

CITY OF NEW BRAUNFELS

FY 2023



For the Period Ending September 30, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

NEW BRAUNFELS, TEXAS

*ANNUAL COMPREHENSIVE
FINANCIAL REPORT*

of the

CITY OF NEW BRAUNFELS, TEXAS

For the Year Ended
September 30, 2023

Prepared by
Finance Department

CITY OF NEW BRAUNFELS, TEXAS

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INTRODUCTORY SECTION

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FINANCE DEPARTMENT

March 21, 2024

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

The Annual Comprehensive Financial Report for the City of New Braunfels, Texas (the “City”) for the fiscal year ended September 30, 2023, is hereby submitted. This report was prepared through the cooperative efforts of the Finance Department and the City’s independent auditors. The purpose of the report is to provide the citizens, City Council, management, staff, and other interested parties with detailed information reflecting the City’s financial condition.

This report consists of management’s representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government’s assets from loss, theft, or misuse; and to compile sufficient, reliable information for the preparation of the City’s financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City’s framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, the enclosed financial statements and schedules are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds, departments, and component units of New Braunfels, Texas.

The City Charter requires an independent auditing firm to annually complete an audit of the books and accounts of every City department. The City’s financial statements have been audited by Belt Harris Pechacek, LLLP, a firm of licensed certified public accountants. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City’s financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with GAAP. The independent auditors’ report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). The basic financial statements, including the accompanying notes, represent the core of the financial section. These financial statements present the financial condition of the City as a single entity, as well as the individual funds that account for the City’s various governmental and business-type activities. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the report of the independent auditors.

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NEW BRAUNFELS, TEXAS 78130

PROFILE OF THE GOVERNMENT

New Braunfels is a dynamic and historic Texas community of about 100,000 located on Interstate 35, 30 miles north of San Antonio and 45 miles south of Austin. New Braunfels is the largest city in Comal County and serves as the County seat. The City's geographic boundaries encompass approximately 45.5 square miles. The City's history is one of the richest in Texas and is cherished by its residents who strive to preserve and protect their heritage that reflects both strong German and Hispanic influences. Often referred to as the "City of a Prince" (because it was founded by Prince Carl of Solms Braunfels), early New Braunfels became an important part of Texas civilization and industry. The community has always been committed to preserving its rich history and this has tied into the established tourism industry, a major factor in the economy of today's New Braunfels. Our location, year-round entertainment options, natural resources, and vibrant economy are just a few of the factors that have led to the continued growth in population.

As provided in its Home Rule Charter, a Mayor and a six-member City Council govern the City of New Braunfels. The Mayor is elected at large while the remaining City Council members represent the six City Council Districts of the City. All policy-making decisions are vested in the City Council. Among other duties, the City Council appoints a City Manager who directs the day-to-day operations of the City under guidelines and policies of the City Charter and the City Council and is responsible for presenting a Proposed Annual Budget and Plan of Municipal Services to City Council. Each City Council member is elected for a three-year term on a staggered basis. The City Charter limits service to a total of three terms of office, whether served as council member or Mayor.

The City of New Braunfels is a full-service municipal organization with the organizational structure and divisions as depicted in the organizational chart on page 14. The City provides a full range of external services that includes police and fire protection, emergency response services, solid waste service and recycling, maintenance of streets and drainage infrastructure, recreational activities (including a full-service indoor recreation center) library services, planning and development services, code enforcement, animal control, river management, golf course management, civic/convention center management, a municipal court, a system of municipal parks, as well as the New Braunfels National Airport. Citizen engagement and involvement is a major component of the City's operations and policy development process, which has 30 active boards and commissions.

The New Braunfels Economic Development Corporation (NBEDC), a non-profit corporation, was formed to administer a special 3/8 of one cent sales tax for economic development. The City Council appoints all NBEDC board members and must approve the NBEDC's budget and associated expenditures. Because of this, City management has included the NBEDC in its financial reports as a discretely presented component unit. In addition, New Braunfels Utilities (NBU) is a City-owned water, wastewater, and electric utility serving the City of New Braunfels and some of the surrounding area. The City Council appoints these board members as well and approves proposed debt issuances and/or rate adjustments of the utility. The City also has three Tax Increment Reinvestment Zones (TIRZ). One encompasses the areas known as the Creekside Shopping Center, one encompasses the area known as the "Milltown" area, and the newest is in the downtown district of New Braunfels. The City Council appoints the board members and approves the annual budgets as well. Therefore, City Management has included all the TIRZ and the New Braunfels Development Authority (NBDA) as blended component units. In January 2019, the Solms Landing Public Improvement District (PID) was created. The PID is a 98-acre development east of I-35 in the Creekside area and will incorporate a mixture of residential and non-residential developments. For reporting purposes, City Management includes the Solms Landing PID as a fiduciary fund.

The City interacts or contracts with various other governmental and non-governmental entities (e.g., Comal County, the New Braunfels Housing Authority, Texas Department of Transportation, and the New Braunfels Independent School District), but is not financially accountable for those entities.

FINANCIAL AND BUDGET MANAGEMENT

The City of New Braunfels maintains a system of budgetary controls, the objective of which is to ensure compliance with the legal provisions of the annual appropriated budget approved by the City Council. The annual Operating Budget and Plan of Municipal Services is the foundation of said controls. It governs all expenditures within a certain fiscal year, which runs from October 1st to September 30th. The budget document also ensures that resource allocation aligns to the City's long-term financial planning and initiatives. The budget is proposed by the City

Manager and adopted by the City Council in accordance with policies and procedures established by the City Charter, City Council ordinances, State requirements, and City policies. The budget is prepared and presented by fund (e.g., general fund), department (e.g., police), and expenditure group (e.g., employee expenses, operations expenses, and capital expenses).

The budget, as adopted by City Council, controls expenditures at the fund and/or department level. This means that although funds are allocated into individual line items in each budget and those line-item allocations are adopted as part of the budget, departments and City Management have some flexibility in expensing these funds. For example, City Management can approve transfers from one expenditure group to another i.e., employee expenditures to operating expenditures. City Council action is required only if a departmental budget and/or fund budget needs be increased/decreased.

In the Community Development Block Grant, Special Revenue and Grants Funds and NBEDC budgets, appropriations are controlled at the project level. As the City Council accepts federal entitlements and grants, as donations are received from outside sources, and as projects are approved, those proceeds are appropriated and available to departments to expend for identified City purposes and needs. Capital improvement funds are also controlled at the project level. Expenditures within the individual projects may span fiscal years. However, budgetary control is not exercised by fiscal year; it is by the total project cost and total project expenditures. This provides a more realistic approach to budgetary control for these types of activities.

Budget preparation begins with at least one City Council retreat to establish clear budget priorities of both the City Manager and City Council. During one of the retreats, the Five-Year Financial Forecast is presented which assists the City Council and Executive Leadership Team in setting and operationalizing budget priorities and goals. Budget development is a year-long process that includes several other functions. This is best illustrated in the graphic below:



The City's budget team facilitates a kickoff meeting in the early spring to instruct all City departments on their responsibilities regarding revenue/expenditure analysis and the creation of resource requests. City Management is provided performance and budget metrics to support the justification of new resource requests. The City Council will hold several workshops to thoroughly review the budget. The City Charter mandates that a proposed budget be presented to the City Council at least 45 days prior to the end of the fiscal year. Furthermore, the City Charter requires that a public hearing be held prior to the adoption of the budget. The City adopts a budget for all governmental funds. For more information, please refer to the City of New Braunfels FY 2023 Adopted Budget and Plan of Municipal Services which can be found at www.newbraunfels.gov. The city also adheres to a variety of other state requirements as part of adopting the annual budget and tax rate.

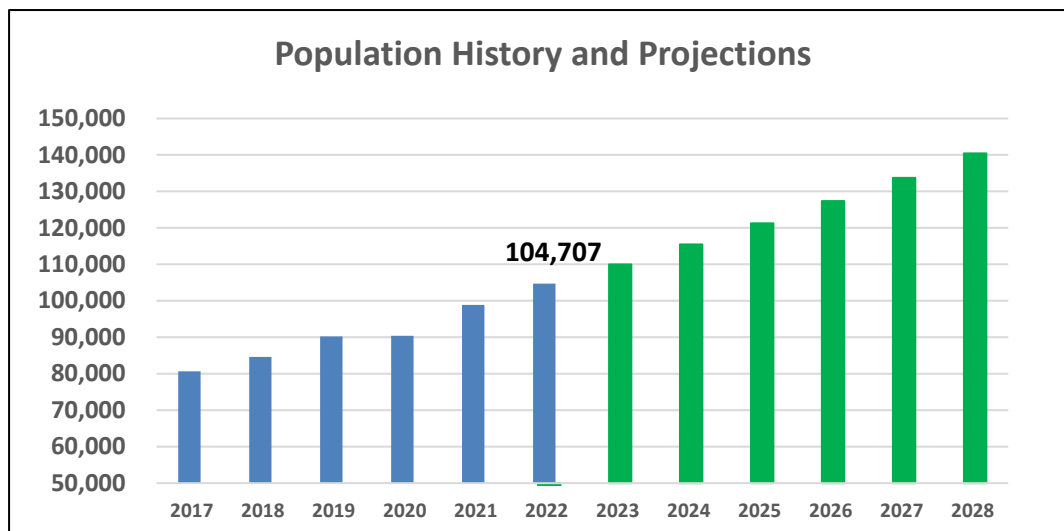
Monthly financial reports are generated that allow the leadership team, City Council, and citizens (as these reports are posted on the City’s website) to monitor revenues, expenditures, and other key organizational/economic metrics. In addition, the Finance and Audit Committee, which is made up of the Mayor, Mayor Pro Tem, as well as one additional council member, meet quarterly to review the latest financial report as well as other key financial indicators such as our latest investment report and sales tax analysis. The Committee is also briefed on the status of the budget document and/or the Annual Comprehensive Financial Report.

ECONOMIC CONDITION AND OUTLOOK

The national economy influences the New Braunfels and larger San Antonio economy in a variety of ways. Interest rates affect individual and business purchasing and construction. Inflation, a noted concern for the 2022-2023 fiscal year, affects prices of local purchases and wages. An assessment of New Braunfels’ economic performance and forecasting begins with a discussion around the widely documented and understood reality that New Braunfels has consistently been amongst the fastest growing cities in the United States. An examination of trends around New Braunfels’ population growth suggests the City’s attractiveness as a place to relocate has accelerated in recent decades. Since 2010, New Braunfels’ population growth (81%) has more than tripled that of the San Antonio-New Braunfels Metropolitan Statistical Area (MSA) (24%) and nearly doubled that of the Austin MSA (41%).

The latest official census information for New Braunfels provides a July 2022 population estimate of 104,707. This represents a compounded annual growth rate (CAGR) of 5% since the 2010 census estimate of 57,740. While applying the 5.01% CAGR projection through the forecast period would make intuitive sense, there is a practical limitation to the number of people that can locate within City limits in each period. This growth rate of 5% means that, on average, approximately 3,900 people have located to the City every year since 2010.

When a 5% CAGR is applied from the 2022 figures through the forecast period, this means that approximately 5,900 people are added annually for an estimated total population of 140,000 by 2028:

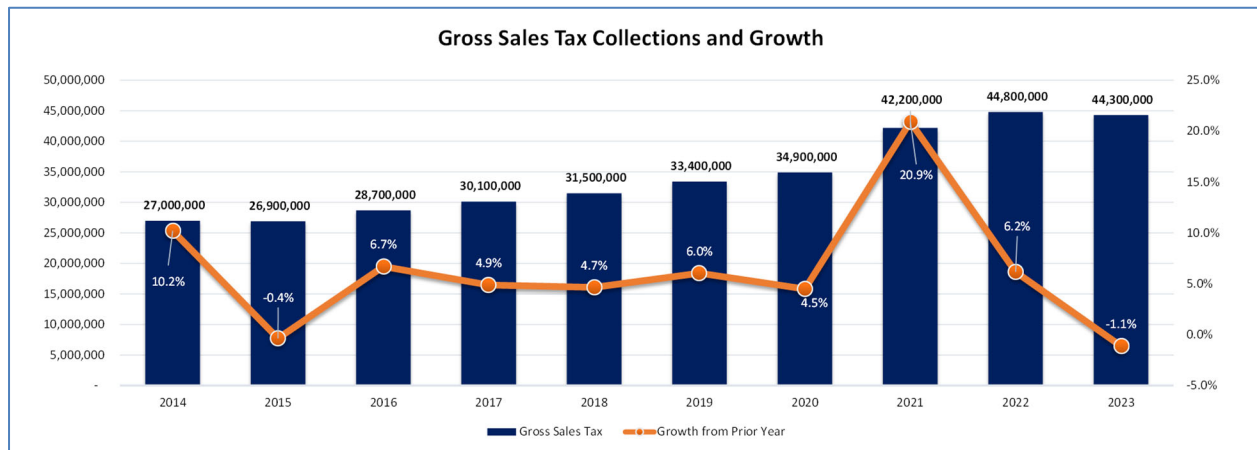


It is estimated that New Braunfels receives more than 3 million visitors a year. A 2022 economic impact analysis found that the tourism industry accounted for approximately \$1.1 billion in 2022 – an increase of 16% from the 2021 analysis. In 2022, the hospitality industry employed 10,932 direct workers and supported another 3,581 indirect workers in spinoff jobs in the community.

Exclusive of government, the City’s three largest industries in terms of the value of goods and services provided are retail trade, wholesale trade, and healthcare and social assistance. Retail trade, accommodation and food services, health care and social assistance, construction, transportation and warehousing, manufacturing, wholesale trade, administrative support services, professional, scientific, and technical services, and government (school district, local, state, and federal), provide the greatest number of jobs in the community.

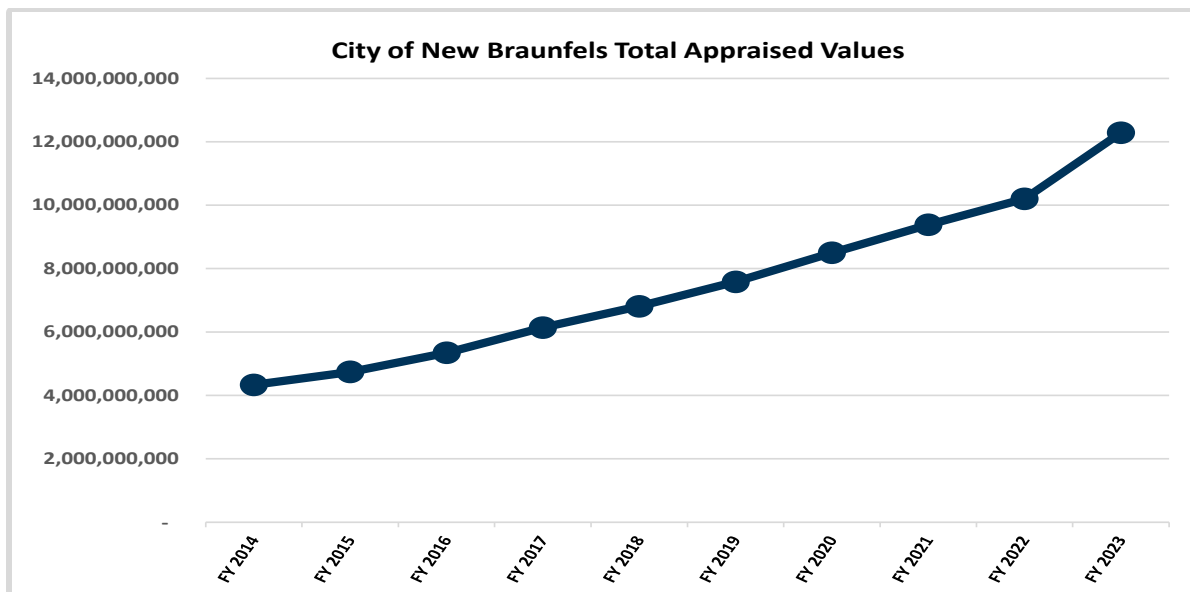
Sales Tax Activity

Sales taxes represent the single largest source of revenue to the City's General Fund. In addition, due to the positive effect that tourism has on our economy, sales tax collections are somewhat seasonal, with the largest monthly collections occurring during the summer. As the graph illustrates, sales tax has experienced varying levels of growth over the last ten years. Fiscal Year 2022 was a record year from a sales tax revenue perspective. This was driven by many factors such as built-up demand for various services and commodities and inflationary pressures. In Fiscal Year 2023, gross revenue collections were down by 1.1%. Two factors led to this decrease: Fiscal Year 2022 included four months of sales tax revenue from the largest taxpayer, who changed their business model during that fiscal year, significantly reducing the amount of tax remitted to the City. Also, a large taxpayer's location was incorrectly identified as in the City limits and sales tax was remitted to the City for several months in Fiscal Year 2022. Upon our discovery, the Comptroller's office corrected the error in March 2023, significantly reducing sales tax for that period.

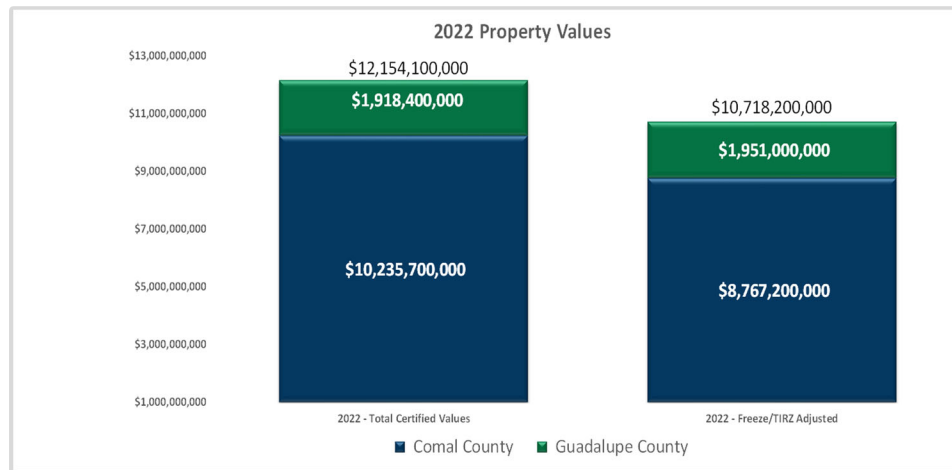


Property Values and Tax Rate

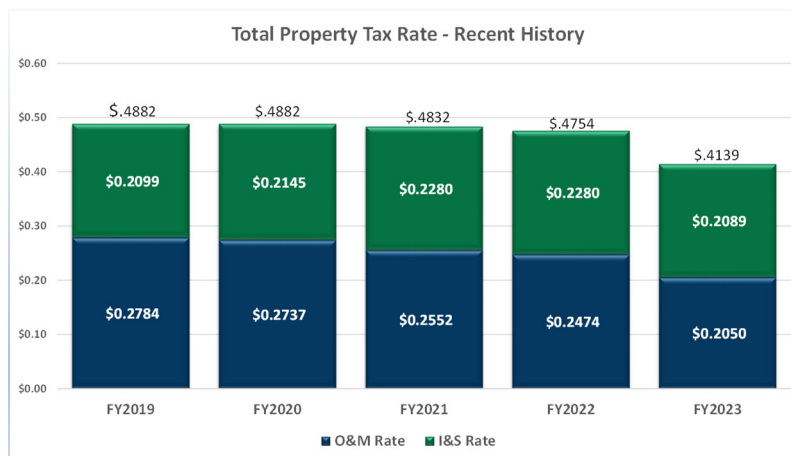
As mentioned earlier, the City of New Braunfels has been, and continues to be recognized as, one of the fastest growing cities in the country. The increase in population has also resulted in an increase in the demand for City services. As can be seen in the graph below, population growth has had a direct impact on the total increase in commercial, industrial, and residential property values. The following graph provides the most current available data through tax year 2022 (Fiscal Year 2023).



For tax year 2022 (Fiscal Year 2023), total appraised values were approximately \$12.1 billion dollars, which represented a 16.1% increase from the prior year. Freeze adjusted values, which adjusts for the values that are impacted by the over-65 property tax exemption as well as the TIRZ, totaled \$10.7 billion.



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



Major Developments

In 2007, the City established its first tax increment reinvestment zone district to facilitate the development of a 400-acre master planned, mixed-use development (Creekside TIRZ). The original value of all property within that district was approximately \$5 million. Today, the development integrates over 1 million square feet of retail with a 130-bed hospital, various restaurants, housing options, and an entertainment complex. The total taxable values of all improvements in the zone exceeds \$600 million. The development's next phase will focus on additional housing and entertainment options. In 2022, the City broke ground on a new fire station within the boundaries. The project is fully supported by the Creekside TIRZ. Fire Station #7 is scheduled to be operational in May 2024.



Fire Station #7

In the fall of 2019, the City Council established the boundaries of TIRZ #2. The zone is located in and around the area traditionally known as “Milltown” and includes some or all properties adjacent to McKenna Avenue, Oasis Street, Wright Avenue, Porter Street, and Rusk Avenue, including the Faust Street Bridge and Beaty Street. The redevelopment plan anticipates a mix of uses on the site to include a hotel, multi-family housing, office, retail, and entertainment spaces exceeding \$100 million in total project costs.

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

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

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

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Capital Investment

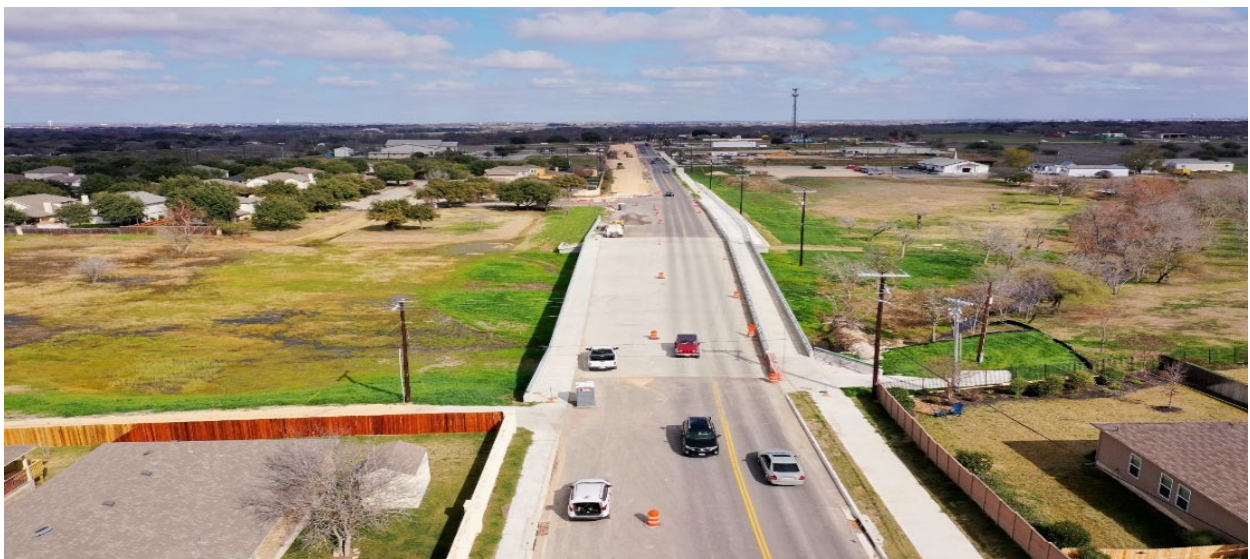
Since 2003, over \$400 million in capital improvement investments have either been completed or are currently underway. \$93 million stems from the 2013 bond projects, \$143 million from the 2019 bond projects, and \$140 million from the 2023 bond projects. Projects funded by bond programs have allowed for improvements in streets and drainage, public safety, libraries, and quality of life. The following pictures are several of the bond projects that are recently completed or are currently under construction.



Westside Library Exterior



Westside Library Interior



Klein Road Bridge - Reconstruction Phase II

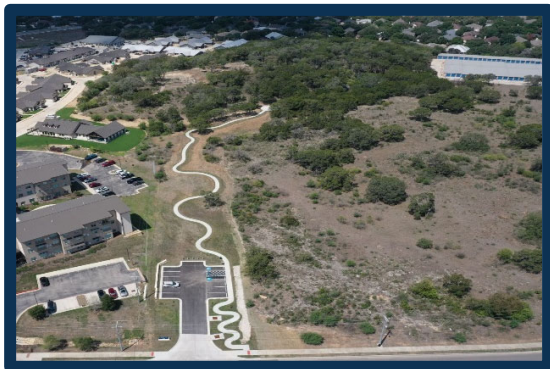


Zipp Sports Complex

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

Future Capital Investment

In May of 2023, citizens voted in favor of an additional \$140,000,000 in continued capital investment. The 2023 bond program is comprised of three propositions. The streets proposition totals nearly \$99 million, with the remaining funding going towards a proposition for parks and for a southeast library branch. The 2023 bond program was developed over a nearly two-year process, which involved a bond advisory committee, citizen survey, an update to the City's Capital Improvement Plan, and multiple public input meetings. These efforts then led to the City Council determining a final composition of the projects and propositions. In addition to the \$140 million investment, the NBEDC has committed to an additional \$25 million of investments that were originally considered by the bond committee. This additional investment is comprised of additional quality of life and transportation/mobility projects.



Mission Hills Park -Phase 1



Mission Hills Park - Phase 2 (rendering)

Maintaining and Increasing Services Levels

Maintaining and increasing service levels has been and continues to be a major challenge for the City, yet the Fiscal Year 2023 operations and maintenance portion of the tax rate is still lower than in Fiscal Year 1998. Over the past 10-15 years, the City has opened and staffed new fire stations, established operations and staffing at various new parks and recreation facilities such as Fischer Park and the Das Rec Recreation Center, implemented an additional streets maintenance crew, added positions to enhance the development review processes, established a transportation and capital improvements division, and increased police and fire department personnel, among many

other initiatives. Over the past several years, the organization has prioritized investments in technology and equipment specifically targeted at increasing efficiency and production.

RESERVES AND BOND RATING

The General Fund ended the year with a total fund balance of \$41 million. This balance provides adequate protection against unforeseen occurrences and fluctuations in revenue sources. The City's financial policies require fund balance of at least 25 percent of operating expenditures and the City has maintained a minimum of a 30 percent of recurring expenditures fund balance to protect our bond rating. Growth in fund balance continues to be driven by conservative budgeting policies. As a result, the organization carried surplus reserves over the past three fiscal years. This has provided the opportunity to make significant investments in one-time equipment and initiatives. The City's commitment to sound financial management and strong reserves is reflected by its Standard and Poor's rating of AA, Moody's rating of Aa2, and Fitch rating of AA, which were all reaffirmed within the past year.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of New Braunfels for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both GAAP and applicable legal requirements. This was the 15th year that the City has achieved this prestigious award (in recent history).

The Triple Crown Award designation recognizes governments who have received GFOA's Certificate of Achievement for Excellence in Financial Reporting, Popular Annual Financial Reporting Award, and Distinguished Budget Presentation Award for a fiscal year. The City of New Braunfels has achieved this distinction annually since 2019.

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

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

Respectfully Submitted,



Robert Camareno
City Manager



Sandy Paulos
Finance Director

CITY OF NEW BRAUNFELS, TEXAS
*CERTIFICATE OF ACHIEVEMENT FOR
EXCELLENCE IN FINANCIAL REPORTING*



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of New Braunfels
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF NEW BRAUNFELS, TEXAS

ORGANIZATIONAL CHART



CITY OF NEW BRAUNFELS, TEXAS

ELECTED AND APPOINTED OFFICIALS

September 30, 2023

NEW BRAUNFELS CITY COUNCIL



Mayor
Neal Linnartz
nlinnartz@newbraunfels.gov



District One
Andrés Campos
acampos@newbraunfels.gov



District Two
Christopher Willis
cwillis@newbraunfels.gov



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



District Four
Lawrence Spradley
lspradley@newbraunfels.gov



District Five
Mary Ann Labowski
mlabowski@newbraunfels.gov



District Six
April Ryan
april.ryan@newbraunfels.gov

Appointed Officials

City Manager: Robert Camareno

City Attorney: Valeria Acevedo

Municipal Court Judge: Rose Zamora

Executive Leadership Team

Deputy City Manager:

Assistant City Manager:

Police Chief:

Fire Chief:

Public Works Director:

Finance Director:

Human Resources Director:

Information Technology Director:

Planning and Development Services Director:

Parks and Recreation Director:

Library Director:

Director of Economic and Community Development:

Director of Comm. and Community Engagement:

Transportation and Capital Improvement Director:

Jordan Matney

Jared Werner

Keith Lane

Ruy Lozano

Greg Malatek

Sandy Paulos

Becca Miears

Tony Gonzalez

Christopher Looney

Chad Donegan

Gretchen Pruett

Jeff Jewell

Jenna Vinson

Garry Ford

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Braunfels, Texas (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of New Braunfels Utilities, a discretely presented component unit, which financial statements reflect total assets of \$1,184,485,791 and total revenues of \$338,114,906 for the fiscal year ending July 31, 2023. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion insofar as it relates to the amounts included for New Braunfels Utilities is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibility of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedules of changes in net pension and total OPEB liability and related ratios, and schedules of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining statements and schedules are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2024 on our consideration of the City'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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 the City's internal control over financial reporting and compliance.



Belt Harris Pechacek, LLP
Certified Public Accountants
Houston, Texas
March 21, 2024

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

CITY OF NEW BRAUNFELS, TEXAS

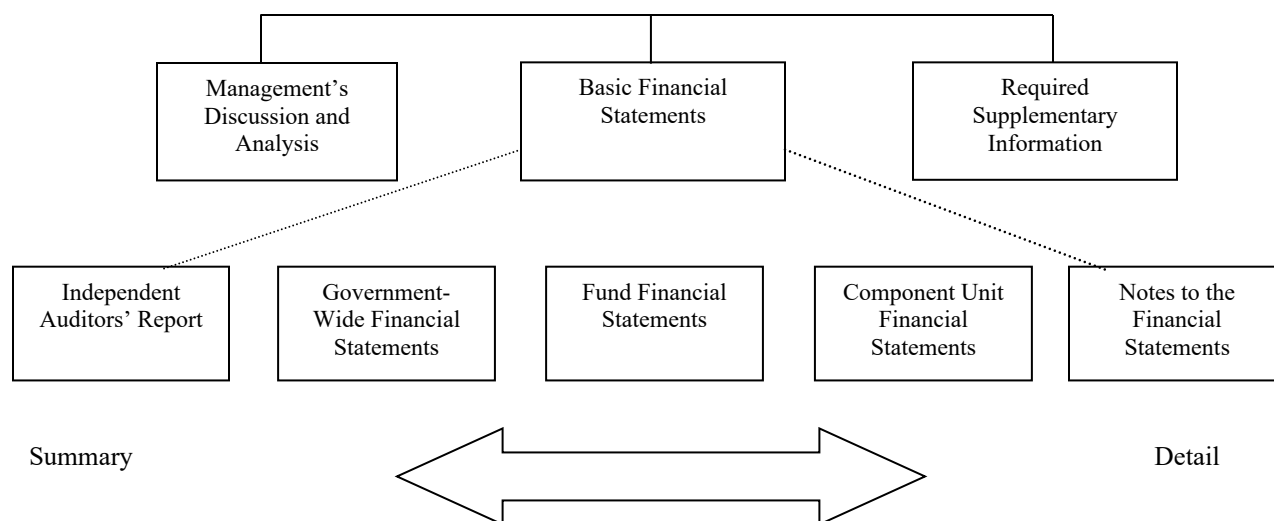
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2023

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the City of New Braunfels, Texas (the "City") for the year ending September 30, 2023. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the City's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT

Components of the Financial Section



The City's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The government-wide statements report information for the City as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the City as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the City's financial statements, report information on the City's activities that enable the reader to understand the financial condition of the City. These statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other nonfinancial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

The Statement of Activities presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City's financials into two classes of activities:

1. *Governmental Activities* – The City's tax-supported services are reported here including police and fire protection (public safety), streets and drainage (public works), library, finance and tax, parks and recreation, planning and environmental development, and general administrative services (general government). Interest payments on the City's tax-supported debt are also reported here. Property tax, sales tax, franchise fees, municipal court fines, and permit fees finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's airport, solid waste, golf course, and civic/convention center services, as well as interest payments on debt issued for equipment financing.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate economic development corporation and a legally separate utilities entity for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The Tax Increment Reinvestment Zone No. 1 (TIRZ), the New Braunfels Development Authority (NBDA), the River Mill TIRZ, and the Downtown TIRZ although legally separate, function for all practical purposes as departments of the City and have been included as an integral part of the primary government.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal reporting requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 41 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

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

The City adopts an annual appropriated budget for its general fund, debt service fund, and select special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

Proprietary Funds

The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its airport, solid waste, golf course, and civic/convention center services. The proprietary fund financial statements provide separate information for the airport, solid waste, golf course, and civic/convention center operations. The proprietary fund financial statements can be found in the basic financial statements of this report.

