



FOR THE PERIOD ENDING SEPTEMBER 30, 2020

City of New Braunfels FY 2019-20



COMPREHENSIVE ANNUAL FINANCIAL REPORT

NEW BRAUNFELS, TEXAS





MISSION STATEMENT:

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

CORE VALUES:

Integrity

We operate with integrity, holding ourselves to the highest standards of performance, transparency, accountability, and ethical conduct.

Service

We are responsive and respectful to those we serve with an attitude that everything is worth our best effort.

Visionary Leadership

We anticipate needs, looking to our community's future, and execute to achieve our goals.

Stewardship of Local Resources

We use our resources responsibly. We treasure our unique heritage and natural environment and wish to preserve them for future generations.

Fiscal Responsibility

Our decisions reflect sound fiscal management and prudence.

History of New Braunfels

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

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

The first wagon of German immigrants arrived on Good Friday, March 21, 1845. Prince Solms and his engineer, Nicholas Zink, selected a town site. The town had an open square with streets radiating out at right angles. The original town included 342 lots, each with a narrow street frontage so that the town

could remain compact and defensible yet provide street frontage to as many lots as possible. This urban plan was popular in German scholarship of the nineteenth century, set New Braunfels apart from other Texas towns and is still evident today.

Faust Street Bridge



*COMPREHENSIVE
ANNUAL FINANCIAL REPORT*

of the

CITY OF NEW BRAUNFELS, TEXAS

For the Year Ended
September 30, 2020

Prepared by
Finance Department

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CITY OF NEW BRAUNFELS, TEXAS

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INTRODUCTORY SECTION



April 21, 2021

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

The Comprehensive Annual Financial Report for the City of New Braunfels, Texas (the “City”) for the fiscal year (FY) ended September 30, 2020 is hereby submitted. This report was prepared through the cooperative efforts of the Finance Department and the City’s independent auditors. The purpose of the report is to provide the City Council, management, staff, the public, and other interested parties with detailed information reflecting the City’s financial condition.

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

The City Charter requires an independent auditing firm to annually complete an audit of the books and accounts of every City department. The City’s financial statements have been audited by Belt Harris Pechacek, LLLP, a firm of licensed certified public accountants. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City’s financial statements for the fiscal year ended September 30, 2020 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.

PROFILE OF THE GOVERNMENT

New Braunfels is a dynamic and historic Texas community of about 90,000 located on Interstate 35, 30 miles north of San Antonio and 45 miles south of Austin. The population in 2019 was estimated at 90,209, which represents a 56 percent increase in population since the last official census figures were released. New Braunfels is the largest city in Comal County and serves as the County seat. The City's geographic boundaries encompass approximately 45.5 square miles. The City's history is one of the richest in Texas and is cherished by its residents who strive to preserve and protect their heritage that reflects both strong German and Hispanic influences. Often referred to as the "City of a Prince" (because it was founded by Prince Carl of Solms Braunfels), early New Braunfels became an important part of Texas civilization and industry. In the 1960's, the community became more committed to preserving its rich history and this has tied into the established tourism industry, a major factor in the economy of today's New Braunfels. Its prime location, endless entertainment options, natural amenities, and vibrant economy are just a few of the variables that have led to the continued growth in population.

As provided in its Home Rule Charter, a Mayor and a six-member City Council govern the City of New Braunfels. The Mayor is elected at large while the remaining City Council members represent the six City Council Districts of the City. All policy-making decisions are vested in the City Council. Among other duties, the City Council appoints a City Manager who directs the day-to-day operations of the City under guidelines and policies of the City Charter and the City Council and is responsible for presenting a Proposed Annual Budget and Plan of Municipal Services to City Council. Each City Council member is elected for a three-year term on a staggered basis. The City Charter limits service to two consecutive terms of office, and not more than three total terms in a lifetime. It should be noted that a special election has been called to modify the structure of Council term limits. If passed, the three-term limit would still exist; however, any Council member could serve all three continuously.

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 15. The City provides a full range of external services that include 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 Regional 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 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 two Tax Increment Reinvestment Zones (TIRZ). One encompasses the areas known as the Creekside Shopping Center and the other encompasses the area known as the "Milltown" area. A TIRZ board and local government authority were developed to issue bonds to be repaid to the developer for public infrastructure. The City Council appoints the board members and approves the annual budgets, as well. Therefore, City Management has included both of the TIRZ and the New Braunfels Development Authority (NBDA) as blended component units.

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 1 to September 30. The budget document also ensures that resource allocation aligns to the City's long-term financial planning and initiatives. The budget is proposed by the City Manager and adopted by the City Council in accordance with policies and procedures established by the City Charter, City Council ordinances, State requirements, and City policies. The budget is prepared and presented by fund (e.g., general fund), department (e.g., police) or function (e.g., debt service), and expenditure group (e.g., employee expenses, operations expenses, and capital expenses).

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

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

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

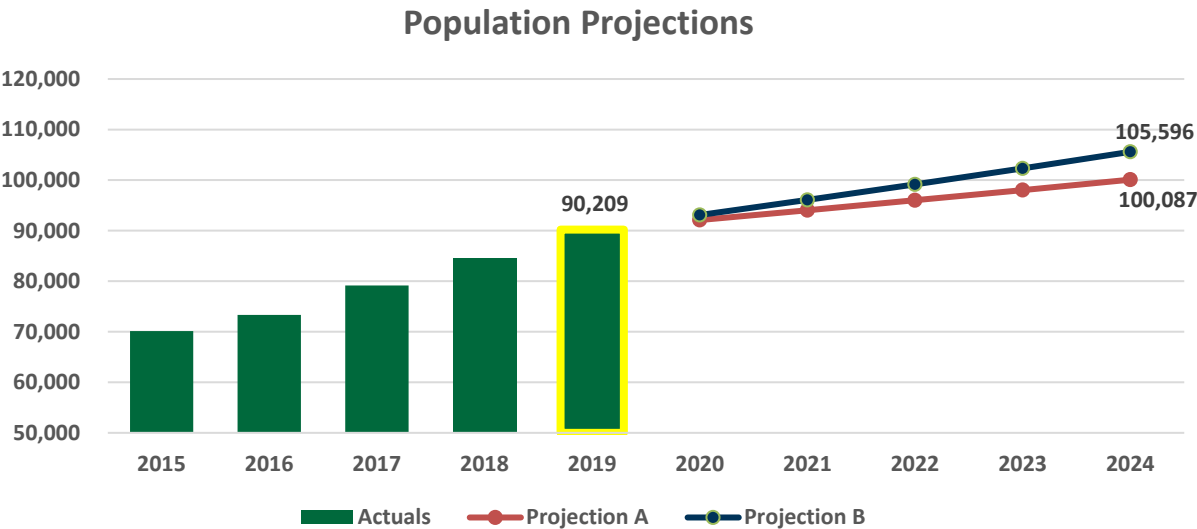


The City’s budget team facilitates a kickoff meeting in the early spring to instruct all City departments on their responsibilities regarding revenue/expenditure analysis and the creation of resource requests. City Management is provided performance and budget metrics to support the justification of new resource requests. The City Council will hold several public workshops in an effort 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.

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 an additional Council member, meet quarterly to review the latest financial report and 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 Comprehensive Annual Financial Report.

ECONOMIC CONDITION AND OUTLOOK

With the exception of some stagnation during the 2008-2010 recession, New Braunfels has been experiencing significant growth. In fact, the City has grown by over 100% since 2003. Every year, the census releases figures of the fastest growing cities in the country. New Braunfels has been the second fastest growing city in the nation for three out of the past four years. Recently, New Braunfels was recognized as the third fastest growing city in the country from 2010-2019 (collectively). The increase in population is driven by a number of factors such as quality of life and economic opportunity. The office of the State of Texas’ official demographer provides population projections for the state, MSA area(s) and counties. The graph below utilizes two of those projections for estimating the New Braunfels population during the forecast period. Projection A represents the San Antonio-New Braunfels MSA estimated annual growth rate of 2.1%, while Projection B represents the Comal County estimated annual growth rate (3.2%).

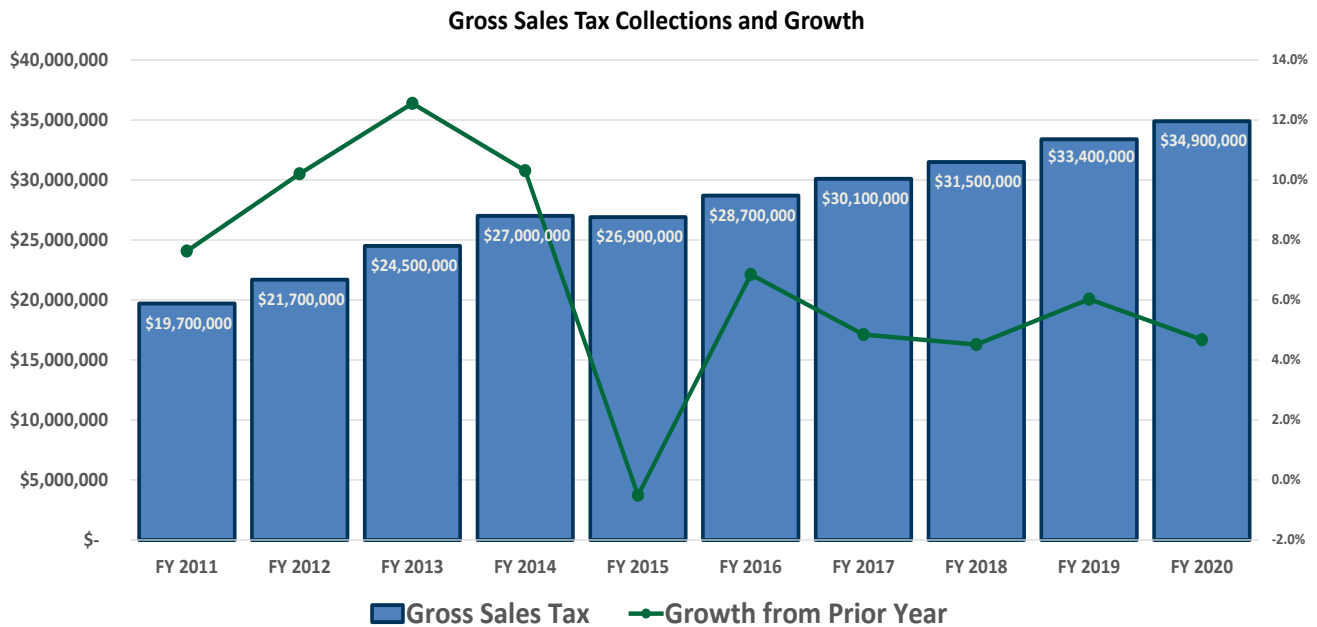


It is estimated that New Braunfels receives approximately 3.6 million visitors a year. A 2017 economic impact analysis found that the tourism industry accounted for approximately \$706.5 million in 2017 – an increase of 32.9 percent from the 2013 analysis. In 2017, the hospitality industry employed 7,764 direct workers and supported another 3,109 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 manufacturing, health care and social assistance, and retail trade. The government (school district, local, state, and federal), retail trade, accommodation and food services, health care and social assistance, construction, administrative and support, waste management and remediation services , respectively, provide the greatest number of jobs in the community.

COVID-19 – Like many other entities, the City of New Braunfels faced economic uncertainty as it relates to the pandemic. However, like previous economic downturns, at least in the short term, New Braunfels seems to have avoided major fiscal impacts. Utilizing a variety of funding sources, the City was also able to offer COVID relief to various private and non-profit entities through various grant programs. The organization did suffer negative impacts to certain revenue sources such as: interest earnings, ambulance services, fines and forfeitures and parks and recreation. To address these losses, the organization implemented a hiring freeze as well as other operational cost savings measures. In addition, other revenue sources were impacted less than initially thought, such as building permits and sales taxes. The graph below illustrates the variance between our conservative sales tax projections and the actuals.



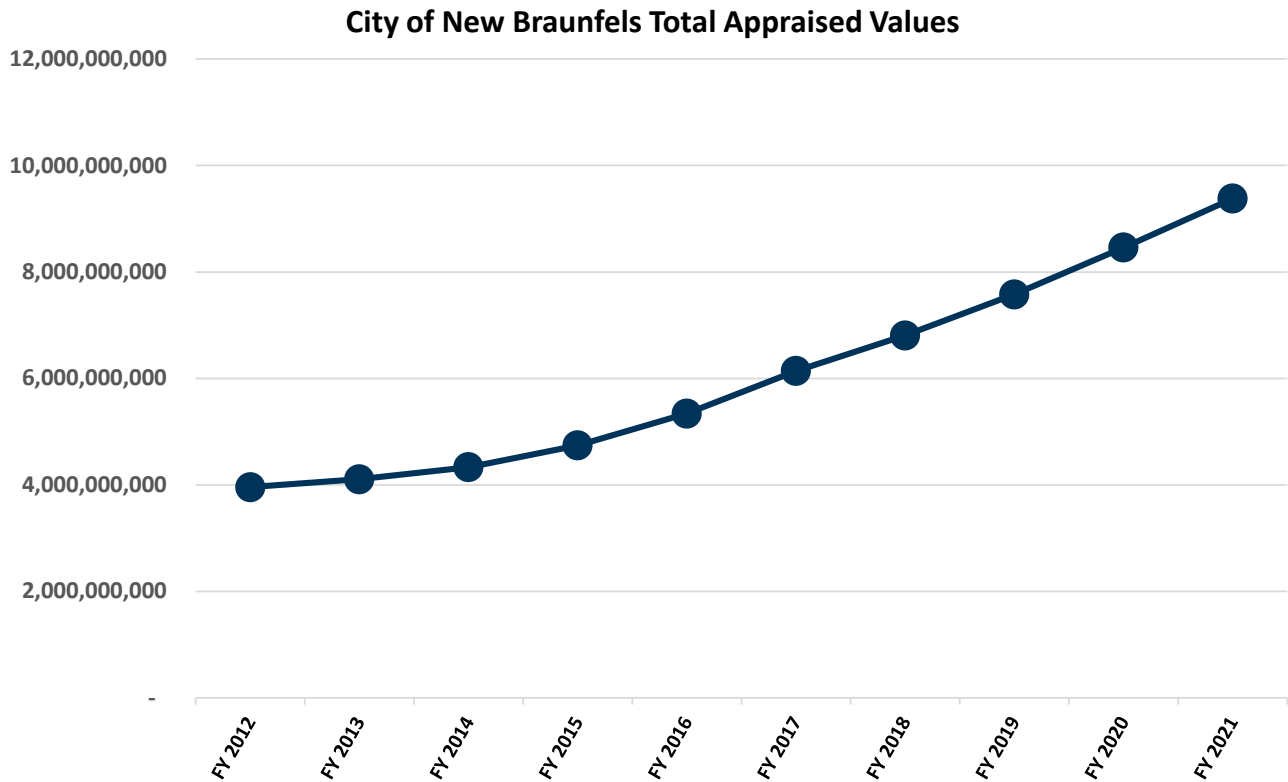
Sales Tax Activity - Sales taxes represent the largest source of revenue to the City’s General Fund. In addition, due to the positive effect that tourism has on our economy, sales tax collections are somewhat seasonal, with the largest monthly collection occurring during the summer. The following graph illustrates that, after the economic downturn, the City benefited from double digit growth in sales tax revenue, driven in large part by the addition of retail at the Creekside shopping center (TIRZ). In recent years, the growth has normalized, reflecting the continuation of new sales tax supporting businesses operating in New Braunfels, and inflation. FY 2015 was the only year in which the City saw a decline in sales tax collections, driven entirely by a change in legislation which redirected sales tax to point of sale as opposed to point of distribution. This diverted sales taxes from a major distribution center in New Braunfels to the communities in which the physical store was located.



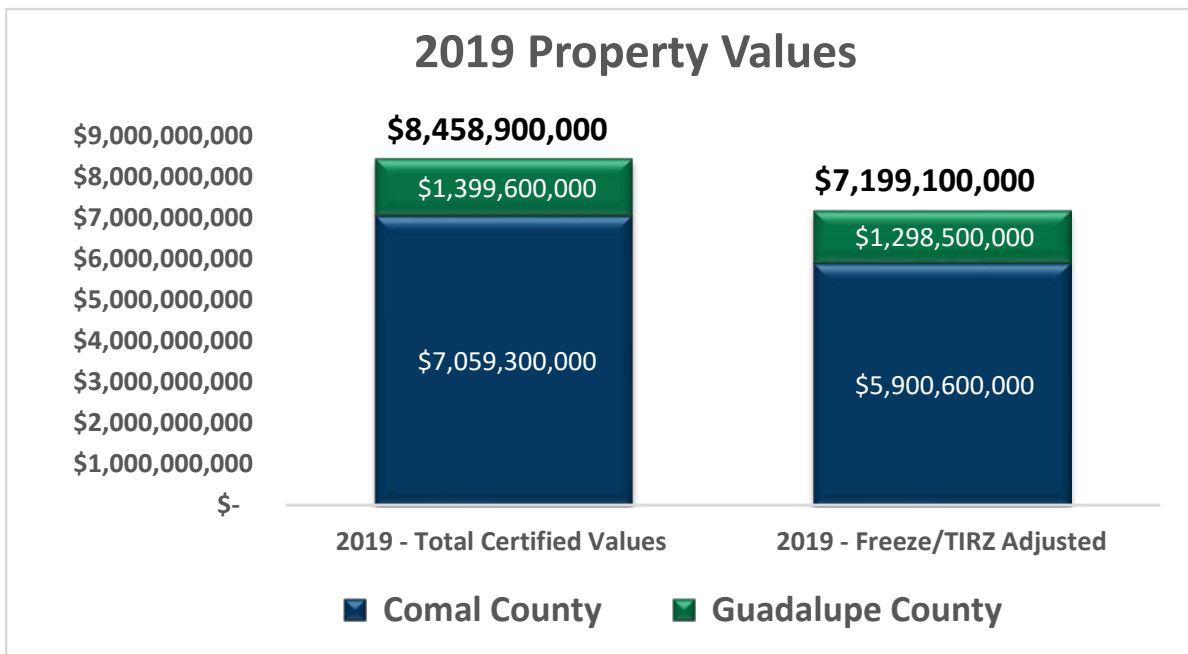
Legislative Update – During the 87th legislative session, there are two legislative items that our organization is closely following. First, there is a potential change to local sales tax sourcing. There has been legislation filed to shift Texas from an origin-based (sales taxes sourced at the place of business) to a destination-based model (sales taxes sourced at the point of delivery). Legislation has also been filed that would allow for certain exceptions and exemptions to destination-based sourcing. This change is very important to our organization as New Braunfels is home to HD Supply’s Texas customer service center. As one of the largest private employers in New Braunfels (approximately 500), the partnership that we have developed with HD Supply has resulted in a significant amount of annual sales tax collections, which is a contributing factor to our low property tax rate. It is estimated that a shift to destination sourcing would negatively impact our sales tax collections by approximately 10%.

Legislation has also been filed to modify the types of financing strategies that can be backed by the credit of our ad valorem taxes. If passed, only voter approved debt could be pledged to the Interest and Sinking (debt service) portion of the tax rate. As a result, our ability to utilize certificates of obligation and tax notes as a financing strategy would be greatly reduced. While we rarely issue certificates of obligation to support general government capital investments, our organization continues to utilize them to support investments by our NBEDC and Enterprise Funds. Pledging those direct revenues, as well as the credit of our ad valorem taxes, allows for much lower borrowing costs. If this legislation passes, our organization would be required to issue revenue bonds to support investments supported by those revenue sources.

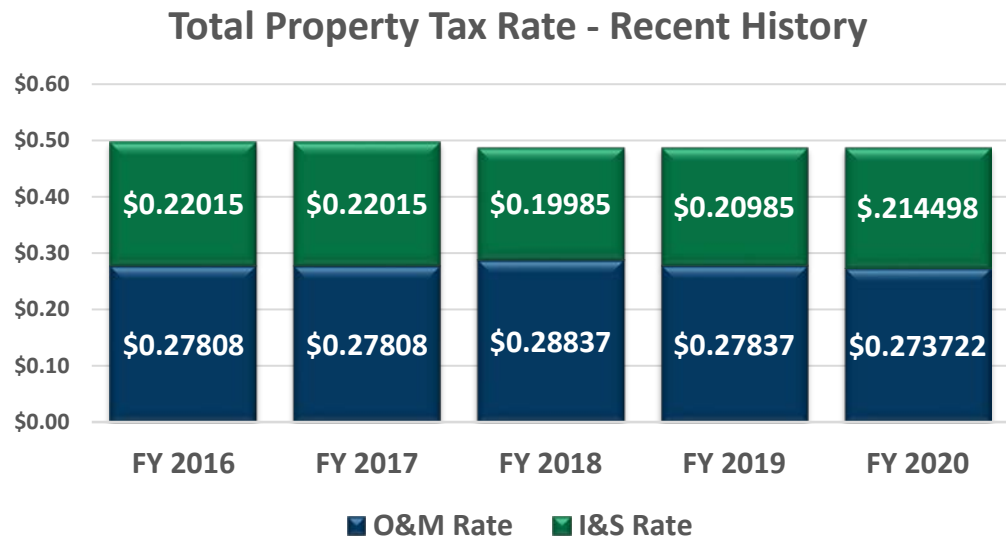
Property Values and Tax Rate - As mentioned earlier, the City of New Braunfels has been and continues to be recognized as one of the fastest growing cities in the country. The increase in population has also resulted in an increase in the demand for City services. As can be seen in the following graph, population growth has had a direct impact on the total increase in commercial, industrial, and residential property values. The graph provides the most current available data – through tax year 2020 (FY 2021).



For tax year 2019 (FY 2020), total appraised values were approximately \$8.5 billion, which represented an 11.6 percent increase from the prior year. Freeze adjusted values, which adjusts for the values that are impacted by the over-65 property tax exemption as well as the TIRZ, totaled \$7.2 billion.



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



Major Developments - As mentioned earlier, in 2007, the City established a TIRZ district to facilitate the development of a 400-acre master planned, mixed use development (Creekside TIRZ). The original value of all property within that district was approximately \$5 million. Today, the development integrates over 1 million square feet of retail with a 130-bed hospital, various restaurants, multi-family developments, and an entertainment complex. The total taxable values of all improvements in the district exceed \$382 million (2019 values). As the developer works towards fully building out the property, their focus has shifted to the continued development of housing and entertainment. In addition, even with the current state of the retail industry, the developer has confidence that our primary tenants are in a good position moving into 2021. In 2022, the organization is also planning to break ground on a new fire station and training facility (see below) within the boundaries of the Creekside TIRZ. This project will be fully supported by the Creekside TIRZ, as well.



The Veramendi Development broke ground in FY 2018. This development is a 2,400-acre property that will ultimately include over 5,000 residential units, a town center, a university, and many other mixed uses and amenities. At the end of FY 2020, approximately 217 homes were either completed or under construction. Looking ahead, progress is picking up as houses are selling at a pace of 25 to 35 per week. This development is not within the City limits but has entered into a strategic partnership agreement with the City of New Braunfels. Part of that agreement includes the sharing of sales tax revenues. Other direct revenues will be generated from this development such as permitting fees; however, there is likely to be other direct and indirect economic impacts throughout the City which stems from the Veramendi Project.

Continental Automotive Systems, Inc. is a manufacturer of automotive technologies with multiple facilities in the United States and is a supplier to the global automotive market. The proposed project, including investment and job creation, would result in the establishment of a modern manufacturing facility that would represent a continuation of expansion and growth in the United States to serve Continental Automotive's customers. The company plans to build an approximate 205,000 square foot manufacturing and research facility with a total estimated capital investment of \$110,000,000 on Kohlenberg Road, on the northbound side of Interstate 35. The facility will focus on the manufacturing of autonomous driving technology and will employ up to an average of 576 employees.

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 following image is a preliminary conceptual plan of the development. City staff continues to seek participation from other public entities, as well as working with the developer to assist in moving this project forward.



Advantages for the community's economic stability and growth include the close proximity to both San Antonio and Austin, the IH 35 Corridor, the availability of choice industrial sites throughout the City, and the strong tourism sector of the economy. While typical greenfield residential development has been occurring at a rapid pace for the last 10 to 15 years, the City is also beginning to observe more infill development (residential and commercial). In addition, there are also several developments and improvements occurring throughout our downtown area. The City expects tourism to remain strong because New Braunfels offers great attractions at reasonable prices. Collectively, the various attractions, natural resources, and commercial/industrial development provide the confidence in having a positive long-term economic outlook.

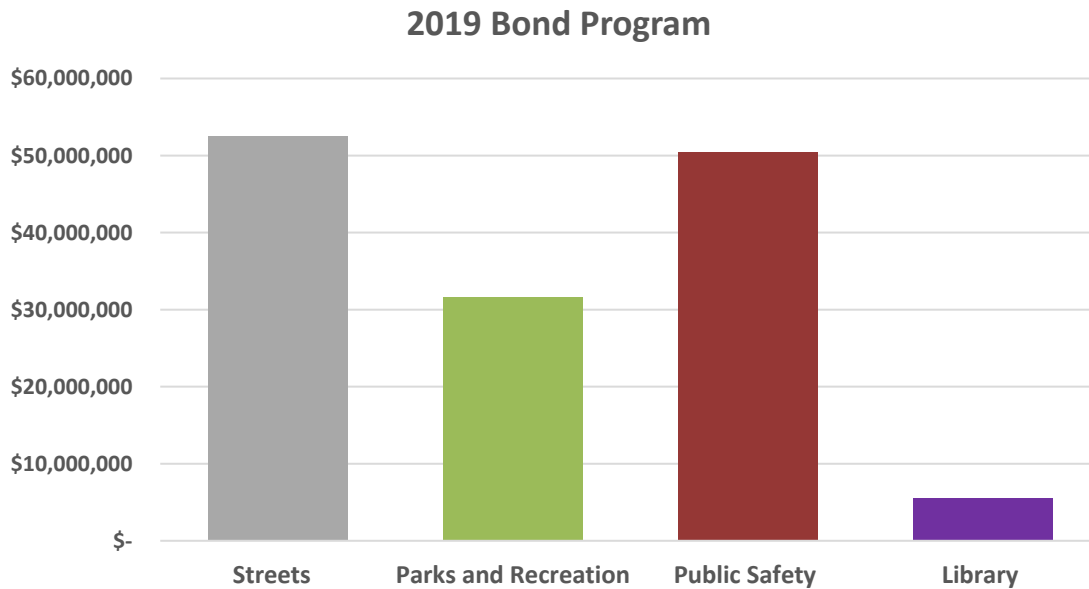
MAJOR INITIATIVES AND ACCOMPLISHMENTS

Capital Investment - Since 2003, well over \$200 million in capital improvement investments have either been completed or are currently underway. \$93 million stems from the 2013 bond projects and \$143 million from the 2019 bond projects. The 2013 and 2019 bond program(s) goal continues to fund the projects identified in the 2012 Capital Improvement Plan (which exceeded \$500 million in needed investments), as well as address the priorities of the National Citizen Survey. The survey, which has now been conducted three times in New Braunfels, continues to support streets, public safety, and outdoor recreation as the top three priorities of our citizens. Projects funded by the 2013 and 2019 bonds allow for improvements in streets and drainage, public safety, libraries (pictured below), and quality of life.

