



## STATE OF TEXAS

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Comprehensive Annual Financial Report

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Year Ended September 30, 2012

Prepared by  
Support Services Department

Deborah Korinchock, CFO

**CITY OF NEW BRAUNFELS, TEXAS**  
**September 30, 2012**

**TABLE OF CONTENTS**

	<b>Page</b>	<b>Exhibit</b>
<b>INTRODUCTORY SECTION</b>		
Letter of Transmittal .....	i	
Current City Officials .....	vii	
Organizational Chart.....	viii	
Certificate of Achievement for Excellence in Financial Reporting .....	xi	
<b>FINANCIAL SECTION</b>		
Independent Auditor's Report.....	1	
Required Supplementary Information:		
Management's Discussion and Analysis.....	3	
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Assets.....	13	A-1
Statement of Activities .....	14	A-2
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet .....	15	A-3
Reconciliation of the Governmental Funds Balance Sheet to the		
Statement of Net Assets .....	16	A-4
Statement of Revenues, Expenditures, and Changes in Fund Balance .....	17	A-5
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,		
and Changes in Fund Balance to the Statement of Activities.....	18	A-6
Proprietary Funds:		
Statement of Fund Net Assets.....	19	A-7
Statement of Revenues, Expenses, and Changes in Fund Net Assets.....	20	A-8
Statement of Cash Flows .....	21	A-9
Component Units:		
Combining Statement of Net Assets .....	23	A-10
Combining Statement of Activities.....	24	A-11
Notes to Basic Financial Statements.....	25	
Required Supplementary Information:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance		
Budget and Actual – General Fund .....	46	B-1
Schedule of Revenues, Expenditures, and Changes in Fund Balance		
Budget and Actual – Hotel/Motel Tax Fund .....	48	B-2
Schedule of Funding Progress – Pension		
and Other Postemployment Benefits .....	49	B-3
Combining and Individual Fund Information and Other Supplementary Information:		
Combining Financial Schedules – General Fund – Subfunds:		
Combining Balance Schedule .....	50	C-1
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance .....	51	C-2
Combining Financial Statements – Nonmajor Governmental Funds:		
Combining Balance Sheet .....	52	C-3
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance.....	53	C-4

**CITY OF NEW BRAUNFELS, TEXAS**  
**September 30, 2012**

**TABLE OF CONTENTS - CONTINUED**

	Page	Exhibit
Combining Financial Statements – Nonmajor Special Revenue Funds:		
Combining Balance Sheet.....	54	C-5
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance .....	56	C-6
Combining Financial Statements – Nonmajor Capital Projects Funds:		
Combining Balance Sheet.....	58	C-7
Combining Statement of Revenues, Expenditures, and Changes in Fund Blance .....	59	C-8
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:		
Debt Service Fund .....	60	C-9
Community Development Block Grant .....	61	C-10
Grants Fund .....	62	C-11
Special Revenue Donations Fund .....	63	C-12
River Fund .....	64	C-13
Court Security Fund.....	65	C-14
Judicial Efficiency Fund .....	66	C-15
Court Technology Fund .....	67	C-16
Child Safety Fund .....	68	C-17
Stormwater Development Fund .....	69	C-18
Juvenile Case Management Fund .....	70	C-19
Faust Library Fund.....	71	C-20
Federal Court Awards Fund .....	72	C-21
Non-Federal Court Awards Fund.....	73	C-22
Economic Incentive Fund .....	74	C-23
Edwards Aquifer HCP Fund .....	75	C-24
Cable Franchise PEG Fund .....	76	C-25
Creekside Town Center Fund .....	77	C-26
Cemetery Perpetual Care .....	78	C-27

**STATISTICAL SECTION**

Net Assets by Component .....	79
Changes in Net Assets .....	80
Fund Balances of Governmental Funds .....	83
Changes in Fund Balances of Governmental Funds .....	84
General Governmental Tax Revenues by Source .....	86
Assessed Value and Estimated Value of Taxable Property .....	87
Property Tax Rates – Direct and Overlapping Governments .....	88
Principal Property Taxpayers .....	89
Property Tax Levies and Collections.....	90
Ratios of Outstanding Debt by Type .....	91
Ratios of General Bonded Debt Outstanding .....	92
Direct and Overlapping Governmental Activities Debt.....	93
Legal Debt Margin Information.....	94
Demographic and Economic Statistics .....	95
Principal Employers .....	96
Full-time Equivalent City Government Employees by Function.....	97
Operating Indicators by Function .....	98
Capital Asset Statistics by Function .....	99

## INTRODUCTORY SECTION



## SUPPORT SERVICES DEPARTMENT

March 20, 2013

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

The Comprehensive Annual Financial Report for the City of New Braunfels, Texas ("City") for the fiscal year ended September 30, 2012, is hereby submitted. This report was prepared through the cooperative efforts of the Support Services Department and the City's independent auditor. The purpose of the report is to provide the City Council, management, staff, the public, and other interested parties with detailed information reflecting the City's financial condition.

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

The City Charter requires an independent auditing firm to annually complete an audit of the books and accounts of every City department. The City's financial statements have been audited by CliftonLarsonAllen, a firm of licensed certified public accountants. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2012, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

## PROFILE OF THE GOVERNMENT

New Braunfels is a dynamic and historic Texas community of about 61,400 located on Interstate 35, thirty miles north of San Antonio and forty-five miles south of Austin. The population in 2000 was 38,300; the City has seen a 45 percent increase in population in the last ten years. New Braunfels is the largest city in Comal County and serves as the county seat. The City's geographic corporate boundaries encompass 44.9 square miles. The City's history is one of the richest in Texas and is cherished by its residents who strive to preserve and protect their heritage that reflects both strong German and Hispanic influences. Often referred to as the "City of a Prince" (because it was founded by Prince Carl of Solms Braunfels), early New Braunfels became an important part of Texas civilization and industry. In the 1960's, the community became more committed to preserving its rich history and this has tied into the emerging tourism industry, a major factor in the economy of today's New Braunfels. Visitor attractions abound in New Braunfels and the surrounding area. A city of tradition, New Braunfels today finds itself in a time of rapid changes. Its prime location between San Antonio and Austin drives rapidly increasing population.

As provided in its Home Rule Charter, a Mayor and a six-member City Council govern the City of New Braunfels. The Mayor is elected at large while the remaining Council members represent the six Council Districts of the City. All policy making decisions are vested in the City Council. Among other duties, the City Council appoints a City Manager who directs the day-to-day operations of the City under guidelines and policies of the City Charter and the City Council, and develops the annual budget. Each Council member is elected for a three-year term on a staggered basis. The City Charter limits service to two consecutive terms of office, and not more than three total terms in a lifetime.

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

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

The City of New Braunfels maintains a system of budgetary controls, the objective of which is to ensure compliance with the legal provisions of the annual appropriated budget approved by the City Council. The annual Operating Budget and Work Plan is the basic budget document. It governs all expenditures within a certain fiscal year, which runs from October 1 to September 30. This annual budget serves as the foundation for the City's financial planning and management. The budget is proposed by the City Manager and adopted by the City Council in accordance with policies and procedures established by the City Charter, Council ordinances, State requirements and City policies. The budget is prepared and presented by fund (e.g., general fund), department (e.g., police) or function (e.g., debt service), and expenditure group (e.g., employee expenses, operation expenses and capital expenses).

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

This means that, although funds are allocated into individual line items in each budget and those line item allocations are adopted as part of the budget, departments have some flexibility in expensing these funds within the group. As long as the total appropriation for a group (for example employee expenses) is not exceeded, one or more line items in the group (for example health insurance) may exceed its budget allocation. Council action is required only if a group of expenditures will exceed the budget appropriation.

In the CDBG, Special Revenue, Grants Funds, and New Braunfels Industrial Development Corporation (NBIDC) budget, appropriations are controlled at the project level. As the Council accepts federal entitlements and grants, as donations are received from outside sources, and as projects are approved, those proceeds are appropriated and available to departments and to NBIDC to expend for identified City purposes and needs.

Capital improvement funds are also controlled at the project level. Expenditures within the individual projects may span fiscal years. However, budgetary control is not exercised by fiscal year; it is by the total project cost and total project expenditures. This provides a more realistic approach to budgetary control for these types of activities.

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

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

## **ECONOMIC CONDITION AND OUTLOOK**

In the ten years prior to FY 2009-10, the City of New Braunfels enjoyed a very robust, high growth period. Population grew at an average annual rate of 4.4 percent. Property values increased an average of 12 percent annually. Sales tax growth averaged 13.9 percent annually over the same period, both from major new businesses attracted through economic development agreements as well as general retail growth. The City, during that same time frame, attracted some major business generators, positively affecting the City's property tax revenue.

As with most areas around the country, New Braunfels was impacted by the significant economic downturn. Sales tax in FY 2008-09 was 1.8 percent below the prior fiscal year, the only year the City saw an actual drop in this revenue source. Since then, the City's sales tax revenue has grown annually – 4.5 percent in FY 2009-10, 7.6 percent in FY 2010-11 and 10.2 percent in FY 2011-12. Although existing property values dropped slightly in FY 2009-10, new property gave the City an overall growth in property values of 2.9 percent that year. For FY 2010-11, property values showed an overall decline of just less than 1 percent. However, in FY 2011-12, property values began to rebound showing overall growth of 2.2 percent. In FY 2012-13, the City saw growth of 3.6 percent. Given the experience of many other communities around the nation, New Braunfels has been much less severely impacted.

The City also recognizes the value of commercial development to its economic base and continues to encourage commercial growth that will be beneficial to the tax base and support the citizens' needs. Ashley Furniture located and then expanded a distribution center (adding 150 jobs to the existing 200) in the City and Home Depot Supply sited a new contractor sales facility within the City. These developments had a very positive impact on the City's sales tax revenue. In 2008, a million plus square foot retail facility began construction in the City. The City created a tax increment reinvestment zone (TIRZ) to provide economic assistance to that development. The final build-out will include major retailers, a movie theater, a hospital and potentially other medical facilities. The project will take longer to complete than the original time frame, but will include much of the original planned development. The economic downturn impacted this development, slowing the rate of retail space construction. However, the City and the developer continued to explore ways to make this project thrive. The project now includes residential development and a major hospital complex. A pool manufacturer moved its headquarters to New Braunfels and another major mixed use (retail, residential and office space) project has begun development. The City's regional airport has also seen some major new development with two new hangers under construction, runway extensions and improvements and other small businesses moving into the airport complex. The City's industrial development corporation has funding available to offer incentives for businesses to choose New Braunfels, a continued plus in today's economy.

The long-term economic outlook for the New Braunfels area is positive. National recessions have historically impacted New Braunfels less than other areas of the country and Texas and the area rebounded more quickly from any negative impacts seen. This is the case with the most recent economic downturn. Advantages for the community's economic stability and growth include: the close proximity to both San Antonio and Austin; the IH 35 Corridor; the availability of choice industrial sites throughout the City; and the strong tourism sector of the economy. The City expects tourism to remain strong because New Braunfels offers great attractions at reasonable prices. Visitors can enjoy local dining, shopping, the "world's best" water park (Schlitterbahn), and river activities in and along the two rivers running through the heart of the community.

## **MAJOR INITIATIVES**

Since 2003, the City has issued \$122.87 million in debt to complete major streets and drainage improvements, park land acquisition and parks facilities improvements, airport improvements and construction of municipal facilities. These infrastructure needs had remained unmet for a long period of time and the City is now undertaking a major effort to complete these needed projects. Of the \$122.87 million in debt, \$90.1 or 73 percent is for streets and drainage improvements, the top priority for citizens and the Council. In FY 2007-08, the City completed a \$12 million renovation/expansion of the Civic and Convention Center (\$8 million in funding came from a debt issuance) to offer businesses, trade shows and local events a state-of-the-art facility to enjoy.

Over the last four years, the City has also issued debt to fund \$20.1 million in parks improvement projects and land acquisition for future parks. The City has a well known, beautiful park that is in itself a tourist attraction; it includes a spring fed pool, acres of playgrounds and pavilion/picnic areas. Major improvements to this park include a new irrigation system and repairs to river retaining walls. Because of its renown, it is heavily used every summer. The City is also developing other parks to provide options to the citizens and visitors, including a new 58 acre site currently in final design with the bid for construction to be awarded in 2013. This investment in parks will allow the City to enhance its current parks and recreation opportunities.

Construction of two new fire stations has been completed, the first in FY 2007-08 and the second in September 2012. The City had not renovated nor added any fire stations since the mid 1970's. The City's five year capital improvement plan calls for the addition of one and replacement of another fire station over the next five years.

Major improvements to the City's municipal airport include overlay of one of the two runways to improve its condition and make it useable to larger aircraft as well as completion of an apron and taxiway where additional hangers will be built. One runway will also be extended to, again, facilitate its use by larger jets. All these efforts follow the airport's master plan. A strategic business plan for the airport has also recently been completed to define the road map for the airport's infrastructure improvements, marketing plans and business approach. As stated, two new hangers are under development at the airport as well.

The City began construction on the largest single public improvement in recent history in 2010. This project improves a major thoroughfare through the City. Walnut Avenue will be expanded and improved, both the roadway itself and the immediately adjacent area. Landscaping and other amenities will create a park-like area on one side of the roadway. Utility improvements will also be completed as part of this \$28.4 million project (the City's portion of the cost is \$25.2 million with the utility paying the remaining amount).

In addition to these infrastructure improvements, over the last five years, the City has increased its public safety workforce by twenty-one percent. This was accomplished within the context of an operating side property tax rate lower than the rate of six years ago. Robust growth in both property values and sales tax (through FY 2008-09) allowed for this expansion and tax rate activity.

## FINANCIAL INFORMATION

The General Fund (excluding the Equipment Replacement Fund, Stormwater Utility Fund, and Facilities Maintenance Fund) ended the year with total fund balance of \$16.8 million which is approximately equal to 134 days of operating expenditures and represents 36.6 percent of the FY 2012-13 General Fund budget. This balance provides adequate protection against unforeseen occurrences and fluctuations in revenue sources. The City's financial policies require at least a 25 percent fund balance (of operating expenditures) and the City has maintained a minimum of a 30 percent balance to protect our strong bond rating. The City receives a significant portion (about 34 percent) of its General Fund revenue from sales tax, a source sensitive to economic fluctuations. Therefore, the City has worked to maintain a minimum operating reserve of at least 110 days.

The City's commitment to sound financial management and strong reserves paid dividends in FY 2007-08 as Standard and Poors raised the City's bond rating from A+ to AA-. Moody's maintained its rating of Aa2 for the City. And, for the first time, the City received a bond rating from Fitch – also a AA. These ratings were reaffirmed with the City's debt issuance in 2012.

The City maintains a five year capital improvement program (CIP), with all planned capital projects reviewed annually by the City staff and City Council. This annual review allows the City to change and adjust priorities by responding to changing growth patterns, economic conditions, and federal and state mandates. The five year CIP is used exclusively as a planning tool, and therefore does not commit the City to any project or project funding. The intent of the CIP is for the City staff to identify specific capital improvements needed during the subsequent five years and prioritize those projects. Recommended improvements are not approved until official action has been taken by the City Council. The Council is contemplating a bond election for needed projects in 2013.

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

Street Improvements	\$88,891,100	25%
Drainage Improvements	\$94,450,100	27%
Parks and park facilities	\$86,432,800	25%
Airport	\$5,235,000	1%
Municipal Improvements	\$78,585,900	22%
<b>Total</b>	<b>\$353,359,900</b>	<b>100%</b>

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

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

#### **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, 2011. This was the fourth year that the government has achieved this prestigious award (in recent history). In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

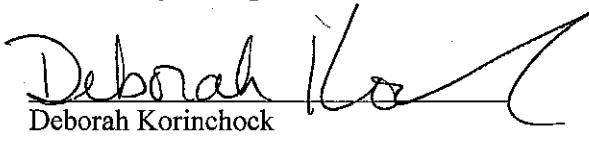
A certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully Submitted,



Robert Camareno  
Interim City Manager



Deborah Korinchock  
Support Services Director

## **CURRENT CITY OFFICIALS**

### **Elected Officials**

Mayor	Gale Pospisil
Councilmember, District 1	Richard Zapata
Councilmember, District 2	Mark Goodner
Councilmember, District 3	Ron Reaves
Councilmember, District 4	Sandy Nolte
Councilmember, District 5	Bryan Miranda
Councilmember, District 6	Steven Digges

### **Appointed Officials**

Interim City Manager	Robert Camareno
City Attorney	Valeria Acevedo
Municipal Court Judge	Sara Hartin

### **Department Directors**

Police Chief	Thomas Wibert
Fire Chief	John Robinson
Public Works Director	Steven Ramsey
Support Services Director	Deborah Korinchock
Human Resources Director	Julie O'Connell
Planning and Community Development Director	Shannon Mattingly
Parks and Recreation Director	Stacey Laird-Dicke
Library Director	Gretchen Pruett
Airport Director	Vinicio Llerena

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

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

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

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

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

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

**Support Services** - Is responsible for all City financial and accounting functions; information technology support, centralized purchasing, grant coordination, completion of the annual operating and capital budget, and management of the City's geographic information systems. Municipal Court is also part of Support Services and is the judicial branch of the City's government and has jurisdiction over all Class C misdemeanors and City ordinances.

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

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

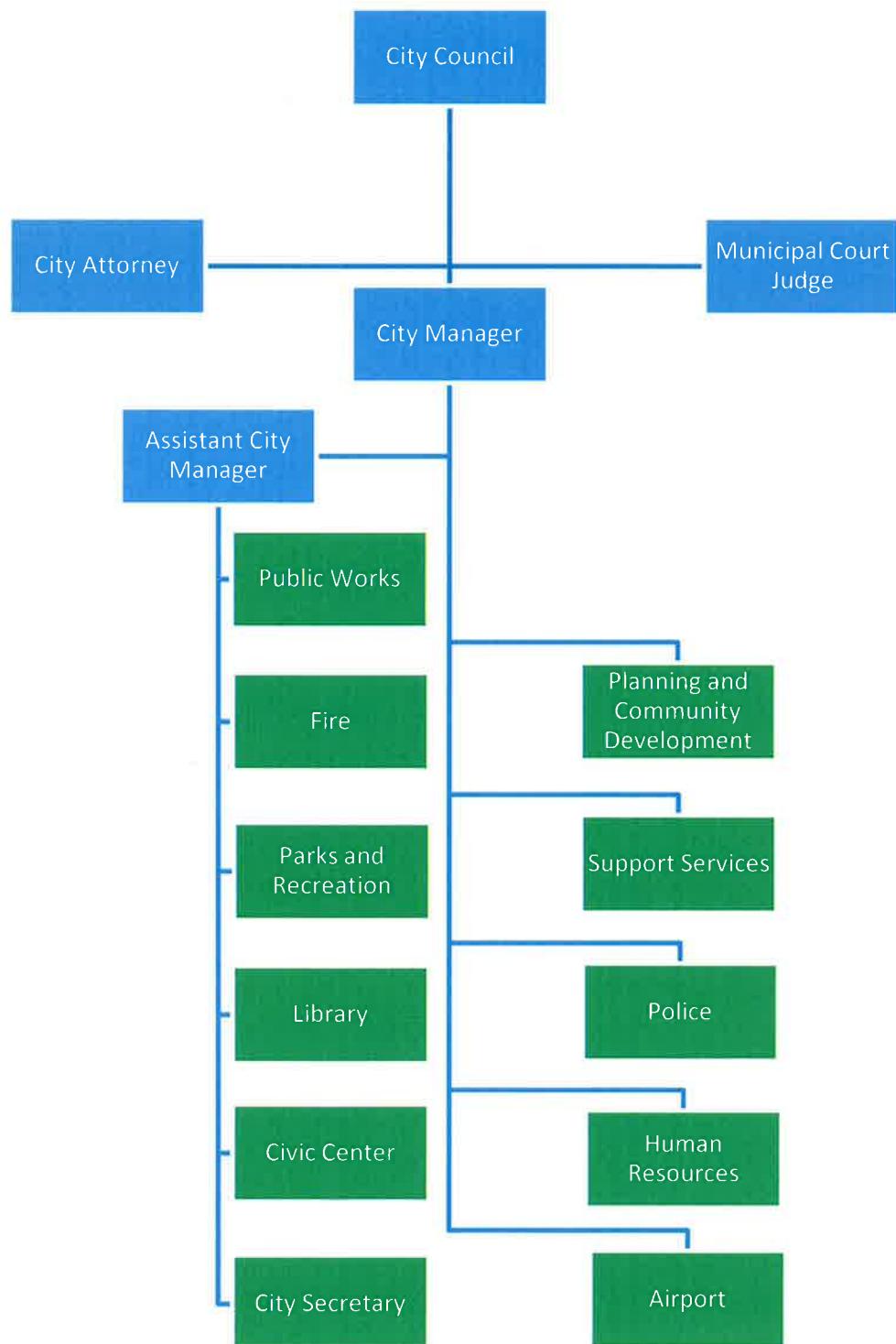
**Parks and Recreation** - Is responsible for the provision of parks and recreation services and facilities. This includes park development and management, program development and administration, special events coordination, management of a spring-fed and Olympic-size pool, and efforts to provide a safe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

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

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

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

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





# 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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reports.



*Christopher P. Mahille*

President

*Jeffrey R. Eman*

Executive Director

## FINANCIAL SECTION



**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
[www.cliftonlarsonallen.com](http://www.cliftonlarsonallen.com)

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Braunfels, Texas, as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of New Braunfels Utilities, which represent 95.9 percent, 95.3 percent, and 95.7 percent, respectively, of the assets, net assets, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for New Braunfels Utilities, is based on the report of the other auditors.