The City also uses an internal service fund to account for its self-funded health plan and city-wide fleet services. These internal service funds have been included within governmental activities in the government-wide financial statements.

Fiduciary Funds

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

The City maintains two types of fiduciary funds. The private-purpose trust fund is used to report resources held in trust for contributions and payments made on behalf of the Solms Landing Public Improvement District (the "PID"). The custodial fund is used to report the collection of special assessment tax revenue and the associated contributions to the private-purpose trust fund. The fiduciary fund financial statements can be found in the basic financial statements of this report.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes a budgetary comparison schedule for the general, grants, and hotel/motel tax funds, schedules of changes in net pension liability and related ratios for the Texas Municipal Retirement System (TMRS), a schedule of changes in total OPEB liability and related ratios for the TMRS Supplemental Death Benefit Fund, schedule of changes in total OPEB liability and related ratios for the Retiree Benefits program, and schedules of contributions for TMRS. RSI can be found after the notes to the basic financial statements.

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$123,760,370 as of September 30, 2023 for the primary government. This compares with \$102,309,947 from the prior fiscal year. A portion of the City's net position, \$64,775,995, reflects its investments in capital assets (e.g., land, buildings and improvements, equipment, construction in progress, and infrastructure), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022*	2023	2022	2023	2022*
Current and other assets	\$ 208,664,758	\$ 214,330,516	\$ 11,057,752	\$ 11,936,761	\$ 219,722,510	\$ 226,267,277
Capital assets, net	260,252,340	246,528,061	26,124,633	25,421,198	286,376,973	271,949,259
Total Assets	468,917,098	460,858,577	37,182,385	37,357,959	506,099,483	498,216,536
Deferred charge on refunding	959,505	1,180,708	-	-	959,505	1,180,708
Deferred outflows - pensions	23,545,470	9,979,852	2,346,901	1,016,402	25,892,371	10,996,254
Deferred outflows - OPEB	1,028,996	1,275,458	84,155	108,075	1,113,151	1,383,533
Total Deferred Outflows of Resources	25,533,971	12,436,018	2,431,056	1,124,477	27,965,027	13,560,495
Long-term liabilities	365,577,904	357,106,822	6,415,619	3,693,961	371,993,523	360,800,783
Other liabilities	29,106,467	26,502,949	1,986,501	2,165,871	31,092,968	28,668,820
Total Liabilities	394,684,371	383,609,771	8,402,120	5,859,832	403,086,491	389,469,603
Deferred inflows - leases	574,102	581,523	1,387,091	1,426,210	1,961,193	2,007,733
Deferred inflows - pensions	-	10,195,803	-	1,000,527	-	11,196,330
Deferred inflows - OPEB	4,794,863	6,197,862	461,593	595,556	5,256,456	6,793,418
Total Deferred Inflows of Resources	5,368,965	16,975,188	1,848,684	3,022,293	7,217,649	19,997,481
Net Position:						
Net investment in capital assets	38,706,190	10,635,952	26,069,805	25,339,150	64,775,995	35,975,102
Restricted	54,789,238	52,934,963	-	-	54,789,238	52,934,963
Unrestricted	902,305	9,138,721	3,292,832	4,261,161	4,195,137	13,399,882
Total Net Position	\$ 94,397,733	\$ 72,709,636	\$ 29,362,637	\$ 29,600,311	\$ 123,760,370	\$ 102,309,947

*Net position has been restated.

A portion of the primary government's net position, \$54,789,238, represents resources that are subject to external restriction on how they may be used. The balance of unrestricted net position is \$4,195,137.

The City's total net position increased by \$21,450,423 during the current fiscal year. Capital assets, net of accumulated depreciation, increased due to capital additions in excess of depreciation expense, as the City continued to add infrastructure to sustain growth. Long-term liabilities increased during the year primarily due to an increase in the net pension liability associated with the City's pension plan.

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

Statement of Activities

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022*	2023	2022	2023	2022*
Revenues						
Program revenues:						
Charges for services	\$ 32,453,912	\$ 29,353,595	\$ 18,350,775	\$ 18,400,051	\$ 50,804,687	\$ 47,753,646
Operating grants and contributions	3,044,408	685,742	-	-	3,044,408	685,742
Capital grants and contributions	-	-	3,081,470	1,707,193	3,081,470	1,707,193
General revenues:						
Property taxes	52,102,388	47,774,799	-	-	52,102,388	47,774,799
Sales taxes	34,516,607	34,519,455	-	-	34,516,607	34,519,455
Franchise fees and local taxes	18,546,923	17,797,103	-	-	18,546,923	17,797,103
Investment earnings	8,706,006	1,121,872	182,195	39,359	8,888,201	1,161,231
Contributions not restricted to programs	8,025,412	5,587,991	-	-	8,025,412	5,587,991
Other revenues	6,660,591	4,875,847	270,872	505,005	6,931,463	5,380,852
Gain on disposal of capital assets	2,817,167	191,199	14,363	390	2,831,530	191,589
Total Revenues	166,873,414	141,907,603	21,899,675	20,651,998	188,773,089	162,559,601
Expenses						
General government	18,361,048	10,769,312	-	-	18,361,048	10,769,312
Finance and tax	1,732,848	1,325,662	-	-	1,732,848	1,325,662
Planning and environmental development	5,667,729	3,901,028	-	-	5,667,729	3,901,028
Public safety	62,482,323	44,116,389	-	-	62,482,323	44,116,389
Public works	31,166,168	36,629,200	-	-	31,166,168	36,629,200
Parks and recreation	10,345,668	11,410,083	-	-	10,345,668	11,410,083
Civic/convention center	-	-	1,246,041	1,119,860	1,246,041	1,119,860
Library	2,793,210	2,796,129	-	-	2,793,210	2,796,129
Interest and fiscal agent fees	14,842,161	8,625,458	-	-	14,842,161	8,625,458
Airport	72,443	23,530	5,152,896	5,378,556	5,225,339	5,402,086
Solid waste	-	-	11,040,163	9,281,306	11,040,163	9,281,306
Golf course	-	-	2,419,968	2,191,163	2,419,968	2,191,163
Total Expenses	147,463,598	119,596,791	19,859,068	17,970,885	167,322,666	137,567,676
Increase in Net Position Before Transfers	19,409,816	22,310,812	2,040,607	2,681,113	21,450,423	24,991,925
Transfers	2,278,281	2,029,843	(2,278,281)	(2,029,843)	-	-
Change in Net Position	21,688,097	24,340,655	(237,674)	651,270	21,450,423	24,991,925
Beginning net position	72,709,636	48,368,981	29,600,311	28,949,041	102,309,947	77,318,022
Ending Net Position	\$ 94,397,733	\$ 72,709,636	\$ 29,362,637	\$ 29,600,311	\$ 123,760,370	\$ 102,309,947

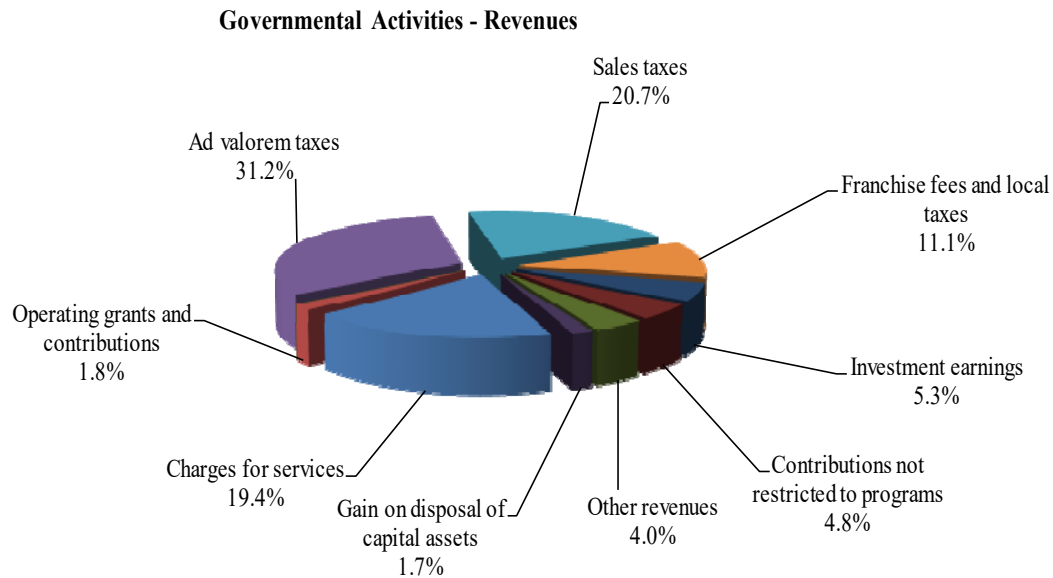
*Net position has been restated.

CITY OF NEW BRAUNFELS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended September 30, 2023

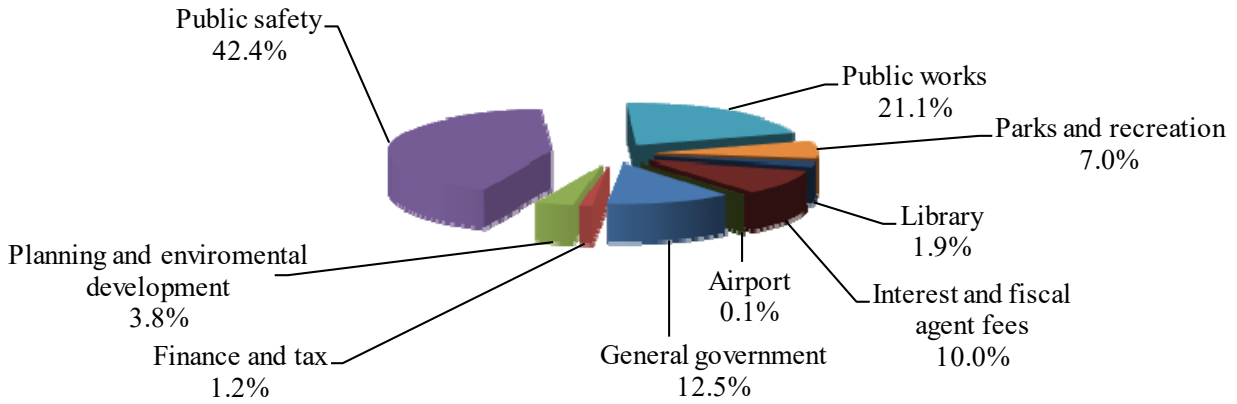
Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities.



For the year ended September 30, 2023, revenues from governmental activities totaled \$166,873,414. This \$24,965,811 net increase was primarily from an increase in various tax collections mostly attributable to continued growth and consumer activity within the City. Charges for services revenue also increased in fiscal year 2023. The primary reason for this increase was increased activity at the Das Rec Center along with an increase in ambulance service revenue. In addition, there was a significant increase in investment earnings due to interest received on the City's investments. Operating grants and contributions also increased this year primarily related to additional grant funds received from the federal government related to the recognition of ARPA funding in the current year.

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

Governmental Activities - Expenses



Governmental expenses increased by a net \$27,866,807, or 23%. This net increase is primarily related to increases in general government and public safety. Overall, the increase in expenses can primarily be attributed to changes in the City's pension plan, as well as increases to overall personnel costs in the fiscal year.

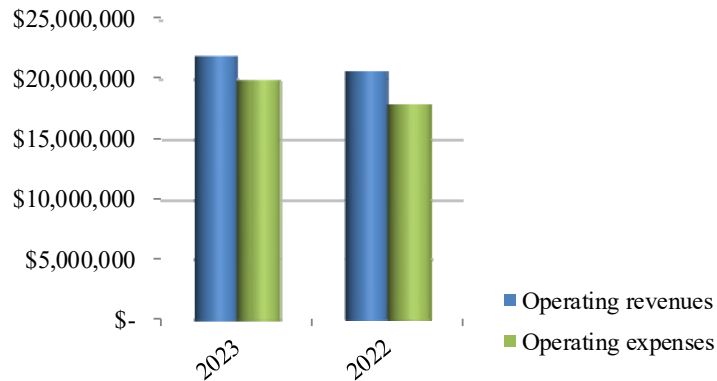
CITY OF NEW BRAUNFELS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended September 30, 2023

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

Business-Type Activities - Revenues and Expenses



Overall, business-type activities revenues increased by a net \$1,247,677 from the prior period, primarily due to increases in fuel sales as prices for fuel increased during the year.

Business-type activities expenses increased by a net \$1,888,183, mostly due to increases in expenses for operations of the solid waste fund.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

The City's governmental funds reflect a combined fund balance of \$176,535,228. Of this, \$256,613 is nonspendable, \$128,861,048 is restricted for various purposes, \$6,016,758 is committed, \$4,113,268 is assigned, and \$37,287,541 is unassigned.

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$37,287,541, while total fund balance reached \$41,401,714. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 38% of total general fund expenditures, while total fund balance represents 42% of that same amount. The general fund balance decreased by \$3,571,849 this year, primarily related to transfers to other funds, as well as increases in the general government and public safety expenditures primarily attributable to increases in personnel costs.

It is important to note that this fund balance includes all of the fund balance in the general fund and equipment replacement subfund. The equipment replacement subfund contributes \$4,113,268 to this stated fund balance. This fund allows the City to account for equipment replacement and improvements in a separate subfund and not include these activities in the primary general operating fund.

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

The fund balance of the hotel/motel tax fund experienced an increase of \$579,075, mostly due to increased tourism activity as well as a continued City enforcement effort.

The fund balance in the debt service fund experienced a slight increase of \$243,739. The debt service fund property tax revenue increased during the year mostly due to increases in property valuations. This increase was partially offset by increases in principal and interest payments on the City's debt.

The fund balance in the general obligations capital projects fund had an increase of \$228,425, which was primarily a result of investment earnings due to increases in interest earned on the City's investments.

The fund balance in the roadway impact fees fund had an increase of \$2,209,663, which was primarily a result of decreases in expenditures related to infrastructure in fiscal year 2023.

The fund balance in the 2019 capital improvement fund had a decrease of \$3,445,699, which was primarily a result of bond proceeds being used for capital projects. This decrease was partially offset by a contribution from the New Braunfels EDC for construction related to the sports complex.

The fund balance in the park improvement fund had an increase of \$9,170,979, which was primarily a result of increases in collections of park development impact fees in fiscal year 2023.

The grants fund is used to track various special project expenditures and reimbursements for grant programs in the City. The fund experienced an increase of \$156,060 due primarily to transfers in from other funds. The City expended for certain costs in this fund for which grant money was ultimately not awarded and required a supplement from another fund.

Proprietary Funds – The City's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail. The Airport fund experienced a decrease in net position of \$896,469 primarily related to the increase in personnel expense due to increases in benefit costs. The Solid Waste fund experienced an increase in net position of \$1,244,122 primarily related to capital contributions. The Golf Course fund experienced a decrease in net position of \$238,039 primarily related to increases in personnel expenses. The Civic/Convention Center fund experienced a decrease in net position of \$347,288 due to increases in supplies expense, as general costs for service increased during the year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The amended budget included a planned decrease in fund balance in the amount of \$12,387,817. The actual fund balance for the year decreased by \$3,571,849. Actual revenues exceeded the amended budget by \$7,829,186 spread across various revenue lines. The largest positive variances were in investment earnings, sales taxes, licenses and permits, and charges for services. The City's conservative revenue projections, as well as the diverse economy within the City, are both attributable to the positive variances. Actual expenditures were under the amended budget by \$502,013. The largest positive variances were in finance and planning and development services departments.

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

CAPITAL ASSETS

At the end of fiscal year 2023, the City's governmental activities had invested \$260,252,340 in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$13,724,279.

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

LONG-TERM DEBT

At the end of the current year, the City had total general obligation bonds and certificates of obligation outstanding of \$247,330,000. Of this amount, \$214,425,000 was general obligation debt and \$32,905,000 was certificates of obligation.

More detailed information about the City's long-term liabilities and issuances of debt presented in note III.D. to the financial statements.

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

ECONOMIC FACTORS AND NEXT YEARS BUDGET

From a budget planning perspective, inflation and interest rates created a significant amount of economic uncertainty. The fiscal strategy over the past year was to continue to budget conservatively. Fortunately, the City's reserves are in a strong surplus position which has allowed for major one-time investments in equipment and technology with specific focus on improving efficiency, safety, and productivity. The fiscal year 2024 adopted budget includes over \$8 million of one-time investments.

Long-term budgeting priorities include considering staffing strategies and other initiatives driven by population growth and increased demand for services.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens, taxpayers, customers, investors, and creditors with a general overview of the finances of the City. For questions concerning this report, separately issued statements for New Braunfels Utilities or the Housing Authority, or for additional financial information, contact the City's Finance Department, 550 Landa Street, New Braunfels, TX, 78130; telephone 830-221-4000; or for general City information, visit the City's website at www.newbraunfels.gov.

BASIC FINANCIAL STATEMENTS

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF NET POSITION (page 1 of 2)

September 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and equity in pooled cash and investments	\$ 162,238,584	\$ 8,685,439	\$ 170,924,023
Investments	24,887,636	-	24,887,636
Receivables, net	10,192,126	966,676	11,158,802
Leases receivable	586,018	1,405,637	1,991,655
Inventory	103,684	-	103,684
Prepaid items	-	-	-
Other current assets	-	-	-
Restricted current assets			
Cash and cash equivalents	10,656,710	-	10,656,710
Investments	-	-	-
	<u>208,664,758</u>	<u>11,057,752</u>	<u>219,722,510</u>
Capital assets:			
Nondepreciable/nonamortizeable	65,969,408	2,599,279	68,568,687
Depreciable/amortizeable, net	194,282,932	23,525,354	217,808,286
Investments:			
Restricted	-	-	-
Unrestricted	-	-	-
Other noncurrent assets	-	-	-
	<u>260,252,340</u>	<u>26,124,633</u>	<u>286,376,973</u>
Total Assets	<u>468,917,098</u>	<u>37,182,385</u>	<u>506,099,483</u>
<u>Deferred Outflows of Resources</u>			
Deferred charge on refunding	959,505	-	959,505
Deferred outflows - pensions	23,545,470	2,346,901	25,892,371
Deferred outflows - OPEB	1,028,996	84,155	1,113,151
Total Deferred Outflows of Resources	<u>25,533,971</u>	<u>2,431,056</u>	<u>27,965,027</u>
<u>Liabilities</u>			
Accounts payable	16,284,292	1,546,443	17,830,735
Deposit payable	-	115,785	115,785
Leases payable	-	54,828	54,828
Accrued expenses payable	1,838,120	269,445	2,107,565
Accrued interest	1,689,304	-	1,689,304
Unearned revenue	9,294,751	-	9,294,751
	<u>29,106,467</u>	<u>1,986,501</u>	<u>31,092,968</u>
Noncurrent liabilities:			
Due within one year:			
Bonds payable	19,320,000	-	19,320,000
Loan payable	366,139	-	366,139
Accrued compensated absences	12,796,826	378,312	13,175,138
Due in more than one year:			
Bonds payable	269,268,780	-	269,268,780
Loan payable	3,311,486	-	3,311,486
Net pension liability	51,744,286	5,245,025	56,989,311
Total OPEB liability - TMRS	1,486,339	148,495	1,634,834
Total OPEB liability - retiree benefits	5,862,178	601,752	6,463,930
Accrued compensated absences	1,421,870	42,035	1,463,905
Other noncurrent liability	-	-	-
	<u>365,577,904</u>	<u>6,415,619</u>	<u>371,993,523</u>
Total Liabilities	<u>394,684,371</u>	<u>8,402,120</u>	<u>403,086,491</u>

Component Units	
Economic Development Corporation	New Braunfels Utilities
\$ 23,092,378	\$ 88,712,441
-	25,605,997
4,397,255	48,048,913
-	-
-	6,536,822
-	1,785,249
2,434,271	4,016,963
-	65,617,640
-	15,689,095
<u>29,923,904</u>	<u>256,013,120</u>
-	77,618,949
-	833,250,372
-	1,868,058
-	4,366,602
-	11,368,690
-	928,472,671
<u>29,923,904</u>	<u>1,184,485,791</u>
-	-
-	16,754,946
-	-
-	16,754,946
567,551	41,439,631
-	12,089,562
-	-
-	11,997,387
-	1,879,276
-	-
<u>567,551</u>	<u>67,405,856</u>
-	8,045,000
-	50,000,000
-	2,092,014
-	397,475,629
-	-
-	29,067,501
-	-
-	-
-	1,062,900
-	13,856,838
-	501,599,882
<u>567,551</u>	<u>569,005,738</u>

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF NET POSITION (page 2 of 2)

September 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Deferred Inflows of Resources</u>			
Deferred inflows - OPEB	\$ 4,794,863	\$ 461,593	\$ 5,256,456
Deferred inflows - leases	574,102	1,387,091	1,961,193
Total Deferred Inflows of Resources	5,368,965	1,848,684	7,217,649
<u>Net Position</u>			
Net investment in capital assets	38,706,190	26,069,805	64,775,995
Restricted for:			
Debt service	3,022,807	-	3,022,807
Capital projects	33,631,802	-	33,631,802
Cemetery perpetual care (nonexpendable)	255,708	-	255,708
Grants	198,168	-	198,168
Impact fees	-	-	-
Municipal court	398,169	-	398,169
Public safety	25,099	-	25,099
Governmental programming	703,930	-	703,930
Tourism	4,466,257	-	4,466,257
Economic development	11,180,103	-	11,180,103
Special donation	907,195	-	907,195
Unrestricted	902,305	3,292,832	4,195,137
Total Net Position	\$ 94,397,733	\$ 29,362,637	\$ 123,760,370

See Notes to Financial Statements.

Component Units	
Economic Development Corporation	New Braunfels Utilities
\$ -	\$ -
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
29,356,353	99,491,762
\$ 29,356,353	\$ 632,234,999

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 18,361,048	\$ 732,924	\$ 19,922	\$ -
Finance and tax	1,732,848	-	-	-
Planning and environmental development	5,667,729	-	481,884	-
Public safety	62,482,323	8,243,594	2,407,621	-
Public works	31,166,168	8,511,895	134,981	-
Parks and recreation	10,345,668	14,952,624	-	-
Library	2,793,210	12,875	-	-
Airport	72,443	-	-	-
Interest and fiscal agent fees	14,842,161	-	-	-
Total Governmental Activities	<u>147,463,598</u>	<u>32,453,912</u>	<u>3,044,408</u>	<u>-</u>
Business-Type Activities				
Airport	5,152,896	4,494,355	-	50,000
Solid waste	11,040,163	11,005,155	-	3,031,470
Golf course	2,419,968	2,274,543	-	-
Civic center	1,246,041	576,722	-	-
Total Business-Type Activities	<u>19,859,068</u>	<u>18,350,775</u>	<u>-</u>	<u>3,081,470</u>
Total Primary Government	<u>\$ 167,322,666</u>	<u>\$ 50,804,687</u>	<u>\$ 3,044,408</u>	<u>\$ 3,081,470</u>
Component Units				
Economic Development Corporation	\$ 8,176,506	\$ -	\$ -	\$ -
New Braunfels Utilities	261,563,072	271,665,610	-	61,424,183
Total Component Units	<u>\$ 269,739,578</u>	<u>\$ 271,665,610</u>	<u>\$ -</u>	<u>\$ 61,424,183</u>

General Revenues and Transfers:

Taxes and fees
 Property
 Sales
 Hotel/motel occupancy
 Franchise
 Mixed beverages
 Investment earnings
 Contributions not restricted to programs
 Miscellaneous
 Gain (loss) on sale of assets
 Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning net position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Economic Development Corporation	New Braunfels Utilities
\$ (17,608,202)	\$ -	\$ (17,608,202)	\$ -	\$ -
(1,732,848)	-	(1,732,848)	-	-
(5,185,845)	-	(5,185,845)	-	-
(51,831,108)	-	(51,831,108)	-	-
(22,519,292)	-	(22,519,292)	-	-
4,606,956	-	4,606,956	-	-
(2,780,335)	-	(2,780,335)	-	-
(72,443)	-	(72,443)	-	-
(14,842,161)	-	(14,842,161)	-	-
(111,965,278)	-	(111,965,278)	-	-
-	(608,541)	(608,541)	-	-
-	2,996,462	2,996,462	-	-
-	(145,425)	(145,425)	-	-
-	(669,319)	(669,319)	-	-
-	1,573,177	1,573,177	-	-
(111,965,278)	1,573,177	(110,392,101)	-	-
-	-	-	(8,176,506)	-
-	-	-	-	71,526,721
-	-	-	(8,176,506)	71,526,721
52,102,388	-	52,102,388	-	-
34,516,607	-	34,516,607	9,761,673	-
4,894,300	-	4,894,300	-	-
12,715,037	-	12,715,037	-	-
937,586	-	937,586	-	-
8,706,006	182,195	8,888,201	831,723	5,025,113
8,025,412	-	8,025,412	-	-
6,660,591	270,872	6,931,463	172,953	-
2,817,167	14,363	2,831,530	-	(349,575)
2,278,281	(2,278,281)	-	-	-
133,653,375	(1,810,851)	131,842,524	10,766,349	4,675,538
21,688,097	(237,674)	21,450,423	2,589,843	76,202,259
72,709,636	29,600,311	102,309,947	26,766,510	556,032,740
<u>\$ 94,397,733</u>	<u>\$ 29,362,637</u>	<u>\$ 123,760,370</u>	<u>\$ 29,356,353</u>	<u>\$ 632,234,999</u>

CITY OF NEW BRAUNFELS, TEXAS

BALANCE SHEET GOVERNMENTAL FUNDS

September 30, 2023

	General	Hotel/Motel Tax	Debt Service	General Obligations
<u>Assets</u>				
Cash and equity in pooled cash and investments	\$ 17,119,983	\$ 5,169,945	\$ 3,022,807	\$ 5,335,832
Investments	24,887,636	-	-	-
Receivables, net of allowance	8,811,030	372,180	516,371	-
Leases receivable	586,018	-	-	-
Due from other funds	70,357	-	-	-
Inventory	905	-	-	-
Restricted cash	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 51,475,929	\$ 5,542,125	\$ 3,539,178	\$ 5,335,832
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Liabilities</u>				
Accounts payable	\$ 7,240,459	\$ 1,075,868	\$ -	\$ -
Due to other funds	-	-	-	-
Accrued wages payable	1,838,120	-	-	-
Unearned revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	9,078,579	1,075,868	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - leases receivable	574,102	-	-	-
Unavailable revenue - property taxes	421,534	-	516,371	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Deferred Inflows of Resources	995,636	-	516,371	-
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Fund Balances</u>				
Nonspendable	905	-	-	-
Restricted	-	4,466,257	3,022,807	5,335,832
Committed	-	-	-	-
Assigned	4,113,268	-	-	-
Unassigned	37,287,541	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	41,401,714	4,466,257	3,022,807	5,335,832
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 51,475,929	\$ 5,542,125	\$ 3,539,178	\$ 5,335,832
	<hr/>	<hr/>	<hr/>	<hr/>

See Notes to Financial Statements.

Roadway Impact Fees	2019 Capital Improvement	Park Improvement	Grants	Nonmajor Governmental	Total Governmental Funds
\$ 12,583,310	\$ 59,830,323	\$ 21,247,862	\$ 22,166	\$ 34,075,352	\$ 158,407,580
-	-	-	-	-	24,887,636
12,465	-	-	120,441	359,639	10,192,126
-	-	-	-	-	586,018
-	-	-	-	-	70,357
-	-	-	-	-	905
-	-	-	9,434,498	1,222,212	10,656,710
<u>\$ 12,595,775</u>	<u>\$ 59,830,323</u>	<u>\$ 21,247,862</u>	<u>\$ 9,577,105</u>	<u>\$ 35,657,203</u>	<u>\$ 204,801,332</u>
\$ 211,064	\$ 3,620,386	\$ 771	\$ 84,186	\$ 3,351,846	\$ 15,584,580
-	-	-	-	36,646	36,646
-	-	-	-	-	1,838,120
-	-	-	9,294,751	-	9,294,751
<u>211,064</u>	<u>3,620,386</u>	<u>771</u>	<u>9,378,937</u>	<u>3,388,492</u>	<u>26,754,097</u>
-	-	-	-	-	574,102
-	-	-	-	-	937,905
-	-	-	-	-	<u>1,512,007</u>
-	-	-	-	255,708	256,613
12,384,711	56,209,937	21,247,091	198,168	25,996,245	128,861,048
-	-	-	-	6,016,758	6,016,758
-	-	-	-	-	4,113,268
-	-	-	-	-	37,287,541
<u>12,384,711</u>	<u>56,209,937</u>	<u>21,247,091</u>	<u>198,168</u>	<u>32,268,711</u>	<u>176,535,228</u>
<u>\$ 12,595,775</u>	<u>\$ 59,830,323</u>	<u>\$ 21,247,862</u>	<u>\$ 9,577,105</u>	<u>\$ 35,657,203</u>	<u>\$ 204,801,332</u>

CITY OF NEW BRAUNFELS, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2023

Total fund balances for governmental funds		\$ 176,535,228
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Capital assets - nondepreciable/nonamortizeable	65,969,408	
Capital assets - depreciable/amortizeable	<u>194,282,932</u>	
		260,252,340
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.		937,905
Some liabilities, including bonds payable, are not reported as liabilities in the governmental funds.		
Accrued interest	(1,689,304)	
Bonds, notes, and other payables due in one year	(19,320,000)	
Bonds, notes, and other payables due in more than one year	<u>(244,035,000)</u>	
		(265,044,304)
Premiums on bond issuance and deferred loss on bond refunding are recorded as other financing sources and uses in the fund financial statements when first issued, but are capitalized and amortized in the government-wide financial statements over the life of the bond.		
Premiums	(25,233,780)	
Deferred charge on refunding	<u>959,505</u>	
		(24,274,275)
Loans payable are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		(3,677,625)
Net pension liability and total other postemployment benefits (OPEB) obligations are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds balance sheet.		
Net pension liability	(51,744,286)	
Total OPEB liability - TMRS	(1,486,339)	
Total OPEB liability - retiree benefits	<u>(5,862,178)</u>	
		(59,092,803)
Deferred outflows and inflows of resources related to the net pension and total OPEB liability are not reported in the funds.		
Deferred outflows - pensions	23,545,470	
Deferred outflows - OPEB	1,028,996	
Deferred inflows - OPEB	<u>(4,794,863)</u>	
		19,779,603
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.		(14,218,696)
The City uses an internal service fund to charge the costs of certain activities to individual funds. Assets and liabilities of the internal service fund are included in governmental activities.		3,200,360
	Net Position of Governmental Activities	<u><u>\$ 94,397,733</u></u>

See Notes to Financial Statements.

