	-	-
Cash Paid for Supplies and Materials	(1,435,222)	(2,428,240)
Cash Paid for Premiums, Claims, and Administrative Charges	-	-
Cash Paid for Personnel Services	(422,059)	(2,986,920)
Net Cash Provided by (Used in) Operating Activities	<u>512,870</u>	<u>2,653,110</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Cash Received from Other Funds	146,500	-
Cash Contribution Received	-	-
Cash Paid to Other Funds	(387,453)	(2,477,761)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(240,953)</u>	<u>(2,477,761)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Payments on Loan Payable	-	-
Interest Paid on Long-Term Debt	-	-
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash Paid for Purchase of Investments	-	-
Cash Received from Interest Income	-	-
Net Cash Provided by (Used in) Investing Activities	<u>-</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	271,917	175,349
<b>Cash and Cash Equivalents - October 1</b>	<u>250,281</u>	<u>282,927</u>
<b>Cash and Cash Equivalents - September 30</b>	<u><u>\$ 522,198</u></u>	<u><u>\$ 458,276</u></u>

Business-type Activities - Enterprise Fund			Governmental Activities
Golf Course	Civic Center	Total	Internal Service
\$ 1,326,583	\$ 435,216	\$ 12,200,220	\$ -
-	-	-	5,417,292
(386,017)	(231,984)	(4,481,463)	-
-	-	-	(6,783,989)
(671,875)	(346,891)	(4,427,745)	555,471
268,691	(143,659)	3,291,012	(811,226)
-	204,410	350,910	187,312
290,500	-	290,500	-
(545,732)	(32,635)	(3,443,581)	-
(255,232)	171,775	(2,802,171)	187,312
(128,485)	-	(128,485)	-
(12,185)	-	(12,185)	-
(140,670)	-	(140,670)	-
-	-	-	-
-	-	-	-
-	-	-	-
(127,211)	28,116	348,171	(623,914)
127,211	213,859	874,278	623,914
\$ -	\$ 241,975	\$ 1,222,449	\$ -

**CITY OF NEW BRAUNFELS, TEXAS**  
**STATEMENT OF CASH FLOWS - continued**  
**PROPRIETARY FUNDS**  
**Year Ended September 30, 2015**

	<b>Business-type Activities - Enterprise Funds</b>	
	<b>Airport</b>	<b>Solid Waste</b>
<b>RECONCILIATION OF OPERATING INCOME LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ (410,762)	\$ 1,398,374
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Depreciation and Amortization	902,754	1,232,930
(Increase) Decrease in Operating Assets:		
Accounts Receivable (net)	3,307	-
Inventories	-	(21,852)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	15,992	56,823
Accrued Expenses	(12,989)	(114,507)
Due to Other Funds	-	-
Unearned Revenue	-	-
Net Pension/Other Postemployment Benefits Obligations	14,341	95,806
Accrued Compensated Absences	856	5,536
Customer Deposits	(629)	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ 512,870</u>	<u>\$ 2,653,110</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITY</b>		
Capital Assets Contributed from Governmental Funds	<u>\$ 417,900</u>	<u>\$ 1,831,099</u>

<b>Business-type Activities - Enterprise Fund</b>			<b>Governmental Activities</b>
<b>Golf Course</b>	<b>Civic Center</b>	<b>Total</b>	<b>Internal Service</b>
\$ (385,556)	\$ (472,581)	\$ 129,475	\$ (1,179,385)
654,357	332,203	3,122,244	-
(3,437)	-	(130)	(187,312)
-	-	(21,852)	-
(8,026)	(3,360)	61,429	-
(22,705)	(12,200)	(162,401)	150,425
64,022	-	64,022	405,046
(47,554)	-	(47,554)	-
23,187	10,832	144,166	-
(5,597)	(12,569)	(11,774)	-
	14,016	13,387	-
<u>\$ 268,691</u>	<u>\$ (143,659)</u>	<u>\$ 3,291,012</u>	<u>\$ (811,226)</u>
<u>\$ 494,464</u>	<u>\$ 64,723</u>	<u>\$ 2,808,186</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING STATEMENT OF NET POSITION**  
**COMPONENT UNITS**  
**September 30, 2015**

	<b>Industrial Development Corporation</b>	<b>New Braunfels Utilities</b>	<b>Total Component Units</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 7,959,987	\$ 37,227,688	\$ 45,187,675
Pooled and Temporary Investments	9,724,630	23,019,054	32,743,684
Receivables (Net of Allowances for Uncollectibles)			
Interest	-	43,025	43,025
Accounts	1,187,473	18,401,188	19,588,661
Inventory	-	1,259,240	1,259,240
Prepaid Items	-	207,161	207,161
Other Current Assets	-	1,432,903	1,432,903
Restricted Assets			
Cash and Cash Equivalents	-	1,040,222	1,040,222
Investments	-	850,522	850,522
<b>Noncurrent Assets</b>			
Investments			
Restricted	-	2,000,039	2,000,039
Unrestricted	-	16,263,589	16,263,589
Other Noncurrent Assets	-	1,514,463	1,514,463
Capital Assets, Net of Depreciation	-	340,286,666	340,286,666
<b>Total Assets</b>	<u>18,872,090</u>	<u>443,545,760</u>	<u>462,417,850</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Deferred Outflows	-	1,656,204	1,656,204
<b>Total Assets and Deferred Outflows</b>	<u><u>\$ 18,872,090</u></u>	<u><u>\$ 445,201,964</u></u>	<u><u>\$ 464,074,054</u></u>
<b>LIABILITIES AND NET POSITION</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 102,049	\$ 20,082,992	\$ 20,185,041
Deposits Payable	-	4,667,473	4,667,473
Accrued Expenses Payable	-	206,810	206,810
Noncurrent Liabilities			
Due Within One Year			
Compensated Absences	-	808,414	808,414
Revenue Bonds Payable Current	-	1,783,206	1,783,206
Due in More than One Year			
Compensated Absences	-	785,267	785,267
Long-term Debt, Net of Discount	-	68,578,172	68,578,172
Net Pension Liability	-	5,876,095	5,876,095
Deferred Revenue	-	1,374,593	1,374,593
<b>Total Liabilities</b>	<u>102,049</u>	<u>104,163,022</u>	<u>104,265,071</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Deferred Inflows	-	554,510	554,510
<b>Net Position</b>			
Net Investment in Capital Assets	-	271,082,390	271,082,390
Restricted for			
Debt Service	-	150,013	150,013
Capital Projects	-	-	-
Other Purposes	-	593,172	593,172
Unrestricted	18,770,041	68,658,857	87,428,898
Total Net Position	<u>18,770,041</u>	<u>340,484,432</u>	<u>359,254,473</u>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<u><u>\$ 18,872,090</u></u>	<u><u>\$ 445,201,964</u></u>	<u><u>\$ 464,074,054</u></u>

The accompanying notes are an integral part of these financial statements.

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING STATEMENT OF ACTIVITIES**  
**COMPONENT UNITS**  
**Year Ended September 30, 2015**

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Industrial Development Corporation	New Braunfels Utilities	
<b>Component Units</b>							
Industrial Development Corporation	\$ 3,561,854	\$ -	\$ -	\$ -	\$ (3,561,854)	\$ -	\$ (3,561,854)
New Braunfels Utilities	127,331,454	131,222,831	-	19,549,481	-	23,440,858	23,440,858
Total Component Units	<u>\$ 130,893,308</u>	<u>\$ 131,222,831</u>	<u>\$ -</u>	<u>\$ 19,549,481</u>	<u>(3,561,854)</u>	<u>23,440,858</u>	<u>19,879,004</u>
<b>General Revenues</b>							
					5,369,215	-	5,369,215
Taxes- Sales Tax					27,546	275,309	302,855
Investment Income					53,193	-	53,193
Miscellaneous					<u>5,449,954</u>	<u>275,309</u>	<u>5,725,263</u>
Total General Revenues							
<b>Change in Net Position</b>					1,888,100	23,716,167	25,604,267
<b>Net Position - Beginning</b>					16,881,941	328,403,916	345,285,857
<b>Cumulative Effect of Change in Accounting Principal</b>					<u>-</u>	<u>(11,635,651)</u>	<u>(11,635,651)</u>
<b>Net Position - Ending</b>					<u>\$ 18,770,041</u>	<u>\$ 340,484,432</u>	<u>\$ 359,254,473</u>

The accompanying notes are an integral part of these financial statements.



**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 1: REPORTING ENTITY**

The financial statements of the City of New Braunfels, Texas (the City) have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

This report includes all of the funds of the City of New Braunfels. The reporting entity for the City consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate tax exempt organization should be reported as a component unit of the reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; and (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government.

Based on the above criteria, the City has the following discretely presented component units:

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 New Braunfels Utility 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 entity's administrative offices at 263 Main Plaza, New Braunfels, Texas 78130. The NBU's financial statements are presented on a July 31, 2015 year-end.

The New Braunfels Industrial Development Corporation is a legally separate nonprofit entity which was organized under the laws of the State of Texas to provide economic development benefits for the City of New Braunfels. The entity is presented as a governmental component unit. City Council appoints the board of directors and approves expenditures. Separate financial statements are not prepared.

The City also has the following related organization:

The Housing Authority of the City of New Braunfels is a nonprofit entity which was organized under the laws of the State of Texas to provide housing for qualified individuals in accordance with the rules and regulations prescribed by the U.S. Department of Housing and Urban Development. City Council appoints the board of directors of the Authority. However, the City is not financially accountable for the Authority, because the Authority's operations are subsidized by the federal government, it sets its own budget subject to federal approval, sets its rental rate, and it can issue debt in its own name. The City is not responsible for deficits or liabilities of the Authority. Separately audited financial statements may be obtained at the City's administrative offices at 424 Castell Avenue, New Braunfels, Texas 78130.

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the City conform to generally accepted accounting principles in the United States of America (GAAP) applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) and those principles prescribed by the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units. The following is a summary of the more significant policies and practices used by the City.

**Government-wide and fund financial statements**

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole. The primary government and component units are presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities (generally supported by taxes and City general revenue) from business-type activities (generally financed in whole or in part with fees charged to external customers). As a general rule, the effect of interfund activity had been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operations or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. 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.

**Governmental funds**

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 government 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.

Property taxes, franchise taxes, 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The City reports the following major governmental funds:

*General Fund:* This is the City's primary operating fund. It accounts for all financial resources of the City except those required to be accounted for in another fund.

*Hotel/Motel Tax Fund:* This fund accounts for the tax collections of the hotel/motel occupancy taxes and the disbursement of those funds. This is accounted for as a special revenue fund type of the City.

*Debt Service Fund:* This fund is used to report ad valorem taxes collected for debt retirement, and the related principal and interest payments on the debt.

*General Obligation:* This fund accounts for the expenditures of the proceeds from the June 2014 debt issuance for street improvements, construction of drainage, equip parks and a recreation center, and construct and build Central Texas Technology Center. This fund also accounts for the expenditures of the proceeds from the April 2015 debt issuance for street improvements, construction of drainage improvements, and construct and equip parks and a recreation center.

In addition, the City reports the following nonmajor governmental fund types:

*Special Revenue Funds:* These funds are used to separately account for funds related to state-mandated funds, grants, contracts, or by council designation.

*Capital Projects Funds:* These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

*Permanent Fund:* The City uses this fund 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.

**Proprietary funds**

Proprietary funds are those used to account for the City's ongoing organizations and activities which are similar to those found in the private sector. The measurement focus is upon capital maintenance and upon determination of net position and changes in net position.

The City reports the following major enterprise funds:

*The Airport, Solid Waste, Golf Course, and Civic/Convention Center Funds* are major enterprise funds of the City. These funds are used to account for revenues and expenses related to goods and services for the respective activity.

Additionally, the City reports the following proprietary fund:

*Internal Service Fund:* This fund is used to account for revenues and expenses related to services provided to parties inside the City. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the City's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements. The City's self-funded health plan is accounted for in this fund.

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 for services. Operating expenses for enterprise funds and internal service funds 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.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Additionally, the City would first use restricted, then committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Stewardship, compliance, and accountability**

**Budgetary information**

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 meetings 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 for all governmental funds except the capital projects funds, which adopted project-length budgets. The legal level of budgetary control (i.e., the level at which expenditures may not exceed appropriations) is the fund, department, and at the group level for all funds in similar expenditure categories with the following exceptions. Budgets are controlled at the division level for Support Services, Planning and Community Development and Public Works divisions. 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.

**Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of estimates by management. Actual results could differ from those estimates.

**Encumbrances**

Encumbrances represent commitments related to unperformed (executor) contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, or other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as restricted, committed or assigned fund balance and do not constitute expenditures or liabilities since the commitments will be honored during the subsequent year.

**Assets, liabilities, and net position or equity**

**Cash and cash equivalents**

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

**Property taxes**

Property taxes are levied by October 1 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 on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period and those expected to be collected during a 60 day period after the close of the City's fiscal year.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Inventories and prepaid items

The City records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Streets/Drainage Infrastructure	20 Years
Buildings	30 Years
Building Improvements	20 Years
Equipment	5- 7 Years

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only two items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunded debt results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Second is the deferred outflows related to the GASB Statement No. 68 pension liability. Details of this balance are included in Note 8.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of this item, one of which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is the deferred inflows related to the GASB Statement No. 68 pension liability. Details of this balance are included in Note 8.

Pensions

For 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's 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.

Receivables and payables

The City believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Compensated absences

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 October 1, 2011. Employees are paid for all accrued vacation leave when they leave the City's employ. The City accrues its liability for such accumulated unpaid benefits in the government-wide financial statements and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Fund balance

In the fund financial statements, governmental funds report the following classifications of fund balance:

*Nonspendable* - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The City's fund balance reported as Nonspendable at September 30, 2015 include amounts both nonspendable in form (for inventories) and amounts that are legally or contractually required to be maintained intact (Cemetery Perpetual Care Permanent Fund).

*Restricted* - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law through constitutional provisions or enabling legislation.

*Committed* - includes amounts that can be used only for the specific purposes as established by a Council resolution.

*Assigned* - includes amounts that are constrained by the City Council that are intended to be used for specific purposes but are neither restricted nor committed.

*Unassigned* - includes amounts that have not been assigned to other funds or restricted, committed, or assigned to a specific purpose within the General Fund or deficit balances in other funds.

	<u>General Fund</u>	<u>Hotel/ Motel Tax Fund</u>	<u>Debt Service Fund</u>	<u>G.O. 2014 Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:						
Inventories	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cemetery Perpetual Care	-	-	-	-	94,399	94,399
Restricted to:						
Tourism	-	1,776,680	-	-	-	1,776,680
Debt Service	-	-	1,417,917	-	-	1,417,917
Grants	-	-	-	-	207,744	207,744
Stormwater Development	-	-	-	-	190,935	190,935
Library	-	-	-	-	7,820	7,820
Capital Projects	-	-	-	21,749,269	24,812,580	46,561,849
TIRZ	-	-	-	-	1,147,265	1,147,265
Law Enforcement	-	-	-	-	402,326	402,326
Municipal Court	-	-	-	-	182,707	182,707
Committed to:						
Special Donation	-	-	-	-	195,425	195,425
River Fund	-	-	-	-	-	-
IT	-	-	-	-	616,970	616,970
Enterprise Equipment	-	-	-	-	2,375,672	2,375,672
Assigned to:						
Equipment Replacement	4,319,146	-	-	-	-	4,319,146
Facilities Maintenance	-	-	-	-	-	-
Unassigned	16,677,305	-	-	-	(211,047)	16,466,258
	<u>\$ 20,996,451</u>	<u>\$ 1,776,680</u>	<u>\$ 1,417,917</u>	<u>\$ 21,749,269</u>	<u>\$ 30,022,796</u>	<u>\$ 75,963,113</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Minimum fund balance policy*

The City will maintain an operating reserve for use in the event of unanticipated, extraordinary expenditures and/or the loss of a major revenue source. In the General Fund, the operating reserve and specified contingencies shall be established at a minimum of 25 percent of the General Fund budgeted expenditures for the current fiscal year. For all other Special Revenue Funds, the operating reserve shall equal 10 percent of the budgeted annual expenditures. These funds can only be appropriated by an affirmative vote of five of the seven Council members.

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

The City will maintain a balance in the Debt Service Funds equal to not less than ten percent of the principal and interest payments on outstanding debt for each fiscal year. These funds can only be appropriated by an affirmative vote of five of the seven Council members.

Interfund activity

Interfund activity results from loans, services provided, reimbursements, or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination in the government-wide statements. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfer Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

**NOTE 3: CASH, CASH EQUIVALENTS, AND INVESTMENTS**

Deposits and investments

The City's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledged securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

Cash deposits

The City's cash deposits at September 30, 2015 were entirely covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name.

Investments

The City is required by Government Code Chapter 2256, the Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the area of investment practices, management reports, and establishment of appropriate policies. All investments are administered by City management under terms of an investment policy and strategy that is updated to conform to the Texas Public Funds Investment Act (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.

The Act determines the types of investments which are allowable for the City. These include, with certain restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) local government investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 3: CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)**

The City's and New Braunfels Utilities cash and investments at September 30, 2015 are shown below.

Type of Security	Fair Value	Percentage of Total	Credit Rating	Investment Maturity		
				Less than 1 Year	1-2 Years	
Primary Government and Industrial						
Development Corporation						
Component Unit						
2A-7 like Local Government Pools	\$ 65,880,985	67.35%		\$ 65,880,985	\$ -	
Money Market Mutual Funds	12,168,574	12.44%		12,168,574	-	
Municipal Obligations	44,937	0.05%		44,937	-	
Federal Farm Credit Bank	1,400,920	1.43%	AAA	1,400,920	-	
Federal Home Loan Bank	1,149,972	1.18%	AAA	1,149,972	-	
Demand Deposits	17,174,362	17.56%		17,174,362	-	
Total Investments	<u>\$ 97,819,750</u>	<u>100.00%</u>		<u>\$ 97,819,750</u>	<u>\$ -</u>	
Component Unit - NBU						
U.S. Agencies	\$ 16,822,525	20.92%	AA+	\$ -	\$ 16,822,525	
U.S. Treasuries	2,017,968	2.51%	AAA	2,017,968	-	
Certificates of Deposit	23,292,711	28.97%		23,292,711	-	
Government Mutual Fund	9,256,508	11.51%	AAAm	9,256,508	-	
Demand Deposit and Money Market	25,589,800	31.83%		25,589,800	-	
Pooled Funds	3,421,602	4.26%	AAAm	3,421,602	-	
Total Investments	<u>\$ 80,401,114</u>	<u>100.00%</u>		<u>\$ 63,578,589</u>	<u>\$ 16,822,525</u>	

**Classification**

**Primary Government and Industrial Development**

**Corporation Component Unit**

Statement of Net Position-Primary Government	\$ 70,920,758
Statement of Net Position-Primary Government Cash	9,214,375
Industrial Development Corporation-Component Unit Cash	7,959,987
Industrial Development Corporation-Component Unit	9,724,630
	<u>\$ 97,819,750</u>

**Component Unit - NBU**

Cash and Cash Equivalents, Unrestricted	\$ 37,227,688
Investments, Short-term Unrestricted	23,019,054
Cash and Cash Equivalents, Restricted	1,040,222
Investments, Short-term Restricted	850,522
Investments, Long-term Restricted	2,000,039
Investments, Long-term Unrestricted	16,263,589
	<u>\$ 80,401,114</u>

**Analysis of specific deposit and investment risks**

GASB Statement No. 40 requires a determination as to whether the City was exposed to the following specific investment risks at year-end and if so, the reporting of certain related disclosures:



**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 3: CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)**

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year-end, neither the City nor its component units were significantly exposed to credit risk. At September 30, 2015, the City and its component unit's investments, other than those which are obligations of or guaranteed by the U.S. Government, are rated as to credit quality as shown in the above tables.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent. At year-end, neither the City nor its component units were exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year-end, the City's exposure to concentration of credit risk is shown in the table above as the percentage of each investment type. The City's adopted Investment Policy establishes diversification as a major objective of the investment program and sets diversification limits for all authorized investment types which are monitored on at least a monthly basis. Diversification limits are set by Policy as:

U.S. Obligations	90%	Repurchase Agreements	20%
U.S. Agencies/Instrumentalities	80%	LGIP	100%
Money Market Mutual Funds	25%	Certificates of Deposit	50%

NBU's policy places no limit on the amount NBU may invest in any one issuer.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. In order to limit interest and market rate risk from changes in interest rates, the City's adopted Investment Policy sets a maximum stated maturity limit of two years. The weighted average maturity (WAM) of the total City and the NBU portfolios are restricted to a maximum of 6 months and 450 days, respectively, and compared quarterly to the six-month Treasury Bill. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than two (2) years from the date of purchase. The maximum allowable stated maturity of any one individual investment owned by NBU shall not exceed five years from the time of purchase. At year-end, the City's exposure to interest rate risk is summarized in the above table. The dollar WAM of the total portfolio of the primary government was 303 days.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year-end, neither the City nor its component units were exposed to foreign currency risk.