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Braunfels, Texas, as of September 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2013, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and Schedule of Funding Progress - Pension and Other Post Employment Benefits on pages 3 through 12 and 46 through 49 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. However, we did not audit the information and express no opinion on it.

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 and individual fund financial statements and the individual nonmajor fund budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and the individual nonmajor fund budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is fluid and cursive, with "CliftonLarson" on the first line and "Allen LLP" on the second line.

Dallas, Texas  
March 20, 2013

# CITY OF NEW BRAUNFELS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of New Braunfels annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended September 30, 2012. Please read it in conjunction with the City's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

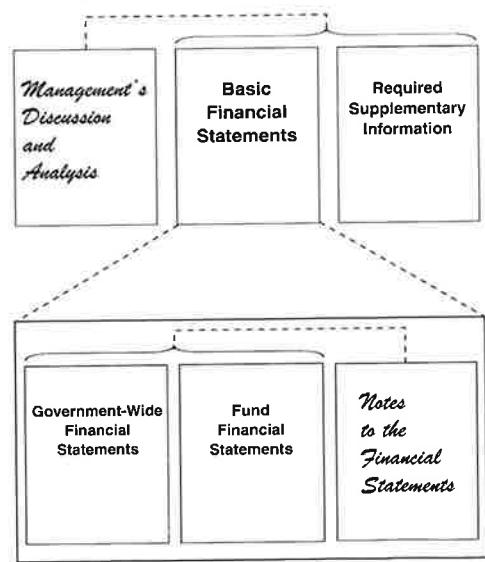
- The City's total combined net assets were \$56,545,704 as of September 30, 2012.
- During the year, the City's expenses for governmental activities were \$65,433,949 or \$7,486,324 (11.4 percent) more than the \$57,941,628 generated in taxes and program revenues for governmental activities.
- The General Fund reported an ending fund balance this year of \$24,450,598, a decrease of \$3,160,841 or 11.4 percent in comparison to the prior fiscal year. This balance exceeds the City's required 25 percent of operating expenditures. However, it is important to note that this fund balance includes all of the fund balance in the General Fund, Equipment Replacement Fund, Stormwater Utility Fund and the Facilities Maintenance Fund. The Equipment Replacement Fund (for both the General Fund and the enterprise funds) includes \$3,564,653 in fund balance that has been contributed by the Solid Waste Fund and the other enterprise funds.
- The City of New Braunfels fared much better than many other cities in FY 2011-12 as our major revenue sources remained fairly steady or showed growth. Property tax values increased by 2.2 percent overall with values from new growth driving the increase. Sales tax revenue grew a healthy 10.2 percent overall in FY 2011-12 in comparison to the prior fiscal year. This maintained the trend of growth in FY 2009-10 (4.5 percent) and FY 2010-11 (7.6 percent). Looking forward to FY 2012-13, the City expects continued increases in sales tax; this revenue source comprised 34.4 percent of total General Fund revenue in FY 2011-12.
- In fiscal year 2011-12, the City's operating costs were \$1,769,974 or 4.3 percent greater than the prior year. Some new positions were authorized in FY 2011-12 including 18 firefighters (for a portion of the year to staff a newly opened fire station). No salary increases were funded. In addition, in FY 2010-11, the City managed funds very closely, working to generate savings from the budget in that year. In FY 2011-12, almost all budgeted funds were expensed. This includes expenditures to increase staff presence along the rivers where many tourists enjoy the City's attractions.
- The City did issue \$19.47 million in certificates of obligation in FY 2011-12 to fund various needed capital improvement projects. These included the Walnut Avenue Widening street improvement project (the largest capital improvement project undertaken by the City in the last twenty years), downtown improvements to sidewalks and other pedestrian facilities, continued construction of railroad quiet zones, fire apparatus and park improvement projects – Fischer Park construction costs, Landa Park retaining walls reconstruction and repairs to the springfed pool at Landa Park. At the end of the FY 2011-12, the pedestrian facilities, railroad quiet zones (phase II), Fischer Park and Landa Park retaining walls were under design or nearing design completion, including development of construction drawings in some cases. Construction for these projects is expected to begin in FY 2012-13.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the City's operations in more detail than the government-wide statements.
  - The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.

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



- Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses, such as the airport, civic/convention center, solid waste and golf.
- Component unit statements provide information about other organizations which provide support to the City.

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

Figure A-2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

### Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

Type of Statements	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire agency's government (except fiduciary funds) and the agency's component units	The activities of the agency that are not proprietary or fiduciary	Activities the agency operates similarly to private businesses	Instances in which the agency is the trustee or agent for someone else's resources
Required financial statements	<ul style="list-style-type: none"> <li>Statement of net assets</li> <li>Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>Balance sheet</li> <li>Statement of revenues, expenditures and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>Statement of net assets</li> <li>Statement of revenues, expenses and changes in fund net assets</li> <li>Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>Statement of fiduciary net assets</li> <li>Statement of changes in fiduciary net assets</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

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

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

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

### Fund Financial Statements

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

- Some funds are required by State law and by debt covenants.
- The City establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

- Over the last several years, the City has worked to consolidate funds where appropriate to better manage, account for and administer its financial resources. In the last five years, more than twenty funds have been closed.

The City has three kinds of funds:

- Governmental funds**—Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- Proprietary funds**—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short and long-term financial information. These include the City's enterprise funds – Airport, Civic/Convention Center, Solid Waste, Stormwater and Golf.
- Internal service funds** – Report activities that provide supplies and services for the City's other programs and activities—such as the City's Self Insurance Fund.

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

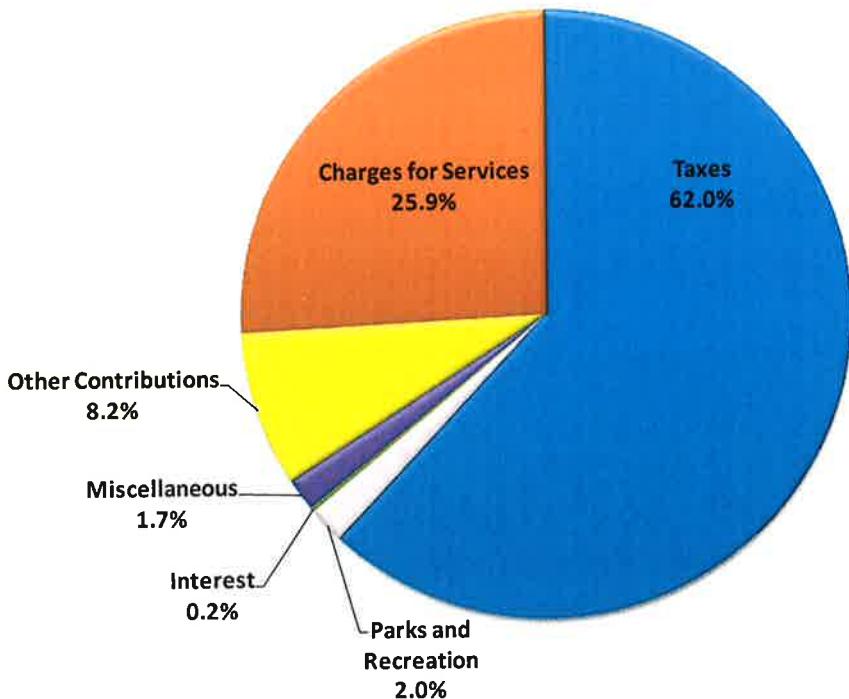
**Table A-1**  
**City of New Braunfels**  
(in thousands of dollars)

	Governmental Activities		Business Type Activities		Total		Total Percent Change
	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	
<b>Assets:</b>							
Cash and cash equivalents	\$ 56,055	\$ 65,589	\$ 2,398	\$ 3,306	\$ 58,453	\$ 68,895	18%
Taxes receivable							
Accounts receivable (net)	4,586	5,262	2	52	4,588	5,314	16%
Due from other govts	713	64			713	64	-91%
Due from component units	54				54	-	-100%
Prepaid items							
Inventories, at cost	2	1	1	26	3	27	800%
Bond issuance costs, net	1,038	1,209			1,038	1,209	16%
Restricted assets							
Capital assets							
Land & constr. in progress	23,683	23,740	1,060	1,060	24,743	24,800	0%
Other capital assets, net	69,726	78,790	5,891	7,140	75,617	85,930	14%
<b>Total Assets</b>	<b>\$ 155,857</b>	<b>\$ 174,655</b>	<b>\$ 9,352</b>	<b>\$ 11,584</b>	<b>\$ 165,209</b>	<b>\$ 186,239</b>	<b>13%</b>
<b>Liabilities:</b>							
Accounts payable	\$ 3,023	\$ 3,949	\$ 221	\$ 218	\$ 3,244	\$ 4,167	28%
Deposits payable	290	266	45	87	335	353	5%
Accrued expenses payable	2,081	3,260	147	147	2,228	3,407	53%
Overdrafts payable	630				630		-100%
Due to component unit		3,994				3,994	100%
Unearned revenue			37	39	37	39	5%
Non-current liabilities:							
Due within one year	5,073	6,550	41	55	5,114	6,605	29%
Due in more than one year	92,121	110,221	675	908	92,796	111,129	20%
<b>Total Liabilities</b>	<b>\$ 103,218</b>	<b>\$ 128,240</b>	<b>\$ 1,166</b>	<b>\$ 1,454</b>	<b>\$ 104,384</b>	<b>\$ 129,694</b>	<b>24%</b>
<b>Net Assets:</b>							
Invested in capital assets	\$ 26,047	\$ 25,891	\$ 6,951	\$ 8,200	\$ 32,998	\$ 34,091	3%
Restricted:							
Debt service		82			-	82	100%
Capital projects	3,202	3,504			3,202	3,504	9%
Cemetery perpetual care	135	88			135	88	-35%
Other	1,234	1,524			1,234	1,524	24%
Unrestricted	22,021	15,326	1,235	1,930	23,256	17,256	-26%
<b>Total Net Assets</b>	<b>\$ 52,639</b>	<b>\$ 46,415</b>	<b>\$ 8,186</b>	<b>\$ 10,130</b>	<b>\$ 60,825</b>	<b>\$ 56,545</b>	<b>-7%</b>

**Changes in Net Assets.** The City's total revenues were \$70.24 million. A significant portion, \$43.53 million or 61.9 percent the City's revenue comes from taxes and franchise fees (contributions from the City owned utility and other franchised utilities). (See Figure A-3.) 27.8 percent relates to charges for services (including licenses and permits and parks fees), .6 percent is from interest income and 8.1 percent comes from grants and contributions.

The total cost of all programs and services was \$74.5 million; 51.6 percent of these costs are for public safety.

**Figure A-3**  
**Sources of Revenue for Fiscal Year 2011-12**

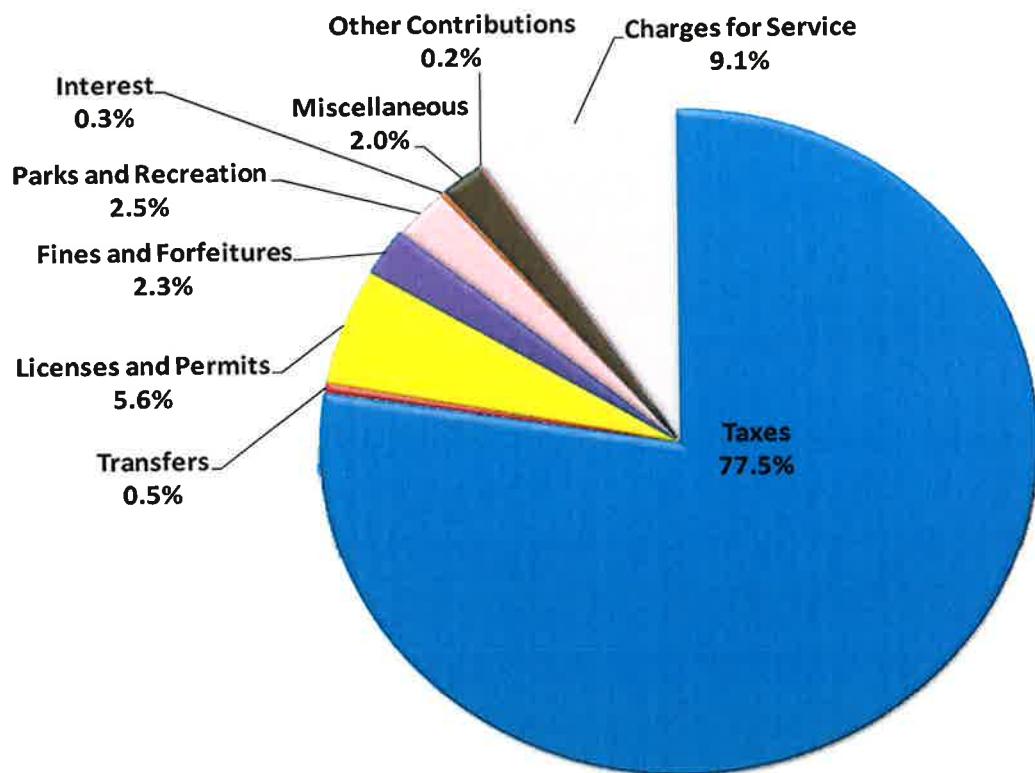


#### **Governmental Activities**

- The City reduced its total ad valorem property tax rate from \$.425614 per \$100 of valuation in FY 2005-06 to \$.409862. That rate was maintained through FY 2010-11. During that time, the debt service tax rate increased to fully fund all debt service payments while the General Fund portion of the rate decreased by an equal amount. \$.10763 cents in tax rate shifted from debt service to the General Fund in that period. Property values declined by .9 percent overall in FY 2010-11, but rebounded slightly in FY 2011-12, showing a 2.2 percent growth. In FY 2011-12, the City increased the overall tax rate for the first time since FY 2005-06 with a \$.0385 increase, all in the debt service rate. The General Fund tax rate was held at \$.261362.
- Revenues for FY 2011-12 increased \$6,497,393 or 10.2 percent in comparison to FY 2010-11. This increase was driven in large part by property tax, sales tax and hotel/motel tax revenues (accounting for 54 percent of the increase). Charges for services also make a significant contribution to this increase (21 percent) with Solid Waste revenue having the largest impact. Other revenue sources also showed less significant increases but did contribute to the overall higher revenues.
- The highest percent of the revenues from charges for services in governmental activities was derived from public safety (ambulance services fees and emergency services district fire and emergency response services), planning and environmental development (building related permits and licenses), and parks and recreation. Solid Waste generates the greatest revenues in the business activities.

- The City's General Fund represents the largest single funding source for governmental activities. In FY 2011-12, 54.3 percent of the funds went to public safety (police, fire and municipal court). The remaining funding breaks down as follows: 15.5 percent for public works, 9.1 percent for parks and recreation, and 21.1 percent for the library, planning and community development and general government.
- The General Fund's total revenue for FY 2011-12 was \$41,181,472 which is \$1,632,927 or 4.1 percent greater than the FY 2010-11 revenues. Most of the major revenue sources showed growth for FY 2011-12 in comparison to the prior fiscal year, including sales tax, a significant revenue source to the City. Only two revenue sources experienced decreases – fines and forfeiture revenue and charges for services. Fines and forfeiture revenue declined because the City did not have grant funding to support traffic enforcement on an overtime basis. Charges for Services showed less than a one percent decrease. The graph below shows the breakdown by revenue source (stated in percentages) in the General Fund.

**Figure A-4**  
**Sources of General Fund Revenue for Fiscal Year 2011-12**



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

	Governmental Activities		Business-type Activities		Total		Percentage
	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	Change
Program Revenues:							
Charges for services	\$ 9,080	\$ 9,600	\$ 9,099	\$ 9,941	\$ 18,179	\$ 19,541	7%
Operating grants and contributions	2,760	1,366	71	50	2,831	1,416	-50%
Capital grants and contributions	1,555	2,072	223	2,224	1,778	4,296	142%
General Revenues							
Taxes and Franchise Fees	39,790	43,527			39,790	43,527	9%
Investment income	114	155	3	2	117	157	34%
Miscellaneous	1,021	1,222	25	82	1,046	1,304	25%
Total Revenues	\$ 54,320	\$ 57,942	\$ 9,421	\$ 12,299	\$ 63,741	\$ 70,241	10%
Expenses:							
General government	\$ 7,918	\$ 9,416			\$ 7,918	\$ 9,416	19%
Finance and tax	912	1,050			912	1,050	15%
Planning and environmental development	3,350	2,816			3,350	2,816	-16%
Public safety	28,515	31,810			28,515	31,810	12%
Public works	6,674	8,179			6,674	8,179	23%
Parks and recreation	5,070	5,995			5,070	5,995	18%
Library	1,836	1,954			1,836	1,954	6%
Civic/Convention Center			746	731	746	731	-2%
Interest on long term debt	3,184	4,214			3,184	4,214	32%
Airport	9		1,968	2,174	1,977	2,174	10%
Solid waste			5,505	5,167	5,505	5,167	-6%
Golf Course			979	1,015	979	1,015	4%
Total Expenses	\$ 57,468	\$ 65,434	\$ 9,198	\$ 9,087	\$ 66,667	\$ 74,521	12%
Change in net assets before transfers in (out)	(3,148)	(7,492)	223	3,212	(2,925)	(4,280)	46%
Transfers in (out)	2,128	1,268	(2,128)	(1,268)	-	-	
Change in net assets	(1,020)	(6,224)	(1,905)	1,944	(2,926)	(4,280)	46%
Net assets- beg. of year, rest	53,659	52,639	10,091	8,186	63,750	60,825	-5%
Net assets- end of year	\$ 52,639	\$ 46,415	\$ 8,186	\$ 10,130	\$ 60,825	\$ 56,545	-7%

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

- The cost of all governmental activities this year was \$65.4 million.
- However, the amount that taxpayers paid for these activities through taxes was \$43.5 million.
- Some of the cost was paid by those who directly benefited from the programs (\$9.1 million), or by grants and contributions (\$3.4 million).

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

	Total Cost of Services			Net Cost of Services		
	2010-11	2011-12	% Change	2010-11	2011-12	% Change
Public safety	\$28,515	\$31,810	11.6%	\$22,440	\$27,866	24.2%
Public works	6,674	8,179	22.6%	4,903	5,052	3.0%
Parks and recreation	5,070	5,995	18.2%	3,712	4,609	24.2%
Planning and environmental development	3,350	2,816	(15.9%)	722	(484)	(167.0%)
Library	1,836	1,954	6.4%	1,592	1,829	14.9%

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

Revenues derived from the City's business-type activities were \$12.3 million, and operating expenses were \$9.1 million.