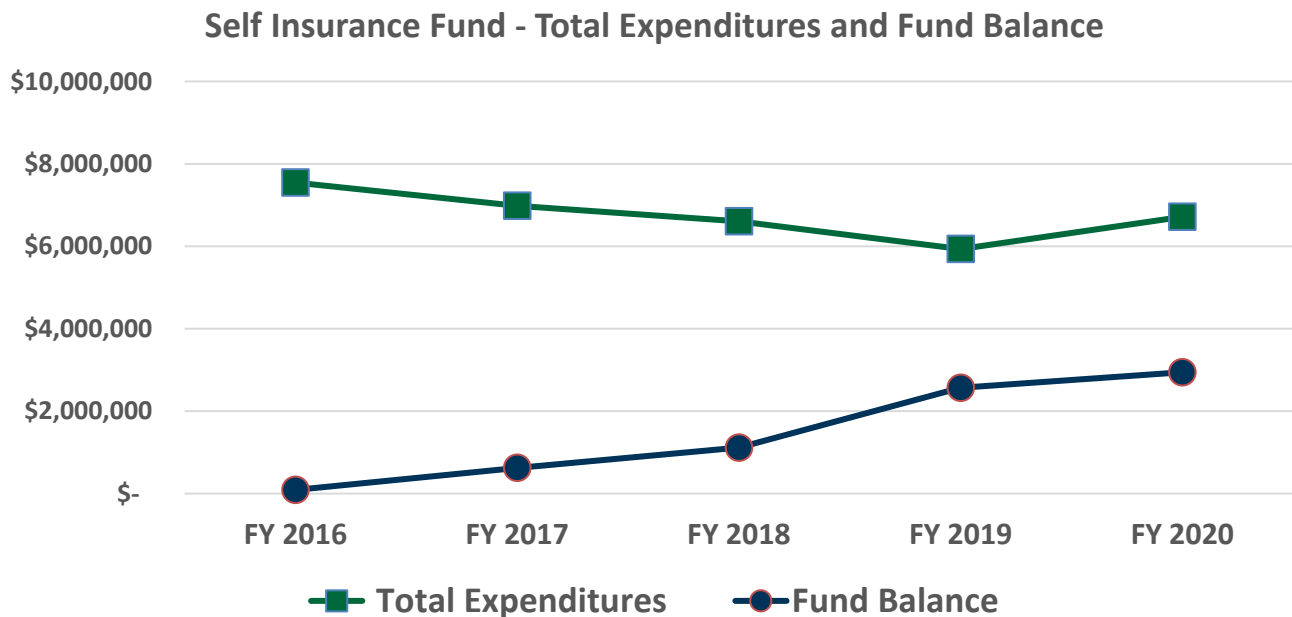


Additional detail on completed or in progress capital investments can be found in the Operating Budget and Plan of Municipal Services Document.

Future Capital Investment - in 2019, the City of New Braunfels voters approved a \$143 million bond program. The bond program includes the strategic use of roadway impact fees to increase the investment in streets, as well as a partnership with the NBEDC to support a portion of the phase 1 development of the sports complex. The following graph reflects the breakdown of the 2019 bond program investments. Please visit the City's website for detailed information on the 2019 bond program.



Self-Insurance Fund – In FY 2015 and FY 2016, the City saw a dramatic increase in health insurance costs. Over the past five years, the City has had to increase premiums and contributions for both employees and employer. In addition, we have made significant changes to our insurance benefits, many of which encourage preventive health care and lower cost alternatives. As a result of our collective changes, expenditures have leveled off significantly. In addition, the Self Insurance Fund exceeded its fund balance target at the end of FY 2019, three years earlier than anticipated.



Maintaining and Increasing Services Levels – Growth has been referenced multiple times. Maintaining and increasing service levels has been a major challenge for the City, yet the FY 2020 operations and maintenance portion of the tax rate is still lower than it was in FY 2007. In that time, the City has opened and staffed two 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 capital programs division, and increased police

department personnel (FTE) by 45% (based on FY 2021 authorized positions), among many other initiatives.

RESERVES AND BOND RATING

The General Fund ended the year with a total fund balance of \$27 million. This balance provides adequate protection against unforeseen occurrences and fluctuations in revenue sources. The City's financial policies require fund balance of at least 25 percent of operating expenditures and the City has maintained a minimum of a 30 percent balance to protect our strong bond rating. Growth in fund balance continues to be driven by conservative budgeting policies and preparing for the impact from potential legislative changes. The growth in fund balance also provides us the ability to increase one-time investments that increase efficiency and productivity within our General Fund.

The City's commitment to sound financial management and strong reserves paid dividends in FY 2016 as Standard and Poor's raised the City's bond rating from AA- to AA. The City's Standard and Poor's rating of AA and the Moody's rating of Aa2 were maintained in FY 2020.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of New Braunfels for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019. This was the twelfth year that the City has achieved this prestigious award (in recent history). In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of the Comprehensive Annual Financial Report on a timely basis requires a great deal of cooperation 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. Also, the collaborative efforts of our Finance team and external audit firm were invaluable.

Respectfully Submitted,



Robert Camareno
City Manager



Jared Werner, MPA
Chief Financial Officer (CFO)

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 Comprehensive Annual
Financial Report
For the Fiscal Year Ended

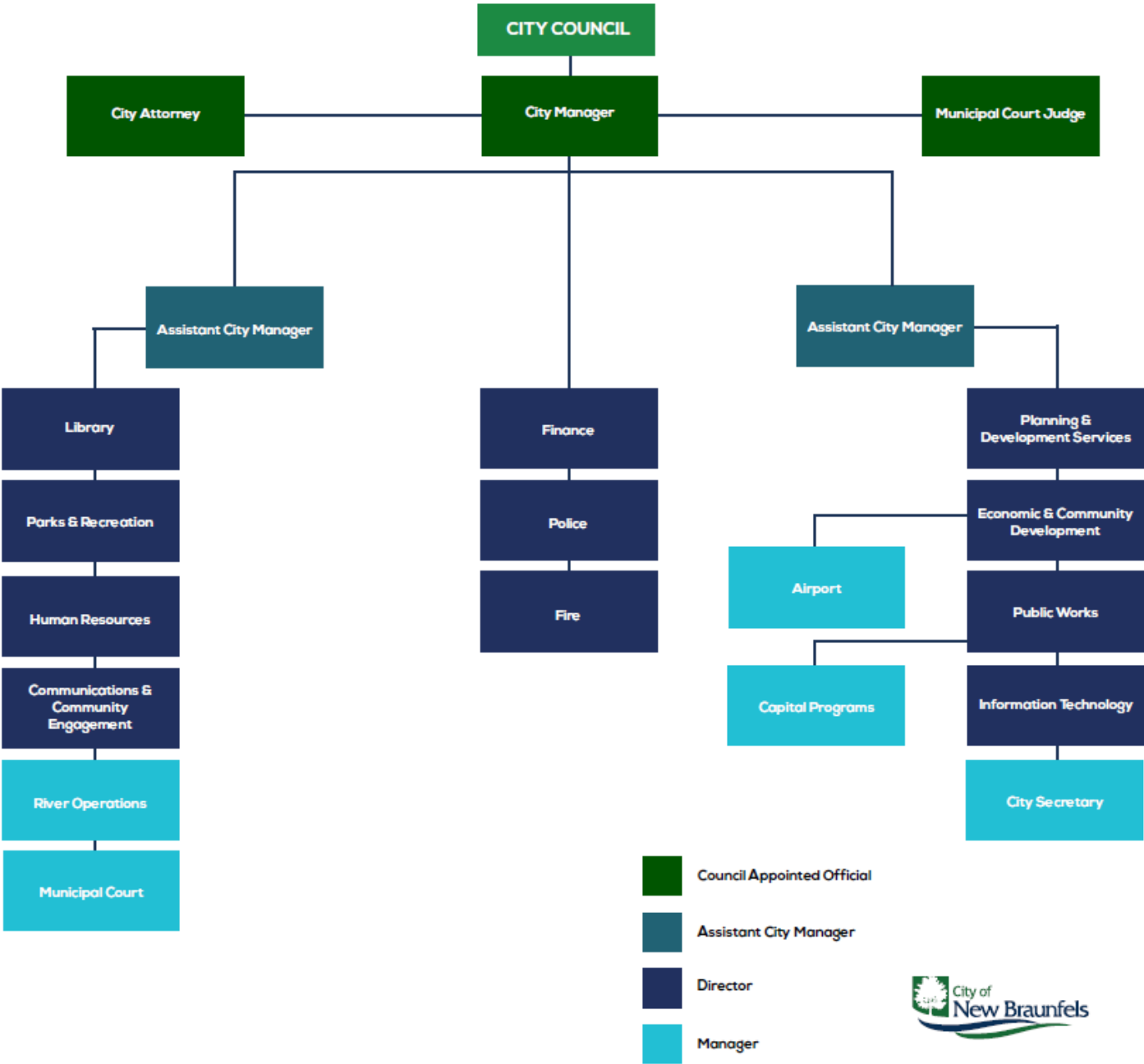
September 30, 2019

Christopher P. Morill

Executive Director/CEO

CITY OF NEW BRAUNFELS, TEXAS

ORGANIZATIONAL CHART



CITY OF NEW BRAUNFELS, TEXAS

CITY COUNCIL

September 30, 2020

CITY OF NEW BRAUNFELS, TEXAS

CITY COUNCIL



Mayor
Rusty Brockman



District One
Shane Hines



District Two
Justin Meadows



District Three
Harry Bowers



District Four
Matthew Hoyt



District Five
Jason Hurta



District Six
James Blakey

Appointed Officials

City Manager: Robert Camareno

City Attorney: Valeria Acevedo

Municipal Court Judge: Rose Zamora

Executive Leadership Team

Assistant City Manager:

Kristi Aday

Assistant City Manager:

Jordan Matney

Interim Police Chief:

Keith Lane

Fire Chief:

Patrick O'Connell

Public Works Director:

Greg Malatek

Chief Financial Officer:

Jared Werner

Human Resources Director:

Nokihomis Willis

Information Technology Director:

Tony Gonzalez

Planning and Development Services Director:

Christopher Looney

Parks and Recreation Director:

Stacey Laird Dicke

Library Director:

Gretchen Pruett

Director of Economic and Community Development:

Jeff Jewell

Director of Comm. and Community Engagement:

Jenna Vinson

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 Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of New Braunfels Utilities, a discretely presented component unit, which financial statements reflect total assets of \$783,132,298 and total revenues of \$226,635,010 for the fiscal year ending July 31, 2020. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion insofar as it relates to the amounts included for New Braunfels Utilities is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2020, 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining statements and schedules, and statistical section are presented for purposes of additional analysis and are not required parts of the financial statements

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 21, 2021 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 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
April 21, 2021

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

CITY OF NEW BRAUNFELS, TEXAS

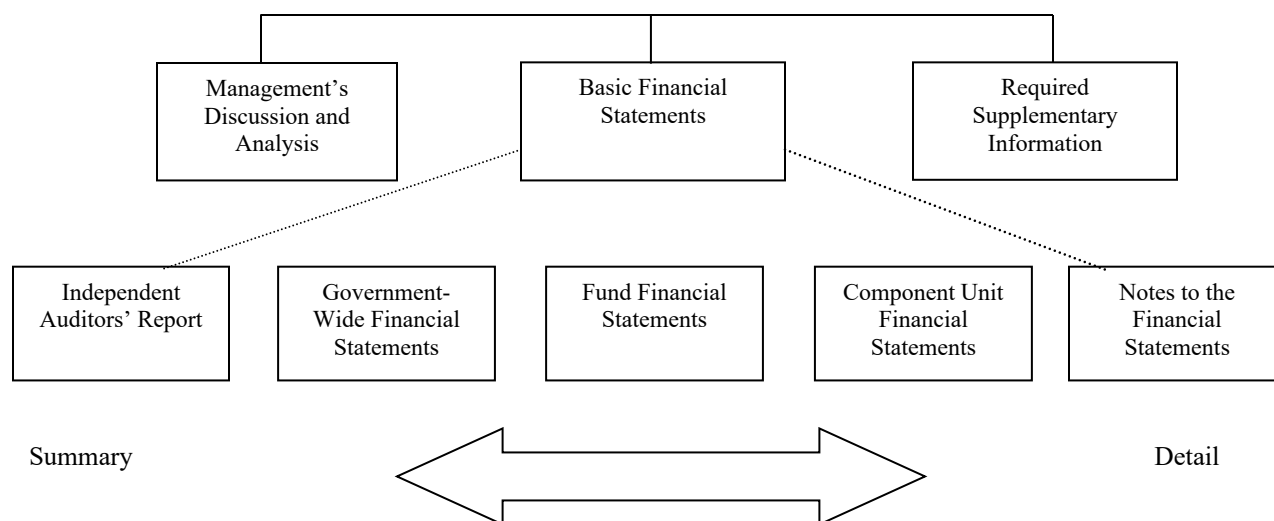
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2020

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, 2020. 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, 2020

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), public improvements, parks and recreation, planning and 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), and the River Mills 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. The two categories of City funds are governmental and proprietary.

Governmental Funds

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

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

The City maintains 42 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2020

balances for the general, hotel/motel tax, debt service, general obligations, roadway impact fees, 2019 capital improvement, and 2020 capital improvement funds, which are considered to be major funds for reporting purposes.

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

Proprietary Funds

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

The City also uses an internal service fund to account for its self-funded health plan. This internal service fund has been included within governmental activities in the government-wide financial statements.

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 and hotel/motel tax funds, a schedule 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 Health Benefits plan, and schedule of contributions for TMRS. RSI can be found after the notes to the basic financial statements.

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 \$55,973,018 as of September 30, 2020 for the primary government. This compares with \$53,516,518 from the prior fiscal year. A portion of the City's net position, \$38,490,910, 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.

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2020

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 182,141,050	\$ 133,228,186	\$ 8,289,891	\$ 3,496,046	\$ 190,430,941	\$ 136,724,232
Capital assets, net	192,679,710	178,841,763	27,813,062	28,869,028	220,492,772	207,710,791
Total Assets	374,820,760	312,069,949	36,102,953	32,365,074	410,923,713	344,435,023
Deferred charge on refunding	1,397,374	1,671,065	-	-	1,397,374	1,671,065
Deferred outflows - pensions	7,612,726	12,181,640	787,671	1,231,505	8,400,397	13,413,145
Deferred outflows - OPEB	1,106,781	757,776	91,845	74,407	1,198,626	832,183
Total Deferred Outflows of Resources	10,116,881	14,610,481	879,516	1,305,912	10,996,397	15,916,393
Long-term liabilities	339,796,825	287,544,104	4,901,456	5,522,478	344,698,281	293,066,582
Other liabilities	14,717,949	12,644,604	1,812,270	760,294	16,530,219	13,404,898
Total Liabilities	354,514,774	300,188,708	6,713,726	6,282,772	361,228,500	306,471,480
Deferred inflows - pensions	4,217,900	297,067	422,295	33,960	4,640,195	331,027
Deferred inflows - OPEB	72,769	30,062	5,628	2,329	78,397	32,391
Total Deferred Inflows of Resources	4,290,669	327,129	427,923	36,289	4,718,592	363,418
Net Position:						
Net investment in capital assets	10,677,848	7,297,050	27,813,062	28,869,028	38,490,910	36,166,078
Restricted	25,877,320	18,232,206	-	-	25,877,320	18,232,206
Unrestricted	(10,422,970)	635,337	2,027,758	(1,517,103)	(8,395,212)	(881,766)
Total Net Position	\$ 26,132,198	\$ 26,164,593	\$ 29,840,820	\$ 27,351,925	\$ 55,973,018	\$ 53,516,518

A portion of the primary government's net position, \$25,877,320, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit balance of \$8,395,212.

The City's total net position increased by \$2,456,500 during the current fiscal year. This increase is primarily a result of an increase in tax revenue streams due to increases in growth within the City. Business-type activities net position increased by \$2,488,895, which was primarily a result of increases in operating grants and contributions revenue and decreases in airport and golf course expenses as overall use of those facilities decreased due to the COVID-19 pandemic in the current year.

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2020

Statement of Activities

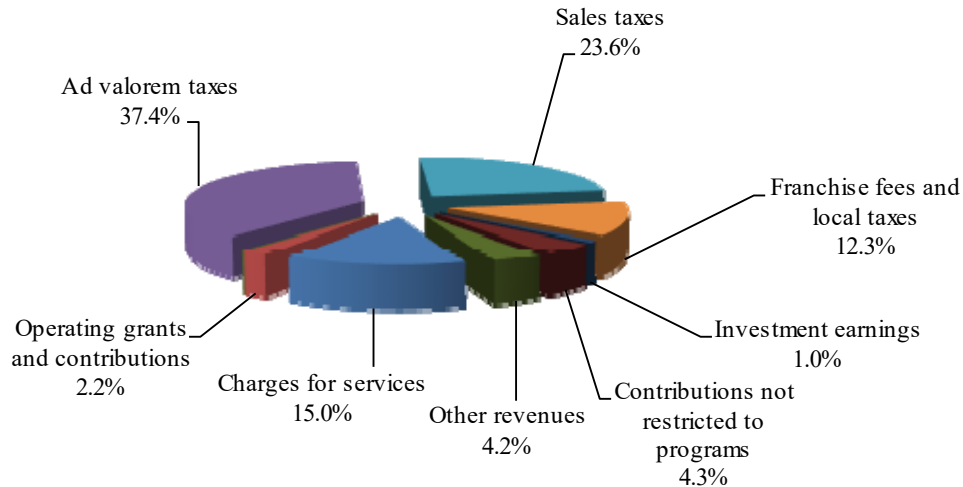
The following table provides a summary of the City's changes in net position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 16,202,561	\$ 18,097,252	\$ 14,380,913	\$ 14,969,036	\$ 30,583,474	\$ 33,066,288
Operating grants and contributions	2,394,269	1,402,915	5,010,309	50,000	7,404,578	1,452,915
Capital grants and contributions	-	1,767,804	-	-	-	1,767,804
General revenues:						
Ad valorem taxes	40,536,722	37,801,817	-	-	40,536,722	37,801,817
Sales taxes	25,606,243	23,675,199	-	-	25,606,243	23,675,199
Franchise fees and local taxes	13,288,249	14,719,930	-	-	13,288,249	14,719,930
Investment earnings	1,002,922	2,299,375	26,641	62,974	1,029,563	2,362,349
Contributions not restricted to programs	4,687,445	4,215,270	-	-	4,687,445	4,215,270
Other revenues	4,585,204	3,915,362	387,769	141,270	4,972,973	4,056,632
Total Revenues	108,303,615	107,894,924	19,805,632	15,223,280	128,109,247	123,118,204
Expenses						
General government	12,716,137	11,176,633	-	-	12,716,137	11,176,633
Finance and tax	1,054,156	1,210,073	-	-	1,054,156	1,210,073
Planning and environmental development	3,299,504	3,758,509	-	-	3,299,504	3,758,509
Public safety	34,333,684	41,359,702	-	-	34,333,684	41,359,702
Public works	39,376,084	26,421,540	-	-	39,376,084	26,421,540
Parks and recreation	8,452,811	8,322,020	-	-	8,452,811	8,322,020
Civic/convention center	-	-	1,165,991	1,071,279	1,165,991	1,071,279
Library	2,026,390	2,460,328	-	-	2,026,390	2,460,328
Interest and fiscal agent fees	9,388,355	6,827,507	-	-	9,388,355	6,827,507
Airport	-	-	3,297,954	3,644,525	3,297,954	3,644,525
Solid waste	-	-	8,717,897	8,778,594	8,717,897	8,778,594
Golf course	-	-	1,823,784	2,019,294	1,823,784	2,019,294
Total Expenses	110,647,121	101,536,312	15,005,626	15,513,692	125,652,747	117,050,004
Increase (Decrease) in Net Position Before Transfers	(2,343,506)	6,358,612	4,800,006	(290,412)	2,456,500	6,068,200
Transfers	2,311,111	2,397,971	(2,311,111)	(2,397,971)	-	-
Change in Net Position	(32,395)	8,756,583	2,488,895	(2,688,383)	2,456,500	6,068,200
Beginning net position	26,164,593	17,408,010	27,351,925	30,040,308	53,516,518	47,448,318
Ending Net Position	\$ 26,132,198	\$ 26,164,593	\$ 29,840,820	\$ 27,351,925	\$ 55,973,018	\$ 53,516,518

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2020

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

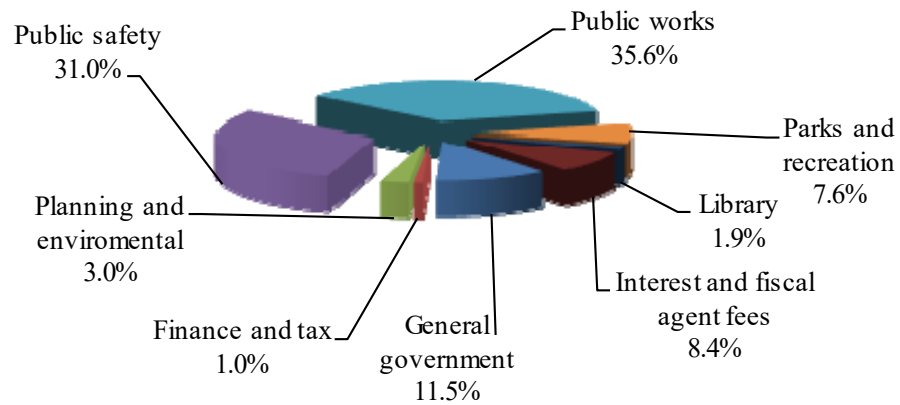
Governmental Activities - Revenues



For the year ended September 30, 2020, revenues from governmental activities totaled \$108,303,615. This \$408,691 increase from prior year occurred primarily as the result of \$2,734,905 in additional ad valorem tax revenue as a result of increases in growth within the City. Sales tax revenue increased year over year, primarily driven by higher than anticipated growth before and during the pandemic. Property taxes increased as well, primarily due to the same growth in valuations as well as increases in the tax rate to support the 2019 bond program.

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2020

Governmental Activities - Expenses

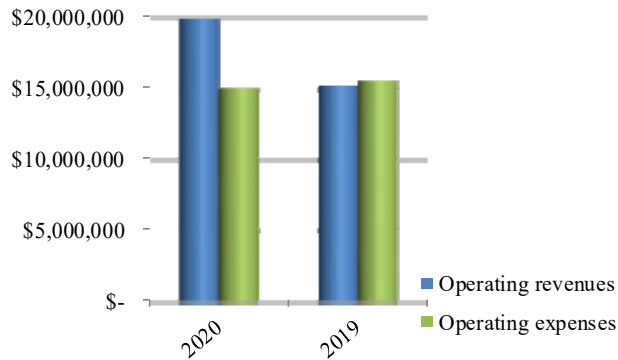


Governmental expenses increased by \$9,110,809, or 9%. This increase is primarily related to increases in public works, along with interest and fiscal agent fees. The continued increase in public works expenses as a portion of total government expenditures is tied directly to the 2013 and 2019 bond program investments related to ongoing paved surface repairs and improvements that are currently underway.

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2020

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

Business-Type Activities - Revenues and Expenses



Overall, business-type activity revenues increased by \$4,582,352 from the prior period, primarily due to operating grants and contributions received from the NBEDC during the year.

Business-type activity expenses decreased by \$508,066, mostly due to decreases in expenses for operations of the airport and golf course as a result of decreases in use related to COVID-19.

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 \$165,350,576. Of this, \$225,447 is nonspendable, \$130,313,081 is restricted for various purposes, \$6,519,109 is committed, \$798,164 is assigned, and \$27,494,775 is unassigned.

There was an increase in the combined fund balance of \$46,594,552 over the prior year. This is largely attributable to two debt issuances during the year.

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 \$26,585,118, while total fund balance reached \$27,386,112. 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 37 percent of total general fund expenditures, while total fund balance represents 38 percent of that same amount. The general fund fund balance increased by \$1,310,321 this year, primarily related to increases in various revenue sources such as, but not limited to, sales taxes, and licenses and permits.

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 \$798,164 to this stated fund balance. This

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2020

fund allows the City to account for equipment replacement and improvements in a separate subfund and not include these activities in the primary general operating fund.

The hotel/motel tax fund experienced a decrease of \$661,273, mostly due to decreases in fees as a result of large decreases in hotel use due to COVID-19.

Fund balance in the debt service fund experienced a slight increase of \$47,920.

The fund balance in the general obligations capital projects fund had a decrease in fund balance of \$15,581,664, which was primarily a result of the use of debt proceeds for capital outlay projects.

The fund balance in the roadway impact fees fund had an increase in fund balance of \$821,116, which was primarily a result of increases in impact fees and other contributions collected by the City.

The fund balance in the 2019 capital improvement fund had an increase in fund balance of \$45,996,057, which was primarily a result of transfers in, as well as a new debt issuance in the current year.

The 2020 capital improvement fund was created in fiscal year 2020 to account for capital expenses related to the debt issuance in 2020. The fund ended the year with a fund balance of \$17,002,634.

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.

GENERAL FUND BUDGETARY HIGHLIGHTS

The amended budget included a planned decrease in fund balance in the amount of \$3,744,376. The actual fund balance for the year increased by \$1,310,321. Actual revenues exceeded the amended budget by \$522,849 spread across various revenue lines. The largest positive variances were in sales taxes and licenses and permits. The pandemic affected general fund revenues in various ways. The City's conservative revenue projections as well as the diverse economy within the City are both attributable to the positive variance. Actual expenditures were under the amended budget by \$2,969,388. The positive variance was created mainly by a hiring freeze from March through September, as well as other operational savings from facility closures and reduced capacities.

CAPITAL ASSETS

At the end of fiscal year 2020, the City's governmental activities had invested \$192,679,710 in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$13,837,947.

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 \$244,505,000. Of this amount, \$165,890,000 was general obligation debt and \$78,615,000 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.

CITY OF NEW BRAUNFELS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2020

ECONOMIC FACTORS AND NEXT YEARS BUDGET

New Braunfels continues to be one of the fastest growing areas in the country. Therefore, overall sustained growth is expected to continue. However, the direct and indirect impact of the pandemic still remains somewhat uncertain. In addition, the state legislature is currently exploring a change in the way local sales taxes are sourced. If passed, this would result in a loss of sales tax revenue for New Braunfels. The City continues to closely follow this legislative issue and develop various responsive fiscal strategies if needed.