**Investment accounting policy**

The City's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 3: CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)**

**Public funds investment pools**

Public funds investment pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the Act), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the fair value of its underlying investment portfolio within one half of one percent of the value of its shares.

The City's investments in Pools are reported at an amount determined by the fair value per share of the Pool's underlying portfolio, unless the Pool is 2a7-like, in which case they are reported at share value. A 2a7-like Pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 4: CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2015, was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<i>Governmental Activities</i>				
Capital Assets Not Being Depreciated				
Land	\$ 25,776,261	\$ 45,586	\$ -	\$ 25,821,847
Total - Capital Assets Not Being Depreciated	<u>25,776,261</u>	<u>45,586</u>	<u>-</u>	<u>25,821,847</u>
Capital Assets Being Depreciated				
Road Network	95,660,313	1,804,749	-	97,465,062
Buildings	47,823,359	704,257	-	48,527,616
Improvements Other than Buildings	32,446,822	9,428,315	-	41,875,137
Machinery and Equipment	<u>22,974,475</u>	<u>2,073,599</u>	<u>(62,460)</u>	<u>24,985,614</u>
Total - Capital Assets Being Depreciated	<u>198,904,969</u>	<u>14,010,920</u>	<u>(62,460)</u>	<u>212,853,429</u>
Less Accumulated Depreciation for:				
Road Network	(50,030,607)	(4,858,255)	-	(54,888,862)
Buildings	(31,221,838)	(1,004,811)	-	(32,226,649)
Improvements Other than Buildings	(11,128,823)	(1,473,984)	-	(12,602,807)
Machinery and Equipment	<u>(17,406,174)</u>	<u>(2,994,154)</u>	<u>62,460</u>	<u>(20,337,868)</u>
Total - Accumulated Depreciation	<u>(109,787,442)</u>	<u>(10,331,204)</u>	<u>62,460</u>	<u>(120,056,186)</u>
Capital Assets Being Depreciated, net	<u>89,117,527</u>	<u>3,679,716</u>	<u>-</u>	<u>92,797,243</u>
Governmental Activities Capital Assets, Net	<u>\$ 114,893,788</u>	<u>\$ 3,725,302</u>	<u>\$ -</u>	<u>\$ 118,619,090</u>
<i>Business-type Activities</i>				
Capital Assets Not Being Depreciated				
Land	\$ 2,298,941	\$ -	\$ -	\$ 2,298,941
Total - Capital Assets Not Being Depreciated	<u>2,298,941</u>	<u>-</u>	<u>-</u>	<u>2,298,941</u>
Capital Assets Being Depreciated				
Buildings	19,404,641	400,574	-	19,805,215
Improvements Other than Buildings	19,435,158	13,788	-	19,448,946
Furniture and Fixtures	-	20,190	-	20,190
Machinery and Equipment	8,972,360	2,373,634	(826,655)	10,519,339
Airspace Easement	<u>37,515</u>	<u>-</u>	<u>-</u>	<u>37,515</u>
Total - Capital Assets Being Depreciated	<u>47,849,674</u>	<u>2,808,186</u>	<u>(826,655)</u>	<u>49,831,205</u>
Less Accumulated Depreciation for:				
Buildings	(7,359,314)	(598,750)	-	(7,958,064)
Improvements Other than Buildings	(3,676,382)	(1,050,687)	-	(4,727,069)
Furniture and Fixtures	-	(2,543)	-	(2,543)
Machinery and Equipment	(3,412,189)	(1,469,326)	826,655	(4,054,860)
Airspace Easement	<u>(19,183)</u>	<u>(938)</u>	<u>-</u>	<u>(20,121)</u>
Total Accumulated Depreciation	<u>(14,467,068)</u>	<u>(3,122,244)</u>	<u>826,655</u>	<u>(16,762,657)</u>
Capital Assets Being Depreciated, Net	<u>33,382,606</u>	<u>(314,058)</u>	<u>-</u>	<u>33,068,548</u>
Business-Type Activities Capital Assets, Net	<u>\$ 35,681,547</u>	<u>\$ (314,058)</u>	<u>\$ -</u>	<u>\$ 35,367,489</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 4: CAPITAL ASSETS (Continued)**

**Component Unit - NBU**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reclasses and Retirements</b>	<b>Ending Balance</b>
Capital Assets Not Being Depreciated				
Land and Improvements	\$ 26,341,686	\$ -	\$ -	\$ 26,341,686
Construction in Progress	32,545,048	63,859,973	(23,626,054)	72,778,967
Total Capital Assets, Not Being Depreciated	<u>58,886,734</u>	<u>63,859,973</u>	<u>(23,626,054)</u>	<u>99,120,653</u>
Capital Assets Being Depreciated				
Buildings	49,566,725	340,007	-	49,906,732
Infrastructure	316,619,084	8,885,560	(358,935)	325,145,709
Equipment	42,059,685	14,400,487	(68,121)	56,392,051
Wells and Springs	540,047	-	-	540,047
Total Capital Assets Being Depreciated	<u>408,785,541</u>	<u>23,626,054</u>	<u>(427,056)</u>	<u>431,984,539</u>
Less Accumulated Depreciation for:				
Buildings	(26,068,938)	(1,140,472)	-	(27,209,410)
Infrastructure	(124,349,478)	(10,387,774)	383,114	(134,354,138)
Equipment	(27,085,439)	(1,720,400)	-	(28,805,839)
Wells and Springs	(441,301)	(7,838)	-	(449,139)
Total Accumulated Depreciation	<u>(177,945,156)</u>	<u>(13,256,484)</u>	<u>383,114</u>	<u>(190,818,526)</u>
Capital Assets Being Depreciated, Net	<u>230,840,385</u>	<u>10,369,570</u>	<u>(43,942)</u>	<u>241,166,013</u>
<b>Total Component Unit-NBU</b>	<u><b>\$ 289,727,119</b></u>	<u><b>\$ 74,229,543</b></u>	<u><b>\$ (23,669,996)</b></u>	<u><b>\$ 340,286,666</b></u>

Depreciation expense was charged to functions of the primary government as follows:

**Governmental Activities**

General Government	\$ 1,209,633
Finance and Tax	190,118
Planning and Environmental Development	549,630
Public Safety	5,912,179
Public Works	1,199,840
Parks and Recreation	869,449
Library	400,355
Total Governmental Activities	<u>\$ 10,331,204</u>

**Business-type Activities**

Airport	\$ 902,754
Solid Waste	1,232,930
Golf Course	654,357
Civic Center	332,203
Total Business-type Activities	<u>\$ 3,122,244</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 5: INTERFUND BALANCES AND TRANSFERS**

Interfund balances result from time lags between the dates of payment for goods and service and collection of revenues. Interfund balances at September 30, 2015 consisted of the following:

<u>Due to Fund</u>	<u>Due from Fund</u>	<u>Amount</u>
	<u>Governmental Funds</u>	
	General Fund	\$ 282,421
	General Obligation 2014 Fund	455,783
	Nonmajor Governmental Funds	440,188
	Internal Service Fund	
	Internal Service Fund	405,046
	<u>Proprietary funds</u>	
	Golf Course	64,022
Nonmajor Governmental Funds		<u>\$ 1,647,460</u>

Transfers between funds occur primarily to finance programs accounted for in on fund with resources collected in other funds in accordance with budgetary authorizations. Interfund transfers among governmental and enterprise funds at September 30, 2015 consisted of the following:

Transfers In Reported in:	Transfers Out Reported in:						
	Governmental Funds		Enterprise Funds				Total Transfers In
	General Fund	Hotel/Motel Tax Fund	Airport	Solid Waste	Golf Course	Civic Center	
Governmental Funds							
General Fund	\$ -	\$ -	\$ 55,426	\$ 654,813	\$ 56,457	\$ 30,575	\$ 797,271
Debt Service Fund	-	611,929	317,145	76,457	483,398	-	1,488,929
Nonmajor Governmental Funds	300,506	100,000	12,447	1,728,884	1,943	-	2,143,780
Total Transfers In - Governmental Funds	300,506	711,929	385,018	2,460,154	541,798	30,575	4,429,980
Enterprise Funds							
Airport	146,500	-	-	-	-	-	146,500
Solid Waste	-	-	-	-	-	-	-
Golf Course	-	-	-	-	-	-	-
Civic Center	-	204,410	-	-	-	-	204,410
Total Transfers In - Enterprise Funds	146,500	204,410	-	-	-	-	350,910
Internal Service Fund	161,276	-	2,435	17,607	3,934	2,060	187,312
Total Transfers Out	\$ 608,282	\$ 916,339	\$ 387,453	\$ 2,477,761	\$ 545,732	\$ 32,635	\$ 4,968,202
	Net Transfers - Governmental Funds		\$ (5,461,058)				
	Net Transfers - Enterprise Funds		5,461,058				
	Total		\$ -				

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 6: LONG-TERM OBLIGATIONS**

Long-term obligations include debt and other long-term liabilities. Compensated absences, net pension obligation, and net other postemployment benefit obligation (OPEB) are normally liquidated in the General Fund. See Notes 8 and 9 for more information on the net pension and OPEB obligations. Changes in long-term obligations for the year ended September 30, 2015, are as follows:

	<b>Beginning Balance</b>	<b>GASB 68 Restatement</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>						
General Obligation Debt	\$ 135,655,000	\$ -	\$ 35,940,000	\$ (23,280,000)	\$ 148,315,000	\$ 8,215,892
Bond Premium	4,125,938	-	3,309,615	(620,773)	6,814,780	-
Subtotal	139,780,938	-	39,249,615	(23,900,773)	155,129,780	8,215,892
Equipment Loan Payable	673,062	-	-	(119,891)	553,171	119,891
Net Pension Obligation	2,925,681	22,200,965	4,746,639	(4,279,254)	25,594,031	-
Net OPEB Obligation	6,224,210	-	1,561,777	(230,366)	7,555,621	-
Compensated Absences	4,092,294	-	2,853,939	(2,279,423)	4,666,810	2,279,423
Total Governmental Activities	<u>\$ 153,696,185</u>	<u>\$ 22,200,965</u>	<u>\$ 48,411,970</u>	<u>\$ (30,809,707)</u>	<u>\$ 193,499,413</u>	<u>\$ 10,615,206</u>

	<b>Beginning Balance</b>	<b>GASB 68 Restatement</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Business-type Activities</b>						
Equipment Loan Payable	\$ 721,169	\$ -	\$ -	\$ (128,485)	\$ 592,684	\$ 128,485
Net Pension Obligation	318,074	2,304,748	495,473	(446,686)	2,671,609	-
Net OPEB Obligation	679,956	-	162,990	(24,041)	818,905	-
Compensated Absences	232,292	-	272,972	(284,746)	220,518	220,518
Total Business-Type Activities	<u>\$ 1,951,491</u>	<u>\$ 2,304,748</u>	<u>\$ 931,435</u>	<u>\$ (883,958)</u>	<u>\$ 4,303,716</u>	<u>\$ 349,003</u>
<b>Component Units</b>						
Bonds Payable	\$ 43,342,629	\$ -	\$ 27,025,541	\$ (1,645,000)	\$ 68,723,170	\$ 1,783,206
Bond Premium	395,221	-	1,242,987	-	1,638,208	-
Net Pension Obligation	-	6,546,658	1,561,043	(2,231,606)	5,876,095	-
Compensated Absences	1,510,390	-	2,032,361	(1,949,070)	1,593,681	808,414
Total Component Units	<u>\$ 45,248,240</u>	<u>\$ 6,546,658</u>	<u>\$ 31,861,932</u>	<u>\$ (5,825,676)</u>	<u>\$ 77,831,154</u>	<u>\$ 2,591,620</u>

On April 27, 2015, the City issued \$29.3 million in general and refunding bonds (2015 series) with interest rates ranging between 2% and 5%. The City issued the bonds to advance refund \$4.7 million of the outstanding series 2006B tax and municipal hotel revenue certificates of obligation with interest rates ranging from a 4% to 4.25%, \$5.2 million of the outstanding series 2007 tax and limited pledge revenue certificates of obligation with interest rates ranging from a 5% to 5.25%, and \$5.7 million of the outstanding series 2008 tax and limited pledge revenue certificates of obligation with interest rates ranging from a 5% to 5.25%. The proceeds for the advance refunding were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the 2006B, 2007 and 2008 series bonds. As a result, that portion of the 2006B, 2007 and 2008 series bonds is considered defeased, and the City has removed the liability from its accounts. The outstanding principal of the defeased bonds is \$15,595,000 at September 30, 2015. The remaining proceeds from the 2015 series bond issuance was for the purpose of providing street improvements, to construct drainage improvements, and construct and equip parks and a recreation center.

The advance refunding reduced total debt service payments over the next 20 years by nearly \$435,000. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of nearly 164,000.

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 6: LONG-TERM OBLIGATIONS (Continued)**

Details of each outstanding obligation as of September 30, 2015 are as follows:

	<b>Issue</b>	<b>Maturity</b>	<b>Issue</b>	<b>Rates</b>	<b>9/30/15</b>
<b>Governmental activities</b>					
G.O. Refunding Bonds	2006	2025	10,600,000	4.00 - 4.125%	\$ 9,670,000
Certificates of Obligation	2006A	2021	1,600,000	3.60 - 4.50%	820,000
Certificates of Obligation	2006B	2026	8,000,000	4.00 - 5.125%	790,000
Certificates of Obligation	2007	2027	17,500,000	4.00 - 5.25%	4,350,000
Certificates of Obligation	2008	2028	14,300,000	3.50 - 5.25%	4,870,000
Certificates of Obligation	2009	2029	9,500,000	2.00 - 4.50%	6,840,000
G.O. Refunding Bonds	2010	2018	730,000	1.00 - 2.95%	245,000
Certificates of Obligation	2011	2031	18,200,000	4.05%	15,770,000
Certificates of Obligation	2012	2032	19,470,000	2.00 - 5.00%	17,295,000
Certificate of Obligation	2013	2033	19,490,000	3.00 - 5.00%	18,135,000
Certificates of Obligation	2013	2023	3,820,000	2.00 - 3.00%	3,200,000
Certificates of Obligation	2013A	2020	7,020,000	2.00 - 4.00%	6,980,000
General Obligation	2014	2034	13,970,000	2.00 - 5.00%	13,555,000
Certificates of Obligation	2014A	2034	6,845,000	2.00 - 5.00%	6,635,000
Certificates of Obligation	2014B	2034	3,280,000	2.00 - 5.00%	3,220,000
General Obligation	2015	2035	29,260,000	2.00 - 5.00%	29,260,000
Certificates of Obligation	2015	2035	5,395,000	2.00 - 5.00%	5,395,000
Tax Notes	2015	2022	1,285,000	1.63%	1,285,000
					<u>\$ 148,315,000</u>

Debt service requirements on long-term debt at September 30, 2015 are as follows:

Year Ended September 30,	<b>Governmental Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 8,300,000	\$ 6,899,368	\$ 15,199,368
2017	8,775,000	6,199,233	14,974,233
2018	8,645,000	5,684,410	14,329,410
2019	8,690,000	5,368,854	14,058,854
2020	8,865,000	5,057,006	13,922,006
2021-2025	47,305,000	17,693,306	64,998,306
2026-2030	36,620,000	8,038,196	44,658,196
2031-2035	21,115,000	1,695,480	22,810,480
Totals	<u>\$ 148,315,000</u>	<u>\$ 56,635,852</u>	<u>\$ 204,950,852</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 6: LONG-TERM OBLIGATIONS (Continued)**

The City entered into a ten year loan payable of \$1,394,231 with an interest rate of 2.09% with a national bank on May 30, 2014. The proceeds of the loan were to acquire capital assets in which the loan is secured by. Debt service requirements on loan payable are shown below.

Year Ended September 30,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 119,891	\$ 11,560	\$ 131,451	\$ 128,485	\$ 12,388	\$ 140,873
2017	119,891	9,054	128,945	128,485	9,703	138,188
2018	119,891	6,548	126,439	128,485	7,018	135,503
2019	30,595	4,043	34,638	32,788	4,332	37,120
2020	31,234	3,403	34,637	33,473	3,647	37,120
2021-2024	131,669	6,880	138,549	140,968	7,512	148,480
Totals	\$ 553,171	\$ 41,488	\$ 594,659	\$ 592,684	\$ 44,600	\$ 637,284

The City has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the City.

New Braunfels Utilities future maturity requirements on long-term debt at September 30, 2015 are as follows:

Year Ended September 30,	Bonds Payable		
	Principal	Interest	Total
2016	\$ 1,783,206	\$ 2,481,725	\$ 4,264,931
2017	1,910,668	2,438,350	4,349,018
2018	1,963,135	2,380,075	4,343,210
2019	2,010,725	2,325,475	4,336,200
2020	2,027,764	2,258,775	4,286,539
2021-2025	10,857,224	10,309,075	21,166,299
2026-2030	13,265,448	8,254,300	21,519,748
2031-2035	15,800,000	5,415,931	21,215,931
2036-2040	12,120,000	2,417,813	14,537,813
2041-2044	6,985,000	603,088	7,588,088
	\$ 68,723,170	\$ 38,884,607	\$ 107,607,777



**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 7: NET POSITION/FUND BALANCE**

Net Position reported on the government-wide statement of net position at September 30, 2015 includes the following:

***Governmental Activities***

Net Investment in Capital Assets	
Nondepreciated	\$ 25,821,847
Depreciated	92,797,243
Less: Related Debt Excluding Unspent Bond Proceeds	(113,498,239)
Total Net Investment in Capital Assets	<u>5,120,851</u>
Restricted for:	
Debt Service	432,568
Capital Projects	6,667,883
Cemetery Perpetual Fund (Nonexpendable)	94,399
Grants	207,744
Municipal Court	182,707
Library	7,820
Public Safety	402,326
Tourism	2,923,945
Total Restricted Net Position	<u>10,919,392</u>
Unrestricted	<u>(10,895,722)</u>
 Total Governmental Activities Net Position	 <u><u>\$ 5,144,521</u></u>

***Business-type Activities***

Net Investment in Capital Assets	
Nondepreciated	\$ 2,298,941
Depreciated	33,068,548
Less: Related Debt Excluding Unspent Bond Proceeds	(592,684)
Total Net Investment in Capital Assets	<u>34,774,805</u>
Unrestricted	<u>298,393</u>
 Total Business-type Activities Net Position	 <u><u>\$ 35,073,198</u></u>

**Fund deficit**

The Community Development Block Grant Fund, and Edwards Aquifer HCP Fund had deficit balances of \$15,927 and \$195,120, respectively, as of September 30, 2015. The City plans to eliminate the deficits in coming years through positive changes in fund balances.

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 8: RETIREMENT PLANS**

**Plan description**

The City participates as one of 860 plans in the nontraditional, join 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 (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of 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(1) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmrs.com](http://www.tmrs.com).