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

Revenues from the General Fund (excluding the Equipment Replacement and Facilities Maintenance Fund) totaled \$41.1 million for fiscal year 2011-12 while the expenditures were \$40.0 million, leaving a difference of \$1,090,728. The enterprise funds consist of Airport, Solid Waste, Golf Course, and Civic/Convention Center. The net change in net assets from these funds was (\$216,811), \$2,394,238, (\$81,529) and (\$151,814), respectively, for a net total of \$1,944,084.

#### **General Fund Highlights**

In FY 2011-12, the City focused on providing sufficient staffing resources. In the prior fiscal year, no new positions were added and authorized positions were held open to create savings in expenditures even though the demand for City services had not decreased. FY 2011-12 focused on meeting service demands by fully funding all positions and adding new positions in critical areas, including staffing a new fire station. Dispatchers were added to the Police Department and some Parks maintenance staff was added. A new traffic engineer position was created to deal with growing issues as well as the City's requirement to begin maintaining and repairing traffic signals in the City (TxDOT has previously provided this service). Other positions were added in key areas. However, no salary increases were funded in FY 2011-12. All this was accomplished within the same General Fund ad valorem property tax rate.

As stated above, the General Fund (when combined with the Equipment Replacement Fund and the Facilities Maintenance Fund) reported an ending fund balance for FY 2011-12 of \$24,450,598, a decrease of \$3,160,841 or 11.4 percent in comparison to the prior fiscal year. This balance includes funds in the Equipment Replacement Fund contributed by the Solid Waste enterprise fund (\$3,564,653). The General Fund (alone) had an ending fund balance of \$16,839,366, which is a reduction of \$1,453,923 or 7.9 percent in comparison to the prior year. That balance represents 42 percent of actual expenditures in that year. The ending balance helps fund expenditures in FY 2012-13.

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

The City's Debt Service Fund experienced a significant fund balance draw down in FY 2009-10 to bring the balance to the 10 percent level required by the City's financial policies. Since then, the fund's balance has stabilized at about the 10 percent level. As a result, for FY 2011-12, revenue into the fund about equaled the annual debt service payments for principal and interest on all outstanding debt. As stated above, the City increased the ad valorem property tax rate for debt service by \$.0385 to generate sufficient funds for these payments.

The City's self insurance fund experienced much higher claims expenditures for medical services in FY 2009-10 than in the past several years. However, FY 2010-11 and FY 2011-12 saw a return to costs more in line with prior years' expenditures. This allowed the City to begin rebuilding the fund balance in this fund. This was accomplished by increased premium contributions (from the City and employees) as well as a one-time transfer of funds from the General Fund to the Self Insurance Fund of \$500,000 in FY 2010-11 and \$400,000 in FY 2011-12. In addition, in FY 2012-13, adjustments were again made in premium contributions from the City and employees and some plan design changes were made. The City continues to evaluate this employee benefit to manage costs.

In FY 2011-12, the City reported two capital improvement funds as major funds – the 2012 Certificates of Obligation Fund and the 2013 Certificates of Obligation Fund. The 2012 certificates showed an increase of \$18,552,269 in fund balance because \$19.47 million in debt was issued. The 2013 certificates showed a decrease (\$2,013,709) as the debt has not been issued; the expenditure occurred for FM306 roadway improvements and was made under a reimbursement resolution. Over the last several years, the City has been issuing debt to fund projects in stages so that the proceeds of debt can be expended timely and projects can keep moving forward into the next phase without interruption due to lack of funding.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of FY 2011-12, the City had invested \$195.2 million (excluding depreciation) in a broad range of capital assets including land, equipment, buildings, streets and drainage improvements as well as park and airport improvements. Currently, the City has undertaken the single largest public improvement project that will expand a major City thoroughfare. The project includes utility relocation and improvements, pavement widening and significant landscaping and amenities to create a park-like environment along the roadway. More detailed information about the City's capital assets is presented in Note 4: Capital Assets on page 34 of the financial statements.

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

	Governmental Activities		Business-type Activities		Total		Total – Percentage Change
	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	
Land	\$23,683	\$23,740	\$1,060	\$1,060	\$24,743	\$24,800	.2%
Construction in Progress	0	0	0	0	0	0	0%
Road Network	68,249	79,478	0	0	68,249	79,478	16.5%
Buildings	29,556	31,611	5,257	5,258	34,813	36,869	5.9%
Equipment	20,516	19,676	6,504	8,644	27,020	28,320	4.8%
Airport Easements	0	0	38	38	38	38	0%
Improvements	18,017	21,967	3,609	3,738	21,626	25,705	18.9%
Totals at historical cost	\$160,021	\$176,472	\$16,468	\$18,738	\$176,489	\$195,210	10.6%
Total accumulated depreciation	(66,611)	(73,942)	(9,517)	(10,538)	(76,178)	(84,480)	10.9%
Net capital assets	\$93,410	\$102,530	\$6,951	\$8,200	\$100,361	\$110,730	10.3%

### Long Term Debt

At year-end, the City had \$117.734 million in long-term debt outstanding as shown in Table A-5. This long term debt is the result of the issuance of certificates of obligation for drainage and street improvements, expansion/renovation of the Civic/Convention Center, major park land acquisition and park land improvements, construction of a two new fire stations, land purchases and design work for a new public works and fire training facility, and airport improvements. \$20.75 million in certificates of obligation were issued in FY 2011-12 to continue the City's program of infrastructure improvements. More detailed information about the City's debt is presented in the Notes to the Financial Statements.

### Bond Ratings

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

The City's commitment to sound financial management and strong reserves paid dividends in FY 2007-08 as Standard and Poors raised the City's bond rating from A+ to AA-. Moody's maintained its rating of Aa2 for the City. And, for the first time, the City received a bond rating from Fitch – also an AA. These ratings were reaffirmed in 2012 when the City issued certificates of obligation.

Table A-5 provides summary information on the City's long term obligations. Additional detail can be found in the Notes to Basic Financial Statements, Note 6: Long-Term Obligations on page 36.

**Table A-5**

**City's Long Term Obligations**  
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage
	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	Change
Certificates of Obligation payable	\$79,180	\$94,185	\$0	\$0	\$79,180	\$94,185	19.0%
General Obligation Debt	10,975	10,725	0	0	10,975	10,725	(2.3%)
Deferred loss on bond refunding	(353)	(328)	0	0	(353)	(328)	(7.1%)
Bond Premium	785	2,226	0	0	785	2,226	183.6%
Net Pension Obligation	2,044	2,442	146	267	2,267	2,709	19.5%
Net OPEB Obligation	2,664	3,706	203	405	2,955	4,111	39.1%
Compensated absences payable	1,899	3,815	201	291	2,100	4,106	95.5%
 Total long-term debt	 \$97,194	 \$116,771	 \$715	 \$963	 \$97,909	 \$117,734	 20.2%

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

- The City reduced its total ad valorem property tax rate from \$.425614 per \$100 of valuation in FY 2005-06 to \$.409862. That rate was maintained through FY 2010-11. During that time, the debt service tax rate increased to fully fund all debt service payments while the General Fund portion of the rate decreased by an equal amount. \$.10763 cents in tax rate shifted from debt service to the General Fund in that period. Property values declined by .9 percent overall in FY 2010-11, but rebounded slightly in FY 2011-12, showing a 2.2 percent growth. In FY 2011-12, the City increased the overall tax rate for the first time since FY 2005-06 with a \$.0385 increase, all in the debt service rate. The General Fund tax rate was held at \$.261362.
- The City of New Braunfels sits in an excellent geographic position – on the main transportation corridor between Austin and San Antonio. It attracts businesses and residents interested in living in a smaller city. However, it offers the advantage of proximity to big city attractions and opportunities. This positioning is contributing to the City's strong population and economic growth. This resulted in the City's revenues and tax base remaining stable, even through the recession; revenues have begun to once again show growth.
- The City of New Braunfels, prior to FY 2008-09, enjoyed a very robust, high growth period. Population during that time grew at an average annual rate of 5.4 percent. The City, during that same time frame, attracted some major business generators, affecting the City's property and sales tax revenues. Ashley Furniture located a distribution center in the City and Home Depot sited a new contractor sales facility within the City. Both these developments had a very positive impact on the City's sales tax revenue. More recently, a million plus square foot retail facility opened the first phase of that development. The City created a tax increment financing zone (TIRZ) to provide economic development assistance to that development. A pool manufacturer moved its headquarters to New Braunfels and another major mixed use (retail, residential and office space) project began development. The retail developments were impacted by the economic downturn; however, the projections are for the ultimate build out to be achieved, but in a longer time frame than originally planned. The development will now also include a major department store and a hospital complex.
- Sales tax revenue declined in FY 2008-09 for the first time in eight years. However, sales tax rebounded in FY 2009-10 to finish the year at 4.5 percent above the prior twelve months and FY 2010-11 finished at 7.5 percent above FY 2009-10. FY 2011-12 saw a continuation of the positive trend, with sales tax growing 10.2 percent in that year. Other revenue sources had slowed or decreased in FY 2009-10 but most of those have rebounded as well in the last three years including hotel/motel tax and building permits.
- New Braunfels weathered the economic downturn by holding positions open, delaying salary increases, and postponing expenditures whenever possible. No layoffs have been required to keep the City's budget balanced. The FY 2011-12 Adopted Budget assumed moderate growth in sales tax with most other revenue sources continuing to be projected as flat or with some small increases. As described above, the City also experienced some growth (2.2 percent) in appraised values. Revenues actually exceeded budget estimates in many areas, particularly sales tax and building permits. These are both very positive signs for the New Braunfels economy and for City revenues. In FY 2011-12, some new positions were added to provide sufficient resources to meet the continued demand for increased services. In addition, a new fire station was opened in the latter part of the fiscal year and 18 firefighter positions were added to staff that facility. Looking forward, in FY 2012-13, the City's Adopted Budget includes salary increases for employees as well as a few new positions in critical areas such as land development.

- The City's appraised property values exhibited strong growth through FY 2008-09; the average annual growth in values was 10.9 percent. This contributed to the City's strong financial position. With the economic downturn, that growth stalled. In FY 2009-10, growth was 2.9 percent (compared to 15.1 percent the prior year). For FY 2010-11, the City saw a .9 percent decrease from the prior year. FY 2011-12 rebounded slightly, showing a 2.2 percent growth. This much reduced growth rate in appraised values is expected to continue over the next several years as the appraised values react to current market and economic conditions.
- General Fund operating expenditures and transfers were \$43.2 million in FY 2011-12 (this amount reflects only the General Fund, not the Equipment Replacement, Stormwater Utility and Facilities Maintenance Funds). The General Fund (stand alone) operating expenditure budget for FY 2012-13 is \$46.03 million, an increase of \$2.83 million or 6.6 percent in comparison to the FY 2011-12 actual amount. This increase results from some new positions that were added in FY 2012-13 as well as salary increases for all employees that have been postponed for the last two years. Funding is provided for performance pay for non-uniform employees and to bring all uniform public safety employees to the appropriate step in their pay plan. Full year funding for 18 firefighter positions that were added in the last two months of FY 2011-12 is also provided.

#### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. For questions about this report, separately issued statements for New Braunfels Utilities or the Housing Authority, or for additional financial information, contact the City's Support Services Department.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF NEW BRAUNFELS, TEXAS**  
**STATEMENT OF NET ASSETS**  
**September 30, 2012**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 4,894,910	\$ 1,497,226	\$ 6,392,136	\$ 8,336,162
Pooled and Temporary Investments	60,693,901	1,808,430	62,502,331	45,361,013
Receivables, net	5,261,937	52,370	5,314,307	17,942,277
Due from Other Governments	64,219	-	64,219	-
Due from Primary Government	-	-	-	3,993,699
Inventories, at cost	1,324	26,354	27,678	1,229,688
Prepaid Items	-	-	-	198,826
Bond Issuance Costs, net	1,208,629	-	1,208,629	-
Restricted Assets				
Cash and Cash Equivalents	-	-	-	7,680,064
Pooled and Temporary Investments	-	-	-	4,354,334
Net Pension Obligation Asset	-	-	-	5,119,797
Capital Assets				
Land and Construction in Progress	23,739,631	1,060,017	24,799,648	52,703,650
Other Capital Assets, net	78,790,305	7,139,760	85,930,065	187,581,188
<b>Total Assets</b>	<b>174,654,856</b>	<b>11,584,157</b>	<b>186,239,013</b>	<b>334,500,698</b>
<b>LIABILITIES</b>				
Accounts Payable	3,949,305	217,502	4,166,807	15,201,832
Deposits Payable	265,535	87,326	352,861	3,621,583
Accrued Expenses Payable	3,259,748	146,815	3,406,563	100,578
Due to Component Unit	3,993,699	-	3,993,699	-
Unearned Revenue	-	38,603	38,603	-
Noncurrent Liabilities				
Due Within one Year:				
Bonds Payable	5,825,000	-	5,825,000	1,608,806
Capital Leases Payable	-	-	-	1,003,750
Accrued Compensated Absences	724,811	55,292	780,103	589,658
Due in more than one year:				
Bonds Payable	100,983,337	-	100,983,337	29,369,950
Capital Leases Payable	-	-	-	772,500
Net Pension Obligation	2,442,102	267,345	2,709,447	-
Net OPEB Obligation	3,705,864	405,319	4,111,183	-
Accrued Compensated Absences	3,089,986	235,720	3,325,706	737,639
<b>Total Liabilities</b>	<b>128,239,387</b>	<b>1,453,922</b>	<b>129,693,309</b>	<b>53,006,296</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, net of Related Debt	25,891,465	8,199,777	34,091,242	209,884,166
Restricted for				
Debt Service	82,178	-	82,178	135,560
Capital Projects	3,503,798	-	3,503,798	599,795
Cemetery Perpetual Care (nonexpendable)	87,844	-	87,844	-
Grants	813	-	813	8,844,132
Municipal Court	329,469	-	329,469	-
Library	1	-	1	-
Public Safety	282,059	-	282,059	-
Tourism	911,469	-	911,469	-
Unrestricted	15,326,373	1,930,458	17,256,831	62,030,749
<b>Total Net Assets</b>	<b>\$ 46,415,469</b>	<b>\$ 10,130,235</b>	<b>\$ 56,545,704</b>	<b>\$ 281,494,402</b>

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

**CITY OF NEW BRAUNFELS, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**Year Ended September 30, 2012**

Functions / Programs	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government</b>					
<b>Governmental Activities</b>					
General Government	\$ 9,415,803	\$ 164,569	\$ -	\$ -	
Finance and Tax	1,049,742	-	-	-	
Planning and Environmental Development	2,816,349	2,988,170	226,545	85,612	
Public Safety	31,809,743	3,821,954	122,252	-	
Public Works	8,179,493	1,141,237	-	1,986,291	
Parks and Recreation	5,994,891	1,385,907	-	-	
Library	1,954,348	97,984	27,250	-	
Interest and Fees on Long-Term Debt	4,213,580	-	990,448	-	
<b>Total Governmental Activities</b>	<b>65,433,949</b>	<b>9,599,821</b>	<b>1,366,495</b>	<b>2,071,903</b>	
<b>Business-Type Activities</b>					
Airport	2,173,665	1,666,955	50,000	186,272	
Solid Waste	5,166,658	7,019,971	-	2,037,670	
Golf Course	1,015,140	974,886	-	-	
Civic Center	730,547	279,169	-	-	
<b>Total Business-Type Activities</b>	<b>9,086,010</b>	<b>9,940,981</b>	<b>50,000</b>	<b>2,223,942</b>	
<b>Total Primary Government</b>	<b>\$ 74,519,959</b>	<b>\$ 19,540,802</b>	<b>\$ 1,416,495</b>	<b>\$ 4,295,845</b>	
<b>Component Units</b>					
Industrial Development Corporation	\$ 4,445,694	\$ -	\$ -	\$ -	
New Braunfels Utilities	111,623,564	116,446,116	-	6,156,461	
<b>Total Component Units</b>	<b>\$ 116,069,258</b>	<b>\$ 116,446,116</b>	<b>\$ -</b>	<b>\$ 6,156,461</b>	

**General Revenues and Transfers**

- Taxes
- Property
- Sales
- Hotel/motel occupancy
- Franchise
- Mixed beverage
- Investment income
- Contributions not restricted to programs
- Gain on sale of assets
- Miscellaneous
- Transfers
- Total General Revenues and Transfers

**Change in Net Assets**

**Net Assets - Beginning, as restated**

**Net Assets - Ending**

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
\$ (9,251,234)		\$ (9,251,234)	
(1,049,742)		(1,049,742)	
483,978		483,978	
(27,865,537)		(27,865,537)	
(5,051,965)		(5,051,965)	
(4,608,984)		(4,608,984)	
(1,829,114)		(1,829,114)	
(3,223,132)		(3,223,132)	
<u>(52,395,730)</u>		<u>(52,395,730)</u>	
\$ (270,438)		(270,438)	
3,890,983		3,890,983	
(40,254)		(40,254)	
(451,378)		(451,378)	
<u>3,128,913</u>		<u>3,128,913</u>	
3,128,913		(49,266,817)	
		\$ (4,445,694)	
		10,979,013	
		<u>6,533,319</u>	
17,838,558	-	17,838,558	-
14,664,601	-	14,664,601	4,456,814
3,118,146	-	3,118,146	-
7,694,171	-	7,694,171	-
210,977	-	210,977	-
154,508	2,056	156,564	294,613
76,696	-	76,696	-
94,169	-	94,169	-
1,051,583	81,665	1,133,248	743,144
1,268,550	(1,268,550)	-	-
<u>46,171,959</u>	<u>(1,184,829)</u>	<u>44,987,130</u>	<u>5,494,571</u>
(6,223,771)	1,944,084	(4,279,687)	12,027,890
<u>52,639,240</u>	<u>8,186,151</u>	<u>60,825,391</u>	<u>269,466,512</u>
<u>\$ 46,415,469</u>	<u>\$ 10,130,235</u>	<u>\$ 56,545,704</u>	<u>\$ 281,494,402</u>

The accompanying notes are an integral part of these financial statements

**CITY OF NEW BRAUNFELS, TEXAS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2012**

	<b>General Fund</b>	<b>Hotel / Motel Fund</b>	<b>Debt Service Fund</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 305,334	\$ -
Investments	24,853,542	441,364	1,959,736
Receivables (net of allowances for uncollectibles)			
Interest	127,110	-	-
Accounts	3,937,199	-	-
Taxes	410,984	396,653	217,688
Due from Other Governments	22,855	-	12,673
Due from Other Funds	-	-	-
Inventories	1,324	-	-
<b>Total Assets</b>	<b><u>\$ 29,353,014</u></b>	<b><u>\$ 1,143,351</u></b>	<b><u>\$ 2,190,097</u></b>

**LIABILITIES AND FUND BALANCE**

**Liabilities**

Accounts Payable	\$ 2,072,649	\$ 476,930	\$ 93,980
Due to Component Unit	876,531	-	1,092,454
Deposits Payable	265,535	-	-
Accrued Expenditures	1,276,717	-	-
Due to Other Funds	-	-	-
Deferred Revenue	410,984	-	217,688
<b>Total Liabilities</b>	<b><u>4,902,416</u></b>	<b><u>476,930</u></b>	<b><u>1,404,122</u></b>

**Fund Balance**

Nonspendable	1,324	-	-
Restricted	-	666,421	785,975
Committed	-	-	-
Assigned	7,611,232	-	-
Unassigned	16,838,042	-	-
<b>Total Fund Balance</b>	<b><u>24,450,598</u></b>	<b><u>666,421</u></b>	<b><u>785,975</u></b>