As the report indicates, General Fund reserves remain strong. In fact, reserves are projected to continue to grow through FY 2021, driven primarily by conservative budgeting. As a result, short term budget and fiscal planning will focus heavily on one-time equipment and technology investments that have the potential to increase efficiency and productivity as well as reduce long term staffing demands. Short term fiscal priorities also include accounting for the additional operating costs that will stem from capital projects underway such as the Police Department Headquarters, Westside Library Branch and Fire station #7. The 2019 bond program and associated investments are also progressing much faster than initially anticipated. As a result, the City Council will likely begin evaluating future capital investments.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF NET POSITION (page 1 of 2)

September 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and equity in pooled cash and investments	\$ 168,283,514	\$ 6,209,445	\$ 174,492,959
Pooled and temporary investments	5,131,376	-	5,131,376
Receivables, net	8,277,612	1,228,355	9,505,967
Internal balances	(773,912)	773,912	-
Inventories	2,830	78,179	81,009
Prepaid items	-	-	-
Other current assets	-	-	-
Restricted current assets			
Cash and cash equivalents	1,219,630	-	1,219,630
Investments	-	-	-
	<u>182,141,050</u>	<u>8,289,891</u>	<u>190,430,941</u>
Capital assets:			
Nondepreciable	75,803,270	2,540,961	78,344,231
Depreciable, net	116,876,440	25,272,101	142,148,541
Investments:			
Restricted	-	-	-
Unrestricted	-	-	-
Other noncurrent assets	-	-	-
	<u>192,679,710</u>	<u>27,813,062</u>	<u>220,492,772</u>
Total Assets	<u>374,820,760</u>	<u>36,102,953</u>	<u>410,923,713</u>
<u>Deferred Outflows of Resources</u>			
Deferred charge on refunding	1,397,374	-	1,397,374
Deferred outflows - pensions	7,612,726	787,671	8,400,397
Deferred outflows - OPEB	1,106,781	91,845	1,198,626
Total Deferred Outflows of Resources	<u>10,116,881</u>	<u>879,516</u>	<u>10,996,397</u>
<u>Liabilities</u>			
Accounts payable	11,135,202	396,240	11,531,442
Deposit payable	-	125,459	125,459
Accrued expenses payable	3,582,747	1,290,571	4,873,318
	<u>14,717,949</u>	<u>1,812,270</u>	<u>16,530,219</u>
Noncurrent liabilities:			
Due within one year:			
Bonds payable	16,310,000	-	16,310,000
Loan payable	66,059	-	66,059
Capital lease payable	252,288	-	252,288
Accrued compensated absences	6,813,273	348,679	7,161,952
Due in more than one year:			
Bonds payable	270,558,859	-	270,558,859
Loan payable	206,577	-	206,577
Capital lease payable	663,831	-	663,831
Net pension liability	31,235,682	3,224,742	34,460,424
Total OPEB liability - TMRS	1,631,889	163,671	1,795,560
Total OPEB liability - retiree benefit	11,301,337	1,125,622	12,426,959
Accrued compensated absences	757,030	38,742	795,772
Other noncurrent liability	-	-	-
	<u>339,796,825</u>	<u>4,901,456</u>	<u>344,698,281</u>
Total Liabilities	<u>354,514,774</u>	<u>6,713,726</u>	<u>361,228,500</u>

Component Units			
Economic Development Corporation		New Braunfels Utilities	
\$	20,242,243	\$	56,080,498
	-		2,000,000
	4,233,568		40,782,081
	-		-
	-		2,592,817
	-		1,448,808
	2,455		7,048,575
	-		7,803,888
	-		2,513,438
	<u>24,478,266</u>		<u>120,270,105</u>
	-		194,241,018
	-		449,832,244
	-		6,000,586
	-		5,566,600
	-		7,221,745
	<u>-</u>		<u>662,862,193</u>
	<u>24,478,266</u>		<u>783,132,298</u>
	-		-
	-		4,079,186
	-		-
	<u>-</u>		<u>4,079,186</u>
	1,404,536		37,101,262
	-		7,751,405
	-		14,969,233
	<u>1,404,536</u>		<u>59,821,900</u>
	-		5,030,000
	-		250,000
	-		-
	-		1,430,990
	-		226,500,833
	-		-
	-		-
	-		14,400,209
	-		-
	-		-
	-		741,067
	-		47,700
	<u>-</u>		<u>248,400,799</u>
	<u>1,404,536</u>		<u>308,222,699</u>

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF NET POSITION (page 2 of 2)

September 30, 2020

Primary Government			
	Governmental Activities	Business-Type Activities	Total
<u>Deferred Inflows of Resources</u>			
Deferred inflows - pensions	\$ 4,217,900	\$ 422,295	\$ 4,640,195
Deferred inflows - OPEB	72,769	5,628	78,397
Total Deferred Inflows of Resources	<u>4,290,669</u>	<u>427,923</u>	<u>4,718,592</u>
<u>Net Position</u>			
Net investment in capital assets	10,677,848	27,813,062	38,490,910
Restricted for:			
Debt service	2,242,572	-	2,242,572
Capital projects	11,251,621	-	11,251,621
Cemetery perpetual care (nonexpendable)	222,617	-	222,617
Grants	721,884	-	721,884
Impact fees	-	-	-
Municipal court	440,441	-	440,441
Library	1,860	-	1,860
Public safety	3,837	-	3,837
Governmental programming	270,203	-	270,203
Tourism	1,144,969	-	1,144,969
Economic development	8,960,826	-	8,960,826
Special donation	616,490	-	616,490
Unrestricted	(10,422,970)	2,027,758	(8,395,212)
Total Net Position	<u>\$ 26,132,198</u>	<u>\$ 29,840,820</u>	<u>\$ 55,973,018</u>

See Notes to Financial Statements.

Component Units	
Economic Development Corporation	New Braunfels Utilities
\$ -	\$ 2,594,846
-	-
-	2,594,846
-	423,246,870
-	422,435
-	-
-	-
-	-
-	47,567
-	-
-	-
-	-
-	-
-	-
-	-
23,073,730	52,677,067
<u>\$ 23,073,730</u>	<u>\$ 476,393,939</u>

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 12,716,137	\$ 125,360	\$ 658,775	\$ -
Finance and tax	1,054,156	-	-	-
Planning and environmental	3,299,504	-	344,778	-
Public safety	34,333,684	5,748,253	1,268,552	-
Public works	39,376,084	7,019,238	122,164	-
Parks and recreation	8,452,811	3,282,683	-	-
Library	2,026,390	27,027	-	-
Interest and fiscal agent fees	9,388,355	-	-	-
Total Governmental Activities	<u>110,647,121</u>	<u>16,202,561</u>	<u>2,394,269</u>	<u>-</u>
Business-Type Activities				
Airport	3,297,954	2,296,320	1,223,699	-
Solid waste	8,717,897	10,176,299	3,744,586	-
Golf course	1,823,784	1,633,819	24,245	-
Civic center	1,165,991	274,475	17,779	-
Total Business-Type Activities	<u>15,005,626</u>	<u>14,380,913</u>	<u>5,010,309</u>	<u>-</u>
Total Primary Government	<u>\$ 125,652,747</u>	<u>\$ 30,583,474</u>	<u>\$ 7,404,578</u>	<u>\$ -</u>
Component Units				
Economic Development Corporation	\$ 4,574,553	\$ -	\$ -	\$ -
New Braunfels Utilities	<u>174,160,784</u>	<u>181,185,256</u>	<u>-</u>	<u>39,367,006</u>
Total Component Units	<u>\$ 178,735,337</u>	<u>\$ 181,185,256</u>	<u>\$ -</u>	<u>\$ 39,367,006</u>

General Revenues and Transfers:

Taxes and fees
 Property
 Sales
 Hotel/motel occupancy
 Franchise
 Mixed beverages
 Investment income
 Contributions not restricted to programs
 Miscellaneous
 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
\$ (11,932,002)	\$ -	\$ (11,932,002)	\$ -	\$ -
(1,054,156)	-	(1,054,156)	-	-
(2,954,726)	-	(2,954,726)	-	-
(27,316,879)	-	(27,316,879)	-	-
(32,234,682)	-	(32,234,682)	-	-
(5,170,128)	-	(5,170,128)	-	-
(1,999,363)	-	(1,999,363)	-	-
(9,388,355)	-	(9,388,355)	-	-
(92,050,291)	-	(92,050,291)	-	-
-	222,065	222,065	-	-
-	5,202,988	5,202,988	-	-
-	(165,720)	(165,720)	-	-
-	(873,737)	(873,737)	-	-
-	4,385,596	4,385,596	-	-
(92,050,291)	4,385,596	(87,664,695)	-	-
-	-	-	(4,574,553)	-
-	-	-	-	46,391,478
-	-	-	(4,574,553)	46,391,478
40,536,722	-	40,536,722	-	-
25,606,243	-	25,606,243	6,363,137	-
2,872,022	-	2,872,022	-	-
9,908,479	-	9,908,479	-	-
507,748	-	507,748	-	-
1,002,922	26,641	1,029,563	139,342	1,656,378
4,687,445	-	4,687,445	-	-
4,585,204	387,769	4,972,973	1,184,198	4,426,370
2,311,111	(2,311,111)	-	-	-
92,017,896	(1,896,701)	90,121,195	7,686,677	6,082,748
(32,395)	2,488,895	2,456,500	3,112,124	52,474,226
26,164,593	27,351,925	53,516,518	19,961,606	423,919,713
\$ 26,132,198	\$ 29,840,820	\$ 55,973,018	\$ 23,073,730	\$ 476,393,939

CITY OF NEW BRAUNFELS, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2020

	General	Hotel/Motel Tax	Debt Service	General Obligations
<u>Assets</u>				
Cash and equity in pooled cash and investments	\$ 20,509,673	\$ 1,324,594	\$ 2,444,601	\$ 16,036,389
Investments	5,131,376	-	-	-
Receivables, net of allowance:	7,563,165	287,086	323,538	-
Due from other funds	113,475	-	-	-
Inventory	2,830	-	-	-
Restricted cash	-	-	-	-
Total Assets	\$ 33,320,519	\$ 1,611,680	\$ 2,768,139	\$ 16,036,389
<u>Liabilities</u>				
Accounts payable	\$ 3,377,469	\$ 466,711	\$ 202,029	\$ 3,990,690
Due to other funds	784,581	-	-	-
Accrued wages payable	1,350,823	-	-	-
Total Liabilities	5,512,873	466,711	202,029	3,990,690
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	421,534	-	323,538	-
<u>Fund Balances</u>				
Nonspendable	2,830	-	-	-
Restricted	-	1,144,969	2,242,572	12,045,699
Committed	-	-	-	-
Assigned	798,164	-	-	-
Unassigned	26,585,118	-	-	-
Total Fund Balances	27,386,112	1,144,969	2,242,572	12,045,699
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 33,320,519	\$ 1,611,680	\$ 2,768,139	\$ 16,036,389

See Notes to Financial Statements.

Roadway Impact Fees	2019 Capital Improvement	2020 Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
\$ 7,151,800	\$ 75,562,662	\$ 17,002,634	\$ 24,694,466	\$ 164,726,819
-	-	-	-	5,131,376
-	-	-	101,141	8,274,930
-	-	-	304,237	417,712
-	-	-	-	2,830
-	-	-	1,219,630	1,219,630
<u>\$ 7,151,800</u>	<u>\$ 75,562,662</u>	<u>\$ 17,002,634</u>	<u>\$ 26,319,474</u>	<u>\$ 179,773,297</u>
\$ 76,701	\$ 1,967,730	\$ -	\$ 1,053,872	\$ 11,135,202
-	-	-	407,043	1,191,624
-	-	-	-	1,350,823
<u>76,701</u>	<u>1,967,730</u>	<u>-</u>	<u>1,460,915</u>	<u>13,677,649</u>
-	-	-	-	745,072
-	-	-	222,617	225,447
7,075,099	73,594,932	17,002,634	17,207,176	130,313,081
-	-	-	6,519,109	6,519,109
-	-	-	-	798,164
-	-	-	909,657	27,494,775
<u>7,075,099</u>	<u>73,594,932</u>	<u>17,002,634</u>	<u>24,858,559</u>	<u>165,350,576</u>
<u>\$ 7,151,800</u>	<u>\$ 75,562,662</u>	<u>\$ 17,002,634</u>	<u>\$ 26,319,474</u>	<u>\$ 179,773,297</u>

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CITY OF NEW BRAUNFELS, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2020

Total fund balances for governmental funds		\$ 165,350,576
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	75,803,270	
Capital assets - depreciable	<u>116,876,440</u>	
		192,679,710
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.		745,072
Some liabilities, including bonds payable, are not reported as liabilities in the governmental funds.		
Accrued interest	(1,722,073)	
Bonds, Notes and Other payables due in one year	(16,310,000)	
Bonds, Notes and Other payables due in more than one year	<u>(248,575,000)</u>	
		(266,607,073)
Premiums on bond issuance and deferred loss on bond refunding are recorded as other financing sources and uses in the fund financial statements, but are capitalized and amortized in the government-wide financial statements over the life of the bond.		
Premiums	(21,983,859)	
Deferred charge on refunding	<u>1,397,374</u>	
		(20,586,485)
Loans payable and capital leases are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		(1,188,755)
Net pension liability and 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	(31,235,682)	
Total OPEB liability - TMRS	(1,631,889)	
Total OPEB liability - retiree benefits	<u>(11,301,337)</u>	
		(44,168,908)
Deferred outflows and inflows of resources related to the net pension and total OPEB liability are not reported in the funds.		
Deferred outflows - pensions	7,612,726	
Deferred inflows - pensions	(4,217,900)	
Deferred outflows - OPEB	1,106,781	
Deferred inflows - OPEB	<u>(72,769)</u>	
		4,428,838
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.		(7,570,303)
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.		
		<u>3,049,526</u>
	Net Position of Governmental Activities	<u><u>\$ 26,132,198</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, 2020

	General	Hotel/Motel Tax	Debt Service	General Obligations
<u>Revenues</u>				
Taxes and fees	\$ 55,527,529	\$ 2,872,022	\$ 16,504,981	\$ -
Licenses and permits	5,646,378	-	-	-
Intergovernmental	658,775	-	-	-
Fines and forfeitures	1,055,141	-	-	-
Interest	553,431	6,027	35,150	258,116
Parks and recreation	2,554,698	-	-	-
Miscellaneous	2,385,997	52	-	615,184
Other contributions	-	-	2,051,491	-
Charges for services	3,938,646	-	-	-
Total Revenues	72,320,595	2,878,101	18,591,622	873,300
<u>Expenditures</u>				
Current:				
General government	9,226,021	2,858,649	-	-
Finances and tax	1,287,773	-	-	-
Planning and environmental	3,402,849	-	-	-
Public safety	40,043,035	-	-	-
Public works	7,514,328	-	-	16,039,945
Parks and recreation	7,549,474	-	-	415,019
Library	2,334,164	-	-	-
Debt Service:				
Principal	-	-	12,630,000	-
Interest	-	-	7,298,114	-
Fiscal agent fees	-	-	6,900	-
Total Expenditures	71,357,644	2,858,649	19,935,014	16,454,964
Excess (Deficiency) of Revenues Over (Under) Expenditures	962,951	19,452	(1,343,392)	(15,581,664)
<u>Other Financing Sources (Uses)</u>				
Transfers in	974,381	-	1,391,312	-
Transfers (out)	(645,659)	(680,725)	-	-
Sale of capital assets	18,648	-	-	-
Long-term debt issuance	-	-	-	-
Premium received on the issuance of debt	-	-	-	-
Total Other Financing Sources (Uses)	347,370	(680,725)	1,391,312	-
Net Change in Fund Balances	1,310,321	(661,273)	47,920	(15,581,664)
Beginning fund balances	26,075,791	1,806,242	2,194,652	27,627,363
Ending Fund Balances	\$ 27,386,112	\$ 1,144,969	\$ 2,242,572	\$ 12,045,699

See Notes to Financial Statements.

Roadway Impact Fees	2019 Capital Improvement	2020 Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	4,374,763	\$ 79,279,295
-	-	-	6,750	5,653,128
-	-	-	1,735,494	2,394,269
-	-	-	200,424	1,255,565
54,228	-	-	92,280	999,232
-	-	-	725,541	3,280,239
223,509	-	-	1,341,813	4,566,555
2,635,722	-	-	232	4,687,445
-	-	-	2,074,983	6,013,629
<u>2,913,459</u>	<u>-</u>	<u>-</u>	<u>10,552,280</u>	<u>108,129,357</u>
-	81,958	-	1,920,928	14,087,556
-	-	-	-	1,287,773
-	-	-	477,659	3,880,508
-	-	-	920,407	40,963,442
-	10,611,226	-	6,225,060	40,390,559
1,092,343	-	-	122,833	9,179,669
-	-	-	60,592	2,394,756
-	-	-	1,360,000	13,990,000
-	-	-	3,077,162	10,375,276
-	-	192,012	-	198,912
<u>1,092,343</u>	<u>10,693,184</u>	<u>192,012</u>	<u>14,164,641</u>	<u>136,748,451</u>
<u>1,821,116</u>	<u>(10,693,184)</u>	<u>(192,012)</u>	<u>(3,612,361)</u>	<u>(28,619,094)</u>
-	1,000,000	-	6,109,650	9,475,343
(1,000,000)	-	-	(4,837,848)	(7,164,232)
-	-	-	-	18,648
-	47,770,000	14,470,000	-	62,240,000
-	7,919,241	2,724,646	-	10,643,887
<u>(1,000,000)</u>	<u>56,689,241</u>	<u>17,194,646</u>	<u>1,271,802</u>	<u>75,213,646</u>
821,116	45,996,057	17,002,634	(2,340,559)	46,594,552
<u>6,253,983</u>	<u>27,598,875</u>	<u>-</u>	<u>27,199,118</u>	<u>118,756,024</u>
<u>\$ 7,075,099</u>	<u>\$ 73,594,932</u>	<u>\$ 17,002,634</u>	<u>\$ 24,858,559</u>	<u>\$ 165,350,576</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, 2020

Net changes in fund balances - total governmental funds \$ 46,594,552

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

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

Depreciation	(13,223,187)
Capital outlay	27,061,134

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.

482,661

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

151,920

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.

Certificates of obligation issued	(14,470,000)
General obligation bonds issued	(47,770,000)
Principal repayments	13,990,000
Amortization of deferred charge on refunding	(273,690)
Amortization of premium on bonds	(9,295,307)
Accrued interest on long-term debt	(389,615)
Capital lease principal payment	435,851
Loan principal payment	64,707

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	(1,211,686)
Change in net pension liability	7,602,501
Change in total OPEB liability - TMRS	(308,301)
Change in total OPEB liability - retiree benefit	(1,290,486)
Change in deferred outflows - pensions	1,370,640
Change in deferred inflows - pensions	(9,860,387)
Change in deferred outflows - OPEB	349,005
Change in deferred inflows - OPEB	(42,707)

Change in Net Position of Governmental Activities	\$ (32,395)
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See Notes to Financial Statements.

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

September 30, 2020

	Business-Type Activities			
	Airport	Solid Waste	Golf Course	Civic/Con. Center
Assets				
Current assets:				
Cash and equity in pooled cash and investments	\$ 500,314	\$ 4,717,307	\$ 989,584	\$ 2,240
Receivables, net	1,118,171	93,391	15,190	1,603
Due from other funds	-	784,581	-	-
Inventories	-	78,179	-	-
Total Current Assets	1,618,485	5,673,458	1,004,774	3,843
Noncurrent assets:				
Capital assets:				
Nondepreciable	2,405,961	-	135,000	-
Net depreciable capital assets	11,001,904	4,097,647	4,482,757	5,689,793
Total Capital Assets,				
Net of Accumulated Depreciation	13,407,865	4,097,647	4,617,757	5,689,793
Total Noncurrent Assets	13,407,865	4,097,647	4,617,757	5,689,793
Total Assets	15,026,350	9,771,105	5,622,531	5,693,636
Deferred Outflows of Resources				
Deferred outflows - pensions	87,184	540,578	103,696	56,213
Deferred outflows - OPEB	8,195	60,229	15,298	8,123
Total Deferred Outflows of Resources	95,379	600,807	118,994	64,336
Liabilities				
Current liabilities:				
Accounts payable	59,514	230,850	91,232	14,644
Due to other funds	-	-	-	10,669
Deposits payable	47,809	-	-	77,650
Accrued expenses payable	1,119,637	129,698	25,629	15,607
Current portion of long-term liabilities:				
Accrued compensated absences	15,330	268,912	54,519	9,918
Total Current Liabilities	1,242,290	629,460	171,380	128,488
Noncurrent liabilities:				
Compensated absences	1,704	29,879	6,057	1,102
Net pension liability	319,823	2,143,293	532,318	229,308
Total OPEB liability - TMRS	16,690	111,607	23,068	12,306
Total OPEB liability - retiree benefits	104,942	775,012	160,711	84,957
Total Noncurrent Liabilities	443,159	3,059,791	722,154	327,673
Total Liabilities	1,685,449	3,689,251	893,534	456,161
Deferred Inflows of Resources				
Deferred inflows - pension	49,635	294,159	44,721	33,780
Deferred inflows - OPEB	659	3,831	724	414
Total Deferred Inflows of Resources	50,294	297,990	45,445	34,194
Net Position				
Net investment in capital assets	13,407,865	4,097,647	4,617,757	5,689,793
Unrestricted	(21,879)	2,287,024	184,789	(422,176)
Total Net Position	\$ 13,385,986	\$ 6,384,671	\$ 4,802,546	\$ 5,267,617

See Notes to Financial Statements.

Business-Type Activities	Governmental Activities
Total	Internal Service
\$ 6,209,445	\$ 3,556,695
1,228,355	2,682
784,581	-
78,179	-
<u>8,300,560</u>	<u>3,559,377</u>
2,540,961	-
<u>25,272,101</u>	<u>-</u>
27,813,062	-
<u>27,813,062</u>	<u>-</u>
<u>36,113,622</u>	<u>3,559,377</u>
787,671	-
91,845	-
<u>879,516</u>	<u>-</u>
396,240	-
10,669	-
125,459	-
1,290,571	509,851
348,679	-
<u>2,171,618</u>	<u>509,851</u>
38,742	-
3,224,742	-
163,671	-
1,125,622	-
<u>4,552,777</u>	<u>-</u>
<u>6,724,395</u>	<u>509,851</u>
422,295	-
5,628	-
<u>427,923</u>	<u>-</u>
27,813,062	-
2,027,758	3,049,526
<u>\$ 29,840,820</u>	<u>\$ 3,049,526</u>

CITY OF NEW BRAUNFELS, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2020

	Business-Type Activities			
	Airport	Solid Waste	Golf Course	Civic/Con. Center
<u>Operating Revenues</u>				
Charges for services	\$ 2,296,320	\$ 10,176,299	\$ 1,633,819	\$ 274,475
Miscellaneous	2,583	102,288	26,509	363
Total Operating Revenues	2,298,903	10,278,587	1,660,328	274,838
<u>Operating Expenses</u>				
Personnel	624,293	4,006,427	805,886	479,711
Purchased services	272,315	2,460,416	144,602	223,344
Professional services	36,897	67,254	-	-
Supplies	1,022,619	1,012,971	333,160	32,456
Depreciation and amortization	1,341,830	1,170,829	540,136	430,480
Insurance premiums	-	-	-	-
Claims	-	-	-	-
Total Operating Expenses	3,297,954	8,717,897	1,823,784	1,165,991
Operating Income (Loss)	(999,051)	1,560,690	(163,456)	(891,153)
<u>Nonoperating Revenues (Expenses)</u>				
Investment earnings	-	26,641	-	-
Gain on sale of assets	-	254,881	1,093	52
Intergovernmental	1,223,699	3,744,586	24,245	17,779
Total Nonoperating Revenue	1,223,699	4,026,108	25,338	17,831
Income (Loss) Before Transfers	224,648	5,586,798	(138,118)	(873,322)
<u>Transfers and Contributions</u>				
Transfers in	99,910	-	-	355,000
Transfers (out)	(557,243)	(2,093,205)	(75,025)	(40,548)
Total Transfers and Contributions	(457,333)	(2,093,205)	(75,025)	314,452
Change in Net Position	(232,685)	3,493,593	(213,143)	(558,870)
Beginning net position	13,618,671	2,891,078	5,015,689	5,826,487
Ending Net Position	\$ 13,385,986	\$ 6,384,671	\$ 4,802,546	\$ 5,267,617

See Notes to Financial Statements.

Business-Type Activites	Governmental Activities
Total	Internal Service
\$ 14,380,913	\$ 7,076,527
131,743	13,982
<u>14,512,656</u>	<u>7,090,509</u>
5,916,317	-
3,100,677	-
104,151	65,142
2,401,206	-
3,483,275	-
-	952,168
-	5,594,228
<u>15,005,626</u>	<u>6,611,538</u>
<u>(492,970)</u>	<u>478,971</u>
26,641	3,690
256,026	-
5,010,309	-
<u>5,292,976</u>	<u>3,690</u>
4,800,006	482,661
454,910	-
(2,766,021)	-
<u>(2,311,111)</u>	<u>-</u>
2,488,895	482,661
<u>27,351,925</u>	<u>2,566,865</u>
<u>\$ 29,840,820</u>	<u>\$ 3,049,526</u>

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 1 of 2)

For the Year Ended September 30, 2020

	Business-Type Activities			
	Airport	Solid Waste	Golf Course	Civic/Con. Center
<u>Cash Flows from Operating Activities</u>				
Receipts from customers	\$ 1,272,084	\$ 10,209,980	\$ 1,665,389	\$ 280,182
Receipts for interfund services provided & used	-	-	-	-
Payments to suppliers	(261,501)	(4,395,155)	(455,063)	(245,523)
Payments for premiums, claims, and administrative charges	-	-	-	-
Payments for personnel services	(625,557)	(3,900,987)	(753,820)	(470,062)
Net Cash Provided				
(Used) by Operating Activities	<u>385,026</u>	<u>1,913,838</u>	<u>456,506</u>	<u>(435,403)</u>
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers in from other funds	99,910	-	-	355,000
Transfers (out) to other funds	(557,243)	(2,093,205)	(75,025)	(40,548)
Intergovernmental revenue	<u>1,223,699</u>	<u>3,744,586</u>	<u>24,245</u>	<u>17,779</u>
Net Cash Provided (Used) by				
Noncapital Financing Activities	<u>766,366</u>	<u>1,651,381</u>	<u>(50,780)</u>	<u>332,231</u>
<u>Cash Flows from Capital and</u>				
<u>Related Financing Activities</u>				
Acquisition and construction of capital assets	(229,838)	(2,006,242)	(178,506)	(12,723)
Sale of capital assets	-	254,881	1,093	52
Net Cash Provided (Used) by Capital and				
Related Financing Activities	<u>(229,838)</u>	<u>(1,751,361)</u>	<u>(177,413)</u>	<u>(12,671)</u>
<u>Cash Flows from Investing Activities</u>				
Interest on investments	-	26,641	-	-
Net Cash Provided by Investing Activities	<u>-</u>	<u>26,641</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash				
and Equity in Pooled Cash and Investments	921,554	1,840,499	228,313	(115,843)
Beginning cash and equity in pooled cash and investments	<u>(421,240)</u>	<u>2,876,808</u>	<u>761,271</u>	<u>118,083</u>
Ending Cash and Equity				
in Pooled Cash and Investments	<u>\$ 500,314</u>	<u>\$ 4,717,307</u>	<u>\$ 989,584</u>	<u>\$ 2,240</u>
Total Cash and Cash Equivalents	<u>\$ 500,314</u>	<u>\$ 4,717,307</u>	<u>\$ 989,584</u>	<u>\$ 2,240</u>

Business-Type Activities	Governmental Activities
Total	Internal Service
\$ 13,427,635	\$ -
-	7,091,052
(5,357,242)	-
-	(6,593,540)
(5,750,426)	-
2,319,967	497,512
454,910	-
(2,766,021)	-
5,010,309	-
2,699,198	-
(2,427,309)	-
256,026	-
(2,171,283)	-
26,641	3,690
26,641	3,690
2,874,523	501,202
3,334,922	3,055,493
\$ 6,209,445	\$ 3,556,695
\$ 6,209,445	\$ 3,556,695

CITY OF NEW BRAUNFELS, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended September 30, 2020

	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)	\$ (999,051)	\$ 1,560,690	\$ (163,456)	\$ (891,153)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	1,341,830	1,170,829	540,136	430,480
Changes in Operating Assets and Liabilities:				
(Increase) Decrease in:				
Accounts receivable	(1,039,670)	(68,607)	5,061	5,844
Inventories	-	(47,921)	-	-
Due from other funds	-	(784,581)	-	-
Deferred outflows - pensions	34,675	293,738	76,420	30,806
Deferred outflows - OPEB	7,784	(8,898)	(4,699)	(3,430)
Increase (Decrease) in:				
Accounts payable	(37,386)	(69,661)	14,662	(5,611)
Accrued expenses	1,104,229	26,348	4,129	2,915
Due to other funds	-	-	(115)	10,669
Net pension liability	(85,993)	(525,271)	(99,196)	(56,801)
Total OPEB liability - TMRS	3,487	21,301	4,023	2,304
Total OPEB liability - retiree benefit	4,216	91,445	17,269	9,889
Accrued compensated absences	(8,700)	(19,680)	23,427	(2,744)
Customer deposits	12,851	-	-	(500)
Deferred inflows - pensions	46,368	271,846	38,442	31,679
Deferred inflows - OPEB	386	2,260	403	250
Net Cash Provided (Used) by Operating Activities	<u>\$ 385,026</u>	<u>\$ 1,913,838</u>	<u>\$ 456,506</u>	<u>\$ (435,403)</u>

See Notes to Financial Statements.