CITY OF NEW BRAUNFELS, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2023

	General	Hotel/Motel Tax	Debt Service	General Obligations
<u>Revenues</u>				
Taxes and fees	\$ 70,604,256	\$ 4,894,300	\$ 24,289,513	\$ -
Licenses and permits	6,673,441	-	-	-
Intergovernmental	19,922	-	-	-
Fines and forfeitures	1,072,529	-	-	-
Investment earnings	3,012,005	41,761	242,486	180,264
Parks and recreation	5,522,270	-	-	-
Miscellaneous	4,077,962	1,502	-	49,256
Other contributions	-	-	1,967,857	-
Charges for services	5,418,472	-	-	-
Total Revenues	96,400,857	4,937,563	26,499,856	229,520
<u>Expenditures</u>				
Current:				
General government	12,582,785	3,412,313	-	-
Finances and tax	1,619,218	-	-	-
Planning and environmental development	4,940,728	-	-	-
Public safety	54,536,506	-	-	-
Public works	11,639,705	-	-	1,095
Parks and recreation	10,175,390	-	-	-
Library	3,018,486	-	-	-
Airport	-	-	-	-
Debt Service:				
Principal	-	-	18,110,000	-
Interest	-	-	9,522,305	-
Issuance cost and fiscal charges	-	-	5,200	-
Total Expenditures	98,512,818	3,412,313	27,637,505	1,095
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,111,961)	1,525,250	(1,137,649)	228,425
<u>Other Financing Sources (Uses)</u>				
Transfers in	1,135,252	-	1,381,388	-
Transfers (out)	(3,803,228)	(946,175)	-	-
Sale of capital assets	458,088	-	-	-
Loan proceeds	750,000	-	-	-
Total Other Financing Sources (Uses)	(1,459,888)	(946,175)	1,381,388	-
Net Change in Fund Balances	(3,571,849)	579,075	243,739	228,425
Beginning fund balances	44,973,563	3,887,182	2,779,068	5,107,407
Ending Fund Balances	\$ 41,401,714	\$ 4,466,257	\$ 3,022,807	\$ 5,335,832

See Notes to Financial Statements.

Roadway Impact Fees	2019 Capital Improvement	Park Improvement	Grants	Nonmajor Governmental	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 5,185,016	\$ 104,973,085
-	-	-	-	6,832	6,680,273
-	-	-	2,267,598	756,888	3,044,408
1,065,234	-	-	-	389,082	2,526,845
305,934	3,241,843	177,138	43,918	1,355,125	8,600,474
-	-	9,420,804	-	-	14,943,074
-	-	-	-	2,531,871	6,660,591
2,353,677	3,500,000	-	197,245	6,633	8,025,412
-	-	-	-	2,885,248	8,303,720
<u>3,724,845</u>	<u>6,741,843</u>	<u>9,597,942</u>	<u>2,508,761</u>	<u>13,116,695</u>	<u>163,757,882</u>
-	2,235,918	-	2,108,026	36,700	20,375,742
-	-	-	-	-	1,619,218
-	-	-	-	481,884	5,422,612
-	-	-	259,002	1,326,500	56,122,008
-	11,451,624	-	-	17,192,308	40,284,732
1,515,182	-	426,963	11,856	214,448	12,343,839
-	-	-	5,993	66,885	3,091,364
-	-	-	71,993	450	72,443
-	-	-	-	2,195,000	20,305,000
-	-	-	-	983,108	10,505,413
-	-	-	-	6,228,832	6,234,032
<u>1,515,182</u>	<u>13,687,542</u>	<u>426,963</u>	<u>2,456,870</u>	<u>28,726,115</u>	<u>176,376,403</u>
<u>2,209,663</u>	<u>(6,945,699)</u>	<u>9,170,979</u>	<u>51,891</u>	<u>(15,609,420)</u>	<u>(12,618,521)</u>
-	3,500,000	-	104,169	6,055,301	12,176,110
-	-	-	-	(5,148,426)	(9,897,829)
-	-	-	-	105,421	563,509
-	-	-	-	-	750,000
<u>-</u>	<u>3,500,000</u>	<u>-</u>	<u>104,169</u>	<u>1,012,296</u>	<u>3,591,790</u>
2,209,663	(3,445,699)	9,170,979	156,060	(14,597,124)	(9,026,731)
10,175,048	59,655,636	12,076,112	42,108	46,865,835	185,561,959
<u>\$ 12,384,711</u>	<u>\$ 56,209,937</u>	<u>\$ 21,247,091</u>	<u>\$ 198,168</u>	<u>\$ 32,268,711</u>	<u>\$ 176,535,228</u>

CITY OF NEW BRAUNFELS, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2023

Net changes in fund balances - total governmental funds \$ (9,026,731)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.

Depreciation/amortization expense	(20,050,368)
Capital outlay	34,020,989
Disposals, net	(246,342)

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

453,337

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

192,833

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

Principal repayments	20,305,000
Loan proceeds	(1,000,000)
Note principal payment	2,863,469
Amortization of deferred charge on refunding	(221,203)
Amortization of premium on bonds	1,999,781
Accrued interest on long-term debt	118,706

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(5,674,201)
Change in net pension liability	(27,010,422)
Change in total OPEB liability - TMRS	693,868
Change in total OPEB liability - retiree benefits	(648,577)
Change in deferred outflows - pensions	13,565,618
Change in deferred inflows - pensions	10,195,803
Change in deferred outflows - OPEB	(246,462)
Change in deferred inflows - OPEB	1,402,999

Change in Net Position of Governmental Activities	\$ 21,688,097
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See Notes to Financial Statements.

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

September 30, 2023

	Business-Type Activities			
	Airport	Solid Waste	Golf Course	Civic/Con. Center
<u>Assets</u>				
Current assets:				
Cash and equity in pooled cash and investments	\$ 2,040,222	\$ 4,653,628	\$ 1,785,373	\$ 206,216
Receivables, net	56,653	881,781	28,242	-
Lease receivable	1,405,637	-	-	-
Inventories	-	-	-	-
Total Current Assets	3,502,512	5,535,409	1,813,615	206,216
Noncurrent assets:				
Capital assets:				
Nondepreciable/amortizeable	2,464,279	-	135,000	-
Net depreciable capital assets	7,564,392	7,553,770	3,753,293	4,653,899
Total Capital Assets, Net	10,028,671	7,553,770	3,888,293	4,653,899
Total Noncurrent Assets	10,028,671	7,553,770	3,888,293	4,653,899
Total Assets	13,531,183	13,089,179	5,701,908	4,860,115
<u>Deferred Outflows of Resources</u>				
Deferred outflows - pensions	260,671	1,611,277	310,667	164,286
Deferred outflows - OPEB	7,350	54,914	14,259	7,632
Total Deferred Outflows of Resources	268,021	1,666,191	324,926	171,918
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	1,069,421	337,873	105,197	33,952
Due to other funds	-	-	-	-
Deposits payable	48,985	-	-	66,800
Lease payable	-	-	54,828	-
Accrued expenses payable	34,014	176,480	40,566	18,385
Current portion of long-term liabilities:				
Accrued compensated absences	27,939	246,308	81,563	22,502
Total Current Liabilities	1,180,359	760,661	282,154	141,639
Noncurrent liabilities:				
Compensated absences	3,104	27,368	9,063	2,500
Net pension liability	544,892	3,529,254	808,023	362,856
Total OPEB liability - TMRS	15,052	101,041	20,671	11,731
Total OPEB liability - retiree benefits	45,844	417,779	93,905	44,224
Total Noncurrent Liabilities	608,892	4,075,442	931,662	421,311
Total Liabilities	1,789,251	4,836,103	1,213,816	562,950
<u>Deferred Inflows of Resources</u>				
Deferred inflows - leases	1,387,091	-	-	-
Deferred inflows - OPEB	52,000	315,054	59,285	35,254
Total Deferred Inflows of Resources	1,439,091	315,054	59,285	35,254
<u>Net Position</u>				
Net investment in capital assets	10,028,671	7,553,770	3,833,465	4,653,899
Unrestricted	542,191	2,050,443	920,268	(220,070)
Total Net Position	\$ 10,570,862	\$ 9,604,213	\$ 4,753,733	\$ 4,433,829

See Notes to Financial Statements.

Business-Type Activities	Governmental Activities
Total	Internal Service
\$ 8,685,439	\$ 3,831,004
966,676	-
1,405,637	-
-	102,779
<u>11,057,752</u>	<u>3,933,783</u>
2,599,279	-
<u>23,525,354</u>	<u>-</u>
26,124,633	-
<u>26,124,633</u>	<u>-</u>
<u>37,182,385</u>	<u>3,933,783</u>
2,346,901	-
84,155	-
<u>2,431,056</u>	<u>-</u>
1,546,443	699,712
-	33,711
115,785	-
54,828	-
269,445	-
378,312	-
<u>2,364,813</u>	<u>733,423</u>
42,035	-
5,245,025	-
148,495	-
601,752	-
<u>6,037,307</u>	<u>-</u>
<u>8,402,120</u>	<u>733,423</u>
1,387,091	-
461,593	-
<u>1,848,684</u>	<u>-</u>
26,069,805	-
3,292,832	3,200,360
<u>\$ 29,362,637</u>	<u>\$ 3,200,360</u>

CITY OF NEW BRAUNFELS, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2023

	Business-Type Activities			
	Airport	Solid Waste	Golf Course	Civic/Con. Center
<u>Operating Revenues</u>				
Charges for services	\$ 4,494,355	\$ 11,005,155	\$ 2,274,543	\$ 576,722
Miscellaneous	12,961	182,738	74,363	810
Total Operating Revenues	4,507,316	11,187,893	2,348,906	577,532
<u>Operating Expenses</u>				
Personnel	834,296	4,913,090	1,017,112	484,705
Purchased services	307,228	2,983,556	209,852	282,293
Professional services	153,532	112,683	-	-
Supplies	2,551,529	1,652,844	467,603	115,573
Depreciation and amortization	1,306,311	1,377,990	725,401	363,470
Total Operating Expenses	5,152,896	11,040,163	2,419,968	1,246,041
Operating Income (Loss)	(645,580)	147,730	(71,062)	(668,509)
<u>Nonoperating Revenues</u>				
Investment earnings	18,991	147,637	15,301	266
Gain on sale of assets	-	-	5,938	8,425
Total Nonoperating Revenues	18,991	147,637	21,239	8,691
Income (Loss) Before Transfers and Capital Contributions	(626,589)	295,367	(49,823)	(659,818)
<u>Transfers and Contributions</u>				
Capital contributions	50,000	3,031,470	-	-
Transfers in	99,910	-	-	355,800
Transfers (out)	(419,790)	(2,082,715)	(188,216)	(43,270)
Total Transfers and Contributions	(269,880)	948,755	(188,216)	312,530
Change in Net Position	(896,469)	1,244,122	(238,039)	(347,288)
Beginning net position	11,467,331	8,360,091	4,991,772	4,781,117
Ending Net Position	\$ 10,570,862	\$ 9,604,213	\$ 4,753,733	\$ 4,433,829

See Notes to Financial Statements.

Business-Type Activities	Governmental Activities
Total	Internal Service
\$ 18,350,775	\$ 9,173,135
270,872	8,052
18,621,647	9,181,187
7,249,203	7,691,744
3,782,929	-
266,215	1,141,638
4,787,549	-
3,773,172	-
19,859,068	8,833,382
(1,237,421)	347,805
182,195	105,532
14,363	-
196,558	105,532
(1,040,863)	453,337
3,081,470	-
455,710	-
(2,733,991)	-
803,189	-
(237,674)	453,337
29,600,311	2,747,023
<u>\$ 29,362,637</u>	<u>\$ 3,200,360</u>

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 1 of 2) For the Year Ended September 30, 2023

	Business-Type Activities			
	Airport	Solid Waste	Golf Course	Civic/Con. Center
<u>Cash Flows from Operating Activities</u>				
Receipts from customers	\$ 4,474,073	\$ 11,184,282	\$ 2,344,366	\$ 564,749
Receipts for interfund services provided and used	-	-	-	-
Payments to suppliers	(3,238,868)	(4,673,962)	(683,305)	(395,341)
Payments for premiums, claims, and administrative charges	-	-	-	-
Payments for personnel services	(799,131)	(4,659,759)	(978,861)	(462,809)
Net Cash Provided (Used) by Operating Activities	436,074	1,850,561	682,200	(293,401)
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers in from other funds	99,910	-	-	355,800
Transfers (out) to other funds	(419,790)	(2,082,715)	(188,216)	(43,270)
Net Cash Provided (Used) by Noncapital Financing Activities	(319,880)	(2,082,715)	(188,216)	312,530
<u>Cash Flows from Capital and Related Financing Activities</u>				
Acquisition and construction of capital assets	(205,173)	(956,282)	(233,680)	1
Gain on sale of capital assets	-	-	5,938	8,425
Net Cash (Used) Provided by Capital and Related Financing Activities	(205,173)	(956,282)	(227,742)	8,426
<u>Cash Flows from Investing Activities</u>				
Interest on investments	18,991	147,637	15,301	266
Net Cash Provided by Investing Activities	18,991	147,637	15,301	266
Net Increase (Decrease) in Cash and Equity in Pooled Cash and Investments	(69,988)	(1,040,799)	281,543	27,821
Beginning cash and equity in pooled cash and investments	2,110,210	5,694,427	1,503,830	178,395
Ending Cash and Equity in Pooled Cash and Investments	\$ 2,040,222	\$ 4,653,628	\$ 1,785,373	\$ 206,216
Total Cash and Cash Equivalents	\$ 2,040,222	\$ 4,653,628	\$ 1,785,373	\$ 206,216

Business-Type Activities	Governmental Activities
Total	Internal Service
\$ 18,567,470	\$ -
-	9,283,966
(8,991,476)	-
-	(1,202,635)
(6,900,560)	(7,794,523)
<u>2,675,434</u>	<u>286,808</u>
455,710	-
(2,733,991)	-
<u>(2,278,281)</u>	<u>-</u>
(1,395,134)	-
14,363	-
<u>(1,380,771)</u>	<u>-</u>
182,195	105,532
<u>182,195</u>	<u>105,532</u>
(801,423)	392,340
<u>9,486,862</u>	<u>3,438,664</u>
<u>\$ 8,685,439</u>	<u>\$ 3,831,004</u>
<u>\$ 8,685,439</u>	<u>\$ 3,831,004</u>

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended September 30, 2023

	Business-Type Activities			
	Airport	Solid Waste	Golf Course	Civic/Con. Center
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (645,580)	\$ 147,730	\$ (71,062)	\$ (668,509)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	1,306,311	1,377,990	725,401	363,470
Changes in Operating Assets and Liabilities:				
(Increase) Decrease in:				
Accounts receivable	(36,871)	(3,611)	(4,540)	2,912
Inventories	-	98,271	-	-
Due from other funds	21,425	-	-	-
Deferred outflows - pensions	(155,387)	(913,564)	(178,128)	(90,770)
Deferred outflows - OPEB	10,033	16,359	3,115	1,763
Increase (Decrease) in:				
Accounts payable	(207,206)	55,925	22,623	8,979
Leases payable	-	-	(27,220)	-
Accrued expenses	5,893	(32,347)	7,858	(1,811)
Due to other funds	-	-	-	-
Net pension liability	294,755	1,818,920	354,742	180,732
Total OPEB liability - TMRS	(7,572)	(46,728)	(9,111)	(4,643)
Total OPEB liability - retiree benefits	7,047	42,597	7,966	4,857
Accrued compensated absences	7,621	72,386	(15,396)	13,485
Customer deposits	3,628	-	-	(15,695)
Deferred inflows - leases	(39,119)	-	-	-
Deferred inflows - pensions	(113,691)	(692,322)	(117,376)	(77,138)
Deferred inflows - OPEB	(15,213)	(91,045)	(16,672)	(11,033)
Net Cash Provided (Used) by Operating Activities	<u>\$ 436,074</u>	<u>\$ 1,850,561</u>	<u>\$ 682,200</u>	<u>\$ (293,401)</u>
Noncash Capital Activities:				
Capital assets contributed during the year	<u>\$ 50,000</u>	<u>\$ 3,031,470</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

Business-Type Activities	Governmental Activities
Total	Internal Service
\$ (1,237,421)	\$ 347,805
3,773,172	-
(42,110)	-
98,271	(102,779)
21,425	-
(1,337,849)	-
31,270	-
(119,679)	8,071
(27,220)	-
(20,407)	-
-	33,711
2,649,149	-
(68,054)	-
62,467	-
78,096	-
(12,067)	-
(39,119)	-
(1,000,527)	-
(133,963)	-
<u>\$ 2,675,434</u>	<u>\$ 286,808</u>
<u>\$ 3,081,470</u>	<u>\$ -</u>

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

September 30, 2023

		<u>Custodial</u>	<u>Private-Purpose Trust</u>
<u>Assets</u>			
Cash		\$ -	\$ 1,844,042
	Total Assets	<u>-</u>	<u>1,844,042</u>
<u>Net Position</u>			
Restricted for debt service		-	1,844,042
	Total Net Position	<u>\$ -</u>	<u>\$ 1,844,042</u>

See Notes to Financial Statements.

CITY OF NEW BRAUNFELS, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the Year Ended September 30, 2023

	<u>Custodial</u>	<u>Private-Purpose Trust</u>
<u>Additions</u>		
Special assessment collections	\$ 610,381	\$ -
Contributions	-	610,381
Investment earnings	-	105,291
Total Additions	<u>610,381</u>	<u>715,672</u>
<u>Deductions</u>		
Contribution to trust	610,381	-
Payment to developer	-	996,098
Payment to bond holders	-	557,989
Payment to fiscal agents	-	44,847
Total Deductions	<u>610,381</u>	<u>1,598,934</u>
Net Decrease in Fiduciary Net Position	-	(883,262)
Beginning net position	-	2,727,304
Ending Net Position	<u><u>\$ -</u></u>	<u><u>\$ 1,844,042</u></u>

See Notes to Financial Statements.

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CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of New Braunfels, Texas (the “City”) was founded in 1845. It has adopted a “Home Rule Charter”, which provides for a “Mayor-Council” form of government. A Mayor and six Council members are elected by voters of the City at large for three-year terms.

The City Council is the principal legislative and administrative body of the City.

The City Manager is the head of the administrative departments of the City and is the supervisor of all administrative officers, employees, directors, and department heads. Departments and agencies of the City submit budget requests to the City Manager.

The City provides the following services: public safety (police, fire, and EMS), public works, parks and recreation, library, airport, solid waste collection, community services, and general government.

The City is an independent political subdivision of the State of Texas (the “State”) governed by an elected Council and a Mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City’s financial reporting entity. The component units, as listed below, although legally separate, are considered part of the reporting entity. No other entities have been included in the City’s reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the City’s financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City’s financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Discretely Presented Component Units

Economic Development Corporation

The New Braunfels Economic Development Corporation (the “Corporation”) is a legally separate nonprofit entity which was organized under the laws of the State to provide economic development benefits for the City. Prior to fiscal year 2018, the entity was operating as the “Industrial Development Corporation”. On April 9, 2018, City Council amended the bylaws, renaming the Corporation as the New Braunfels Economic Development Corporation. The Corporation is presented as a governmental component unit. City Council appoints the Board of Directors and approves expenditures. Separate financial statements can be obtained by contacting the President of the Corporation.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

New Braunfels Utilities

New Braunfels Utilities (NBU) is a legally separate entity which provides waterworks, sanitary sewer, and electric services in the New Braunfels area. City Council appoints the NBU Board of Trustees, and approves utility rates and the issuance of debt. The NBU is presented as an enterprise component unit. Complete financial statements for the NBU may be obtained at the NBU's administrative offices at 263 Main Plaza, New Braunfels, Texas 78130. The NBU's financial statements are presented on a July 31 fiscal year end.

Blended Component Units

Tax Increment Reinvestment Zone No. 1

During fiscal year 2007, the City passed a resolution creating a Tax Increment Reinvestment Zone No. 1 (TIRZ No. 1), in accordance with Section 311 of the Texas Tax Code, for the purpose of financing public improvements in support of the Creekside Town Center Development. The TIRZ No. 1 includes participation by a developer and by other governmental entities, the Corporation, and Comal County, Texas (the "County"). Under this arrangement, a certain percentage of the incremental ad valorem tax revenue collected by the City and the County and one-half cent of sales taxes collected by the City and the Corporation will be utilized to pay for certain infrastructure costs. In fiscal year 2021, City Council voted on and implemented a change to this arrangement to be implemented in fiscal year 2022. Effective October of 2021, the City's portion of sales tax collected will no longer be utilized for TIRZ infrastructure costs. Such tax revenue is controlled by the Board of Directors managing the TIRZ No. 1 and is accounted for in a special revenue fund with the City's financial oversight. The Board of Directors is made up of seven members, five of which are appointed by the City Council.

New Braunfels Development Authority

During fiscal year 2007, the City passed a resolution creating the New Braunfels Development Authority (NBDA) in accordance with Section 394 of the Texas Local Government Code. The NBDA has been included in the reporting entity as a blended component unit. The NBDA was created to assist and act on behalf of the City in the performance of the City's governmental functions to promote the common good and general welfare of the TIRZ and to promote, develop, encourage, and maintain employment, commerce, and economic development in the City. During fiscal year 2007, the City passed an agreement (the "Agreement") between the City, the NBDA, and the TIRZ No 1 in which the NBDA will facilitate the implementation of the TIRZ plan and assist the City with reimbursement to the developer participating in the TIRZ No 1. Reimbursement to the developer will be made through the issuance of bonds, notes, or other obligations available to the NBDA but only after consent of the City Council. Efforts of the NBDA will be financed using the TIRZ No 1 tax increment as outlined in the Agreement. Such taxes and payment of debt service activity are controlled by the Board of Directors managing the NBDA and are accounted for in a special revenue fund with the City's financial oversight. The Board of Directors is made up of seven members, five of which are appointed by the City Council.

River Mill Tax Increment Reinvestment Zone

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

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

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

Downtown Tax Increment Reinvestment Zone

In September 2021, the City Council established the Downtown Tax Increment Reinvestment Zone (TIRZ No. 3). Similar to TIRZ No. 1, the City's participation is limited to 85% of the real and business personal property tax revenue. The TIRZ will provide support for catalytic infrastructure and incentives that will facilitate the redevelopment of the downtown area. The downtown area faces barriers to continued redevelopment as much of the pedestrian infrastructure in the zone is insufficient. Additionally, new development in the zone has been stifled due to lack of convenient and adequate parking given the built-out nature of the development pattern. The City has established a board for TIRZ #3 to oversee the utilization of the incremental funds, and a project and financing plan has been approved. Collections of revenue in the TIRZ have started in fiscal year 2023.

Separate financial statements for the TIRZ's and NBDA funds are not prepared.

The City also has the following related organization:

The Housing Authority of the City of New Braunfels (the "Authority") is a nonprofit entity, which was organized under the laws of the State to provide housing for qualified individuals in accordance with the rules and regulations prescribed by the U.S. Department of Housing and Urban Development. City Council appoints the Board of Directors of the Authority. However, the City is not financially accountable for the Authority because the Authority's operations are subsidized by the federal government, it sets its own budget subject to federal approval, it sets its rental rate, and it can issue debt in its own name. The City is not responsible for the deficits or liabilities of the Authority. Separately audited financial statements may be obtained at the City's administrative offices at 550 Landa Street, New Braunfels, Texas 78130.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental and internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and wastewater functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The City reports the following governmental funds:

The *general fund* is used to account for and report all financial resources not accounted for and reported in another fund. The principal sources of revenues include local property taxes, sales taxes, franchise fees, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, parks and recreation, and library. The general fund is always considered a major fund for reporting purposes.

The *debt service fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on long-term debt of the City. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

The *special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The grants fund was the only special revenue fund that was considered major. The special revenue funds are considered nonmajor funds for reporting purposes, except for the hotel/motel tax fund, which does not qualify as major, but the City has elected to present it as major due to its significance.

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

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

The *capital projects funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The capital projects funds are considered nonmajor funds for reporting purposes, except for the 2019 capital improvement fund and the park improvement fund. The general obligations fund and roadway impact fees fund were not major funds, but the City elected to present them as major due to their significance.

General obligations fund: This fund accounts for the expenditures of the proceeds from the June 2014, April 2015, and July 2016 debt series issued for various purposes, including street improvements, construction of drainage, equipping of parks and a recreations center, and constructing and building the Center Texas Technology Center.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

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

Park improvement fund: This fund accounts for collection and expenditure of park development impact fees charged within the City.

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

The *permanent fund* is used to account for nonexpendable trust arrangements where the principal may not be spent, and the earnings must be spent for a particular purpose. This fund is used to report the activity of the cemetery perpetual care fund.

The City reports the following proprietary funds:

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

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

The City reports the following fiduciary funds:

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

The *custodial fund* accounts for collection of special assessment revenue and contributions made to the trust related to the PID.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

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

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, balances in statewide investment pools, and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

The City maintains a pooled cash account. Each fund whose monies are deposited in the pooled cash account has equity therein, and interest earned on the investment of these monies is allocated based

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

upon relative equity at the previous month end. Amounts on deposit in interest bearing accounts and other investments are displayed on the combined balance sheet as “cash and equity in pooled cash.”

2. Investments

Investments, except for certain investment pools and commercial paper, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Commercial paper is reported at amortized cost.

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

The Act contains specific provisions in the area of investment practices, management reports, and establishment of appropriate policies. Investments are administered by City management under terms of an investment policy and strategy that is updated to conform to the Act as last amended. The preservation of capital is the City’s most important investment objective. Other objectives include providing liquidity and maximizing earnings within the constraints of other objectives. The City is in substantial compliance with the requires of the Act and with local policies.

In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. government
- Money market mutual funds that meet certain criteria
- Collateralized certificates of deposit
- Municipal securities that meet certain criteria
- Fully collateralized repurchase agreements that meet certain criteria
- Bankers’ acceptances
- Commercial paper that meets certain criteria
- Guaranteed investment contracts that meet certain criteria
- Statewide investment pools

3. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful years:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Streets/Drainage Infrastructure	20 years
Buildings	30 years
Building Improvements	20 years
Equipment	5-7 years
Fleet	5-7 years

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represent a consumption of net assets that applies to future periods and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represent an acquisition of net assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the City's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.
- A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

At the fund level, the City has two types of items, which arises only under a modified accrual basis of accounting, that qualify for reporting in this category. Accordingly, these items, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and from leases in which the government is the lessor. These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

6. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Amounts accumulated, up to certain amounts, may be paid to employees upon termination of employment. On retirement or death of certain employees, the City pays accrued sick leave in a lump sum payment to such employee or his/her estate. Non-civil service employees with 15 or more years of service are eligible to receive one-half of their accumulated sick leave up to 480 hours. These employees are also eligible if they retire with 10 or more years of service. Police and fire personnel covered by civil service receive payment for all accumulated sick leave up to 720 hours for police and fire (non-shift) and 1,080 hours for fire shift personnel. Police came under civil service in October 2011. Employees are paid for all accrued vacation leave when they leave the City's employment. The City accrues its liability for such accumulated unpaid benefits in the government-wide financial statements and proprietary fund financial statements. The general fund has historically been used to liquidate this liability.

The estimated amount of compensation for services provided that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it matures or becomes due. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

7. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund. Although a portion of the general obligation debt was directly related to the purchase of solid waste infrastructure, the debt service expenditures are included in the governmental fund financial statements as they are expected to be paid from debt service tax revenues instead of solid waste revenues.

8. Leases

Lessee

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

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

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

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

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

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

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

Lessor

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

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

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

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

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

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

9. Subscription-Based Information Technology Arrangements

The City has noncancellable subscription-based information technology arrangements (SBITAs) to finance the use of information technology software. The City would recognize a liability (the “subscription liability”) and an intangible, right-to-use subscription asset (the “subscription asset”) in the financial statements. The City’s SBITAs to report are immaterial to the financial statements as a whole and are not recognized as a subscription liability or a subscription asset.

10. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

11. Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

12. Fund Balance Policies

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City’s highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance includes amounts that have not been assigned to other funds or restricted, committed, or assigned to specific purpose within the general fund or deficit balances in other funds.

	General	Hotel/Motel Tax	Debt Service	General Obligations	Roadway Impact Fees	2019 Capital Improvement	Park Improvement	Grants	Nonmajor Governmental	Total Governmental Funds
Nonspendable:										
Cemetery perpetual care	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 255,708	\$ 255,708
Inventory	905	-	-	-	-	-	-	-	-	905
Total Nonspendable	905	-	-	-	-	-	-	-	255,708	256,613
Restricted:										
Tourism	-	4,466,257	-	-	-	-	-	-	-	4,466,257
Debt service	-	-	3,022,807	-	-	-	-	-	-	3,022,807
Grants	-	-	-	-	-	-	-	198,168	-	198,168
Special donation	-	-	-	-	-	-	-	-	907,195	907,195
Stormwater development	-	-	-	-	-	-	-	-	842,434	842,434
Edwards Aquifer HCP	-	-	-	-	-	-	-	-	69,381	69,381
Capital projects	-	-	-	5,335,832	12,384,711	56,209,937	21,247,091	-	11,869,934	107,047,505
Public safety	-	-	-	-	-	-	-	-	25,099	25,099
Municipal court	-	-	-	-	-	-	-	-	398,169	398,169
Governmental programming	-	-	-	-	-	-	-	-	703,930	703,930
Economic development	-	-	-	-	-	-	-	-	11,180,103	11,180,103
Total Restricted	-	4,466,257	3,022,807	5,335,832	12,384,711	56,209,937	21,247,091	198,168	25,996,245	128,861,048
Committed:										
Facilities maintenance	-	-	-	-	-	-	-	-	1,540,291	1,540,291
Enterprise equipment	-	-	-	-	-	-	-	-	4,476,467	4,476,467
Assigned:										
Equipment replacement	4,113,268	-	-	-	-	-	-	-	-	4,113,268
Unassigned	37,287,541	-	-	-	-	-	-	-	-	37,287,541
Total Fund Balances	\$ 41,401,714	\$ 4,466,257	\$ 3,022,807	\$ 5,335,832	\$ 12,384,711	\$ 56,209,937	\$ 21,247,091	\$ 198,168	\$ 32,268,711	\$ 176,535,228

Minimum Fund Balance Policy

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

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

The City will maintain a balance in the debt service fund equal to not less than 10 percent of the principal and interest payments on outstanding debt for each fiscal year.

13. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

14. Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS' fiduciary net position have been determined on the same basis as they are reported by TMRS. For this

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

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.

15. Other Postemployment Benefits

The City participates in a single-employer, unfunded, defined benefit group-term life insurance plan operated by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. Benefit payments are treated as being equal to the employer's yearly contributions for retirees. Benefit payments and refunds are due and payable in accordance with the benefit terms. Information about the City's total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense is provided by TMRS from reports prepared by their consulting actuary.

The City also provides their own defined benefit group health benefit plan to eligible retirees.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are levied by October 1 of each year on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. Taxes are due upon receipt of the City's tax bill and become delinquent, with an enforceable lien on property, on February 1 of the following year.

Allowance for uncollectible tax receivables within the general and debt service funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds and internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The City follows the procedures outlined below in establishing budgetary data reflected in the financial statements:

Prior to the beginning of the fiscal year, the City prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.

Two meetings of the City Council are then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must have been given.

Prior to the start of the fiscal year, the budget is legally enacted through passage of an ordinance by the City Council.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles except the capital projects funds, which adopt project length budgets. The general obligations fund, a major fund for reporting purposes, is considered a capital projects fund and does not present an annual operating budget. Budgetary legal level of control is set at the fund, department, or project level. Once a budget is approved, it can be amended only by approval of a majority of the members of the City Council. As required by law, such amendments are made before the fact, and are reflected in the official minutes of the City Council. During the year, the budget was amended as necessary. Appropriations lapse at the end of the year, excluding capital project budgets.

Encumbrances represent the estimated amount of expenditures ultimately to result when unperformed contracts (in progress at year end) are completed. Such encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

As of September 30, 2023, the City had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)	Credit Rating
Primary Government and			
Component Unit-EDC:			
U.S. agency treasury notes	\$ 2,434,271	0.30	AAA
Federal Home Loan Bank	29,881,909	0.45	Aaa
External investment pools:			
TexPool	85,240,853	0.07	AAAm
Texas CLASS	29,954,561	0.20	AAAm
Texas FIT	10,123,951	0.07	AAAmmf
Total	\$ 157,635,545		
Portfolio weighted average maturity		0.19	
Component Unit - NBU			
U.S. agency securities	\$ 27,529,318	0.33	AA+
U.S. agency treasury notes	20,000,434	1.70	AA+
Escrow funds	37,511,261	0.25	N/A
Demand deposit and money market	23,946,852	0.00	N/A
Investment pools	92,871,968	0.00	AAAm
Total	\$ 201,859,833		
Portfolio weighted average maturity		0.46	

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value establishing a three-level fair value hierarchy that describes the inputs used to measure assets and liabilities:

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Fair value is measured in a manner consistent with one of the three approaches: market approach, cost approach, and the income approach. The valuation methodology used is based upon whichever technique is the most appropriate and provides the best representation of fair value for that particular asset or liability. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or groups of assets and liabilities. The cost approach reflects the amount that would be required to replace the present service capacity of an asset. The income approach converts future amounts, such as cash flows, to a single current (discounted) amount.

As of September 30, 2023, the City had the following recurring fair value measurements:

	September 30, 2023	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by Fair Value Level			
Primary Government			
U.S. agency treasury notes	\$ 2,434,271	\$ -	\$ 2,434,271
Federal Home Loan Bank	29,881,909	-	29,881,909
Total - Primary Government	\$ 32,316,180	\$ -	\$ 32,316,180
Component Unit - NBU			
U.S. agency securities	\$ 27,529,319	\$ -	\$ 27,529,319
U.S. agency treasury notes	20,000,434	20,000,434	-
Total - NBU	\$ 47,529,753	\$ 20,000,434	\$ 27,529,319

U. S. Government agency bonds and notes are classified in Level 2 of the fair value hierarchy and are valued using the market approach.

Interest rate risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

Credit risk. The City's policy requires that investment pools must be rated no lower than 'AAA' or 'AAAm'. As of September 30, 2023, the City's investments in investment pools were rated 'AAAm' by Standard & Poor's. All other investments are guaranteed (either express or implied) by the full faith and credit of the United States government or the issuing U.S. agency. These investments were rated not less than 'AA+' by both Moody's and Standard & Poor's.

Custodial credit risk – deposits. In the case of deposits, this is the risk that the City's deposits may not be returned in the event of a bank failure. The City's investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of September 30, 2023, fair values of pledged securities and FDIC coverage exceeded bank balances.

Custodial credit risk – investments. For an investment, this is the risk that the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party in the event of the failure of the counterparty. The City's investment policy requires that it will seek to safekeep securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, shall be conducted on a delivery versus payment basis or commercial book entry system as utilized by the Federal Reserve and shall be protected through the use of a third-party custody/safekeeping agent.

TexPool

TexPool was established as a trust company with the Treasurer of the State as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rates TexPool 'AAAm'. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool's liquidity.

Texas CLASS

The Texas Cooperative Liquid Assets Securities System Trust – Texas (CLASS) is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Texas Government Code, as amended. CLASS is created under an amended and restated trust agreement, dated as of December 14, 2011 (the "Agreement"), among certain Texas governmental entities investing in CLASS (the "Participants"), with Cutwater Investor Services Corporation as program administrator and Wells Fargo Bank Texas, NA as custodian. CLASS is not SEC registered and is not subject to regulation by the State. Under the Agreement, however, CLASS is administered and supervised by a

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

seven-member board of trustees (the “Board”), whose members are investment officers of the Participants, elected by the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, CLASS has contracted with Cutwater Investors Service Corporation to provide for the investment and management of the public funds of CLASS. Separate financial statements for CLASS may be obtained from CLASS’ website at www.texasclass.com.

Texas FIT

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

B. Receivables

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

	Governmental Funds						
	General	Hotel/Motel Tax	Debt Service	Roadway Impact Fees	Grants	Nonmajor Funds	Total
Ad valorem taxes	\$ 467,288	\$ -	\$ 540,418	\$ -	\$ -	\$ -	\$ 1,007,706
Franchise fees and local taxes	-	-	-	12,465	-	35,433	47,898
Accounts	8,389,496	372,180	-	-	-	323,966	9,085,642
Intergovernmental	-	-	-	-	120,441	-	120,441
Other	-	-	-	-	-	240	240
Less allowances	(45,754)	-	(24,047)	-	-	-	(69,801)
	<u>\$ 8,811,030</u>	<u>\$ 372,180</u>	<u>\$ 516,371</u>	<u>\$ 12,465</u>	<u>\$ 120,441</u>	<u>\$ 359,639</u>	<u>\$ 10,192,126</u>
	Proprietary Funds						
	Airport	Solid Waste	Golf Course	Total			
Accounts	\$ 56,653	\$ 881,781	\$ 11,038	\$ 949,472			
Other	-	-	17,204	17,204			
	<u>\$ 56,653</u>	<u>\$ 881,781</u>	<u>\$ 28,242</u>	<u>\$ 966,676</u>			
	Component Unit						
	NBU						
Customer accounts	\$ 41,057,649						
Interest	94,702						
Other	7,286,926						
Less allowance	(390,364)						
	<u>\$ 48,048,913</u>						

Lease Receivable

The City is a lessor for two agreements related to the lease of space. These leases combined are for 86 years. The City receives annual payments of \$14,500 for these two leases. The City recognized \$2,946

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

in lease revenue and \$6,054 in interest revenue related to these leases in the current year. As of September 30, 2023, the City's receivable for these lease payments was \$586,018. The City also has a deferred inflow of resources associated with these leases that will be recognized over the lease term. As of September 30, 2023, the balance of the deferred inflow of resources was \$574,102.

The Airport is a lessor of land space for a variety of different parties. The combined lease term for these leases is 59 years. The Airport receives variable amounts for annual payments related to these leases. The Airport recognized \$29,425 in lease revenue and \$29,528 in interest revenue during the current fiscal year related to these leases. As of September 30, 2023, the Airport's receivable for lease payments was \$1,405,637. The Airport fund also has a deferred inflow of resources related to these leases that will be recognized as revenue over the lease term. As of year end, this balance of the deferred inflow of resources was \$1,387,091

C. Capital Assets

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

	Beginning Balance	Increases	Reclassifications (Decreases)	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 42,577,074	\$ 1,106,873	\$ -	\$ 43,683,947
Construction in progress	8,653,778	17,097,963	(3,466,280)	22,285,461
Total capital assets not being depreciated	51,230,852	18,204,836	(3,466,280)	65,969,408
Other capital assets				
Road network	158,646,803	168,170	-	158,814,973
Infrastructure	25,040,967	-	-	25,040,967
Buildings*	130,001,290	5,260,199	(2,460,200)	132,801,289
Improvements other than buildings	59,202,872	320,404	-	59,523,276
Machinery and equipment	17,638,657	6,715,388	-	24,354,045
Fleet	24,329,767	6,818,272	(1,265,287)	29,882,752
Total other capital assets	414,860,356	19,282,433	(3,725,487)	430,417,302
Less accumulated depreciation for:				
Road network	(94,777,499)	(7,963,014)	-	(102,740,513)
Infrastructure	(12,099,230)	(834,699)	-	(12,933,929)
Buildings*	(46,042,091)	(3,660,787)	2,213,858	(47,489,020)
Improvements other than buildings	(34,351,938)	(3,955,193)	-	(38,307,131)
Machinery and equipment	(12,381,581)	(1,618,347)	-	(13,999,928)
Fleet	(19,910,808)	(2,018,328)	1,265,287	(20,663,849)
Total accumulated depreciation	(219,563,147)	(20,050,368)	3,479,145	(236,134,370)
Other capital assets, net	195,297,209	(767,935)	(246,342)	194,282,932
Governmental Activities				
Capital Assets, Net	<u>\$ 246,528,061</u>	<u>\$ 17,436,901</u>	<u>\$ (3,712,622)</u>	<u>260,252,340</u>
*Beginning balance has been restated.				
			Less associated debt	(292,266,405)
			Plus deferred charge on refunding	959,505
			Plus unspent bond proceeds	69,760,750
			Net Investment in Capital Assets	<u>\$ 38,706,190</u>

All capital assets constructed or paid for with funds of the component units are titled in the City's name. Accordingly, component unit capital assets and construction in progress are recorded in the governmental activities totals.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

Depreciation was charged to governmental functions as follows:

General government	\$ 1,449,642
Finance and tax	427,073
Planning and environmental development	1,182,972
Public safety	13,515,953
Public works	1,758,417
Parks and recreation	1,209,037
Library	507,274
Total Governmental Activities Depreciation Expense	<u>\$ 20,050,368</u>

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

	Beginning Balance	Increases	Reclassifications (Decreases)	Ending Balance
Business-Type Activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 2,540,961	\$ -	\$ -	\$ 2,540,961
Construction in progress	-	58,318	-	58,318
Total capital assets not being depreciated/amortized	2,540,961	58,318	-	2,599,279
Other capital assets				
Buildings	21,412,931	31,115	-	21,444,046
Improvements other than building	22,076,348	51,803	-	22,128,151
Furniture and fixtures	20,190	-	-	20,190
Machinery and equipment	2,049,423	1,223,617	(13,094)	3,259,946
Fleet	14,222,846	3,111,755	(1,632,588)	15,702,013
Airspace easement	37,515	-	-	37,515
Right-to-use assets	109,148	-	-	109,148
Total other capital assets	59,928,401	4,418,290	(1,645,682)	62,701,009
Less accumulated depreciation/amortization for:				
Buildings	(12,221,419)	(612,086)	-	(12,833,505)
Improvements other than building	(14,369,061)	(1,437,237)	-	(15,806,298)
Furniture and fixtures	(20,189)	-	-	(20,189)
Machinery and equipment	(1,235,669)	(316,073)	13,094	(1,538,648)
Fleet	(9,148,768)	(1,376,205)	1,632,588	(8,892,385)
Airspace easement	(26,687)	(938)	-	(27,625)
Right-to-use assets	(26,371)	(30,634)	-	(57,005)
Total accumulated depreciation amortization	(37,048,164)	(3,773,173)	1,645,682	(39,175,655)
Other capital assets, net	22,880,237	645,117	-	23,525,354
Business-Type Activities				
Capital Assets, Net	<u>\$ 25,421,198</u>	<u>\$ 703,435</u>	<u>\$ -</u>	<u>\$ 26,124,633</u>
		Less associated debt		(54,828)
		Net Investment in Capital Assets		<u>\$ 26,069,805</u>

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

Depreciation/amortization was charged to business-type functions as follows:

Airport	\$ 1,306,311
Solid waste	1,377,990
Golf course	725,402
Civic center	363,470
Total Business-Type Activities Depreciation/Amortization Expense	<u>\$ 3,773,173</u>

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

	Beginning Balance	Increases	Reclassifications (Decreases)	Ending Balance
Component Unit:				
Capital assets not being depreciated:				
Land and improvements	\$ 41,856,107	\$ 1,845,413	\$ -	\$ 43,701,520
Construction in progress	92,434,199	118,555,607	(133,370,857)	77,618,949
Total capital assets not being depreciated	134,290,306	120,401,020	(133,370,857)	121,320,469
Other capital assets				
Buildings	144,849,917	10,920,631	(13,990,000)	141,780,548
Infrastructure	741,856,851	107,489,295	(2,065,635)	847,280,511
Equipment	127,035,884	11,324,632	(211,049)	138,149,467
Wells and springs	2,163,985	1,790,887	-	3,954,872
Total other capital assets	1,015,906,637	131,525,445	(16,266,684)	1,131,165,398
Less accumulated depreciation for:				
Buildings	(36,501,655)	(3,674,795)	-	(40,176,450)
Infrastructure	(226,140,539)	(24,153,480)	11,468,127	(238,825,892)
Equipment	(55,602,097)	(6,534,726)	210,530	(61,926,293)
Wells and springs	(635,012)	(52,899)	-	(687,911)
Total accumulated depreciation	(318,879,303)	(34,415,900)	11,678,657	(341,616,546)
Other capital assets, net	697,027,334	97,109,545	(4,588,027)	789,548,852
Component Unit Capital Assets, Net	<u>\$ 831,317,640</u>	<u>\$ 217,510,565</u>	<u>\$ (137,958,884)</u>	<u>\$ 910,869,321</u>

Depreciation was charged to the NBU as follows:

Electric	\$ 12,526,914
Water	9,502,725
Wastewater	12,386,261
Total Component Unit Activities Depreciation Expense	<u>\$ 34,415,900</u>

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

D. Long-Term Debt

The following is a summary of changes in the City's total long-term liabilities for the year end. In general, the City uses the general and debt service funds to liquidate governmental long-term liabilities.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds, notes, and other payables:					
General obligation bonds/notes	\$ 231,165,000	\$ -	\$ (16,740,000)	\$ 214,425,000	\$ 15,610,000
Certificates of obligation	34,970,000	-	(2,065,000)	32,905,000	2,160,000
Contract revenue obligations	17,525,000	-	(1,500,000)	16,025,000	1,550,000
Bond premium	27,233,561	-	(1,999,781)	25,233,780	-
	<u>310,893,561</u>	<u>-</u>	<u>(22,304,781)</u>	<u>288,588,780</u>	<u>** 19,320,000</u>
Other liabilities:					
Note payable*	5,541,094	1,000,000	(2,863,469)	3,677,625	** 366,139
Net pension liability	24,733,864	27,010,422	-	51,744,286	-
Total OPEB liability - TMRS	2,180,207	-	(693,868)	1,486,339	-
Total OPEB liability - retiree benefits	5,213,601	648,577	-	5,862,178	-
Compensated absences	8,544,495	13,364,247	(7,690,046)	14,218,696	12,796,826
Total Governmental Activities	<u>\$ 357,106,822</u>	<u>\$ 42,023,246</u>	<u>\$ (33,552,164)</u>	<u>\$ 365,577,904</u>	<u>\$ 32,482,965</u>

*Beginning balance has been restated.

Long-term debt due in more than one year \$ 333,094,939

**** Debt associated with capital assets** \$ 292,266,405

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-Type Activities:					
Leases payable	\$ 82,048	\$ -	\$ (27,220)	\$ 54,828	\$ 27,350
Net pension liability	2,595,876	2,649,149	-	5,245,025	-
Total OPEB liability - TMRS	216,549	-	(68,054)	148,495	-
Total OPEB liability - retiree benefits	539,285	62,467	-	601,752	-
Compensated absences	342,251	386,121	(308,025)	420,347	378,312
Total Business-Type Activities	<u>\$ 3,776,009</u>	<u>\$ 3,097,737</u>	<u>\$ (403,299)</u>	<u>\$ 6,470,447</u>	<u>\$ 405,662</u>

Long-term debt due in more than one year \$ 6,064,785

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Component Units:					
Bonds payable	\$ 346,868,045	\$ 40,120,970	\$ (6,765,000)	\$ 380,224,015	\$ 8,045,000
Bond premium	27,983,170	-	(2,686,557)	25,296,613	-
Net pension liability	12,319,133	16,748,368	-	29,067,501	-
Compensated absences	2,567,085	1,906,168	(1,318,339)	3,154,914	2,092,014
Total Component Units	<u>\$ 389,737,433</u>	<u>\$ 58,775,506</u>	<u>\$ (10,769,896)</u>	<u>\$ 437,743,043</u>	<u>\$ 10,137,014</u>

Long-term debt due in more than one year \$ 427,606,029

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

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

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

Governmental Activities:

Series	Final Maturity	Original Issue	Interest Rate	Balance
General Obligation Bonds/Notes				
2014 General Obligation Bonds	2034	\$ 13,970,000	2.00-5.00%	8,920,000
2015 General Obligation and Refunding Bonds	2035	\$ 29,260,000	2.00-5.00%	19,325,000
2016 General Obligation Refunding Bonds	2036	\$ 37,360,000	2.00-5.00%	22,465,000
2017 General Obligation Refunding Bonds	2029	\$ 5,255,000	1.91%	3,205,000
2018 General Obligation Bonds	2038	\$ 21,620,000	3.00-5.00%	19,390,000
2018 Tax Note	2025	\$ 3,000,000	2.78%	910,000
2018A Tax Note	2026	\$ 2,300,000	2.35-2.87%	1,050,000
2019 General Obligation Bonds	2039	\$ 19,985,000	2.00-5.00%	16,870,000
2020 General Obligation Bonds	2040	\$ 47,770,000	3.00-5.00%	44,885,000
2020 Tax Note	2027	\$ 1,675,000	2.00-4.00%	995,000
2020 General Obligation Refunding Bonds	2031	\$ 10,100,000	3.00-4.00%	8,485,000
2021 Tax Note	2028	\$ 2,835,000	2.00-3.00%	2,075,000
2021 General Obligation Bonds	2031	\$ 27,140,000	2.00-5.00%	24,100,000
2021 General Obligation Refunding Bonds	2033	\$ 21,785,000	2.00-5.00%	18,445,000
2022 Tax Note	2029	\$ 9,415,000	4.00-5.00%	8,210,000
2022 General Obligation Bonds	2042	\$ 15,695,000	3.50-5.00%	15,095,000
Total General Obligation Bonds/Notes				214,425,000
Certificates of Obligation				
2014A Certificates of Obligation	2034	\$ 6,845,000	2.00-5.00%	4,320,000
2014B Certificates of Obligation	2034	\$ 3,280,000	2.00-5.00%	2,260,000
2015 Certificates of Obligation	2035	\$ 5,395,000	2.00-5.00%	3,695,000
2018 Certificates of Obligation	2038	\$ 8,120,000	2.00-5.00%	6,660,000
2019 Certificates of Obligation	2039	\$ 4,755,000	2.00-5.00%	4,020,000
2020 Certificates of Obligation	2040	\$ 14,470,000	3.00-5.00%	11,950,000
Total Certificates of Obligation				32,905,000
Tax Increment Contract Revenue Obligations				
2012 Tax Increment Contract Revenue				
Improvement and Refunding Obligations	2032	\$ 11,670,000	2.93%	6,190,000
2014 Tax Increment Contract Revenue Notes	2032	\$ 17,000,000	3.68%	9,835,000
Total Tax Increment Contract Revenue Obligations				16,025,000
Total Governmental Activities Long-Term Debt				\$ 263,355,000

Component Unit - NBU:

Series	Original Issue	Interest Rate	Balance
Revenue Bonds			
2004 Utility System Revenue - Capital Appreciation	\$ 2,572,596	3.10-5.16%	\$ 727,397
2015 Utility System Revenue	\$ 23,940,000	2.00-4.00%	24,705,000
2016 Utility System Revenue and Refunding	\$ 26,870,000	2.00-4.00%	56,445,000
2018 Utility System Revenue	\$ 62,235,000	2.00-5.00%	36,990,000
2020 Utility System Revenue Refunding	\$ 45,200,000	2.00-5.00%	81,370,000
2021 Utility System Revenue Refunding	\$ 88,100,000	3.00-5.00%	66,250,000
2022 Utility System Revenue Refunding	\$ 73,855,000	5.00%	72,765,000
2022A Utility System Revenue Bonds	\$ 40,000,000	0.60-2.90%	39,750,000
Total Revenue Bonds			379,002,397
Total Accreted Interest on Capital Appreciation Bonds			1,221,619
Total Component Unit - NBU			\$ 380,224,016

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

The annual requirements to amortize general obligation bonds, certificates of obligation, and tax increment contract revenue obligations outstanding at year end were as follows:

Year Ending Sep. 30	Governmental Activities						
	General Obligation		Certificates of Obligation		Tax Increment Contract Revenue Obligations		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2024	\$ 15,610,000	\$ 7,958,019	\$ 2,160,000	\$ 1,261,513	\$ 1,550,000	\$ 543,295	\$ 29,082,827
2025	16,630,000	7,228,910	2,245,000	1,167,789	1,605,000	490,830	29,367,529
2026	15,955,000	6,492,986	2,345,000	1,069,283	1,660,000	436,491	27,958,760
2027	15,595,000	5,796,584	2,445,000	965,719	1,715,000	380,241	26,897,544
2028	15,560,000	5,121,593	2,555,000	857,550	1,775,000	322,116	26,191,259
2029-2033	67,025,000	16,876,907	13,360,000	2,612,925	7,720,000	665,998	108,260,830
2034-2038	50,440,000	6,248,265	6,890,000	615,975	-	-	64,194,240
2039-2043	17,610,000	734,179	905,000	21,800	-	-	19,270,979
Total	\$ 214,425,000	\$ 56,457,443	\$ 32,905,000	\$ 8,572,553	\$ 16,025,000	\$ 2,838,971	\$ 331,223,967

General obligation bonds and certificates of obligation are direct obligations of the City for which its full faith and credit are pledged. Repayment of general obligation bonds and certificates of obligation are from taxes levied on all taxable property located within the City. The City is not obligated in any manner for special assessment debt.

In December 2012 and July 2014, the NBDA issued Tax Increment Contract Revenue and Refunding Obligations, series 2012 and Tax Increment Contract Revenue Obligations, series 2014 (the "Obligations"), respectively, with the authorization and approval of the City. The Obligations were issued to reimburse a developer for certain public improvement projects related to the Creekside Town Center Development and pay the costs of issuance. The debt issuances are the limited obligation of the NBDA, payable solely from pledged revenues. The pledged revenues consist of tax increments from the TIRZ payable to the NBDA as specified in the tri-party agreement between the City, the TIRZ, and the NBDA. The City is not obligated to make payments on the Obligations.

In November 2021, the Solms Landing Public Improvement District (PID) issued \$8,828,000 of special assessment revenue bonds. This is not considered a debt of the City; however, the City presents a private-purpose trust fund to account for the servicing of this debt. At the end of the fiscal year, the principal balance on the debt was \$8,670,000, which will be serviced with special assessment revenue collected within the PID.

The City entered into a ten-year note payable (the "Note") of \$1,394,231 with an interest rate of 2.09% with a national bank on May 30, 2014. The proceeds of the Note were used to acquire capital assets by which the Note is secured. The City has also entered into various notes payable financing arrangements with interest rates that range from 0.00% to 2.25%. The annual requirements to amortize the note payables outstanding at year end were as follows:

Fiscal Year Ending Sep. 30	Governmental Activities		
	Principal	Interest	Total
2024	\$ 366,139	\$ 14,321	\$ 380,460
2025	297,498	11,204	308,702
2026	299,205	9,498	308,703
2027	50,972	7,730	58,702
2028	552,804	5,898	558,702
2029-2033	2,111,007	6,037	2,117,044
Total	\$ 3,677,625	\$ 54,688	\$ 3,732,313

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

The City's golf course fund recognizes a lease related to equipment used in operation of the golf course. An initial lease liability was recorded in the amount of \$109,148 during the fiscal year. As of September 30, 2023, the value of the lease liability was \$54,828. The City is required to make annual principal and interest payments of \$27,610. The lease has an interest rate of 2%. The equipment has a 4-year estimated useful life. The value of the right-to-use lease assets at the end of the current fiscal year was \$82,777 and had accumulated amortization of \$56,476.

The future principal and interest payments as of September 30, 2023 are as follows:

Fiscal Year	Business-Type Activities		
	Principal	Interest	Total
2024	\$ 27,350	\$ 260	\$ 27,610
2025	27,478	131	27,610
	<u>\$ 54,828</u>	<u>\$ 391</u>	<u>\$ 55,219</u>

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

Year Ending Sep. 30	Bonds Payable		
	Principal	Interest	Total
2024	\$ 8,045,000	\$ 15,177,664	\$ 23,222,664
2025	8,245,020	14,856,164	23,101,184
2026	8,598,950	14,513,914	23,112,864
2027	8,875,045	14,157,054	23,032,099
2028	9,335,000	13,783,254	23,118,254
2029-2033	51,950,000	62,760,246	114,710,246
2034-2038	60,575,000	52,306,560	112,881,560
2039-2043	70,445,000	40,170,673	110,615,673
2044-2048	79,685,000	26,459,690	106,144,690
2049-2053	74,470,000	9,713,680	84,183,680
Total	<u>\$ 380,224,015</u>	<u>\$ 263,898,899</u>	<u>\$ 644,122,914</u>

Federal Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or are not performed correctly, a substantial liability to the City could result. The City periodically engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

E. Interfund Receivables and Payables

Interfund balances at September 30, 2023 consisted of the following:

Receivable Fund	Payable Fund	Total
General	Nonmajor governmental	\$ 36,646
General	Internal service	33,711
		\$ 70,357

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

F. Interfund Transfers

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

	Transfers In	Transfers Out	Explanation
General	\$ 133,122	\$ -	Airport Fund - Admin Svcs
	43,270	-	Civic/Convention Center - Admin Svcs
	824,901	-	Solid Waste - Admin Svcs & Street Impact
	86,758	-	Golf Course - Admin Svcs
	47,201	-	Fire Apparatus Fund - Pumper replacement reimbursement
	-	104,169	Grant Fund - Cash match for grants
	-	3,500,000	2019 Bond Fund - Sports Complex
	-	59,059	EAHCP Fund
	-	125,000	Recreation Center Improvement Fund - Das Rec Payback
	-	15,000	Special Revenue Fund - Reclass FY19 Solms Landing PID fees
Total General Fund	1,135,252	3,803,228	
Hotel/Motel Tax	-	590,375	Debt Service
	-	355,800	Civic/Convention Center Fund
Total Hotel/Motel Tax Fund	-	946,175	
Debt Service	46,800	-	Fire Apparatus Replacement Maintenance Fund
	264,169	-	Airport - Debt Service
	380,044	-	Solid Waste - Debt Service
	100,000	-	Golf - Debt Service
	590,375	-	Hotel Motel Tax Fund - Civic/Convention Center
Total Debt Service Fund	1,381,388	-	
2019 Bond Program	3,500,000	-	General Fund - Sports Complex
Total 2019 Bond Program Fund	3,500,000	-	
Grant	104,169	-	General Fund - matching funds for grants
Total Grant Fund	104,169	-	
Special Revenue	-	-	
	70,831	55,831	General Fund - Reclass FY19 Solms Landing PID fees
Total Special Revenue	70,831	55,831	
Facilities Maintenance	-	99,910	Airport Fund - Ground Lease
Total Facilities Maintenance Fund	-	99,910	
NB Development Authority	4,898,684	-	Tax Increment Reinvestment Zone No. 1
Total NB Development Authority Fund	4,898,684	-	
Tax Increment Reinvestment Zone No. 1	-	4,898,684	NB Development Authority-pass through of TIRZ revenue and existing balance to NBDA to support debt service.
Total TIRZ No. 1 Fund	-	4,898,684	
River Activities	127,770	-	Solid Waste Fund - Litter Removal
Total River Activities Fund	127,770	-	

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

	Transfers In	Transfers Out	Explanation
Fire Apparatus Replacement Maintenance	\$ -	\$ 47,201	Reimburse GF for Pumper Truck
	-	46,800	Debt Service
Total Fire Apparatus Replacement Maintenance Fund	-	94,001	
Edwards Aquifer HCP	59,059	-	General Fund - administrative support
Total Edwards Aquifer HCP Fund	59,059	-	
Enterprise Maintenance	750,000	-	Solid Waste Fund
	22,500	-	Airport
	1,457	-	Golf
Total Enterprise Maintenance Fund	773,957	-	
Recreation Center Improvements	125,000	-	General Fund - Das Rec Payback
Total Recreation Center Improvements Fund	125,000	-	
Airport	99,910	-	Facilities Maintenance Fund - Airport land lease
	-	133,121	General Fund Admin costs
	-	22,500	Enterprise Equipment Replacement Fund
	-	264,169	Debt Service
Total Airport Fund	99,910	419,790	
Solid Waste	-	824,901	General Fund admin
	-	127,770	River fund - River Litter Removal
	-	750,000	Enterprise Equipment Replacement Fund
	-	380,044	Debt Service
Total Solid Waste Fund	-	2,082,715	
Golf Course	-	86,759	General Fund
	-	1,457	Enterprise Equipment Replacement Fund
	-	100,000	Debt Service
Total Golf Course Fund	-	188,216	
Civic/Convention Center	355,800	-	Hotel/Motel Tax Fund
	-	43,270	General Fund
Total Civic/Convention Center Fund	355,800	43,270	
	\$ 12,631,820	\$ 12,631,820	

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

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,617 other entities in the Texas Municipal League's Intergovernmental Risk Pools (the "Pool"). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

The City's health insurance program is a self-insured minimum premium cash flow plan (the "Plan"). The City makes pre-determined monthly contributions to the Plan to fully cover the cost of employee-only coverage. The City and each covered employee make a pre-determined monthly contribution to the Plan if they cover one or more dependents. All claims are reviewed and processed by an independent insurance company. The insurance company pays claims based on the Plan, and the City reimburses the insurance company for the amount of each claim paid. The insurance company charges the City a fee for each claim processed. Funding covers both the cost of claims and administrative expenses. The City paid \$6,585,258 in health claims and paid \$948,901 for administrative costs for the

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

year ended September 30, 2023. The City contributed \$8,000,390 and City employees contributed \$1,042,242 to the Plan for the year ended September 30, 2023.