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

**Benefits provided**

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	<b><u>Plan Year 2014</u></b>	<b><u>Plan Year 2015</u></b>
Employee Deposit Rate	7%	7%
Matching Ratio (City to Employee):	2 to 1	2 to 1
Member is invested after:	5 years	5 years
Members can retire at certain ages, based on the years		
of service with the City	5 years/age 60	5 years/age 60
Service Retirement Eligibility for the City is:	20 years/any age	20 years/any age
Updated service credit	100% repeating, transfers	100% repeating, transfers
Annuity increase (to retirees)	70% of CPI repeating	70% of CPI repeating

***Employees covered by benefit terms***

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	216
Inactive Employees Entitled to But Not Yet Receiving Benefits	216
Active Employees	535
	967

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 8: RETIREMENT PLANS (Continued)**

**Contributions**

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200% of the employee rate, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 16.58% and 17.08% in calendar years 2014 and 2015, respectively. The City's contributions to TMRS for the year ended September 30, 2015, were \$5,230,511, and were equal to the required contributions.

**Net Pension Liability**

The City's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall Payroll Growth	3.0% per year
Investment Rate of Return	7.0% 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 male rates multiplied by 109% and female rates multiplied by 103%. 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 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. 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 (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 8: RETIREMENT PLANS (Continued)**

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return (Arithmetic)</b>
Domestic Equity	17.5%	4.80%
International Equity	17.5%	6.05%
Core Fixed Income	30.0%	1.50%
Non-Core Fixed Income	10.0%	3.50%
Real Return	5.0%	1.75%
Real Estate	10.0%	5.25%
Absolute Return	5.0%	4.25%
Private Equity	5.0%	8.50%
Total	100.0%	

***Discount Rate***

The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was project to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

***Changes in the Net Pension Liability***

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
Balance at 12/31/2013	\$ 114,178,940	\$ 86,429,472	\$ 27,749,468
Changes for the Year:			
Service Cost	5,143,064	-	5,143,064
Interest	8,027,752	-	8,027,752
Change on Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(1,028,253)	-	(1,028,253)
Changes of Assumptions	-	-	-
Contributions - Employer	-	4,725,941	(4,725,941)
Contributions - Employee	-	2,011,041	(2,011,041)
Net Investment Income	-	4,945,274	(4,945,274)
Benefit Payments, Including Refunds of Employee Contributions	(4,136,590)	(4,136,590)	-
Administrative Expense	-	(51,621)	51,621
Other Changes	-	(4,244)	4,244
Net Changes	8,005,973	7,489,801	516,172
Balance at 12/31/2014	<u>\$ 122,184,913</u>	<u>\$ 93,919,273</u>	<u>\$ 28,265,640</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 8: RETIREMENT PLANS (Continued)**

***Sensitivity of the net pension liability to changes in the discount rate***

The following presents the net pension liability of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point-lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	<b>1% Decrease 6.0%</b>	<b>Current Single Rate Assumption 7.0%</b>	<b>1% Increase 8.0%</b>
City's net pension liability	\$ 48,072,189	\$ 28,265,640	\$ 12,265,911

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tmrs.com](http://www.tmrs.com).

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

For the year ended September 30, 2015, the City recognized pension expense of \$5,219,551.

At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Economic Experience	\$ -	\$ 861,269
Changes in Actuarial Assumptions	-	-
Difference Between Projected and Actual Investment Earnings	883,831	-
Contributions Subsequent to the Measurement Date	3,889,414	-
Total	\$ 4,773,245	\$ 861,269

\$3,889,414 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 net pension liability for the year ending September 30, 2015. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended December 31:</b>	<b>Net Deferred Outflows (Inflows)</b>
2015	\$ 53,974
2016	53,974
2017	53,974
2018	53,973
2019	(166,984)
Thereafter	(26,349)
Total	<u>\$ 22,562</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 8: RETIREMENT PLANS (Continued)**

**Supplemental death benefits fund**

The City also participates in the cost sharing multiple-employer defined benefit group term life insurance plan operated by the Texas Municipal Retirement System (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 City 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 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 postemployment benefit," or OPEB.

The City contributes to the SDBF at a contractually required 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 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.

The City's contributions to the TMRS SDBF for the years ended 2015, 2014, and 2013 were \$39,893; \$37,082; and \$35,821; respectively, which equaled the required contribution each year.

**NOTE 9: POST-RETIREMENT HEALTH CARE BENEFITS**

**Plan description**

In addition to providing pension benefits, the City provides certain health care benefits to retired employees under a single-employer defined benefit healthcare plan. The plan does not issue separate financial statements.

The City maintains self-funded medical, prescription drug, dental, and vision coverage for eligible employees and retired employees and their dependents. All retirees are eligible to continue their health insurance coverage at the same cost that the City pays for its employees. Thus, in effect, the City is subsidizing the cost of the higher premiums for its retirees. The City also provides \$7,500 in life insurance coverage for its retirees through TMRS. To be eligible for coverage after retirement, employees must be covered as an active employee in the City health program at the time of retirement, reach their 60th birthday and have 5 years of service with the City, or have earned 20 years of TMRS service, and pay a plan premium as set by the City for themselves and their dependents.

**Funding policy**

Plan members are required to pay a premium for themselves and their dependents. Currently, the premium is set at \$525 per retiree and an additional premium of \$485 for spouses, \$450 for children, and \$593 for spouse and children.

The plan is financed on a pay-as-you-go basis.

The City's annual other post-employment benefits (OPEB) cost is based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents an expense recognition that includes normal cost and the amortization of any unfunded actuarial liabilities over a period not to exceed thirty years.

The City's OPEB cost for the fiscal year ending September 30, 2015 is as follows:

Annual Required Contribution	\$ 1,722,978
Interest on OPEB Obligation	276,167
Adjustment to ARC	<u>(274,378)</u>
Annual OPEB Cost (Expense)	1,724,767
Net Employer Contributions	<u>(254,407)</u>
Increase (Decrease) in Net OPEB Obligation	1,470,360
Net OPEB Obligation - as of Beginning of Year	6,904,566
Net OPEB Obligation - as of End of Year	<u><u>\$ 8,374,926</u></u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 9: POST-RETIREMENT HEALTH CARE BENEFITS (Continued)**

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current year (4.0% discount rate, and level percent of pay amortization) are as follows:

<b>Fiscal Year Ending</b>	<b>Net Employer Contributions</b>	<b>Annual OPEB Cost</b>	<b>Percentage of OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>	<b>Annual Required Contribution</b>	<b>Percentage of ARC Contributed</b>
9/30/2013	\$ 295,210	\$ 1,451,673	20.34%	\$ 5,267,646	\$ 1,451,673	20.34%
9/30/2014	87,824	1,724,343	5.09%	6,904,165	1,722,978	5.10%
9/30/2015	254,407	1,724,767	14.75%	8,374,525	1,722,978	14.77%

The funded status of the City's retiree health care plan is as follows:

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Annual Covered Payroll</b>	<b>UAAL as Percentage of Covered Payroll</b>
10/1/2009	\$ -	\$ 14,016,512	\$ 14,016,512	0.00%	\$ 19,693,129	71.2%
9/30/2012	-	10,473,000	10,473,000	0.00%	22,675,522	46.2%
9/30/2014	-	12,861,627	12,861,627	0.00%	23,741,806	54.2%

**Actuarial methods and assumptions**

Projections of health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the City's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Significant methods and assumptions were as follows:

Investment Rate of Return	4.00%
Actuarial Cost Method	Unit Credit method
Amortization Method	level percent of payroll, 30 years- open period
Salary Growth	3.00%
Asset Valuation Method	Not applicable
Healthcare Cost Trends	For 2015 through 2019, L&E best estimate assumptions, developed by observation and extrapolation of plan experience and industry data. Thereafter, rates developed using the baseline projection of the SoA Long-Run Medical Cost Trend Model.
Inflation Rate	2.00%
Post-retirement Benefit Increases	None other than healthcare cost increases (reported above)

**NOTE 10: RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. There were no significant reductions in insurance coverage from the previous year, and there were no settlements which exceeded the maximum insurance coverage for any of the past three fiscal years.

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 10: RISK MANAGEMENT** (Continued)

The City's health insurance program is a "self-insured" minimum premium cash flow plan. The City makes a pre-determined monthly contribution 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 health 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 \$6,071,914 in health claims and paid \$712,075 for administrative costs for the year ended September 30, 2015. The City contributed \$4,507,867 and City employees contributed \$1,092,943 to the health insurance program for the year ended September 30, 2015.

The transactions of the self-insurance plan are reported in the Insurance Internal Service Fund. The City pays a specified monthly amount for each employee and a portion of an employee's dependent coverage which averages approximately \$617. 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 payment 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 \$283,618 at September 30, 2015. The estimated liability for health claims is based upon historical claims experience. The change in the claim liability for the years ended September 30, 2015 and 2014 are as follows:

	<u><b>2015</b></u>	<u><b>2014</b></u>
Claims Payable Beginning of Year	\$ 133,192	\$ 183,605
Claims Incurred	6,071,914	4,451,774
Claims Paid (Calculated)	<u>(5,921,488)</u>	<u>(4,502,187)</u>
Claims Payable End of Year	<u><u>\$ 283,618</u></u>	<u><u>\$ 133,192</u></u>

**NOTE 11: COMMITMENTS AND CONTINGENCIES**

The City participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired.

At September 30, 2015, the City is involved in various lawsuits pending against the City. These lawsuits generally involve claims relating to general liability, automobile liability, civil rights actions, and various contractual matters. In the opinion of management, any liabilities resulting from such litigation except as follows would not have a material adverse effect on the City's financial statements. The city has booked a commitment of \$890,000 related to an unfavorable outcome in a legal action.

**NOTE 12: OPERATING LEASE**

NBU has an operating lease with LCRA to lease certain transmission assets to LCRA. Payments for the lease facilities are based on the original cost of the facilities, adjusted for depreciation, and are updated annually to reflect additions, retirements, and depreciation. The terms of the lease are perpetual, but may be terminated by either party upon five years written notice. Lease revenues were \$840,692 in fiscal year 2015. The receipts for fiscal year 2016 are expected to be \$819,357. Due to the nature of the agreement, the amount of receipts beyond that time has not been determined. The original cost of the transmission assets was \$20,741,772 and the accumulated depreciation totals \$10,604,408.



**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 13: CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE**

The City adopted GASB Statement No. 68 and No. 71 effective October 1, 2014. As GASB Statement No. 68 is an amendment of GASB Statement No. 27, implementation of this statement resulted in the establishment of a net pension liability and the removal of the net pension obligation that was previously reported under GASB No. 27. The cumulative impact of implementation is reflected as a change in net position as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Net Pension Liability October 1, 2014	\$ 25,126,646	\$ 2,622,822
Net Pension Obligation October 1, 2014	(2,925,681)	(318,074)
Deferred Outflows October 1, 2014	(3,124,811)	(326,181)
Cumulative Effect of Change in Accounting Principle	<u>\$ 19,076,154</u>	<u>\$ 1,978,567</u>

NBU adopted GASB Statement No. 68 and No. 71 effective August 1, 2014. As GASB Statement No. 68 is an amendment of GASB Statement No. 27, implementation of this statement resulted in the establishment of a net pension liability and the removal of the net pension obligation that was previously reported under GASB No. 27. The cumulative impact of implementation is reflected as a change in net position as follows:

Net Pension Liability August 1, 2014	\$ 6,546,658
Net Pension Asset August 1, 2014	6,158,069
Deferred Outflows August 1, 2014	(1,069,076)
Cumulative Effect of Change in Accounting Principle	<u>\$ 11,635,651</u>

**NOTE 14: SUBSEQUENT EVENTS**

On November 9, 2015, the City Council approved the NBU's Board recommendation for increase on 910 electric rates of 3% on the distribution and customer charge components of a customer's bill effective December 1, 2015, (ii) wastewater rates of 4.5% each year effective January 1, 2016, January 1, 2017, and January 1, 2018, and (iii) water rates of 2.5% each year effective February 1<sup>st</sup> from February 2016 through, and including, February 2020.

## REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended September 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP Basis</b>	<b>with Final Budget</b>
<b>REVENUES</b>				
<b>Taxes</b>				
Ad Valorem	\$ 12,962,460	\$ 12,962,460	\$ 12,885,096	\$ (77,364)
Sales	18,145,312	18,145,312	17,669,300	(476,012)
Beverage	393,750	393,750	439,249	45,499
Franchise	7,768,450	7,768,450	8,230,169	461,719
<b>Licenses and Permits</b>				
General Government	165,990	165,990	158,794	(7,196)
Health	279,800	279,800	293,413	13,613
Miscellaneous	149,600	149,600	126,823	(22,777)
Code Enforcement	126,000	126,000	142,615	16,615
Code Enforcement	1,911,000	1,911,000	2,324,094	413,094
<b>Intergovernmental Revenue</b>				
Federal Government	20,000	20,000	82,008	62,008
Contribution	142,500	142,500	160,000	17,500
<b>Charges for Services</b>				
Charges for Services	6,500	6,500	12,954	6,454
Public Safety	2,969,100	1,969,100	3,245,169	1,276,069
Library	112,000	112,000	101,555	(10,445)
<b>Fines and Forfeitures</b>				
Animal Control	12,850	12,850	12,392	(458)
Law Enforcement	875,100	875,100	1,130,319	255,219
Municipal Court	55,000	55,000	74,269	19,269
Bailiff	76,175	76,175	110,744	34,569
<b>Parks and Recreation</b>				
Aquatics	614,750	614,750	563,337	(51,413)
Recreation	396,900	396,900	369,106	(27,794)
Picnic	238,200	238,200	195,714	(42,486)
Miscellaneous	46,500	46,500	47,956	1,456
Interest	70,000	70,000	18,451	(51,549)
Other Contributions	-	-	70,000	70,000
Miscellaneous	1,256,850	1,256,850	1,336,238	79,388
<b>Total Revenues</b>	<b>48,794,787</b>	<b>47,794,787</b>	<b>49,799,765</b>	<b>2,004,978</b>
<b>EXPENDITURES</b>				
<b>City Council</b>				
Operations Expenses	41,350	41,350	40,784	566
Total City Council	41,350	41,350	40,784	566
<b>City Attorney</b>				
Employee Expenses	457,587	470,487	473,388	(2,901)
Operations Expenses	282,550	522,550	520,487	2,063
Total City Attorney	740,137	993,037	993,875	(838)
<b>City Administration</b>				
Employee Expenses	1,981,762	1,878,762	1,878,731	31
Operations Expenses	540,950	643,950	109,875	534,075
Total City Administration	2,522,712	2,522,712	1,988,606	534,106
<b>Human Resources</b>				
Employee Expenses	503,972	529,972	529,021	951
Operations Expenses	114,544	116,944	116,874	70
Total Human Resources	618,516	646,916	645,895	1,021
<b>Finance</b>				
Employee Expenses	798,052	786,052	785,913	139
Operations Expenses	80,975	80,975	553,679	(472,704)
Total Support Services	879,027	867,027	1,339,592	(472,565)

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - continued**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended September 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual GAAP Basis</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Planning</b>				
Employee Expenses	\$ 2,107,917	\$ 2,107,917	\$ 2,099,380	\$ 8,537
Operations Expenses	598,689	488,229	435,343	52,886
Capital Expenses	35,900	35,900	32,999	2,901
Total Planning	2,742,506	2,632,046	2,567,722	64,324
<b>Police</b>				
Employee Expenses	11,386,570	11,835,380	11,834,866	514
Operations Expenses	1,454,974	1,474,234	1,474,131	103
Capital Expenses	303,250	303,250	300,966	2,284
Total Police	13,144,794	13,612,864	13,609,963	2,901
<b>Fire</b>				
Employee Expenses	12,450,249	13,194,619	13,194,616	3
Operations Expenses	1,729,554	1,744,554	1,592,575	151,979
Capital Expenses	225,400	218,740	210,607	8,133
Total Fire	14,405,203	15,157,913	14,997,798	160,115
<b>Public Works</b>				
Employee Expenses	2,738,230	2,785,210	2,785,163	47
Operations Expenses	2,904,475	2,904,475	2,874,652	29,823
Capital Expenses	119,600	45,600	45,425	175
Total Public Works	5,762,305	5,735,285	5,705,240	30,045
<b>Parks and Recreation</b>				
Employee Expenses	2,909,120	2,834,120	2,834,103	17
Operations Expenses	1,587,001	1,587,001	1,528,296	58,705
Capital Expenses	109,945	109,945	108,994	951
Total Parks and Recreation	4,606,066	4,531,066	4,471,393	59,673
<b>Library</b>				
Employee Expenses	1,324,403	1,346,403	1,345,560	843
Operations Expenses	523,300	525,000	524,786	214
Capital Expenses	140,000	140,000	139,343	657
Total Library	1,987,703	2,011,403	2,009,689	1,714
<b>Nondepartmental</b>				
Operations Expenses	1,290,859	1,360,859	3,260,001	(1,899,142)
Contingencies	1,371,300	-	-	-
Total Nondepartmental	2,662,159	1,360,859	3,260,001	(1,899,142)
<b>Total Expenditures</b>	<b>50,112,478</b>	<b>50,112,478</b>	<b>51,630,558</b>	<b>(1,518,080)</b>
Excess of Revenues Over (Under) Expenditures	(1,317,691)	(2,317,691)	(1,830,793)	486,898
<b>Other Financing Sources (Uses)</b>				
Transfers In	799,714	799,714	797,271	2,443
Transfers Out	(848,975)	(848,975)	(608,282)	240,693
Proceeds from Sale of Capital Assets	-	-	18,800	18,800
Total Other Financing Sources (Uses)	(49,261)	(49,261)	207,789	261,936
Change in Fund Balance	(1,366,952)	(2,366,952)	(1,623,004)	748,834
Fund Balance - October 1	14,854,731	14,854,731	22,619,455	2,599,771
Fund Balance - September 30	<u>\$ 13,487,779</u>	<u>\$ 12,487,779</u>	<u>\$ 20,996,451</u>	<u>\$ 3,348,605</u>

Note: Certain transfers out are budgeted within departmental budgets. Thus, to more accurately reflect the departmental budgets, these transfers out are reported within the departments rather than as other financing uses.

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**HOTEL-MOTEL FUND**  
**Year Ended September 30, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
<b>REVENUE</b>				
Taxes	\$ 3,825,366	\$ 3,825,366	\$ 3,812,977	\$ (12,389)
Interest	-	-	592	592
Miscellaneous	-	-	49	49
Total Revenues	<u>3,825,366</u>	<u>3,825,366</u>	<u>3,813,618</u>	<u>(11,748)</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
General Government - Operations	2,585,240	2,621,240	2,461,313	159,927
Civic Center - Operations	-	-	223,080	(223,080)
Debt Service	-	-	3,604	(3,604)
Capital	<u>325,000</u>	<u>295,000</u>	<u>-</u>	<u>295,000</u>
Total Expenditures	<u>2,910,240</u>	<u>2,916,240</u>	<u>2,687,997</u>	<u>228,243</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	915,126	909,126	1,125,621	(239,991)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(1,046,812)</u>	<u>(1,046,812)</u>	<u>(916,339)</u>	<u>130,473</u>
Total Other Financing Sources (Uses)	<u>(1,046,812)</u>	<u>(1,046,812)</u>	<u>(916,339)</u>	<u>130,473</u>
<b>Net Change in Fund Balance</b>	(131,686)	(137,686)	209,282	(109,518)
<b>Fund Balance - October 1</b>	<u>1,039,060</u>	<u>1,003,060</u>	<u>1,567,398</u>	<u>(27,128)</u>
<b>Fund Balance - September 30</b>	<u>\$ 907,374</u>	<u>\$ 865,374</u>	<u>\$ 1,776,680</u>	<u>\$ (136,646)</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**AND RELATED RATIOS**  
**Last 10 Years**  
**For the Year Ended December 31,**

	<u>2014</u>
<b>Total Pension Liability</b>	
Service Cost	\$ 5,143,064
Interest (on the Total Pension Liability)	8,027,752
Difference Between Expected and Actual Experience	(1,028,253)
Change of Assumptions	-
Benefit Payments, Including Refunds of Employee Contributions	<u>(4,136,590)</u>
Net Change in Total Pension Liability	8,005,973
Total Pension Liability - Beginning	<u>114,178,940</u>
<b>Total Pension Liability - Ending (a)</b>	<u><u>\$ 122,184,913</u></u>
 <b>Plan Fiduciary Net Position</b>	
Contributions - Employer	\$ 4,725,941
Contributions - Employee	2,011,041
Net Investment Income	4,945,274
Benefit Payments, Including Refunds of Employee Contributions	(4,136,590)
Administrative Expense	(51,621)
Other	<u>(4,244)</u>
Net Change in Plan Fiduciary Net Position	7,489,801
Plan Fiduciary Net Position - Beginning	<u>86,429,472</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u><u>\$ 93,919,273</u></u>
 <b>Net Pension Liability - Ending (a) - (b)</b>	 \$ 28,265,640
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	76.87%
<b>Covered Employee Payroll</b>	\$ 28,695,633
<b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	98.50%

**Notes to Schedule:**

N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is completed, the City will present information for those years for which information is available.