Business-Type Activities	Governmental Activities
Total	Internal Service
\$ (492,970)	\$ 478,971
3,483,275	-
(1,097,372)	543
(47,921)	-
(784,581)	-
435,639	-
(9,243)	-
(97,996)	-
1,137,621	17,998
10,554	-
(767,261)	-
31,115	-
122,819	-
(7,697)	-
12,351	-
388,335	-
3,299	-
<u>\$ 2,319,967</u>	<u>\$ 497,512</u>

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

The City is an independent political subdivision of the State of Texas (the “State”) governed by an elected Council and a Mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City’s financial reporting entity. The component units, as listed on the following page, 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 2017-2018, 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, 2020

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), 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 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. Such tax revenue is controlled by the Board of Directors managing the TIRZ 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 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. 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 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 Creekside 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 Mill area, which is conveniently located off I-35, directly behind Marketplace shopping area. The conceptual plan 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 as well. The project and finance plan has not been approved,

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

therefore the City Council has not established a board for TIRZ No. 2 at this point. Once the project and finance plan is approved, a board will be established to oversee the utilization of the incremental funds to support appropriate public improvements in accordance with section 311 of the Texas Tax Code.

Separate financial statements for both of the TIRZ and NBDA funds are not prepared.

The City also has the following related organization:

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

B. Government-Wide Financial Statements

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

C. Basis of Presentation – Government-Wide Financial Statements

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

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

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

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, and 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 special revenue funds are considered nonmajor funds for reporting purposes, except for the hotel/motel tax fund and roadway development impact fees fund, which do not qualify as major, but the City has elected to present them 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.

Roadway Development 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 *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 general obligations fund, the 2019 capital improvement fund and the 2020 capital improvement fund which are considered major funds.

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

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

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

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

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

report the activity of the cemetery perpetual care fund. It is considered a nonmajor fund for reporting purposes.

The City reports the following proprietary funds:

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

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

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

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

E. Measurement Focus and Basis of Accounting

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

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.

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

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 capital leases are reported as other financing sources.

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

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

1. Cash and Cash Equivalents

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

The City maintains a pooled cash account. Each fund whose monies are deposited in the pooled cash account has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end. Amounts on deposit in interest bearing accounts and other investments are displayed on the combined balance sheet as "cash and equity in pooled cash."

2. Investments

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

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"). The City is required by the Act to adopt, implement, and publicize an investment policy. That policy must be 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.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

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. 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:

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

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

5. Deferred Outflows/Inflows of Resources

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

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 only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

6. Compensated Absences

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

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

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.

Assets acquired under the terms of a capital lease are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the applicable fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

8. Net Position Flow Assumption

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

9. Fund Balance Flow Assumptions

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

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

10. Fund Balance Policies

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

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

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

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

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

	General	Hotel/Motel Tax	Debt Service	General Obligations	Roadway Impact Fees	2019 Capital Improvement	2020 Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:									
Cemetery perpetual care	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 222,617	\$ 222,617
Inventory	2,830	-	-	-	-	-	-	-	2,830
Total Nonspendable	2,830	-	-	-	-	-	-	222,617	225,447
Restricted:									
Tourism	-	1,144,969	-	-	-	-	-	-	1,144,969
Debt service	-	-	2,242,572	-	-	-	-	-	2,242,572
Grants	-	-	-	-	-	-	-	721,884	721,884
Special donation	-	-	-	-	-	-	-	616,490	616,490
Library	-	-	-	-	-	-	-	1,860	1,860
Capital projects	-	-	-	12,045,699	7,075,099	73,594,932	17,002,634	6,191,635	115,909,999
Public safety	-	-	-	-	-	-	-	3,837	3,837
Municipal court	-	-	-	-	-	-	-	440,441	440,441
Governmental programming	-	-	-	-	-	-	-	270,203	270,203
Economic development	-	-	-	-	-	-	-	8,960,826	8,960,826
Total Restricted	-	1,144,969	2,242,572	12,045,699	7,075,099	73,594,932	17,002,634	17,207,176	130,313,081
Committed:									
Enterprise equipment	-	-	-	-	-	-	-	6,519,109	6,519,109
Assigned:									
Equipment replacement	798,164	-	-	-	-	-	-	-	798,164
Unassigned	26,585,118	-	-	-	-	-	-	909,657	27,494,775
Total Fund Balances	\$ 27,386,112	\$ 1,144,969	\$ 2,242,572	\$ 12,045,699	\$ 7,075,099	\$ 73,594,932	\$ 17,002,634	\$ 24,858,559	\$ 165,350,576

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

Minimum Fund Balance Policy

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

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

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

11. Estimates

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

12. Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS' fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. Other Postemployment Benefits

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

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

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

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 funds and internal service fund 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.

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

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

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.

Deficit Fund Balance

As of the year ended September 30, 2020, the Community Development Block Grant fund, the Edwards Aquifer HCP fund, the TIRZ #1 fund, and the Certificates of Obligation 2012 fund had deficit fund balances of \$165,161; \$93,126; \$307,052; and \$9,923 respectively. The City plans to clear these deficits with support from other funds during fiscal year 2021 as well as additional grant revenue that is expected to come.

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

As of September 30, 2020, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)	Credit Rating
Primary Government and Component Unit-EDC:			
U.S. agencies:			
Treasury notes	\$ 2,028,125	0.62	AAA
Federal Home Loan Bank	2,017,020	0.00	Aaa
Certificates of deposit	5,131,376	0.45	AA+
External investment pools:			
TexPool	84,856,218	0.10	AAAm
Texas CLASS	32,506,673	0.24	AAAm
Total	<u><u>\$ 126,539,412</u></u>		
Portfolio weighted average maturity		0.28	
Component Unit - NBU			
U.S. agency securities	\$ 6,000,586	2.92	AA+
Treasury notes	7,580,038	6.94	
Certificates of deposit	2,500,000	0.10	
Demand deposit and money market	23,501,361	0.00	
Pooled funds	40,383,025	0.00	AAAm
Total	<u><u>\$ 79,965,010</u></u>		
Portfolio weighted average maturity		1.66	

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.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

- 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, 2020, the City had the following recurring fair value measurements:

	September 30, 2020	Significant Other Observable Inputs (Level 2)
Investments by Fair Value Level		
Primary Government		
<u>U.S. Government Agency Bonds/Notes</u>		
Treasury notes	\$ 2,028,125	\$ 2,028,125
Federal Home Loan Bank	2,017,020	2,017,020
Total - Primary Government	\$ 4,045,145	\$ 4,045,145
Component Unit - NBU		
U.S. agency securities	\$ 6,000,586	\$ 6,000,586
Treasury notes	7,580,038	7,580,038
Total - NBU	\$ 13,580,624	\$ 13,580,624

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

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

Credit risk. The City's policy requires that investment pools must be rated no lower than 'AAA' or 'AAAm'. As of September 30, 2020, 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.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

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, 2020, 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 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.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

B. Receivables

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

Governmental Funds					
	General	Hotel/Motel Tax	Debt Service	Nonmajor Funds	Total
Ad valorem taxes	\$ 467,288	\$ -	\$ 353,031	\$ -	\$ 820,319
Franchise fees and local taxes	-	-	-	53,626	53,626
Accounts	7,141,631	287,086	-	47,515	7,476,232
Intergovernmental	-	-	-	-	-
Less allowances	(45,754)	-	(29,493)	-	(75,247)
	<u>\$ 7,563,165</u>	<u>\$ 287,086</u>	<u>\$ 323,538</u>	<u>\$ 101,141</u>	<u>\$ 8,274,930</u>
Proprietary Funds					
	Airport	Solid Waste	Golf Course	Civic/Conv. Center	Total
Accounts	\$ 1,118,171	\$ 93,391	\$ 2,625	\$ 1,603	\$ 1,215,790
Other	-	-	12,565	-	12,565
	<u>\$ 1,118,171</u>	<u>\$ 93,391</u>	<u>\$ 15,190</u>	<u>\$ 1,603</u>	<u>\$ 1,228,355</u>
Component Unit					
	NBU				
Customer accounts	\$ 28,535,459				
Interest	27,947				
Other	12,431,933				
Less allowance	(213,258)				
	<u>\$ 40,782,081</u>				

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

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	\$ 41,182,691	\$ 623,758	\$ -	\$ 41,806,449
Construction in progress	16,654,832	18,789,261	(1,447,272)	33,996,821
Total capital assets not being depreciated	57,837,523	19,413,019	(1,447,272)	75,803,270
Other capital assets				
Road network	108,031,141	4,762,726	-	112,793,867
Infrastructure	25,040,967	-	-	25,040,967
Buildings	85,622,670	35,892	-	85,658,562
Improvements other than buildings	46,269,906	608,800	-	46,878,706
Machinery and equipment	10,917,354	1,969,121	-	12,886,475
Fleet	20,842,757	2,156,716	(437,868)	22,561,605
Total other capital assets	296,724,795	9,533,255	(437,868)	305,820,182
Less accumulated depreciation for:				
Road network	(76,450,035)	(5,547,095)	-	(81,997,130)
Infrastructure	(9,595,133)	(834,699)	-	(10,429,832)
Buildings	(38,487,657)	(2,103,527)	-	(40,591,184)
Improvements other than buildings	(24,257,280)	(3,100,907)	-	(27,358,187)
Machinery and equipment	(9,722,494)	(610,800)	-	(10,333,294)
Fleet	(17,207,956)	(1,464,027)	437,868	(18,234,115)
Total accumulated depreciation	(175,720,555)	(13,661,055)	437,868	(188,943,742)
Other capital assets, net	121,004,240	(4,127,800)	-	116,876,440
Governmental Activities				
Capital Assets, Net	<u>\$ 178,841,763</u>	<u>\$ 15,285,219</u>	<u>\$ (1,447,272)</u>	192,679,710
				(288,057,614)
				1,397,374
				104,658,378
				<u>10,677,848</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, 2020

Depreciation was charged to governmental functions as follows:

General government	\$ 1,083,322
Finance and tax	285,516
Planning and environmental development	715,839
Public safety	9,010,832
Public works	1,234,959
Parks and recreation	898,897
Library	431,690
Total Governmental Activities Depreciation Expense	<u>\$ 13,661,055</u>

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

	Beginning Balance	Increases	Reclassifications (Decreases)	Ending Balance
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 2,540,961	\$ -	\$ -	\$ 2,540,961
Total capital assets not being depreciated	<u>2,540,961</u>	<u>-</u>	<u>-</u>	<u>2,540,961</u>
Other capital assets				
Buildings	21,248,251	8,000	-	21,256,251
Improvements other than building	21,848,657	221,839	-	22,070,496
Furniture and fixtures	20,190	-	-	20,190
Machinery and equipment	1,207,856	198,296	-	1,406,152
Fleet	12,526,039	1,999,174	(780,790)	13,744,423
Airspace easement	37,515	-	-	37,515
Total other capital assets	<u>56,888,508</u>	<u>2,427,309</u>	<u>(780,790)</u>	<u>58,535,027</u>
Less accumulated depreciation for:				
Buildings	(10,394,683)	(624,462)	-	(11,019,145)
Improvements other than building	(10,044,066)	(1,444,699)	-	(11,488,765)
Furniture and fixtures	(14,079)	(2,539)	-	(16,618)
Machinery and equipment	(747,897)	(165,951)	-	(913,848)
Fleet	(9,335,843)	(1,244,686)	780,790	(9,799,739)
Airspace easement	(23,873)	(938)	-	(24,811)
Total accumulated depreciation	<u>(30,560,441)</u>	<u>(3,483,275)</u>	<u>780,790</u>	<u>(33,262,926)</u>
Other capital assets, net	<u>26,328,067</u>	<u>(1,055,966)</u>	<u>-</u>	<u>25,272,101</u>
Business-Type Activities				
Capital Assets, Net	<u>\$ 28,869,028</u>	<u>\$ (1,055,966)</u>	<u>\$ -</u>	<u>\$ 27,813,062</u>
		Net Investment in Capital Assets		<u>\$ 27,813,062</u>

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

Depreciation was charged to business-type functions as follows:

Airport	\$ 1,341,830
Solid waste	1,170,829
Golf course	540,136
Civic center	430,480
Total Business-Type Activities Depreciation Expense	<u>\$ 3,483,275</u>

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Reclassifications (Decreases)</u>	<u>Ending Balance</u>
Component Unit:				
Capital assets not being depreciated:				
Land and improvements	\$ 27,793,465	\$ 1,775,475	\$ (587,901)	\$ 28,981,039
Construction in progress	82,434,399	126,290,437	(43,464,857)	165,259,979
Total capital assets not being depreciated	<u>110,227,864</u>	<u>128,065,912</u>	<u>(44,052,758)</u>	<u>194,241,018</u>
Other capital assets				
Buildings	76,070,081	-	(8,320,957)	67,749,124
Infrastructure	498,694,501	36,803,816	(2,152,143)	533,346,174
Equipment	110,312,522	4,510,052	(389,466)	114,433,108
Wells and springs	1,551,126	375,514	-	1,926,640
Total other capital assets	<u>686,628,230</u>	<u>41,689,382</u>	<u>(10,862,566)</u>	<u>717,455,046</u>
Less accumulated depreciation for:				
Buildings	(33,223,413)	(1,758,847)	3,387,775	(31,594,485)
Infrastructure	(174,518,258)	(16,457,453)	1,952,190	(189,023,521)
Equipment	(42,133,517)	(4,638,664)	309,130	(46,463,051)
Wells and springs	(507,817)	(33,928)	-	(541,745)
Total accumulated depreciation	<u>(250,383,005)</u>	<u>(22,888,892)</u>	<u>5,649,095</u>	<u>(267,622,802)</u>
Other capital assets, net	<u>436,245,225</u>	<u>18,800,490</u>	<u>(5,213,471)</u>	<u>449,832,244</u>
Component Unit Capital Assets, Net	<u>\$ 546,473,089</u>	<u>\$ 146,866,402</u>	<u>\$ (49,266,229)</u>	<u>\$ 644,073,262</u>

Depreciation was charged to the NBU as follows:

Electric	\$ 9,801,862
Water	5,992,802
Wastewater	7,094,228
Total Component Unit Activities Depreciation Expense	<u>\$ 22,888,892</u>

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

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	\$ 127,015,000	\$ 47,770,000	\$ (8,895,000)	\$ 165,890,000	\$ 10,190,000
Certificates of obligation	67,880,000	14,470,000	(3,735,000)	78,615,000	4,715,000
Contract revenue obligations	21,740,000	-	(1,360,000)	20,380,000	1,405,000
Bond premium	12,688,552	10,643,887	(1,348,580)	21,983,859	-
	<u>229,323,552</u>	<u>72,883,887</u>	<u>(15,338,580)</u>	<u>286,868,859</u>	<u>** 16,310,000</u>
Other liabilities:					
Equipment loan payable	337,343	-	(64,707)	272,636	** 66,059
Capital lease payable	1,351,970	-	(435,851)	916,119	** 252,288
Net pension liability	38,838,183	-	(7,602,501)	31,235,682	-
Total OPEB liability - TMRS	1,323,588	308,301	-	1,631,889	-
Total OPEB liability - Retiree benefit	10,010,851	1,290,486	-	11,301,337	-
Compensated absences	6,358,617	6,934,441	(5,722,755)	7,570,303	6,813,273
Total Governmental Activities	<u>\$ 287,544,104</u>	<u>\$ 81,417,115</u>	<u>\$ (29,164,394)</u>	<u>\$ 339,796,825</u>	<u>\$ 23,441,620</u>
Long-term debt due in more than one year				<u>\$ 316,355,205</u>	
** Debt associated with capital assets				<u>\$ 288,057,614</u>	
	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-Type Activities:					
Net pension liability	\$ 3,992,001	\$ -	\$ (767,259)	\$ 3,224,742	\$ -
Total OPEB liability - TMRS	132,556	31,115	-	163,671	-
Total OPEB liability - Retiree benefit	1,002,803	122,819	-	1,125,622	-
Compensated absences	395,118	347,909	(355,606)	387,421	348,679
Total Business-Type Activities	<u>\$ 5,522,478</u>	<u>\$ 501,843</u>	<u>\$ (1,122,865)</u>	<u>\$ 4,901,456</u>	<u>\$ 348,679</u>
Long-term debt due in more than one year				<u>\$ 4,552,777</u>	
	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Component Units:					
Bonds payable	\$ 150,976,332	\$ 88,254,261	\$ (23,560,000)	\$ 215,670,593	\$ 5,030,000
Bond premium	4,991,334	10,868,906	-	15,860,240	-
Net pension liability	19,281,588	-	(4,881,378)	14,400,209	-
Compensated absences	1,717,604	1,318,878	(864,425)	2,172,057	1,430,990
Total Component Units	<u>\$ 176,966,858</u>	<u>\$ 100,442,045</u>	<u>\$ (29,305,803)</u>	<u>\$ 248,103,099</u>	<u>\$ 6,460,990</u>
Long-term debt due in more than one year				<u>\$ 241,642,109</u>	

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, 2020

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

Governmental Activities:		Final			
Series	Maturity	Original Issue	Interest Rate	Balance	
General Obligation Bonds/Notes					
2013 General Obligation Refunding Bonds	2023	\$ 3,820,000	2.00-3.00%	\$ 1,335,000	
2014 General Obligation Bonds	2034	\$ 13,970,000	2.00-5.00%	10,785,000	
2015 General Obligation and Refunding Bonds	2035	\$ 29,260,000	2.00-5.00%	25,560,000	
2015 Tax Note	2022	\$ 1,285,000	1.63%	380,000	
2016 General Obligation Refunding Bonds	2036	\$ 37,360,000	2.00-5.00%	31,540,000	
2017 General Obligation Refunding Bonds	2029	\$ 5,255,000	1.91%	4,665,000	
2018 General Obligation Bonds	2038	\$ 21,620,000	3.00-5.00%	20,565,000	
2018 Tax Note	2025	\$ 3,000,000	2.78%	2,190,000	
2018A Tax Note	2026	\$ 2,300,000	2.35-2.87%	2,015,000	
Series 2019 General Obligation Bonds	2039	\$ 19,985,000	2.00-5.00%	19,085,000	
Series 2020 General Obligation Bonds	2040	\$ 47,770,000	3.00-5.00%	47,770,000	
Total General Obligation				165,890,000	
Certificates of Obligation					
2006A Certificates of Obligation	2021	\$ 1,600,000	3.60-4.50%	155,000	
2011 Certificates of Obligation	2031	\$ 18,200,000	4.05%	11,885,000	
2012 Certificates of Obligation	2032	\$ 19,470,000	2.00-5.00%	13,245,000	
2013 Certificates of Obligation	2033	\$ 19,490,000	3.00-5.00%	14,400,000	
2014A Certificates of Obligation	2034	\$ 6,845,000	2.00-5.00%	5,250,000	
2014B Certificates of Obligation	2034	\$ 3,280,000	2.00-5.00%	2,700,000	
2015 Certificates of Obligation	2035	\$ 5,395,000	2.00-5.00%	4,395,000	
2018 Certificates of Obligation	2038	\$ 8,120,000	2.00-5.00%	7,555,000	
2019 Certificates of Obligation	2039	\$ 4,755,000	2.00-5.00%	4,560,000	
2020 Certificates of Obligation	2040	\$ 14,470,000	3.00-5.00%	14,470,000	
Total Certificates of Obligation				78,615,000	
Tax Increment Contract Revenue Obligations					
2012 Tax Increment Contract Revenue					
Improvement and Refunding Obligations	2032	\$ 11,670,000	2.93%	7,920,000	
2014 Tax Increment Contract Revenue Notes	2032	\$ 17,000,000	3.68%	12,460,000	
Total Tax Increment Contract Revenue Obligations				20,380,000	
Total Governmental Activities Long-Term Debt				\$ 264,885,000	
<i>*After refunding</i>					
Component Unit - NBU:		Final			
Series	Maturity	Original Issue	Interest Rate	Balance	
Revenue Bond					
2004 Utility System Revenue		2,572,596	3.10-5.16%	\$ 1,241,326	
Capital Appreciation Bonds					
2015 Utility System Revenue		26,870,000	2.00-4.00%	25,945,000	
2016 Utility System Revenue and Refunding		62,235,000	2.00-5.00%	58,915,000	
2018 Utility System Revenue		45,200,000	2.00-5.00%	40,880,000	
2020 Utility System Refunding		88,100,000	3.00-5.00%	87,100,000	
Total Capital Appreciation Bonds				212,840,000	
Total Accreted Interest on Capital Appreciation Bonds				1,589,267	
Total Component Unit - NBU				\$ 215,670,593	

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

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

Governmental Activities							
Year Ending Sep. 30	General Obligation		Certificates of Obligation		Tax Increment Contract Revenue Obligations		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2021	\$ 10,190,000	\$ 6,125,231	\$ 4,715,000	\$ 3,086,953	\$ 1,405,000	\$ 690,284	\$ 26,212,468
2022	8,975,000	5,941,421	4,670,000	2,961,184	1,450,000	643,080	24,640,685
2023	9,705,000	5,548,442	4,855,000	2,772,656	1,500,000	594,033	24,975,131
2024	9,995,000	5,107,274	5,060,000	2,576,590	1,550,000	490,830	24,779,694
2025	10,815,000	4,633,566	5,270,000	2,362,255	1,605,000	543,295	25,229,116
2026-2030	44,000,000	16,971,709	30,190,000	7,690,139	8,880,000	1,891,611	109,623,459
2031-2035	43,715,000	8,540,688	19,595,000	2,015,501	3,990,000	404,353	78,260,542
2036-2040	28,495,000	1,884,616	4,260,000	251,913	-	-	34,891,529
Total	\$ 165,890,000	\$ 54,752,947	\$ 78,615,000	\$ 23,717,191	\$ 20,380,000	\$ 5,257,486	\$ 348,612,624

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

The City issued \$14,470,000 in Certificates of Obligation, Series 2020 (the "Certificates") with interest rates ranging from 3% to 5%. The proceeds will be used for various capital related improvements and vehicle replacements. The Certificates are set to mature in 2040.

The City issued \$47,770,000 of General Obligation bonds, Series 2020 (the "Bonds") with interest rates ranging from 3% to 5%. The proceeds will be used for various capital related improvements throughout the City. The Bonds are set to mature in 2040.

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, 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 series 2012 and series 2014 obligations.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

The City entered into a ten-year loan payable of \$1,394,231 with an interest rate of 2.09% with a national bank on May 30, 2014. The proceeds of the loan were used to acquire capital assets by which the loan is secured. The annual requirements to amortize the equipment loan payable outstanding at year end were as follows:

Equipment Loan Payable:			
Year Ending	Governmental Activities		
Sep. 30	Principal	Interest	Total
2021	\$ 66,059	\$ 5,698	\$ 71,757
2022	67,440	4,317	71,757
2023	68,849	2,908	71,757
2024	70,288	1,469	71,757
Total	\$ 272,636	\$ 14,392	\$ 287,028

The City has entered into various capital lease financing arrangements with interest rates that range from 1.85% to 2.25%. The annual requirements to amortize the capital leases payable outstanding at year end were as follows:

Year Ending	Governmental Activities		
Sep. 30	Principal	Interest	Total
2021	\$ 252,288	\$ 34,021	\$ 286,309
2022	261,875	24,435	286,310
2023	44,260	14,442	58,702
2024	45,850	12,852	58,702
2025	47,498	11,204	58,702
2026-2030	264,348	29,163	293,511
Total	\$ 916,119	\$ 126,117	\$ 1,042,236

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

Year Ending	Bonds Payable		
Sep. 30	Principal	Interest	Total
2021	\$ 5,030,000	\$ 8,618,981	\$ 13,648,981
2022	5,122,050	8,424,931	13,546,981
2023	4,350,428	8,225,131	12,575,559
2024	5,216,564	8,047,581	13,264,145
2025	5,353,562	7,840,581	13,194,143
2026-2030	29,797,989	35,558,856	65,356,845
2031-2035	35,335,000	28,867,644	64,202,644
2036-2040	40,975,000	21,515,488	62,490,488
2041-2045	49,210,000	12,851,238	62,061,238
2045-2049	35,280,000	3,728,350	39,008,350
Total	\$ 215,670,593	\$ 143,678,781	\$ 359,349,374

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

Federal Arbitrage

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

E. Interfund Receivables and Payables

Interfund balances at September 30, 2020 consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General	Community Development Block Grant	\$ 32,176
	Edwards Aquifer HCP	60,707
	Certificates of Obligation 2012	9,923
	Civic/Con. Center	10,669
New Braunfels Development Authority	Creekside Town Center	304,237
Solid Waste	General	784,581
		<u>\$ 1,202,293</u>

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

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

F. Interfund Transfers

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

	Transfers In	Transfers Out	Explanation
General	\$ 125,000	\$ -	Rec Center Improvement & Operations - administration services
	71,424	99,910	Aiport Fund - administration services
	664,327	-	Solid Waste - administration services
	73,082	-	Golf Course - administration services
	40,548	-	Civic/Convention center - administration services
	-	79,978	Grant Fund
	-	7,594	River Activities
	-	364,621	Debt Service (ERF)
	-	4,556	Non-Federal Court Awards
	-	89,000	Edwards Aquifer HCP
Total General Fund	974,381	645,659	
Hotel Motel Tax	-	105,000	Civic/Convention Center Fund
	-	575,725	Debt Service
Total Hotel Motel Tax Fund	-	680,725	
Debt Service	364,621	-	General Fund
	379,372	-	Airport Fund - Debt Service
	71,594	-	Solid Waste Fund - Debt Service
	575,725	-	Hotel Motel Tax Fund - Civic/Convention Center
Total Debt Service Fund	1,391,312	-	
Roadway Impact Fees	-	1,000,000	2019 Bond Program
Total Roadway Impact Fees	-	1,000,000	
2019 Bond Program	1,000,000	-	Roadway impact fees fund - support funding for streets project
Total 2019 Bond Program Fund	1,000,000	-	
Grant	79,978	-	General Fund
Total Grant Fund	79,978	-	
NB Development Authority	4,211,824	-	Creekside TIRZ Fund
Total NB Development Authority Fund	4,211,824	4,211,824	
Tax Increment Reinvestment Zone No. 1	-	4,211,824	NB Development Authority - pass through of TIRZ revenue and existing balance to NBDA to support debt service
Total NB Development Authority Fund	4,211,824	4,211,824	
River Activities	123,764	-	Solid Waste Fund - river litter pick up
	7,594	-	General Fund
Total River Activities Fund	131,358	-	

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

	Transfers In	Transfers Out	Explanation
2008 Certificate of Obligation	-	251,024	2007, 2012, 2013 Certificates of Obligation
Total 2008 Certificate of Obligation Fund	-	251,024	
2007 Certificate of Obligation	11,389	-	2008 Certificate of Obligation
Total 2007 Certificate of Obligation Fund	11,389	-	
2012 Certificate of Obligation	51,912	-	2008 Certificate of Obligation
Total 2012 Certificate of Obligation Fund	51,912	-	
2013 Certificate of Obligation	187,723	-	2008 Certificate of Obligation
Total 2013 Certificate of Obligation Fund	187,723	-	
Edwards Aquifer HCP	89,000	-	General Fund - administrative support for the Edwards Aquifer HCP
Total Edwards Aquifer HCP Fund	89,000	-	
Enterprise Maintenance	106,447	-	Airport Fund operating expenditures - equipment and loan payoff
	1,943	-	Golf Course Fund operating expenditures - equipment replacement
	1,233,520	-	Solid Waste Fund operating expenditures - heavy equipment replacement
	-	250,000	Hotel/ Motel Tax Fund
Total Enterprise Maintenance Fund	1,341,910	250,000	
Recreation Center Improvements	-	125,000	General Fund
Total Recreation Center Improvements Fund	-	125,000	
Non-Federal Court Awards	4,556	-	General Fund - reimbursement for incorrectly posted seizure funds
Total Non-Federal Court Awards	4,556	-	
Airport	99,910	71,424	General Fund - land lease for CTTC buildings
	-	106,447	Enterprise Equipment Replacement Fund
	-	379,372	
Total Airport Fund	99,910	557,243	
Solid Waste	-	664,327	General Fund
	-	1,233,520	Enterprise Equipment Replacement Fund
	-	123,764	River Activities
	-	71,594	
Total Solid Waste Fund	-	2,093,205	
Golf Course	-	73,082	General Fund
	-	1,943	Enterprise Equipment Replacement Fund
Total Golf Course Fund	-	75,025	
Civic/Convention Center	-	40,548	General Fund
	105,000	-	Hotel Motel Fund
	250,000	-	Enterprise Equipment Replacement Fund
Total Civic/Convention Center Fund	355,000	40,548	
	<u>\$ 9,930,253</u>	<u>\$ 9,930,253</u>	

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

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

IV. OTHER INFORMATION

A. Risk Management

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

The City's health insurance program is a self-insured minimum premium cash flow plan (the "Plan"). The City makes pre-determined monthly contributions to the Plan to fully cover the cost of employee-only coverage. The City and each covered employee make a pre-determined monthly contribution to the Plan if they cover one or more dependents. All claims are reviewed and processed by an independent insurance company. The insurance company pays claims based on the Plan, and the City reimburses the insurance company for the amount of each claim paid. The insurance company charges the City a fee for each claim processed. Funding covers both the cost of claims and administrative expenses. The City paid \$5,576,230 in health claims and paid \$1,017,309 for administrative costs for the year ended September 30, 2020. The City contributed \$5,242,784 and City employees contributed \$1,046,871 to the Plan for the year ended September 30, 2020.