The transactions of the Plan are reported in the City's internal service fund. The City pays a specified monthly amount for each employee and a portion of an employee's dependent coverage which averages to approximately \$793. The largest portion of this amount is dedicated to the direct payment of claims. The remaining part of the monthly amount is dedicated to the payments of administrative fees and commercial insurance for excess claims. The commercial insurance coverage becomes effective when the claims exceed the maximum amount per employee.

Estimated health claims that have been incurred but not reported are accrued at year end. The estimated liability for health claims is \$630,644 at September 30, 2023. The estimated liability for health claims is based upon historical claims experience.

The changes in the claim liability for the years ended September 30, 2023 and 2022 are as follows:

	2023	2022
Claims payable, beginning of year	\$ 691,641	\$ 1,049,641
Plus: incurred claims	6,585,258	5,832,255
Less: claims paid	(6,646,255)	(6,190,255)
Claims Payable, End of Year	\$ 630,644	\$ 691,641

B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

At September 30, 2023, the City is involved in various lawsuits. These lawsuits generally involve claims relating to general liability, automobile liability, civil rights actions, and various contractual matters. In the opinion of management, any liability resulting from such litigation would not have a material adverse effect on the City's financial statements.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. With the exception of health claims, no other claim liabilities are reported at year end.

C. Pension Plan

Texas Municipal Retirement System

Plan Description

The City participates as one of 909 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State and administered in accordance with the Texas Government Code, Title 8, Subtitle G (the "TMRS Act") as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

Board of Trustees (the “Board”); however, TMRS is not fiscally dependent on the State. TMRS issues a publicly available annual comprehensive financial report that can be obtained at 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 member’s benefit is calculated based on the sum of the member’s contributions, with interest, and the City-financed monetary credits, with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

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

	<u>2023</u>	<u>2022</u>
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/hrs of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI	70% of CPI

Employees Covered by Benefit Terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	334
Inactive employees entitled to, but not yet receiving, benefits	430
Active employees	729
Total	<u><u>1,493</u></u>

Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the member’s total compensation, and the City-matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal actuarial cost method. The City’s contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 17.05% and 17.17% in calendar years 2022 and 2023, respectively. The City’s contributions to TMRS for the fiscal year ended September 30, 2023 were \$8,665,644, which were equal to the required contributions.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. The assumptions were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for the annuity purchase rates is based on the mortality experience investigation study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation, as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global public equity	35%	7.7%
Core fixed income	6%	4.9%
Non-core fixed income	20%	8.7%
Other public and private markets	12%	8.1%
Real estate	12%	5.8%
Hedge funds	5%	6.9%
Private equity	10%	11.8%
Total	100%	

Discount Rate

The discount rate used to measure the TPL was 6.75%. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made at the rates specified in statute. Based on that assumption, TMRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Changes for the year:			
Service cost	\$ 9,191,722	\$ -	\$ 9,191,722
Interest	14,948,539	-	14,948,539
Changes in current period benefits	-	-	-
Difference between expected and actual experience	3,623,841	-	3,623,841
Changes in assumptions	-	-	-
Contributions - employer	-	8,665,644	(8,665,644)
Contributions - employee	-	3,555,531	(3,555,531)
Net investment income	-	(14,140,250)	14,140,250
Benefit payments, including refunds of employee contributions	(7,615,018)	(7,615,018)	-
Administrative expense	-	(122,128)	122,128
Other changes	-	145,735	(145,735)
Net Changes	20,149,084	(9,510,487)	29,659,571
Balance at December 31, 2021	220,671,492	193,341,752	27,329,740
Balance at December 31, 2022	\$ 240,820,576	\$ 183,831,265	\$ 56,989,311

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

Sensitivity of the NPL to Changes in the Discount Rate

The following presents the NPL of the City, calculated using the discount rate of 6.75%, as well as what the City's NPL would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	\$ 95,170,406	\$ 56,989,311	\$ 25,998,843

Pension Plan Fiduciary Net Position

Detailed information about the TMRS fiduciary net position is available in the schedule of changes in fiduciary net position, by participating City. That report may be obtained at www.tmr.com.

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

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$13,080,001.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 6,030,847	\$ -
Changes in actuarial assumptions	158,767	-
Difference between projected and actual investment earnings	12,679,163	-
Contributions subsequent to the measurement date	7,023,594	-
Total	\$ 25,892,371	\$ -

\$7,023,594 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the fiscal year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30	Pension Expense
2024	\$ 2,944,383
2025	4,914,032
2026	4,768,346
2027	6,242,016
Thereafter	-
Total	\$ 18,868,777

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

D. Other Postemployment Benefits

1. TMRS Supplemental Death Benefits

Plan Description

The City participates an OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the SDBF. This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The member city contributes to the SDBF at a contractually required rate (based on the covered payroll of employee members) as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 GASB 75. As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The SDBF's funding policy assures that adequate resources are available to meet all death benefit payments for the upcoming year. The SDBF is a pay-as-you-go fund, and any excess contributions are available for future SDBF benefits.

Benefits

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated). Participation in the SDBF as of December 31, 2022 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	273
Inactive employees entitled to, but not yet receiving, benefits	110
Active employees	729
Total	<u><u>1,112</u></u>

Total OPEB Liability

The City's total OPEB liability of \$1,634,834 was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate*	4.05%
Retirees' share of benefit-related costs	Zero
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

* The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018. Due to the higher mortality rates associated with the global pandemic, the TMRS Board adopted changes to the assumptions and methodology used for calculating 2023 and 2024 rates as determined in the December 31, 2021 and December 31, 2022 actuarial valuations, respectively.

Changes in the Total OPEB Liability

	Total OPEB Liability
Changes for the year:	
Service cost	\$ 137,190
Interest	44,988
Differences between expected and actual experience	(29,190)
Changes of assumptions	(874,261)
Benefit payments*	(40,649)
Net Changes	(761,922)
Beginning balance	2,396,756
Ending Balance	\$ 1,634,834

* Due to the SDBF being considered an unfunded OPEB plan under GASB 75. Benefit payments are treated as being equal to the City's yearly contributions for retirees.

There were no changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

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

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (3.05%)	Discount Rate (4.05%)	1% Increase in Discount Rate (5.05%)
City's Total OPEB Liability	\$ 1,967,660	\$ 1,634,834	\$ 1,376,426

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

For the fiscal year ended September 30, 2023, the City recognized TMRS OPEB expense of \$125,585.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 365,509	\$ 769,699
Changes in assumptions	-	92,346
Contributions subsequent to the measurement date	36,816	-
Total	\$ 402,325	\$ 862,045

\$36,816 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the fiscal year ending September 30, 2024.

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

Year Ended September 30	OPEB Expense Amount
2024	\$ (58,948)
2025	(72,014)
2026	(60,236)
2027	(104,211)
2028	(134,209)
Thereafter	(66,918)
Total	\$ (496,536)

2. Retiree Health Plan

Plan Description

The City provides post-retirement medical, dental, vision, and life insurance benefits on behalf of its eligible retirees. GASB 75 requires public employers to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statements of the employer.

Benefits

The City maintains self-funded medical and prescription drug coverage administered by Aetna for eligible employees and retired employees and their dependents (prior to attaining Medicare eligibility). Employees and retirees are also eligible for the City's fully-insured dental and vision plan options. In

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

addition, retirees eligible for Medicare can remain with the City but are moved to a fully-insured Medicare Advantage plan. The dental, vision, and Medicare Advantage plans are 100% funded through retiree contributions. Since the retiree has to pay the full premium and there is not a material implicit subsidy for these benefits, there is no liability for the City. Therefore, the dental, vision, and Medicare Advantage plans were excluded from this valuation.

Inactive employees or beneficiaries currently receiving benefits	8
Inactive employees entitled to, but not yet receiving, benefits	-
Active employees	596
Total	<u><u>604</u></u>

Total OPEB Liability

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

Actuarial Assumptions and Other Inputs

The total OPEB liability in the September 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	5.00%
Discount rate	4.75%
Prior year discount rate	4.59%

The discount rate was based on an average of the September 30, 2022 S&P Municipal Bond 20-Year High Grade Rate Index and the Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the PubG.H-2010 Employee Mortality Table, Generational with Projection Scale MP-2021 for males or females, as appropriate.

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

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Changes for the year:	
Service cost	\$ 239,370
Interest	274,816
Changes of assumptions	(44,728)
Differences between expected and actual experience	251,551
Benefit payments	(9,965)
Net Changes	<u>711,044</u>
Beginning balance	5,752,886
Ending Balance	<u><u>\$ 6,463,930</u></u>

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (3.75%)	Discount Rate (4.75%)	1% Increase in Discount Rate (5.75%)
City's Total OPEB Liability	\$ 7,328,828	\$ 6,463,930	\$ 5,715,120

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
City's Total OPEB Liability	\$ 5,584,132	\$ 6,463,930	\$ 7,510,599

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

For the fiscal year ended September 30, 2023, the City recognized retiree OPEB expense of \$1,384,595.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 529,206	\$ 29,818
Changes in actuarial assumptions	181,620	4,364,593
Total	\$ 710,826	\$ 4,394,411

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

Year Ended September 30	OPEB Expense
2024	(1,898,781)
2025	(1,784,804)
2026	-
2027	-
2028	-
Thereafter	-
Total	\$ (3,683,585)

Aggregate OPEB Expense

The total OPEB expense for both the TMRS SBDF and Retiree Health plans for fiscal year 2023 was \$1,510,180.

E. New Braunfels Utilities Defined Benefit Pension Plan

Plan Description

NBU participates as one of 913 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

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

Benefits Provided

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

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	145
Inactive employees entitled to, but not yet receiving, benefits	115
Active employees	349
Total	609

Contributions

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

Employees of NBU were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for NBU were 18.4% and 17.8% in calendar years 2023 and 2022, respectively. NBU's contributions to TMRS for the years ended July 31, 2023 and 2022 were \$5,424,316 and \$4,774,121, respectively, and were equal to the required contributions.

Net Pension Liability

NBU's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

Actuarial Assumptions

The TPL in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

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

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with both male and female rates multiplied by 107.5%. The rates are projected on a fully generational basis by scale BB to account for future Mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables are used with slight adjustments.

Actuarial assumptions used in the December 31, 2021 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2014 through December 31, 2018. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal actuarial cost method. Assumptions are reviewed annually. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global public equity	35.00%	7.70%
Core fixed income	6.00%	4.90%
Non-core fixed income	20.00%	8.70%
Other public and private markets	12.00%	8.10%
Real estate	12.00%	5.80%
Hedge funds	5.00%	6.90%
Private equity	10.00%	11.80%
Total	100.00%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assured that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine.

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Changes for the year:			
Service cost	\$ 4,870,192	\$ -	\$ 4,870,192
Interest	7,974,728	-	7,974,728
Changes in current period benefits	-	-	-
Difference between expected and actual experience	3,043,437	-	3,043,437
Changes in assumptions	-	-	-
Contributions - employer	-	4,886,836	(4,886,836)
Contributions - employee	-	1,942,527	(1,942,527)
Net investment income	-	(7,702,247)	7,702,247
Benefit payments, including refunds of employee contributions	(4,079,746)	(4,079,746)	-
Administrative expense	-	-	-
Other changes	-	12,873	(12,873)
Net Changes	11,808,611	(4,939,757)	16,748,368
Balance at December 31, 2021	117,748,902	105,429,769	12,319,133
Balance at December 31, 2022	\$ 129,557,513	\$ 100,490,012	\$ 29,067,501

Sensitivity of the NPL to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
NBU's Net Pension Liability	\$ 48,211,209	\$ 29,067,501	\$ 13,413,267

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.tmr.com.

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

For the fiscal year ended July 31, 2022, NBU recognized pension expense of \$7,490,502.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

At July 31, 2023, NBU reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 6,601,445	\$ -
Changes in actuarial assumptions	64,855	-
Difference between projected and actual investment earnings	6,860,208	-
Contributions subsequent to the measurement date	3,228,438	-
Total	\$ 16,754,946	\$ -

NBU contributions of \$3,228,438 made subsequent to the measurement date of December 31, 2022, as shown in the table above, are included as part of pension deferred outflows in the Statement of Net Position. These contributions will be recognized as a reduction of the net pension liability for the year ending July 31, 2024. The remaining net amount of \$13,525,508 is comprised the deferred outflows of resources \$6,666,300 consisting of the difference between expected and actual economic experience, and the deferred outflows of \$6,859,208 resulting from differences between projected and actual investment earnings. This amount will be recognized in pension expense as follows:

Fiscal Year Ended July 31	Pension Expense
2023	\$ 2,217,621
2024	3,333,252
2025	3,252,446
2026	4,153,648
2027	519,654
Thereafter	49,887
Total	\$ 13,526,508

F. New Braunfels Utilities Supplemental Death Benefit Fund

NBU also participates in the cost sharing multi-employer defined benefit group-term life insurance plan operated by the TMRS known as the Supplemental Death Benefits Fund (SDBF). NBU elected, by ordinance, to provide group life insurance coverage to both current and retired employees. NBU may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

Benefits - The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other post-employment benefit," or OPEB.

Contributions - NBU contributes to the SDBF at a contractually required contribution rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

NBU's contributions for 2023, 2022, and 2021 were \$63,962, \$42,737, and \$38,39, respectively, and equaled the required contributions for those years. GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions was deemed not material and has no impact on NBU's financial reporting. GASB Statement No. 75, Accounting and Financial Reporting

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

for Postemployment Benefits Other Than Pensions was deemed not material and has no impact on NBU's financial reporting.

G. Tax Abatements

1. Chapter 378 Neighborhood Empowerment Zone Agreement

Chapter 378 of the Texas Local Government Code, *Neighborhood Empowerment Zone*, provides the authority to the governing body of a municipality to create a Neighborhood Empowerment Zone that would promote an increase in economic development in the municipality. The City has entered into a property tax abatement agreement (the "Agreement") with a company (the "Company") as authorized by Chapter 378 of the Texas Local Government Code. Under the Agreement, the Company agrees to establish a customer contact center that will employ 120 people by the end of the first year of operation and will employ at least 343 people by the end of the tenth year of operation. In exchange, the City will pay the Company 50 percent of the sales tax revenue received by the City which is connected to the Company's business activities within the City starting on the date outlined in the Agreement for a period of 10 years. This agreement expired November 30, 2021.

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

	Sales Tax Reconciliation		
	Economic		Total
	General	Dev. Corporation	
Payments from Comptroller	\$ 33,208,710	\$ 11,069,571	\$ 44,278,281
TIRZ - Abatement Payments	(6,809)	(1,307,898)	(1,314,707)
Net Sales Tax Collected	\$ 33,201,901	\$ 9,761,673	\$ 42,963,574

2. Chapter 380 Economic Development Agreement

Chapter 380 of the Texas Local Government Code, *Miscellaneous Provisions Relating to Municipal Planning and Development*, provides the authority to the governing body of a municipality to establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the municipality.

Property Taxes

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

Under each Agreement, the Developer must meet certain commercial/retail development and/or employment requirements in order to have a portion of their property taxes abated. The minimum limitation value varies by Agreement.

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

- The Developer agrees to construct a manufacturing facility of approximately 240,000 square-foot for the purpose of promoting economic development in the City and stimulating business and commercial activity. The City has granted the Developer a tax limitation for a period of 15 years. In order to be eligible to receive the limitation, the Developer agrees to make an

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

investment of \$80 million that increases total taxable assessed value of at least \$35 million by January 2017 and \$50 million by January 2018. In addition, the Developer must meet certain employment conditions. The City will make annual payments to the Developer from property tax revenues at an amount equal to 80 percent, 60 percent, and 50 percent of total taxable assessed value for years one through five, six through eight, and nine through fifteen, respectively. For the years ending September 30, 2023 and 2022, the total amount of taxes abated were \$212,620 and \$289,097 respectively.

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

	Property Tax Reconciliation		
	Maintenance and Operations	Interest and Sinking	Total
Property Taxes Collected*			
Current	\$ 24,906,777	\$ 25,316,223	\$ 50,223,000
Delinquent	107,468	86,280	193,748
Penalties and Interest	130,552	133,189	263,741
Protest Adjustments	(35,823)	(36,547)	(72,370)
Property Taxes Collected	\$ 25,108,974	\$ 25,499,145	\$ 50,608,119
Less: Adjustments**	(1,200,501)	(1,209,632)	(2,410,133)
Net Property Taxes Collected	\$ 23,908,473	\$ 24,289,513	\$ 48,197,986

* Per Comal County Tax Office Records

**Includes Adjustments to TIRZ & 380 Payments

H. Intergovernmental Revenue

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

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

I. Restatement

The City has restated beginning assets, accumulated depreciation and liabilities for a transaction related to a building purchased from NBU in fiscal year 2020. The detail for the restatement to governmental activities is detailed below:

	Governmental Activities
Beginning net position - as reported	\$ 68,208,303
Capital assets	10,180,000
Accumulated depreciation	(678,667)
Note payable	(5,000,000)
Beginning Net Position - Restated	\$ 72,709,636

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

J.Subsequent Event

On October 4, 2023, the City issued \$9,660,000 of combination tax and revenue certificates of obligation, Series 2023 (the "Certificates"). The proceeds from the issuance will be used for the construction, improvement, design, and acquisition, including land for park and recreational facilities to include the Sports Field Complex, and the payment of professional services for this construction. The Certificates will mature in 2033 and carry an interest rate ranging from 3.32% to 3.55%.

On October 4, 2023, the City issued \$38,015,000 of general obligation and refunding bonds, Series 2023 (the "Bonds"). Proceeds from the sale of the Bonds will be used for the purpose of (i) providing street improvements; (ii) constructing, acquiring, improving, renovating, developing, and equipping land and buildings for park and recreational purposes, parkland, and other costs to include Mission Hill Park; (iii) constructing, renovating, improving, and equipping existing and/or additional City library facilities including acquisition of any necessary sites and related water, wastewater, drainage, streets, sidewalks, parking infrastructure, and other related costs to include a Southeast Library Branch; (iv) refunding certain maturities of the City's currently outstanding obligations relating to the Series 2014 general obligation bonds, as well as the Series 2014A combination tax and limited pledge revenue certificates of obligation. The Bonds will mature in 2043 and carry an interest rate ranging from 3.48% to 5.00%.

On October 4, 2023, the City issued \$1,960,000 of tax notes, Series 2023 (the "Notes"). Proceeds from the sale of the Notes will be used for the purpose of paying contractual obligations of the City to be incurred for (i) acquisition and installation of vehicles and equipment for (1) the City's Public Works, Planning and Development Services and Parks and Recreation departments and (2) public safety, including the police and fire departments, and (ii) paying the professional services associated with the issuance of the Notes. The Notes will mature in 2030 and carry an interest rate of 5.00%.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Page 1 of 2)

GENERAL FUND

For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Taxes:				
Ad valorem	\$ 23,810,142	\$ 23,810,142	\$ 23,908,473	\$ 98,331
Sales	31,519,912	31,519,912	33,201,900	1,681,988
Franchise fees and other taxes	13,312,634	13,312,634	13,493,883	181,249
Licenses and permits	5,232,750	5,232,750	6,673,441	1,440,691
Intergovernmental	50,000	50,000	19,922	(30,078)
Fines and forfeitures	1,135,500	1,135,500	1,072,529	(62,971)
Investment earnings	400,000	400,000	3,012,005	2,612,005
Parks and recreation	4,743,107	4,743,107	5,522,270	779,163
Miscellaneous	3,299,126	3,299,126	4,077,962	778,836
Charges for services	5,068,500	5,068,500	5,418,472	349,972
Total Revenues	88,571,671	88,571,671	96,400,857	7,829,186
<u>Expenditures</u>				
General government:				
City council	36,325	52,025	51,923	102
City attorney	1,098,303	1,143,203	1,142,995	208
City administration	6,909,312	6,809,513	6,770,346	39,167
Human resources	1,289,231	1,306,231	1,305,706	525
Nondepartmental	2,840,500	3,314,831	3,311,815	3,016
Finance	1,639,600	1,889,600	1,619,218	270,382
Planning and development services	4,232,790	5,020,967	4,940,728	80,239
Public safety:				
Police	26,193,640	29,226,870	29,226,780	90
Fire	24,809,736	25,336,160	25,309,726	26,434
Public works	11,763,175	11,690,725	11,639,705	51,020
Parks and recreation	10,441,596	10,201,807	10,175,390	26,417
Library	2,977,936	3,022,899	3,018,486	4,413
Total Expenditures	94,232,144	99,014,831	98,512,818	502,013
(Deficiency) of Revenues (Under) Expenditures	(5,660,473)	(10,443,160)	(2,111,961)	8,331,199

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Page 2 of 2)
GENERAL FUND
For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Other Financing Sources (Uses)</u>				
Transfers in	\$ 1,135,253	\$ 4,635,253	\$ 1,135,252	\$ (3,500,001)
Transfers (out)	(5,978,910)	(7,404,910)	(3,803,228)	3,601,682
Loan proceeds	-	750,000	750,000	-
Sale of capital assets	-	75,000	458,088	383,088
Total Other Financing Sources (Uses)	(4,843,657)	(1,944,657)	(1,459,888)	484,769
Net Change in Fund Balance	<u>\$ (10,504,130)</u>	<u>\$ (12,387,817)</u>	(3,571,849)	<u>\$ 8,815,968</u>
Beginning fund balance			<u>44,973,563</u>	
Ending Fund Balance			<u>\$ 41,401,714</u>	

Notes to Required Supplementary Information:

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

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GRANTS FUND

For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive Negative
<u>Revenues</u>				
Intergovernmental	\$ 15,474,719	\$ 15,474,719	\$ 2,267,598	\$ (13,207,121)
Investment earnings	-	-	43,918	43,918
Other contributions	-	-	197,245	197,245
Total Revenues	15,474,719	15,474,719	2,508,761	(12,965,958)
<u>Expenditures</u>				
Current:				
General government	10,995,314	10,995,314	2,108,026	8,887,288
Public safety	1,106,781	1,106,781	259,002	847,779
Parks and recreation	750,000	750,000	11,856	738,144
Library	16,927	16,927	5,993	10,934
Airport	109,577	109,577	71,993	37,584
Total Expenditures	12,978,599	12,978,599	2,456,870	10,521,729
Excess of Revenues Over Expenditures	2,496,120	2,496,120	51,891	(2,444,229)
<u>Other Financing Sources (Uses)</u>				
Transfers in	160,000	160,000	104,169	(55,831)
Total Other Financing Sources	160,000	160,000	104,169	(55,831)
Net Change in Fund Balance	\$ 2,656,120	\$ 2,656,120	156,060	\$ (2,500,060)
Beginning fund balance			42,108	
Ending Fund Balance			\$ 198,168	

Notes to Required Supplementary Information:

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

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL/MOTEL TAX FUND
For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Taxes	\$ 5,367,278	\$ 5,367,278	\$ 4,894,300	\$ (472,978)
Investment earnings	150	150	41,761	41,611
Miscellaneous	-	-	1,502	1,502
Total Revenues	5,367,428	5,367,428	4,937,563	(429,865)
<u>Expenditures</u>				
Current:				
General government	4,407,503	4,407,503	3,412,313	995,190
Total Expenditures	4,407,503	4,407,503	3,412,313	995,190
Excess of Revenues Over Expenditures	959,925	959,925	1,525,250	565,325
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	(1,220,375)	(1,220,375)	(946,175)	274,200
Total Other Financing (Uses)	(1,220,375)	(1,220,375)	(946,175)	274,200
Net Change in Fund Balance	\$ (260,450)	\$ (260,450)	579,075	\$ 839,525
Beginning fund balance			3,887,182	
Ending Fund Balance			\$ 4,466,257	

Notes to Required Supplementary Information:

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

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended September 30, 2023

	Measurement Year*			
	2014	2015	2016	2017
Total Pension Liability				
Service cost	\$ 5,143,064	\$ 5,732,589	\$ 6,283,281	\$ 6,602,665
Interest (on the total pension liability)	8,027,752	8,602,512	8,990,600	9,783,894
Difference between expected and actual experience	(1,028,253)	420,652	887,337	1,216,121
Change in assumptions	-	(437,911)	-	-
Benefit payments, including refunds of employee contributions	(4,136,590)	(4,316,359)	(4,267,920)	(4,868,903)
Net Change in Total Pension Liability	8,005,973	10,001,483	11,893,298	12,733,777
Beginning total pension liability	114,178,940	122,184,913	132,186,396	144,079,694
Ending Total Pension Liability	\$ 122,184,913	\$ 132,186,396	\$ 144,079,694	\$ 156,813,471
Plan Fiduciary Net Position				
Contributions - employer	\$ 4,725,941	\$ 5,365,044	\$ 5,961,496	\$ 6,162,903
Contributions - employee	2,011,041	2,213,355	2,424,270	2,546,656
Net investment income	4,945,274	138,605	6,574,073	14,955,206
Benefit payments, including refunds of employee contributions	(4,136,590)	(4,316,359)	(4,267,920)	(4,868,903)
Administrative expense	(51,621)	(84,411)	(74,212)	(77,461)
Other	(4,244)	(4,169)	(3,998)	(3,926)
Net Change in Plan Fiduciary Net Position	7,489,801	3,312,065	10,613,709	18,714,475
Beginning plan fiduciary net position	86,429,472	93,919,273	97,231,338	107,845,047
Ending Plan Fiduciary Net Position	\$ 93,919,273	\$ 97,231,338	\$ 107,845,047	\$ 126,559,522
Net Pension Liability	\$ 28,265,640	\$ 34,955,058	\$ 36,234,647	\$ 30,253,949
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	76.87%	73.56%	74.85%	80.71%
Covered Payroll	\$ 28,695,633	\$ 31,619,357	\$ 34,599,565	\$ 36,318,289
Net Pension Liability as a Percentage of Covered Payroll	98.50%	110.55%	104.73%	83.30%

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

Measurement Year*				
2018	2019	2020	2021	2022
\$ 7,075,714	\$ 7,548,546	\$ 8,207,720	\$ 8,444,367	\$ 9,191,722
10,661,364	11,540,144	12,604,862	13,696,706	14,948,539
227,139	1,420,919	1,661,149	3,350,245	3,623,841
-	615,649	-	-	-
(4,810,400)	(5,552,933)	(5,809,554)	(7,023,616)	(7,615,018)
13,153,817	15,572,325	16,664,177	18,467,702	20,149,084
156,813,471	169,967,288	185,539,613	202,203,790	220,671,492
<u>\$ 169,967,288</u>	<u>\$ 185,539,613</u>	<u>\$ 202,203,790</u>	<u>\$ 220,671,492</u>	<u>\$ 240,820,576</u>
\$ 6,539,492	\$ 7,026,523	\$ 7,636,802	\$ 7,857,115	\$ 8,665,664
2,719,934	2,901,000	3,172,560	3,252,382	3,555,531
(3,794,347)	19,681,894	11,484,015	21,870,293	(14,140,250)
(4,810,400)	(5,552,933)	(5,809,554)	(7,023,616)	(7,615,018)
(73,269)	(111,060)	(74,206)	(101,026)	(122,128)
(3,829)	(3,337)	(2,895)	692	145,735
577,581	23,942,087	16,406,722	25,855,840	(9,510,466)
126,559,522	127,137,103	151,079,190	167,485,912	193,341,752
<u>\$ 127,137,103</u>	<u>\$ 151,079,190</u>	<u>\$ 167,485,912</u>	<u>\$ 193,341,752</u>	<u>\$ 183,831,286</u>
<u>\$ 42,830,185</u>	<u>\$ 34,460,423</u>	<u>\$ 34,717,878</u>	<u>\$ 27,329,740</u>	<u>\$ 56,989,290</u>
74.80%	81.43%	82.83%	87.62%	76.34%
\$ 38,856,198	\$ 41,430,000	\$ 45,321,482	\$ 46,423,126	\$ 50,811,068
110.23%	83.18%	76.60%	58.87%	112.16%

CITY OF NEW BRAUNFELS, TEXAS

NEW BRAUNFELS UTILITIES

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM - NEW BRAUNFELS UTILITIES

For the Year Ended July 31, 2023

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

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

Measurement Year*				
2019		2020		2021
2022				
\$	3,421,657	\$	4,031,193	\$ 4,465,895
	6,104,485		6,625,838	7,191,514
	-		-	-
	1,260,367		1,586,860	4,166,579
	205,839		-	-
	(3,751,212)		(3,395,518)	(4,766,188)
	7,241,136		8,848,373	11,057,800
	90,601,592		97,842,728	106,691,102
\$	97,842,728	\$	106,691,102	\$ 117,748,902
\$	3,502,065	\$	3,946,380	\$ 4,578,667
	1,407,263		1,604,227	1,794,562
	11,028,572		6,336,072	11,986,679
	(3,751,212)		(3,395,518)	(4,766,188)
	(62,302)		(40,984)	(55,428)
	(1,871)		(1,599)	380
	12,122,515		8,448,578	13,538,672
	71,320,004		83,442,519	91,891,097
\$	83,442,519	\$	91,891,097	\$ 105,429,769
\$	14,400,209	\$	14,800,005	\$ 12,319,133
	85.28%		86.13%	89.54%
\$	20,103,751	\$	22,917,524	\$ 27,750,383
	71.63%		64.58%	48.05%
				104.75%

CITY OF NEW BRAUNFELS, TEXAS

SCHEDULE OF CONTRIBUTIONS

TEXAS MUNICIPAL RETIREMENT SYSTEM

For the Year Ended September 30, 2023

	Fiscal Year			
	2014	2015	2016	2017
Actuarially determined contribution	\$ 4,725,941	\$ 5,365,044	\$ 6,066,843	\$ 6,102,303
Contributions in relation to the actuarially determined contribution	4,705,262	5,400,580	6,066,843	6,102,303
Contribution deficiency (excess)	<u>\$ 20,679</u>	<u>\$ (35,536)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 28,695,633	\$ 31,619,357	\$ 35,348,062	\$ 35,884,508
Contributions as a percentage of covered payroll	16.40%	17.08%	17.16%	17.01%

Notes to Required Supplementary Information:

1. Valuation Date:

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

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	24 Years (Longest amortization ladder)
Asset valuation method	10 year smoothed market , 12.00% soft corridor
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period December 31, 2014 - December 31, 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

3. Other Information:

There were no benefit changes during the year.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 6,439,837	\$ 6,937,744	\$ 7,429,745	\$ 7,753,182	\$ 8,326,013	\$ 8,665,644
6,439,837	6,937,744	7,429,745	7,753,182	8,326,013	8,665,644
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 38,208,179	\$ 40,641,797	\$ 43,646,238	\$ 45,447,930	\$ 48,929,783	\$ 50,811,068
16.85%	17.07%	17.02%	17.06%	17.02%	17.05%

CITY OF NEW BRAUNFELS, TEXAS
NEW BRAUNFELS UTILITIES
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM - NEW BRAUNFELS UTILITIES
For the Year Ended July 31, 2023

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

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

Notes to Required Supplementary Information:

1. Valuation Date:

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

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23 Years (Longest amortization ladder)
Asset valuation method	10 year smoothed market, 12.00% soft corridor
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the participant's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period December 31, 2014 – December 31, 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

3. Other Information:

There were no benefit changes during the year.