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF CONTRIBUTIONS**  
**Last 10 Fiscal Years**  
**Year Ended December 30,**

	2014
<b>Actuarially Determined Contribution</b>	\$ 4,725,941
<b>Contributions in Relation to the Actuarially Determined Contribution</b>	4,705,262
<b>Contribution Deficiency (Excess)</b>	\$ 20,679
<b>Covered Employee Payroll</b>	\$ 28,695,633
<b>Contributions as a Percentage of Covered Employee Payroll</b>	16.40%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full trend is completed, the City will present information for those years for which information is available.

**Valuation Date:**

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

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	29 Years
Asset Valuation Method	10 Year Smoothed Market; 15% Soft Corridor
Inflation	3.0%
Salary Increases	3.50% to 12.00% Including Inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005 - 2009.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

**Other Information:**

Notes There were no benefit changes during the year.

**CITY OF NEW BRAUNFELS, TEXAS  
SCHEDULE OF FUNDING PROGRESS  
OTHER POSTEMPLOYMENT BENEFITS  
Year Ended September 30, 2015**

<b>Year</b>	<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>		<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
			<b>Unit Credit Actuary Method</b>	<b>Unfunded AAL (UAAL)</b>			
9/30/2011	10/1/2009	\$ -	\$ 14,016,512	\$ 14,016,512	0.00%	\$19,693,129	71.2%
9/30/2012	9/30/2011	-	10,473,000	10,473,000	0.00%	22,675,522	46.2%
9/30/2013	9/30/2011	-	10,473,000	10,473,000	0.00%	22,675,522	46.2%
9/30/2014	9/30/2014	-	12,861,627	12,861,627	0.00%	23,741,806	54.2%
9/30/2015	9/30/2014	-	12,861,627	12,861,627	0.00%	23,741,806	54.2%



## OTHER SUPPLEMENTARY INFORMATION

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING BALANCE SHEET**  
**General Fund - Subfunds**  
**September 30, 2015**

	<b>General Fund</b>	<b>Equipment Replacement Fund</b>	<b>Facilities Maintenance Fund</b>	<b>Totals</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 9,370	\$ 37,415	\$ -	\$ 46,785
Pooled and Temporary Investments	15,766,010	4,281,731	12,524	20,060,265
Receivables, Net				
Taxes	302,044	-	-	302,044
Accounts	5,592,192	-	-	5,592,192
Interest	2,858	-	-	2,858
Due from Other Governments	38,160	-	-	38,160
Total Assets	<u>\$ 21,710,634</u>	<u>\$ 4,319,146</u>	<u>\$ 12,524</u>	<u>\$ 26,042,304</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 2,190,710	\$ -	\$ -	\$ 2,190,710
Due to Other Governments	3,330	-	-	3,330
Due to Other Funds	268,638	-	13,783	282,421
Deposits Payable	275,300	-	-	275,300
Accrued Expenditures	1,992,048	-	-	1,992,048
Total Liabilities	<u>4,730,026</u>	<u>-</u>	<u>13,783</u>	<u>4,743,809</u>
<b>Deferred inflows of resources</b>				
Unavailable Revenue	<u>302,044</u>	<u>-</u>	<u>-</u>	<u>302,044</u>
<b>Fund Balances</b>				
Assigned	-	4,319,146	-	4,319,146
Unassigned	16,678,564	-	(1,259)	16,677,305
Total Fund Balances	<u>16,678,564</u>	<u>4,319,146</u>	<u>(1,259)</u>	<u>20,996,451</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 21,710,634</u>	<u>\$ 4,319,146</u>	<u>\$ 12,524</u>	<u>\$ 26,042,304</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**General Fund - Subfunds**  
**Year Ended September 30, 2015**

	<b>General Fund</b>	<b>Equipment Replacement Fund</b>	<b>Facilities Maintenance Fund</b>	<b>Eliminations</b>	<b>Totals</b>
<b>REVENUE</b>					
Taxes	\$ 39,223,814	\$ -	\$ -	\$ -	\$ 39,223,814
Licenses and Permits	3,045,779	-	-	-	3,045,779
Intergovernmental	242,008	-	-	-	242,008
Fines and Forfeitures	1,327,724	-	-	-	1,327,724
Interest	18,451	2,433	8	-	20,892
Parks and Recreation	1,176,073	-	-	-	1,176,073
Miscellaneous	1,327,727	6,070	-	-	1,333,797
Other Contributions	70,000	-	-	-	70,000
Charges for Services	3,359,678	-	-	-	3,359,678
Total Revenues	<u>49,791,254</u>	<u>8,503</u>	<u>8</u>	<u>-</u>	<u>49,799,765</u>
<b>EXPENDITURES</b>					
<b>Current</b>					
General Government	6,046,085	281,713	-	-	6,327,798
Finance and Tax	854,754	-	-	-	854,754
Planning and Environmental	2,567,722	46,771	-	-	2,614,493
Public Safety	29,202,466	215,862	-	-	29,418,328
Public Works	5,720,146	-	80,000	-	5,800,146
Parks and Recreation	4,471,393	-	-	-	4,471,393
Library	2,009,689	-	-	-	2,009,689
<b>Debt Service</b>					
Principal	119,891	-	-	-	119,891
Interest	14,066	-	-	-	14,066
Total Expenditures	<u>51,006,212</u>	<u>544,346</u>	<u>80,000</u>	<u>-</u>	<u>51,630,558</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>(1,214,958)</u>	<u>(535,843)</u>	<u>(79,992)</u>	<u>-</u>	<u>(1,830,793)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	797,271	436,208	56,648	(492,856)	797,271
Transfers Out	(1,101,138)	-	-	492,856	(608,282)
Proceeds from Debt Issuance	-	-	-	-	-
Proceeds from Sale of Capital Assets	8,017	10,783	-	-	18,800
Total Other Financing Sources (Uses)	<u>(295,850)</u>	<u>446,991</u>	<u>56,648</u>	<u>-</u>	<u>207,789</u>
<b>Net Change in Fund Balance</b>	<u>(1,510,808)</u>	<u>(88,852)</u>	<u>(23,344)</u>	<u>-</u>	<u>(1,623,004)</u>
<b>Fund Balance - October 1</b>	<u>18,189,372</u>	<u>4,407,998</u>	<u>22,085</u>	<u>-</u>	<u>22,619,455</u>
<b>Fund Balance - September 30</b>	<u>\$ 16,678,564</u>	<u>\$ 4,319,146</u>	<u>\$ (1,259)</u>	<u>\$ -</u>	<u>\$ 20,996,451</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING BALANCE SHEET**  
**Nonmajor Governmental Funds**  
**September 30, 2015**

	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b><u>Permanent Fund</u> Cemetery Perpetual Care</b>	<b><u>Total</u> Nonmajor Governmental Funds</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,921,051	\$ 4,402,081	\$ 11,594	\$ 6,334,726
Pooled and Temporary Investments	1,574,218	21,181,842	85,560	22,841,620
Accounts Receivable	49,457	24,108	-	73,565
Due from Other Governments	301,908	-	-	301,908
Due from Other Funds	1,647,460	-	-	1,647,460
Total Assets	<u>\$ 5,494,094</u>	<u>\$ 25,608,031</u>	<u>\$ 97,154</u>	<u>\$ 31,199,279</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 142,881	\$ 590,659	\$ 2,755	\$ 736,295
Accrued Expenditures	-	-	-	-
Due to Other Funds	235,396	204,792	-	440,188
Total Liabilities	<u>378,277</u>	<u>795,451</u>	<u>2,755</u>	<u>1,176,483</u>
<b>Deferred inflows of resources</b>				
Unavailable Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Nonspendable	-	-	94,399	94,399
Restricted	2,138,797	24,812,580	-	26,951,377
Committed	3,188,067	-	-	3,188,067
Unassigned	(211,047)	-	-	(211,047)
Total Fund Balances	<u>5,115,817</u>	<u>24,812,580</u>	<u>94,399</u>	<u>30,022,796</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,494,094</u>	<u>\$ 25,608,031</u>	<u>\$ 97,154</u>	<u>\$ 31,199,279</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**Nonmajor Governmental Funds**  
**Year Ended September 30, 2015**

	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b><u>Permanent Fund</u> Cemetery Perpetual Care</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUE</b>				
Taxes	\$ 2,010,219	\$ -	\$ -	\$ 2,010,219
Licenses and Permits	6,100	-	-	6,100
Fines and Forfeitures	414,872	-	475	415,347
Parks and Recreation	664,495	463,300	2,520	1,130,315
Interest	1,201	14,284	44	15,529
Federal Grants	758,291	-	-	758,291
State and Local Grants	368,091	-	-	368,091
Miscellaneous	2,117,082	14,766	-	2,131,848
Other Contributions	439,939	1,198,414	-	1,638,353
Charges and Fees	213,038	-	-	213,038
Total Revenues	<u>6,993,328</u>	<u>1,690,764</u>	<u>3,039</u>	<u>8,687,131</u>
<b>EXPENDITURES</b>				
General Government	2,576,794	325,527	-	2,902,321
Planning and Environmental Devel.	368,012	-	-	368,012
Public Safety	1,226,335	489,008	-	1,715,343
Public Works	3,438,469	1,820,390	-	5,258,859
Parks and Recreation	268,274	6,902,345	2,754	7,173,373
Civic Center	72,536	-	-	72,536
Library	40,418	137,439	-	177,857
Airport	74,061	333,638	-	407,699
<b>Debt Service</b>				
Bond Issuance Costs and Fees	-	147,119	-	147,119
Total Expenditures	<u>8,064,899</u>	<u>10,155,466</u>	<u>2,754</u>	<u>18,223,119</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>(1,071,571)</u>	<u>(8,464,702)</u>	<u>285</u>	<u>(9,535,988)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,143,780	-	-	2,143,780
Proceeds From Sale of Capital Assets	282,665	-	-	282,665
Proceeds From the Issuance of Debt	-	6,680,000	-	6,680,000
Premium on Issuance of Debt	-	222,119	-	222,119
Total Other Financing Sources (Uses)	<u>2,426,445</u>	<u>6,902,119</u>	<u>-</u>	<u>9,328,564</u>
<b>Net Change in Fund Balance</b>	1,354,874	(1,562,583)	285	(207,424)
<b>Fund Balance - October 1</b>	<u>3,760,943</u>	<u>26,375,163</u>	<u>94,114</u>	<u>30,230,220</u>
<b>Fund Balance - September 30</b>	<u>\$ 5,115,817</u>	<u>\$ 24,812,580</u>	<u>\$ 94,399</u>	<u>\$ 30,022,796</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING BALANCE SHEET**  
**Nonmajor Special Revenue Funds**  
**September 30, 2015**

	<b>Community Development Block Grant</b>	<b>Grants Fund</b>	<b>Special Revenue Donations</b>	<b>River</b>
<b>ASSETS</b>				
Cash	\$ -	\$ -	\$ 221,432	\$ 24,442
Pooled and Temporary Investments	-	-	-	-
Accounts Receivable	-	-	-	-
Due from Other Governments	-	301,908	-	-
Due from Other Funds	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 301,908</u>	<u>\$ 221,432</u>	<u>\$ 24,442</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 829	\$ -	\$ 26,007	\$ 24,442
Due to Other Funds	15,098	94,164	-	-
Accrued Wages Payable	-	-	-	-
Total Liabilities	<u>15,927</u>	<u>94,164</u>	<u>26,007</u>	<u>24,442</u>
<b>Deferred inflows of resources</b>				
Unavailable Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Restricted	-	207,744	-	-
Committed	-	-	195,425	-
Unassigned	(15,927)	-	-	-
Total Fund Balances	<u>(15,927)</u>	<u>207,744</u>	<u>195,425</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 301,908</u>	<u>\$ 221,432</u>	<u>\$ 24,442</u>

Exhibit C-5

<b>Court Security</b>	<b>Judicial Efficiency</b>	<b>Court Technology</b>	<b>Child Safety</b>	<b>Stormwater Development</b>	<b>Juvenile Case Management</b>
\$ 12,322	\$ 20,294	\$ 38,138	\$ 141,632	\$ 177,364	\$ 40,312
-	-	-	30,291	25,343	125,614
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 12,322</u>	<u>\$ 20,294</u>	<u>\$ 38,138</u>	<u>\$ 171,923</u>	<u>\$ 202,707</u>	<u>\$ 165,926</u>
\$ -	\$ -	\$ 5,506	\$ 361	\$ 11,772	\$ 410
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>5,506</u>	<u>361</u>	<u>11,772</u>	<u>410</u>
-	-	-	-	-	-
12,322	20,294	32,632	171,562	190,935	165,516
-	-	-	-	-	-
-	-	-	-	-	-
<u>12,322</u>	<u>20,294</u>	<u>32,632</u>	<u>171,562</u>	<u>190,935</u>	<u>165,516</u>
<u>\$ 12,322</u>	<u>\$ 20,294</u>	<u>\$ 38,138</u>	<u>\$ 171,923</u>	<u>\$ 202,707</u>	<u>\$ 165,926</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING BALANCE SHEET - continued**  
**Nonmajor Special Revenue Funds**  
**September 30, 2015**

	<b>Faust Library</b>	<b>Federal Court Awards</b>	<b>Non-Federal Court Awards</b>	<b>Edwards Aquifer HCP</b>
<b>ASSETS</b>				
Cash	\$ 7,820	\$ 76,052	\$ 19,790	\$ -
Pooled and Temporary Investments	-	51,237	40,196	-
Accounts Receivable	-	-	-	-
Due from Other Governments	-	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	<u>\$ 7,820</u>	<u>\$ 127,289</u>	<u>\$ 59,986</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	\$ -	\$ 4,568	\$ -	\$ 68,986
Due to Other Funds	-	-	-	126,134
Accrued Wages Payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>4,568</u>	<u>-</u>	<u>195,120</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue	-	-	-	-
<b>Fund Balances</b>				
Restricted	7,820	122,721	59,986	-
Committed	-	-	-	-
Unassigned	-	-	-	(195,120)
Total Fund Balances	<u>7,820</u>	<u>122,721</u>	<u>59,986</u>	<u>(195,120)</u>
Total Liabilities and Fund Balances	<u>\$ 7,820</u>	<u>\$ 127,289</u>	<u>\$ 59,986</u>	<u>\$ -</u>



<b>Cable Franchise PEG</b>	<b>Creekside Town Center</b>	<b>Enterprise Maintenance and Equipment Fund</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ 14,523	\$ 52,795	\$ 1,074,135	\$ 1,921,051
-	-	1,301,537	1,574,218
49,457	-	-	49,457
-	-	-	301,908
552,990	1,094,470	-	1,647,460
<u>\$ 616,970</u>	<u>\$ 1,147,265</u>	<u>\$ 2,375,672</u>	<u>\$ 5,494,094</u>
\$ -	\$ -	\$ -	\$ 142,881
-	-	-	235,396
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>378,277</u>
-	-	-	-
-	1,147,265	-	2,138,797
616,970	-	2,375,672	3,188,067
-	-	-	(211,047)
<u>616,970</u>	<u>1,147,265</u>	<u>2,375,672</u>	<u>5,115,817</u>
<u>\$ 616,970</u>	<u>\$ 1,147,265</u>	<u>\$ 2,375,672</u>	<u>\$ 5,494,094</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**Nonmajor Special Revenue Funds**  
**Year Ended September 30, 2015**

	<b>Community Development Block Grant</b>	<b>Grants Fund</b>	<b>Special Revenue Donations</b>	<b>River</b>
<b>REVENUE</b>				
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Licenses and Permits	-	-	-	6,100
Fines and Forfeitures	-	-	-	83,620
Parks and Recreation	-	-	-	664,495
Interest	-	-	-	-
Federal Grants	374,704	323,444	-	-
State and Local Grants	-	242,060	7,414	-
Miscellaneous	-	-	63,661	-
Other Contributions	-	-	164,611	-
Charges and Fees	-	-	-	-
<b>Total Revenues</b>	<u>374,704</u>	<u>565,504</u>	<u>235,686</u>	<u>754,215</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
General Government	-	-	-	-
Finance and Tax	-	-	-	-
Planning and Environmental Development	368,012	-	-	-
Public Safety	-	128,693	8,521	640,764
Public Works	-	7,500	98,520	452,625
Parks and Recreation	-	200,000	68,274	-
Civic Center	-	-	-	-
Library	-	9,159	31,259	-
Airport	-	-	-	-
<b>Total Expenditures</b>	<u>368,012</u>	<u>345,352</u>	<u>206,574</u>	<u>1,093,389</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>6,692</u>	<u>220,152</u>	<u>29,112</u>	<u>(339,174)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Capital Assets	-	-	-	-
Transfers In	-	478	-	338,179
Transfers Out	-	-	-	-
<b>Total Other Financing     Sources (Uses)</b>	<u>-</u>	<u>478</u>	<u>-</u>	<u>338,179</u>
<b>Net Change in Fund Balance</b>	6,692	220,630	29,112	(995)
<b>Fund Balance - October 1</b>	<u>(22,619)</u>	<u>(12,886)</u>	<u>166,313</u>	<u>995</u>
<b>Fund Balance - September 30</b>	<u><u>\$ (15,927)</u></u>	<u><u>\$ 207,744</u></u>	<u><u>\$ 195,425</u></u>	<u><u>\$ -</u></u>

<b>Court Security</b>	<b>Judicial Efficiency</b>	<b>Court Technology</b>	<b>Child Safety</b>	<b>Stormwater Development</b>	<b>Juvenile Case Management</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
31,770	9,106	42,440	14,717	171,540	61,679
-	-	-	-	-	-
-	-	-	16	14	66
-	-	-	-	-	-
-	-	-	118,617	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
31,770	9,106	42,440	133,350	171,554	61,745
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
27,287	4,747	30,432	171,442	-	49,778
-	-	-	-	18,177	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
27,287	4,747	30,432	171,442	18,177	49,778
4,483	4,359	12,008	(38,092)	153,377	11,967
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,483	4,359	12,008	(38,092)	153,377	11,967
7,839	15,935	20,624	209,654	37,558	153,549
\$ 12,322	\$ 20,294	\$ 32,632	\$ 171,562	\$ 190,935	\$ 165,516

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**Nonmajor Special Revenue Funds - continued**  
**Year Ended September 30, 2015**