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 \$766. 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 \$509,851 at September 30, 2020. The estimated liability for health claims is based upon historical claims experience.

The changes in the claim liability for the years ended September 30, 2020 and 2019 are as follows:

	2020	2019
Claims payable, beginning of year	\$ 491,853	\$ 358,764
Plus: incurred claims	5,594,228	5,266,162
Less: claims paid	(5,576,230)	(5,133,073)
Claims Payable, End of Year	\$ 509,851	\$ 491,853

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, 2020, the City is involved in various lawsuits. These lawsuits generally involve claims relating to general liability, automobile liability, civil rights actions, and various contractual

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

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.

In March 2020, COVID-19 was recognized as a pandemic both worldwide and in the United States with local stay at-home orders going into effect. The City navigated through this time by alternating the schedules of its employees due to various City functions needing to continue to run through this time. The City followed the directions of the State in relation to Municipal Court. The Court was closed until the City came up with an acceptable plan to monitor social distancing, require masks, and provide hand sanitizers. Subsequent to the second wave of the COVID outbreak, the State is now requiring Municipal Court to be held via Zoom meetings. While the initial event occurred prior to year end, the City was, subsequent to year end, continuing to modify its operations to prevent the spread to customers, staff, and the community as a whole, while balancing the needs of the community. The City has made numerous changes to its operations, including provisions for customer and staff to wear masks, more frequent cleanings, and numerous other changes. While such changes cause a significant hardship and have increased expenses, such increases are nominal in comparison to the overall budget. The City is continuing to monitor exposure levels with customer, staff, and the community as a whole, but to date the overall exposure threat level has been sufficiently low to continue with open doors; however the City is ready to modify plans if necessary.

C. Pension Plan

Texas Municipal Retirement System

Plan Description

The City participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by TMRS. TMRS is an agency created by the State and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the "TMRS Act") as an agent multiple-employer retirement system for municipal employees in the State. The TMRS Act places the general administration and management of TMRS with a six-member Board of Trustees (the "Board"). Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State. 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 comprehensive annual financial report that can be obtained at www.tmr.com.

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

Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits, with interest, were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75 percent of the member's deposits and interest.

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

	<u>2020</u>	<u>2019</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/yrs of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI	70% of CPI

Employees Covered by Benefit Terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	280
Inactive employees entitled to, but not yet receiving, benefits	313
Active employees	638
Total	<u><u>1,231</u></u>

Contributions

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

Employees for the City were required to contribute seven percent of their annual gross earnings during the fiscal year. The contribution rates for the City were 17.14 percent and 17.27 percent in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2020 were \$7,429,745, which were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019 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, 2020

Actuarial Assumptions

The TPL in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.0% per year
Overall payroll growth	3.0% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for annuity purchase rates (APRs) 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 weighing the expected future real rates of return by the target 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, the 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, 2020

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
Total	100.00%	

Discount Rate

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

Changes in the NPL

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (A)</u>	<u>Plan Fiduciary Net Position (B)</u>	<u>Net Pension Liability (A) - (B)</u>
Changes for the year:			
Service cost	\$ 7,548,546	\$ -	\$ 7,548,546
Interest	11,540,144	-	11,540,144
Changes in current period benefits	-	-	-
Difference between expected and actual experience	1,420,919	-	1,420,919
Changes in assumptions	615,649	-	615,649
Contributions - employer	-	7,026,523	(7,026,523)
Contributions - employee	-	2,901,000	(2,901,000)
Net investment income	-	19,681,894	(19,681,894)
Benefit payments, including refunds of employee contributions	(5,552,933)	(5,552,933)	-
Administrative expense	-	(111,061)	111,061
Other changes	-	(3,337)	3,337
Net Changes	15,572,325	23,942,086	(8,369,761)
Balance at December 31, 2018	169,967,288	127,137,103	42,830,185
Balance at December 31, 2019	\$ 185,539,613	\$ 151,079,189	\$ 34,460,424

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

Sensitivity of the NPL to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	\$ 64,306,036	\$ 34,460,424	\$ 10,255,710

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 September 30, 2020, the City recognized pension expense of \$8,335,377.

At September 30, 2020, 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	\$ 2,208,242	\$ 26,350
Changes in actuarial assumptions	501,428	63,628
Difference between projected and actual investment earnings	-	4,550,217
Contributions subsequent to the measurement date	5,690,727	-
Total	\$ 8,400,397	\$ 4,640,195

\$5,690,727 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, 2021. 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
2021	\$ (531,020)
2022	(527,419)
2023	802,772
2024	(1,822,291)
2025	147,433
Thereafter	-
Total	\$ (1,930,525)

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

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 TMRS Act requires the PTF to allocate a five percent interest credit from investment income to the SDBF on an annual basis each December 31 based on the mean balance in the SDBF during the year.

Benefits

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated). Participation in the SDBF as of December 31, 2019 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	234
Inactive employees entitled to, but not yet receiving, benefits	94
Active employees	638
Total	<u>966</u>

Total OPEB Liability

The City's total OPEB liability of \$1,795,560 was measured as of December 31, 2019 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, 2020

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2019 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	2.75%
Retirees' share of benefit-related costs	Zero
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

* The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Changes in the Total OPEB Liability

	Total OPEB Liability
Changes for the year:	
Service cost	\$ 66,288
Interest	55,022
Differences between expected and actual experience	(69,364)
Changes of assumptions	299,899
Benefit payments*	(12,429)
Net Changes	339,416
Beginning balance	1,456,144
Ending Balance	\$ 1,795,560

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

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

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

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

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 (1.75%)	Discount Rate (2.75%)	1% Increase in Discount Rate (3.75%)
City's Total OPEB Liability	\$ 2,203,177	\$ 1,795,560	\$ 1,483,635

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

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 246,874	\$
Changes in assumptions	-	78,397
Contributions subsequent to the measurement date	10,099	-
Total	\$ 256,973	\$ 78,397

\$10,099 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction the of total OPEB liability for the fiscal year ending September 30, 2021.

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
2021	\$ 31,366
2022	31,366
2023	31,366
2024	29,011
2025	15,945
Thereafter	29,423
Total	\$ 168,477

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.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

Benefits

The City maintains self-funded medical and prescription drug coverage administered by Aetna for eligible employees and retired employees and their dependents (prior to attaining Medicare eligibility). Employees and retirees are also eligible for the City's fully-insured dental and vision plan options. In addition, retirees eligible for Medicare can remain with the City but are moved to a fully-insured Medicare Advantage plan. The dental, vision, and Medicare Advantage plans are 100% funded through retiree contributions. Since the retiree has to pay the full premium and there is not a material implicit subsidy for these benefits, there is no liability for the City. Therefore, the dental, vision, and Medicare Advantage plans were excluded from this valuation.

Inactive employees or beneficiaries currently receiving benefits	12
Inactive employees entitled to, but not yet receiving, benefits	-
Active employees	549
Total	561

Total OPEB Liability

The City's total OPEB liability of \$12,426,959 was measured as of September 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the September 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40%
Salary increases	3.00%
Discount rate	3.73%

The discount rate was based on an average of the September 30, 2019 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 RPH-2014 Employee Mortality Table, Generational with Projection Scale MP-2019 for males or females, as appropriate.

Mortality rates for retirees disabled employees were based on the RPH-2014 Healthy Annuitant and Disabled Retiree Mortality Table, Generational with Projection Scale MP-2018 for males or females, as appropriate.

The actuarial assumptions used in the September 30, 2019 valuation were based on the results of an actuarial experience study for the period September 30, 2016 to September 30, 2018.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

Changes in the Total OPEB Liability

	Total OPEB Liability
Changes for the year:	
Service cost	\$ 516,534
Interest	365,899
Changes of assumptions	446,312
Differences between expected and actual experience	69,594
Benefit payments	14,965
Net Changes	1,413,304
Beginning balance	11,013,655
Ending Balance	\$ 12,426,959

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 (2.73%)	Discount Rate 0 (3.73%)	1% Increase in Discount Rate (4.73%)
City's Total OPEB Liability	\$ 14,384,596	\$ 12,426,959	\$ 18,767,052

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
City's Total OPEB Liability	\$ 10,539,867	\$ 12,426,959	\$ 14,735,218

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

At September 30, 2020, 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	\$ 462,879	\$ -
Changes in actuarial assumptions	478,774	-
Total	\$ 941,653	\$ -

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

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

<u>Year Ended</u>	<u>OPEB Expense</u>
<u>September 30</u>	
2021	377,431
2022	377,431
2023	103,181
2024	83,610
2025	-
Thereafter	-
Total	\$ 941,653

3. Operating Lease

NBU has an operating lease with the Lower Colorado River Authority (LCRA) to lease certain transmission assets to LCRA. Payments for the lease facilities are based on the original cost of the facilities, adjusted for depreciation, and are updated annually to reflect additions, retirements, and depreciation. The terms of the leases are perpetual, but may be terminated by either party upon five years written notice. On March 30, 2017, LCRA and NBU executed a Memorandum of Agreement (MOA) to terminate the lease effective on March 31, 2022. The MOA outlines a lease payment freeze that reverts the lease payments to the lease asset value as of NBU's Transmission Cost of Service (TCOS) rate case dated July 7, 2014. The compensable lease asset value at that time was \$10,992,460, which equates to lease revenue of \$855,667 per year. Lease revenues were \$926,972 and \$855,667 in Fiscal Year 2020 and Fiscal Year 2019, respectively. The receipts for Fiscal Year 2020 are expected to be \$855,667.

4. Tax Abatements

1. Chapter 378 Neighborhood Empowerment Zone Agreement

Chapter 378 of the Texas Local Government Code, *Neighborhood Empowerment Zone*, provides the authority to the governing body of a municipality to create a Neighborhood Empowerment Zone that would promote an increase in economic development in the municipality. The City has entered into a property tax abatement agreement (the "Agreement") with a company (the "Company") as authorized by Chapter 378 of the Texas Local Government Code. Under the Agreement, the Company agrees to establish a customer contact center that will employ 120 people by the end of the first year of operation and will employ at least 343 people by the end of the tenth year of operation. In exchange, the City will pay the Company 50 percent of the sales tax revenue received by the City which is connected to the Company's business activities within the City starting on the date outlined in the Agreement for a period of 10 years. The Agreement provides for recapture of sales taxes in the event of material breach. For the year ended September 30, 2020, the total amount of taxes abated were \$1,713,721 for the City and \$898,067 for the NBEDC.

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.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

Sales Taxes

The City has entered into sales tax abatement agreements (the “Agreements”) with several developers (the “Developers”) as authorized by Chapter 380 of the Texas Local Government Code.

Under each Agreement, the Developers must meet certain commercial/retail development and/or employment requirements in order to have a portion of their sales 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 Agreements:

- A Developer constructed a commercial and mixed-use development of approximately 160.56 acres of land for the purpose of promoting economic development in the City and stimulating business and commercial activity. The improvements were to be completed based on the terms of the Agreement. The Agreement expires 25 years after the effective date of the Agreement. The City will make payments to the Developer from sales tax revenues at an amount equal to 50 percent of sales tax revenue collected by the City and generated by the project. For the year ended September 30, 2020, the total amount of taxes abated were \$249,606 for the City.
- A Developer will construct a new grocery retail store with approximately 120,000 square feet for the purpose of creating and/or retaining at least 108 full-time equivalent (FTE) employees. The City has granted the Developer a tax limitation of \$1.5 million for a period of 5 years. In order to be eligible to receive the limitation, the Developer must have invested at least \$14 million during the time period beginning October 1, 2015 and ending December 31, 2016. The City will make quarterly payments to the Developer from sales tax revenues at an amount equal to 50 percent of sales taxes generated not to exceed a cumulative amount of \$700,000 paid by the City and \$800,000 paid by the NBEDC beginning after the grocery store opens to the public. For the year ended September 30, 2019, the total amount of taxes abated were \$82,146 for the City. This contract will be fulfilled during the year ending September 30, 2021.

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

Sales Tax Reconciliation					
	General	Creekside Town Center TIRZ	Economic Dev. Corporation	River Mill TIRZ	Total
Payments from Comptroller	\$ 26,184,691	\$ 1,406,463	\$ 8,728,230	\$ 5,802	\$ 36,325,186
Creekside Town Center - Chapter 380 Abatement Payments	(1,990,713)	-	(2,365,093)	-	(4,355,806)
Net Sales Tax Collected	\$ 24,193,978	\$ 1,406,463	\$ 6,363,137	\$ 5,802	\$ 31,969,380

Property Taxes

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

Under each Agreement, the Developers 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.

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

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

- The Developer constructed a commercial and mixed-use development of approximately 160.56 acres of land for the purpose of promoting economic development in the City and stimulating business and commercial activity. In exchange, the City will pay the company an amount annually equal to 70 percent of all property taxes received by the City related to the property in each tax year starting the first tax year following a transition period as outlined in the Agreement for a period of 25 years or until \$4,117,000 of the economic development grant is paid. For the year ended September 30, 2020, the total amount of taxes abated were \$351,053 for the City.
- The Developer agrees to construct a manufacturing facility of approximately 240,000 square-feet for the purpose of promoting economic development in the City and stimulating business and commercial activity. The City has granted the Developer a tax limitation for a period of 15 years. In order to be eligible to receive the limitation, the Developer agrees to make an investment of \$80 million that increases total taxable assessed value of at least \$35 million by January 2017 and \$50 million by January 2018. In addition, the Developer must meet certain employment conditions. The City will make annual payments to the Developer from property tax revenues at an amount equal to 80 percent, 60 percent, and 50 percent of total taxable assessed value for years one through five, six through eight, and nine through fifteen, respectively. For the years ending September 30, 2020 and 2019, the total amount of taxes abated were \$265,579 and \$208,209 respectively.

A reconciliation of gross property tax collections for these tax abatement agreements and the Creekside Town Center TIRZ is disclosed below:

	Property Tax Reconciliation		
	Maintenance and Operations	Interest and Sinking	Total
General fund	\$ 21,214,934	\$ 16,593,259	\$ 37,808,193
Creekside Town Center TIRZ	953,231	745,570	1,698,801
Gross Property Taxes Collected	22,168,165	17,338,829	39,506,994
Penalties and interest collected	190,506	155,697	346,203
Creekside Town Center / Chapter 380 Abatement Payments	(1,262,256)	(989,545)	(2,251,801)
Creekside Town Center TIRZ collections	2,783,406	-	2,783,406
Deferred revenue adjustment for governmental activities	151,920	-	151,920
Net Property Taxes Collected	\$ 24,031,741	16,504,981	40,536,722

5. New Braunfels Utilities Defined Benefit Pension Plan

Plan Description

NBU participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code ("TMRS Act") as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

Internal Revenue Code. TMRS issues a publicly available CAFR that can be obtained online at www.tmr.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 percent of the member's deposits and interest.

Employees Covered by Benefit Terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	128
Inactive employees entitled to, but not yet receiving, benefits	85
Active employees	306
Total	519

Contributions

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

Employees of NBU were required to contribute 7 percent of their annual gross earnings during the fiscal year. The contribution rates for NBU were 17.39 percent and 17.58 percent in calendar years 2020 and 2019, respectively. NBU's contributions to TMRS for the years ended July 31, 2020 and 2019 were \$3,776,143 and \$3,343,248, respectively, and were equal to the required contributions.

Net Pension Liability

NBU's Net Pension Liability (NPL) was measured as of December 31, 2019 and 2018, 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, 2020

Actuarial Assumptions

The TPL in the December 31, 2019 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 male rates multiplied by 109 percent and female rates multiplied by 103 percent. 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, 2019 and 2018 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. 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 Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
Total	100.00%	

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

Discount Rate

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

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	\$ 3,421,657	\$ -	\$ 3,421,657
Interest	6,104,485	-	6,104,485
Changes in current period benefits	-	-	-
Difference between expected and actual experience	1,260,367	-	1,260,367
Changes in assumptions	205,839	-	205,839
Contributions - employer	-	3,502,065	(3,502,065)
Contributions - employee	-	1,407,263	(1,407,263)
Net investment income	-	11,028,572	(11,028,572)
Benefit payments, including refunds of employee contributions	(3,751,212)	(3,751,212)	-
Administrative expense	-	(62,302)	62,302
Other changes	-	(1,871)	1,871
Net Changes	7,241,136	12,122,515	(4,881,379)
Balance at December 31, 2018	90,601,592	71,320,004	19,281,588
Balance at December 31, 2019	\$ 97,842,728	\$ 83,442,519	\$ 14,400,209

Sensitivity of the NPL to Changes in the Discount Rate

The following presents the Net Pension Liability of NBU, calculated using the discount rate that was included in the actuarial valuation, as well as what NBU's Net Pension Liability 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	\$ 28,647,370	\$ 14,400,209	\$ 2,718,805

CITY OF NEW BRAUNFELS, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2020

Pension Plan Fiduciary Net Position

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

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

For the fiscal year ended July 31, 2020, the City recognized pension expense of \$5,158,258.

At July 31, 2020, 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	\$ 1,671,424	\$ 44,749
Changes in actuarial assumptions	192,429	-
Difference between projected and actual investment earnings	-	2,550,097
Contributions subsequent to the measurement date	2,215,333	-
Total	\$ 4,079,186	\$ 2,594,846

NBU contributions of \$2,215,333 made subsequent to the measurement date of December 31, 2019, 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, 2021. The remaining net amount of \$(730,993) is comprised of the difference between the deferred outflows of resources of \$1,863,853 consisting of the difference between expected and actual economic experience and (ii) deferred inflows of \$2,594,846 resulting from differences between projected and actual investment earnings. This amount will be recognized in pension expense as follows:

Fiscal Year Ended September 30	Pension Expense
2021	\$ (323,966)
2022	(308,319)
2023	595,133
2024	(904,737)
2025	210,896
Thereafter	-
Total	\$ (730,993)

6. 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

CITY OF NEW BRAUNFELS, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

pre-fund retiree term life insurance during employees' entire careers. NBU's contributions for 2020, 2019, and 2018 were \$37,507, \$31,250, and \$30,288, 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.

7. Intergovernmental Revenue

NBU is a semi-autonomous entity with a Board of Trustees 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. For Fiscal Year 2016 and prior, the Board elected to transfer an amount equal to sixteen percent (16 percent) of gross margin on service revenue. On April 28, 2016, the Board elected to utilize a new methodology beginning in Fiscal Year 2017. 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 (see Note 4). The City has recognized this payment in the amount of \$8,204,126 in taxes and fees for fiscal year 2020.

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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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Taxes:				
Ad valorem	\$ 20,951,065	\$ 20,951,065	\$ 21,096,416	\$ 145,351
Sales	22,319,783	22,319,783	24,193,978	1,874,195
Franchise fees and other taxes	10,598,583	10,598,583	10,237,135	(361,448)
Licenses and permits	4,428,747	4,428,747	5,646,378	1,217,631
Intergovernmental	50,000	50,000	658,775	608,775
Fines and forfeitures	1,443,623	1,443,623	1,055,141	(388,482)
Interest	350,000	350,000	553,431	203,431
Parks and recreation	4,445,045	4,445,045	2,554,698	(1,890,347)
Miscellaneous	2,722,160	2,722,160	2,385,997	(336,163)
Charges for services	4,488,740	4,488,740	3,938,646	(550,094)
Total Revenues	71,797,746	71,797,746	72,320,595	522,849
<u>Expenditures</u>				
General government:				
City council	33,350	33,350	22,006	11,344
City attorney	975,673	975,673	820,698	154,975
City administration	5,016,351	5,016,351	4,897,579	118,772
Human resources	991,269	991,269	905,021	86,248
Nondepartmental	2,258,500	2,661,220	2,580,717	80,503
Finance and tax	1,288,258	1,288,258	1,287,773	485
Planning and environmental development	3,922,186	3,922,186	3,402,849	519,337
Public safety:				
Police	21,063,642	21,063,642	20,343,576	720,066
Fire	19,387,360	19,748,991	19,699,459	49,532
Public works	7,727,708	7,727,708	7,514,328	213,380
Parks and recreation	8,418,778	8,418,778	7,549,474	869,304
Library	2,479,606	2,479,606	2,334,164	145,442
Total Expenditures	73,562,681	74,327,032	71,357,644	2,969,388
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,764,935)	(2,529,286)	962,951	3,492,237

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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Other Financing Sources (Uses)</u>				
Transfers in	\$ 849,381	\$ 849,381	\$ 974,381	\$ 125,000
Transfers (out)	(1,926,480)	(2,064,471)	(645,659)	1,418,812
Sale of capital asset	-	-	18,648	18,648
Total Other Financing Sources (Uses)	(1,077,099)	(1,215,090)	347,370	1,562,460
Net Change in Fund Balance	<u>\$ (2,842,034)</u>	<u>\$ (3,744,376)</u>	1,310,321	<u>\$ 5,054,697</u>
Beginning fund balance			<u>26,075,791</u>	
Ending Fund Balance			<u>\$ 27,386,112</u>	

Notes to Required Supplementary Information (RSI):

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.

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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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Taxes	\$ 4,000,000	\$ 4,000,000	\$ 2,872,022	\$ (1,127,978)
Interest	-	-	6,027	6,027
Miscellaneous	5,000	5,000	52	(4,948)
Total Revenues	4,005,000	4,005,000	2,878,101	(1,126,899)
<u>Expenditures</u>				
Current				
General government	3,356,656	3,356,656	2,858,649	498,007
Total Expenditures	3,356,656	3,356,656	2,858,649	498,007
Excess of Revenues Over Expenditures	648,344	648,344	19,452	(628,892)
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	(1,020,852)	(1,020,852)	(680,725)	340,127
Total Other Financing (Uses)	(1,020,852)	(1,020,852)	(680,725)	340,127
Net Change in Fund Balance	\$ (372,508)	\$ (372,508)	(661,273)	\$ (288,765)
Beginning fund balance			1,806,242	
Ending Fund Balance			\$ 1,144,969	

Notes to Required Supplementary Information (RSI):

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, 2020

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

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

Measurement Year*	
2018	2019
\$ 7,075,714	\$ 7,548,546
10,661,364	11,540,144
-	-
227,139	1,420,919
-	615,649
(4,810,400)	(5,552,933)
13,153,817	15,572,325
156,813,471	169,967,288
<u>\$ 169,967,288</u>	<u>\$ 185,539,613</u>
\$ 6,539,492	\$ 7,026,523
2,719,934	2,901,000
(3,794,347)	19,681,894
(4,810,400)	(5,552,933)
(73,269)	(111,061)
(3,829)	(3,337)
577,581	23,942,086
126,559,522	127,137,103
<u>\$ 127,137,103</u>	<u>\$ 151,079,189</u>
<u>\$ 42,830,185</u>	<u>\$ 34,460,424</u>
74.80%	81.43%
\$ 38,856,198	\$ 41,430,000
110.23%	83.18%

CITY OF NEW BRAUNFELS, TEXAS

NEW BRAUNFELS UTILITIES

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

TEXAS MUNICIPAL RETIREMENT SYSTEM

For the Year Ended July 31, 2020

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

Measurement
Year*
2019

3,421,657
6,104,485

-

1,260,367
205,839

(3,751,212)

7,241,136

90,601,592

\$ 97,842,728

3,502,065

1,407,263

11,028,572

(3,751,212)

(62,302)

(1,871)

12,122,515

71,320,004

\$ 83,442,519

\$ 14,400,209

85.28%

\$ 20,103,751

71.63%

CITY OF NEW BRAUNFELS, TEXAS

SCHEDULE OF CONTRIBUTIONS

TEXAS MUNICIPAL RETIREMENT SYSTEM

For the Year Ended September 30, 2020

	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%

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

Notes to Required Supplementary Information:

1. Valuation Date:

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

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	26 Years
Asset valuation method	10 year smoothed market, 15% soft corridor
Inflation	2.0%
Salary increases	3% to 10% 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 - 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
\$ 6,439,837	\$ 6,937,744	\$ 7,429,745
6,439,837	6,937,744	7,429,745
\$ -	\$ -	\$ -
\$ 38,208,179	\$ 40,641,797	\$ 43,646,238
16.85%	17.07%	17.02%

CITY OF NEW BRAUNFELS, TEXAS
NEW BRAUNFELS UTILITIES
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended July 31, 2020

	Fiscal Year*			
	2016	2017	2018	2019
Actuarially determined contribution	\$ 1,842,516	\$ 1,941,283	\$ 1,941,283	\$ 3,343,248
Contributions in relation to the actuarially determined contribution	1,842,516	1,941,283	2,700,230	3,343,248
Contribution deficiency (excess)	\$ -	\$ -	\$ (758,947)	\$ -
Covered payroll	\$ 14,270,549	\$ 15,599,975	\$ 17,387,972	\$ 19,038,042
Contributions as a percentage of covered payroll	12.91%	12.44%	15.53%	17.56%

*Only five years of information is currently available. NBU will build this schedule over the next five-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	26 Years
Asset valuation method	10 year smoothed market, 12% soft corridor
Inflation	2.5%
Salary increases	3.5% to 11.5% 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, 2010 - 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	
\$	3,343,248
	3,776,143
\$	(432,895)
\$	21,832,301

17.30%

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CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
RETIREE BENEFIT PROGRAM
For the Year Ended September 30, 2020

	Measurement Year*		
	2017	2018	2019
Total Pension Liability			
Service cost	\$ 431,371	\$ 444,312	\$ 516,534
Interest (on the total pension liability)	363,757	312,824	365,899
Difference between expected & actual experience	237,182	61,055	446,312
Change of assumptions	-	846,197	69,594
Benefit payments	(392,489)	(149,364)	14,965
Net Change in Total OPEB Liability	639,821	1,515,024	1,413,304
Beginning total OPEB liability	8,858,810	9,498,631	11,013,655
Ending Total OPEB Liability	\$ 9,498,631	\$ 11,013,655	\$ 12,426,959
 Covered Payroll	 \$ 30,768,150	 \$ 31,691,195	 \$ 33,253,958
 Total OPEB Liability as a Percentage of Covered Payroll	 30.87%	 34.75%	 37.37%

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

CITY OF NEW BRAUNFELS, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS) - SUPPLEMENTAL DEATH BENEFIT FUND

For the Year Ended September 30, 2020

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

*Only three years of information is currently available.