Fiscal Year*			
2020	2021	2022	2023
\$ 3,776,143	\$ 4,333,080	\$ 4,731,381	\$ 5,360,354
3,811,074	4,371,468	4,774,121	5,424,316
<u>\$ (34,931)</u>	<u>\$ (38,388)</u>	<u>\$ (42,740)</u>	<u>\$ (63,962)</u>
\$ 21,832,301	\$ 24,621,104	\$ 26,710,661	\$ 29,942,959
17.46%	17.75%	17.87%	18.12%

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
RETIREE BENEFITS PROGRAM
For the Year Ended September 30, 2023

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

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

Notes to Required Supplementary Information:

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

2. Changes of Assumptions:

Changes of assumptions reflect a change in the discount rate from 4.59% as of September 30, 2022 to 4.75% as of September 30, 2023.

3. Changes in Benefits:

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

Measurement Year*			
2021		2022	
\$	590,331	\$	239,370
	298,003		274,816
	873,734		(44,728)
	(8,288,715)		251,551
	(61,412)		(9,965)
	(6,588,059)		711,044
	12,340,945		5,752,886
\$	5,752,886	\$	6,463,930
\$	40,551,080	\$	42,578,634
	14.19%		15.18%

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS) -
SUPPLEMENTAL DEATH BENEFITS FUND
For the Year Ended September 30, 2023

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

*Only six years of information is currently available.

The City will build this schedule over the next four-year period.

**Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Notes to Required Supplementary Information:

1. Valuation Date:

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

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	3.50% to 11.5% including inflation
Discount rate	4.05%
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and a 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements

3. Other Information:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits

The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial study for the period December 31, 2014 to December 31, 2018.

There were no benefit changes during the year.

Measurement Year*			
2021		2022	
\$	120,700	\$	137,190
	45,051		44,998
	(20,677)		(29,190)
	78,072		(874,271)
	(37,139)		(40,649)
	186,007		(761,922)
	2,210,749		2,396,756
\$	2,396,756	\$	1,634,834
\$	46,423,126	\$	50,811,068
	5.16%		3.22%

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***COMBINING STATEMENTS
AND SCHEDULES***

CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

GENERAL FUND - SUBFUNDS

September 30, 2023

	General	Equipment Replacement	Eliminations	Totals
<u>Assets</u>				
Cash and equity in pooled cash and investments	\$ 12,817,980	\$ 4,302,003	\$ -	\$ 17,119,983
Investments	24,887,636	-	-	24,887,636
Receivables, net				
Taxes and fees	421,534	-	-	421,534
Accounts receivable	8,370,045	-	-	8,370,045
Interest	19,451	-	-	19,451
Leases receivable	586,018	-	-	586,018
Due from other funds	70,357	-	-	70,357
Inventory	905	-	-	905
Total Assets	\$ 47,173,926	\$ 4,302,003	\$ -	\$ 51,475,929
<u>Liabilities</u>				
Accounts payable	\$ 7,051,724	\$ 188,735	\$ -	\$ 7,240,459
Accrued wages payable	1,838,120	-	-	1,838,120
Total Liabilities	8,889,844	188,735	-	9,078,579
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - leases receivable	574,102	-	-	574,102
Unavailable revenue - property taxes	421,534	-	-	421,534
Total Deferred - Inflows of Resources	995,636	-	-	995,636
<u>Fund Balances</u>				
Nonspendable	905	-	-	905
Assigned	-	4,113,268	-	4,113,268
Unassigned	37,287,541	-	-	37,287,541
Total Fund Balances	37,288,446	4,113,268	-	41,401,714
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 47,173,926	\$ 4,302,003	\$ -	\$ 51,475,929

CITY OF NEW BRAUNFELS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND - SUBFUNDS
For the Year Ended September 30, 2023

	General	Equipment Replacement	Eliminations	Totals
<u>Revenues</u>				
Taxes and fees	\$ 70,604,256	\$ -	\$ -	\$ 70,604,256
Licenses and permits	6,673,441	-	-	6,673,441
Intergovernmental	19,922	-	-	19,922
Fines and forfeitures	1,072,529	-	-	1,072,529
Investment earnings	2,937,657	74,348	-	3,012,005
Parks and recreation	5,522,270	-	-	5,522,270
Miscellaneous	3,868,375	209,587	-	4,077,962
Charges for services	5,418,472	-	-	5,418,472
Total Revenues	96,116,922	283,935	-	96,400,857
<u>Expenditures</u>				
Current:				
General government	12,242,456	340,329	-	12,582,785
Finance and tax	1,619,218	-	-	1,619,218
Planning and environmental development	4,833,978	106,750	-	4,940,728
Public safety	52,308,031	2,228,475	-	54,536,506
Public works	11,570,339	69,366	-	11,639,705
Parks and recreation	10,101,237	74,153	-	10,175,390
Library	3,018,486	-	-	3,018,486
Total Expenditures	95,693,745	2,819,073	-	98,512,818
Excess (Deficiency) of Revenues Over (Under) Expenditures	423,177	(2,535,138)	-	(2,111,961)
<u>Other Financing Sources (Uses)</u>				
Transfers in	1,135,252	3,500,000	(3,500,000)	1,135,252
Transfers (out)	(7,303,228)	-	3,500,000	(3,803,228)
Loan proceeds	750,000	-	-	750,000
Sale of capital assets	398,364	59,724	-	458,088
Total Other Financing Sources (Uses)	(5,019,612)	3,559,724	-	(1,459,888)
Net Change in Fund Balances	(4,596,435)	1,024,586	-	(3,571,849)
Beginning fund balances	41,884,881	3,088,682	-	44,973,563
Ending Fund Balances	\$ 37,288,446	\$ 4,113,268	\$ -	\$ 41,401,714

CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2023

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent Fund Cemetery Improvements</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Assets</u>				
Cash and equity in pooled cash and investments	\$ 19,498,291	\$ 14,321,593	\$ 255,468	\$ 34,075,352
Accounts receivable	359,399	-	240	359,639
Restricted cash	1,222,212	-	-	1,222,212
Total Assets	<u><u>\$ 21,079,902</u></u>	<u><u>\$ 14,321,593</u></u>	<u><u>\$ 255,708</u></u>	<u><u>\$ 35,657,203</u></u>
<u>Liabilities</u>				
Accounts payable	\$ 900,187	\$ 2,451,659	\$ -	\$ 3,351,846
Due to other funds	36,646	-	-	36,646
Total Liabilities	<u><u>936,833</u></u>	<u><u>2,451,659</u></u>	<u><u>-</u></u>	<u><u>3,388,492</u></u>
<u>Fund Balances</u>				
Nonspendable	-	-	255,708	255,708
Restricted	14,126,311	11,869,934	-	25,996,245
Committed	6,016,758	-	-	6,016,758
Total Fund Balances	<u><u>20,143,069</u></u>	<u><u>11,869,934</u></u>	<u><u>255,708</u></u>	<u><u>32,268,711</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 21,079,902</u></u>	<u><u>\$ 14,321,593</u></u>	<u><u>\$ 255,708</u></u>	<u><u>\$ 35,657,203</u></u>

CITY OF NEW BRAUNFELS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2023

	Special Revenue	Capital Projects	Permanent Fund Cemetery Improvements	Total Nonmajor Governmental Funds
Revenues				
Ad valorem taxes	\$ 3,711,569	\$ -	\$ -	\$ 3,711,569
Sales taxes	1,314,707	-	-	1,314,707
Franchise fees and local taxes	158,740	-	-	158,740
Licenses and permits	6,782	-	50	6,832
Fines and forfeitures	389,082	-	-	389,082
Investment earnings	354,880	1,000,245	-	1,355,125
Intergovernmental	756,888	-	-	756,888
Miscellaneous	2,531,871	-	-	2,531,871
Other contributions	-	-	6,633	6,633
Charges and fees	2,875,748	-	9,500	2,885,248
Total Revenues	12,100,267	1,000,245	16,183	13,116,695
Expenditures				
General government	30,000	6,700	-	36,700
Planning and environmental development	481,884	-	-	481,884
Public safety	1,326,500	-	-	1,326,500
Public works	9,740,277	7,452,031	-	17,192,308
Parks and recreation	165,625	45,562	3,261	214,448
Library	66,885	-	-	66,885
Airport	450	-	-	450
Debt service:				
Principal	2,195,000	-	-	2,195,000
Interest expense	983,108	-	-	983,108
Issuance cost and fiscal charges	-	6,228,832	-	6,228,832
Total Expenditures	14,989,729	13,733,125	3,261	28,726,115
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,889,462)	(12,732,880)	12,922	(15,609,420)
Other Financing Sources (Uses)				
Sale of capital assets	105,421	-	-	105,421
Transfers in	6,055,301	-	-	6,055,301
Transfers (out)	(5,148,426)	-	-	(5,148,426)
Total Other Financing Sources	1,012,296	-	-	1,012,296
Net Change in Fund Balances	(1,877,166)	(12,732,880)	12,922	(14,597,124)
Beginning fund balances	22,020,235	24,602,814	242,786	46,865,835
Ending Fund Balances	\$ 20,143,069	\$ 11,869,934	\$ 255,708	\$ 32,268,711

CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS (Page 1 of 3)

September 30, 2023

	Community Development Block Grant	Special Revenue Donations	River	Court Security
<u>Assets</u>				
Cash and equity in pooled cash and investments	\$ 25,446	\$ 874,126	\$ 635,143	\$ 42,930
Accounts receivable	145,955	10,126	-	113
Restricted cash	-	-	-	-
Total Assets	\$ 171,401	\$ 884,252	\$ 635,143	\$ 43,043
<u>Liabilities</u>				
Accounts payable	\$ 94,296	\$ 54,162	\$ 69,203	\$ -
Due to other funds	-	-	-	-
Total Liabilities	94,296	54,162	69,203	-
<u>Fund Balances</u>				
Restricted	77,105	830,090	565,940	43,043
Committed	-	-	-	-
Total Fund Balances	77,105	830,090	565,940	43,043
Total Liabilities and Fund Balances	\$ 171,401	\$ 884,252	\$ 635,143	\$ 43,043

River Mill TIRZ	Judicial Efficiency	Court Technology	Child Safety	Stormwater Development	Juvenile Case Management
\$ 114,855	\$ 17,710	\$ 65,228	\$ 22,413	\$ 842,434	\$ 24,980
-	60	94	2,205	-	119
-	-	-	-	-	-
<u>\$ 114,855</u>	<u>\$ 17,770</u>	<u>\$ 65,322</u>	<u>\$ 24,618</u>	<u>\$ 842,434</u>	<u>\$ 25,099</u>
\$ -	\$ -	\$ 69	\$ 1,365	\$ -	\$ -
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>69</u>	<u>1,365</u>	<u>-</u>	<u>-</u>
114,855	17,770	65,253	23,253	842,434	25,099
-	-	-	-	-	-
<u>114,855</u>	<u>17,770</u>	<u>65,253</u>	<u>23,253</u>	<u>842,434</u>	<u>25,099</u>
<u>\$ 114,855</u>	<u>\$ 17,770</u>	<u>\$ 65,322</u>	<u>\$ 24,618</u>	<u>\$ 842,434</u>	<u>\$ 25,099</u>

CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS (Page 2 of 3)

September 30, 2023

	Federal Court Awards	Non-Federal Court Awards	Edwards Aquifer HCP	Cable Franchise PEG
<u>Assets</u>				
Cash and equity in pooled cash and investments	\$ 100,596	\$ 152,812	\$ -	\$ 668,497
Accounts receivable	-	-	139,460	35,433
Restricted cash	-	-	-	-
Total Assets	\$ 100,596	\$ 152,812	\$ 139,460	\$ 703,930
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 4,558	\$ 33,433	\$ -
Due to other funds	-	-	36,646	-
Total Liabilities	-	4,558	70,079	-
<u>Fund Balances</u>				
Restricted	100,596	148,254	69,381	703,930
Committed	-	-	-	-
Total Fund Balances	100,596	148,254	69,381	703,930
Total Liabilities and Fund Balances	\$ 100,596	\$ 152,812	\$ 139,460	\$ 703,930

Tax Increment Reinvestment Zone No. 1	New Braunfels Development Authority	Recreation Center Improvements	Facilities Maintenance	Enterprise Maintenance and Equipment	Developmental Services
\$ -	\$ 7,974,994	\$ 1,047,602	\$ 1,542,301	\$ 4,453,909	\$ 835,691
-	-	-	-	22,558	3,276
-	1,222,212	-	-	-	-
<u>\$ -</u>	<u>\$ 9,197,206</u>	<u>\$ 1,047,602</u>	<u>\$ 1,542,301</u>	<u>\$ 4,476,467</u>	<u>\$ 838,967</u>
\$ -	\$ 404,296	\$ -	\$ 2,010	\$ -	\$ 236,795
-	-	-	-	-	-
<u>-</u>	<u>404,296</u>	<u>-</u>	<u>2,010</u>	<u>-</u>	<u>236,795</u>
-	8,792,910	1,047,602	-	-	602,172
-	-	-	1,540,291	4,476,467	-
<u>-</u>	<u>8,792,910</u>	<u>1,047,602</u>	<u>1,540,291</u>	<u>4,476,467</u>	<u>602,172</u>
<u>\$ -</u>	<u>\$ 9,197,206</u>	<u>\$ 1,047,602</u>	<u>\$ 1,542,301</u>	<u>\$ 4,476,467</u>	<u>\$ 838,967</u>

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CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS (page 3 of 3)

September 30, 2023

	Downtown TIRZ	Total Nonmajor Special Revenue Funds
<u>Assets</u>		
Cash and equity in pooled cash and investments	\$ 56,624	\$ 19,498,291
Accounts receivable	-	359,399
Restricted cash	-	1,222,212
Total Assets	\$ 56,624	\$ 21,079,902
<u>Liabilities</u>		
Accounts payable	\$ -	\$ 900,187
Due to other funds	-	36,646
Total Liabilities	-	936,833
<u>Fund Balances</u>		
Restricted	56,624	14,126,311
Committed	-	6,016,758
Total Fund Balances	56,624	20,143,069
Total Liabilities and Fund Balances	\$ 56,624	\$ 21,079,902

CITY OF NEW BRAUNFELS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (Page 1 of 3)
For the Year Ended September 30, 2023

	Community Development Block Grant	Special Revenue Donations	River	Court Security
<u>Revenues</u>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Franchise fees and local taxes	-	-	-	-
Licenses and permits	-	-	6,782	-
Fines and forfeitures	-	-	221,337	48,765
Investment earnings	-	-	-	-
Intergovernmental	481,884	-	-	-
Miscellaneous	-	768,377	56	-
Charges and fees	-	-	1,105,311	-
Total Revenues	<u>481,884</u>	<u>768,377</u>	<u>1,333,486</u>	<u>48,765</u>
<u>Expenditures</u>				
Current:				
General government	-	-	-	-
Planning and environmental development	481,884	-	-	-
Public safety	-	266,966	485,622	42,710
Public works	-	288,333	717,828	-
Parks and recreation	-	148,012	-	-
Library	-	66,885	-	-
Airport	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>481,884</u>	<u>770,196</u>	<u>1,203,450</u>	<u>42,710</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(1,819)</u>	<u>130,036</u>	<u>6,055</u>
<u>Other Financing Sources (Uses)</u>				
Sale of capital assets	-	-	-	-
Transfers in	-	70,831	127,770	-
Transfers (out)	-	(55,831)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>15,000</u>	<u>127,770</u>	<u>-</u>
Net Change in Fund Balances	-	13,181	257,806	6,055
Beginning fund balances	<u>77,105</u>	<u>816,909</u>	<u>308,134</u>	<u>36,988</u>
Ending Fund Balances	<u>\$ 77,105</u>	<u>\$ 830,090</u>	<u>\$ 565,940</u>	<u>\$ 43,043</u>

River Mill TIRZ	Judicial Efficiency	Court Technology	Child Safety	Stormwater Development	Juvenile Case Management
\$ 29,926	\$ -	\$ -	\$ -	\$ -	\$ -
11,042	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	7,349	40,386	1,318	-	50,971
734	-	-	-	8,128	-
-	-	-	135,124	-	-
-	-	-	51	-	-
-	-	-	-	235,977	-
41,702	7,349	40,386	136,493	244,105	50,971
-	-	-	-	-	-
-	-	-	-	-	-
-	8,585	39,822	139,977	-	36,203
-	-	-	-	100,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	8,585	39,822	139,977	100,000	36,203
41,702	(1,236)	564	(3,484)	144,105	14,768
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
41,702	(1,236)	564	(3,484)	144,105	14,768
73,153	19,006	64,689	26,737	698,329	10,331
\$ 114,855	\$ 17,770	\$ 65,253	\$ 23,253	\$ 842,434	\$ 25,099

CITY OF NEW BRAUNFELS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (Page 2 of 3)
For the Year Ended September 30, 2023

	Federal Court Awards	Non-Federal Court Awards	Edwards Aquifer HCP	Cable Franchise PEG
<u>Revenues</u>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Franchise fees and local taxes	-	-	-	158,740
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Intergovernmental	4,899	-	134,981	-
Miscellaneous	59,296	59,999	790,195	-
Charges and fees	-	-	-	-
Total Revenues	64,195	59,999	925,176	158,740
<u>Expenditures</u>				
Current:				
General government	-	-	-	-
Planning and environmental development	-	-	-	-
Public safety	80,998	28,426	-	-
Public works	-	-	1,001,180	-
Parks and recreation	-	-	-	-
Library	-	-	-	-
Airport	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	80,998	28,426	1,001,180	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,803)	31,573	(76,004)	158,740
<u>Other Financing Sources (Uses)</u>				
Sale of capital assets	-	-	-	-
Transfers in	-	-	59,059	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	59,059	-
Net Change in Fund Balances	(16,803)	31,573	(16,945)	158,740
Beginning fund balances	117,399	116,681	86,326	545,190
Ending Fund Balances	\$ 100,596	\$ 148,254	\$ 69,381	\$ 703,930

Tax Increment Reinvestment Zone No. 1	New Braunfels Development Authority	Recreation Center Improvements	Facilities Maintenance	Enterprise Maintenance and Equipment	Developmental Services
\$ 3,625,019	\$ -	\$ -	\$ -	\$ -	\$ -
1,303,665	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	18,956
-	92,262	-	14,695	230,246	8,815
-	-	-	-	-	-
-	-	3,766	143,119	707,012	-
-	-	-	-	-	1,534,460
<u>4,928,684</u>	<u>92,262</u>	<u>3,766</u>	<u>157,814</u>	<u>937,258</u>	<u>1,562,231</u>
30,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	197,191	-
-	2,381,789	-	-	3,063,968	2,187,179
-	-	-	17,613	-	-
-	-	-	-	-	-
-	-	-	-	450	-
-	2,195,000	-	-	-	-
-	983,108	-	-	-	-
<u>30,000</u>	<u>5,559,897</u>	<u>-</u>	<u>17,613</u>	<u>3,261,609</u>	<u>2,187,179</u>
<u>4,898,684</u>	<u>(5,467,635)</u>	<u>3,766</u>	<u>140,201</u>	<u>(2,324,351)</u>	<u>(624,948)</u>
-	-	-	-	105,421	-
-	4,898,684	125,000	-	773,957	-
<u>(4,898,684)</u>	<u>-</u>	<u>-</u>	<u>(99,910)</u>	<u>(94,001)</u>	<u>-</u>
<u>(4,898,684)</u>	<u>4,898,684</u>	<u>125,000</u>	<u>(99,910)</u>	<u>785,377</u>	<u>-</u>
-	(568,951)	128,766	40,291	(1,538,974)	(624,948)
-	9,361,861	918,836	1,500,000	6,015,441	1,227,120
<u>\$ -</u>	<u>\$ 8,792,910</u>	<u>\$ 1,047,602</u>	<u>\$ 1,540,291</u>	<u>\$ 4,476,467</u>	<u>\$ 602,172</u>

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CITY OF NEW BRAUNFELS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (Page 3 of 3)
For the Year Ended September 30, 2023

	Downtown TIRZ	Total Nonmajor Special Revenue Funds
<u>Revenues</u>		
Ad valorem taxes	\$ 56,624	\$ 3,711,569
Sales taxes	-	1,314,707
Franchise fees and local taxes	-	158,740
Licenses and permits	-	6,782
Fines and forfeitures	-	389,082
Investment earnings	-	354,880
Intergovernmental	-	756,888
Miscellaneous	-	2,531,871
Charges and fees	-	2,875,748
Total Revenues	56,624	12,100,267
<u>Expenditures</u>		
Current:		
General government	-	30,000
Planning and environmental development	-	481,884
Public safety	-	1,326,500
Public works	-	9,740,277
Parks and recreation	-	165,625
Library	-	66,885
Airport	-	450
Debt service:		
Principal	-	2,195,000
Interest and fiscal charges	-	983,108
Total Expenditures	-	14,989,729
Excess (Deficiency) of Revenues Over (Under) Expenditures	56,624	(2,889,462)
<u>Other Financing Sources (Uses)</u>		
Sale of capital assets	-	105,421
Transfers in	-	6,055,301
Transfers (out)	-	(5,148,426)
Total Other Financing Sources (Uses)	-	1,012,296
Net Change in Fund Balances	56,624	(1,877,166)
Beginning fund balances	-	22,020,235
Ending Fund Balances	\$ 56,624	\$ 20,143,069

CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS (Page 1 of 2)

September 30, 2023

	<u>2020 Capital Improvement</u>	<u>Certificates of Obligation 2004</u>	<u>Certificates of Obligation 2008</u>	<u>Certificates of Obligation 2009</u>
<u>Assets</u>				
Cash and equity in pooled cash and investments	\$ 7,163,427	\$ 61,204	\$ 370,804	\$ -
Total Assets	<u><u>\$ 7,163,427</u></u>	<u><u>\$ 61,204</u></u>	<u><u>\$ 370,804</u></u>	<u><u>\$ -</u></u>
<u>Liabilities</u>				
Accounts payable	\$ 1,405,092	\$ -	\$ -	\$ -
Total Liabilities	<u>1,405,092</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>				
Restricted	5,758,335	61,204	370,804	-
Total Fund Balances	<u>5,758,335</u>	<u>61,204</u>	<u>370,804</u>	<u>-</u>
Total Liabilities and Fund Balances	<u><u>\$ 7,163,427</u></u>	<u><u>\$ 61,204</u></u>	<u><u>\$ 370,804</u></u>	<u><u>\$ -</u></u>

<u>Certificates of Obligation 2011</u>	<u>Certificates of Obligation 2013</u>	<u>Certificates of Obligation 2014</u>	<u>Tax Note 2015</u>	<u>Tax Note 2018A</u>	<u>Tax Note 2021</u>
\$ 727,201	\$ 239,768	\$ 55,936	\$ -	\$ 2,612	\$ 915,816
<u>\$ 727,201</u>	<u>\$ 239,768</u>	<u>\$ 55,936</u>	<u>\$ -</u>	<u>\$ 2,612</u>	<u>\$ 915,816</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 359,202
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>359,202</u>
727,201	239,768	55,936	-	2,612	556,614
<u>727,201</u>	<u>239,768</u>	<u>55,936</u>	<u>-</u>	<u>2,612</u>	<u>556,614</u>
\$ 727,201	\$ 239,768	\$ 55,936	\$ -	\$ 2,612	\$ 915,816
<u>\$ 727,201</u>	<u>\$ 239,768</u>	<u>\$ 55,936</u>	<u>\$ -</u>	<u>\$ 2,612</u>	<u>\$ 915,816</u>

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CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS (Page 2 of 2)

September 30, 2023

	<u>Tax Note 2022</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Assets</u>		
Cash and equity in pooled cash and investments	\$ 4,784,825	\$ 14,321,593
Total Assets	<u><u>\$ 4,784,825</u></u>	<u><u>\$ 14,321,593</u></u>
<u>Liabilities</u>		
Accounts payable	\$ 687,365	\$ 2,451,659
Total Liabilities	<u>687,365</u>	<u>2,451,659</u>
<u>Fund Balances</u>		
Restricted	4,097,460	11,869,934
Total Fund Balances	<u>4,097,460</u>	<u>11,869,934</u>
Total Liabilities and Fund Balances	<u><u>\$ 4,784,825</u></u>	<u><u>\$ 14,321,593</u></u>

CITY OF NEW BRAUNFELS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS (Page 1 of 2)
For the Year Ended September 30, 2023

	<u>2020 Capital Improvement</u>	<u>Certificates of Obligation 2004</u>	<u>Certificates of Obligation 2008</u>	<u>Certificates of Obligation 2009</u>
<u>Revenues</u>				
Investment earnings	\$ 522,674	\$ 561	\$ 16,823	\$ -
Total Revenues	<u>522,674</u>	<u>561</u>	<u>16,823</u>	<u>-</u>
<u>Expenditures</u>				
Current:				
General government	-	-	-	15,201
Public works	6,675,116	-	2,594	-
Parks and recreation	-	-	-	-
Debt service:				
Fiscal agent fees	-	-	-	-
Total Expenditures	<u>6,675,116</u>	<u>-</u>	<u>2,594</u>	<u>15,201</u>
Net Change in Fund Balances	(6,152,442)	561	14,229	(15,201)
Beginning fund balances	<u>11,910,777</u>	<u>60,643</u>	<u>356,575</u>	<u>15,201</u>
Ending Fund Balances	<u>\$ 5,758,335</u>	<u>\$ 61,204</u>	<u>\$ 370,804</u>	<u>\$ -</u>

Certificates of Obligation 2011	Certificates of Obligation 2013	Certificates of Obligation 2014	Tax Note 2015	Tax Note 2018A	Tax Note 2021
\$ 6,663	\$ 2,197	\$ 571	\$ -	\$ 241	\$ 136,743
<u>6,663</u>	<u>2,197</u>	<u>571</u>	<u>-</u>	<u>241</u>	<u>136,743</u>
-	-	-	(8,501)	-	-
-	-	-	-	-	774,321
-	-	-	-	45,562	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,501)</u>	<u>45,562</u>	<u>774,321</u>
6,663	2,197	571	8,501	(45,321)	(637,578)
<u>720,538</u>	<u>237,571</u>	<u>55,365</u>	<u>(8,501)</u>	<u>47,933</u>	<u>1,194,192</u>
<u>\$ 727,201</u>	<u>\$ 239,768</u>	<u>\$ 55,936</u>	<u>\$ -</u>	<u>\$ 2,612</u>	<u>\$ 556,614</u>

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CITY OF NEW BRAUNFELS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS (Page 2 of 2)
For the Year Ended September 30, 2023

	<u>Tax Note 2022</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Revenues</u>		
Investment earnings	\$ 313,772	\$ 1,000,245
Total Revenues	<u>313,772</u>	<u>1,000,245</u>
<u>Expenditures</u>		
Current:		
General government	-	6,700
Public works	-	7,452,031
Parks and recreation	-	45,562
Debt service:		
Fiscal agent fees	6,228,832	6,228,832
Total Expenditures	<u>6,228,832</u>	<u>13,733,125</u>
Net Change in Fund Balances	(5,915,060)	(12,732,880)
Beginning fund balances	<u>10,012,520</u>	<u>24,602,814</u>
Ending Fund Balances	<u>\$ 4,097,460</u>	<u>\$ 11,869,934</u>

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND

For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Ad valorem taxes	\$ 22,579,352	\$ 22,579,352	\$ 24,289,513	\$ 1,710,161
Investment earnings	14,000	14,000	242,486	228,486
Other contributions	1,967,856	1,967,856	1,967,857	1
Total Revenues	24,561,208	24,561,208	26,499,856	1,938,648
<u>Expenditures</u>				
Debt service:				
Principal	18,110,000	18,110,000	18,110,000	-
Interest	7,642,596	9,522,305	9,522,305	-
Bond issuance costs and fees	-	5,200	5,200	-
Total Expenditures	25,752,596	27,637,505	27,637,505	-
(Deficiency) of Revenues (Under) Expenditures	(1,191,388)	(3,076,297)	(1,137,649)	1,938,648
<u>Other Financing Sources (Uses)</u>				
Transfers in	1,381,388	1,381,388	1,381,388	-
Total Other Financing Sources	1,381,388	1,381,388	1,381,388	-
Net Change in Fund Balance	\$ 190,000	\$ (1,694,909)	243,739	\$ 1,938,648
Beginning fund balance			2,779,068	
Ending Fund Balance			\$ 3,022,807	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Intergovernmental	\$ 360,604	\$ 481,884	\$ 481,884	\$ -
Total Revenues	<u>360,604</u>	<u>481,884</u>	<u>481,884</u>	<u>-</u>
<u>Expenditures</u>				
Current:				
Planning and environmental development	360,604	481,884	481,884	-
Total Expenditures	<u>360,604</u>	<u>481,884</u>	<u>481,884</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Beginning fund balance			<u>77,105</u>	
Ending Fund Balance			<u>\$ 77,105</u>	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE DONATIONS FUND
For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Miscellaneous	\$ 200,000	\$ 200,000	\$ 768,377	\$ 568,377
Total Revenues	<u>200,000</u>	<u>200,000</u>	<u>768,377</u>	<u>568,377</u>
<u>Expenditures</u>				
Current:				
Public safety	278,550	278,550	266,966	11,584
Public works	200,000	200,000	288,333	(88,333)
Parks and recreation	69,450	69,450	148,012	(78,562)
Library	52,000	52,000	66,885	(14,885)
Total Expenditures	<u>600,000</u>	<u>600,000</u>	<u>770,196</u>	<u>(170,196)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(400,000)	(400,000)	(1,819)	398,181
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	70,831	70,831
Transfers (out)	-	-	(55,831)	(55,831)
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>
Net Change in Fund Balance	<u>\$ (400,000)</u>	<u>\$ (400,000)</u>	13,181	<u>\$ 413,181</u>
Beginning fund balance			816,909	
Ending Fund Balance			<u>\$ 830,090</u>	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RIVER FUND

For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive Positive (Negative)
<u>Revenues</u>				
Licenses and permits	\$ 6,800	\$ 6,800	\$ 6,782	\$ (18)
Fines and forfeitures	125,000	125,000	221,337	96,337
Miscellaneous		-	56	56
Charges and fees	1,025,000	1,025,000	1,105,311	80,311
Total Revenues	1,156,800	1,156,800	1,333,486	176,686
<u>Expenditures</u>				
Current:				
Public safety	635,761	635,761	485,622	150,139
Public works	670,940	670,940	717,828	(46,888)
Total Expenditures	1,306,701	1,306,701	1,203,450	103,251
Excess (Deficiency) of Revenues Over (Under) Expenditures	(149,901)	(149,901)	130,036	279,937
<u>Other Financing Sources (Uses)</u>				
Transfers in	150,000	150,000	127,770	(22,230)
Total Other Financing Sources	150,000	150,000	127,770	(22,230)
Net Change in Fund Balance	\$ 99	\$ 99	257,806	\$ 257,707
Beginning fund balance			308,134	
Ending Fund Balance			\$ 565,940	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COURT SECURITY FUND