**Total Liabilities and Fund Balance** **\$ 29,353,014** **\$ 1,143,351** **\$ 2,190,097**

Certificates of Obligation 2012 Fund	Certificates of Obligation 2013 Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 312,340	\$ -	\$ 3,361,219	\$ 3,978,893
18,704,665	-	14,733,703	60,693,010
10,625	-	-	137,735
-	-	161,678	4,098,877
-	-	-	1,025,325
-	-	28,691	64,219
-	-	52,777	52,777
-	-	-	1,324
<u>\$ 19,027,630</u>	<u>\$ -</u>	<u>\$ 18,338,068</u>	<u>\$ 70,052,160</u>
475,361	\$ -	\$ 830,385	\$ 3,949,305
-	2,013,709	11,005	3,993,699
-	-	-	265,535
-	-	60,770	1,337,487
-	-	52,777	52,777
-	-	-	628,672
<u>475,361</u>	<u>2,013,709</u>	<u>954,937</u>	<u>10,227,475</u>
-	-	87,844	89,168
18,552,269	-	16,783,865	36,788,530
-	-	530,979	530,979
-	-	-	7,611,232
-	(2,013,709)	(19,557)	14,804,776
<u>18,552,269</u>	<u>(2,013,709)</u>	<u>17,383,131</u>	<u>59,824,685</u>
<u>\$ 19,027,630</u>	<u>\$ -</u>	<u>\$ 18,338,068</u>	<u>\$ 70,052,160</u>

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

**CITY OF NEW BRAUNFELS, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**Year Ended September 30, 2012**

<b>Total Fund Balances - Governmental Funds</b>	\$ 59,824,685
 Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.	102,529,936
Bonds payable are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds balance sheet.	(104,910,000)
Net pension obligation (\$2,442,102) and other postemployment benefits obligation (\$3,705,864) are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds balance sheet.	(6,147,966)
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.	(3,814,797)
The City uses internal service funds to charge the costs of certain activities to individual funds. Assets and liabilities of the internal service funds are included in governmental activities.	607,197
Interest payable on bonds is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expense is reported when due.	(921,485)
Bond issuance costs are recorded as expenditures when paid in the fund financial statements but are capitalized and amortized in the government-wide financial statements over the life of the bonds.	1,208,629
Premium on bond issuance and deferred loss on bond refunding are recorded as other financing sources and uses in the fund financial statements but are capitalized and amortized in the government-wide financial statements over the life of the bonds.	(1,898,337)
Settled litigation claim is accrued in the government-wide financial statements, whereas in the fund financial statements, this expense is reported when due.	(691,065)
Revenues from property taxes and fines are deferred in the fund financial statements until they are considered available to fund current expenditures, but such revenues are recognized in the government-wide financial statements.	628,672
<b>Net Assets of Governmental Activities</b>	<u>\$ 46,415,469</u>

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

**CITY OF NEW BRAUNFELS, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**Year Ended September 30, 2012**

	<b>General Fund</b>	<b>Hotel / Motel Fund</b>	<b>Debt Service Fund</b>
<b>REVENUES</b>			
Taxes	\$ 32,168,358	\$ 3,118,146	\$ 7,260,056
Licenses and Permits	2,334,757	-	-
Fines and Forfeitures	969,609	-	-
Parks and Recreation	1,018,641	-	-
Interest	110,916	501	1,055
Federal Grants	-	-	-
State and Local Grants	-	-	-
Miscellaneous	725,204	-	-
Other Contributions	62,669	-	990,448
Charges for Services	3,791,318	-	-
Total Revenues	<u>41,181,472</u>	<u>3,118,647</u>	<u>8,251,559</u>
<b>EXPENDITURES</b>			
<b>Current</b>			
General Government	4,926,081	1,934,111	-
Finance and Tax	869,962	-	-
Planning and Environmental Development	2,106,999	-	-
Public Safety	24,243,176	-	-
Public Works	6,933,760	-	-
Parks and Recreation	4,064,747	-	-
Library	1,498,985	-	-
<b>Debt Service</b>			
Principal	-	-	4,715,000
Interest	-	-	3,961,011
Bond Issuance Costs and Fees	-	-	3,050
Total Expenditures	<u>44,643,710</u>	<u>1,934,111</u>	<u>8,679,061</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	<u>(3,462,238)</u>	<u>1,184,536</u>	<u>(427,502)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	1,502,844	-	612,958
Transfers Out	(1,297,579)	(901,540)	-
Proceeds from Sale of Capital Assets	96,132	-	-
Proceeds from Long-term Debt Issued	-	-	-
Premium Received on the Issuance of Debt	-	-	-
Total Other Financing Sources (Uses)	<u>301,397</u>	<u>(901,540)</u>	<u>612,958</u>
<b>Net Change in Fund Balance</b>			
<b>Fund Balance - October 1</b>	<u>(3,160,841)</u>	<u>282,996</u>	<u>185,456</u>
<b>Fund Balance - September 30</b>	<u>\$ 24,450,598</u>	<u>\$ 666,421</u>	<u>\$ 785,975</u>

Certificates of Obligation 2012 Fund	Certificates of Obligation 2013 Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 818,785	\$ 43,365,345
-	-	5,366	2,340,123
-	-	263,199	1,232,808
-	-	190,795	1,209,436
5,814	-	36,222	154,508
-	-	267,087	267,087
-	-	57,210	57,210
-	-	305,394	1,030,598
-	-	1,112,898	2,166,015
-	-	154,437	3,945,755
<u>5,814</u>	<u>-</u>	<u>3,211,393</u>	<u>55,768,885</u>
-	-	1,451,667	8,311,859
-	-	-	869,962
-	-	228,537	2,335,536
1,045,080	-	2,993,310	28,281,566
1,158,465	2,013,709	6,658,296	16,764,230
-	-	1,842,327	5,907,074
-	-	109,186	1,608,171
-	-	-	4,715,000
-	-	-	3,961,011
245,866	-	-	248,916
<u>2,449,411</u>	<u>2,013,709</u>	<u>13,283,323</u>	<u>73,003,325</u>
<u>(2,443,597)</u>	<u>(2,013,709)</u>	<u>(10,071,930)</u>	<u>(17,234,440)</u>
-	-	954,102	3,069,904
-	-	(2,235)	(2,201,354)
-	-	25,803	121,935
19,470,000	-	-	19,470,000
1,525,866	-	-	1,525,866
<u>20,995,866</u>	<u>-</u>	<u>977,670</u>	<u>21,986,351</u>
18,552,269	(2,013,709)	(9,094,260)	4,751,911
-	-	26,477,391	55,072,774
<u>\$ 18,552,269</u>	<u>\$ (2,013,709)</u>	<u>\$ 17,383,131</u>	<u>\$ 59,824,685</u>

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

**CITY OF NEW BRAUNFELS, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**  
**Year Ended September 30, 2012**

**Total Net Change in Fund Balance - Governmental Funds** \$ 4,751,911

Amounts reported for *governmental activities* in the statement of activities are different because:

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

228,653

Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements.

14,924,187

Capital assets donated by component units are not recorded in the fund financial statements but are capital contributions and increase capital assets in the government-wide financial statements.

2,071,903

Proceeds from the sale of capital assets are recorded in the fund financial statements, whereas in the government-wide financial statements, the proceeds are reduced by the net book value of those assets sold. The net book value of assets disposed of is recorded in the government-wide financial statements as a gain or loss.

(27,765)

Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources.

(7,848,290)

The issuance of bonds payable is reported as other financing sources in the fund financial statements but is shown as increases in long-term debt in the government-wide financial statements.

(19,470,000)

Bond principal payments are expenditures in the fund financial statements, but they are shown as reductions in long-term debt in the government-wide financial statements.

4,715,000

Bond issuance costs are expended in the fund financial statements when paid but are capitalized and amortized in the government-wide financial statements. The net effect of capitalizing bond issuance cost of \$245,866 and amortization of \$75,340 increases net assets.

170,526

Deferred losses on refunding and bond premiums are amortized over the life of the bonds in the government-wide financial statements. The net effect of capitalizing bond premiums of \$1,525,866, amortization of bond premiums of \$85,004 and deferred losses of \$25,487 decreases net assets.

(1,466,349)

Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expense is reported when due.

(233,696)

Long-term liabilities for certain employee benefits are accrued in the government-wide financial statements, but are not reported in the fund financial statements.

Increase in compensated absences

(1,915,249)

Increase in net pension obligation

(398,301)

Increase in other postemployment benefit obligation

(1,041,907)

Settled litigation claim is accrued in the government-wide financial statements, whereas in the fund financial statements, this claim expense is reported when due.

(691,065)

Revenues from property taxes and fines are deferred in the fund financial statements until they are considered available to fund current expenditures, but such revenues are recognized in the government-wide financial statements. The effect of recognizing deferred tax revenue of \$628,672 and removing prior year's deferred tax recognized of \$622,001 is to increase net assets.

6,671

**Change in Net Assets of Governmental Activities**

\$ (6,223,771)

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

**CITY OF NEW BRAUNFELS, TEXAS**  
**STATEMENT OF FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**September 30, 2012**

<b>Business-type Activities - Enterprise Funds</b>			
	<b>Airport</b>	<b>Solid Waste</b>	<b>Golf Course</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 15,450	\$ 1,193,553	\$ 20,680
Pooled and Temporary Investments	-	1,507,502	300,928
Receivables (net of allowances for uncollectibles)			
Accounts	47,365	-	5,005
Inventories, at cost	-	26,354	-
Total Current Assets	<u>62,815</u>	<u>2,727,409</u>	<u>326,613</u>
<b>Noncurrent Assets</b>			
Capital Assets (net of accumulated depreciation)			
Nondepreciable	925,017	-	135,000
Depreciable	4,604,168	1,630,133	311,910
Total Noncurrent Assets	<u>5,529,185</u>	<u>1,630,133</u>	<u>446,910</u>
<b>Total Assets</b>	<u>5,592,000</u>	<u>4,357,542</u>	<u>773,523</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	39,513	149,082	6,264
Deposits Payable	32,752	-	2,856
Accrued Expenses Payable	12,111	103,151	19,598
Unearned Revenue	-	-	38,603
Current Portion of Long-Term Liabilities			
Accrued Compensated Absences	2,681	43,543	7,504
Total Current Liabilities	<u>87,057</u>	<u>295,776</u>	<u>74,825</u>
<b>Long-Term Liabilities (net of current portion)</b>			
Net Pension Obligation	22,407	179,094	42,022
Net Other Postemployment Benefits Obligation	33,196	271,385	64,242
Accrued Compensated Absences	11,428	185,633	31,993
Total Noncurrent Liabilities	<u>67,031</u>	<u>636,112</u>	<u>138,257</u>
<b>Total Liabilities</b>	<u>154,088</u>	<u>931,888</u>	<u>213,082</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, net of related debt	5,529,185	1,630,133	446,910
Unrestricted	<u>(91,273)</u>	<u>1,795,521</u>	<u>113,531</u>
<b>Total Net Assets</b>	<u>\$ 5,437,912</u>	<u>\$ 3,425,654</u>	<u>\$ 560,441</u>

<b>Civic Center</b>	<b>Total</b>	<b>Governmental Activities</b>	
		<b>Internal Service</b>	
\$ 267,543	\$ 1,497,226	\$ 916,017	
-	1,808,430	891	
-	52,370	-	
-	26,354	-	
<b>267,543</b>	<b>3,384,380</b>	<b>916,908</b>	
-	1,060,017	-	
593,549	7,139,760	-	
<b>593,549</b>	<b>8,199,777</b>	<b>-</b>	
<b>861,092</b>	<b>11,584,157</b>	<b>916,908</b>	
22,643	217,502	-	
51,718	87,326	-	
11,955	146,815	309,711	
-	38,603	-	
<b>1,564</b>	<b>55,292</b>	<b>-</b>	
<b>87,880</b>	<b>545,538</b>	<b>309,711</b>	
23,822	267,345	-	
36,496	405,319	-	
6,666	235,720	-	
66,984	908,384	-	
<b>154,864</b>	<b>1,453,922</b>	<b>309,711</b>	
593,549	8,199,777	-	
112,679	1,930,458	607,197	
<b>\$ 706,228</b>	<b>\$ 10,130,235</b>	<b>\$ 607,197</b>	

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

**CITY OF NEW BRAUNFELS, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
**Year Ended September 30, 2012**

<b>Business-type Activities - Enterprise Funds</b>			
	<b>Airport</b>	<b>Solid Waste</b>	<b>Golf Course</b>
<b>OPERATING REVENUE</b>			
Charges for Services	\$ 1,666,955	\$ 7,019,971	\$ 974,886
State and Local Grants	50,000	-	-
Miscellaneous	2,621	62,046	6,016
<b>Total Operating Revenues</b>	<b>1,719,576</b>	<b>7,082,017</b>	<b>980,902</b>
<b>OPERATING EXPENSES</b>			
Insurance premiums	-	-	-
Claims	-	-	-
Personnel	326,217	2,647,951	591,382
Fuel and Oil for Resale	1,068,762	-	-
Depreciation and Amortization	438,517	407,537	96,243
Purchased Services	245,998	1,191,862	178,766
Professional Services	45,411	-	253
Supplies	48,760	919,308	148,496
<b>Total Operating Expenses</b>	<b>2,173,665</b>	<b>5,166,658</b>	<b>1,015,140</b>
<b>Operating Income (Loss)</b>	<b>(454,089)</b>	<b>1,915,359</b>	<b>(34,238)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Income	-	1,713	343
<b>Total Nonoperating Revenues (Expenses)</b>	<b>-</b>	<b>1,713</b>	<b>343</b>
<b>Income Before Contributions and Transfers</b>	<b>(454,089)</b>	<b>1,917,072</b>	<b>(33,895)</b>
<b>CONTRIBUTIONS AND TRANSFERS</b>			
Capital Contributions	186,272	2,037,670	-
Transfers In	60,000	-	-
Transfers Out	(8,994)	(1,560,504)	(47,634)
<b>Total Contributions and Transfers</b>	<b>237,278</b>	<b>477,166</b>	<b>(47,634)</b>
<b>Change in Net Assets</b>	<b>(216,811)</b>	<b>2,394,238</b>	<b>(81,529)</b>
<b>Net Assets - Beginning of Year</b>	<b>5,654,723</b>	<b>1,031,416</b>	<b>641,970</b>
<b>Net Assets - End of Year</b>	<b>\$ 5,437,912</b>	<b>\$ 3,425,654</b>	<b>\$ 560,441</b>

		Governmental Activities	
		Internal Service	
Civic Center	Total		
\$ 279,169	\$ 9,940,981	\$ 4,971,813	
-	50,000	-	
10,982	81,665	-	
<u>290,151</u>	<u>10,072,646</u>	<u>4,971,813</u>	
			692,868
			4,322,204
332,357	3,897,907	-	
-	1,068,762	-	
78,791	1,021,088	-	
298,046	1,914,672	-	
1,232	46,896	128,088	
<u>20,121</u>	<u>1,136,685</u>	<u>-</u>	
<u>730,547</u>	<u>9,086,010</u>	<u>5,143,160</u>	
<u>(440,396)</u>	<u>986,636</u>	<u>(171,347)</u>	
	2,056	-	
<u>-</u>	<u>2,056</u>	<u>-</u>	
<u>(440,396)</u>	<u>988,692</u>	<u>(171,347)</u>	
	2,223,942	-	
288,582	348,582	400,000	
-	(1,617,132)	-	
<u>288,582</u>	<u>955,392</u>	<u>400,000</u>	
(151,814)	1,944,084	228,653	
858,042	8,186,151	378,544	
<u>\$ 706,228</u>	<u>\$ 10,130,235</u>	<u>\$ 607,197</u>	

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

**CITY OF NEW BRAUNFELS, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year Ended September 30, 2012**

	<u>Business-type Activities - Enterprise Funds</u>	
	<u>Airport</u>	<u>Solid Waste</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers	\$ 1,673,342	\$ 7,082,241
Cash Received for Interfund Services Provided and Used	-	-
Cash Paid for Supplies and Materials	(1,416,370)	(2,084,996)
Cash Paid for Premiums, Claims, and Administrative Charges	-	-
Cash Paid for Personnel Services	<u>(309,327)</u>	<u>(2,478,942)</u>
Net Cash Provided by (Used in) Operating Activities	<u>(52,355)</u>	<u>2,518,303</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Cash Received from Other Funds	60,000	-
Cash Paid to Other Funds	<u>(8,994)</u>	<u>(1,560,504)</u>
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>51,006</u>	<u>(1,560,504)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of Capital Assets	<u>(12,940)</u>	-
Net Cash Used by Capital and Related Financing Activities	<u>(12,940)</u>	-
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(14,289)</b>	<b>957,799</b>
<b>Cash and Cash Equivalents - October 1</b>	<b><u>29,739</u></b>	<b><u>235,754</u></b>
<b>Cash and Cash Equivalents - September 30</b>	<b><u>\$ 15,450</u></b>	<b><u>\$ 1,193,553</u></b>

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

**CITY OF NEW BRAUNFELS, TEXAS**  
**STATEMENT OF CASH FLOWS - continued**  
**PROPRIETARY FUNDS**  
**Year Ended September 30, 2012**

<b><u>Business-type Activities - Enterprise Funds</u></b>			
	<b><u>Airport</u></b>	<b><u>Solid Waste</u></b>	
<b>RECONCILIATION OF OPERATING INCOME LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ (454,089)	\$ 1,915,359	
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Depreciation and Amortization	438,517	407,537	
(Increase) Decrease in Operating Assets:			
Accounts Receivable (net)	(47,365)	224	
Inventories	-	(25,390)	
Increase (Decrease) in Operating Liabilities:			
Accounts Payable	(7,384)	46,682	
Accrued Expenses	(55)	4,882	
Unearned Revenue	-	-	
Net Pension/Other Postemployment Benefits Obligations	13,821	105,979	
Accrued Compensated Absences	3,069	63,030	
Customer Deposits	1,131		
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ (52,355)</u></u>	<u><u>\$ 2,518,303</u></u>	
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITY</b>			
Capital Assets Contributed from Governmental Funds	<u><u>\$ 186,272</u></u>	<u><u>\$ 2,037,670</u></u>	

<u>Business-type Activities - Enterprise Fund</u>			<u>Governmental Activities</u>
<u>Golf Course</u>	<u>Civic Center</u>	<u>Total</u>	<u>Internal Service</u>
\$ (34,238)	\$ (440,396)	\$ 986,636	\$ (171,347)
96,243	78,791	1,021,088	-
(2,958)	212	(49,887)	-
-	-	(25,390)	-
(18,742)	(24,558)	(4,002)	92,728
(4,882)	(547)	(602)	-
1,639	-	1,639	-
24,420	13,767	157,987	-
23,176	933	90,208	-
113	40,968	42,212	-
<u>\$ 84,771</u>	<u>\$ (330,830)</u>	<u>\$ 2,219,889</u>	<u>\$ (78,619)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,223,942</u>	<u>\$ -</u>

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

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING STATEMENT OF NET ASSETS**  
**COMPONENT UNITS**  
**September 30, 2012**

	<b>Industrial Development Corporation</b>	<b>New Braunfels Utilities</b>	<b>Total Component Units</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 26,644	\$ 8,309,518	\$ 8,336,162
Pooled and Temporary Investments	8,790,178	8,773,631	17,563,809
Receivables (net of allowances for uncollectibles)			
Interest	28,791	72,428	101,219
Accounts	920,613	16,920,445	17,841,058
Due from Primary Government	3,993,699	-	3,993,699
Inventory	-	1,229,688	1,229,688
Prepaid Items	-	198,826	198,826
Restricted assets			
Cash and Cash Equivalents	-	7,680,064	7,680,064
Pooled and Temporary Investments	-	1,350,779	1,350,779
<b>Noncurrent Assets</b>			
Investments			
Restricted	-	3,003,555	3,003,555
Unrestricted	-	27,797,204	27,797,204
Net Pension Obligation Asset	-	5,119,797	5,119,797
Capital Assets, net of depreciation	-	240,284,838	240,284,838
<b>Total Assets</b>	<b>\$ 13,759,925</b>	<b>\$ 320,740,773</b>	<b>\$ 334,500,698</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 807,124	\$ 14,394,708	\$ 15,201,832
Deposits Payable	-	3,621,583	3,621,583
Accrued Expenses Payable	-	100,578	100,578
Noncurrent Liabilities			
Due within One Year			
Compensated Absences	-	589,658	589,658
Capital Leases Payable Current	-	1,003,750	1,003,750
Revenue Bonds Payable Current	-	1,608,806	1,608,806
Due in More than One Year			
Compensated Absences	-	737,639	737,639
Capital Leases Payable Long-term	-	772,500	772,500
Long-term Debt, net of Discount	-	29,369,950	29,369,950
<b>Total Liabilities</b>	<b>807,124</b>	<b>52,199,172</b>	<b>53,006,296</b>
<b>Net Assets</b>			
Invested in Capital Assets, net of Related Debt	-	209,884,166	209,884,166
Restricted for			
Debt Service	-	135,560	135,560
Capital Projects	-	599,795	599,795
Other Purposes	-	8,844,132	8,844,132
Unrestricted	12,952,801	49,077,948	62,030,749
<b>Total Net Assets</b>	<b>12,952,801</b>	<b>268,541,601</b>	<b>281,494,402</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 13,759,925</b>	<b>\$ 320,740,773</b>	<b>\$ 334,500,698</b>

The accompanying notes are an integral part of these financial statements

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING STATEMENT OF ACTIVITIES**  
**COMPONENT UNITS**  
**Year Ended September 30, 2012**

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Industrial Development Corporation	New Braunfels Utilities	Total
<b>Component Units</b>							
Industrial Development Corporation	\$ 4,445,694	\$ -	\$ -	\$ -	\$ (4,445,694)	\$ -	\$ (4,445,694)
New Braunfels Utilities	111,623,564	116,446,116	-	6,156,461	-	10,979,013	10,979,013
Total Component Units	<u>\$ 116,069,258</u>	<u>\$ 116,446,116</u>	<u>\$ -</u>	<u>\$ 6,156,461</u>	<u>(4,445,694)</u>	<u>10,979,013</u>	<u>6,533,319</u>
<b>General Revenues</b>							
Taxes- Sales tax				4,456,814		-	4,456,814
Investment income				40,317		254,296	294,613
Miscellaneous				743,144		-	743,144
Total General Revenues				<u>5,240,275</u>		<u>254,296</u>	<u>5,494,571</u>
<b>Change in Net Assets</b>							
				794,581		11,233,309	12,027,890
<b>Net Assets - Beginning, as restated</b>							
				<u>12,158,220</u>		<u>257,308,292</u>	<u>269,466,512</u>
<b>Net Assets - Ending</b>							
				<u>\$ 12,952,801</u>		<u>\$ 268,541,601</u>	<u>\$ 281,494,402</u>

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

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2012**

**NOTE 1: REPORTING ENTITY**

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

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

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

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

New Braunfels Utilities (NBU) is a legally separate entity which provides waterworks, sanitary sewer, and electric services in the New Braunfels area. City Council appoints the New Braunfels Utility Board of Trustees, and approves utility rates and the issuance of debt. The NBU is presented as an enterprise component unit. Complete financial statements for the NBU may be obtained at the entity's administrative offices at 263 Main Plaza, New Braunfels, Texas 78130. The NBU's financial statements are presented on a July 31, 2012 year-end.