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

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Inflation	2.0%
Salary increases	3.50% to 10.50% including inflation
Discount rate	2.75%
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB 68.
Mortality - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality - 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.

Other Information:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 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, 2019.

Change in assumptions is the annual change in the municipal bond index rate.

There were no benefit changes during the year.

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***COMBINING STATEMENTS
AND SCHEDULES***

CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

GENERAL FUND - SUBFUNDS

September 30, 2020

	General	Equipment Replacement	Eliminations	Totals
<u>Assets</u>				
Cash and equity in pooled cash and investments	\$ 19,557,292	\$ 952,381	\$ -	\$ 20,509,673
Pooled and temporary investments	5,131,376	-	-	5,131,376
Receivables, net				
Taxes and fees	421,534	-	-	421,534
Accounts	7,097,578	-	-	7,097,578
Interest	44,053	-	-	44,053
Due from other governments	-	-	-	-
Due from other funds	113,475	-	-	113,475
Inventory	2,830	-	-	2,830
Total Assets	\$ 32,368,138	\$ 952,381	\$ -	\$ 33,320,519
<u>Liabilities</u>				
Accounts payable	\$ 3,223,252	\$ 154,217	\$ -	\$ 3,377,469
Due to other funds	784,581	-	-	784,581
Accrued wages payable	1,350,823	-	-	1,350,823
Total Liabilities	5,358,656	154,217	-	5,512,873
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	421,534	-	-	421,534
<u>Fund Balances</u>				
Nonspendable	2,830	-	-	2,830
Assigned	-	798,164	-	798,164
Unassigned	26,585,118	-	-	26,585,118
Total Fund Balances	26,587,948	798,164	-	27,386,112
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 32,368,138	\$ 952,381	\$ -	\$ 33,320,519

CITY OF NEW BRAUNFELS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND - SUBFUNDS
For the Year Ended September 30, 2020

	<u>General</u>	<u>Equipment Replacement</u>	<u>Eliminations</u>	<u>Totals</u>
<u>Revenues</u>				
Taxes and fees	\$ 55,527,529	\$ -	\$ -	\$ 55,527,529
Licenses and permits	5,646,378	-	-	5,646,378
Intergovernmental	658,775	-	-	658,775
Fines and forfeitures	1,055,141	-	-	1,055,141
Interest	543,729	9,702	-	553,431
Parks and recreation	2,554,698	-	-	2,554,698
Miscellaneous	2,344,021	41,976	-	2,385,997
Charges for services	3,938,646	-	-	3,938,646
Total Revenues	<u>72,268,917</u>	<u>51,678</u>	<u>-</u>	<u>72,320,595</u>
<u>Expenditures</u>				
Current				
General government	8,914,584	311,437	-	9,226,021
Finance and tax	1,287,773	-	-	1,287,773
Planning and environmental	3,361,491	41,358	-	3,402,849
Public safety	39,398,087	644,948	-	40,043,035
Public works	7,493,661	20,667	-	7,514,328
Parks and recreation	7,415,998	133,476	-	7,549,474
Library	2,334,164	-	-	2,334,164
Total Expenditures	<u>70,205,758</u>	<u>1,151,886</u>	<u>-</u>	<u>71,357,644</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,063,159</u>	<u>(1,100,208)</u>	<u>-</u>	<u>962,951</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	974,381	1,120,000	(1,120,000)	974,381
Transfers (out)	(1,401,038)	(364,621)	1,120,000	(645,659)
Sale of capital assets	-	18,648	-	18,648
Total Other Financing Sources (Uses)	<u>(426,657)</u>	<u>774,027</u>	<u>-</u>	<u>347,370</u>
Net Change in Fund Balances	1,636,502	(326,181)	-	1,310,321
Beginning fund balances	<u>24,951,446</u>	<u>1,124,345</u>	<u>-</u>	<u>26,075,791</u>
Ending Fund Balances	<u>\$ 26,587,948</u>	<u>\$ 798,164</u>	<u>\$ -</u>	<u>\$ 27,386,112</u>

CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2020

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent Fund Cemetery Perpetual Care</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Assets</u>				
Cash and equity in pooled cash and investments	\$ 18,226,609	\$ 6,244,240	\$ 223,617	\$ 24,694,466
Accounts receivable	101,141	-	-	101,141
Due from other funds	304,237	-	-	304,237
Restricted cash	1,219,630	-	-	1,219,630
Total Assets	<u><u>\$ 19,851,617</u></u>	<u><u>\$ 6,244,240</u></u>	<u><u>\$ 223,617</u></u>	<u><u>\$ 26,319,474</u></u>
<u>Liabilities</u>				
Accounts payable	\$ 1,000,267	\$ 52,605	\$ 1,000	\$ 1,053,872
Due to other funds	397,120	9,923	-	407,043
Total Liabilities	<u><u>1,397,387</u></u>	<u><u>62,528</u></u>	<u><u>1,000</u></u>	<u><u>1,460,915</u></u>
<u>Fund Balances</u>				
Nonspendable	-	-	222,617	222,617
Restricted	11,015,541	6,191,635	-	17,207,176
Committed	6,519,109	-	-	6,519,109
Unassigned	919,580	(9,923)	-	909,657
Total Fund Balances	<u><u>18,454,230</u></u>	<u><u>6,181,712</u></u>	<u><u>222,617</u></u>	<u><u>24,858,559</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 19,851,617</u></u>	<u><u>\$ 6,244,240</u></u>	<u><u>\$ 223,617</u></u>	<u><u>\$ 26,319,474</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, 2020

	Special Revenue	Capital Projects	Permanent Fund Cemetery Perpetual Care	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Ad valorem taxes	\$ 2,783,406	\$ -	\$ -	\$ 2,783,406
Sales taxes	1,412,265	-	-	1,412,265
Franchise fees and local taxes	179,092	-	-	179,092
Licenses and permits	6,750	-	-	6,750
Fines and forfeitures	200,424	-	-	200,424
Parks and recreation	-	725,541	-	725,541
Interest	84,611	7,669	-	92,280
Intergovernmental	1,705,759	29,735	-	1,735,494
Miscellaneous	1,132,621	191,192	18,000	1,341,813
Other contributions	-	-	232	232
Charges and fees	2,072,539	-	2,444	2,074,983
Total Revenues	9,577,467	954,137	20,676	10,552,280
<u>Expenditures</u>				
General government	1,241,393	679,535	-	1,920,928
Planning and environmental development	477,659	-	-	477,659
Public safety	920,407	-	-	920,407
Public works	6,134,586	90,474	-	6,225,060
Parks and recreation	68,911	33,186	20,736	122,833
Library	60,592	-	-	60,592
Debt service				
Principal	1,360,000	-	-	1,360,000
Interest and fiscal charges	3,077,162	-	-	3,077,162
Total Expenditures	13,340,710	803,195	20,736	14,164,641
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,763,243)	150,942	(60)	(3,612,361)
<u>Other Financing Sources (Uses)</u>				
Transfers in	5,858,626	251,024	-	6,109,650
Transfers (out)	(4,586,824)	(251,024)	-	(4,837,848)
Total Other Financing Sources (Uses)	1,271,802	-	-	1,271,802
Net Change in Fund Balances	(2,491,441)	150,942	(60)	(2,340,559)
Beginning fund balances	20,945,671	6,030,770	222,677	27,199,118
Ending Fund Balances	\$ 18,454,230	\$ 6,181,712	\$ 222,617	\$ 24,858,559

CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS (page 1 of 3)

September 30, 2020

	Community Development Block Grant	Grants	Special Revenue Donations	River
<u>Assets</u>				
Cash and equity in pooled cash and investments	\$ -	\$ 722,313	\$ 680,973	\$ 36,099
Accounts receivable	-	-	12,865	-
Due from other funds	-	-	-	-
Restricted cash	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 722,313</u>	<u>\$ 693,838</u>	<u>\$ 36,099</u>
<u>Liabilities</u>				
Accounts payable	\$ 132,985	\$ 429	\$ 77,348	\$ 36,099
Due to other funds	32,176	-	-	-
Total Liabilities	<u>165,161</u>	<u>429</u>	<u>77,348</u>	<u>36,099</u>
<u>Fund Balances</u>				
Restricted	-	721,884	616,490	-
Committed	-	-	-	-
Unassigned	(165,161)	-	-	-
Total Fund Balances	<u>(165,161)</u>	<u>721,884</u>	<u>616,490</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 722,313</u>	<u>\$ 693,838</u>	<u>\$ 36,099</u>

Court Security	Judicial Efficiency	Court Technology	Child Safety	Stormwater Development	Juvenile Case Management
\$ 11,314	\$ 8,016	\$ 70,136	\$ 106,884	\$ 461,294	\$ 3,573
243	46	205	104	-	264
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 11,557</u>	<u>\$ 8,062</u>	<u>\$ 70,341</u>	<u>\$ 106,988</u>	<u>\$ 461,294</u>	<u>\$ 3,837</u>
\$ 744	\$ -	\$ 235	\$ 24,418	\$ 40,688	\$ -
-	-	-	-	-	-
<u>744</u>	<u>-</u>	<u>235</u>	<u>24,418</u>	<u>40,688</u>	<u>-</u>
10,813	8,062	70,106	82,570	-	3,837
-	-	-	-	-	-
-	-	-	-	420,606	-
<u>10,813</u>	<u>8,062</u>	<u>70,106</u>	<u>82,570</u>	<u>420,606</u>	<u>3,837</u>
<u>\$ 11,557</u>	<u>\$ 8,062</u>	<u>\$ 70,341</u>	<u>\$ 106,988</u>	<u>\$ 461,294</u>	<u>\$ 3,837</u>

CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS (page 2 of 3)

September 30, 2020

	<u>Faust Library</u>	<u>Federal Court Awards</u>	<u>Non-Federal Court Awards</u>	<u>Edwards Aquifer HCP</u>
<u>Assets</u>				
Cash and equity in pooled cash and investments	\$ 1,860	\$ 92,665	\$ 176,225	\$ -
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Restricted cash	-	-	-	-
Total Assets	<u>\$ 1,860</u>	<u>\$ 92,665</u>	<u>\$ 176,225</u>	<u>\$ -</u>
<u>Liabilities</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ 32,419
Due to other funds	-	-	-	60,707
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,126</u>
<u>Fund Balances</u>				
Restricted	1,860	92,665	176,225	-
Committed	-	-	-	-
Unassigned	-	-	-	(93,126)
Total Fund Balances	<u>1,860</u>	<u>92,665</u>	<u>176,225</u>	<u>(93,126)</u>
Total Liabilities and Fund Balances	<u>\$ 1,860</u>	<u>\$ 92,665</u>	<u>\$ 176,225</u>	<u>\$ -</u>

Cable Franchise PEG	Tax Increment Reinvestment Zone No. 1	New Braunfels Development Authority	Recreation Center Improvements	Enterprise Maintenance and Equipment	Developmental Services
\$ 216,577	\$ 553,779	\$ 6,518,366	\$ 918,593	\$ 6,490,527	\$ 1,151,613
53,626	-	-	-	28,656	5,132
-	-	304,237	-	-	-
-	-	1,219,630	-	-	-
<u>\$ 270,203</u>	<u>\$ 553,779</u>	<u>\$ 8,042,233</u>	<u>\$ 918,593</u>	<u>\$ 6,519,183</u>	<u>\$ 1,156,745</u>
\$ -	\$ 556,594	\$ -	\$ -	\$ 74	\$ 98,234
-	304,237	-	-	-	-
-	860,831	-	-	74	98,234
270,203	-	8,042,233	918,593	-	-
-	-	-	-	6,519,109	-
-	(307,052)	-	-	-	1,058,511
<u>270,203</u>	<u>(307,052)</u>	<u>8,042,233</u>	<u>918,593</u>	<u>6,519,109</u>	<u>1,058,511</u>
<u>\$ 270,203</u>	<u>\$ 553,779</u>	<u>\$ 8,042,233</u>	<u>\$ 918,593</u>	<u>\$ 6,519,183</u>	<u>\$ 1,156,745</u>

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CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS (page 3 of 3)

September 30, 2020

	River Mills TIRZ	Total Nonmajor Special Revenue Funds
<u>Assets</u>		
Cash and equity in pooled cash and investments	\$ 5,802	\$ 18,226,609
Accounts receivable	-	101,141
Due from other funds	-	304,237
Restricted cash	-	1,219,630
Total Assets	<u>\$ 5,802</u>	<u>\$ 19,851,617</u>
<u>Liabilities</u>		
Accounts payable	\$ -	\$ 1,000,267
Due to other funds	-	397,120
Total Liabilities	<u>-</u>	<u>1,397,387</u>
<u>Fund Balances</u>		
Restricted	-	11,015,541
Committed	-	6,519,109
Unassigned	5,802	919,580
Total Fund Balances	<u>5,802</u>	<u>18,454,230</u>
Total Liabilities and Fund Balances	<u>\$ 5,802</u>	<u>\$ 19,851,617</u>

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, 2020

	Community Development Block Grant	Grants	Special Revenue Donations	River
<u>Revenues</u>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Franchise fees and local taxes	-	-	-	-
Licenses and permits	-	-	-	6,750
Fines and forfeitures	-	-	-	85,456
Interest	-	-	-	-
Intergovernmental	344,778	1,097,927	-	-
Miscellaneous	-	-	534,603	-
Charges and fees	-	-	-	419,744
Total Revenues	<u>344,778</u>	<u>1,097,927</u>	<u>534,603</u>	<u>511,950</u>
<u>Expenditures</u>				
Current				
General government	-	446,698	-	-
Planning and environmental development	477,659	-	-	-
Public safety	-	214,525	134,246	241,363
Public works	-	-	56,717	463,731
Parks and recreation	-	-	68,911	-
Library	-	-	60,592	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>477,659</u>	<u>661,223</u>	<u>320,466</u>	<u>705,094</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(132,881)</u>	<u>436,704</u>	<u>214,137</u>	<u>(193,144)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	79,978	-	131,358
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>79,978</u>	<u>-</u>	<u>131,358</u>
Net Change in Fund Balances	(132,881)	516,682	214,137	(61,786)
Beginning fund balances	<u>(32,280)</u>	<u>205,202</u>	<u>402,353</u>	<u>61,786</u>
Ending Fund Balances	<u>\$ (165,161)</u>	<u>\$ 721,884</u>	<u>\$ 616,490</u>	<u>\$ -</u>

Court Security	Judicial Efficiency	Court Technology	Child Safety	Stormwater Development	Juvenile Case Management
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
27,893	4,694	28,408	3,829	-	41,062
-	-	-	-	-	-
-	-	-	149,069	-	-
-	-	-	-	-	-
-	-	-	-	341,387	-
<u>27,893</u>	<u>4,694</u>	<u>28,408</u>	<u>152,898</u>	<u>341,387</u>	<u>41,062</u>
-	-	-	-	-	-
-	-	-	-	-	-
23,680	3,832	27,303	136,149	-	71,647
-	-	-	-	234,594	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>23,680</u>	<u>3,832</u>	<u>27,303</u>	<u>136,149</u>	<u>234,594</u>	<u>71,647</u>
<u>4,213</u>	<u>862</u>	<u>1,105</u>	<u>16,749</u>	<u>106,793</u>	<u>(30,585)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,213	862	1,105	16,749	106,793	(30,585)
<u>6,600</u>	<u>7,200</u>	<u>69,001</u>	<u>65,821</u>	<u>313,813</u>	<u>34,422</u>
<u>\$ 10,813</u>	<u>\$ 8,062</u>	<u>\$ 70,106</u>	<u>\$ 82,570</u>	<u>\$ 420,606</u>	<u>\$ 3,837</u>

CITY OF NEW BRAUNFELS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (page 2 of 3)
For the Year Ended September 30, 2020

	Faust Library	Federal Court Awards	Non-Federal Court Awards	Edwards Aquifer HCP
<u>Revenues</u>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Franchise fees and local taxes	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Intergovernmental	-	21,556	-	92,429
Miscellaneous	127	-	39,596	367,155
Charges and fees	-	-	-	-
Total Revenues	<u>127</u>	<u>21,556</u>	<u>39,596</u>	<u>459,584</u>
<u>Expenditures</u>				
Current				
General government	-	-	-	-
Planning and environmental development	-	-	-	-
Public safety	-	63,763	3,899	-
Public works	-	-	-	581,696
Parks and recreation	-	-	-	-
Library	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>63,763</u>	<u>3,899</u>	<u>581,696</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>127</u>	<u>(42,207)</u>	<u>35,697</u>	<u>(122,112)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	4,556	89,000
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4,556</u>	<u>89,000</u>
Net Change in Fund Balances	127	(42,207)	40,253	(33,112)
Beginning fund balances	<u>1,733</u>	<u>134,872</u>	<u>135,972</u>	<u>(60,014)</u>
Ending Fund Balances	<u>\$ 1,860</u>	<u>\$ 92,665</u>	<u>\$ 176,225</u>	<u>\$ (93,126)</u>

Cable Franchise PEG	Tax Increment Reinvestment Zone No. 1	New Braunfels Development Authority	Recreation Center Improvements	Enterprise Maintenance and Equipment	Developmental Services
\$ -	\$ 2,783,406	\$ -	\$ -	\$ -	\$ -
-	1,406,463	-	-	-	-
179,092	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	9,082
-	21,954	19,109	-	43,548	-
-	-	-	-	-	-
-	-	-	189	190,951	-
-	-	-	-	5,854	1,305,554
179,092	4,211,823	19,109	189	240,353	1,314,636
487,408	307,051	-	236	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	3,881,309	916,539
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,360,000	-	-	-
-	-	3,077,162	-	-	-
487,408	307,051	4,437,162	236	3,881,309	916,539
(308,316)	3,904,772	(4,418,053)	(47)	(3,640,956)	398,097
-	-	4,211,824	-	1,341,910	-
-	(4,211,824)	-	(125,000)	(250,000)	-
-	(4,211,824)	4,211,824	(125,000)	1,091,910	-
(308,316)	(307,052)	(206,229)	(125,047)	(2,549,046)	398,097
578,519	-	8,248,462	1,043,640	9,068,155	660,414
\$ 270,203	\$ (307,052)	\$ 8,042,233	\$ 918,593	\$ 6,519,109	\$ 1,058,511

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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, 2020

	River Mills TIRZ	Total Nonmajor Special Revenue Funds
<u>Revenues</u>		
Ad valorem taxes	\$ -	\$ 2,783,406
Sales taxes	5,802	1,412,265
Franchise fees and local taxes	-	179,092
Licenses and permits	-	6,750
Fines and forfeitures	-	200,424
Interest	-	84,611
Intergovernmental	-	1,705,759
Miscellaneous	-	1,132,621
Charges and fees	-	2,072,539
Total Revenues	5,802	9,577,467
<u>Expenditures</u>		
Current		
General government	-	1,241,393
Planning and environmental development	-	477,659
Public safety	-	920,407
Public works	-	6,134,586
Parks and recreation	-	68,911
Library	-	60,592
Debt service		
Principal	-	1,360,000
Interest and fiscal charges	-	3,077,162
Total Expenditures	-	13,340,710
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,802	(3,763,243)
<u>Other Financing Sources (Uses)</u>		
Transfers in	-	5,858,626
Transfers (out)	-	(4,586,824)
Total Other Financing Sources (Uses)	-	1,271,802
Net Change in Fund Balances	5,802	(2,491,441)
Beginning fund balances	-	20,945,671
Ending Fund Balances	\$ 5,802	\$ 18,454,230

CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS (page 1 of 2)

September 30, 2020

	<u>Park Improvement</u>	<u>Certificates of Obligation 2004</u>	<u>Certificates of Obligation 2007</u>	<u>Certificates of Obligation 2008</u>
<u>Assets</u>				
Cash and equity in pooled cash and investments	\$ 4,211,022	\$ 60,643	\$ 2	\$ 413,673
Accounts receivable (net of allowance)	-	-	-	-
Total Assets	<u>\$ 4,211,022</u>	<u>\$ 60,643</u>	<u>\$ 2</u>	<u>\$ 413,673</u>
<u>Liabilities</u>				
Accounts payable	\$ 34,500	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total Liabilities	<u>34,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>				
Restricted	4,176,522	60,643	2	413,673
Unassigned	-	-	-	-
Total Fund Balances	<u>4,176,522</u>	<u>60,643</u>	<u>2</u>	<u>413,673</u>
Total Liabilities and Fund Balances	<u>\$ 4,211,022</u>	<u>\$ 60,643</u>	<u>\$ 2</u>	<u>\$ 413,673</u>

<u>Certificates of Obligation 2009</u>	<u>Certificates of Obligation 2011</u>	<u>Certificates of Obligation 2012</u>	<u>Certificates of Obligation 2013</u>	<u>Certificates of Obligation 2014</u>	<u>Certificates of Obligation 2015</u>
\$ 30,683	\$ 925,679	\$ -	\$ 191,165	\$ 86,589	\$ 196
-	-	-	-	-	-
<u>\$ 30,683</u>	<u>\$ 925,679</u>	<u>\$ -</u>	<u>\$ 191,165</u>	<u>\$ 86,589</u>	<u>\$ 196</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	9,923	-	-	-
-	-	<u>9,923</u>	-	-	-
30,683	925,679	-	191,165	86,589	196
-	-	(9,923)	-	-	-
<u>30,683</u>	<u>925,679</u>	<u>(9,923)</u>	<u>191,165</u>	<u>86,589</u>	<u>196</u>
<u>\$ 30,683</u>	<u>\$ 925,679</u>	<u>\$ -</u>	<u>\$ 191,165</u>	<u>\$ 86,589</u>	<u>\$ 196</u>

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CITY OF NEW BRAUNFELS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS (page 2 of 2)

September 30, 2020

	<u>Tax Note 2015</u>	<u>Certificates of Obligation 2018</u>	<u>Tax Note 2018A</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets				
Cash and equity in pooled cash and investments	\$ 15,489	\$ 244,571	\$ 64,528	\$ 6,244,240
Accounts receivable (net of allowance)	-	-	-	-
Total Assets	<u>\$ 15,489</u>	<u>\$ 244,571</u>	<u>\$ 64,528</u>	<u>\$ 6,244,240</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ 18,105	\$ 52,605
Due to other funds	-	-	-	9,923
Total Liabilities	<u>-</u>	<u>-</u>	<u>18,105</u>	<u>62,528</u>
Fund Balances				
Restricted	15,489	244,571	46,423	6,191,635
Unassigned	-	-	-	(9,923)
Total Fund Balances	<u>15,489</u>	<u>244,571</u>	<u>46,423</u>	<u>6,181,712</u>
Total Liabilities and Fund Balances	<u>\$ 15,489</u>	<u>\$ 244,571</u>	<u>\$ 64,528</u>	<u>\$ 6,244,240</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, 2020

	Park Improvement	Certificates of Obligation 2004	Certificates of Obligation 2007	Certificates of Obligation 2008
<u>Revenues</u>				
Parks and recreation	\$ 725,541	\$ -	\$ -	\$ -
Interest	-	-	2	4,863
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	725,541	-	2	4,863
<u>Expenditures</u>				
Current				
General government	-	-	-	-
Public works	-	-	-	508
Parks and recreation	8,941	-	-	-
Total Expenditures	8,941	-	-	508
Excess (Deficiency) of Revenues Over (Under) Expenditures	716,600	-	2	4,355
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	11,389	-
Transfers (out)	-	-	-	(251,024)
Total Other Financing Sources (Uses)	-	-	11,389	(251,024)
Net Change in Fund Balances	716,600	-	11,391	(246,669)
Beginning fund balances	3,459,922	60,643	(11,389)	660,342
Ending Fund Balances	\$ 4,176,522	\$ 60,643	\$ 2	\$ 413,673

<u>Certificates of Obligation 2009</u>	<u>Certificates of Obligation 2011</u>	<u>Certificates of Obligation 2012</u>	<u>Certificates of Obligation 2013</u>	<u>Certificates of Obligation 2014</u>	<u>Certificates of Obligation 2015</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	14	2
-	29,735	-	-	-	-
-	-	27	191,165	-	-
<u>-</u>	<u>29,735</u>	<u>27</u>	<u>191,165</u>	<u>14</u>	<u>2</u>
3,809	-	-	-	-	-
-	73,602	9,950	-	-	-
-	-	-	-	24,245	-
<u>3,809</u>	<u>73,602</u>	<u>9,950</u>	<u>-</u>	<u>24,245</u>	<u>-</u>
<u>(3,809)</u>	<u>(43,867)</u>	<u>(9,923)</u>	<u>191,165</u>	<u>(24,231)</u>	<u>2</u>
-	-	51,912	187,723	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>51,912</u>	<u>187,723</u>	<u>-</u>	<u>-</u>
(3,809)	(43,867)	41,989	378,888	(24,231)	2
<u>34,492</u>	<u>969,546</u>	<u>(51,912)</u>	<u>(187,723)</u>	<u>110,820</u>	<u>194</u>
<u>\$ 30,683</u>	<u>\$ 925,679</u>	<u>\$ (9,923)</u>	<u>\$ 191,165</u>	<u>\$ 86,589</u>	<u>\$ 196</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, 2020

	Tax Note 2015	Certificates of Obligation 2018	Tax Note 2018A	Total Nonmajor Capital Projects Funds
<u>Revenues</u>				
Parks and recreation	\$ -	\$ -	\$ -	\$ 725,541
Interest	-	2,788	-	7,669
Intergovernmental	-	-	-	29,735
Miscellaneous	-	-	-	191,192
Total Revenues	-	2,788	-	954,137
<u>Expenditures</u>				
Current				
General government	25,874	-	649,852	679,535
Public works	6,414	-	-	90,474
Parks and recreation	-	-	-	33,186
Total Expenditures	32,288	-	649,852	803,195
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,288)	2,788	(649,852)	150,942
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	-	251,024
Transfers (out)	-	-	-	(251,024)
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(32,288)	2,788	(649,852)	150,942
Beginning fund balances	47,777	241,783	696,275	6,030,770
Ending Fund Balances	\$ 15,489	\$ 244,571	\$ 46,423	\$ 6,181,712