For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Fines and forfeitures	\$ 30,000	\$ 30,000	\$ 48,765	\$ 18,765
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>48,765</u>	<u>18,765</u>
<u>Expenditures</u>				
Current:				
Public safety	40,000	40,000	42,710	(2,710)
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>42,710</u>	<u>(2,710)</u>
Net Change in Fund Balance	<u>\$ (10,000)</u>	<u>\$ (10,000)</u>	6,055	<u>\$ 16,055</u>
Beginning fund balance			<u>36,988</u>	
Ending Fund Balance			<u>\$ 43,043</u>	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JUDICIAL EFFICIENCY FUND
For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Fines and forfeitures	\$ 7,000	\$ 7,000	\$ 7,349	\$ 349
Total Revenues	<u>7,000</u>	<u>7,000</u>	<u>7,349</u>	<u>349</u>
<u>Expenditures</u>				
Current:				
Public safety	25,500	25,500	8,585	16,915
Total Expenditures	<u>25,500</u>	<u>25,500</u>	<u>8,585</u>	<u>16,915</u>
Net Change in Fund Balance	<u>\$ (18,500)</u>	<u>\$ (18,500)</u>	(1,236)	<u>\$ 17,264</u>
Beginning fund balance			<u>19,006</u>	
Ending Fund Balance			<u>\$ 17,770</u>	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COURT TECHNOLOGY FUND
For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive Positive (Negative)
<u>Revenues</u>				
Fines and forfeitures	\$ 30,000	\$ 30,000	\$ 40,386	\$ 10,386
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>40,386</u>	<u>10,386</u>
<u>Expenditures</u>				
Current:				
Public safety	35,000	35,000	39,822	(4,822)
Total Expenditures	<u>35,000</u>	<u>35,000</u>	<u>39,822</u>	<u>(4,822)</u>
Net Change in Fund Balance	<u>\$ (5,000)</u>	<u>\$ (5,000)</u>	564	<u>\$ 5,564</u>
Beginning fund balance			<u>64,689</u>	
Ending Fund Balance			<u>\$ 65,253</u>	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CHILD SAFETY FUND

For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive Positive (Negative)
<u>Revenues</u>				
Fines and forfeitures	\$ 3,000	\$ 3,000	\$ 1,318	\$ (1,682)
Intergovernmental	148,000	148,000	135,124	(12,876)
Miscellaneous	-	-	51	51
Total Revenues	<u>151,000</u>	<u>151,000</u>	<u>136,493</u>	<u>(14,507)</u>
<u>Expenditures</u>				
Current:				
Public safety	<u>160,000</u>	<u>160,000</u>	<u>139,977</u>	<u>20,023</u>
Total Expenditures	<u>160,000</u>	<u>160,000</u>	<u>139,977</u>	<u>20,023</u>
Net Change in Fund Balance	<u>\$ (9,000)</u>	<u>\$ (9,000)</u>	(3,484)	<u>\$ 5,516</u>
Beginning fund balance			<u>26,737</u>	
Ending Fund Balance			<u>\$ 23,253</u>	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STORMWATER DEVELOPMENT FUND
For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive Negative
Revenues				
Charges and fees	\$ 80,000	\$ 80,000	\$ 235,977	\$ 155,977
Interest	-	-	8,128	8,128
Total Revenues	<u>80,000</u>	<u>80,000</u>	<u>244,105</u>	<u>164,105</u>
Expenditures				
Current:				
Public works	100,000	100,000	100,000	-
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (20,000)</u>	<u>\$ (20,000)</u>	144,105	<u>\$ 164,105</u>
Beginning fund balance			<u>698,329</u>	
Ending Fund Balance			<u>\$ 842,434</u>	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JUVENILE CASE MANAGEMENT FUND
For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive Positive (Negative)
<u>Revenues</u>				
Fines and forfeitures	\$ 40,000	\$ 40,000	\$ 50,971	\$ 10,971
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>50,971</u>	<u>10,971</u>
<u>Expenditures</u>				
Current:				
Public safety	38,000	38,000	36,203	1,797
Total Expenditures	<u>38,000</u>	<u>38,000</u>	<u>36,203</u>	<u>1,797</u>
Net Change in Fund Balance	<u>\$ 2,000</u>	<u>\$ 2,000</u>	14,768	<u>\$ 12,768</u>
Beginning fund balance			<u>10,331</u>	
Ending Fund Balance			<u>\$ 25,099</u>	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FEDERAL COURT AWARDS FUND
For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive Negative
<u>Revenues</u>				
Intergovernmental	\$ -	\$ -	\$ 4,899	\$ 4,899
Miscellaneous	-	-	59,296	59,296
Total Revenues	-	-	64,195	64,195
<u>Expenditures</u>				
Current:				
Public safety	76,500	76,500	80,998	(4,498)
Total Expenditures	76,500	76,500	80,998	(4,498)
Net Change in Fund Balance	\$ (76,500)	\$ (76,500)	(16,803)	\$ 59,697
Beginning fund balance			117,399	
Ending Fund Balance			\$ 100,596	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NON-FEDERAL COURT AWARDS FUND
For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Miscellaneous	\$ -	\$ -	\$ 59,999	\$ 59,999
Total Revenues	<u>-</u>	<u>-</u>	<u>59,999</u>	<u>59,999</u>
<u>Expenditures</u>				
Current:				
Public safety	76,000	76,000	28,426	47,574
Total Expenditures	<u>76,000</u>	<u>76,000</u>	<u>28,426</u>	<u>47,574</u>
Net Change in Fund Balance	<u>\$ (76,000)</u>	<u>\$ (76,000)</u>	31,573	<u>\$ 107,573</u>
Beginning fund balance			<u>116,681</u>	
Ending Fund Balance			<u>\$ 148,254</u>	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EDWARDS AQUIFER HCP FUND
For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive Negative
<u>Revenues</u>				
Intergovernmental	\$ 1,400,470	\$ 1,400,470	\$ 134,981	\$ (1,265,489)
Miscellaneous	-	-	790,195	790,195
Total Revenues	<u>1,400,470</u>	<u>1,400,470</u>	<u>925,176</u>	<u>(475,294)</u>
<u>Expenditures</u>				
Current:				
Public works - River Authority	1,494,470	1,494,470	1,001,180	493,290
Total Expenditures	<u>1,494,470</u>	<u>1,494,470</u>	<u>1,001,180</u>	<u>493,290</u>
(Deficiency) of Revenues (Under) Expenditures	(94,000)	(94,000)	(76,004)	17,996
<u>Other Financing Sources (Uses)</u>				
Transfers in	94,000	94,000	59,059	(34,941)
Total Other Financing Sources	<u>94,000</u>	<u>94,000</u>	<u>59,059</u>	<u>(34,941)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(16,945)	<u>\$ (16,945)</u>
Beginning fund balance			<u>86,326</u>	
Ending Fund Balance			<u>\$ 69,381</u>	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CABLE FRANCHISE PEG FUND
For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Franchise fees and local taxes	\$ 185,000	\$ 185,000	\$ 158,740	\$ (26,260)
Total Revenues	<u>185,000</u>	<u>185,000</u>	<u>158,740</u>	<u>(26,260)</u>
<u>Expenditures</u>				
Current:				
General government	350,000	350,000	-	350,000
Total Expenditures	<u>350,000</u>	<u>350,000</u>	<u>-</u>	<u>350,000</u>
Net Change in Fund Balance	<u>\$ (165,000)</u>	<u>\$ (165,000)</u>	158,740	<u>\$ 323,740</u>
Beginning fund balance			<u>545,190</u>	
Ending Fund Balance			<u>\$ 703,930</u>	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TAX INCREMENT REINVESTMENT ZONE NO. 1 FUND
AND NEW BRAUNFELS DEVELOPMENT AUTHORITY COMBINED
For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Ad valorem taxes	\$ 2,827,879	\$ 2,827,879	\$ 3,625,019	\$ 797,140
Sales taxes	1,361,700	1,361,700	1,303,665	(58,035)
Investment earnings	2,000	2,000	92,262	90,262
Total Revenues	<u>4,191,579</u>	<u>4,191,579</u>	<u>5,020,946</u>	<u>829,367</u>
Expenditures				
Current:				
General government	30,000	30,000	30,000	-
Public works	3,000,000	3,000,000	2,381,789	-
Debt service:				
Principal	2,195,000	2,195,000	2,195,000	-
Interest and fiscal charges	980,230	980,230	983,108	(2,878)
Total Expenditures	<u>6,205,230</u>	<u>6,205,230</u>	<u>5,589,897</u>	<u>(2,878)</u>
(Deficiency) of Revenues (Under) Expenditures	(2,013,651)	(2,013,651)	(568,951)	826,489
Other Financing Sources (Uses)				
Transfers in	4,898,684	4,898,684	4,898,684	-
Transfers (out)	(4,898,684)	(4,898,684)	(4,898,684)	-
Total Other Financing (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (2,013,651)</u>	<u>\$ (2,013,651)</u>	(568,951)	<u>\$ 826,489</u> 618211
Beginning fund balance			<u>9,361,861</u>	
Ending Fund Balance			<u>\$ 8,792,910</u>	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ENTERPRISE MAINTENANCE AND EQUIPMENT FUND
For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive Positive (Negative)
<u>Revenues</u>				
Investment earnings	\$ 10,000	\$ 10,000	\$ 230,246	\$ 220,246
Miscellaneous	180,000	180,000	707,012	527,012
Total Revenues	190,000	190,000	937,258	747,258
<u>Expenditures</u>				
Current:				
Public safety	338,720	338,720	197,191	141,529
Public works	3,322,223	3,322,223	3,063,968	258,255
Airport	100,000	100,000	450	99,550
Total Expenditures	3,760,943	3,760,943	3,261,609	499,334
(Deficiency) of Revenues (Under) Expenditures	(3,570,943)	(3,570,943)	(2,324,351)	1,246,592
<u>Other Financing Sources (Uses)</u>				
Sale of capital assets	100,000	100,000	105,421	5,421
Transfers out	-	(94,001)	(94,001)	-
Transfers in	1,031,943	773,957	773,957	-
Total Other Financing Sources	1,131,943	779,956	785,377	5,421
Net Change in Fund Balance	\$ (2,439,000)	\$ (2,790,987)	(1,538,974)	\$ 1,252,013
Beginning fund balance			6,015,441	
Ending Fund Balance			\$ 4,476,467	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CEMETERY IMPROVEMENT FUND
For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive Negative
<u>Revenues</u>				
Licenses and permits	\$ -	\$ -	\$ 50	\$ 50
Charges and fees	5,000	5,000	16,133	11,133
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>16,183</u>	<u>11,183</u>
<u>Expenditures</u>				
Current:				
Parks and recreation	188,000	188,000	3,261	184,739
Total Expenditures	<u>188,000</u>	<u>188,000</u>	<u>3,261</u>	<u>184,739</u>
Net Change in Fund Balance	<u>\$ (183,000)</u>	<u>\$ (183,000)</u>	12,922	<u>\$ 195,922</u>
Beginning fund balance			<u>242,786</u>	
Ending Fund Balance			<u>\$ 255,708</u>	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RECREATION CENTER IMPROVEMENTS FUND
For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive Positive (Negative)
<u>Revenues</u>				
Miscellaneous	\$ 100	\$ 100	\$ 3,766	\$ 3,666
Total Revenues	<u>100</u>	<u>100</u>	<u>3,766</u>	<u>3,666</u>
Excess of Revenues Over Expenditures	100	100	3,766	3,666
<u>Other Financing Sources (Uses)</u>				
Transfers in	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	<u>-</u>
Total Other Financing Sources	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 125,100</u>	<u>\$ 125,100</u>	128,766	<u>\$ 3,666</u>
Beginning fund balance			<u>918,836</u>	
Ending Fund Balance			<u>\$ 1,047,602</u>	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEVELOPMENTAL SERVICES FUND

For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Fines and forfeitures	\$ -	\$ -	\$ 18,956	\$ 18,956
Interest	-	-	8,815	8,815
Charges and fees	1,145,000	1,145,000	1,534,460	389,460
Total Revenues	<u>1,145,000</u>	<u>1,145,000</u>	<u>1,562,231</u>	<u>417,231</u>
<u>Expenditures</u>				
Current:				
Public works	1,783,908	1,783,908	2,187,179	(403,271)
Total Expenditures	<u>1,783,908</u>	<u>1,783,908</u>	<u>2,187,179</u>	<u>(403,271)</u>
Net Change in Fund Balance	<u>\$ (638,908)</u>	<u>\$ (638,908)</u>	(624,948)	<u>\$ 13,960</u>
Beginning fund balance			<u>1,227,120</u>	
Ending Fund Balance			<u>\$ 602,172</u>	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RIVER MILL TIRZ FUND

For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Ad valorem taxes	\$ 23,271	\$ 23,271	\$ 29,926	\$ 6,655
Sales tax	10,550	10,500	11,042	542
Investment earnings	-	-	734	734
Total Revenues	<u>33,821</u>	<u>33,771</u>	<u>41,702</u>	<u>7,931</u>
 Net Change in Fund Balance	 <u>\$ 33,821</u>	 <u>\$ 33,771</u>	 41,702	 <u>\$ 7,931</u>
 Beginning fund balance			<u>73,153</u>	
 Ending Fund Balance			<u>\$ 114,855</u>	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FACILITIES MAINTENANCE FUND
For the Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive Negative
<u>Revenues</u>				
Investment earnings	\$ -	\$ -	\$ 14,695	\$ 14,695
Miscellaneous	-	-	143,119	143,119
Total Revenues	<u>-</u>	<u>-</u>	<u>157,814</u>	<u>157,814</u>
<u>Expenditures</u>				
Current:				
Parks and recreation	750,000	750,000	17,613	732,387
Total Expenditures	<u>750,000</u>	<u>750,000</u>	<u>17,613</u>	<u>732,387</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(750,000)	(750,000)	140,201	890,201
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	-	(99,910)	(99,910)	-
Total Other Financing (Uses)	<u>-</u>	<u>(99,910)</u>	<u>(99,910)</u>	<u>-</u>
Net Change in Fund Balance	<u><u>\$ (750,000)</u></u>	<u><u>\$ (849,910)</u></u>	40,291	<u><u>\$ 890,201</u></u>
Beginning fund balance			<u>1,500,000</u>	
Ending Fund Balance			<u><u>\$ 1,540,291</u></u>	

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the City and to other government units on a cost reimbursement basis.

Self Insurance - This fund is used to account for the costs of providing insurance to the City's employees.

Fleet Service - This fund is used to account for the charges and expenses related to the City's fleet service, maintenance and repair department.

CITY OF NEW BRAUNFELS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2023

	<u>Self Insurance</u>	<u>Fleet Services</u>	<u>Total Funds</u>
<u>Assets</u>			
Current assets			
Cash and cash equivalents	\$ 3,831,004	\$ -	\$ 3,831,004
Inventory	-	102,779	102,779
Total Assets	<u>3,831,004</u>	<u>102,779</u>	<u>3,933,783</u>
<u>Liabilities</u>			
Current liabilities			
Accounts payable and accrued liabilities	630,644	69,068	699,712
Due to other funds	-	33,711	33,711
Total Liabilities	<u>630,644</u>	<u>102,779</u>	<u>733,423</u>
<u>Net Position</u>			
Unrestricted	<u>3,200,360</u>	<u>-</u>	<u>3,200,360</u>
Total Net Position	<u><u>\$ 3,200,360</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,200,360</u></u>

CITY OF NEW BRAUNFELS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2023

	<u>Self Insurance</u>	<u>Fleet Services</u>	<u>Total Funds</u>
<u>Operating Revenues</u>			
Charges for services	\$ 8,066,672	\$ 1,106,463	\$ 9,173,135
Other income	8,052	-	8,052
Total Operating Revenues	<u>8,074,724</u>	<u>1,106,463</u>	<u>9,181,187</u>
<u>Operating Expenses</u>			
Personnel	6,585,258	1,106,486	7,691,744
Services	1,141,638	-	1,141,638
Total Operating Expenses	<u>7,726,896</u>	<u>1,106,486</u>	<u>8,833,382</u>
Operating Income (Loss)	<u>347,828</u>	<u>(23)</u>	<u>347,805</u>
<u>Nonoperating Revenues</u>			
Investment earnings	105,509	23	105,532
Total Nonoperating Revenues	<u>105,509</u>	<u>23</u>	<u>105,532</u>
Change in Net Position	453,337	-	453,337
Beginning Net Position	<u>2,747,023</u>	<u>-</u>	<u>2,747,023</u>
Ending Net Position	<u><u>\$ 3,200,360</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,200,360</u></u>

CITY OF NEW BRAUNFELS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (Page 1 of 2)
For the Year Ended September 30, 2023

	<u>Self Insurance</u>	<u>Fleet Services</u>	<u>Total Funds</u>
<u>Cash Flows From Operating</u>			
<u>Activities</u>			
Receipts from interfund charges for insurance plan	\$ 8,074,724	\$ -	\$ 8,074,724
Receipts from interfund charges for fleet services	-	1,209,242	1,209,242
Payments to suppliers	(1,202,635)	-	(1,202,635)
Payments to employees	(6,585,258)	(1,209,265)	(7,794,523)
Net Cash Provided (Used) by Operating Activities	<u>286,831</u>	<u>(23)</u>	<u>286,808</u>
<u>Cash Flows From Investing</u>			
<u>Activites</u>			
Interest on investments	105,509	23	105,532
Net Cash Provided by Investing Activities	<u>105,509</u>	<u>23</u>	<u>105,532</u>
Net Increase (Decrease) in Cash and Cash Equivalents	392,340	-	392,340
Beginning Cash and Cash Equivalents	<u>3,438,664</u>	<u>-</u>	<u>3,438,664</u>
Ending Cash and Cash Equivalents	<u><u>\$ 3,831,004</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,831,004</u></u>

CITY OF NEW BRAUNFELS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (Page 2 of 2)
For the Year Ended September 30, 2023

	<u>Self Insurance</u>	<u>Fleet Services</u>	<u>Total Funds</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (Loss)	\$ 347,828	\$ (23)	\$ 347,805
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in Current Assets:			
Inventory	-	(102,779)	(102,779)
Increase (Decrease) in Liabilities:			
Accounts payable and accrued liabilities	(60,997)	69,068	8,071
Due to other funds	-	33,711	33,711
Net Cash Provided (Used) by Operating Activities	<u>\$ 286,831</u>	<u>\$ (23)</u>	<u>\$ 286,808</u>

STATISTICAL SECTION

This part of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and Required Supplementary Information says about the City's overall financial health.

Contents	Page
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Financial Trends	178
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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity	192
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These schedules contain information to help the reader assess the City's most significant local revenue source, property tax revenues.

Debt Capacity	202
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These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information	211
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information	214
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These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

CITY OF NEW BRAUNFELS, TEXAS

NET POSITION BY COMPONENT

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

	Fiscal Year			
	2014	2015	2016	2017
Governmental Activities				
Net investment in capital assets	\$ 8,094	\$ 5,121	\$ 2,127	\$ 5,470
Restricted	6,879	10,919	16,400	21,269
Unrestricted	13,828	(10,896)	(16,030)	(15,905)
Total Governmental Activities Net Position	\$ 28,801	\$ 5,144	\$ 2,497	\$ 10,834
Business-Type Activities				
Net investment in capital assets	\$ 34,960	\$ 34,775	\$ 33,493	\$ 31,025
Unrestricted	1,967	298	(236)	(748)
Total Business-Type Activities Net Position	\$ 36,927	\$ 35,073	\$ 33,257	\$ 30,277
Primary Government				
Net investment in capital assets	\$ 43,054	\$ 39,896	\$ 35,620	\$ 36,495
Restricted	6,879	10,919	16,400	21,269
Unrestricted	15,795	(10,598)	(16,266)	(16,653)
Total Primary Government Net Position	\$ 65,728	\$ 40,217	\$ 35,754	\$ 41,111

Source: City financial statements

**Balances have been restated.*

Fiscal Year					
2018	2019	2020	2021	2022*	2023
\$ (3,398)	\$ 7,297	\$ 10,678	\$ 10,250	\$ 10,636	\$ 38,706
24,333	18,232	25,877	32,698	52,935	54,789
(18,031)	635	(10,423)	920	9,138	902
<u>\$ 2,904</u>	<u>\$ 26,164</u>	<u>\$ 26,132</u>	<u>\$ 43,868</u>	<u>\$ 72,709</u>	<u>\$ 94,398</u>
\$ 29,515	\$ 28,869	\$ 27,813	\$ 26,436	\$ 25,339	\$ 26,070
525	(1,517)	2,028	2,513	4,261	3,293
<u>\$ 30,040</u>	<u>\$ 27,352</u>	<u>\$ 29,841</u>	<u>\$ 28,949</u>	<u>\$ 29,600</u>	<u>\$ 29,363</u>
\$ 26,117	\$ 36,166	\$ 38,491	\$ 36,686	\$ 35,975	\$ 64,776
24,333	18,232	25,877	32,698	52,935	54,789
(17,506)	(882)	(8,395)	3,433	13,400	4,195
<u>\$ 32,944</u>	<u>\$ 53,516</u>	<u>\$ 55,973</u>	<u>\$ 72,817</u>	<u>\$ 102,310</u>	<u>\$ 123,760</u>

CITY OF NEW BRAUNFELS, TEXAS

CHANGES IN NET POSITION (page 1 of 3)

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

	Fiscal Year			
	2014	2015	2016	2017
Expenses				
Governmental Activities				
General government	\$ 14,850	\$ 17,936	\$ 22,722	\$ 11,764
Finance and tax	972	719	690	1,269
Planning and environmental development	2,489	2,622	2,772	4,527
Public safety	31,597	33,327	29,273	43,328
Public works	8,241	9,377	15,314	11,858
Parks and recreation	4,572	8,551	4,597	6,357
Library	2,400	1,969	1,660	2,664
Civic/convention center	5	191	49	-
Airport	107	48	1,493	15
Interest on long-term debt	4,985	5,369	6,757	5,752
Total Governmental Activities Expenses	<u>70,218</u>	<u>80,109</u>	<u>85,327</u>	<u>87,534</u>
Business-Type Activities				
Airport	2855	2,778	2,968	3,221
Solid waste	6171	6,670	7,271	7,721
Golf course	678	1,775	1,938	1,838
Civic/convention center	924	894	886	979
Total Business-Type Activities Expenses	<u>10,628</u>	<u>12,117</u>	<u>13,063</u>	<u>13,759</u>
Total Expenses	<u>\$ 80,846</u>	<u>\$ 92,226</u>	<u>\$ 98,390</u>	<u>\$ 101,293</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 13,085	\$ 11,177	\$ 12,716	\$ 9,829	\$ 10,769	\$ 18,361
1,574	1,210	1,054	1,194	1,326	1,733
4,874	3,759	3,300	3,923	3,901	5,668
57,457	41,360	34,334	41,196	44,116	62,482
11,912	26,422	39,376	39,944	36,629	31,166
8,018	8,322	8,453	7,613	11,410	10,346
3,091	2,460	2,026	1,897	2,796	2,793
-	-	-	-	-	-
9	-	-	-	24	72
6,553	6,828	9,388	9,021	8,625	14,842
106,573	101,538	110,647	114,615	119,596	147,464
3,499	3,645	3,298	3,567	5,379	5,153
7,897	8,779	8,718	8,985	9,281	11,040
1,898	2,019	1,824	1,910	2,191	2,420
963	1,071	1,166	1,044	1,120	1,246
14,257	15,514	15,006	15,506	17,971	19,859
\$ 120,830	\$ 117,052	\$ 125,653	\$ 130,122	\$ 137,567	\$ 167,323

CITY OF NEW BRAUNFELS, TEXAS

CHANGES IN NET POSITION (page 2 of 3)

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

	Fiscal Year			
	2014	2015	2016	2017
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 1,095	\$ 1,265	\$ 1,505	\$ 164
Planning and environmental development	3,335	3,912	3,489	-
Public safety	3,108	3,841	4,384	6,503
Public works	898	1,076	1,231	4,163
Parks and recreation	1,963	1,642	2,745	2,226
Library	114	102	101	96
Civic/convention center	-	8	14	-
Operating grants and contributions	1,539	1,963	2,377	1,759
Capital grants and contributions	-	-	-	3,460
Total Governmental Activities Program Revenues	<u>12,052</u>	<u>13,809</u>	<u>15,846</u>	<u>18,371</u>
Business-Type Activities				
Charges for services				
Airport	2,387	2,317	2,077	2,399
Solid waste	7,591	7,985	8,280	8,664
Golf course	128	1,378	1,486	1,436
Civic/convention center	371	418	436	450
Operating grants and contributions	43	50	50	397
Capital grants and contributions	441	290	2,263	-
Total Business-Type Activities Program Revenues	<u>10,961</u>	<u>12,438</u>	<u>14,592</u>	<u>13,346</u>
Total Program Revenues	<u>\$ 23,013</u>	<u>\$ 26,247</u>	<u>\$ 30,438</u>	<u>\$ 31,717</u>
Net (Expense)/Revenue				
Governmental activities	\$ (68,057)	\$ (71,518)	\$ (71,688)	\$ (88,202)
Business-type activities	(1,156)	(625)	833	(911)
Total Net (Expense) Revenue	<u>\$ (69,213)</u>	<u>\$ (72,143)</u>	<u>\$ (70,855)</u>	<u>\$ (89,113)</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 150	\$ 152	\$ 125	\$ 112	\$ 730	\$ 733
-	-	-	-	-	-
6,528	5,918	5,748	5,479	8,065	8,244
4,507	6,465	7,019	8,853	9,260	8,512
2,288	5,501	3,283	6,660	11,284	14,953
89	61	27	11	14	13
-	-	-	-	-	-
3,819	1,402	2,394	5,853	686	3,044
1,831	1,768	-	-	-	-
19,212	21,267	18,597	26,967	30,039	35,498
2,599	2894	2,296	2,757	4,569	4,494
10,168	9865	10,176	10,378	11,016	11,005
1,578	1714	1,634	2,079	2,268	2,275
420	496	274	397	548	577
-	51	5,010	1,010	-	-
-	-	-	-	1,706	3,081
14,765	15,020	19,391	16,621	20,107	21,432
\$ 33,977	\$ 36,287	\$ 37,988	\$ 43,588	\$ 50,146	\$ 56,931
\$ (82,326)	\$ (89,380)	\$ (96,019)	\$ 26,967	\$ (89,557)	\$ (111,965)
(749)	14	3,885	16,621	2,136	1,573
\$ (83,075)	\$ (89,366)	\$ (92,133)	\$ 43,588	\$ (87,421)	\$ (110,392)

CITY OF NEW BRAUNFELS, TEXAS

CHANGES IN NET POSITION (page 3 of 3)

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

	Fiscal Year			
	2014	2015	2016	2017
General Revenues and Other Changes in Net Position				
Governmental Activities				
Property taxes, levied for general purposes	\$ 10,851	\$ 13,956	\$ 14,409	\$ 18,065
Property taxes, levied for debt services	9,231	10,159	11,414	12,434
Sales tax	18,613	18,608	19,077	21,008
Hotel/motel occupancy taxes	3,604	3,813	3,767	3,994
Franchise fees	8,283	8,435	8,904	9,590
Mixed beverage tax	390	439	472	515
Investment income	87	47	242	471
Other contributions	1,989	2,336	2,892	4,570
Miscellaneous	4,183	3,643	4,989	3,948
Gain on sale of asset	-	-	-	-
Transfers	(8,222)	284	3,436	2,905
Total Governmental Activities	<u>49,009</u>	<u>61,720</u>	<u>69,602</u>	<u>77,500</u>
Business-type activities				
Investment earnings	1	2	8	17
Miscellaneous income	68	86	83	320
Transfers	8,222	(284)	(3,436)	(2,905)
Total Business-Type Activities	<u>8,291</u>	<u>(196)</u>	<u>(3,345)</u>	<u>(2,568)</u>
Total Primary Government	<u>\$ 57,300</u>	<u>\$ 61,524</u>	<u>\$ 66,257</u>	<u>\$ 74,932</u>
Change in Net Position				
Governmental activities	\$ (22,509)	\$ (9,968)	\$ (18,600)	\$ (4,826)
Business-type activities	7,666	637	(4,256)	(3,317)
Total Change in Net Position	<u>\$ (14,843)</u>	<u>\$ (9,331)</u>	<u>\$ (22,856)</u>	<u>\$ (8,143)</u>

Source: Statements of Activities from City ACFR

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 18,188	\$ 23,135	\$ 23,138	\$ 21,958	\$ 23,452	\$ 23,908
12,471	14,667	17,398	22,428	24,323	28,194
21,997	23,675	25,606	31,329	34,519	34,517
4,070	4,001	2,872	4,412	5,230	4,894
9,749	10,070	9,908	10,504	11,729	12,715
584	649	508	683	839	938
966	2,300	1,003	205	1,122	8,706
3,683	4,215	4,687	6,128	5,588	8,025
6,423	3,915	4,585	5,449	4,876	6,661
-	-	-	-	192	2,832
2,152	2,398	2,311	2,288	2,030	2,278
80,283	89,025	92,017	105,384	113,900	133,668
39	63	27	1	38	182
1,239	141	388	280	505	271
(2,152)	(2,398)	(2,311)	(2,288)	(2,030)	(2,278)
(874)	(2,194)	(1,896)	(2,006)	(1,487)	(1,825)
\$ 79,409	\$ 86,831	\$ 90,121	\$ 103,377	\$ 112,413	\$ 131,843
\$ (9,097)	\$ (6,994)	\$ 118,984	\$ 105,384	\$ 24,343	\$ 21,702
(860)	1,691	14,725	(2,006)	649	(252)
\$ (9,957)	\$ (5,302)	\$ 133,709	\$ 103,377	\$ 24,992	\$ 21,450

CITY OF NEW BRAUNFELS, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

(modified accrual basis of accounting)

(amounts expressed in thousands)

		Fiscal Year			
		2014	2015	2016	2017
General Fund					
Nonspendable	\$	1	\$ -	\$ -	\$ 1
Assigned		4,430	4,319	2,516	1,368
Unassigned		18,188	16,677	16,096	17,699
Total General Fund	\$	22,619	20,996	18,612	19,068
All Other Governmental Funds					
Nonspendable	\$	94	\$ 94	\$ 19	\$ 29
Restricted		40,930	51,895	65,988	50,200
Committed		2,863	3,188	4,295	5,652
Unassigned, reported in:					
Special revenue funds		(187)	(211)	(591)	-
Total All Other Governmental Funds	\$	43,700	54,966	69,711	55,881