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

The City also has the following related organization:

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

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2012**

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

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

**Government-wide and fund financial statements**

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the City as a whole. The primary government and component units are presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities (generally supported by taxes and City general revenue) from business-type activities (generally financed in whole or in part with fees charged to external customers). The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements.

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

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

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

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

**Governmental funds**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2012**

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

The City reports the following major governmental funds:

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

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

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

*2012 Certificates of Obligation:* This fund accounts for the expenditures of the proceeds from the August 2012 debt issuance for permanent public improvements, park improvement projects, construction, renovating of public works facilities, and construction of drainage improvements.

*2013 Certificates of Obligation:* This fund accounts for the expenditures for cost share infrastructure projects.

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

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

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

*Permanent Fund:* The City uses this fund to account for nonexpendable trust arrangements where the principal may not be spent, and the earnings must be spent for a particular purpose. This fund is used to report the activity of the Cemetery Perpetual Care Fund.

**Proprietary funds**

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

The City reports the following major enterprise funds:

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

Additionally, the City reports the following proprietary fund:

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

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2012**

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

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 and other charges between various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenue. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges for services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**Stewardship, compliance, and accountability**

**Budgetary information**

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

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

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

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

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the capital projects funds, which adopted project-length budgets. The legal level of budgetary control (i.e., the level at which expenditures may not exceed appropriations) is the fund, department, and at the group level for all funds in similar expenditure categories with the following exceptions. Budgets are controlled at the division level for Support Services, Planning and Community Development and Public Works divisions. Once a budget is approved, it can be amended only by approval of a majority of the members of the City Council. As required by law, such amendments are made before the fact, and are reflected in the official minutes of the City Council. During the year, the budget was amended as necessary.

**Estimates**

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

**Encumbrances**

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

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2012**

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

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

**Cash and cash equivalents**

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

**Property taxes**

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

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

**Inventories and prepaid items**

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

**Capital assets**

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

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

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

**Receivables and payables**

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

**Compensated absences**

On retirement or death of certain employees, the City pays accrued sick leave in a lump sum payment to such employee or his/her estate. Non Civil Service employees with 15 or more years of service are eligible to receive one-half of their accumulated sick leave up to 480 hours. These employees are also eligible if they retire with 10 or more years of service. Police and Fire personnel covered by Civil Service receive payment for all accumulated sick leave up to 720 hours for Police and Fire (non-shift), and 1,080 for Fire shift personnel. Police came under Civil Service October 1, 2011. Employees are paid for all accrued vacation leave when they leave the City's employ. The City accrues its liability for such accumulated unpaid benefits in the government-wide financial statements and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2012**

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

**Fund balance**

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

*Nonspendable* - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The City's fund balance reported as Nonspendable at September 30, 2012 include amounts both nonspendable in form (for inventories) and amounts that are legally or contractually required to be maintained intact (Cemetery Perpetual Care Permanent Fund).

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

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

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

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

Details of constraints on fund balances of governmental funds at September 30, 2012 are as follows:

	<b>General Fund</b>	<b>Hotel/ Motel Tax Fund</b>	<b>Debt Service Fund</b>	<b>C.O. 2012 Fund</b>	<b>C.O. 2013 Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Nonspendable:</b>							
Inventories	\$ 1,324	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,324
Cemetery	-	-	-	-	-	87,844	87,844
Perpetual Care	-	-	-	-	-	-	-
<b>Restricted to:</b>							
Tourism	-	666,421	-	-	-	-	666,421
Debt Service	-	-	785,975	-	-	-	785,975
Grants	-	-	-	-	-	813	813
Stormwater	-	-	-	-	-	-	-
Development	-	-	-	-	-	26,635	26,635
Library	-	-	-	-	-	1	1
Capital Projects	-	-	-	18,552,269	-	15,899,840	34,452,109
TIRZ	-	-	-	-	-	245,048	245,048
Law Enforcement	-	-	-	-	-	282,059	282,059
Municipal Court	-	-	-	-	-	329,469	329,469
<b>Committed to:</b>							
Special Donation	-	-	-	-	-	132,873	132,873
River Fund	-	-	-	-	-	996	996
IT	-	-	-	-	-	396,411	396,411
Conservation	-	-	-	-	-	699	699
<b>Assigned to:</b>							
Equipment	-	-	-	-	-	-	-
Replacement*	7,009,111	-	-	-	-	-	7,009,111
Facilities	-	-	-	-	-	-	-
Maintenance	602,121	-	-	-	-	-	602,121
Unassigned	16,838,042	-	-	-	(2,013,709)	(19,557)	14,804,776
	<b>\$ 24,450,598</b>	<b>\$ 666,421</b>	<b>\$ 785,975</b>	<b>\$ 18,552,269</b>	<b>\$ (2,013,709)</b>	<b>\$ 17,383,131</b>	<b>\$ 59,824,685</b>

\* Includes \$2,579,149 contributed by proprietary funds, mainly Solid Waste Fund, for future capital purchases.

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2012**

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

*Minimum Fund Balance Policy*

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

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

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

Interfund Activity

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

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

Deposits and investments

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

Cash deposits

The City's cash deposits at September 30, 2012 were entirely covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name.

Investments

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

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the area of investment practices, management reports, and establishment of appropriate policies. All investments are administered by City management under terms of an investment policy and strategy that is updated to conform to the Texas Public Funds Investment Act (the Act) as last amended. The preservation of capital is the City's most important investment objective. Other objectives include providing liquidity and maximizing earnings within the constraints of other objectives. The City is in substantial compliance with the requirements of the Act and with local policies.

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

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2012**

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

**Deposits and investments (Continued)**

The City's investments at September 30, 2012 are shown below.

<b>Type of Security</b>	<b>Fair Value</b>	<b>Percentage of Total</b>	<b>Credit Rating</b>	<b>Investment Maturity</b>				
				<b>Less than 1 Year</b>	<b>1-2 Years</b>			
<b>Primary Government and Industrial</b>								
<b>Development Corporation</b>								
<b>Component Unit</b>								
2A-7 like Local Government Pools	\$ 35,559,670	49.89%	AAA	\$ 35,559,670	\$ -			
Money Market Mutual Funds	6,405,309	8.99%		6,405,309	-			
Municipal Obligations	29,327,530	41.12%	AAA	29,327,530	-			
Total Investments	<u>\$ 71,292,509</u>	<u>100.00%</u>		<u>\$ 71,292,509</u>	<u>\$ -</u>			

The cash and investments of New Braunfels Utilities as of September 30, 2012 are shown below:

<b>Component Unit - NBU</b>	<b>Fair Value</b>	<b>Percentage of Total</b>	<b>Credit Rating</b>	<b>Less than 1 Year</b>	<b>1-2 Years</b>
U.S. Agencies	\$ 19,665,395	34.55%	AA+	\$ -	\$ 19,665,395
U.S. Treasuries	5,017,775	8.82%	AA+	-	5,017,775
Certificates of Deposit	16,241,999	28.54%		-	16,241,999
Demand deposit and money market	6,807,411	11.96%		6,807,411	-
Pooled funds	9,182,171	16.13%	AAAm	9,182,171	-
Total Investments	<u>\$ 56,914,751</u>	<u>100.00%</u>		<u>\$ 15,989,582</u>	<u>\$ 40,925,169</u>

**Analysis of Specific Deposit and Investment Risks**

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

a. **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year-end, neither the City nor its component units were significantly exposed to credit risk. At September 30, 2012, the City and its component unit's investments, other than those which are obligations of or guaranteed by the U.S. Government, are rated as to credit quality as shown in the above tables.

b. **Custodial Credit Risk**

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

c. **Concentration of Credit Risk**

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

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

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

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2012**

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

**Deposits and investments (Continued)**

**d. Interest Rate Risk**

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

**e. Foreign Currency Risk**

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

**Investment accounting policy**

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

**Public funds investment pools**

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

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

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2012**

**NOTE 4: CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2012, was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<i>Governmental Activities</i>				
Capital Assets Not Being Depreciated				
Land	\$ 23,683,267	\$ 56,364	\$ -	\$ 23,739,631
Total - Capital Assets Not Being Depreciated	<u>23,683,267</u>	<u>56,364</u>	<u>-</u>	<u>23,739,631</u>
Capital Assets Being Depreciated				
Road Network	68,248,937	11,229,149	-	79,478,086
Buildings	29,556,104	2,054,921	-	31,611,025
Improvements Other than Buildings	20,515,329	1,451,954	-	21,967,283
Machinery and Equipment	18,017,209	2,203,702	(544,770)	19,676,141
Total - Capital Assets Being Depreciated	<u>136,337,579</u>	<u>16,939,726</u>	<u>(544,770)</u>	<u>152,732,535</u>
Less Accumulated Depreciation for:				
Road Network	(36,939,990)	(3,973,904)	-	(40,913,894)
Buildings	(9,903,434)	(1,053,701)	-	(10,957,135)
Improvements Other than Buildings	(7,240,113)	(1,098,364)	-	(8,338,477)
Machinery and Equipment	(12,527,408)	(1,722,321)	517,005	(13,732,724)
Total - Accumulated Depreciation	<u>(66,610,945)</u>	<u>(7,848,290)</u>	<u>517,005</u>	<u>(73,942,230)</u>
Capital Assets Being Depreciated, net	<u>69,726,634</u>	<u>9,091,436</u>	<u>(27,765)</u>	<u>78,790,305</u>
Governmental Activities Capital Assets, net	<u>\$ 93,409,901</u>	<u>\$ 9,147,800</u>	<u>\$ (27,765)</u>	<u>\$ 102,529,936</u>
<i>Business-type Activities</i>				
Capital Assets Not Being Depreciated				
Land	\$ 1,060,017	\$ -	\$ -	\$ 1,060,017
Total - Capital Assets Not Being Depreciated	<u>1,060,017</u>	<u>-</u>	<u>-</u>	<u>1,060,017</u>
Capital Assets Being Depreciated				
Buildings	5,257,536	-	-	5,257,536
Improvements Other than Buildings	3,608,797	130,201	-	3,738,998
Machinery and Equipment	6,504,470	2,139,661	-	8,644,131
Airspace Easement	37,515	-	-	37,515
Total - Capital Assets Being Depreciated	<u>15,408,318</u>	<u>2,269,862</u>	<u>-</u>	<u>17,678,180</u>
Less Accumulated Depreciation for:				
Buildings	(1,567,751)	(175,250)	-	(1,743,001)
Improvements Other than Buildings	(1,744,733)	(188,832)	-	(1,933,565)
Machinery and Equipment	(6,188,479)	(656,068)	-	(6,844,547)
Airspace Easement	(16,369)	(938)	-	(17,307)
Total Accumulated Depreciation	<u>(9,517,332)</u>	<u>(1,021,088)</u>	<u>-</u>	<u>(10,538,420)</u>
Capital Assets Being Depreciated, net	<u>5,890,986</u>	<u>1,248,774</u>	<u>-</u>	<u>7,139,760</u>
Business-Type Activities Capital Assets, net	<u>\$ 6,951,003</u>	<u>\$ 1,248,774</u>	<u>\$ -</u>	<u>\$ 8,199,777</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2012**

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

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

**Governmental Activities**

General Government	\$ 815,146
Finance and Tax	157,108
Planning and Environmental Development	429,662
Public Safety	4,663,640
Public Works	754,835
Parks and Recreation	740,644
Library	287,255
Total Governmental Activities	<u><u>\$ 7,848,290</u></u>

**Business-type Activities**

Airport	\$ 438,517
Solid Waste	407,537
Golf Course	96,243
Civic Center	78,791
Total Business-type Activities	<u><u>\$ 1,021,088</u></u>

**Component Unit - NBU**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reclasses and Retirements</b>	<b>Ending Balance</b>
Capital Assets Not Being Depreciated				
Land and Improvements	\$ 21,343,772	\$ 19,606	\$ -	\$ 21,363,378
Construction in Progress	<u>22,061,943</u>	<u>25,512,733</u>	<u>(16,234,404)</u>	<u>31,340,272</u>
Total capital assets, not being depreciated	<u><u>43,405,715</u></u>	<u><u>25,532,339</u></u>	<u><u>(16,234,404)</u></u>	<u><u>52,703,650</u></u>
Capital Assets Being Depreciated				
Buildings	47,291,966	194,329	-	47,486,295
Infrastructure	247,903,863	15,056,737	(1,567,074)	261,393,526
Equipment	32,415,103	1,914,057	-	34,329,160
Wells and springs	502,097	37,950	-	540,047
Total Capital assets being depreciated	<u>328,113,029</u>	<u>17,203,073</u>	<u>(1,567,074)</u>	<u>343,749,028</u>
Less accumulated depreciation for:				
Buildings	(22,693,096)	(1,104,858)	-	(23,797,954)
Infrastructure	(100,258,900)	(8,131,346)	421,848	(107,968,398)
Equipment	(22,649,439)	(1,326,700)	-	(23,976,139)
Wells and springs	(417,607)	(7,742)	-	(425,349)
Total accumulated depreciation	<u>(146,019,042)</u>	<u>(10,570,646)</u>	<u>421,848</u>	<u>(156,167,840)</u>
Capital assets being depreciated, net	<u>182,093,987</u>	<u>6,632,427</u>	<u>(1,145,226)</u>	<u>187,581,188</u>
<b>Total Component Unit-NBU</b>	<b><u>\$ 225,499,702</u></b>	<b><u>\$ 32,164,766</u></b>	<b><u>\$ (17,379,630)</u></b>	<b><u>\$ 240,284,838</u></b>

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2012**

**NOTE 5: INTERFUND BALANCES AND ACTIVITY**

Transfers to and from other funds at September 30, 2012, consisted of the following:

<b>Transferred From</b>	<b>Transferred To</b>	<b>Amount</b>	<b>Purpose</b>
General Fund	Self Insurance Fund	\$ 400,000	Fund expenditures in excess of revenues generated by activities
General Fund	Nonmajor-River	470,564	Fund expenditures in excess of revenues generated by activities
General Fund	Court Security Fund	7,979	Fund expenditures in excess of revenues generated by activities
General Fund	Cable Franchise Fund-PEG	242,140	To establish new fund
General Fund	Edwards Aquifer HCP Fund	55,000	To establish new fund
General Fund	Economic Incentive Fund	148	To eliminate the deficit in the Economic Incentive Fund
General Fund	Enterprise-Airport	60,000	Fund expenditures in excess of revenues generated by activities
General Fund	Grant Fund	61,748	To close project for Housing Trust Fund Grant
		<u>1,297,579</u>	
Nonmajor-River	Vehicle Replacement	2,235	Fund future vehicle purchases
Hotel/Motel Tax	Enterprise-Civic/Convention Center	288,582	Civic/Convention Center operations and maintenance
Hotel/Motel Tax	Debt Service Fund	612,958	Fund debt service for expansion and renovation of Civic/Convention Center
		<u>901,540</u>	
Enterprise-Airport	Vehicle Replacement	8,994	Fund future vehicle purchases
Enterprise-Solid Waste	Vehicle Replacement	853,766	Fund future vehicle purchases and curbside trash bins
Enterprise-Solid Waste	General Fund	590,215	
Enterprise-Solid Waste	River Fund	116,523	
		<u>1,560,504</u>	
Enterprise-Golf Course	General Fund	45,691	Administrative support
Enterprise-Golf Course	Vehicle Replacement	1,943	Fund future vehicle purchases
		<u>47,634</u>	
	Total Transfers	<u>\$ 3,818,486</u>	

**NOTE 6: LONG-TERM OBLIGATIONS**

Long-term obligations include debt and other long-term liabilities. Compensated absences, net pension obligation, and net other postemployment benefit obligation (OPEB) are normally liquidated in the General Fund. See Notes 7 and 8 for more information on the net pension and OPEB obligations. Changes in long-term obligations for the year ended September 30, 2012, are as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
General Obligation Debt	\$90,155,000	\$19,470,000	\$ (4,715,000)	\$104,910,000	\$ 5,825,000
Deferred Loss on Bond Refunding	(353,007)	-	25,487	(327,520)	-
Bond Premium	784,995	1,525,866	(85,004)	2,225,857	-
Subtotal	90,586,988	20,995,866	(4,774,517)	106,808,337	5,825,000
Net Pension Obligation	2,043,801	3,957,354	(3,559,053)	2,442,102	-
Net OPEB Obligation	2,663,957	1,311,919	(270,012)	3,705,864	-
Compensated Absences	1,899,548	1,972,748	(57,499)	3,814,797	724,811
Total Governmental Activities	<u>\$97,194,294</u>	<u>\$28,237,887</u>	<u>\$ (8,661,081)</u>	<u>\$116,771,100</u>	<u>\$ 6,549,811</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2012**

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

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Business-type activities</b>					
Net Pension Obligation	\$ 223,455	\$ 436,073	\$ (392,183)	\$ 267,345	-
Net OPEB Obligation	291,222	143,666	(29,569)	405,319	-
Compensated Absences	200,804	109,928	(19,720)	291,012	55,292
Total Business-Type Activities	<u>\$ 715,481</u>	<u>\$ 689,667</u>	<u>\$ (441,472)</u>	<u>\$ 963,676</u>	<u>\$ 55,292</u>
<b>Component Units</b>					
Bonds Payable	\$32,351,348	\$ 154,370	\$ (1,526,962)	\$ 30,978,756	\$ 1,608,806
Capital Leases Payable	2,733,748	-	(957,498)	1,776,250	1,003,750
Compensated Absences	1,235,843	781,443	(689,989)	1,327,297	589,658
Total Component Units	<u>\$36,320,939</u>	<u>\$ 935,813</u>	<u>\$ (3,174,449)</u>	<u>\$ 34,082,303</u>	<u>\$ 3,202,214</u>
 <b>Governmental activities</b>					
Certificates of Obligation	2003	2023	\$ 6,270,000	2.75 - 4.00%	\$ 4,265,000
Certificates of Obligation	2004	2020	26,000,000	2.50 - 5.00%	10,785,000
G.O. Refunding Bonds	2006	2025	10,600,000	4.00 - 4.125%	10,375,000
Certificates of Obligation	2006A	2021	1,600,000	3.60 - 4.50%	1,150,000
Certificates of Obligation	2006B	2026	8,000,000	4.00 - 5.125%	6,550,000
Certificates of Obligation	2007	2027	17,500,000	4.00 - 5.25%	12,550,000
Certificates of Obligation	2008	2028	14,300,000	3.50 - 5.25%	12,310,000
Tax Notes	2008	2015	2,000,000	3.40%	920,000
Certificates of Obligation	2009	2029	9,500,000	2.00 - 4.50%	8,435,000
G.O. Refunding Bonds	2010	2018	730,000	1.00 - 2.95%	350,000
Certificates of Obligation	2011	2031	18,200,000	4.05%	17,750,000
Certificates of Obligation	2012	2032	19,470,000	2.00 - 5.00%	19,470,000
				<u>\$ 104,910,000</u>	

In December 2006, the City defeated \$9,670,000 (\$970,000 of the 1998 Series Certificates of Obligation and \$8,700,000 of the 2004 Series Certificates of Obligation) of a portion of the outstanding 1998 and 2004 certificates of obligation by placing proceeds from the 2006 Series General Obligation Refunding bonds in an irrevocable trust with an escrow agent to provide for all future debt service payments on those portions of the 1998 and 2004 certificates of obligation being refunded. As a result, those portions of the 1998 and 2004 C.O.s were considered to be defeated and the liability for those portions of the C.O.s was removed from the City's books. At September 30, 2012, the outstanding balance on all defeated bonds is \$8,700,000 in tax-supported debt and is scheduled to be redeemed on October 1, 2014.