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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Ad valorem taxes	\$ 16,360,016	\$ 16,360,016	\$ 16,504,981	\$ 144,965
Interest	100,000	100,000	35,150	(64,850)
Other contributions	2,066,038	2,066,038	2,051,491	(14,547)
Total Revenues	18,526,054	18,526,054	18,591,622	65,568
<u>Expenditures</u>				
Debt Service:				
Principal	12,630,000	12,630,000	12,630,000	-
Interest	7,279,818	7,298,114	7,298,114	-
Bond issuance costs and fees	7,000	7,000	6,900	100
Total Expenditures	19,916,818	19,935,114	19,935,014	100
(Deficiency) of Revenues (Under) Expenditures	(1,390,764)	(1,409,060)	(1,343,392)	65,668
<u>Other Financing Sources (Uses)</u>				
Transfers in	1,391,312	1,391,312	1,391,312	-
Total Other Financing Sources	1,391,312	1,391,312	1,391,312	-
Net Change in Fund Balance	\$ 548	\$ (17,748)	47,920	\$ 65,668
Beginning fund balance			2,194,652	
Ending Fund Balance			\$ 2,242,572	

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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Intergovernmental	\$ 354,166	\$ 354,166	\$ 344,778	\$ (9,388)
Total Revenues	<u>354,166</u>	<u>354,166</u>	<u>344,778</u>	<u>(9,388)</u>
<u>Expenditures</u>				
Current:				
Planning and environmental development	354,166	477,659	477,659	-
Total Expenditures	<u>354,166</u>	<u>477,659</u>	<u>477,659</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (123,493)</u>	(132,881)	<u>\$ (9,388)</u>
Beginning fund balance			<u>(32,280)</u>	
Ending Fund Balance			<u>\$ (165,161)</u>	

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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Intergovernmental	\$ 501,591	\$ 501,591	\$ 1,097,927	\$ 596,336
Total Revenues	501,591	501,591	1,097,927	596,336
<u>Expenditures</u>				
Current:				
General government	415,188	465,188	446,698	18,490
Public safety	267,151	217,151	214,525	2,626
Total Expenditures	682,339	682,339	661,223	21,116
Excess (Deficiency) of Revenues Over (Under) Expenditures	(180,748)	(180,748)	436,704	617,452
<u>Other Financing Sources (Uses)</u>				
Transfers in	26,500	26,500	79,978	53,478
Transfers (out)	-	-	-	-
Total Other Financing Sources	26,500	26,500	79,978	53,478
Net Change in Fund Balance	\$ (154,248)	\$ (154,248)	516,682	\$ 670,930
Beginning fund balance			205,202	
Ending Fund Balance			\$ 721,884	

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, 2020

		Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>					
Miscellaneous		200,000	200,000	\$ 534,603	334,603
Total Revenues		<u>200,000</u>	<u>200,000</u>	<u>534,603</u>	<u>334,603</u>
<u>Expenditures</u>					
Current:					
Public safety		250,000	250,000	134,246	115,754
Public works		70,000	70,000	56,717	13,283
Parks and recreation		70,000	70,000	68,911	1,089
Library		65,000	65,000	60,592	4,408
Total Expenditures		<u>455,000</u>	<u>455,000</u>	<u>320,466</u>	<u>134,534</u>
Net Change in Fund Balance		<u>\$ (255,000)</u>	<u>\$ (255,000)</u>	214,137	<u>\$ 469,137</u>
Beginning fund balance				<u>402,353</u>	
Ending Fund Balance				<u>\$ 616,490</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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Licenses and permits	\$ 8,400	\$ 8,400	\$ 6,750	\$ (1,650)
Fines and forfeitures	110,000	110,000	85,456	(24,544)
Charges and fees	925,000	925,000	419,744	(505,256)
Total Revenues	1,043,400	1,043,400	511,950	(531,450)
<u>Expenditures</u>				
Current:				
Public safety	703,451	703,451	241,363	462,088
River operations	619,018	619,018	463,731	155,287
Total Expenditures	1,322,469	1,322,469	705,094	617,375
(Deficiency) of Revenues (Under) Expenditures	(279,069)	(279,069)	(193,144)	85,925
<u>Other Financing Sources (Uses)</u>				
Transfers in	279,070	279,070	131,358	(147,712)
Total Other Financing Sources	279,070	279,070	131,358	(147,712)
Net Change in Fund Balance	\$ 1	\$ 1	(61,786)	\$ (61,787)
Beginning fund balance			61,786	
Ending Fund Balance			\$ -	

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, 2020

	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	\$ 27,893	\$ (2,107)
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>27,893</u>	<u>(2,107)</u>
<u>Expenditures</u>				
Current:				
Public safety	31,000	31,000	23,680	7,320
Total Expenditures	<u>31,000</u>	<u>31,000</u>	<u>23,680</u>	<u>7,320</u>
Net Change in Fund Balance	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>	4,213	<u>\$ 5,213</u>
Beginning fund balance			<u>6,600</u>	
Ending Fund Balance			<u>\$ 10,813</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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Fines and forfeitures	\$ 7,500	\$ 7,500	\$ 4,694	\$ (2,806)
Total Revenues	<u>7,500</u>	<u>7,500</u>	<u>4,694</u>	<u>(2,806)</u>
<u>Expenditures</u>				
Current:				
Public safety	13,701	13,701	3,832	9,869
Total Expenditures	<u>13,701</u>	<u>13,701</u>	<u>3,832</u>	<u>9,869</u>
Net Change in Fund Balance	<u>\$ (6,201)</u>	<u>\$ (6,201)</u>	862	<u>\$ 7,063</u>
Beginning fund balance			<u>7,200</u>	
Ending Fund Balance			<u>\$ 8,062</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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Fines and forfeitures	\$ 41,000	\$ 41,000	\$ 28,408	\$ (12,592)
Total Revenues	<u>41,000</u>	<u>41,000</u>	<u>28,408</u>	<u>(12,592)</u>
<u>Expenditures</u>				
Current:				
Public safety	42,000	42,000	27,303	14,697
Total Expenditures	<u>42,000</u>	<u>42,000</u>	<u>27,303</u>	<u>14,697</u>
Net Change in Fund Balance	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>	1,105	<u>\$ 2,105</u>
Beginning fund balance			<u>69,001</u>	
Ending Fund Balance			<u>\$ 70,106</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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Fines and forfeitures	\$ 9,500	\$ 9,500	\$ 3,829	\$ (5,671)
Intergovernmental	128,000	128,000	149,069	21,069
Total Revenues	137,500	137,500	152,898	15,398
<u>Expenditures</u>				
Current:				
Public safety	186,000	186,000	136,149	49,851
Total Expenditures	186,000	186,000	136,149	49,851
Net Change in Fund Balance	\$ (48,500)	\$ (48,500)	16,749	\$ 65,249
Beginning fund balance			65,821	
Ending Fund Balance			\$ 82,570	

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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Charges and fees	\$ 65,000	\$ 65,000	\$ 341,387	\$ 276,387
Total Revenues	<u>65,000</u>	<u>65,000</u>	<u>341,387</u>	<u>276,387</u>
<u>Expenditures</u>				
Current:				
Public works	316,000	316,000	234,594	81,406
Total Expenditures	<u>316,000</u>	<u>316,000</u>	<u>234,594</u>	<u>81,406</u>
Net Change in Fund Balance	<u>\$ (251,000)</u>	<u>\$ (251,000)</u>	106,793	<u>\$ 357,793</u>
Beginning fund balance			<u>313,813</u>	
Ending Fund Balance			<u>\$ 420,606</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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Fines and forfeitures	\$ 60,000	\$ 60,000	\$ 41,062	\$ (18,938)
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>41,062</u>	<u>(18,938)</u>
<u>Expenditures</u>				
Current:				
Public safety	79,750	79,750	71,647	8,103
Total Expenditures	<u>79,750</u>	<u>79,750</u>	<u>71,647</u>	<u>8,103</u>
Net Change in Fund Balance	<u>\$ (19,750)</u>	<u>\$ (19,750)</u>	(30,585)	<u>\$ (10,835)</u>
Beginning fund balance			<u>34,422</u>	
Ending Fund Balance			<u>\$ 3,837</u>	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FAUST LIBRARY FUND
For the Year Ended September 30, 2020

		Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>					
Miscellaneous		\$ -	\$ -	\$ 127	\$ 127
Total Revenues		<u>-</u>	<u>-</u>	<u>127</u>	<u>127</u>
<u>Expenditures</u>					
Current:					
Library		<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total Expenditures		<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Net Change in Fund Balance		<u><u>\$ (1,500)</u></u>	<u><u>\$ (1,500)</u></u>	<u>127</u>	<u><u>\$ 1,627</u></u>
Beginning fund balance				<u>1,733</u>	
Ending Fund Balance				<u><u>\$ 1,860</u></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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Intergovernmental	\$ -	\$ -	\$ 21,556	\$ 21,556
Total Revenues	<u>-</u>	<u>-</u>	<u>21,556</u>	<u>21,556</u>
<u>Expenditures</u>				
Current:				
Public safety	100,000	100,000	63,763	36,237
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>63,763</u>	<u>36,237</u>
Net Change in Fund Balance	<u>\$ (100,000)</u>	<u>\$ (100,000)</u>	(42,207)	<u>\$ 57,793</u>
Beginning fund balance			<u>134,872</u>	
Ending Fund Balance			<u>\$ 92,665</u>	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NON-FEDERAL COURT AWARDS FUND
For the Year Ended September 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Miscellaneous	\$ -	\$ -	\$ 39,596	\$ 39,596
Total Revenues	-	-	39,596	39,596
<u>Expenditures</u>				
Current:				
Public safety	68,000	68,000	3,899	64,101
Total Expenditures	68,000	68,000	3,899	64,101
Excess (Deficiency) of Revenues Over (Under) Expenditures	(68,000)	(68,000)	35,697	103,697
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	4,556	4,556
Total Other Financing Sources	-	-	4,556	4,556
Net Change in Fund Balance	\$ (68,000)	\$ (68,000)	40,253	\$ 108,253
Beginning fund balance			135,972	
Ending Fund Balance			\$ 176,225	

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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Intergovernmental	\$ 1,166,500	\$ 1,166,500	\$ 92,429	\$ (1,074,071)
Miscellaneous	-	-	367,155	367,155
Total Revenues	<u>1,166,500</u>	<u>1,166,500</u>	<u>459,584</u>	<u>(706,916)</u>
<u>Expenditures</u>				
Current:				
Public works - River Authority	1,255,500	1,255,500	581,696	673,804
Total Expenditures	<u>1,255,500</u>	<u>1,255,500</u>	<u>581,696</u>	<u>673,804</u>
(Deficiency) of Revenues (Under) Expenditures	(89,000)	(89,000)	(122,112)	(33,112)
<u>Other Financing Sources (Uses)</u>				
Transfers in	89,000	89,000	89,000	-
Total Other Financing Sources	<u>89,000</u>	<u>89,000</u>	<u>89,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(33,112)	<u>\$ (33,112)</u>
Beginning fund balance			<u>(60,014)</u>	
Ending Fund Balance			<u>\$ (93,126)</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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Franchise fees and local taxes	\$ 177,500	\$ 177,500	\$ 179,092	\$ 1,592
Total Revenues	<u>177,500</u>	<u>177,500</u>	<u>179,092</u>	<u>1,592</u>
<u>Expenditures</u>				
Current:				
General government	350,000	490,000	487,408	2,592
Total Expenditures	<u>350,000</u>	<u>490,000</u>	<u>487,408</u>	<u>2,592</u>
Net Change in Fund Balance	<u>\$ (172,500)</u>	<u>\$ (312,500)</u>	(308,316)	<u>\$ 4,184</u>
Beginning fund balance			<u>578,519</u>	
Ending Fund Balance			<u>\$ 270,203</u>	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TAX INCREMENT REINVESTMENT ZONE NO. 1 FUND
For the Year Ended September 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Ad valorem taxes	\$ 2,645,636	\$ 2,645,636	\$ 2,783,406	\$ 137,770
Sales taxes	1,198,500	1,198,500	1,406,463	207,963
Interest	40,000	40,000	21,954	(18,046)
Total Revenues	3,884,136	3,884,136	4,211,823	327,687
<u>Expenditures</u>				
Current:				
General government	2,958,000	2,958,000	307,051	2,650,949
Principal	2,096,545	2,096,545	-	2,096,545
Total Expenditures	5,054,545	5,054,545	307,051	4,747,494
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,170,409)	(1,170,409)	3,904,772	5,075,181
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	-	(4,211,824)	(4,211,824)	-
Total Other Financing (Uses)	-	(4,211,824)	(4,211,824)	-
Net Change in Fund Balance	\$ (1,170,409)	\$ (5,382,233)	(307,052)	\$ 5,075,181
Beginning fund balance			-	
Ending Fund Balance			\$ (307,052)	

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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Interest	\$ 90,000	\$ 90,000	\$ 43,548	\$ (46,452)
Charges and fees	-	-	5,854	5,854
Miscellaneous	19,500	-	190,951	190,951
Total Revenues	109,500	90,000	240,353	150,353
<u>Expenditures</u>				
Current:				
Public works	1,700,000	3,954,638	3,881,309	73,329
Total Expenditures	1,700,000	3,954,638	3,881,309	73,329
(Deficiency) of Revenues (Under) Expenditures	(1,590,500)	(3,864,638)	(3,640,956)	223,682
<u>Other Financing Sources (Uses)</u>				
Transfers out	-	(250,000)	(250,000)	-
Transfers in	1,341,910	1,341,910	1,341,910	-
Total Other Financing Sources	1,341,910	1,091,910	1,091,910	-
Net Change in Fund Balance	\$ (248,590)	\$ (2,772,728)	(2,549,046)	\$ 223,682
Beginning fund balance			9,068,155	
Ending Fund Balance			\$ 6,519,109	

CITY OF NEW BRAUNFELS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CEMETERY PERPETUAL FUND
For the Year Ended September 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Miscellaneous	\$ 5,000	\$ 5,000	\$ 18,000	\$ 13,000
Charges and fees	-	-	2,676	2,676
Total Revenues	5,000	5,000	20,676	15,676
<u>Expenditures</u>				
Current:				
Parks and recreation	198,000	198,000	20,736	177,264
Total Expenditures	198,000	198,000	20,736	177,264
Net Change in Fund Balance	\$ (193,000)	\$ (193,000)	(60)	\$ 192,940
Beginning fund balance			222,677	
Ending Fund Balance			\$ 222,617	

STATISTICAL SECTION

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

Contents	Page
Financial Trends	168
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	182
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, property tax revenues.</i>	
Debt Capacity	192
<i>These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	201
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	205
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

Source: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual 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			
	2011	2012	2013	2014
Governmental Activities				
Net investment in capital assets	\$ 26,047	\$ 25,891	\$ 24,207	\$ 8,094
Restricted	4,571	4,587	7,931	6,879
Unrestricted	22,021	15,937	12,650	13,828
Total Governmental Activities Net Position	<u>\$ 52,639</u>	<u>\$ 46,415</u>	<u>\$ 44,788</u>	<u>\$ 28,801</u>
Business-Type Activities				
Net investment in capital assets	\$ 6,951	\$ 8,200	\$ 11,549	\$ 34,960
Unrestricted	1,235	1,930	2,054	1,967
Total Business-Type Activities Net Position	<u>\$ 8,186</u>	<u>\$ 10,130</u>	<u>\$ 13,603</u>	<u>\$ 36,927</u>
Primary Government				
Net investment in capital assets	\$ 32,998	\$ 34,091	\$ 35,756	\$ 43,054
Restricted	4,571	4,587	7,931	6,879
Unrestricted	23,256	17,867	14,704	15,795
Total Primary Government Net Position	<u>\$ 60,825</u>	<u>\$ 56,545</u>	<u>\$ 58,391</u>	<u>\$ 65,728</u>

Source: City financial statements

**Balances have been restated.*

Fiscal Year					
2015	2016	2017	2018*	2019	2020
\$ 5,121	\$ 2,127	\$ 5,470	\$ (3,398)	\$ 7,297	\$ 10,678
10,919	16,400	21,269	24,333	18,232	25,877
(10,896)	(16,030)	(15,905)	(18,031)	635	(10,423)
<u>\$ 5,144</u>	<u>\$ 2,497</u>	<u>\$ 10,834</u>	<u>\$ 2,904</u>	<u>\$ 26,164</u>	<u>\$ 26,132</u>
\$ 34,775	\$ 33,493	\$ 31,025	\$ 29,515	\$ 28,869	\$ 27,813
298	(236)	(748)	525	(1,517)	2,028
<u>\$ 35,073</u>	<u>\$ 33,257</u>	<u>\$ 30,277</u>	<u>\$ 30,040</u>	<u>\$ 27,352</u>	<u>\$ 29,841</u>
\$ 39,896	\$ 35,620	\$ 36,495	\$ 26,117	\$ 36,166	\$ 38,491
10,919	16,400	21,269	24,333	18,232	25,877
(10,598)	(16,266)	(16,653)	(17,506)	(882)	(8,395)
<u>\$ 40,217</u>	<u>\$ 35,754</u>	<u>\$ 41,111</u>	<u>\$ 32,944</u>	<u>\$ 53,516</u>	<u>\$ 55,973</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			
	2011	2012	2013	2014
Expenses				
Governmental activities				
General government	\$ 7,918	\$ 9,416	\$ 12,083	\$ 14,850
Finance and tax	912	1,050	1,305	972
Planning and environmental development	3,350	2,816	3,413	2,489
Public safety	28,515	31,810	30,057	31,597
Public works	6,675	8,180	12,973	8,241
Parks and recreation	5,069	5,995	3,632	4,572
Library	1,836	1,954	2,203	2,400
Civic/convention center	-	-	6	5
Airport	9	-	219	107
Interest on long-term debt	3,184	4,213	3,913	4,985
Total Governmental Activities Expenses	57,468	65,434	69,804	70,218
Business-Type Activities				
Airport	1,968	2174	2,305	2,855
Solid waste	5,506	5167	5,779	6,171
Golf course	979	1015	904	678
Civic/convention center	746	730	671	924
Total Business-Type Activities Expenses	9,199	9,086	9,659	10,628
Total Expenses	\$ 66,667	\$ 74,520	\$ 79,463	\$ 80,846

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 17,936	\$ 22,722	\$ 11,764	\$ 13,085	\$ 11,177	\$ 12,716
719	690	1,269	1,574	1,210	1,054
2,622	2,772	4,527	4,874	3,759	3,300
33,327	29,273	43,328	57,457	41,360	34,334
9,377	15,314	11,858	11,912	26,422	39,376
8,551	4,597	6,357	8,018	8,322	8,453
1,969	1,660	2,664	3,091	2,460	2,026
191	49	-	-	-	-
48	1,493	15	9	-	-
5,369	6,757	5,752	6,553	6,828	9,388
80,109	85,327	87,534	106,573	101,538	110,647
2,778	2,968	3,221	3,499	3,645	3,298
6,670	7,271	7,721	7,897	8,779	8,718
1,775	1,938	1,838	1,898	2,019	1,824
894	886	979	963	1,071	1,166
12,117	13,063	13,759	14,257	15,514	15,006
\$ 92,226	\$ 98,390	\$ 101,293	\$ 120,830	\$ 117,052	\$ 125,653

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			
	2011	2012	2013	2014
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 260	\$ 165	\$ 1,182	\$ 1,095
Planning and environmental development	2,385	2,988	3,209	3,335
Public safety	4,684	3,822	3,936	3,108
Public works	222	1,141	75	898
Parks and recreation	1,352	1,386	1,600	1,963
Library	177	98	111	114
Civic/convention center	-	-	-	-
Operating grants and contributions	2,760	1,366	1,000	1,539
Capital grants and contributions	1,555	2,072	3,000	-
Total Governmental Activities Program Revenues	<u>13,395</u>	<u>13,038</u>	<u>14,113</u>	<u>12,052</u>
Business-Type Activities				
Charges for services				
Airport	1,406	1,667	1,771	2,387
Solid waste	6,415	7,020	7,215	7,591
Golf course	957	975	1,076	128
Civic/convention center	321	279	293	371
Operating grants and contributions	71	50	55	43
Capital grants and contributions	223	2,224	4,570	441
Total Business-Type Activities Program Revenues	<u>9,393</u>	<u>12,215</u>	<u>14,980</u>	<u>10,961</u>
Total Program Revenues	<u>\$ 22,788</u>	<u>\$ 25,253</u>	<u>\$ 29,093</u>	<u>\$ 23,013</u>
Net (Expense)/Revenue				
Governmental activities	\$ (44,073)	\$ (52,396)	\$ (55,691)	\$ (58,166)
Business-type activities	194	3,129	5,321	333
Total Net Expense	<u>\$ (43,879)</u>	<u>\$ (49,267)</u>	<u>\$ (50,370)</u>	<u>\$ (57,833)</u>

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 1,265	\$ 1,505	\$ 164	\$ 150	\$ 152	\$ 125
3,912	3,489	-	-	-	-
3,841	4,384	6,503	6,528	5,918	5,748
1,076	1,231	4,163	4,507	6,465	7,019
1,642	2,745	2,226	2,288	5,501	3,283
102	101	96	89	61	27
8	14	-	-	-	-
1,963	2,377	1,759	3,819	1,402	2,394
-	-	3,460	1,831	1,768	-
13,809	15,846	18,371	19,212	21,267	18,597
2,317	2,077	2399	2,599	2,894	2,296
7,985	8,280	8664	10,168	9,865	10,176
1,378	1,486	1436	1,578	1,714	1,634
418	436	450	420	496	274
50	50	397	-	51	5,010
290	2,263	-	-	-	-
12,438	14,592	13,346	14,765	15,020	19,391
\$ 26,247	\$ 30,438	\$ 31,717	\$ 33,977	\$ 36,287	\$ 37,988
\$ (66,300)	\$ (69,481)	\$ (69,163)	\$ (87,361)	\$ (80,271)	\$ (92,050)
321	1,529	(413)	508	(494)	4,386
\$ (65,979)	\$ (67,952)	\$ (69,576)	\$ (86,853)	\$ (80,765)	\$ (87,665)

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			
	2011	2012	2013	2014
General Revenues and Other Changes in Net Position				
Governmental activities				
Property taxes, levied for general purposes	\$ 10,340	\$ 10,578	\$ 11,206	\$ 10,851
Property taxes, levied for debt services	5,698	7,260	8,019	9,231
Sales tax	13,457	14,665	16,420	18,613
Hotel/motel occupancy taxes	2,615	3,118	3,375	3,604
Franchise fees	7,448	7,694	7,875	8,283
Mixed beverage tax	232	211	275	390
Investment income	114	155	187	87
Other contributions	205	171	1,806	1,989
Miscellaneous	817	1,052	4,492	4,183
Transfers	2,127	1,268	1,618	(8,222)
Total Governmental Activities	43,053	46,172	55,273	49,009
Business-type activities				
Investment earnings	3	2	2	1
Miscellaneous income	25	82	(233)	68
Transfers	(2,127)	(1,269)	(1,618)	8,222
Total Business-Type Activities	(2,099)	(1,185)	(1,849)	8,291
Total Primary Government	\$ 40,954	\$ 44,987	\$ 53,424	\$ 57,300
Change in Net Position				
Governmental activities	\$ (1,020)	\$ (6,224)	\$ (418)	\$ (9,157)
Business-type activities	(1,905)	1,944	3,472	8,624
Total Change in Net Position	\$ (2,925)	\$ (4,280)	\$ 3,054	\$ (533)

Source: Statements of Activities from City CAFRs

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 13,956	\$ 14,409	\$ 18,065	\$ 18,188	\$ 23,135	\$ 23,138
10,159	11,414	12,434	12,471	14,667	17,398
18,608	19,077	21,008	21,997	23,675	25,606
3,813	3,767	3,994	4,070	4,001	2,872
8,435	8,904	9,590	9,749	10,070	9,908
439	472	515	584	649	508
47	242	471	966	2,300	1,003
2,336	2,892	4,570	3,683	4,215	4,687
3,643	4,989	3,948	6,423	3,915	4,585
284	3,436	2,905	2,152	2,398	2,311
61,720	69,602	77,500	80,283	89,025	92,017
2	8	17	39	63	27
86	83	320	1,239	141	388
(284)	(3,436)	(2,905)	(2,152)	(2,398)	(2,311)
(196)	(3,345)	(2,568)	(874)	(2,194)	(1,896)
\$ 61,524	\$ 66,257	\$ 74,932	\$ 79,409	\$ 86,831	\$ 90,121
\$ (4,580)	\$ 121	\$ 8,337	\$ (7,078)	\$ 8,754	\$ (33)
125	(1,816)	(2,981)	(366)	(2,688)	2,490
\$ (4,455)	\$ (1,695)	\$ 5,356	\$ (7,444)	\$ 6,066	\$ 2,456

CITY OF NEW BRAUNFELS, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

(modified accrual basis of accounting)

(amounts expressed in thousands)

		Fiscal Year			
		2011	2012	2013	2014
General Fund					
Nonspendable	\$	2	\$ -	\$ -	\$ 1
Assigned		9,318	7,611	4,662	4,430
Unassigned		18,291	16,838	15,189	18,188
Total General Fund	\$	27,611	24,449	19,851	22,619
All Other Governmental Funds					
Nonspendable	\$	135	\$ 88	\$ 95	\$ 94
Restricted		27,222	36,789	45,162	40,930
Committed		104	531	3,160	2,863
Unassigned, reported in:					
Special revenue funds		-	(19)	(733)	(187)
Capital project funds		-	(2,014)	-	-
Total All Other Governmental Funds	\$	27,461	35,375	47,684	43,700

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ -	\$ -	\$ 1	\$ 1	\$ 1	\$ 3
4,319	2,516	1,368	551	1,124	798
16,677	16,096	17,699	20,377	24,951	26,585
<u>\$ 20,996</u>	<u>\$ 18,612</u>	<u>\$ 19,068</u>	<u>\$ 20,929</u>	<u>\$ 26,076</u>	<u>\$ 27,386</u>
\$ 94	\$ 19	\$ 29	\$ 169	\$ 223	\$ 223
51,895	65,988	50,200	56,071	82,729	130,313
3,188	4,295	5,652	7,413	9,729	6,519
(211)	(591)	-	-	-	910
-	-	-	-	-	-
<u>\$ 54,966</u>	<u>\$ 69,711</u>	<u>\$ 55,881</u>	<u>\$ 63,653</u>	<u>\$ 92,681</u>	<u>\$ 137,964</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			
	2011	2012	2013	2014
Revenues				
Taxes	\$ 39,841	\$ 43,365	\$ 47,119	\$ 52,201
Licenses and permits	1,693	2,340	2,252	2,581
Intergovernmental	-	-	107	152
Charges for services	3,857	3,946	3,093	3,133
Fines and forfeitures	1,845	1,233	1,173	1,235
Parks and recreation	1,358	1,062	1,528	1,883
Interest	114	302	187	87
Federal grants*	1,137	267	689	1,990
State and local grants*	554	57	1,980	312
Other contributions	1,773	1,150	2,917	3,594
Miscellaneous	1,073	2,047	4,440	2,565
Total Revenues	53,245	55,769	65,485	69,733
Expenditures				
General government	6,764	8,312	8,550	12,490
Finance and tax	742	870	1,120	848
Planning and environmental development	2,959	2,335	3,264	2,729
Public safety	26,137	34,934	28,311	30,207
Public works	13,742	10,112	20,863	18,319
Parks and recreation	4,953	5,907	5,555	18,797
Library	1,602	1,608	2,020	2,059
Civic/convention center	-	-	55	61
Airport	9	-	263	1,977
Debt service				
Principal	4,140	4,715	5,825	6,775
Interest	3,222	3,961	4,242	4,762
Other	107	249	185	414
Total Expenditures	64,377	73,003	80,253	99,438
(Deficit) of Revenues				
(Under) Expenditures	(11,132)	(17,234)	(14,768)	(29,705)