	<b>Faust Library</b>	<b>Federal Court Awards</b>	<b>Non-Federal Court Awards</b>
<b>REVENUE</b>			
Ad Valorem Taxes	\$ -	\$ -	\$ -
Sales Taxes	-	-	-
Licenses and Permits	-	-	-
Fines and Forfeitures	-	-	-
Parks and Recreation	-	-	-
Interest	145	27	21
Federal Grants	-	60,143	-
State and Local Grants	-	-	-
Miscellaneous	-	-	11,509
Other Contributions	7,674	-	-
Charges and Fees	-	-	-
Total Revenues	<u>7,819</u>	<u>60,170</u>	<u>11,530</u>
<b>EXPENDITURES</b>			
<b>Current</b>			
General Government	-	-	-
Finance and Tax	-	-	-
Planning and Environmental Development	-	-	-
Public Safety	-	151,504	13,167
Public Works	-	-	-
Parks and Recreation	-	-	-
Civic Center	-	-	-
Library	-	-	-
Airport	-	-	-
Total Expenditures	<u>-</u>	<u>151,504</u>	<u>13,167</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>7,819</u>	<u>(91,334)</u>	<u>(1,637)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of capital assets	-	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	7,819	(91,334)	(1,637)
<b>Fund Balance - October 1</b>	<u>1</u>	<u>214,055</u>	<u>61,623</u>
<b>Fund Balance - September 30</b>	<u><u>\$ 7,820</u></u>	<u><u>\$ 122,721</u></u>	<u><u>\$ 59,986</u></u>

<b>Edwards Aquifer HCP</b>	<b>Cable Franchise PEG</b>	<b>Creekside Town Center</b>	<b>Enterprise Maintenance and Equipment Fund</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ -	\$ -	\$ 1,071,402	\$ -	\$ 1,071,402
-	-	938,817	-	938,817
-	-	-	-	6,100
-	-	-	-	414,872
-	-	-	-	664,495
-	-	-	912	1,201
-	-	-	-	758,291
-	-	-	-	368,091
960,369	-	1,081,543	-	2,117,082
-	-	267,654	-	439,939
-	204,658	-	8,380	213,038
<u>960,369</u>	<u>204,658</u>	<u>3,359,416</u>	<u>9,292</u>	<u>6,993,328</u>
-	-	2,576,794	-	2,576,794
-	-	-	-	-
-	-	-	-	368,012
-	-	-	-	1,226,335
1,090,758	-	-	1,770,889	3,438,469
-	-	-	-	268,274
-	-	-	72,536	72,536
-	-	-	-	40,418
-	-	-	74,061	74,061
<u>1,090,758</u>	<u>-</u>	<u>2,576,794</u>	<u>1,917,486</u>	<u>8,064,899</u>
<u>(130,389)</u>	<u>204,658</u>	<u>782,622</u>	<u>(1,908,194)</u>	<u>(1,071,571)</u>
-	-	-	282,665	282,665
86,849	-	-	1,718,274	2,143,780
-	-	-	-	-
<u>86,849</u>	<u>-</u>	<u>-</u>	<u>2,000,939</u>	<u>2,426,445</u>
(43,540)	204,658	782,622	92,745	1,354,874
<u>(151,580)</u>	<u>412,312</u>	<u>364,643</u>	<u>2,282,927</u>	<u>3,760,943</u>
<u>\$ (195,120)</u>	<u>\$ 616,970</u>	<u>\$ 1,147,265</u>	<u>\$ 2,375,672</u>	<u>\$ 5,115,817</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING BALANCE SHEET**  
**Nonmajor Capital Projects Funds**  
**September 30, 2015**

	<b>Roadway Impact Fees</b>	<b>Park Improvement</b>	<b>Certificates of Obligation 2004 Fund</b>
<b>ASSETS</b>			
Cash	\$ 1,394,053	\$ 871,489	\$ -
Pooled and Temporary Investments	4,010,424	200,982	83,743
Receivables (Net of Allowance for Uncollectibles)			
Interest	-	-	-
Total Assets	<u>\$ 5,404,477</u>	<u>\$ 1,072,471</u>	<u>\$ 83,743</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts Payable	\$ -	\$ -	\$ -
Due to Other Funds	-	-	23,471
Accrued Expenses	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>23,471</u>
<b>Fund Balances</b>			
Restricted	<u>5,404,477</u>	<u>1,072,471</u>	<u>60,272</u>
Total Fund Balances	<u>5,404,477</u>	<u>1,072,471</u>	<u>60,272</u>
 Total Liabilities and Fund Balances	 <u>\$ 5,404,477</u>	 <u>\$ 1,072,471</u>	 <u>\$ 83,743</u>

Certificates of Obligation 2007 Fund	Certificates of Obligation 2008 Fund	Certificates of Obligation 2009 Fund	Certificates of Obligation 2011 Fund	Certificates of Obligation 2012 Fund
\$ 48,494	\$ 8,808	\$ 8,185	\$ -	\$ 814,515
62,093	1,003,791	679,423	1,980,619	2,368,971
-	-	-	-	24,108
<u>\$ 110,587</u>	<u>\$ 1,012,599</u>	<u>\$ 687,608</u>	<u>\$ 1,980,619</u>	<u>\$ 3,207,594</u>
\$ 5,192	\$ 16,334	\$ 22,600	\$ 22,709	\$ 20,995
-	-	-	97,399	-
-	-	-	-	-
<u>5,192</u>	<u>16,334</u>	<u>22,600</u>	<u>120,108</u>	<u>20,995</u>
<u>105,395</u>	<u>996,265</u>	<u>665,008</u>	<u>1,860,511</u>	<u>3,186,599</u>
<u>105,395</u>	<u>996,265</u>	<u>665,008</u>	<u>1,860,511</u>	<u>3,186,599</u>
<u>\$ 110,587</u>	<u>\$ 1,012,599</u>	<u>\$ 687,608</u>	<u>\$ 1,980,619</u>	<u>\$ 3,207,594</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING BALANCE SHEET**  
**Nonmajor Capital Projects Funds - continued**  
**September 30, 2015**

	<b>Certificates of Obligation 2013 Fund</b>	<b>Certificates of Obligation 2014 Fund</b>	<b>Certificates of Obligation 2015 Fund</b>
<b>ASSETS</b>			
Cash	\$ -	\$ 1,537	\$ -
Pooled and Temporary Investments	3,954,670	1,335,760	5,501,366
Receivables (Net of Allowance for Uncollectibles)			
Interest	-	-	-
Total Assets	<u>\$ 3,954,670</u>	<u>\$ 1,337,297</u>	<u>\$ 5,501,366</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 450,579	\$ 52,250	\$ -
Due to Other Funds	83,922.00	-	-
Accrued Expenses	-	-	-
Total Liabilities	<u>534,501</u>	<u>52,250</u>	<u>-</u>
<b>Fund Balances</b>			
Restricted	<u>3,420,169</u>	<u>1,285,047</u>	<u>5,501,366</u>
Total Fund Balances	<u>3,420,169</u>	<u>1,285,047</u>	<u>5,501,366</u>
 Total Liabilities and Fund Balances	 <u>\$ 3,954,670</u>	 <u>\$ 1,337,297</u>	 <u>\$ 5,501,366</u>



<b>Tax Notes 2015 Fund</b>	<b>Total Nonmajor Capital Projects Funds</b>
\$ 1,255,000	\$ 4,402,081
-	21,181,842
-	24,108
<u>\$ 1,255,000</u>	<u>\$ 25,608,031</u>
\$ -	\$ 590,659
-	204,792
-	-
<u>-</u>	<u>795,451</u>
<u>1,255,000</u>	<u>24,812,580</u>
<u>1,255,000</u>	<u>24,812,580</u>
<u>\$ 1,255,000</u>	<u>\$ 25,608,031</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**Nonmajor Capital Projects Funds**  
**Year Ended September 30, 2015**

	<b>Roadway Impact Fees</b>	<b>Park Improvement</b>	<b>Certificates of Obligation 2004 Fund</b>
<b>REVENUE</b>			
Parks and Recreation	\$ 6,000	\$ 457,300	\$ -
Interest	2,279	104	109
State and Local Grants	-	-	-
Miscellaneous	-	-	-
Other Contributions	1,198,414	-	-
Total Revenues	<u>1,206,693</u>	<u>457,404</u>	<u>109</u>
<b>EXPENDITURES</b>			
<b>Current</b>			
General Government	-	-	-
Finance and Tax	-	-	-
Public Safety	-	-	-
Public Works	144,354	-	-
Parks and Recreation	-	6,492	-
Library	137,439	-	-
Airport	-	-	-
<b>Debt Service</b>			
Bond Issuance Costs and Fees	-	-	-
Total Expenditures	<u>281,793</u>	<u>6,492</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>924,900</u>	<u>450,912</u>	<u>109</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Proceeds from Long-term Debt Issued	-	-	-
Premium Received on the Issuance of Debt	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	924,900	450,912	109
<b>Fund Balance - October 1</b>	<u>4,479,577</u>	<u>621,559</u>	<u>60,163</u>
<b>Fund Balance - September 30</b>	<u><u>\$ 5,404,477</u></u>	<u><u>\$ 1,072,471</u></u>	<u><u>\$ 60,272</u></u>

Certificates of Obligation 2007 Fund	Certificates of Obligation 2008 Fund	Certificates of Obligation 2009 Fund	Certificates of Obligation 2011 Fund	Certificates of Obligation 2012 Fund
\$ -	\$ -	\$ -	\$ -	\$ -
174	569	500	692	2,484
-	-	-	-	-
-	-	-	12,596	2,170
-	-	-	-	-
174	569	500	13,288	4,654
-	-	-	-	-
-	-	-	-	-
-	-	249,559	-	-
-	187,055	-	97,418	621,857
277,558	-	6,116	332,392	2,333,177
-	-	-	-	-
-	-	-	81,388	-
-	-	-	-	-
277,558	187,055	255,675	511,198	2,955,034
(277,384)	(186,486)	(255,175)	(497,910)	(2,950,380)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(277,384)	(186,486)	(255,175)	(497,910)	(2,950,380)
382,779	1,182,751	920,183	2,358,421	6,136,979
\$ 105,395	\$ 996,265	\$ 665,008	\$ 1,860,511	\$ 3,186,599

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**Nonmajor Capital Projects Funds - continued**  
**Year Ended September 30, 2015**

	Certificates of Obligation 2013 Fund	Certificates of Obligation 2014 Fund	Certificates of Obligation 2015 Fund
<b>REVENUE</b>			
Parks and Recreation	\$ -	\$ -	\$ -
Interest	5,433	574	1,366
State and Local Grants	-	-	-
Miscellaneous	-	-	-
Other Contributions	-	-	-
Total Revenues	<u>5,433</u>	<u>574</u>	<u>1,366</u>
<b>EXPENDITURES</b>			
<b>Current</b>			
General Government	325,527	-	-
Finance and Tax	-	-	-
Public Safety	239,449	-	-
Public Works	769,706	-	-
Parks and Recreation	3,671,670	274,940	-
Library	-	-	-
Airport	-	252,250	-
<b>Debt Service</b>			
Bond Issuance Costs and Fees	-	-	117,119
Total Expenditures	<u>5,006,352</u>	<u>527,190</u>	<u>117,119</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(5,000,919)</u>	<u>(526,616)</u>	<u>(115,753)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Proceeds from Long-term Debt Issued	-	-	5,395,000
Premium Received on the Issuance of Debt	-	-	222,119
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>5,617,119</u>
<b>Net Change in Fund Balance</b>	(5,000,919)	(526,616)	5,501,366
<b>Fund Balance - October 1</b>	<u>8,421,088</u>	<u>1,811,663</u>	<u>-</u>
<b>Fund Balance - September 30</b>	<u>\$ 3,420,169</u>	<u>\$ 1,285,047</u>	<u>\$ 5,501,366</u>

<b>Tax Notes 2015 Fund</b>	<b>Total Nonmajor Capital Projects Funds</b>
\$ -	\$ 463,300
-	14,284
-	-
-	14,766
-	1,198,414
-	1,690,764
-	325,527
-	-
-	489,008
-	1,820,390
-	6,902,345
-	137,439
-	333,638
30,000	147,119
30,000	10,155,466
(30,000)	(8,464,702)
-	-
-	-
1,285,000	6,680,000
-	222,119
1,285,000	6,902,119
1,255,000	(1,562,583)
-	26,375,163
\$ 1,255,000	\$ 24,812,580

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**Year Ended September 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP Basis</b>	<b>with Final Budget</b>
<b>REVENUE</b>				
Ad Valorem Taxes	\$ 10,218,005	\$ 10,218,005	10,158,271	\$ (59,734)
Interest	-	-	263	263
Miscellaneous	-	-	300	300
Other Contributions	1,665,563	1,665,563	1,665,563	-
Total Revenues	11,883,568	11,883,568	11,824,397	(59,171)
<b>EXPENDITURES</b>				
General Government - Operations	-	-	1	(1)
<b>Debt Service:</b>				
Principal	7,685,000	7,685,000	7,685,000	-
Interest	5,562,729	5,562,729	5,042,245	520,484
Bond Issuance Costs and Fees	-	-	204,335	(204,335)
Total Expenditures	13,247,729	13,247,729	12,931,581	316,148
<b>Excess (Deficiency) of Revenue over Expenditures</b>	(1,364,161)	(1,364,161)	(1,107,184)	256,977
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,488,972	1,488,972	1,488,929	(43)
Proceeds from Bond Issuance	-	-	14,775,000	14,775,000
Premium Received on the Issuance of Debt	-	-	2,083,117	2,083,117
Payments to Escrow Agent for Bond Refunding	-	-	(17,101,256)	(17,101,256)
Total Other Financing Sources (Uses)	1,488,972	1,488,972	1,245,790	(243,182)
<b>Net Change in Fund Balance</b>	124,811	124,811	138,606	13,795
<b>Fund Balance - October 1</b>	1,279,311	1,279,311	1,279,311	691,113
<b>Fund Balance - September 30</b>	\$ 1,404,122	\$ 1,404,122	\$ 1,417,917	\$ 704,908

CITY OF NEW BRAUNFELS, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
COMMUNITY DEVELOPMENT BLOCK GRANT  
Year Ended September 30, 2015

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP</b>	<b>with Final</b>
			<b>Basis</b>	<b>Budget</b>
<b>REVENUE</b>				
Federal Grants	\$ 493,204	\$ 493,204	\$ 374,704	\$ (118,500)
Total Revenues	<u>493,204</u>	<u>493,204</u>	<u>374,704</u>	<u>(118,500)</u>
<b>EXPENDITURES</b>				
Planning and Environmental Devel.-Operations	<u>493,204</u>	<u>493,204</u>	<u>368,012</u>	<u>125,192</u>
Total Expenditures	<u>493,204</u>	<u>493,204</u>	<u>368,012</u>	<u>125,192</u>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	-	-	6,692	6,692
<b>Fund Balance - October 1</b>	<u>(22,619)</u>	<u>(22,619)</u>	<u>(22,619)</u>	<u>(15,325)</u>
<b>Fund Balance - September 30</b>	<u>\$ (22,619)</u>	<u>\$ (22,619)</u>	<u>\$ (15,927)</u>	<u>\$ (8,633)</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GRANTS FUND**  
**Year Ended September 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP Basis</b>	<b>with Final Budget</b>
<b>REVENUE</b>				
Federal Grants	\$ 1,137,768	\$ 1,137,768	\$ 323,444	\$ (814,324)
State and Local Grants	-	-	242,060	242,060
Miscellaneous	-	-	-	-
Total Revenues	<u>1,137,768</u>	<u>1,137,768</u>	<u>565,504</u>	<u>(572,264)</u>
<b>EXPENDITURES</b>				
Public Safety				
Employee	-	-	64,142	(64,142)
Operations	<u>568,884</u>	<u>568,884</u>	<u>64,551</u>	<u>504,333</u>
	568,884	568,884	128,693	440,191
Public Works-Capital	-	-	7,500	(7,500)
Parks and Recreation-Capital	-	-	200,000	(200,000)
Library-Operations	<u>568,884</u>	<u>568,884</u>	<u>9,159</u>	<u>559,725</u>
Total Expenditures	<u>1,137,768</u>	<u>1,137,768</u>	<u>345,352</u>	<u>792,416</u>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	-	-	220,152	220,152
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	<u>-</u>	<u>-</u>	<u>478</u>	<u>478</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>478</u>	<u>478</u>
<b>Net Change in Fund Balance</b>	-	-	220,630	220,630
<b>Fund Balance - October 1</b>	<u>(12,886)</u>	<u>(12,886)</u>	<u>(12,886)</u>	<u>(378,727)</u>
<b>Fund Balance - September 30</b>	<u>\$ (12,886)</u>	<u>\$ (12,886)</u>	<u>\$ 207,744</u>	<u>\$ (158,097)</u>



**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SPECIAL REVENUE DONATIONS FUND**  
**Year Ended September 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP Basis</b>	<b>with Final Budget</b>
<b>REVENUE</b>				
Interest	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
State and Local Grants	-	-	7,414	7,414
Other Contributions	100,000	100,000	164,611	64,611
Miscellaneous	-	-	63,661	63,661
<b>Total Revenues</b>	<b>100,000</b>	<b>100,000</b>	<b>235,686</b>	<b>135,686</b>
<b>EXPENDITURES</b>				
General Government-Operations	-	-	-	-
Public Safety-Operations	12,000	12,000	8,521	3,479
Public Works-Capital	-	-	98,520	(98,520)
Parks and Recreation-Operations	100,000	100,000	68,274	31,726
Library-Operations	60,000	60,000	31,259	28,741
<b>Total Expenditures</b>	<b>172,000</b>	<b>172,000</b>	<b>206,574</b>	<b>63,946</b>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<b>(72,000)</b>	<b>(72,000)</b>	<b>29,112</b>	<b>199,632</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(72,000)</b>	<b>(72,000)</b>	<b>29,112</b>	<b>42,888</b>
<b>Fund Balance - October 1</b>	<b>166,313</b>	<b>166,313</b>	<b>166,313</b>	<b>-</b>
<b>Fund Balance - September 30</b>	<b>\$ 94,313</b>	<b>\$ 94,313</b>	<b>\$ 195,425</b>	<b>\$ 101,112</b>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**RIVER FUND**  
**Year Ended September 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP</b>	<b>with Final</b>
			<b>Basis</b>	<b>Budget</b>
<b>REVENUE</b>				
Licenses and Permits	\$ 6,000	\$ 6,000	\$ 6,100	\$ 100
Fines and Forfeitures	60,000	60,000	83,620	23,620
Parks and Recreation	605,100	605,100	664,495	59,395
Miscellaneous	-	-	-	-
Total Revenues	671,100	671,100	754,215	83,115
<b>EXPENDITURES</b>				
Public Safety				
Employee	-	-	636,057	(636,057)
Operations	-	-	4,707	(4,707)
	-	-	640,764	(640,764)
Public Works				
Employee	741,742	874,742	233,341	641,401
Operations	209,384	239,384	219,284	20,100
	951,126	1,114,126	452,625	661,501
Total Expenditures	951,126	1,114,126	1,093,389	20,737
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	(280,026)	(443,026)	(339,174)	103,852
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	280,027	280,027	338,179	58,152
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	280,027	280,027	338,179	58,152
<b>Net Change in Fund Balance</b>	1	(162,999)	(995)	162,004
<b>Fund Balance - October 1</b>	995	995	995	(18,985)
<b>Fund Balance - September 30</b>	\$ 996	\$ (162,004)	\$ -	\$ 143,019

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COURT SECURITY FUND**  
**Year Ended September 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP</b>	<b>with Final</b>
			<b>Basis</b>	<b>Budget</b>
<b>REVENUE</b>				
Fines and Forfeitures	\$ 26,300	\$ 26,300	\$ 31,770	\$ 5,470
Total Revenues	26,300	26,300	31,770	5,470
<b>EXPENDITURES</b>				
Public Safety				
Employee	27,287	27,287	27,287	-
Total Expenditures	27,287	27,287	27,287	-
<b>Net Change in Fund Balance</b>	(987)	(987)	4,483	5,470
<b>Fund Balance - October 1</b>	7,839	7,839	7,839	1,988
<b>Fund Balance (Deficit) - September 30</b>	\$ 6,852	\$ 6,852	\$ 12,322	\$ 7,458