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2012**

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

Debt service requirements on long-term debt at September 30, 2012, are as follows:

Year Ended September 30,	Governmental Activities		
	Principal	Interest	Total
2013	\$ 5,825,000	\$ 4,409,897	\$ 10,234,897
2014	6,065,000	4,084,432	10,149,432
2015	6,325,000	3,840,890	10,165,890
2016	6,055,000	3,598,728	9,653,728
2017	6,270,000	3,345,439	9,615,439
2018-2022	31,400,000	12,881,053	44,281,053
2023-2027	29,375,000	6,083,620	35,458,620
2028-2032	13,595,000	1,194,332	14,789,332
<b>Totals</b>	<b>\$ 104,910,000</b>	<b>\$ 39,438,391</b>	<b>\$ 144,348,391</b>

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

New Braunfels Utilities future maturity requirements on long-term debt at September 30, 2012, are as follows:

Year Ended September 30,	Bonds Payable			Capital Lease Payable		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 1,608,806	\$ 1,206,941	\$ 2,815,747	\$ 1,003,750	\$ 83,626	\$ 1,087,376
2014	1,620,984	1,158,246	2,779,230	772,500	36,694	809,194
2015	1,655,025	1,108,371	2,763,396	-	-	-
2016	1,692,747	1,052,346	2,745,093	-	-	-
2017	1,750,547	993,399	2,743,946	-	-	-
2018-2022	9,484,451	3,907,420	13,391,871	-	-	-
2023-2027	5,414,439	2,461,345	7,875,784	-	-	-
2028-2032	5,030,000	1,437,275	6,467,275	-	-	-
2033-2035	3,190,000	288,125	3,478,125	-	-	-
	<b>\$ 31,446,999</b>	<b>\$ 13,613,468</b>	<b>\$ 45,060,467</b>	<b>\$ 1,776,250</b>	<b>\$ 120,320</b>	<b>\$ 1,896,570</b>

**NOTE 7: RETIREMENT PLANS**

Plan description

The City provides pension benefits for all of its eligible employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System Plan (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. The report may be obtained by writing to TMRS, P.O. Box 149153, Austin, TX 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS' website at [www.TMRS.com](http://www.TMRS.com).

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2012**

**NOTE 7: RETIREMENT PLANS (Continued)**

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>Plan Year 2011</u>	<u>Plan Year 2012</u>
Employee Deposit Rate	7%	7%
Matching Ratio (City to Employee):	2 to 1	2 to 1
Member is invested after:	5 years	5 years
Members can retire at certain ages, based on the years		
of service with the City	5 years/age 60	5 years/age 60
Service Retirement Eligibility for the City is:	20 years/any age	20 years/any age
Updated service credit	100% repeating, transfers	100% repeating, transfers
Annuity increase (to retirees)	70% of CPI repeating	70% of CPI repeating

Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as updated service credits and annuity increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect. The annual pension cost and net pension obligation are as follows:

Annual Required Contribution (ARC)	\$ 4,371,144
Interest on Net Pension Obligation	158,709
Adjustment to the ARC	<u>(136,426)</u>
Annual Pension Cost (APC)	4,393,427
Contributions Made	<u>(3,951,236)</u>
Increase in Net Pension Obligation	442,191
Net Pension Obligation, beginning of year	<u>2,267,256</u>
Net Pension Obligation, end of year	<u><u>\$ 2,709,447</u></u>

**Trend Information**

Fiscal Year Ending	Annual Pension Cost	Actual Contributions Made	Percentage of APC Contributed	Net Pension Obligation
9/30/2010	\$ 3,957,629	\$ 3,117,686	78.8%	\$ 1,497,661
9/30/2011	4,281,362	3,511,767	82.0%	2,267,256
9/30/2012	4,371,144	3,951,236	90.4%	2,709,447

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2012**

**NOTE 7: RETIREMENT PLANS (Continued)**

The required contribution rates for fiscal year 2012 were determined as part of the December 31, 2009 and 2010 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2011, also follows:

Valuation Date	12/31/2009	12/31/2010	12/31/2011
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
GASB 25 Equivalent Single Amortization Period	28.0 Years: closed period	27.2 years: closed period	26.2 years: closed period
Amortization Period for new Gains/Losses	30 Years	30 Years	30 years
Asset Valuation Method	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
Actuarial Assumptions:			
Investment Rate of Return*	7.5%	7.0%	7.0%
Projected Salary Increases*	Varies by age and service	Varies by age and service	Varies by age and service
*Includes Inflation at Cost-of-living Adjustments	3.00%	3.00%	3.00%
	2.1%	2.1%	2.1%

Funded status and funding progress

In June 2011, SB 350 was enacted by the Texas Legislature, resulting in a restructure of the TMRS funds. This legislation provided for the actuarial valuation to be completed, as if restructuring had occurred on December 31, 2010. In addition, the actuarial assumptions were updated for the new fund structure, based on an actuarial experience study that was adopted by the TMRS Board at their May, 2011 meeting (the review compared actual to expected experience for the four-year period of January 1, 2006 through December 31, 2009). For a complete description of the combined impact of the legislation and new actuarial assumptions, including the effects on TMRS city rates and funding ratios, please see the December 31, 2010 TMRS Comprehensive Annual Financial Report (CAFR).

**Schedule of Actuarial Liabilities and Funding Progress**

Actuarial Valuation Date	Actuarial				UAAL as a Percentage of Covered Payroll	
	Actuarial Value of Assets (A)	Accrued Liability (AAL) (B)	Funded Ratio (A)/(B)	Unfunded ALL (UAAL) (D) = (B) - (A)	Covered Payroll (E)	(D)/(E)
12/31/2009	\$ 32,679,235	\$ 61,497,809	53.1%	\$ 28,818,574	\$ 22,785,966	126.5%
12/31/2010	59,092,704	88,268,964	66.9%	29,176,260	23,146,599	126.0%
12/31/2011	65,548,163	94,893,431	69.1%	29,345,268	24,680,046	118.9%

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2012**

**NOTE 7: RETIREMENT PLANS (Continued)**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented in the table above, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

**Supplemental death benefits fund**

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

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

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

The City's contributions to the TMRS SDBF for the years ended 2012, 2011, and 2010 were \$34,785; \$38,331; and \$35,602; respectively, which equaled the required contribution each year.

**NOTE 8: POST-RETIREMENT HEALTH CARE BENEFITS**

**Plan description**

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

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

**Funding policy**

Plan members are required to pay a premium for themselves and their dependents. Currently, the premium is set at \$525 per retiree and an additional premium of \$485 for spouses, \$359 for children, and \$593 for spouse and children. The plan is financed on a pay-as-you-go basis.

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2012**

**NOTE 8: POST-RETIREMENT HEALTH CARE BENEFITS (Continued)**

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

The City's OPEB cost for the fiscal year ending September 30, 2012, is as follows:

Annual Required Contribution	\$ 1,454,819
Interest on OPEB Obligation	118,208
Adjustment to ARC	<u>(117,442)</u>
Annual OPEB Cost (Expense)	1,455,585
Net Employer Contributions	<u>(299,581)</u>
Increase (Decrease) in net OPEB Obligation	1,156,004
Net OPEB Obligation - as of beginning of year	2,955,179
Net OPEB Obligation - as of end of year	<u><u>\$ 4,111,183</u></u>

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

Fiscal Year Ending	Net Employer Contributions	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation	Annual Required Contribution	Percentage of ARC Contributed
9/30/2010	\$ 111,125	\$ 1,310,235	8.48%	\$ 2,071,230	\$ 1,305,584	8.51%
9/30/2011	432,691	1,316,640	32.86%	2,955,179	1,305,584	33.14%
9/30/2012	299,581	1,455,584	20.58%	4,111,183	1,454,819	20.59%

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

Actuarial Valuation Date	Actuarial Value of Assets		Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll	UAAL as Percentage of Covered Payroll
	(a)	(b)					
10/1/2007	\$ -	\$ 10,366,358	\$ 10,366,358	\$ 10,366,358	0.00%	\$ 17,528,226	59.1%
10/1/2009	-	14,016,512	14,016,512	14,016,512	0.00%	19,693,129	71.2%
10/1/2011	-	10,472,870	10,472,870	10,472,870	0.00%	22,675,522	46.2%

Actuarial methods and assumptions

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

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

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2012**

**NOTE 8: POST-RETIREMENT HEALTH CARE BENEFITS (Continued)**

Significant methods and assumptions were as follows:

Investment rate of return	4.00%
Actuarial cost method	Unit Credit method
Amortization method	level percent of payroll, 30 years- open period
Salary growth	3.00%
Asset valuation method	Not applicable
Healthcare cost tends	For 2013 through 2015, L&E best estimate assumptions, developed by observations and extrapolation of plan experience. Thereafter, rates developed using the baseline projection of the SoA Long-Run Medical Cost Trend Model.
Inflation rate	2.50%
Post-retirement benefit increases	None other than healthcare cost increases (reported above)

**NOTE 9: RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2012, the City purchased commercial insurance to cover general liabilities. There were no significant reductions in insurance coverage from the previous year, and there were no settlements which exceeded the maximum insurance coverage for any of the past three fiscal years.

The City's health insurance program is a "self-insured" minimum premium cash flow plan. The City makes a pre-determined monthly contribution to the plan to fully cover the cost of employee-only coverage. The City and each covered employee make a pre-determined monthly contribution to the plan if they cover one or more dependents. All claims are reviewed and processed by an independent insurance company. The insurance company pays claims based on the health plan, and the City reimburses the insurance company for the amount of each claim paid. The insurance company charges the City a fee for each claim processed. Funding covers both the cost of claims and administrative expenses. The City paid \$4,242,142 in health claims and paid \$748,448 for administrative costs for the year ended September 30, 2012. The City contributed \$3,566,662 and City employees contributed \$1,169,425 to the health insurance program for the year ended September 30, 2012.

The transactions of the self-insurance plan are reported in the Insurance Internal Service Fund. The City pays a specified monthly amount for each employee and a portion of an employee's dependent coverage which averages approximately \$617. The largest portion of this amount is dedicated to the direct payment of claims. The remaining part of the monthly amount is dedicated to the payment of administrative fees and commercial insurance for excess claims. The commercial insurance coverage becomes effective when the claims exceed the maximum amount per employee.

Estimated health claims that have been incurred but not reported are accrued at year-end. The estimated liability for health claims is \$297,045 at September 30, 2012. The estimated liability for health claims is based upon historical claims experience. The change in the claim liability for the years ended September 30, 2012 and 2011 are as follows:

	<b>2012</b>	<b>2011</b>
Claims Payable Beginning of Year	\$ 216,983	\$ 420,956
Claims Incurred	4,322,204	4,149,451
Claims Paid (Calculated)	(4,242,142)	(4,353,424)
Claims Payable End of Year	<u><u>\$ 297,045</u></u>	<u><u>\$ 216,983</u></u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2012**

**NOTE 10: COMMITMENTS AND CONTINGENCIES**

The City participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

At September 30, 2012, the City is involved in various lawsuits pending against the City. These lawsuits generally involve claims relating to general liability, automobile liability, civil rights actions, and various contractual matters. In the opinion of management, any liabilities resulting from such litigation would not have a material adverse effect on the City's financial statements.

**NOTE 11: DEFICIT IN FUND BALANCE**

At September 30, 2012, the Certificates of Obligation 2013 Fund had a deficit fund balance of \$2,013,709 due to pending issuance of certificates of obligations.

The Special Revenue Grants Fund had a deficit fund balance of \$19,557 due to disallowed grant claims in the previous year. Funds were available from other services; therefore, no adverse effect to the fund is anticipated.

**NOTE 12: RESTATEMENT OF FISCAL YEAR 2011 FINANCIAL STATEMENTS –  
 NEW BRAUNFELS UTILITIES**

The fiscal year 2011 financial statements have been restated to correct a billing error in the recognition of developer contributions and receivable reported from the Texas Department of Transportation (TXDOT) for reimbursements payable to NBU for costs related to the Texas Highway 46 extension project. The restatement is due to contributions of \$2,950,401 recognized in fiscal year 2011 that were not eligible for reimbursement from TXDOT. The effect on the previously issued fiscal year 2011 financial statements is as follows:

	<u>As Originally Reported</u>	<u>Decrease</u>	<u>As Restated</u>
Accounts Receivable - Other	\$ 4,547,661	\$ 2,950,401	\$ 1,597,260
Total Current Assets	55,489,429	2,950,401	52,539,028
Total Assets	312,571,241	2,950,401	309,620,840
Net Assets	260,258,693	2,950,401	257,308,292
Developer Contributions	8,451,534	2,950,401	5,501,133
Change in Net Assets	15,582,731	2,950,401	12,632,330

**NOTE 13: OPERATING LEASE**

NBU has an operating lease with LCRA to lease certain transmission assets to LCRA. Payments for the lease facilities are based on the original cost of the facilities, adjusted for depreciation, and are updated annually to reflect additions, retirements, and depreciation. The terms of the lease are perpetual, but may be terminated by either party upon five years written notice. Lease revenues were \$1,015,161 in fiscal year 2012. The receipts for fiscal year 2013 will be \$977,206. Due to the nature of the agreement, the amount of receipts beyond that time have not been determined. The original cost of the transmission assets was \$20,741,772 and the accumulated depreciation totals \$8,669,189.

**CITY OF NEW BRAUNFELS, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2012**

**NOTE 14: SUBSEQUENT EVENTS**

On January 14, 2013, the City Council authorized a settlement of litigation claim of \$691,065 for river management fees. This claim has been recorded as a liability on the government-wide statements.

On October 1, 2012, NBU issued \$23,940,000 of Utility System Revenue and Refunding Bonds, Series 2012. This debt issue refunded the total outstanding principal of the 2002 Utility System Improvement and Refunding Revenue Bonds and a portion of the 2004 Utility System Revenue Bonds and also provided \$15.2 Million of funding sources for NBU's capital program.

At July 31, 2012, NBU acquired the majority of its electricity from the LCRA pursuant to the WPA or certain related agreements. The WPA expires according to its express terms in June 2016. In 2010, the LCRA engaged in certain actions with other wholesale customers that NBU believes violated the WPA. On July 27, 2012, NBU filed suit against the LCRA contending that the actions violated the WPA and sought monetary damages. On November 8, 2012, NBU delivered notice to the LCRA that because of the LCRA's actions it intended to exercise its right to terminate the WPA effective January 1, 2013.

On December 4, 2012, the LCRA filed a counterclaim against NBU seeking a court declaration that NBU does not have a legal right to terminate the contract. The counterclaim does not seek any monetary damages, but it is possible that the LCRA could amend its counterclaim to seek damages at a later date, particularly after January 1, 2013 termination date. At this time, NBU is unable to determine the potential impact, if any, of the pending litigation. On December 14, 2012, NBU entered into power supply contracts for its power requirements for calendar year 2013. During 2013, NBU will also be looking to secure additional power supply contracts for power requirements beyond December 2013.