Fiscal Year					
2015	2016	2017*	2018	2019	2020
\$ 55,205	\$ 57,652	\$ 65,735	\$ 68,595	\$ 76,136	\$ 79,279
3,052	3,606	3,943	4,178	5,265	5,653
242	228	1,759	3,819	1,403	2,394
3,573	4,439	5,068	5,306	5,582	6,014
1,743	1,642	1,925	1,800	1,755	1,256
2,307	2,656	2,216	2,278	5,496	3,280
46	241	468	966	2,299	999
758	2,117	-	-	-	-
368	194	-	-	-	-
3,374	4,804	4,570	3,683	4,215	4,687
3,466	2,751	3,791	4,837	3,716	4,567
74,134	80,330	89,475	95,462	105,867	108,129
11,695	16,791	11,594	11,302	12,446	14,088
855	900	1,011	1,037	1,159	1,288
2,983	3,331	3,796	3,435	3,626	3,881
31,134	34,926	35,078	37,840	38,016	40,963
15,231	21,618	28,965	34,243	26,191	40,391
11,645	5,431	5,474	6,482	8,165	9,180
2,187	2,006	2,136	2,224	2,378	2,395
296	89	-	-	-	-
407	1,534	1	-	-	-
7,805	8,319	10,550	10,601	10,365	13,990
5,056	5,977	7,274	6,881	9,108	10,375
551	462	97	5	41	199
89,845	101,384	105,976	114,050	111,495	136,748
(15,711)	(21,054)	(16,501)	(18,588)	(5,628)	(28,619)

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			
	2011	2012	2013	2014
Other Financing Sources (Uses)				
Transfer in	\$ 3,486	\$ 4,975	\$ 6,871	\$ 3,827
Transfer out	(1,858)	(4,106)	(5,253)	(1,491)
Issuance of debt	18,930	19,470	30,330	24,095
Premium (discount) on debt issuance	-	1,526	1,795	1,016
Payment to bond escrow agent	(719)	-	(11,677)	-
Sale of assets	114	121	412	369
Capital lease	-	-	-	-
Loan payable	-	-	-	673
Total Other Financing Sources	<u>19,953</u>	<u>21,986</u>	<u>22,478</u>	<u>28,489</u>
Net Change in Fund Balances	<u>\$ 8,821</u>	<u>\$ 4,752</u>	<u>\$ 7,710</u>	<u>\$ (1,216)</u>
Debt service as a percentage of noncapital expenditures	14.2%	14.9%	15.0%	15.3%

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

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

Fiscal Year					
2015	2016	2017*	2018	2019	2020
\$ 4,923	\$ 4,757	\$ 7,835	\$ 9,441	\$ 19,664	\$ 9,475
(2,017)	(2,847)	(5,330)	(7,181)	(17,266)	(7,164)
35,940	37,360	5,255	24,620	35,160	62,240
3,309	5,953	-	1,594	2,045	10,644
(17,101)	(14,799)	(5,165)	-	-	-
301	39	157	6	199	19
-	757	375	-	-	-
-	-	-	(258)	-	-
25,355	31,220	3,127	28,222	39,802	75,214
<u>\$ 9,644</u>	<u>\$ 10,166</u>	<u>\$ (13,374)</u>	<u>\$ 9,634</u>	<u>\$ 34,174</u>	<u>\$ 46,595</u>
17.0%	18.7%	20.9%	18.8%	20.0%	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			
	2011	2012	2013	2014
Revenue				
Property tax	\$ 16,089	\$ 17,828	\$ 19,174	\$ 21,311
Sales tax	13,457	14,665	16,420	18,613
Franchise fees	1,629	1,475	1,671	1,805
Utilities franchise fees	5,819	6,065	6,204	6,478
Hotel occupancy tax	2,615	3,118	3,375	3,604
Mixed beverage tax	232	211	275	390
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Revenue	<u>\$ 39,841</u>	<u>\$ 43,362</u>	<u>\$ 47,119</u>	<u>\$ 52,201</u>

Data Source: City CAFRs and detailed financial records

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 24,115	\$ 25,823	\$ 30,628	\$ 30,659	\$ 37,802	\$ 40,537
23,978	19,077	21,008	21,997	23,675	25,606
1,961	1,934	1,784	1,840	1,770	1,552
6,474	6,970	7,805	7,909	8,121	8,204
3,813	3,767	3,994	4,070	4,001	2,872
439	472	516	583	649	508
<u>\$ 60,780</u>	<u>\$ 58,043</u>	<u>\$ 65,735</u>	<u>\$ 67,058</u>	<u>\$ 76,018</u>	<u>\$ 79,279</u>

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

	Fiscal Year			
	2011	2012	2013	2014
Real property	\$ 4,488,892	\$ 4,610,203	\$ 4,665,542	\$ 4,917,972
Personal	382,795	349,205	379,051	395,771
Less: Tax Exempt Property	809,339	853,111	866,905	904,189
Total Taxable Assessed Valuation (1)	<u>\$ 4,062,348</u>	<u>\$ 4,106,297</u>	<u>\$ 4,177,688</u>	<u>\$ 4,409,554</u>
Total Direct Tax Rate	\$ 0.40986	\$ 0.44836	\$ 0.46734	\$ 0.49823
Estimated Actual Taxable Value	\$ 4,062,348	\$ 4,106,297	\$ 4,177,688	\$ 4,409,554
Assessed Value as a Percentage of Actual Value	83.39%	82.80%	82.82%	82.98%

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					
2015	2016	2017	2018	2019	2020
\$ 5,528,399	\$ 6,138,209	\$ 6,716,299	\$ 7,584,703	\$ 8,406,848	\$ 9,297,167
426,910	540,437	512,991	564,298	625,957	639,947
1,047,373	1,050,021	1,150,855	1,352,207	1,455,217	1,634,543
<u>\$ 4,907,936</u>	<u>\$ 5,628,625</u>	<u>\$ 6,078,435</u>	<u>\$ 6,796,794</u>	<u>\$ 7,577,588</u>	<u>\$ 8,302,571</u>
\$ 0.49823	\$ 0.49823	\$ 0.48822	\$ 0.48822	\$ 0.48822	\$ 0.48822
\$ 4,907,936	\$ 5,628,625	\$ 6,078,435	\$ 6,796,794	\$ 7,577,588	\$ 8,302,571
82.41%	84.28%	84.08%	83.41%	83.89%	83.55%

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

		Fiscal Year			
		2011	2012	2013	2014
City of New Braunfels Tax Rates:					
General government		\$ 0.261360	\$ 0.261360	\$ 0.268560	\$ 0.278080
Debt service		0.148500	0.187000	0.198780	0.220150
Total Direct Rates		\$ 0.409860	\$ 0.448360	\$ 0.467340	\$ 0.498230
Overlapping Tax Rates (2):					
Comal County		\$ 0.334000	\$ 0.350420	\$ 0.305220	\$ 0.292821
Guadalupe County		0.389500	0.339990	0.403600	0.336100
Navarro ISD		1.460000	1.430000	1.430000	1.390000
New Braunfels ISD		1.339100	1.339100	1.339100	1.339100
Comal ISD		1.370000	1.430000	1.430000	1.390000
Total Direct and Overlapping Rates (1)(2)		\$ 5.302460	\$ 5.337870	\$ 5.375260	\$ 5.246251

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 2020 would be between \$2.05 and \$2.17 depending on the overlapping jurisdiction the parcel was located.

Fiscal Year						
2015	2016	2017	2018	2019	2020	
\$ 0.278080	\$ 0.278080	\$ 0.288370	\$ 0.278370	\$ 0.273722	\$ 0.273722	
0.220150	0.220150	0.199850	0.209850	0.214498	0.214498	
\$ 0.498230	\$ 0.498230	\$ 0.488220	\$ 0.488220	\$ 0.488220	\$ 0.488220	
\$ 0.292921	\$ 0.292821	\$ 0.307821	\$ 0.295191	\$ 0.322415	\$ 0.377915	
0.385100	0.331100	0.326900	0.330900	0.331900	0.335400	
1.390000	1.349600	1.350000	1.350000	1.275930	1.262300	
1.339100	1.339100	1.339100	1.365800	1.295800	1.223300	
1.390000	1.390000	1.390000	1.390000	1.320000	1.320000	
\$ 5.295351	\$ 5.200851	\$ 5.202041	\$ 5.220111	\$ 5.034265	\$ 5.007135	

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CITY OF NEW BRAUNFELS, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Property Taxpayer	2020			2011		
	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation
A L 95 Creekside Town Center LP	\$ 124,498,365	1	1.5%	\$ 35,661,633	1	0.0%
Central Texas Corridor Hospital LLC	97,385,585	2	1.2%	-	-	0.0%
Rush Enterprises	71,065,010	3	0.9%	35,425,780	2	0.9%
Kahlig Enterprises INC	67,240,260	4	0.8%	16,894,640	5	0.4%
PAC Creekside LLC	55,855,060	5	0.7%	-	-	0.0%
Grey Forest Development LLC	55,821,980	6	0.7%	-	-	0.0%
BMEF Creekside LLC	50,472,960	7	0.6%	-	-	0.0%
HEB Grocery CO LP	47,938,602	8	0.6%	16,153,890	6	0.4%
CGT, US Limited	47,937,440	9	0.6%	-	-	0.0%
New Braunfels Waterpark LLC	43,258,270	10	0.5%	17,653,870	3	0.4%
Walmart Real Estate Business Trust	-		0.0%	19,521,580	4	0.5%
Augusta Gruene Apartments LP	-		0.0%	14,257,090	7	0.4%
J C Penny Properties INC	-		0.0%	12,971,430	8	0.3%
Ingram Readymix Inc.	-		0.0%	12,592,730	9	0.3%
American Opportunity For Housing-Comal Gardens LLC	-		0.0%	12,236,490	10	0.3%
Subtotal	\$ 661,473,532		7.97%	\$ 193,369,133		3.88%
Other Taxpayers	7,641,097,468		92.03%	3,868,978,867		
Total	\$ 8,302,571,000		100.00%	\$ 4,062,348,000		

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
2010	2009	\$ 0.409860	\$ 15,751	\$ 15,210	96.57%
2011	2010	\$ 0.409860	\$ 15,846	\$ 15,612	98.52%
2012	2011	\$ 0.448360	\$ 17,740	\$ 17,431	98.26%
2013	2012	\$ 0.467340	\$ 19,163	\$ 19,092	99.63%
2014	2013	\$ 0.498230	\$ 21,493	\$ 21,251	98.87%
2015	2014	\$ 0.498230	\$ 24,003	\$ 23,817	99.23%
2016	2015	\$ 0.498230	\$ 27,061	\$ 26,830	99.15%
2017	2016	\$ 0.498230	\$ 29,510	\$ 29,287	99.24%
2018	2017	\$ 0.488220	\$ 32,393	\$ 32,002	98.79%
2019	2018	\$ 0.488220	\$ 35,929	\$ 35,560	98.97%
2020	2019	\$ 0.488220	\$ 39,994	\$ 39,507	98.78%

Source: Comal County Tax Assessor or City CAFR

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
\$ 506		\$ 15,716	99.78%
\$ 213		\$ 15,825	99.87%
\$ 277		\$ 17,708	99.82%
\$ 8		\$ 19,100	99.67%
\$ 176		\$ 21,427	99.69%
\$ 131		\$ 23,948	99.77%
\$ 130		\$ 26,960	99.63%
\$ 56		\$ 29,343	99.43%
\$ 592		\$ 32,002	98.79%
\$ -		\$ 35,560	98.97%
\$ 151		\$ 39,658	99.16%

CITY OF NEW BRAUNFELS, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

(amounts expressed in thousands, except per capita amount)

	Fiscal Year			
	2011	2012	2013	2014
Governmental Activities:				
General obligation bonds	\$ 10,975	\$ 10,725	\$ 21,305	\$ 34,685
Certificates of obligation	79,180	94,190	97,030	100,970
Contract revenue obligations	-	-	11,405	27,950
Loan payable	-	-	-	673
Capital lease payable	-	-	-	-
Subtotal	<u>90,155</u>	<u>104,915</u>	<u>129,740</u>	<u>164,278</u>
Business-Type Activities:				
Loan payable	-	-	-	721
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>721</u>
Government-Wide:				
General obligation bonds	10,975	10,725	21,305	34,685
Certificates of obligation	79,180	94,190	97,030	100,970
Contract revenue obligations	-	-	11,405	27,950
Loan payable	-	-	-	1,394
Capital lease payable	-	-	-	-
Total Government-Wide	<u>\$ 90,155</u>	<u>\$ 104,915</u>	<u>\$ 129,740</u>	<u>\$ 164,999</u>
Percentage of Personal Income (1)	3.54%	3.97%	4.60%	7.39%
Per Capita (1)	\$ 1,507	\$ 1,726	\$ 2,096	\$ 2,619

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					
2015	2016	2017	2018	2019	2020
\$ 52,730	\$ 99,243	\$ 100,656	\$ 111,150	\$ 139,704	\$ 187,874
95,585	76,178	64,345	58,950	67,880	78,615
26,745	25,555	24,325	23,055	21,740	20,380
553	534	467	401	337	273
-	757	944	1,786	1,352	916
175,613	202,267	190,737	195,342	231,013	288,058
593	363	182	-	-	-
593	363	182	-	-	-
52,730	99,243	100,656	111,150	139,704	187,874
95,585	76,178	64,345	58,950	67,880	78,615
26,745	25,555	24,325	23,055	21,740	20,380
1,146	897	649	401	337	273
-	757	944	1,786	1,352	916
\$ 176,206	\$ 202,630	\$ 190,919	\$ 195,342	\$ 231,013	\$ 288,058
5.75%	5.97%	5.60%	4.69%	5.27%	6.16%
\$ 2,654	\$ 2,872	\$ 2,581	\$ 2,468	\$ 2,814	\$ 3,193

CITY OF NEW BRAUNFELS, TEXAS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Years

(amounts expressed in thousands, except per capita amount)

	Fiscal Year			
	2011	2012	2013	2014
Estimated Actual Taxable Value of Property	\$ 4,062,348	\$ 4,106,297	\$ 4,177,688	\$ 4,409,554
General obligation bonds and Certificates of obligation	\$ 10,975	\$ 10,725	\$ 21,305	\$ 34,685
Less: amounts available in debt service fund	-	786	809	1,279
Total	\$ 10,975	\$ 9,939	\$ 20,496	\$ 33,406
Percentage of Estimated Actual Taxable Value of Property	0.27%	0.24%	0.49%	0.76%
Per Capita (1)	\$ 183	\$ 163	\$ 331	\$ 530

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					
2015	2016	2017	2018	2019	2020
\$ 4,907,936	\$ 5,628,625	\$ 6,078,435	\$ 6,796,794	\$ 7,577,588	\$ 8,302,571
\$ 52,730	\$ 88,385	\$ 165,001	\$ 170,100	\$ 207,584	\$ 266,489
1,418	1,577	2,237	1,310	1,806	2,243
<u>\$ 51,312</u>	<u>\$ 86,808</u>	<u>\$ 162,764</u>	<u>\$ 168,790</u>	<u>\$ 205,778</u>	<u>\$ 264,246</u>
1.05%	1.54%	2.68%	2.48%	2.72%	3.18%
\$ 773	\$ 1,231	\$ 2,201	\$ 2,132	\$ 2,507	\$ 2,929

CITY OF NEW BRAUNFELS, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2020

Government Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to Primary Government
New Braunfels ISD	\$ 219,702,226	80.95%	\$ 177,848,952
Comal ISD	722,510,179	16.97%	122,609,977
Navarro ISD	35,996,494	2.51%	903,512
Guadalupe County	9,405,000	10.38%	976,239
Comal County	139,835,000	35.69%	49,907,112
Subtotal, overlapping debt	1,127,448,899		352,245,792
City Direct Debt	288,057,614	100.00%	288,057,614
Total Direct and Overlapping Debt			\$ 640,303,406

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			
	2011	2012	2013	2014
Debt Limit	\$ 487,169	\$ 495,941	\$ 504,459	\$ 531,374
Total Net Debt Applicable to Limit	10,975	10,725	21,305	34,685
Total	\$ 476,194	\$ 485,216	\$ 483,154	\$ 496,689
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.25%	2.16%	4.22%	6.53%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed Value	\$ 8,302,571
Add Back: Exempt Real Property	1,634,543
Total Assessed Value	<u>\$ 9,937,114</u>
Debt Limit (10% of Total Assessed Value)	993,711
Debt Applicable to Limit:	
General Obligation Bonds	187,874
Legal Debt Margin	<u><u>\$ 805,837</u></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					
2015	2016	2017	2018	2019	2020
\$ 595,531	\$ 667,865	\$ 722,929	\$ 820,355	\$ 903,281	\$ 993,711
52,730	88,385	165,001	171,015	139,704	187,874
<u>\$ 542,801</u>	<u>\$ 579,480</u>	<u>\$ 557,928</u>	<u>\$ 649,340</u>	<u>\$ 763,577</u>	<u>\$ 805,837</u>
8.85%	13.23%	22.82%	20.85%	15.47%	18.91%

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⁽⁴⁾
2011	59,823	\$ 2,544,510	\$ 42.53	\$ 35,970	14,273	5.9%
2012	60,791	\$ 2,642,199	\$ 43.46	\$ 37,555	15,883	5.1%
2013	61,885	\$ 2,822,616	\$ 45.61	\$ 41,155	8,265	5.2%
2014	62,998	\$ 2,232,220	\$ 35.43	\$ 43,800	8,441	3.8%
2015	66,394	\$ 3,064,162	\$ 46.15	\$ 46,871	8,438	2.9%
2016	70,543	\$ 3,394,824	\$ 48.12	\$ 51,558	8,438	3.5%
2017	73,959	\$ 3,407,192	\$ 46.07	\$ 46,883	8,583	3.3%
2018	79,152	\$ 4,168,203	\$ 52.66	\$ 42,234	8,950	3.2%
2019	82,081	\$ 4,384,612	\$ 53.42	\$ 43,921	9,126	2.9%
2020	90,209	\$ 4,674,477	\$ 51.82	\$ 45,700	9,537	6.6%

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 for 2011 and all following years is for City of New Braunfels only; 2013 and following years include only New Braunfels ISD.

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

CITY OF NEW BRAUNFELS, TEXAS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2020			2011		
	Employees	Percentage of Total Employment	Rank	Employees	Percentage of Total Employment	Rank
Comal ISD	3,132	7.25%	1	2,300	8.03%	1
Schlitterbahn Water Park	2,300	5.33%	2	1,689	5.90%	2
New Braunfels ISD	1,238	2.87%	3	928	3.24%	5
Wal-Mart Distribution Center	1,215	2.81%	4	1,065	3.72%	4
Rush Enterprises, Inc	859	1.99%	5	830	2.90%	-
Hunter Industries-Colorado Materials	826	1.91%	6	500	0.00%	8
Comal County	792	1.83%	7	587	2.05%	7
TaskUs	700	1.62%	8	N/A	0.00%	-
Sysco	570	1.32%	9	N/A	0.00%	-
City of New Braunfels	480	1.11%	10	508	0.00%	9
The Scooter Store	N/A	0.00%	-	1,784	6.23%	3
Wal-Mart Super Center	N/A	0.00%	-	435	1.52%	10
Christus Santa Rosa Hospital	N/A	0.00%	-	692	2.42%	6
	<u>12,112</u>	<u>28.05%</u>		<u>11,318</u>	<u>36.00%</u>	

Source: Greater New Braunfels Chamber of Commerce

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
City Secretary	3.00	3.00	3.00	3.00	3.00	3.00	3.50	3.50	3.50	3.75
City Attorney	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
City Manager's Office	5.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00	7.00	7.00
Information Technology	0.00	0.00	0.00	0.00	7.00	11.00	11.00	12.00	14.00	14.00
Human Resources	6.00	7.00	7.00	7.00	7.00	7.00	8.00	8.00	8.00	9.00
Finance	15.00	16.00	17.00	17.00	10.00	11.00	11.00	11.00	12.00	13.00
Municipal Court	11.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Police*	139.00	142.00	148.00	136.50	143.00	149.00	155.00	159.00	168.00	175.00
Fire	116.00	134.00	134.00	134.00	134.00	134.00	137.00	138.00	138.00	138.00
Planning and Community Development	24.00	26.00	29.00	30.00	31.00	32.00	35.00	36.00	36.00	39.00
Planning and Comm. Devel. - Main Street	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Parks and Recreation	140.50	141.50	150.50	150.50	161.50	160.50	162.50	252.75	260.75	272.25
Public Works	41.50	47.00	44.50	43.50	45.50	51.00	53.00	57.00	65.00	62.00
Library	26.50	26.50	28.50	28.50	28.25	28.25	28.25	28.25	28.75	28.50
Total General Fund	531.50	562.00	580.50	569.00	589.25	605.75	624.25	725.50	755.00	775.50
Golf Course Fund	12.00	11.50	11.50	12.50	17.00	17.00	17.00	17.00	15.00	17.00
Airport Fund	6.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00	9.00	9.00
Solid Waste Fund	44.50	48.00	50.50	49.50	52.50	52.50	54.00	54.00	57.00	59.00
Capital Project Funds**	0.00	0.00	6.00	6.50	8.00	9.00	9.00	9.00	5.00	5.00
Civic/Convention Center Fund	8.00	8.00	8.50	8.50	8.50	8.50	8.50	8.50	8.50	9.00
River Activities Fund	16.00	67.50	54.50	54.50	54.50	55.50	74.00	73.50	74.00	74.00
Facilities Maint. Fund	1.00	1.00	1.00	1.00	1.00	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	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Juvenile Case Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Child Safety Fund	1.00	1.00	1.00	14.00	14.00	14.00	0.00	0.00	0.00	0.00
Development Services Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00
Total Funds	621.00	706.00	722.50	724.50	753.75	771.25	795.75	896.50	925.50	953.50

Source: City of New Braunfels Annual Budget

Full-time and seasonal positions = 1 position

Part-time position = .5 position

*Police positions decreased as a result of contracting out crossing guard services

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

CITY OF NEW BRAUNFELS, TEXAS

OPERATING INDICATORS BY FUNCTION

Last Ten Years

Function	Fiscal Year			
	2011	2012	2013	2014
Police				
Response time for priority calls	N/A	6:41	6:36	7:34
Number of DWI Arrests	N/A	297	328	304
Fire				
Response times - structure fire	4:43	4:39	6:48	7:15
Response times - EMS	5:30	5:38	5:51	7:13
Smoke detectors issued/inspected/updated	762	842	1,200	420
Public Works				
Percentage of commercial and residential permit reviews completed within twenty business days	N/A	N/A	N/A	N/A
Permits reviewed and completed	285	240	240	360
Number of plat reviews completed	N/A	N/A	N/A	N/A
Number of street service requests processed	N/A	N/A	N/A	N/A
Acres of right-of-way mowed	185	165	188	188
Construction stormwater inspections completed	N/A	N/A	N/A	N/A
Solid Waste				
Waste diverted from landfill	20%	36%	35%	29%
Residential operating cost per ton collected	\$ 63.32	\$ 94.00	\$ 104.00	\$ 73.00
Parks and Recreation				
Recreation programs participants	3,198	3,080	3,000	3,918
Das Rec memberships	N/A	N/A	N/A	N/A
Athletic leagues teams participants (including Das Rec)	196	212	190	233
Golf course rounds played	40,574	39,140	43,000	N/A
Planning and Community Development				
Residential building permits issued	1,019	1,556	1,603	2,302
Commercial building permits issued	552	442	455	344
Calls for service - animal control	5,994	5,553	6,900	7,349
Cases abated without court action - code				
Historic landmark designations	6	3	3	2
Airport Operations				
Flight operations annually	32,340	28,099	39,880	45,000
Gallons of fuel sold	221,106	289,882	308,000	399,151
Library				
Visitors annually	313,996	312,138	285,000	283,790
Annual circulation of library materials	756,549	762,491	800,000	828,426
Database accesses	14,117	18,021	28,000	45,780
Municipal Court				
Percentage of cases closed in 30 days or less	N/A	N/A	N/A	N/A
Number of new cases filed	N/A	N/A	N/A	N/A
River				
Wristbands sold- private tubers	N/A	N/A	N/A	N/A
Wristbands sold- outfitter tubers	N/A	N/A	N/A	N/A
Pounds of litter recovered	N/A	N/A	N/A	N/A

Source: Various City departments
CONB FY 2019-20 Budget Document

Fiscal Year						
2015	2016	2017	2018	2019	2020	
6:50	6:30	6:42	7:27	7:28	7:25	
387	379	419	382	353	400	
6:50	7:04	6:55	6:38	7:15	7:15	
6:27	6:00	5:57	6:51	5:37	5:16	
440	425	450	450	518	578	
N/A	N/A	43%	43%	46%	52%	
497	514	680	791	577	585	
N/A	N/A	234	157	154	85	
N/A	N/A	532	531	556	517	
188	188	188	188	220	220	
N/A	N/A	360	778	1,071	1,000	
29%	30%	33%	30%	30%	30%	
\$ 51.39	\$ 71.89	\$ 68.61	\$ 62.02	\$ 66.62	\$ 57.27	
6,499	6,478	7,318	8,363	10,806	8,757	
N/A	N/A	N/A	4,900	6,208	5,500	
219	213	247	193	709	666	
34,396	39,175	38,250	39,673	43,213	36,924	
2185	3000	2,687	2,870	3,736	3,600	
446	400	481	434	1,267	1,290	
8,404	7,800	6,030	6,762	7,721	7,100	
4	3	2	2	2	2	
42,475	48,000	53,407	52,000	67,861	68,888	
370,915	445,000	500,000	518,667	555,045	446,000	
282,335	290,000	284,437	293,146	277,680	175,000	
781,603	850,000	905,000	914,556	1,063,122	800,000	
48,557	45,000	65,000	85,619	94,335	45,000	
N/A	N/A	30%	22%	27%	30%	
N/A	N/A	13,720	13,720	14,988	9,750	
N/A	N/A	73,414	66,919	71,515	58,200	
N/A	N/A	228,109	184,153	177,436	194,800	
N/A	N/A	35,970	13,650	17,046	20,000	

CITY OF NEW BRAUNFELS, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Years

	Fiscal Year			
	2011	2012	2013	2014
Function				
General Government				
City vehicles	232	257	269	291
Public Safety				
Police stations	1	1	1	1
Fire stations	5	6	6	6
Highways and Streets				
Streets (miles)	317	318	318	323
Area in square miles	1.9	1.9	1.9	2.0
Culture and Recreation				
Park acreage	373	373	373	373
Swimming pools	2	2	2	2
Golf course	1	1	1	1
Recreation center	1	1	1	1

Source: Various City departments

Fiscal Year					
2015	2016	2017	2018	2019	2020
320	360	380	412	453	455
1	1	1	1	1	1
6	6	6	6	6	6
323	323	354	368	342	345
2.0	2.0	2.0	2.0	1.9	2.0
435	435	435	557	709	684
2	2	2	4	5	5
1	1	1	1	1	1
1	1	1	2	2	2