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**JUDICIAL EFFICIENCY FUND**  
**Year Ended September 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP</b>	<b>with Final</b>
			<b>Basis</b>	<b>Budget</b>
<b>REVENUE</b>				
Fines and Forfeitures	\$ 4,200	\$ 4,200	\$ 9,106	\$ 4,906
Total Revenues	4,200	4,200	9,106	4,906
<b>EXPENDITURES</b>				
<b>Current</b>				
Public Safety-Employee	10,800	10,800	4,747	6,053
Public Safety-Operations	3,000	3,000	-	3,000
Total Expenditures	13,800	13,800	4,747	9,053
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	(9,600)	(9,600)	4,359	13,959
<b>Fund Balance - October 1</b>	15,935	15,935	15,935	13,484
<b>Fund Balance - September 30</b>	\$ 6,335	\$ 6,335	\$ 20,294	\$ 27,443

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COURT TECHNOLOGY FUND**  
**Year Ended September 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP</b>	<b>with Final</b>
			<b>Basis</b>	<b>Budget</b>
<b>REVENUE</b>				
Fines and Forfeitures	\$ 35,200	\$ 35,200	\$ 42,440	\$ 7,240
Total Revenues	35,200	35,200	42,440	7,240
<b>EXPENDITURES</b>				
<b>Current</b>				
Public Safety-Operations	35,700	35,700	30,432	5,268
Total Expenditures	35,700	35,700	30,432	5,268
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	(500)	(500)	12,008	12,508
<b>Fund Balance - October 1</b>	20,624	20,624	20,624	13,172
<b>Fund Balance - September 30</b>	\$ 20,124	\$ 20,124	\$ 32,632	\$ 25,680

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**CHILD SAFETY FUND**  
**Year Ended September 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP Basis</b>	<b>with Final Budget</b>
<b>REVENUE</b>				
Fines and Forfeitures	\$ 11,825	\$ 11,825	\$ 14,717	\$ 2,892
Interest	-	-	16	16
State and Local Grants	103,750	103,750	118,617	14,867
Miscellaneous	-	-	-	-
Total Revenues	<u>115,575</u>	<u>115,575</u>	<u>133,350</u>	<u>17,775</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
Public Safety				
Employee	80,615	80,615	67,669	12,946
Operations	93,500	93,500	41,631	51,869
Library	93,500	93,500	62,142	31,358
Total Expenditures	<u>267,615</u>	<u>267,615</u>	<u>171,442</u>	<u>96,173</u>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	(152,040)	(152,040)	(38,092)	113,948
<b>Fund Balance - October 1</b>	<u>209,654</u>	<u>209,654</u>	<u>209,654</u>	<u>208,264</u>
<b>Fund Balance - September 30</b>	<u>\$ 57,614</u>	<u>\$ 57,614</u>	<u>\$ 171,562</u>	<u>\$ 322,212</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**STORMWATER DEVELOPMENT FUND**  
**Year Ended September 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP</b>	<b>with Final</b>
			<b>Basis</b>	<b>Budget</b>
<b>REVENUE</b>				
Interest	\$ -	\$ -	\$ 14	\$ 14
Charges and Fees	36,000	36,000	-	(36,000)
Fines and Forfeitures	-	-	171,540	171,540
Total Revenues	36,000	36,000	171,554	135,554
<b>EXPENDITURES</b>				
<b>Current</b>				
Public Works				
Operations	80,000	80,000	18,177	61,823
Capital	-	-	-	-
Total Expenditures	80,000	80,000	18,177	61,823
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	(44,000)	(44,000)	153,377	197,377
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
<b>Net Change in Fund Balance</b>	(44,000)	(44,000)	153,377	197,377
<b>Fund Balance - October 1</b>	37,558	37,558	37,558	-
<b>Fund Balance - September 30</b>	\$ (32,315)	\$ (32,315)	\$ 190,935	\$ 223,250

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**JUVENILE CASE MANAGEMENT FUND**  
**Year Ended September 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP</b>	<b>with Final</b>
			<b>Basis</b>	<b>Budget</b>
<b>REVENUE</b>				
Fines and Forfeitures	\$ 43,100	\$ 43,100	\$ 61,679	\$ 18,579
Interest	-	-	66	66
Total Revenues	<u>43,100</u>	<u>43,100</u>	<u>61,745</u>	<u>18,645</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
Public Safety				
Employee	65,490	65,490	44,188	21,302
Operations	15,000	15,000	5,590	9,410
Total Expenditures	<u>80,490</u>	<u>80,490</u>	<u>49,778</u>	<u>30,712</u>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	(37,390)	(37,390)	11,967	49,357
<b>Fund Balance - October 1</b>	<u>153,549</u>	<u>153,549</u>	<u>153,549</u>	<u>7,579</u>
<b>Fund Balance - September 30</b>	<u>\$ 116,159</u>	<u>\$ 116,159</u>	<u>\$ 165,516</u>	<u>\$ 56,936</u>



**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FAUST LIBRARY FUND**  
**Year Ended September 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP</b>	<b>with Final</b>
			<b>Basis</b>	<b>Budget</b>
<b>REVENUE</b>				
Interest	\$ -	\$ -	145	\$ -
Other Contributions	-	-	7,674	-
Total Revenues	-	-	7,819	-
<b>EXPENDITURES</b>				
<b>Current</b>				
Library-Operations	\$ -	\$ -	\$ -	\$ -
Total Expenditures	-	-	-	-
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	-	-	7,819	7,819
<b>Fund Balance - October 1</b>	1	1	1	-
<b>Fund Balance - September 30</b>	\$ 1	\$ 1	\$ 7,820	\$ 7,819

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FEDERAL COURT AWARDS FUND**  
**Year Ended September 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP</b>	<b>with Final</b>
			<b>Basis</b>	<b>Budget</b>
<b>REVENUE</b>				
Interest	\$ -	\$ -	\$ 27	\$ 27
Federal Grants	-	-	60,143	60,143
Miscellaneous	-	-	-	-
Total Revenues	-	-	60,170	60,170
<b>EXPENDITURES</b>				
<b>Current</b>				
Public Safety				
Employee	5,000	5,000	-	5,000
Operations	150,000	150,000	118,525	31,475
Capital	57,500	57,500	32,979	24,521
Total Expenditures	212,500	212,500	151,504	60,996
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	(212,500)	(212,500)	(91,334)	121,166
<b>Fund Balance - October 1</b>	214,055	214,055	214,055	212,289
<b>Fund Balance - September 30</b>	\$ 1,555	\$ 1,555	\$ 122,721	\$ 333,455

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**NON-FEDERAL COURT AWARDS FUND**  
**Year Ended September 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP</b>	<b>with Final</b>
			<b>Basis</b>	<b>Budget</b>
<b>REVENUE</b>				
Interest	\$ -	\$ -	\$ 21	\$ 21.00
Miscellaneous	-	-	11,509	11,509
Total Revenues	-	-	11,530	11,530
<b>EXPENDITURES</b>				
<b>Current</b>				
Public Safety				
Employee	-	-	1,583	(1,583)
Operations	60,500	60,500	11,584	48,916
Capital	-	-	-	-
Total Expenditures	60,500	60,500	13,167	47,333
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	(60,500)	(60,500)	(1,637)	58,863
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
<b>Net Change in Fund Balance</b>	(60,500)	(60,500)	(1,637)	58,863
<b>Fund Balance - October 1</b>	61,623	61,623	61,623	58,057
<b>Fund Balance - September 30</b>	\$ 1,123	\$ 1,123	\$ 59,986	\$ 116,920

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDWARDS AQUIFER HCP FUND**  
**Year Ended September 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP Basis</b>	<b>with Final Budget</b>
<b>REVENUE</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Miscellaneous	1,495,875	1,495,875	960,369	(535,506)
<b>Total Revenues</b>	<b>1,495,875</b>	<b>1,495,875</b>	<b>960,369</b>	<b>(535,506)</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
Public Works				
Employee	85,800	85,800	85,410	390
Operations	1,400,875	1,400,875	688,988	711,887
Capital	100,000	100,000	316,360	(216,360)
<b>Total Expenditures</b>	<b>1,586,675</b>	<b>1,586,675</b>	<b>1,090,758</b>	<b>495,917</b>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<b>(90,800)</b>	<b>(90,800)</b>	<b>(130,389)</b>	<b>(39,589)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	90,800	90,800	86,849	(3,951)
<b>Total Other Financing Sources (Uses)</b>	<b>90,800</b>	<b>90,800</b>	<b>86,849</b>	<b>(3,951)</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>(43,540)</b>	<b>(43,540)</b>
<b>Fund Balance - October 1</b>	<b>(151,580)</b>	<b>(151,580)</b>	<b>(151,580)</b>	<b>-</b>
<b>Fund Balance - September 30</b>	<b>\$ (151,580)</b>	<b>\$ (151,580)</b>	<b>\$ (195,120)</b>	<b>\$ (43,540)</b>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**CABLE FRANCHISE PEG FUND**  
**Year Ended September 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP</b>	<b>with Final</b>
			<b>Basis</b>	<b>Budget</b>
<b>REVENUE</b>				
Franchise Taxes	\$ 183,100	\$ 183,100	\$ 204,658	\$ 21,558
Total Revenues	183,100	183,100	204,658	21,558
<b>EXPENDITURES</b>				
<b>Current</b>				
General Government				
Operations	-	-	-	-
Capital	250,000	250,000	-	250,000
Total Expenditures	250,000	250,000	-	250,000
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	(66,900)	(66,900)	204,658	271,558
<b>Fund Balance - October 1</b>	412,312	412,312	412,312	-
<b>Fund Balance - September 30</b>	\$ 345,412	\$ 345,412	\$ 616,970	\$ 271,558

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**CREEKSIDE TOWN CENTER FUND**  
**Year Ended September 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP Basis</b>	<b>with Final Budget</b>
<b>REVENUE</b>				
Ad Valorem Taxes	\$ 1,896,115	\$ 1,896,115	\$ 1,071,402	\$ (824,713)
Sales Tax	966,963	966,963	938,817	(28,146)
Miscellaneous	-	-	1,081,543	1,081,543
Other Contributions	-	-	267,654	267,654
Total Revenues	<u>2,863,078</u>	<u>2,863,078</u>	<u>3,359,416</u>	<u>496,338</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
General Government-Operations	80,000	80,000	60,000	20,000
Debt Service	<u>2,918,309</u>	<u>2,918,309</u>	<u>2,516,794</u>	<u>401,515</u>
Total Expenditures	<u>2,998,309</u>	<u>2,998,309</u>	<u>2,576,794</u>	<u>421,515</u>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	(135,231)	(135,231)	782,622	917,853
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(135,231)	(135,231)	782,622	917,853
<b>Fund Balance - October 1</b>	<u>364,643</u>	<u>364,643</u>	<u>364,643</u>	<u>-</u>
<b>Fund Balance - September 30</b>	<u>\$ 229,412</u>	<u>\$ 229,412</u>	<u>\$ 1,147,265</u>	<u>917,853</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ENTERPRISE MAINTENANCE AND EQUIPMENT REPLACEMENT FUND**  
**Year Ended September 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP Basis</b>	<b>with Final Budget</b>
<b>REVENUE</b>				
Interest	\$ 750	\$ 750	\$ 912	\$ 162
Miscellaneous	-	-	-	-
Charges and Fees	-	-	8,380	8,380
Total Revenues	750	750	9,292	8,542
<b>EXPENDITURES</b>				
<b>Current</b>				
Public Works-Capital	1,800,000	1,830,000	1,770,889	59,111
Civic Center-Operations	24,000	24,000	8,933	15,067
Civic Center-Capital	65,000	80,000	63,603	16,397
Airport-Capital	54,000	84,000	74,061	9,939
Total Expenditures	1,943,000	2,018,000	1,917,486	100,514
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	(1,942,250)	(2,017,250)	(1,908,194)	109,056
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Capital Assets	140,000	140,000	282,665	142,665
Transfers In	1,785,826	1,785,826	1,718,274	(67,552)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	1,925,826	1,925,826	2,000,939	75,113
<b>Net Change in Fund Balance</b>	(16,424)	(91,424)	92,745	184,169
<b>Fund Balance - October 1</b>	2,282,927	2,282,927	2,282,927	-
<b>Fund Balance - September 30</b>	\$ 2,266,503	\$ 2,191,503	\$ 2,375,672	\$ 184,169

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**CEMETERY PERPETUAL CARE**  
**Year Ended September 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP Basis</b>	<b>with Final Budget</b>
<b>REVENUE</b>				
Fines and Forfeitures	\$ -	\$ -	\$ 475	\$ 475
Interest	100	100	44	(56)
Parks and Recreation	-	-	2,520	2,520
Miscellaneous	-	-	-	-
Total Revenues	100	100	3,039	2,939
<b>EXPENDITURES</b>				
<b>Current</b>				
Parks and Recreation - Operations	20,000	20,000	2,754	17,246
Parks and Recreation - Capital	60,000	60,000	-	60,000
Total Expenditures	80,000	80,000	2,754	77,246
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	(79,900)	(79,900)	285	80,185
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
<b>Net Change in Fund Balance</b>	(79,900)	(79,900)	285	80,185
<b>Fund Balance - October 1</b>	94,114	94,114	94,114	-
<b>Fund Balance - September 30</b>	\$ 14,214	\$ 14,214	\$ 94,399	\$ 80,185



## STATISTICAL SECTION

# STATISTICAL SECTION

This part of the City of New Braunfels' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends	105
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	112
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, property tax revenues.</i>	
Debt Capacity	117
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	121
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	124
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the service the government provides and the activities it performs.</i>	

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

Table 1

**City of New Braunfels, Texas**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Net Investment in Capital Assets	\$ 19,682	\$ 16,701	\$ 28,406	\$ 24,535	\$ 25,853	\$ 26,047	\$ 25,891	\$ 24,207	\$ 8,094	\$ 5,121
Restricted	30,529	17,170	8,705	5,001	3,834	4,571	4,587	7,931	6,879	10,919
Unrestricted	5,562	25,817	23,302	27,138	23,972	22,021	15,937	12,650	13,828	(10,896)
Total Governmental Activities										
Net Position	<u>\$ 55,773</u>	<u>\$ 59,688</u>	<u>\$ 60,413</u>	<u>\$ 56,674</u>	<u>\$ 53,659</u>	<u>\$ 52,639</u>	<u>\$ 46,415</u>	<u>\$ 44,788</u>	<u>\$ 28,801</u>	<u>\$ 5,144</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 6,330	\$ 8,620	\$ 8,716	\$ 8,414	\$ 7,940	\$ 6,951	\$ 8,200	\$ 11,549	\$ 34,960	\$ 34,775
Unrestricted	3,860	3,363	2,251	3,103	2,151	1,235	1,930	2,054	1,967	298
Total Business-type Activities										
Net Position	<u>\$ 8,357</u>	<u>\$ 11,983</u>	<u>\$ 10,967</u>	<u>\$ 11,517</u>	<u>\$ 10,091</u>	<u>\$ 8,186</u>	<u>\$ 10,130</u>	<u>\$ 13,603</u>	<u>\$ 36,927</u>	<u>\$ 35,073</u>
Primary Government										
Net Investment in Capital Assets	\$ 26,012	\$ 25,321	\$ 37,122	\$ 32,949	\$ 33,793	\$ 32,998	\$ 34,091	\$ 35,756	\$ 43,054	\$ 39,896
Restricted	30,529	17,170	8,705	5,001	3,834	4,571	4,587	7,931	6,879	10,919
Unrestricted	9,422	29,180	25,553	30,241	26,123	23,256	17,867	14,704	15,795	(10,598)
Total Primary Government										
Net Position	<u>\$ 65,963</u>	<u>\$ 71,671</u>	<u>\$ 71,380</u>	<u>\$ 68,191</u>	<u>\$ 63,750</u>	<u>\$ 60,825</u>	<u>\$ 56,545</u>	<u>\$ 58,391</u>	<u>\$ 65,728</u>	<u>\$ 40,217</u>

Source: City financial statements

Table 2

**City of New Braunfels, Texas**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

<b>Expenses</b>	<b>Fiscal Year</b>									
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Governmental Activities:										
General Government	\$ 2,668	\$ 5,048	\$ 5,992	\$ 6,016	\$ 5,409	\$ 7,918	\$ 9,416	\$ 12,083	\$ 14,850	\$ 17,936
Finance and Tax	836	949	1,285	1,011	966	912	1,050	1,305	972	719
Planning and Environmental Development	1,671	2,656	2,468	2,896	2,861	3,350	2,816	3,413	2,489	2,622
Public Safety	18,071	19,107	22,472	25,901	27,303	28,515	31,810	30,057	31,597	33,327
Public Works	3,557	4,050	5,116	6,460	6,631	6,675	8,180	12,973	8,241	9,377
Parks and Recreation	3,017	3,661	4,042	4,538	5,321	5,069	5,995	3,632	4,572	8,551
Library	1,440	1,529	1,717	1,860	1,769	1,836	1,954	2,203	2,400	1,969
Civic/Convention Center	399	713	1,185	-	-	-	-	6	5	191
Housing Assistance Payments	38	-	-	-	-	-	-	-	-	-
Airport	-	-	-	15	249	9	-	219	107	48
Contributions	-	-	-	-	-	-	-	-	-	-
Interest on Long-term Debt	1,547	1,639	2,610	3,181	3,552	3,184	4,213	3,913	4,985	5,369
Total Governmental Activities Expenses	<u>33,244</u>	<u>39,352</u>	<u>46,887</u>	<u>51,878</u>	<u>54,061</u>	<u>57,468</u>	<u>65,434</u>	<u>69,804</u>	<u>70,218</u>	<u>80,109</u>
Business-type Activities:										
Airport	1,234	1,093	1,458	1,134	1,730	1,968	2,174	2,305	2,855	2,778
Solid Waste	4,102	4,846	5,433	5,552	6,389	5,506	5,167	5,779	6,171	6,670
Golf Course	923	916	924	888	884	979	1,015	904	678	1,775
Civic/Convention Center	-	-	-	656	752	746	730	671	924	894
Total Business-type Activities Expenses	<u>6,259</u>	<u>6,855</u>	<u>7,815</u>	<u>8,230</u>	<u>9,755</u>	<u>9,199</u>	<u>9,086</u>	<u>9,659</u>	<u>10,628</u>	<u>12,117</u>
Total Primary Government Expenses	<u>\$ 39,503</u>	<u>\$ 46,207</u>	<u>\$ 54,702</u>	<u>\$ 60,108</u>	<u>\$ 63,816</u>	<u>\$ 66,667</u>	<u>\$ 74,520</u>	<u>\$ 79,463</u>	<u>\$ 80,846</u>	<u>\$ 92,226</u>