This information is an integral part of the accompanying financial statements.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended September 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual GAAP Basis</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
<b>Taxes</b>				
Ad valorem	\$ 10,387,825	\$ 10,387,825	\$ 10,251,155	\$ (136,670)
Sales	13,367,000	13,367,000	14,166,493	799,493
Beverage	220,200	220,200	210,977	(9,223)
Franchise	7,082,000	7,082,000	7,539,734	457,734
<b>Licenses and Permits</b>				-
General Government	144,475	144,475	146,855	2,380
Health	169,800	169,800	175,217	5,417
Miscellaneous	158,000	158,000	108,775	(49,225)
Code Enforcement	132,000	132,000	116,770	(15,230)
Code Enforcement	1,055,500	1,055,500	1,787,141	731,641
<b>Intergovernmental Revenue</b>				
Federal Government	-	-	24,500	24,500
Contribution	-	-	49,884	49,884
<b>Charges for Services</b>				-
Charges for Services	6,000	6,000	9,850	3,850
Public Safety	2,773,020	2,773,020	2,775,490	2,470
Public Works	127,900	127,900	125,000	(2,900)
Library	88,500	88,500	97,984	9,484
<b>Fines and Forfeitures</b>				-
Animal Control	22,000	22,000	17,274	(4,726)
Law Enforcement	1,252,240	1,252,240	797,775	(454,465)
Municipal Court	87,900	87,900	49,441	(38,459)
Bailiff	99,450	99,450	105,118	5,668
<b>Parks and Recreation</b>				
Golf Course	-	-	559	559
Aquatics	411,000	411,000	515,310	104,310
Recreation	306,800	306,800	309,851	3,051
Picnic	141,400	141,400	147,256	5,856
Miscellaneous	40,000	40,000	46,225	6,225
Interest	96,000	96,000	76,297	(19,703)
Other Contributions	2,000	2,000	12,785	10,785
Miscellaneous	1,023,200	1,023,200	1,477,695	454,495
<b>Total Revenues</b>	<u>39,194,210</u>	<u>39,194,210</u>	<u>41,141,411</u>	<u>1,947,201</u>
<b>EXPENDITURES</b>				
<b>City Council</b>				
Employee Expenses	127,674	127,674	127,065	609
Operations Expenses	29,600	32,100	31,721	379
<b>Total City Council</b>	<u>157,274</u>	<u>159,774</u>	<u>158,786</u>	<u>988</u>
<b>City Attorney</b>				
Employee Expenses	304,927	330,927	329,700	1,227
Operations Expenses	207,100	384,100	384,349	(249)
<b>Total City Attorney</b>	<u>512,027</u>	<u>715,027</u>	<u>714,049</u>	<u>978</u>
<b>City Administration</b>				
Employee Expenses	907,559	883,059	882,989	70
Operations Expenses	84,635	114,635	113,714	921
<b>Total City Administration</b>	<u>992,194</u>	<u>997,694</u>	<u>996,703</u>	<u>991</u>
<b>Human Resources</b>				
Employee Expenses	484,176	465,176	464,878	298
Operations Expenses	126,900	156,900	156,071	829
<b>Total Human Resources</b>	<u>611,076</u>	<u>622,076</u>	<u>620,949</u>	<u>1,127</u>
<b>Support Services</b>				
Employee Expenses	1,642,867	1,642,867	1,590,925	51,942
Operations Expenses	525,585	510,085	454,530	55,555
<b>Total Support Services</b>	<u>2,168,452</u>	<u>2,152,952</u>	<u>2,045,455</u>	<u>107,497</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**BUDGETARY COMPARISON SCHEDULE - continued**  
**GENERAL FUND**  
**Year Ended September 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual GAAP Basis</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Planning</b>				
Employee Expenses	\$ 1,804,805	\$ 1,750,305	\$ 1,691,286	\$ 59,019
Operations Expenses	445,218	445,218	396,801	48,417
Capital Expenses	20,140	20,140	18,482	1,658
Total Planning	<u>2,270,163</u>	<u>2,215,663</u>	<u>2,106,569</u>	<u>109,094</u>
<b>Police</b>				
Employee Expenses	10,172,297	9,980,297	\$ 9,906,599	73,698
Operations Expenses	1,691,318	1,691,318	1,699,871	(8,553)
Capital Expenses	100,000	100,000	68,175	31,825
Total Police	<u>11,963,615</u>	<u>11,771,615</u>	<u>11,674,645</u>	<u>96,970</u>
<b>Fire</b>				
Employee Expenses	10,085,072	10,370,872	\$ 10,370,512	360
Operations Expenses	1,693,920	1,665,420	1,662,999	2,421
Capital Expenses	47,000	75,500	62,400	13,100
Total Fire	<u>11,825,992</u>	<u>12,111,792</u>	<u>12,095,911</u>	<u>15,881</u>
<b>Public Works</b>				
Employee Expenses	1,805,489	1,859,989	\$ 1,861,016	(1,027)
Operations Expenses	1,878,619	1,875,319	1,818,871	56,448
Capital Expenses	42,675	45,975	38,125	7,850
Total Public Works	<u>3,726,783</u>	<u>3,781,283</u>	<u>3,718,012</u>	<u>63,271</u>
<b>Parks and Recreation</b>				
Employee Expenses	2,500,574	2,493,074	2,447,585	45,489
Operations Expenses	1,533,675	1,533,675	1,510,288	23,387
Capital Expenses	95,000	95,000	18,926	76,074
Total Parks and Recreation	<u>4,129,249</u>	<u>4,121,749</u>	<u>3,976,799</u>	<u>144,950</u>
<b>Library</b>				
Employee Expenses	1,153,847	1,123,847	1,098,013	25,834
Operations Expenses	365,000	395,000	387,981	7,019
Capital Expenses	16,000	16,000	12,990	3,010
Total Library	<u>1,534,847</u>	<u>1,534,847</u>	<u>1,498,984</u>	<u>35,863</u>
<b>Nondepartmental</b>				
Operations Expenses	1,104,000	1,139,000	1,133,285	5,715
Contingencies	140,000	(170,500)	400,000	(570,500)
Total Nondepartmental	<u>1,244,000</u>	<u>968,500</u>	<u>1,533,285</u>	<u>(564,785)</u>
<b>Total Expenditures</b>	<b><u>41,135,672</u></b>	<b><u>41,152,972</u></b>	<b><u>41,140,147</u></b>	<b><u>12,825</u></b>
Excess of Revenues Over (Under) Expenditures	(1,941,462)	(1,958,762)	1,264	1,960,026
<b>Other Financing Sources (Uses)</b>				
Transfers In	635,906	635,906	635,906	-
Transfers Out	(2,097,349)	(2,380,349)	(2,091,093)	289,256
Total Other Financing Sources (Uses)	<u>(1,461,443)</u>	<u>(1,744,443)</u>	<u>(1,455,187)</u>	<u>289,256</u>
Change in Fund Balance	(3,402,905)	(3,703,205)	(1,453,923)	2,249,282
Fund Balance - October 1	<u>18,293,289</u>	<u>18,293,289</u>	<u>18,293,289</u>	<u>-</u>
Fund Balance - September 30	<u>\$ 14,890,384</u>	<u>\$ 14,590,084</u>	<u>\$ 16,839,366</u>	<u>\$ 2,249,282</u>

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

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**HOTEL-MOTEL FUND**  
**Year Ended September 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual GAAP Basis</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
			<b>Final</b>	
<b>REVENUE</b>				
Taxes	\$ 2,492,600	\$ 2,532,600	\$ 3,118,146	\$ 585,546
Interest	-	-	501	501
<b>Total Revenues</b>	<b>2,492,600</b>	<b>2,532,600</b>	<b>3,118,647</b>	<b>586,047</b>
<b>EXPENDITURES</b>				
<b>General Government</b>				
Operations	1,591,060	1,941,000	1,934,111	6,889
<b>Total Expenditures</b>	<b>1,591,060</b>	<b>1,941,000</b>	<b>1,934,111</b>	<b>6,889</b>
<b>Excess of Revenue over Expenditures</b>	<b>901,540</b>	<b>591,600</b>	<b>1,184,536</b>	<b>592,936</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(901,540)	(901,540)	(901,540)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(901,540)</b>	<b>(901,540)</b>	<b>(901,540)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>(309,940)</b>	<b>282,996</b>	<b>592,936</b>
<b>Fund Balance - October 1</b>	<b>383,425</b>	<b>383,425</b>	<b>383,425</b>	<b>-</b>
<b>Fund Balance - September 30</b>	<b>\$ 383,425</b>	<b>\$ 73,485</b>	<b>\$ 666,421</b>	<b>\$ 592,936</b>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF FUNDING PROGRESS**  
**PENSION**  
**AND OTHER POSTEMPLOYMENT BENEFITS**  
**Year Ended September 30, 2012**

**Pension**

<b>Year Ending</b>	<b>Actuarial Valuation Date</b>	<b>Actuarial Accrued</b>					<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>		
		<b>Actuarial Value of Assets</b>	<b>Liability (AAL)</b>			<b>Funded Ratio</b>				
			<b>Unit Credit Actuary Method</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>					
9/30/2010	12/31/2009	\$ 32,679,235	\$ 61,497,809	\$ 28,818,574	53.1%	\$ 22,785,966	126.5%			
9/30/2011	12/31/2010	59,092,704	88,268,964	29,176,260	66.9%	23,146,599	126.0%			
9/30/2012	12/31/2011	65,548,163	94,893,431	29,345,268	69.1%	24,680,046	118.9%			

**Other Postemployment Benefits**

<b>Year Ending</b>	<b>Actuarial Valuation Date</b>	<b>Actuarial Accrued</b>					<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>		
		<b>Actuarial Value of Assets</b>	<b>Liability (AAL)</b>			<b>Funded Ratio</b>				
			<b>Unit Credit Actuary Method</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>					
9/30/2010	10/1/2007	\$ -	\$ 10,366,358	\$ 10,366,358	0.00%	\$ 17,528,226	59.1%			
9/30/2011	10/1/2009	-	14,016,512	14,016,512	0.00%	19,693,129	71.2%			
9/30/2012	10/1/2011	-	10,472,870	10,472,870	0.00%	22,675,522	46.2%			

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING BALANCE SHEET**  
**General Fund - Subfunds**  
**September 30, 2012**

	<b>General Fund</b>	<b>Equipment Replacement Fund</b>	<b>Facilities Maintenance Fund</b>	<b>Stormwater Drainage Utility Fund</b>	<b>Totals</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Pooled and Temporary Investments	16,982,989	7,358,587	511,966	-	24,853,542
Receivables, net					
Taxes	410,984	-	-	-	410,984
Accounts	3,937,199	-	-	-	3,937,199
Interest	92,263	34,847	-	-	127,110
Due from Other Governments	22,855	-	-	-	22,855
Due from Other Funds	-	170,420	113,962	134,597	418,979
Inventories	1,324	-	-	-	1,324
<b>Total Assets</b>	<b><u>\$ 21,447,614</u></b>	<b><u>\$ 7,563,854</u></b>	<b><u>\$ 625,928</u></b>	<b><u>\$ 134,597</u></b>	<b><u>\$ 29,771,993</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 1,377,479	\$ 554,743	\$ 20,869	\$ 119,558	\$ 2,072,649
Due to Component Unit	876,531	-	-	-	876,531
Due to Other Funds	418,979	-	-	-	418,979
Deposits Payable	265,535	-	-	-	265,535
Accrued Expenditures	1,258,740	-	2,938	15,039	1,276,717
Deferred Revenue	410,984	-	-	-	410,984
<b>Total Liabilities</b>	<b><u>4,608,248</u></b>	<b><u>554,743</u></b>	<b><u>23,807</u></b>	<b><u>134,597</u></b>	<b><u>5,321,395</u></b>
<b>Fund Balances</b>					
Nonspendable	1,324	-	-	-	1,324
Assigned	-	7,009,111	602,121	-	7,611,232
Unassigned	16,838,042	-	-	-	16,838,042
<b>Total Fund Balances</b>	<b><u>16,839,366</u></b>	<b><u>7,009,111</u></b>	<b><u>602,121</u></b>	<b><u>-</u></b>	<b><u>24,450,598</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 21,447,614</u></b>	<b><u>\$ 7,563,854</u></b>	<b><u>\$ 625,928</u></b>	<b><u>\$ 134,597</u></b>	<b><u>\$ 29,771,993</u></b>

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**General Fund - Subfunds**  
**Year Ended September 30, 2012**

	<b>General Fund</b>	<b>Equipment Replacement Fund</b>	<b>Facilities Maintenance Fund</b>	<b>Stormwater Drainage Utility Fund</b>	<b>Eliminations</b>	<b>Totals</b>
<b>REVENUE</b>						
Taxes	\$ 32,168,358	\$ -	\$ -	\$ -	\$ -	\$ 32,168,358
Licenses and Permits	2,334,757	-	-	-	-	2,334,757
Fines and Forfeitures	969,609	-	-	-	-	969,609
Interest	76,296	34,038	582	-	-	110,916
Parks and Recreation	1,018,641	-	-	-	-	1,018,641
Miscellaneous	697,738	12,828	14,638	-	-	725,204
Other Contributions	62,669	-	-	-	-	62,669
Charges for Services	3,791,318	-	-	-	-	3,791,318
Total Revenues	<u>41,119,386</u>	<u>46,866</u>	<u>15,220</u>	<u>-</u>	<u>-</u>	<u>41,181,472</u>
<b>EXPENDITURES</b>						
<b>Current</b>						
General Government	4,402,231	523,850	-	-	-	4,926,081
Finance and Tax	869,962	-	-	-	-	869,962
Planning and Environmental	2,080,419	26,580	-	-	-	2,106,999
Public Safety	23,540,856	697,202	5,118	-	-	24,243,176
Public Works	3,693,790	2,104,170	242,286	893,514	-	6,933,760
Parks and Recreation	3,942,415	74,596	47,736	-	-	4,064,747
Library	<u>1,498,985</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,498,985</u>
Total Expenditures	<u>40,028,658</u>	<u>3,426,398</u>	<u>295,140</u>	<u>893,514</u>	<u>-</u>	<u>44,643,710</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>						
	<u>1,090,728</u>	<u>(3,379,532)</u>	<u>(279,920)</u>	<u>(893,514)</u>	<u>-</u>	<u>(3,462,238)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	635,906	1,878,427	-	893,514	(1,905,003)	1,502,844
Transfers Out	(3,202,582)	-	-	-	1,905,003	(1,297,579)
Proceeds from Sale of Capital Assets	22,025	74,107	-	-	-	96,132
Total Other Financing Sources (Uses)	<u>(2,544,651)</u>	<u>1,952,534</u>	<u>-</u>	<u>893,514</u>	<u>-</u>	<u>301,397</u>
<b>Net Change in Fund Balance</b>	<b>(1,453,923)</b>	<b>(1,426,998)</b>	<b>(279,920)</b>	<b>-</b>	<b>-</b>	<b>(3,160,841)</b>
<b>Fund Balance - October 1</b>	<b>18,293,289</b>	<b>8,436,109</b>	<b>882,041</b>	<b>-</b>	<b>-</b>	<b>27,611,439</b>
<b>Fund Balance - September 30</b>	<b>\$ 16,839,366</b>	<b>\$ 7,009,111</b>	<b>\$ 602,121</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,450,598</b>

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING BALANCE SHEET**  
**Nonmajor Governmental Funds**  
**September 30, 2012**

	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Permanent Fund</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>Cemetery Perpetual Care</b>			
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 979,244	\$ 2,379,536	\$ 2,439	\$ 3,361,219
Pooled and Temporary Investments	417,060	14,231,238	85,405	14,733,703
Accounts Receivable	161,678	-	-	161,678
Due from Other Governments	28,691	-	-	28,691
Due from Other Funds	52,777	-	-	52,777
<b>Total Assets</b>	<b>\$ 1,639,450</b>	<b>\$ 16,610,774</b>	<b>\$ 87,844</b>	<b>\$ 18,338,068</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 130,090	\$ 700,295	\$ -	\$ 830,385
Due to Component Unit	11,005	-	-	11,005
Due to Other Funds	52,777	-	-	52,777
Accrued Expenditures	50,131	10,639	-	60,770
<b>Total Liabilities</b>	<b>244,003</b>	<b>710,934</b>	<b>-</b>	<b>954,937</b>
<b>Fund Balances</b>				
Nonspendable	-	-	87,844	87,844
Restricted	884,025	15,899,840	-	16,783,865
Committed	530,979	-	-	530,979
Unassigned	(19,557)	-	-	(19,557)
<b>Total Fund Balances</b>	<b>1,395,447</b>	<b>15,899,840</b>	<b>87,844</b>	<b>17,383,131</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,639,450</b>	<b>\$ 16,610,774</b>	<b>\$ 87,844</b>	<b>\$ 18,338,068</b>

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**Nonmajor Governmental Funds**  
**Year Ended September 30, 2012**

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery Perpetual Care	Total Nonmajor Governmental Funds
<b>REVENUE</b>				
Taxes	\$ 818,785	\$ -	\$ -	\$ 818,785
Licenses and Permits	5,366	-	-	5,366
Fines and Forfeitures	262,574	-	625	263,199
Parks and Recreation	186,595	4,200	-	190,795
Interest	602	35,489	131	36,222
Federal Grants	267,087	-	-	267,087
State and Local Grants	57,210	-	-	57,210
Miscellaneous	149,618	155,776	-	305,394
Other Contributions	96,661	1,016,237	-	1,112,898
Charges and Fees	154,437	-	-	154,437
Total Revenues	<u>1,998,935</u>	<u>1,211,702</u>	<u>756</u>	<u>3,211,393</u>
<b>EXPENDITURES</b>				
General Government	1,233,008	218,659	-	1,451,667
Planning and Environmental Devel.	228,537	-	-	228,537
Public Safety	1,062,894	1,930,416	-	2,993,310
Public Works	122,337	6,535,959	-	6,658,296
Parks and Recreation	437,942	1,356,523	47,862	1,842,327
Library	109,186	-	-	109,186
Total Expenditures	<u>3,193,904</u>	<u>10,041,557</u>	<u>47,862</u>	<u>13,283,323</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>(1,194,969)</u>	<u>(8,829,855)</u>	<u>(47,106)</u>	<u>(10,071,930)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds From Sale of Equipment	25,803	-	-	25,803
Transfers In	954,102	-	-	954,102
Transfers Out	(2,235)	-	-	(2,235)
Total Other Financing Sources (Uses)	<u>977,670</u>	<u>-</u>	<u>-</u>	<u>977,670</u>
<b>Net Change in Fund Balance</b>	<u>(217,299)</u>	<u>(8,829,855)</u>	<u>(47,106)</u>	<u>(9,094,260)</u>
<b>Fund Balance - October 1</b>	<u>1,612,746</u>	<u>24,729,695</u>	<u>134,950</u>	<u>26,477,391</u>
<b>Fund Balance - September 30</b>	<u><u>\$ 1,395,447</u></u>	<u><u>\$ 15,899,840</u></u>	<u><u>\$ 87,844</u></u>	<u><u>\$ 17,383,131</u></u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING BALANCE SHEET**  
**Nonmajor Special Revenue Funds**  
**September 30, 2012**

	<b>Community Development Block Grant</b>	<b>Grants Fund</b>	<b>Special Revenue Donations</b>	<b>River</b>
<b>ASSETS</b>				
Cash	\$ -	\$ -	\$ 137,267	\$ 59,482
Pooled and Temporary Investments	-	-	-	-
Accounts Receivable	-	-	-	-
Due from Other Governments	28,691	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	<b><u>\$ 28,691</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 137,267</u></b>	<b><u>\$ 59,482</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 25,828	\$ -	\$ 4,394	\$ 25,305
Due to Component Unit	2,050	8,955	-	-
Due to Other Funds	-	-	-	-
Accrued Wages Payable	-	10,602	-	33,181
Total Liabilities	<b><u>27,878</u></b>	<b><u>19,557</u></b>	<b><u>4,394</u></b>	<b><u>58,486</u></b>
<b>Fund Balances</b>				
Restricted	813	-	-	-
Committed	-	-	132,873	996
Unassigned	-	(19,557)	-	-
Total Fund Balances	<b><u>813</u></b>	<b><u>(19,557)</u></b>	<b><u>132,873</u></b>	<b><u>996</u></b>
Total Liabilities and Fund Balances	<b><u>\$ 28,691</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 137,267</u></b>	<b><u>\$ 59,482</u></b>

Court Security	Judicial Efficiency	Court Technology	Child Safety	Stormwater Development	Juvenile Case Management
\$ 1,686	\$ 10,360	\$ 17,288	\$ 61,885	\$ -	\$ 37,270
-	-	-	\$ 30,236	\$ 55,270	\$ 125,388
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	\$ 52,777	-	-
<b>\$ 1,686</b>	<b>\$ 10,360</b>	<b>\$ 17,288</b>	<b>\$ 144,898</b>	<b>\$ 55,270</b>	<b>\$ 162,658</b>
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ 444	\$ 629	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	\$ 28,635	-
<b>1,587</b>	<b>-</b>	<b>-</b>	<b>2,879</b>	<b>-</b>	<b>1,882</b>
<b>1,587</b>	<b>-</b>	<b>444</b>	<b>3,508</b>	<b>28,635</b>	<b>1,882</b>
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
99	10,360	16,844	141,390	26,635	160,776
-	-	-	-	-	-
-	-	-	-	-	-
<b>99</b>	<b>10,360</b>	<b>16,844</b>	<b>141,390</b>	<b>26,635</b>	<b>160,776</b>
<b>\$ 1,686</b>	<b>\$ 10,360</b>	<b>\$ 17,288</b>	<b>\$ 144,898</b>	<b>\$ 55,270</b>	<b>\$ 162,658</b>

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING BALANCE SHEET - continued**  
**Nonmajor Special Revenue Funds**  
**September 30, 2012**

	<b>Faust Library</b>	<b>Federal Court Awards</b>	<b>Non-Federal Court Awards</b>
<b>ASSETS</b>			
Cash	\$ 1	\$ 4,321	\$ 90,761
Pooled and Temporary Investments	-	166,042	40,124
Accounts Receivable	-	-	-
Due from Other Governments	-	-	-
Due from Other Funds	-	-	-
<b>Total Assets</b>	<b>\$ 1</b>	<b>\$ 170,363</b>	<b>\$ 130,885</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts Payable	\$ -	\$ 13,118	\$ 6,071
Due to Component Unit	-	-	-
Due to Other Funds	-	-	-
Accrued Wages Payable	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>13,118</b>	<b>6,071</b>
<b>Fund Balances</b>			
Restricted	1	157,245	124,814
Committed	-	-	-
Unassigned	-	-	-
<b>Total Fund Balances</b>	<b>1</b>	<b>157,245</b>	<b>124,814</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1</b>	<b>\$ 170,363</b>	<b>\$ 130,885</b>