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 1	\$ 1	\$ 3	\$ 1	\$ 1	\$ 1
551	1,124	798	893	3,089	4,113
20,377	24,951	26,585	40,164	41,884	37,288
<u>\$ 20,929</u>	<u>\$ 26,076</u>	<u>\$ 27,386</u>	<u>\$ 41,057</u>	<u>\$ 44,974</u>	<u>\$ 41,402</u>
\$ 169	\$ 223	\$ 223	\$ 231	\$ 243	\$ 256
56,071	82,729	130,313	129,876	132,839	128,861
7,413	9,729	6,519	6,818	7,515	6,017
-	-	910	-	(9)	-
<u>\$ 63,653</u>	<u>\$ 92,681</u>	<u>\$ 137,964</u>	<u>\$ 136,925</u>	<u>\$ 140,588</u>	<u>\$ 135,134</u>

CITY OF NEW BRAUNFELS, TEXAS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (page 1 of 2)

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

	Fiscal Year			
	2014	2015	2016	2017
Revenues				
Taxes	\$ 52,201	\$ 55,205	\$ 57,652	\$ 65,735
Licenses and permits	2,581	3,052	3,606	3,943
Intergovernmental	152	242	228	1,759
Charges for services	3,133	3,573	4,439	5,068
Fines and forfeitures	1,235	1,743	1,642	1,925
Parks and recreation	1,883	2,307	2,656	2,216
Interest	87	46	241	468
Federal grants*	1,990	758	2,117	-
State and local grants*	312	368	194	-
Other contributions	3,594	3,374	4,804	4,570
Miscellaneous	2,565	3,466	2,751	3,791
Total Revenues	<u>69,733</u>	<u>74,134</u>	<u>80,330</u>	<u>89,475</u>
Expenditures				
General government	12,490	11,695	16,791	11,594
Finance and tax	848	855	900	1,011
Planning and environmental development	2,729	2,983	3,331	3,796
Public safety	30,207	31,134	34,926	35,078
Public works	18,319	15,231	21,618	28,965
Parks and recreation	18,797	11,645	5,431	5,474
Library	2,059	2,187	2,006	2,136
Civic/convention center	61	296	89	-
Airport	1,977	407	1,534	1
Debt service				
Principal	6,775	7,805	8,319	10,550
Interest	4,762	5,056	5,977	7,274
Other	414	551	462	97
Total Expenditures	<u>99,438</u>	<u>89,845</u>	<u>101,384</u>	<u>105,976</u>
(Deficiency) of Revenues				
(Under) Expenditures	<u>(29,705)</u>	<u>(15,711)</u>	<u>(21,054)</u>	<u>(16,501)</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 68,595	\$ 76,136	\$ 79,279	\$ 91,315	\$ 100,091	\$ 104,973
4,178	5,265	5,653	7,158	7,318	6,680
3,819	1,403	2,394	5,853	686	3,044
5,306	5,582	6,014	5,890	7,970	8,304
1,800	1,755	1,256	1,410	2,794	2,527
2,278	5,496	3,280	6,656	11,272	14,943
966	2,299	999	204	1,109	8,600
-	-	-	-	-	-
-	-	-	-	-	-
3,683	4,215	4,687	6,128	5,588	8,025
4,837	3,716	4,567	5,232	4,876	6,661
95,462	105,867	108,129	129,845	141,704	163,758
11,302	12,446	14,088	12,851	14,056	20,376
1,037	1,159	1,288	1,280	1,442	1,619
3,435	3,626	3,881	4,391	4,434	5,423
37,840	38,016	40,963	44,089	48,764	56,122
34,243	26,191	40,391	53,755	49,339	40,285
6,482	8,165	9,180	9,865	13,218	12,344
2,224	2,378	2,395	2,205	3,108	3,091
-	-	-	-	-	-
-	-	-	-	24	72
10,601	10,365	13,990	16,535	18,165	20,305
6,881	9,108	10,375	9,531	9,926	10,505
5	41	199	540	597	6,234
114,050	111,495	136,748	155,042	163,073	176,376
(18,588)	(5,628)	(28,619)	(25,197)	(21,369)	(12,619)

CITY OF NEW BRAUNFELS, TEXAS

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

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

	Fiscal Year			
	2014	2015	2016	2017
Other Financing Sources (Uses)				
Transfer in	\$ 3,827	\$ 4,923	\$ 4,757	\$ 7,835
Transfer out	(1,491)	(2,017)	(2,847)	(5,330)
Issuance of debt	24,095	35,940	37,360	5,255
Premium (discount) on debt issuance	1,016	3,309	5,953	-
Payment to bond escrow agent	-	(17,101)	(14,799)	(5,165)
Sale of assets	369	301	39	157
Capital lease	-	-	757	375
Loan payable	673	-	-	-
Total Other Financing Sources	<u>28,489</u>	<u>25,355</u>	<u>31,220</u>	<u>3,127</u>
Net Change in Fund Balances	<u>\$ 12,778</u>	<u>\$ 4,301</u>	<u>\$ 14,719</u>	<u>\$ (15,461)</u>
Debt service as a percentage of noncapital expenditures	15.3%	17.0%	18.7%	20.9%

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

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

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 9,441	\$ 19,664	\$ 9,475	\$ 8,729	\$ 9,294	\$ 12,176
(7,181)	(17,266)	(7,164)	(6,441)	(7,264)	(9,898)
24,620	35,160	62,240	41,750	46,895	-
1,594	2,045	10,644	4,807	4,456	-
-	-	-	(11,233)	(24,699)	-
6	199	19	217	267	564
-	-	-	-	-	750
(258)	-	-	-	-	-
28,222	39,802	75,214	37,829	28,949	3,592
\$ 22,594	\$ 11,183	\$ 50,017	\$ 37,829	\$ 7,580	\$ (9,027)
18.8%	20.0%	22.2%	23.8%	22.2%	22.2%

CITY OF NEW BRAUNFELS, TEXAS

GENERAL GOVERNMENTAL TAX REVENUE BY SOURCE

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

	Fiscal Year			
	2014	2015	2016	2017
Revenue				
Property tax	\$ 21,311	\$ 24,115	\$ 25,823	\$ 30,628
Sales tax	18,613	23,978	19,077	21,008
Franchise fees	1,805	1,961	1,934	1,784
Utilities franchise fees	6,478	6,474	6,970	7,805
Hotel occupancy tax	3,604	3,813	3,767	3,994
Mixed beverage tax	390	439	472	516
Total Revenue	\$ 52,201	\$ 60,780	\$ 58,043	\$ 65,735

Data Source: City ACFRs and detailed financial records

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 30,659	\$ 37,802	\$ 40,537	\$ 44,386	\$ 47,775	\$ 52,102
21,997	23,675	25,606	31,329	34,519	34,517
1,840	1,770	1,552	1,670	1,821	1,921
7,909	8,121	8,204	8,833	9,907	10,794
4,070	4,001	2,872	4,412	5,230	4,894
583	649	508	683	839	938
<u>\$ 67,058</u>	<u>\$ 76,018</u>	<u>\$ 79,279</u>	<u>\$ 91,314</u>	<u>\$ 100,091</u>	<u>\$ 105,166</u>

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

	Fiscal Year			
	2014	2015	2016	2017
Real property	\$ 4,917,972	\$ 5,528,399	\$ 6,138,209	\$ 6,716,299
Personal	395,771	426,910	540,437	512,991
Less: Tax Exempt Property	904,189	1,047,373	1,050,021	1,150,855
Total Taxable Assessed Valuation (1)	<u>\$ 4,409,554</u>	<u>\$ 4,907,936</u>	<u>\$ 5,628,625</u>	<u>\$ 6,078,435</u>
Total Direct Tax Rate	\$ 0.49823	\$ 0.49823	\$ 0.49823	\$ 0.48822
Estimated Actual Taxable Value	\$ 4,409,554	\$ 4,907,936	\$ 5,628,625	\$ 6,078,435
Assessed Value as a Percentage of Actual Value	82.98%	82.41%	84.28%	84.08%

Source: Comal County Appraisal District

(1) Assessed Actual Values are net of local option over-65 exemptions, state mandated agricultural exemptions, and disabled veterans' exemptions.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 7,584,703	\$ 8,406,848	\$ 9,297,167	\$ 10,497,424	\$ 10,402,273	\$ 12,559,483
564,298	625,957	639,947	681,287	678,446	842,285
1,352,207	1,455,217	1,634,543	1,835,996	2,069,096	2,741,601
<u>\$ 6,796,794</u>	<u>\$ 7,577,588</u>	<u>\$ 8,302,571</u>	<u>\$ 9,342,715</u>	<u>\$ 9,011,623</u>	<u>\$ 10,660,167</u>
\$ 0.48822	\$ 0.48822	\$ 0.48822	\$ 0.48319	\$ 0.47538	\$ 0.41394
\$ 6,796,794	\$ 7,577,588	\$ 8,302,571	\$ 9,342,715	\$ 9,011,623	\$ 10,660,167
83.41%	83.89%	83.55%	83.58%	81.33%	79.54%

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

		Fiscal Year			
		2014	2015	2016	2017
City of New Braunfels Tax Rates:					
General government		\$ 0.278080	\$ 0.278080	\$ 0.278080	\$ 0.278080
Debt service		0.220150	0.220150	0.220150	0.220150
Total Direct Rates		\$ 0.498230	\$ 0.498230	\$ 0.498230	\$ 0.498230
Overlapping Tax Rates (2):					
Comal County	\$	0.292821	0.292921	0.292821	0.307821
Guadalupe County		0.336100	0.331100	0.331100	0.326900
Navarro ISD		1.420000	1.390000	1.390000	1.350000
New Braunfels ISD		1.339100	1.339100	1.339100	1.339100
Comal ISD		1.390000	1.390000	1.390000	1.390000
Total Direct and Overlapping Rates (1)(2)	\$	5.276251	5.241351	5.241251	5.212051

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

(1) Tax rate is per \$100 of taxable assessed value.

(2) Overlapping rates are those of local and county governments that apply to property owners within the City. Overlapping rates are shown for each of the three school districts servicing the City. The total tax rate for a parcel in 2021 would be between \$2.05 and \$2.17 depending on the overlapping jurisdiction the parcel was located.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 0.288370	\$ 0.278370	\$ 0.273720	\$ 0.255238	\$ 0.247393	\$ 0.205000
0.199850	0.209850	0.214498	0.227956	0.227983	0.208936
<u>\$ 0.488220</u>	<u>\$ 0.488220</u>	<u>\$ 0.488218</u>	<u>\$ 0.483194</u>	<u>\$ 0.475376</u>	<u>\$ 0.413936</u>
\$ 0.295191	\$ 0.322415	\$ 0.358515	\$ 0.314000	\$ 0.248900	\$ 0.226200
0.330900	0.331900	0.335400	0.329900	0.293900	0.273100
1.350000	1.275930	1.262300	1.185200	1.343500	1.140100
1.365800	1.295800	1.223300	1.197800	1.195400	1.041900
1.390000	1.320000	1.275700	1.292000	1.274600	1.089200
<u>\$ 5.220111</u>	<u>\$ 5.034265</u>	<u>\$ 4.943433</u>	<u>\$ 4.802094</u>	<u>\$ 4.831676</u>	<u>\$ 4.184436</u>

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CITY OF NEW BRAUNFELS, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Property Taxpayer	2023			2014		
	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation
Central Texas Corridor Hospital LLC	\$ 138,007,100	1	1.3%	\$ 84,260,253	2	1.9%
Walmart Inc #6016	136,623,070	2	1.3%	19,036,140	9	0.4%
A L 95 Creekside Town Center LP	129,429,330	3	1.2%	85,165,740	1	1.9%
Kahlig Enterprises INC	72,268,445	4	0.7%	26,103,514	4	0.6%
CNC-SWAGAT FOUR LP	70,000,000	5	0.7%	-	-	0.0%
Rush Enterprises	67,071,749	6	0.6%	54,761,820	3	1.2%
BMEF Creekside Fund LLC	66,388,970	7	0.6%	-	-	0.0%
CGT, US Limited	65,243,960	8	0.6%	-	-	0.0%
HEB Grocery CO LP	61,012,213	9	0.6%	-	-	0.0%
Grey Forest Development LLC	60,765,724	10	0.6%	-	-	0.0%
Villas at Sundance I LLC ET AL	-		0.0%	21,535,750	5	0.5%
Buc ees LTD & Turner						
Family Prtnrshp LTD	-		0.0%	20,551,180	6	0.5%
Western Rim Investors 2011 2 LP	-		0.0%	20,283,199	7	0.5%
LPF Westpoint LLC	-		0.0%	20,049,270	8	0.5%
Augusta Gruene Apartments LP	-			17,346,330	10	0.4%
Subtotal	866,810,561		8.13%	369,093,196		8.37%
Other Taxpayers	9,793,356,439		91.87%	4,040,460,804		
Total	\$ 10,660,167,000		100.00%	\$ 4,409,554,000		

Source: Comal County Tax Assessor-Collector's Office

CITY OF NEW BRAUNFELS, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

(amounts expressed in thousands)

Fiscal Year	Tax Year	Tax Rate	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy	
				Amount Collected	Percentage of Levy
2014	2013	\$ 0.498230	\$ 21,493	\$ 21,251	98.87%
2015	2014	\$ 0.498230	\$ 24,003	\$ 23,817	99.23%
2016	2015	\$ 0.498230	\$ 27,061	\$ 26,830	99.15%
2017	2016	\$ 0.498230	\$ 29,510	\$ 29,287	99.24%
2018	2017	\$ 0.488220	\$ 32,194	\$ 32,002	99.40%
2019	2018	\$ 0.488220	\$ 35,930	\$ 35,560	98.97%
2020	2019	\$ 0.488220	\$ 39,994	\$ 39,507	98.78%
2021	2020	\$ 0.483194	\$ 44,750	\$ 43,379	96.94%
2022	2021	\$ 0.475376	\$ 47,204	\$ 44,753	94.81%
2023	2022	\$ 0.413935	\$ 51,218	\$ 50,113	97.84%

Source: Comal County Tax Assessor or City ACFR

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

Collected in Subsequent Years		Total Collections to Date	
Amount Collected		Amount Collected	Percentage of Levy
\$ 12		\$ 21,263	98.93%
\$ 178		\$ 23,995	99.97%
\$ 133		\$ 26,963	99.64%
\$ 136		\$ 29,423	99.70%
\$ 60		\$ 32,062	99.59%
\$ 201		\$ 35,761	99.53%
\$ 368		\$ 39,875	99.70%
\$ 153		\$ 43,532	97.28%
\$ 225		\$ 44,978	95.28%
\$ -		\$ 50,113	97.84%

CITY OF NEW BRAUNFELS, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

(amounts expressed in thousands, except per capita amount)

	Fiscal Year			
	2014	2015	2016	2017
Governmental Activities:				
General obligation bonds	\$ 34,685	\$ 52,730	\$ 99,243	\$ 100,656
Certificates of obligation	100,970	95,585	76,178	64,345
Contract revenue obligations	27,950	26,745	25,555	24,325
Loan payable	673	553	534	467
Capital lease payable	-	-	757	944
Subtotal	<u>164,278</u>	<u>175,613</u>	<u>202,267</u>	<u>190,737</u>
Business-Type Activities:				
Leases	-	-	-	-
Loan payable	721	593	363	182
Subtotal	<u>721</u>	<u>593</u>	<u>363</u>	<u>182</u>
Government-Wide:				
General obligation bonds	34,685	52,730	99,243	100,656
Certificates of obligation	100,970	95,585	76,178	64,345
Contract revenue obligations	27,950	26,745	25,555	24,325
Leases	-	-	-	-
Loan payable	1,394	1,146	897	649
Capital lease payable	-	-	757	944
Total Government-Wide	<u>\$ 164,999</u>	<u>\$ 176,206</u>	<u>\$ 202,630</u>	<u>\$ 190,919</u>
Percentage of Personal Income (1)	7.39%	5.75%	5.97%	5.60%
Per Capita (1)	\$ 2,619	\$ 2,654	\$ 2,872	\$ 2,581

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 111,150	\$ 139,704	\$ 187,874	\$ 222,588	\$ 258,399	\$ 239,659
58,950	67,880	78,615	62,890	34,970	32,905
23,055	21,740	20,380	18,975	17,525	16,025
401	337	273	207	541	3,678
1,786	1,352	916	664	-	-
195,342	231,013	288,058	305,324	311,435	292,266
-	-	-	-	82	55
-	-	-	-	-	-
-	-	-	-	82	55
111,150	139,704	187,874	222,588	258,399	239,659
58,950	67,880	78,615	62,890	34,970	32,905
23,055	21,740	20,380	18,975	17,525	16,025
-	-	-	-	82	55
401	337	273	207	541	3,678
1,786	1,352	916	664	-	-
\$ 195,342	\$ 231,013	\$ 288,058	\$ 305,324	\$ 311,517	\$ 292,321
4.69%	5.27%	6.16%	6.01%	5.33%	4.43%
\$ 2,468	\$ 2,814	\$ 3,186	\$ 3,116	\$ 3,151	\$ 2,800

CITY OF NEW BRAUNFELS, TEXAS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Years

(amounts expressed in thousands, except per capita amount)

	Fiscal Year			
	2014	2015	2016	2017
Estimated Actual Taxable Value of Property	\$ 4,409,554	\$ 4,907,936	\$ 5,628,625	\$ 6,078,435
General obligation bonds and certificates of obligation	\$ 34,685	\$ 52,730	\$ 88,385	\$ 165,001
Less: amounts available in debt service fund	1,279	1,418	1,577	2,237
Total	\$ 33,406	\$ 51,312	\$ 86,808	\$ 162,764
Percentage of Estimated Actual Taxable Value of Property	0.76%	1.05%	1.54%	2.68%
Per Capita (1)	\$ 540	\$ 815	\$ 1,307	\$ 2,307

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 6,796,794	\$ 7,577,588	\$ 8,302,571	\$ 9,342,715	\$ 9,011,623	\$ 10,660,167
\$ 170,100	\$ 207,584	\$ 266,489	\$ 285,478	\$ 293,369	\$ 272,564
1,310	1,806	2,243	2,773	2,779	3,023
<u>\$ 168,790</u>	<u>\$ 205,778</u>	<u>\$ 264,246</u>	<u>\$ 282,706</u>	<u>\$ 290,590</u>	<u>\$ 269,541</u>
2.48%	2.72%	3.18%	3.03%	3.22%	2.53%
\$ 2,282	\$ 2,600	\$ 3,219	\$ 3,127	\$ 2,939	\$ 2,582

CITY OF NEW BRAUNFELS, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2023

Government Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to Primary Government
New Braunfels ISD	\$ 529,379,000	78.10%	\$ 413,444,999
Comal ISD	1,092,450,214	18.65%	203,741,965
Navarro ISD	116,831,494	1.59%	1,857,621
Guadalupe County	10,610,000	11.25%	1,193,625
Comal County	38,580,000	43.16%	16,651,128
Marion ISD	112,200,000	32.53%	36,498,660
	<u>63,445,000</u>	0.01%	<u>6,345</u>
Subtotal, overlapping debt	<u>1,963,495,708</u>		<u>673,394,342</u>
City Direct Debt	<u><u>\$ 296,965,000</u></u>	100.00%	<u><u>296,965,000</u></u>
Total Direct and Overlapping Debt			<u><u>\$ 970,359,342</u></u>

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the government's taxable assessed value that is within the government's boundaries and dividing it by the government's total taxable assessed value.

CITY OF NEW BRAUNFELS, TEXAS

LEGAL DEBT MARGIN INFORMATION

Last Ten Years

(amounts expressed in thousands)

	Fiscal Year			
	2014	2015	2016	2017
Debt Limit	\$ 531,374	\$ 595,531	\$ 667,865	\$ 722,929
Total Net Debt Applicable to Limit	34,685	52,730	88,385	165,001
Total	\$ 496,689	\$ 542,801	\$ 579,480	\$ 557,928
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	6.53%	8.85%	13.23%	22.82%

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed Value	\$ 10,660,167
Add Back: Exempt Real Property	2,741,601
Total Assessed Value	13,401,768
Debt Limit (10% of Total Assessed Value)	1,340,177
Debt Applicable to Limit:	
General Obligation Bonds	239,659
Legal Debt Margin	<u>\$ 1,100,518</u>

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 820,355	\$ 903,281	\$ 993,711	\$ 1,117,871	\$ 1,108,072	\$ 1,340,177
171,015	139,704	187,874	222,588	258,399	239,659
<u>\$ 649,340</u>	<u>\$ 763,577</u>	<u>\$ 805,837</u>	<u>\$ 895,283</u>	<u>\$ 849,673</u>	<u>\$ 1,100,518</u>
20.85%	15.47%	18.91%	19.91%	23.32%	17.88%

CITY OF NEW BRAUNFELS, TEXAS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2023			2014		
	Employees	Percentage of Total Employment	Rank	Employees	Percentage of Total Employment	Rank
Comal ISD	3,550	26.77%	1	2,400	25.41%	1
Schlitterbahn Water Park	3,000	22.62%	2	1,863	19.73%	2
New Braunfels ISD	1,302	9.82%	3	1,050	11.12%	3
Wal-Mart Distribution Center	1,200	9.05%	4	1,035	10.96%	4
Hunter Industries	873	6.58%	5	586	6.20%	6
Comal County	805	6.07%	6	613	6.49%	5
City of New Braunfels	800	6.03%	7	538	5.70%	7
TaskUs	620	4.67%	8	-	0.00%	-
Christus Santa Rosa Hospital	585	4.41%	9	534	5.65%	8
Rush Enterprises	528	3.98%	10	-	0.00%	-
HD Supply	-	0.00%	-	520	5.51%	9
Checks in the Mail, Inc.	-	0.00%	-	305	3.23%	10
	<u>13,263</u>	<u>100.00%</u>		<u>9,444</u>	<u>100.00%</u>	

Source: Greater New Braunfels Chamber of Commerce

CITY OF NEW BRAUNFELS, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Years

Fiscal Year Ended Sept. 30	Population⁽¹⁾	Total Wages All Industries⁽²⁾ (expressed in thousands)	Per Capita Personal Income⁽²⁾ (expressed in thousands)	Average Annual Pay All Industries⁽²⁾	Public School Enrollment⁽³⁾	Unemployment Rate
2014	62,998	\$ 2,232,220	\$ 35.43	\$ 43,800	8,441	3.8%
2015	66,394	\$ 3,064,162	\$ 46.15	\$ 46,871	8,438	2.9%
2016	70,543	\$ 3,394,824	\$ 48.12	\$ 51,558	8,438	3.5%
2017	73,959	\$ 3,407,192	\$ 46.07	\$ 46,883	8,583	3.3%
2018	79,152	\$ 4,168,203	\$ 52.66	\$ 42,234	8,950	3.2%
2019	82,081	\$ 4,384,612	\$ 53.42	\$ 43,921	9,126	2.9%
2020	90,403	\$ 4,674,477	\$ 51.71	\$ 45,700	9,537	6.6%
2021	97,983	\$ 5,076,170	\$ 51.81	\$ 49,803	9,282	3.9%
2022	98,857	\$ 5,842,150	\$ 59.10	\$ 53,604	9,671	3.3%
2023	104,407	\$ 6,598,334	\$ 63.20	\$ 60,105	10,213	3.5%

Data sources:

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

(2) Total wages and average annual pay are for Comal and Guadalupe counties combined. Data provided by the Bureau of Labor Statistics.

(3) School enrollment includes only New Braunfels ISD.

Total growth data pulled from 10 year enrollment forecast NBISD

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
City Secretary	3.00	3.00	3.00	3.50	3.50	3.50	3.75	3.00	4.00	4.00
City Attorney	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00
City Manager's Office	5.00	5.00	5.00	6.00	6.00	7.00	7.00	4.00	4.00	4.00
Communications and Community Engagement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.00	4.00	5.00
Economic and Community Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.75	2.75	2.75
Information Technology	0.00	7.00	11.00	11.00	12.00	14.00	14.00	14.00	16.00	18.00
Human Resources	7.00	7.00	7.00	8.00	8.00	8.00	9.00	9.00	10.00	10.75
Finance	17.00	10.00	11.00	11.00	11.00	12.00	13.00	13.00	13.75	15.50
Municipal Court	9.00	9.00	9.00	9.00	9.00	9.00	9.00	10.00	10.00	11.50
Police	136.50	143.00	149.00	155.00	159.00	168.00	175.00	178.00	184.00	191.75
Fire	134.00	134.00	134.00	137.00	138.00	138.00	138.00	138.00	144.00	151.00
Planning and Community Development	30.00	31.00	32.00	35.00	36.00	36.00	39.00	39.00	39.00	40.75
Transportation and Capital Improvements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.75
Planning and Comm. Devel. - Main Street	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00
Parks and Recreation	150.50	161.50	160.50	162.50	252.75	260.75	272.25	270.50	289.50	288.50
Public Works	43.50	45.50	51.00	53.00	57.00	65.00	62.00	67.00	70.00	56.00
Library	28.50	28.25	28.25	28.25	28.25	28.75	28.50	29.00	32.50	33.00
Total General Fund	569.00	589.25	605.75	624.25	725.50	755.00	775.50	785.25	828.50	853.25
Golf Course Fund	12.50	17.00	17.00	17.00	17.00	15.00	17.00	17.00	20.00	19.00
Airport Fund	7.00	7.00	7.00	7.00	7.00	9.00	9.00	9.00	10.00	12.00
Solid Waste Fund	49.50	52.50	52.50	54.00	54.00	57.00	59.00	61.00	66.00	55.00
Capital Project Funds**	6.50	8.00	9.00	9.00	9.00	5.00	5.00	0.00	0.00	0.00
Civic/Convention Center Fund	8.50	8.50	8.50	8.50	8.50	8.50	9.00	9.00	9.00	9.25
River Activities Fund	54.50	54.50	55.50	74.00	73.50	74.00	74.00	74.00	73.75	73.75
Facilities Maint. Fund	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CDBG Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EAHCP Fund	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Juvenile Case Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Child Safety Fund	14.00	14.00	14.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Development Services Fund	0.00	0.00	0.00	0.00	0.00	0.00	3.00	3.00	4.00	5.00
Total Funds	724.50	753.75	771.25	795.75	896.50	925.50	953.50	960.25	1,013.25	1,029.25

Source: City of New Braunfels Annual Budget

Full-time and seasonal positions = 1 position

Part-time position = .5 position

**Positions supported by both Capital Project Funds and the General Fund. 4 employees were reclassified out of the Capital Projects Funds and into the General Fund.

CITY OF NEW BRAUNFELS, TEXAS

OPERATING INDICATORS BY FUNCTION

Last Ten Years

Function	Fiscal Year			
	2014	2015	2016	2017
Police				
Response time for priority calls	7:34	6:50	6:30	6:42
Number of DWI Arrests	304	387	379	419
Fire				
Response times - structure fire	7:15	6:50	7:04	6:55
Response times - EMS	7:13	6:27	6:00	5:57
Smoke detectors issued/inspected/updated	420	440	425	450
Public Works				
Percentage of commercial and residential permit reviews completed within twenty business days	N/A	N/A	N/A	43%
Permits reviewed and completed	360	497	514	680
Number of plat reviews completed	N/A	N/A	N/A	234
Number of street service requests processed	N/A	N/A	N/A	532
Acres of right-of-way mowed	188	188	188	188
Construction stormwater inspections completed	N/A	N/A	N/A	360
Solid Waste				
Waste diverted from landfill	29%	29%	30%	33%
Residential operating cost per ton collected	\$ 73.00	\$ 51.39	\$ 71.89	\$ 68.61
Parks and Recreation				
Recreation programs participants	3,918	6,499	6,478	7,318
Das Rec memberships	N/A	N/A	N/A	N/A
Athletic leagues teams participants (including Das Rec)	233	219	213	247
Golf course rounds played	N/A	34,396	39,175	38,250
Planning and Community Development				
Residential building permits issued	2,302	2,185	3000	2687
Commercial building permits issued	344	446	400	481
Calls for service - animal control	7,349	8,404	7,800	6,030
Historic landmark designations	2	4	3	2
Airport Operations				
Flight operations annually	45,000	42,475	48,000	53,407
Gallons of fuel sold	399,151	370,915	445,000	500,000
Library				
Visitors annually	285,000	282,335	290,000	284,437
Annual circulation of library materials	828,426	781,603	850,000	905,000
Database accesses	45,780	48,557	45,000	65,000
Municipal Court				
Percentage of cases closed in 30 days or less	N/A	N/A	N/A	30%
Number of new cases filed	N/A	N/A	N/A	13,720
River				
Wristbands sold - private tubers	N/A	N/A	N/A	73,414
Wristbands sold - outfitter tubers	N/A	N/A	N/A	228,109
Bags of Litter Recovered	-	-	-	-

Source: Various City departments
CONB FY 2024 Budget Document

Fiscal Year						
2018	2019	2020	2021	2022	2023	
7:27	7:28	7:25	7:20	7:20	7:50	
382	353	400	360	385	700	
6:38	7:15	7:15	6:30	6:30	6:30	
6:51	5:37	5:16	6:30	6:00	5:30	
450	518	578	722	800	711	
43%	46%	52%	88%	90%	54%	
791	577	585	351	432	310	
157	154	85	184	N/A	N/A	
531	556	517	545	566	450	
188	220	220	188	200	188	
778	1,071	1,000	1,000	1,100	600	
30%	30%	28%	29%	26%	26%	
\$ 62.02	\$ 66.62	\$ 57.27	\$ 53.27	\$ 60.32	\$ 64.56	
8,363	10,806	8,757	5,616	9,500	7,000	
4,900	6,208	5,500	4,873	5,200	17,896	
193	709	666	601	665	340	
39,673	43,213	36,924	50,000	48,000	59,049	
2,870	3,736	3,600	3,633	3,600	7,918	
434	1,267	1,290	517	550	1,349	
6,762	7,721	7,100	7,843	7,594	9,109	
2	2	2	2	2	3	
52,000	67,861	68,888	62,982	66,386	71,151	
518,667	555,045	446,000	550,159	500,000	725,526	
293,146	277,680	175,000	100,000	300,000	200,000	
914,556	1,063,122	800,000	750,000	1,200,000	800,000	
85,619	94,335	45,000	25,000	100,000	100,000	
22%	27%	30%	N/A	N/A	26%	
13,720	14,988	9,750	10,000	13,700	13,845	
66,919	71,515	58,200	51,610	65,000	55,926	
184,153	177,436	194,800	187,391	185,000	254,969	
-	-	234	210	273	382	

CITY OF NEW BRAUNFELS, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Years

Function	Fiscal Year			
	2014	2015	2016	2017
General Government				
City vehicles	291	320	360	380
Public Safety				
Police stations	1	1	1	1
Fire stations	6	6	6	6
Highways and Streets				
Streets (miles)	323	323	323	354
Area in square miles	2	2	2	2
Culture and Recreation				
Park acreage	373	435	435	435
Swimming pools	2	2	2	2
Golf course	1	1	1	1
Recreation center	1	1	1	1

Source: Various City departments

Fiscal Year					
2018	2019	2020	2021	2022	2023
412	453	455	475	496	488
1	1	1	1	1	1
6	6	6	6	6	6
368	342	345	353	360	370
2	2	2	2	2	2
557	709	684	747	747	852
4	5	5	5	5	5
1	1	1	1	1	1
2	2	2	2	2	2