Table 2

**City of New Braunfels, Texas**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

<b>Program Revenues</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Governmental Activities:										
Charges for Services:										
General Government	\$ 430	\$ 150	\$ 95	\$ 155	\$ 158	\$ 260	\$ 165	\$ 1,182	\$ 1,095	\$ 1,265
Finance and Tax	1,984	-	-	-	-	-	-	-	-	-
Planning and Environmental Development	2,904	2,197	2,269	1,967	2,000	2,385	2,988	3,209	3,335	3,912
Public Safety	252	2,362	2,827	4,477	4,245	4,684	3,822	3,936	3,108	3,841
Public Works	1,052	602	656	620	295	222	1,141	75	898	1,076
Parks and Recreation	81	1,162	1,337	1,375	1,181	1,352	1,386	1,600	1,963	1,642
Library	-	82	90	103	137	177	98	111	114	102
Facilities Maintenance	71	-	-	-	-	-	-	-	-	-
Civic/Convention Center	-	58	179	-	-	-	-	-	-	8
Operating Grants and Contributions	632	1,803	1,531	1,739	1,874	2,760	1,366	1,000	1,539	1,963
Capital Grants and Contributions	626	490	801	701	837	1,555	2,072	3,000	-	-
Total Governmental Activities Program Revenues	<u>8,032</u>	<u>8,906</u>	<u>9,785</u>	<u>11,137</u>	<u>10,727</u>	<u>13,395</u>	<u>13,038</u>	<u>14,113</u>	<u>12,052</u>	<u>13,809</u>
Business-type Activities:										
Charges for Services:										
Airport	918	841	1,028	783	1,361	1,406	1,667	1,771	2,387	2,317
Solid Waste	5,351	5,259	5,046	5,690	5,855	6,415	7,020	7,215	7,591	7,985
Golf Course	910	890	1,056	1,103	867	957	975	1,076	128	1,378
Civic/Convention Center	-	-	-	224	291	321	279	293	371	418
Operating Grants and Contributions	-	-	-	-	-	71	50	55	43	50
Capital Grants and Contributions	77	9	87	650	955	223	2,224	4,570	441	290
Total Business-type Activities Program Revenues	<u>7,256</u>	<u>6,999</u>	<u>7,217</u>	<u>8,450</u>	<u>9,329</u>	<u>9,393</u>	<u>12,215</u>	<u>14,980</u>	<u>10,961</u>	<u>12,438</u>
Total Primary Government Program Revenues	<u>\$ 15,288</u>	<u>\$ 15,905</u>	<u>\$ 17,002</u>	<u>\$ 19,587</u>	<u>\$ 20,056</u>	<u>\$ 22,788</u>	<u>\$ 25,253</u>	<u>\$ 29,093</u>	<u>\$ 23,013</u>	<u>\$ 26,247</u>
Net (Expense) Revenue										
Governmental Activities	\$ (25,212)	\$ (30,446)	\$ (37,102)	\$ (40,741)	\$ (43,334)	\$ (44,073)	\$ (52,396)	\$ (55,691)	\$ (58,166)	\$ (66,300)
Business-type Activities	997	144	(598)	220	(426)	194	3,129	5,321	333	321
Total Primary Government Net Expense	<u>\$ (24,215)</u>	<u>\$ (30,302)</u>	<u>\$ (37,700)</u>	<u>\$ (40,521)</u>	<u>\$ (43,760)</u>	<u>\$ (43,879)</u>	<u>\$ (49,267)</u>	<u>\$ (50,370)</u>	<u>\$ (57,833)</u>	<u>\$ (65,979)</u>

Table 2

**City of New Braunfels, Texas**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

**General Revenues and Other Changes in Net Position**

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Governmental Activities:										
Taxes										
Property Taxes, Levied for General Purposes	\$ 9,154	\$ 9,800	\$ 9,809	\$ 10,781	\$ 10,838	\$ 10,340	\$ 10,578	\$ 11,206	\$ 10,851	\$ 13,956
Property Taxes, Levied for Debt Service	1,382	2,385	3,774	4,688	4,992	5,698	7,260	8,019	9,231	10,159
Sales Tax	10,315	11,200	11,974	11,858	12,562	13,457	14,665	16,420	18,613	18,608
Hotel/Motel Occupancy Taxes	2,747	2,096	2,346	2,155	2,486	2,615	3,118	3,375	3,604	3,813
Franchise Taxes	5,320	6,125	5,869	6,351	6,986	7,448	7,694	7,875	8,283	8,435
Mixed Beverage	-	-	190	193	220	232	211	275	390	439
Investment Income	2,618	3,314	2,544	740	189	114	155	187	87	47
Other Contributions	2	26	20	183	343	205	171	1,806	1,989	2,336
Miscellaneous	169	545	775	357	643	817	1,052	4,492	4,183	3,643
Transfers	2,824	(2,827)	699	(304)	1,015	2,127	1,268	1,618	(8,222)	284
Total Governmental Activities	<u>34,531</u>	<u>32,664</u>	<u>38,000</u>	<u>37,002</u>	<u>40,274</u>	<u>43,053</u>	<u>46,172</u>	<u>55,273</u>	<u>49,009</u>	<u>61,720</u>
Business-type Activities:										
Investment Income	172	199	109	30	14	3	2	2	1	2
Miscellaneous Income	-	-	-	-	-	25	82	(233)	68	86
Transfers	664	2,827	(699)	304	(1,015)	(2,127)	(1,269)	(1,618)	8,222	(284)
Total Business-type Activities	<u>836</u>	<u>3,026</u>	<u>(590)</u>	<u>334</u>	<u>(1,001)</u>	<u>(2,099)</u>	<u>(1,185)</u>	<u>(1,849)</u>	<u>8,291</u>	<u>(196)</u>
Total Primary Government	<u>\$ 35,367</u>	<u>\$ 35,690</u>	<u>\$ 37,410</u>	<u>\$ 37,336</u>	<u>\$ 39,273</u>	<u>\$ 40,954</u>	<u>\$ 44,987</u>	<u>\$ 53,424</u>	<u>\$ 57,300</u>	<u>\$ 61,524</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ 9,319	\$ 2,218	\$ 898	\$ (3,739)	\$ (3,060)	\$ (1,020)	\$ (6,224)	\$ (418)	\$ (9,157)	\$ (4,580)
Business-type Activities	1,833	3,170	(1,188)	554	(1,427)	(1,905)	1,944	3,472	8,624	125
Total Primary Government	<u>\$ 11,152</u>	<u>\$ 5,388</u>	<u>\$ (290)</u>	<u>\$ (3,185)</u>	<u>\$ (4,487)</u>	<u>\$ (2,925)</u>	<u>\$ (4,280)</u>	<u>\$ 3,054</u>	<u>\$ (533)</u>	<u>\$ (4,455)</u>

Source: Statement of Activities from City CAFRs

Table 3

**City of New Braunfels, Texas**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>General Fund</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 1	\$ -	\$ 1	\$ -
Assigned	-	1,507	560	258	267	9,318	7,611	4,662	4,430	4,319
Unassigned	22,185	23,647	21,461	23,260	26,139	18,291	16,838	15,189	18,188	16,677
Total General Fund	<u>\$ 22,185</u>	<u>\$ 25,154</u>	<u>\$ 22,021</u>	<u>\$ 23,518</u>	<u>\$ 26,406</u>	<u>\$ 27,611</u>	<u>\$ 24,450</u>	<u>\$ 19,851</u>	<u>\$ 22,619</u>	<u>\$ 20,996</u>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135	\$ 88	\$ 95	\$ 94	\$ 94
Restricted	-	-	39,619	30,361	\$ 2,586	27,222	36,789	45,162	40,930	51,895
Committed	-	-	-	-	-	104	531	3,160	2,863	3,188
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned, Reported in:										
Debt Service Fund	1,423	2,473	2,504	1,725	679	-	-	-	-	-
Hotel/Motel Tax Fund	311	174	224	203	443	-	-	-	-	-
Special Revenue Funds	2,151	1,344	1,257	312	598	-	(19)	(733)	(187)	(211)
Permanent Fund	-	192	198	144	146	-	-	-	-	-
Capital Project Funds (Deficit)	28,185	42,210	621	1,381	15,350	-	(2,014)	-	-	-
Total All Other Governmental Funds	<u>\$ 32,070</u>	<u>\$ 46,393</u>	<u>\$ 44,423</u>	<u>\$ 34,126</u>	<u>\$ 19,802</u>	<u>\$ 27,461</u>	<u>\$ 35,375</u>	<u>\$ 47,684</u>	<u>\$ 43,700</u>	<u>\$ 54,966</u>

Source: Balance Sheet

Table 4

**City of New Braunfels, Texas**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Revenues</b>										
Taxes and Transfers	\$ 28,918	\$ 31,515	\$ 33,898	\$ 35,823	\$ 38,778	\$ 39,841	\$ 43,365	\$ 47,119	\$ 52,201	\$ 55,205
Licenses and Permits	2,061	1,705	1,792	1,542	1,490	1,693	2,340	2,252	2,581	3,052
Intergovernmental	-	-	-	-	-	-	-	107	152	242
Charges for Services	1,594	2,278	2,484	3,377	3,001	3,857	3,946	3,093	3,133	3,573
Fines and Forfeitures	1,318	931	1,168	1,191	1,465	1,845	1,233	1,173	1,235	1,743
Parks and Recreation	1,294	1,130	1,491	1,384	1,180	1,358	1,062	1,528	1,883	2,307
Interest	2,573	3,267	2,511	715	185	114	302	187	87	46
Federal Grants	1,022	800	306	385	635	1,137	267	689	1,990	758
State and Local Grants	134	214	223	260	207	554	57	1,980	312	368
Other Contributions	86	1,257	1,669	1,830	2,067	1,773	1,150	2,917	3,594	3,374
Miscellaneous	442	843	1,255	1,467	830	1,073	2,047	4,440	2,565	3,466
Charges and Fees	252	-	-	-	-	-	-	-	-	-
Total Revenues	39,694	43,940	46,797	47,974	49,838	53,245	55,769	65,485	69,733	74,134
<b>Expenditures</b>										
General Government	3,401	5,783	5,952	5,200	5,183	6,764	8,312	8,550	12,490	11,695
Finance and Tax	760	859	1,171	862	811	742	870	1,120	848	855
Planning and Environmental Devel.	1,671	2,438	2,391	2,511	2,463	2,959	2,335	3,264	2,729	2,983
Public Safety	18,192	18,122	25,919	23,176	22,631	26,137	34,934	28,311	30,207	31,134
Public Works	3,066	7,532	16,751	20,670	13,566	13,742	10,112	20,863	18,319	15,231
Parks and Recreation	3,218	5,690	4,812	5,713	6,395	4,953	5,907	5,555	18,797	11,645
Library	1,399	1,369	1,551	1,645	1,560	1,602	1,608	2,020	2,059	2,187
Facilities Maintenance	346	229	260	1,493	-	-	-	-	-	-
Civic/Convention Center	259	7,374	4,458	-	-	-	-	55	61	296
Contributions	-	-	-	-	-	-	-	-	-	-
Housing Assistance Payments	38	-	-	-	-	-	-	-	-	-
Airport	-	112	-	15	249	9	-	263	1,977	407
Capital Projects	6,980	-	-	-	-	-	-	-	-	-



Table 4

**City of New Braunfels, Texas**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Debt Service										
Principal	\$ 343	\$ 1,390	\$ 2,805	\$ 3,575	\$ 4,000	\$ 4,140	\$ 4,715	\$ 5,825	\$ 6,775	\$ 7,805
Interest	1,547	1,529	2,540	3,182	3,513	3,222	3,961	4,242	4,762	5,056
Other	1	542	243	151	3	107	249	185	414	551
Total Expenditures	<u>41,221</u>	<u>52,969</u>	<u>68,853</u>	<u>68,193</u>	<u>60,374</u>	<u>64,377</u>	<u>73,003</u>	<u>80,253</u>	<u>99,438</u>	<u>89,845</u>
Excess of Revenues Over (Under) Expenditures	(1,527)	(9,029)	(22,056)	(20,219)	(10,536)	(11,132)	(17,234)	(14,768)	(29,705)	(15,711)
<b>Other Financing Sources (Uses)</b>										
Transfer In	5,688	4,127	4,389	3,641	2,399	3,486	4,975	6,871	3,827	4,923
Transfer Out	(2,864)	(3,854)	(3,690)	(3,946)	(1,384)	(1,858)	(4,106)	(5,253)	(1,491)	(2,017)
Proceeds from Issuance of Debt	-	37,700	16,300	9,500	-	18,930	19,470	30,330	24,095	35,940
Premium (Discount) on Debt Issuance	-	46	100	65	-	-	1,526	1,795	1,016	3,309
Payment to Bond Escrow Agent	-	(10,432)	-	-	-	(719)	-	(11,677)	-	(17,101)
Proceeds from Sale of Assets	-	45	25	68	12	114	121	412	369	301
Proceeds from Loan Payable	-	-	-	-	-	-	-	-	673	-
Net Other Financing Sources (Uses)	<u>2,824</u>	<u>27,632</u>	<u>17,124</u>	<u>9,328</u>	<u>1,027</u>	<u>19,953</u>	<u>21,986</u>	<u>22,478</u>	<u>28,489</u>	<u>25,355</u>
Net Change in Fund Balances	<u>\$ 1,297</u>	<u>\$ 18,603</u>	<u>\$ (4,932)</u>	<u>\$ (10,891)</u>	<u>\$ (9,509)</u>	<u>\$ 8,821</u>	<u>\$ 4,752</u>	<u>\$ 7,710</u>	<u>\$ (1,216)</u>	<u>\$ 9,644</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>5.5%</u>	<u>6.5%</u>	<u>8.1%</u>	<u>10.1%</u>	<u>12.4%</u>	<u>11.6%</u>	<u>12.2%</u>	<u>12.8%</u>	<u>12.0%</u>	<u>14.9%</u>

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

**City of New Braunfels, Texas**  
**General Governmental Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Utilities Transfer</b>	<b>Hotel Occupancy Tax</b>	<b>Mixed Beverage Tax</b>	<b>Total</b>
2006	\$ 10,535	\$ 10,315	\$ 809	\$ 4,769	\$ 1,923	\$ 131	\$ 28,482
2007	11,938	11,200	874	5,251	2,096	156	31,515
2008	13,519	11,974	939	4,929	2,343	190	33,894
2009	15,266	11,858	1,045	5,306	2,155	193	35,823
2010	15,830	12,562	1,336	5,650	2,486	220	38,084
2011	16,089	13,457	1,629	5,819	2,615	232	39,841
2012	17,828	14,665	1,475	6,065	3,118	211	43,362
2013	19,174	16,420	1,671	6,204	3,375	275	47,119
2014	21,311	18,613	1,805	6,478	3,604	390	52,201
2015	24,115	23,978	1,961	6,474	3,813	439	60,780

Data Source: City CAFRs and detailed financial records

Table 6

**City of New Braunfels, Texas**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

<b>Fiscal Year Ended</b>	<b>Total Assessed</b>	<b>Total Real Property</b>	<b>Total Personal Property</b>	<b>Less: Tax Exempt Real Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value<sup>1</sup> as a Percentage of Actual Value</b>
2006	3,436,339	3,134,226	302,113	501,538	2,934,801	0.42561	2,934,801	85.40%
2007	3,825,235	3,500,619	324,616	524,642	3,300,593	0.40986	3,300,593	86.28%
2008	4,434,090	4,074,265	359,825	635,571	3,798,519	0.40986	3,798,519	85.67%
2009	4,815,790	4,485,101	330,689	715,980	4,099,810	0.40986	4,099,810	85.13%
2010	4,731,368	4,379,000	352,368	789,412	3,941,956	0.40986	3,941,956	83.32%
2011	4,871,687	4,488,892	382,795	809,339	4,062,348	0.40986	4,062,348	83.39%
2012	4,959,408	4,610,203	349,205	853,111	4,106,297	0.44836	4,106,297	82.80%
2013	5,044,593	4,665,542	379,051	866,905	4,177,688	0.46734	4,177,688	82.82%
2014	5,313,743	4,917,972	395,771	904,189	4,409,554	0.49823	4,409,554	82.98%
2015	5,955,309	5,529,399	425,910	1,047,373	4,907,936	0.49823	4,907,936	82.41%

Source: Comal County Appraisal District

<sup>1</sup>Assessed Actual Values are net of local option over-65 exemptions, state mandated agricultural exemptions, and disabled veterans' exemptions.

Table 7

**City of New Braunfels, Texas**  
**Property Tax Rates<sup>1</sup>**  
**Direct and Overlapping<sup>2</sup> Governments**  
**(per \$100 of assessed value)**  
**Last Ten Fiscal Years**

Fiscal Year	City of New Braunfels Tax Rate			Overlapping Tax Rates					Total Direct & Overlapping	Total Direct & Overlapping	Total Direct & Overlapping
	General Government	Debt Service	Total	Comal County	Guadalupe County	Navarro ISD	New Braunfels ISD	Comal ISD	Rates NBISD	Rates Comal ISD	Rates Navarro ISD
2006	0.36900	0.05662	0.42561	0.35375	0.40310	1.82000	1.82000	1.80000	2.59936	2.57936	2.64871
2007	0.32702	0.08285	0.40986	0.31520	0.40310	1.44000	1.65250	1.64000	2.37756	2.36506	2.25296
2008	0.29486	0.11500	0.40986	0.31799	0.38950	1.44000	1.34486	1.31000	2.07272	2.03786	2.23936
2009	0.28218	0.12768	0.40986	0.30802	0.38950	1.44000	1.33880	1.31000	2.05669	2.02789	2.23936
2010	0.28218	0.12768	0.40986	0.31296	0.38950	1.46000	1.33910	1.31000	2.06192	2.03282	2.25936
2011	0.26136	0.14850	0.40986	0.33400	0.39990	1.46000	1.33910	1.37000	2.08296	2.11386	2.26976
2012	0.26136	0.18700	0.44836	0.35042	0.40360	1.43000	1.33910	1.43000	2.13788	2.22878	2.28196
2013	0.26856	0.19878	0.46734	0.30522	0.34560	1.43000	1.33910	1.43000	2.11167	2.20257	2.24294
2014	0.27808	0.22015	0.49823	0.27822	0.34190	1.42000	1.33910	1.43000	2.11555	2.20645	2.26013
2015	0.27808	0.22015	0.49823	0.29282	0.33610	1.39000	1.33910	1.39000	2.13015	2.18105	2.22433

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

<sup>1</sup>Tax rate is per \$100 of taxable assessed value

<sup>2</sup>Overlapping rates are those of local and county governments that apply to property owners within the City of New Braunfels. Overlapping rates are shown for each of the three school districts serving New Braunfels

Table 8

**City of New Braunfels, Texas  
Principal Property Taxpayers  
Fiscal Year End 2015 and 2006**

	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
<b>Taxpayer</b>						
Central Texas Corridor Hospital (Resolute Health)	\$ 126,908,263	1	2.59%			
Rush Trucking Leasing	73,726,340	3	1.50%			
Creeside Town Center	72,868,540	2	1.48%			
Western Rim Investors	33,904,150	5	0.69%			
Sundance Apartments	26,977,530	4	0.55%			
Augusta Gruene Apartments	21,918,970	8	0.45%			
Resolute Health/Family Urgent Care	20,653,050	9	0.42%			
LPF Westpointe LLC	19,681,339	6	0.40%			
Bucees	19,342,480	7	0.39%			
Landmark Garden LTD	18,527,100	10	0.38%			
Continental Homes of Texas				\$ 12,257,080	1	0.42%
NB Marketplace LP				11,900,000	2	0.41%
Westshore Colony LLC				11,300,000	3	0.39%
Coleman Co Inc				11,267,665	4	0.38%
HEB Grocery Company				10,452,320	5	0.36%
Walmart Real Estate Trust				10,100,000	6	0.34%
Bluebonnet Motors Inc				10,093,650	7	0.34%
Liberty Partnership LP				9,442,401	8	0.32%
Southwestern Bell Telephone				9,238,130	9	0.31%
Augusta II Associates LP				9,100,008	10	0.31%
Totals	\$ 434,507,762		8.85%	\$ 105,151,254		3.58%

Source: Comal County Tax Assessor-Collector's Office

Table 9

**City of New Braunfels, Texas**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

<b>Fiscal Year Ended</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collections Within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2006	\$ 10,494	\$ 9,680	99.57%	\$ 797	\$ 10,477	99.8%
2007	11,820	11,568	96.67%	229	11,797	99.8%
2008	13,422	13,094	97.56%	286	13,380	99.7%
2009	15,178	14,817	97.62%	274	15,091	99.4%
2010	15,623	15,210	98.06%	257	15,467	99.0%
2011	15,838	15,612	98.57%	400	16,012	101.1%
2012	17,747	17,431	98.22%	325	17,756	100.1%
2013	19,108	19,092	99.92%	334	19,426	101.7%
2014	21,543	21,251	98.64%	195	21,446	99.5%
2015	24,029	23,817	99.12%	283	24,100	100.3%

Source: Comal County Tax Assessor and City CAFR

Note: Taxes stated are for General Fund and Debt Service Funds.

Table 10

**City of New Braunfels, Texas**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities			Business Type Activities			Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	Certificates of Obligation	Loan Payable	Revenue Bond	Certificates of Obligation	Loan Payable			
2006	-	34,020	-	255	-	13	34,288	1.6%	659
2007	10,600	50,060	-	210	-	-	60,870	2.6%	1,128
2008	10,600	63,555	-	160	-	-	74,315	3.2%	1,330
2009	10,545	78,645	-	110	-	-	89,300	3.7%	1,547
2010	10,490	65,590	-	55	-	-	76,135	3.0%	1,273
2011	10,975	79,180	-	-	-	-	90,155	3.4%	1,483
2012	10,725	94,190	-	-	-	-	104,915	3.7%	1,695
2013	21,305	97,030	-	-	-	-	118,335	5.3%	1,878
2014	34,685	100,970	673	-	-	721	137,049	6.1%	2,175
2015	52,730	95,585	553	-	-	593	149,461	4.9%	2,251

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup>See the Schedule of Demographic and Economic Statistics for personal income and population data.

Table 11

**City of New Braunfels, Texas**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands, except per capita amount)

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value<sup>1</sup> of Property</b>	<b>Per Capita<sup>2</sup></b>
2006	\$ -	\$ -	\$ -	0.00%	-
2007	10,600	2,504	8,096	0.21%	145
2008	10,600	-	10,600	0.28%	190
2009	10,545	-	10,545	0.26%	183
2010	10,490	-	10,490	0.27%	175
2011	10,975	-	10,975	0.27%	181
2012	10,725	786	9,939	0.24%	161
2013	21,305	809	20,496	0.49%	325
2014	34,685	1,279	33,406	0.76%	530
2015	52,730	1,418	51,312	1.05%	773

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup>See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

<sup>2</sup> Population data can be found in the Schedule of Demographic and Economic Statistics



Table 12

**City of New Braunfels, Texas**  
**Direct and Overlapping Governmental Activities Debt**  
**As of September 30, 2015**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>1</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
New Braunfels Independent School District	\$ 130,006,670	84.7%	\$ 110,063,647
Comal Independent School District	475,788,425	20.6%	98,202,731
Navarro Independent School District	23,295,490	1.2%	267,898
Guadalupe County	12,785,000	8.9%	1,131,473
Comal County	60,240,000	36.0%	21,692,424
Subtotal - Overlapping Debt	<u>702,115,585</u>		<u>231,358,172</u>
City of New Braunfels Direct Debt	<u>\$ 149,461,000</u>	<u>100%</u>	<u>149,461,000</u>
Total Direct and Overlapping Debt			<u>\$ 380,819,172</u>

Source: Debt outstanding data provided by the ISD and the County and is as of August 31, 2014

Note:

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

<sup>1</sup>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.

Table 13

**City of New Braunfels, Texas**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Debt Limit	\$ 343,634	\$ 382,524	\$ 443,409	\$ 481,579	\$ 473,137	\$ 487,169	\$ 495,941	\$ 504,459	\$ 531,374	\$ 595,531
Total Net Debt Applicable to Limit	-	-	10,600	10,545	10,490	10,975	10,725	21,305	34,685	52,730
Legal Debt Margin	\$ 343,634	\$ 382,524	\$ 432,809	\$ 471,034	\$ 462,647	\$ 476,194	\$ 485,216	\$ 483,154	\$ 496,689	\$ 542,801
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.0%	0.0%	2.4%	2.2%	2.2%	2.3%	2.2%	4.2%	6.5%	8.9%

**Legal Debt Margin Calculation for Fiscal Year 2014**

Assessed Value	\$ 4,907,936
Add Back: Exempt Real Property	1,047,373
Total Assessed Value	<u>\$ 5,955,309</u>
Debt Limit (10% of Total Assessed Value)	595,531
Debt Applicable to Limit:	
General Obligation Bonds	52,730
Legal Debt Margin	<u><u>\$ 542,801</u></u>

Note: Under state finance law, the City of New Braunfel'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.

Table 14

**City of New Braunfels, Texas  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population</b>	<b>Total Wages All Industries<sup>2</sup> (expressed in thousands)</b>	<b>Average Annual Pay All Industries<sup>2</sup></b>	<b>School Enrollment<sup>3</sup></b>	<b>Unemployment Rate<sup>4</sup></b>
2006	49,514	\$ 2,030,917	\$ 32,380	21,134	3.9%
2007	52,056	2,191,376	33,380	22,366	3.4%
2008	53,975	2,361,258	34,348	23,656	4.0%
2009	55,867	2,349,085	34,565	24,371	5.7%
2010	57,740	2,388,266	34,998	24,941	5.8%
2011	59,823	2,544,510	35,970	14,273	6.1%
2012	60,791	2,642,199	37,555	15,883	5.1%
2013	61,885	2,822,616	41,155	8,269	4.6%
2014	62,998	2,232,220	43,800	8,463	3.8%
2015	66,394	3,064,162	46,871	8,438	3.5%

<sup>2</sup>Total wages and average annual pay is for Comal and Guadalupe counties combined; data provided by the Bureau of Labor Statistics

<sup>3</sup>School enrollment is for Comal County through 2010; 2011 and all following years are for City of New Braunfels only; 2013 and following years include only New Braunfels Independent School District

<sup>4</sup>Data is for the City of New Braunfels

Table 15

**City of New Braunfels, Texas  
Principal Employers  
Current Year and Ten Years Ago**

<u><b>Employer</b></u>	<b>2015</b>			<b>2006</b>		
	<u><b>Employees</b></u>	<u><b>Rank</b></u>	<u><b>Percentage of Total City Employment</b></u>	<u><b>Employees</b></u>	<u><b>Rank</b></u>	<u><b>Percentage of Total City Employment</b></u>
Comal ISD	2,588	1	8.7%	1,800	1	7.8%
Schlitterbahn Water Park	1,689	2	5.7%	1,700	2	7.3%
Wal-Mart Distribution Center	1,218	3	4.1%	1,200	3	5.2%
New Braunfels ISD	1,040	4	3.5%	850	5	3.7%
IBEX Corporation	750	5	2.5%			0.0%
Hunter Industries-Colorado Materials	705	6	2.4%	650	6	2.8%
Comal County	683	7	2.3%	521	7	2.2%
Resolute Health	593	8	2.0%			0.0%
City of New Braunfels	550	9	1.8%	494	8	2.1%
HD Supply	516	10	1.7%			0.0%
Christus Santa Rosa Hospital	460	11	1.5%	903	4	3.9%
<b>Total</b>	<b>10,792</b>		<b>36.2%</b>	<b>8,915</b>		<b>31.1%</b>

Source: Greater New Braunfels Chamber of Commerce

Table 16

**City of New Braunfels, Texas**  
**Authorized City Government Positions by Function**  
**Last Ten Fiscal Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>GENERAL FUND</b>										
City Secretary	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
City Attorney	3.0	2.0	2.0	2.0	3.0	3.0	4.0	4.0	4.0	4.0
City Manager	1.0	3.0	4.0	5.0	4.0	5.0	5.0	5.0	5.0	5.0
Information Technology										7.0
Human Resources	0.0	0.0	0.0	6.0	6.0	6.0	7.0	7.0	7.0	7.0
Finance	10.0	14.0	18.0	14.0	14.0	15.0	16.0	17.0	17.0	10.0
Municipal Court	8.0	10.0	11.0	11.0	11.0	11.0	10.0	10.0	10.0	10.0
Police	103.5	115.0	123.0	140.0	139.0	139.0	143.0	148.0	151.0	157.0
Fire	95.0	104.0	114.0	116.0	116.0	116.0	134.0	134.0	134.0	134.0
Planning and Community Development	19.0	21.0	23.0	24.0	25.0	24.0	26.0	29.0	30.0	31.0
Planning and Comm. Dev. - Main Street	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0
Parks and Recreation	135.5	150.0	151.0	152.0	140.0	140.5	141.5	150.5	150.5	161.5
Public Works	40.0	42.0	46.0	42.0	42.0	41.5	47.0	44.5	44.5	46.5
Library	21.8	24.0	25.5	25.8	25.8	26.5	26.5	28.5	28.5	28.25
<b>Total General Fund</b>	441.8	490.0	522.5	542.8	529.8	531.5	564.0	581.5	585.5	605.25
<b>GOLF COURSE FUND</b>	10.0	10.0	10.0	13.0	13.0	12.0	11.5	11.5	11.5	17.0
<b>AIRPORT FUND</b>	3.5	3.5	3.5	4.5	5.5	6.0	6.0	7.0	7.0	7.0
<b>SOLID WASTE FUND</b>	53.0	53.0	51.0	51.0	51.0	44.5	48.0	50.5	50.5	52.5
<b>CAPITAL PROJECT FUNDS</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.0	8.0	8.0
<b>CIVIC/CONVENTION CENTER FUND</b>	0.0	0.0	0.0	8.0	8.0	8.0	8.0	8.5	8.5	8.5
<b>RIVER ACTIVITIES FUND</b>	24.0	24.0	20.0	20.0	16.0	16.0	67.5	54.5	54.5	54.5
<b>FACILITIES MAINTENANCE FUND</b>	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0
<b>CDBG FUND</b>	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
	<u>533.3</u>	<u>581.5</u>	<u>608.0</u>	<u>640.3</u>	<u>623.3</u>	<u>619.0</u>	<u>706.0</u>	<u>720.5</u>	<u>726.5</u>	<u>753.75</u>

Source: City of New Braunfels Annual Budget

Table 17

**City of New Braunfels, Texas  
Operating Indicators by Function  
Last Nine Fiscal Years**

Function	Fiscal Years								
	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Police</b>									
Serious crimes that result in arrest or cleared for prosecution	N/A	N/A	N/A	N/A	1,087	957	900	611	650
Avg. time from intake of crimes in progress call until officer on scene	N/A	N/A	N/A	N/A	6:10	6:41	6:36	7:34	7:05
<b>Fire</b>									
Response times - structure fire	N/A	N/A	N/A	N/A	4:43	3:45	4:30	6:38	5:20
Response times - EMS	N/A	N/A	N/A	N/A	5:30	5:32	5:30	7:05	6:05
Smoke detectors issued/inspected/updated	N/A	N/A	N/A	N/A	762	842	1,200	420	425
<b>Public Works</b>									
Subdivision plans reviewed within 30 days of receipt	50%	50%	100%	100%	100%	100%	90%	100%	100%
Permits reviewed	265	280	274	296	285	240	240	360	468
Miles of roadway repaired/improved	2	2	2	4	4	14	38	35	35
Acres of right-of-way mowed	174	174	174	185	185	165	188	188	188
<b>Solid Waste</b>									
Waste diverted from landfill	13%	13%	13%	13%	20%	36%	35%	29%	30%
Residential operating cost per ton collected	N/A	N/A	N/A	N/A	\$ 63.32	\$ 94.00	\$ 104.00	\$ 73.90	\$ 86.54
<b>Parks and Recreation</b>									
Participants in recreation programs	2,623	2,710	2,426	2,126	3,198	3,080	3,000	3,918	4,747
Athletic leagues teams' participants	N/A	N/A	N/A	N/A	196	212	190	233	216
Golf course rounds played	42,000	42,500	47,976	41,000	40,574	39,140	43,000	N/A	34,750
<b>Planning and Community Development</b>									
Residential permits issued	1,924	2,034	1,924	2,116	1,019	1,556	1,603	2,302	2,260
Commercial permits issued	282	291	282	310	552	442	455	344	420
Calls for service - Animal Control	5,250	5,504	6,144	5,040	5,994	5,553	6,900	7,349	6,829
Cases abated without court action - Code Compliance	95%	97%	97%	92%	96%	98%	98%	97%	97%
Special projects completed	N/A	N/A	N/A	N/A	4	5	15	5	4
Historic landmark designations	10	4	7	7	6	3	3	2	2
<b>Airport Operations</b>									
Flight operations annually	64,000	58,000	47,462	58,000	32,340	28,099	39,880	45,000	45,000
Gallons of fuel sold	N/A	N/A	N/A	N/A	221,106	289,882	308,000	399,151	405,000
<b>Library</b>									
Visitors annually	241,000	257,868	270,838	378,000	313,996	312,138	285,000	283,790	280,000
Annual circulation of library materials	440,000	482,064	568,327	802,500	756,549	762,491	800,000	828,426	800,000
Database accesses	N/A	N/A	N/A	N/A	14,117	18,021	28,000	45,780	50,000
<b>Municipal Court</b>									
Time from plea to trial	1 year	1 year	1 year	45 days	123 days	27 days	37 days	45 days	40 days
Time to issue warrant for failure to appear	1 year	1 year	1 year	75 days	1 year	72 days	96 days	90 days	90 days

\* Information is not available prior to fiscal year 2006 as the City did not begin tracking performance indicators until that time.

Table 18

**City of New Braunfels, Texas  
Capital Asset Statistics by Function  
Last Ten Fiscal Years**

<b>Function</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Public Safety										
Police and Fire:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	4	4	5	5	5	5	6	6	6	6
Highways and Streets										
Streets (Miles)		275	283	291	305	317	318	318	323	323
Area in Square Miles		1.7	1.7	1.8	1.8	1.9	1.9	1.9	2.0	2.0
Culture and Recreation										
Parks Acreage	291	349	349	373	373	373	373	373	373	435
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Golf Course	1	1	1	1	1	1	1	1	1	1

Sources: Various city departments.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

City Council  
City of New Braunfels  
New Braunfels, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of New Braunfels, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise City of New Braunfels basic financial statements, and have issued our report thereon dated May 25, 2016. Our report includes a reference to other auditors who audited the financial statements of New Braunfels Utilities as described in our report on City of New Braunfels financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of New Braunfels internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of New Braunfels internal control. Accordingly, we do not express an opinion on the effectiveness of City of New Braunfels internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questions costs, we identified a certain deficiency in internal control that we consider to be material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.. We consider the deficiency described as finding 2015-001 in the accompanying schedule of findings and questioned costs to be a material weakness.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City of New Braunfels financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **City of New Braunfels Response to Findings**

City of New Braunfels response to the finding identified in our audit is described in the accompanying schedule of findings and questioned cost. City of New Braunfels response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Dallas, Texas  
May 25, 2016

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH  
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

City Council  
City of New Braunfels  
New Braunfels, Texas

**Report on Compliance for Each Major Federal Program**

We have audited City of New Braunfels, TX's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of New Braunfels, TX's major federal programs for the year ended September 30, 2015. City of New Braunfels, TX's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of City of New Braunfels, TX's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of New Braunfels, TX's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of New Braunfels, TX's compliance.

***Opinion on Each Major Federal Program***

In our opinion, City of New Braunfels, TX complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015.

### **Report on Internal Control Over Compliance**

Management of City of New Braunfels, TX is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of New Braunfels, TX's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of New Braunfels, TX's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Clifton Larson Allen LLP". The signature is written in a cursive, flowing style.

Dallas, Texas  
May 25, 2016

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended September 30, 2015**

<u>Grantor Agency/Program Title</u>	<u>CFDA Number</u>	<u>Contract Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Program			
Community Development Block Grant Entitlement Program	14.218	B-13-MC-48-0512	\$ 162,996
Community Development Block Grant Entitlement Program	14.218	B-14-MC-48-0512	182,405
	14.218	B-15-MC-48-0513	22,610
			<u>368,011</u>
<u>U.S. Department of Homeland Security</u>			
Passed Through Texas Department of Public Safety			
State Homeland Security Grant Program	97.067	14-SR-50820-01	30,065
			<u>30,065</u>
<u>U.S. Department of Justice</u>			
Direct Program			
Bullet Proof Vest Program	16.067	2013BUBX13069299	432
Bullet Proof Vest Program	16.607	2014BUBX14074527	8,644
			<u>9,076</u>
<u>National Highway Traffic Safety Administration</u>			
Passed Through Texas Department of Transportation			
Selective Traffic Enforcement Program	20.600	585EGF6084	51,493
Selective Traffic Enforcement Program	20.600	583EGF6123	465
			<u>51,958</u>
<u>US Institute of Museum and Library Services</u>			
Passed Through Texas State Library and Archives Commission	45.310	421-15099	9,116
			<u>9,116</u>
<u>U.S Department of Commerce Economic Development Administration</u>			
Direct Program			
Economic Development Assistance Program	11.300	08-01-04929	231,032
			<u>231,032</u>
<u>Environmental Protection Agency</u>			
Passed Through Texas Commission on Environmental Quality			
Cooperative Reimbursement Contract for State and Local Government	66.46	582-15-53180	19,033
			<u>19,033</u>
<u>U.S. Department of Transportation- Federal Highway Administration</u>			
Passed Through Texas Parks and Wildlife Department			
Recreational Trails Program	20.219	RT13(018)	40,000
			<u>40,000</u>
			<u>\$ 758,291</u>

**CITY OF NEW BRAUNFELS**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**September 30, 2015**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying "Schedule of Expenditures of Federal Awards" includes the federal grant activity of the City of New Braunfels and is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**NOTE 2 – SUBRECIPIENTS**

The City of New Braunfels records disbursements to subrecipients on the cash basis of accounting for the purpose of requesting reimbursement from the federal grantor agencies:

<u>Grantor Agency/Grant Title and Subrecipients</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Amount</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grant Entitlement Program			
Casa of Central Texas Inc.	14.218	B-14-MC-48-0512	\$ 26,500
Comal County Senior Center	14.218	B-14-MC-48-0512	54,968
Comal County Crisis Center	14.218	B-14-MC-48-0512	479
Institute for Public Health & Research	14.218	B-14-MC-48-0512	73,630
Eikel Park Playground	14.218	B-14-MC-48-0512	29,493
NB Housing Partners	14.218	B-14-MC-48-0512	8,538
Jesse Garcia Playground	14.218	B-14-MC-48-0512	78,534
Family Life Center	14.218	B-14-MC-48-0512	13,805
San Antonio Food Bank	14.218	B-14-MC-48-0512	<u>13,806</u>
Actual Cash Disbursed During the Fiscal Year			\$ 299,753

**CITY OF NEW BRAUNFELS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**September 30, 2015**

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified that are not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

**Federal Awards**

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? None reported

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? No

Identification of major programs:

**CFDA Number(s)**

**Name of Federal Program or Cluster**

14.218	Community Development Block Grant Entitlement Program (CDBG – Entitlement Grants Cluster)
11.300	Economic Development Cluster

Dollar threshold used to distinguish between Type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? No

**CITY OF NEW BRAUNFELS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**September 30, 2015**

**Section II - Financial Statement Findings**

**2015-001 Year End Financial Close and Reporting (Material Weakness)**

Condition

During substantive audit fieldwork it was noted that several year end closing accounting entries were either not booked or properly recorded at year end.

Criteria

Accounting standards require the City's trial balance be prepared in accordance with Generally Accepted Accounting Principles (GAAP.)

Cause

The City lost its Finance Manager at the end of August 2015. The Finance Manager position in years past was responsible for yearend close.

Effect

Numerous audit adjustments were required to bring the financial statements in accordance with GAAP.

Recommendation

We recommend that the City task multiple personnel within the accounting and finance department with yearend close responsibilities. This will ensure multiple people within the City have the capability and knowledge to perform a proper financial close in accordance with GAAP and prevent the City from relying on one individual. The City can use the prior year audit adjusting journal entries as a starting point for preparing year end close entries. In addition a general review of the trial balance should be performed to ensure all City activity has been captured and reported properly at both year end and on a monthly basis.

Management Response

The City agrees with the findings. During the 2015-16 Fiscal Year, City staff began cross training and tasking multiple staff in month end and year end close activity. In addition, reconciliations of various balance sheet accounts are being performed on a monthly basis to ensure the balance sheet is properly stated.

**CITY OF NEW BRAUNFELS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**September 30, 2015**

**Section III - Federal Awards Findings and Questioned Costs**

No findings noted in the current year.



**CITY OF NEW BRAUNFELS**  
**SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS**  
**September 30, 2015**

**Section IV – Prior Year Financial Statement Findings**

2014-001 Property and Equipment Records – resolved

2014-002 Journal Entry Approval - resolved

**Section V – Prior Year Federal Awards Findings and Questioned Costs**

There were no federal awards findings in the prior year.