Economic Incentive	Edwards Aquifer HCP	Cable Franchise PEG	Creekside Town Center	Total Nonmajor Special Revenue Funds
\$ -	\$ 55,000	\$ 355,823	\$ 148,100	\$ 979,244
-	-	-	-	417,060
24,142	-	40,588	96,948	161,678
-	-	-	-	28,691
-	-	-	-	52,777
<b>\$ 24,142</b>	<b>\$ 55,000</b>	<b>\$ 396,411</b>	<b>\$ 245,048</b>	<b>\$ 1,639,450</b>
<hr/>				
\$ -	\$ 54,301	\$ -	\$ -	\$ 130,090
-	-	-	-	11,005
24,142.00	-	-	-	52,777
-	-	-	-	50,131
<b>\$ 24,142</b>	<b>\$ 54,301</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 244,003</b>
<hr/>				
-	-	-	245,048	884,025
-	699	396,411	-	530,979
-	-	-	-	(19,557)
<b>-</b>	<b>699</b>	<b>396,411</b>	<b>245,048</b>	<b>1,395,447</b>
<b>\$ 24,142</b>	<b>\$ 55,000</b>	<b>\$ 396,411</b>	<b>\$ 245,048</b>	<b>\$ 1,639,450</b>

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**Nonmajor Special Revenue Funds**  
**Year Ended September 30, 2012**

	<b>Community Development Block Grant</b>	<b>Grants Fund</b>	<b>Special Revenue Donations</b>	<b>River</b>
<b>REVENUE</b>				
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Licenses and Permits	-	-	-	5,366
Fines and Forfeitures	-	-	-	170,547
Parks and Recreation	-	-	-	186,595
Interest	-	-	-	-
Federal Grants	226,545	40,542	-	-
State and Local Grants	-	(45,164)	-	-
Other Contributions	-	-	96,661	-
Miscellaneous	-	-	67,310	-
Charges and Fees	-	-	-	-
<b>Total Revenues</b>	<b>226,545</b>	<b>(4,622)</b>	<b>163,971</b>	<b>362,508</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General Government	-	-	1,089	-
Planning and Environmental Development	226,545	1,992	-	-
Public Safety	-	65,510	70,652	518,703
Public Works	-	-	-	-
Parks and Recreation	-	5,032	4,254	428,656
Library	-	16,591	58,155	-
Airport	-	-	-	-
<b>Total Expenditures</b>	<b>226,545</b>	<b>89,125</b>	<b>134,150</b>	<b>947,359</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>-</b>	<b>(93,747)</b>	<b>29,821</b>	<b>(584,851)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Capital Assets	-	-	-	-
Transfers In	-	61,748	-	587,087
Transfers Out	-	-	-	(2,235)
Total Other Financing Sources (Uses)	-	61,748	-	584,852
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>(31,999)</b>	<b>29,821</b>	<b>1</b>
<b>Fund Balance - October 1</b>	<b>813</b>	<b>12,442</b>	<b>103,052</b>	<b>995</b>
<b>Fund Balance - September 30</b>	<b>\$ 813</b>	<b>\$ (19,557)</b>	<b>\$ 132,873</b>	<b>\$ 996</b>

Court Security	Judicial Efficiency	Court Technology	Child Safety	Stormwater Development	Juvenile Case Management
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
19,733	3,751	26,480	9,226	-	32,837
-	-	-	-	-	-
-	-	-	53	80	143
-	-	-	-	-	-
-	-	-	102,374	-	-
-	-	-	-	-	-
371	-	-	630	-	-
-	-	-	-	-	-
<u>20,104</u>	<u>3,751</u>	<u>26,480</u>	<u>112,283</u>	<u>80</u>	<u>32,980</u>
 - - 39,203 - - - - - - 39,203  <u>(19,099)</u>	 - - - - - - - - <u>3,751</u>	 - - 36,444 - - - - - <u>36,444</u>	 - - 69,547 - - - - - <u>69,547</u>	 - - - - - - - - <u>68,036</u>	 - - 44,541 - - - - - <u>68,036</u>  <u>(11,561)</u>
 - 7,979 -  <u>7,979</u>  <u>(11,120)</u>	 - - - - - <u>-</u>	 - - - - - <u>-</u>	 - - - - - <u>-</u>	 - - - - - <u>-</u>	 - - - - - <u>-</u>
 11,219  <u>\$ 99</u>	 6,609  <u>\$ 10,360</u>	 26,808  <u>\$ 16,844</u>	 98,654  <u>\$ 141,390</u>	 94,591  <u>\$ 26,635</u>	 172,337  <u>\$ 160,776</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**Nonmajor Special Revenue Funds - continued**  
**Year Ended September 30, 2012**

	<b>Faust Library</b>	<b>Federal Court Awards</b>
<b>REVENUE</b>		
Ad Valorem Taxes	\$ -	\$ -
Sales Taxes	-	-
Licenses and Permits	-	-
Fines and Forfeitures	-	-
Parks and Recreation	-	-
Interest	-	281
Federal Grants	-	-
State and Local Grants	-	-
Other Contributions	-	-
Miscellaneous	-	57,527
Charges and Fees	-	-
Total Revenues	<hr/> -	<hr/> 57,808
<b>EXPENDITURES</b>		
<b>Current</b>		
General Government	-	-
Planning and Environmental Development	-	-
Public Safety	-	179,862
Public Works	-	-
Parks and Recreation	-	-
Library	34,440	-
Airport	-	-
Total Expenditures	<hr/> 34,440	<hr/> 179,862
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<hr/> (34,440)	<hr/> (122,054)
<b>OTHER FINANCING SOURCES (USES)</b>		
Proceeds from sale of capital assets	-	-
Transfers In	-	-
Transfers Out	-	-
Total Other Financing Sources (Uses)	<hr/> -	<hr/> -
<b>Net Change in Fund Balance</b>	<hr/> (34,440)	<hr/> (122,054)
<b>Fund Balance - October 1</b>	<hr/> 34,441	<hr/> 279,299
<b>Fund Balance - September 30</b>	<hr/> \$ 1	<hr/> \$ 157,245

Non-Federal Court Awards	Economic Incentive	Edwards Aquifer HCP	Cable Franchise PEG	Creekside Town Center	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 320,677	\$ 320,677
-	-	-	-	498,108	498,108
-	-	-	-	-	5,366
-	-	-	-	-	262,574
-	-	-	-	-	186,595
45	-	-	-	-	602
-	-	-	-	-	267,087
-	-	-	-	-	57,210
-	-	-	-	-	96,661
23,780	-	-	-	-	149,618
-	-	-	154,437	-	154,437
<u>23,825</u>	<u>-</u>	<u>-</u>	<u>154,437</u>	<u>818,785</u>	<u>1,998,935</u>
-	-	-	166	1,231,753	1,233,008
-	-	-	-	-	228,537
38,432	-	-	-	-	1,062,894
-	-	54,301	-	-	122,337
-	-	-	-	-	437,942
-	-	-	-	-	109,186
-	-	-	-	-	-
<u>38,432</u>	<u>-</u>	<u>54,301</u>	<u>166</u>	<u>1,231,753</u>	<u>3,193,904</u>
<u>(14,607)</u>	<u>-</u>	<u>(54,301)</u>	<u>154,271</u>	<u>(412,968)</u>	<u>(1,194,969)</u>
25,803	-	-	-	-	25,803
-	148	55,000	242,140	-	954,102
-	-	-	-	-	(2,235)
<u>25,803</u>	<u>148</u>	<u>55,000</u>	<u>242,140</u>	<u>-</u>	<u>977,670</u>
11,196	148	699	396,411	(412,968)	(217,299)
<u>113,618</u>	<u>(148)</u>	<u>-</u>	<u>-</u>	<u>658,016</u>	<u>1,612,746</u>
<u>\$ 124,814</u>	<u>\$ -</u>	<u>\$ 699</u>	<u>\$ 396,411</u>	<u>\$ 245,048</u>	<u>\$ 1,395,447</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING BALANCE SHEET**  
**Nonmajor Capital Projects Funds**  
**September 30, 2012**

	<b>Roadway Impact Fees</b>	<b>Park Improvement</b>	<b>Certificates of Obligation 2004 Fund</b>
<b>ASSETS</b>			
Cash	\$ 311,212	\$ 23,581	\$ 2,480
Pooled and Temporary Investments	3,004,150	200,620	123,359
Interest Receivable	-	-	-
<b>Total Assets</b>	<b>\$ 3,315,362</b>	<b>\$ 224,201</b>	<b>\$ 125,839</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 62,400	\$ -	\$ 31,870
Accrues Expenses	-	-	-
Overdrafts Payable	-	-	-
<b>Total Liabilities</b>	<b>62,400</b>	<b>-</b>	<b>31,870</b>
<b>Fund Balances</b>			
Restricted	3,252,962	224,201	93,969
<b>Total Fund Balances</b>	<b>3,252,962</b>	<b>224,201</b>	<b>93,969</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,315,362</b>	<b>\$ 224,201</b>	<b>\$ 125,839</b>

Certificates of Obligation 2007 Fund	Certificates of Obligation 2008 Fund	Certificates of Obligation 2009 Fund	Certificates of Obligation 2011 Fund	Total Nonmajor Capital Projects Funds
\$ 12,808	\$ 1,799,226	\$ 5,724	\$ 224,505	\$ 2,379,536
1,915,024	117,719	2,650,830	6,219,536	14,231,238
-	-	-	-	-
<b>\$ 1,927,832</b>	<b>\$ 1,916,945</b>	<b>\$ 2,656,554</b>	<b>\$ 6,444,041</b>	<b>\$ 16,610,774</b>
\$ 43,331	\$ 6,732	\$ -	\$ 555,962	\$ 700,295
-	-	1,888	8,751	10,639
-	-	-	-	-
<b>43,331</b>	<b>6,732</b>	<b>1,888</b>	<b>564,713</b>	<b>710,934</b>
<b>1,884,501</b>	<b>1,910,213</b>	<b>2,654,666</b>	<b>5,879,328</b>	<b>15,899,840</b>
<b>1,884,501</b>	<b>1,910,213</b>	<b>2,654,666</b>	<b>5,879,328</b>	<b>15,899,840</b>
<b>\$ 1,927,832</b>	<b>\$ 1,916,945</b>	<b>\$ 2,656,554</b>	<b>\$ 6,444,041</b>	<b>\$ 16,610,774</b>

**CITY OF NEW BRAUNFELS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**Nonmajor Capital Projects Funds**  
**Year Ended September 30, 2012**

	<b>Roadway Impact Fees</b>	<b>Park Improvement</b>	<b>Certificates of Obligation 2004 Fund</b>
<b>REVENUE</b>			
Taxes	\$ -	\$ -	\$ -
Parks and Recreation	- -	4,200	- -
Interest	2,487	228	328
Miscellaneous	- -	- -	- -
Other Contributions	1,016,237	- -	- -
<b>Total Revenues</b>	<b>1,018,724</b>	<b>4,428</b>	<b>328</b>
<b>EXPENDITURES</b>			
<b>Current</b>			
General Government	- -	- -	- -
Public Safety	28,800	- -	- -
Public Works	60,753	- -	14,743
Parks and Recreation	- -	- -	40,143
<b>Total Expenditures</b>	<b>89,553</b>	<b>- -</b>	<b>54,886</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>929,171</b>	<b>4,428</b>	<b>(54,558)</b>
<b>Net Change in Fund Balance</b>	<b>929,171</b>	<b>4,428</b>	<b>(54,558)</b>
<b>Fund Balance - October 1</b>	<b>2,323,791</b>	<b>219,773</b>	<b>148,527</b>
<b>Fund Balance - September 30</b>	<b>\$ 3,252,962</b>	<b>\$ 224,201</b>	<b>\$ 93,969</b>

Certificates of Obligation 2007 Fund	Certificates of Obligation 2008 Fund	Certificates of Obligation 2009 Fund	Certificates of Obligation 2011 Fund	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	4,200
2,601	2,679	4,359	22,807	35,489
115,156	3,000	-	37,620	155,776
-	-	-	-	1,016,237
<u>117,757</u>	<u>5,679</u>	<u>4,359</u>	<u>60,427</u>	<u>1,211,702</u>
-	-	44,798	173,861	218,659
88,218	-	1,813,398	-	1,930,416
70,728	844,005	48,931	5,496,799	6,535,959
965,805	193,000	27,921	129,654	1,356,523
<u>1,124,751</u>	<u>1,037,005</u>	<u>1,935,048</u>	<u>5,800,314</u>	<u>10,041,557</u>
<u>(1,006,994)</u>	<u>(1,031,326)</u>	<u>(1,930,689)</u>	<u>(5,739,887)</u>	<u>(8,829,855)</u>
(1,006,994)	(1,031,326)	(1,930,689)	(5,739,887)	(8,829,855)
<u>2,891,495</u>	<u>2,941,539</u>	<u>4,585,355</u>	<u>11,619,215</u>	<u>24,729,695</u>
<u>\$ 1,884,501</u>	<u>\$ 1,910,213</u>	<u>\$ 2,654,666</u>	<u>\$ 5,879,328</u>	<u>\$ 15,899,840</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**Year Ended September 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP Basis</b>	<b>with Final Budget</b>
<b>REVENUE</b>				
Ad valorem Taxes	\$ 7,347,587	\$ 7,347,587	\$ 7,260,056	\$ (87,531)
Interest	500	500	1,055	555
Other Contributions	990,448	990,448	990,448	-
<b>Total Revenues</b>	<b>8,338,535</b>	<b>8,338,535</b>	<b>8,251,559</b>	<b>(86,976)</b>
<b>EXPENDITURES</b>				
<b>Debt Service:</b>				
Principal	4,715,000	4,715,000	4,715,000	-
Interest	3,972,012	3,972,012	3,961,011	11,001
Bond Issuance Costs and Fees	-	-	3,050	(3,050)
<b>Total Expenditures</b>	<b>8,687,012</b>	<b>8,687,012</b>	<b>8,679,061</b>	<b>7,951</b>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	<b>(348,477)</b>	<b>(348,477)</b>	<b>(427,502)</b>	<b>(79,025)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	612,598	612,598	612,958	360
<b>Total Other Financing Sources (Uses)</b>	<b>612,598</b>	<b>612,598</b>	<b>612,958</b>	<b>360</b>
<b>Net Change in Fund Balance</b>	<b>264,121</b>	<b>264,121</b>	<b>185,456</b>	<b>(78,665)</b>
<b>Fund Balance - October 1</b>	<b>600,519</b>	<b>600,519</b>	<b>600,519</b>	<b>-</b>
<b>Fund Balance - September 30</b>	<b>\$ 864,640</b>	<b>\$ 864,640</b>	<b>\$ 785,975</b>	<b>\$ (78,665)</b>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COMMUNITY DEVELOPMENT BLOCK GRANT**  
**Year Ended September 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP Basis</b>	<b>with Final Budget</b>
<b>REVENUE</b>				
Federal Grants	\$ 496,557	\$ 496,557	\$ 226,545	\$ (270,012)
Total Revenues	<u>496,557</u>	<u>496,557</u>	<u>226,545</u>	<u>(270,012)</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
Planning and Environmental Devel.-Operations	-	-	226,545	(226,545)
Total Expenditures	<u>-</u>	<u>-</u>	<u>226,545</u>	<u>(226,545)</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	496,557	496,557	-	(496,557)
<b>Fund Balance - October 1</b>	<u>813</u>	<u>813</u>	<u>813</u>	<u>-</u>
<b>Fund Balance - September 30</b>	<u>\$ 497,370</u>	<u>\$ 497,370</u>	<u>\$ 813</u>	<u>\$ (496,557)</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GRANTS FUND**  
**Year Ended September 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP Basis</b>	<b>with Final Budget</b>
<b>REVENUE</b>				
Federal Grants	\$ -	\$ -	\$ 40,542	\$ 40,542
State and Local Grants	1,486,934	1,486,934	(45,164)	(1,532,098)
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>1,486,934</b>	<b>1,486,934</b>	<b>(4,622)</b>	<b>(1,491,556)</b>
<b>EXPENDITURES</b>				
Planning and Environmental Development				
Operations	-	-	1,992	(1,992)
Public Safety	-	-	26,074	(26,074)
Employee	-	-	26,204	(26,204)
Operations	-	-	13,232	(13,232)
Capital	-	-	65,510	(65,510)
Parks and Recreation	-	-	1,429	(1,429)
Employee	-	-	3,603	(3,603)
Capital	-	-	5,032	(5,032)
Library	-	-	188	(188)
Employee	-	-	16,403	(16,403)
Operations	-	-	16,591	(16,591)
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>89,125</b>	<b>(89,125)</b>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	<b>1,486,934</b>	<b>1,486,934</b>	<b>(93,747)</b>	<b>(1,580,681)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	61,748	61,748
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>61,748</b>	<b>61,748</b>
<b>Net Change in Fund Balance</b>	<b>1,486,934</b>	<b>1,486,934</b>	<b>(31,999)</b>	<b>(1,518,933)</b>
<b>Fund Balance - October 1</b>	<b>12,442</b>	<b>12,442</b>	<b>12,442</b>	<b>-</b>
<b>Fund Balance - September 30</b>	<b>\$ 1,499,376</b>	<b>\$ 1,499,376</b>	<b>\$ (19,557)</b>	<b>\$ (1,518,933)</b>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SPECIAL REVENUE DONATIONS FUND**  
**Year Ended September 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP</b>	<b>with Final</b>
			<b>Basis</b>	<b>Budget</b>
<b>REVENUE</b>				
Interest	\$ -	\$ -	\$ -	\$ -
State and Local Grants	23,500	23,500	-	(23,500)
Other Contributions	95,000	95,000	96,661	1,661
Miscellaneous	-	-	67,310	67,310
<b>Total Revenues</b>	<b>118,500</b>	<b>118,500</b>	<b>163,971</b>	<b>45,471</b>
<b>EXPENDITURES</b>				
General Government-Operations	-	-	1,089	(1,089)
Public Safety				
Operations	40,000	40,000	41,468	(1,468)
Capital	-	-	29,184	(29,184)
	<b>40,000</b>	<b>40,000</b>	<b>70,652</b>	<b>(30,652)</b>
Parks and Recreation-Operations	20,000	20,000	4,254	15,746
Library-Operations	35,000	35,000	58,155	(23,155)
Airport-Operations	5,000	5,000	-	5,000
<b>Total Expenditures</b>	<b>100,000</b>	<b>100,000</b>	<b>134,150</b>	<b>(34,150)</b>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	<b>18,500</b>	<b>18,500</b>	<b>29,821</b>	<b>11,321</b>
<b>Fund Balance - October 1</b>	<b>103,052</b>	<b>103,052</b>	<b>103,052</b>	<b>-</b>
<b>Fund Balance - September 30</b>	<b>\$ 121,552</b>	<b>\$ 121,552</b>	<b>\$ 132,873</b>	<b>\$ 11,321</b>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**RIVER FUND**  
**Year Ended September 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP Basis</b>	<b>with Final Budget</b>
<b>REVENUE</b>				
Licenses and Permits	\$ 5,600	\$ 5,600	\$ 5,366	\$ (234)
Fines and Forfeitures	130,000	149,000	170,547	21,547
Parks and Recreation	330,000	330,000	186,595	(143,405)
Total Revenues	<u>465,600</u>	<u>484,600</u>	<u>362,508</u>	<u>(122,092)</u>
<b>EXPENDITURES</b>				
Public Safety				
Employee	610,928	610,928	516,556	94,372
Operations	8,000	8,000	2,147	5,853
	<u>618,928</u>	<u>618,928</u>	<u>518,703</u>	<u>100,225</u>
Parks and Recreation				
Employee	195,590	476,090	240,499	235,591
Operations	236,035	292,535	188,157	104,378
	<u>431,625</u>	<u>768,625</u>	<u>428,656</u>	<u>339,969</u>
Total Expenditures	<u>1,050,553</u>	<u>1,387,553</u>	<u>947,359</u>	<u>440,194</u>
Excess (Deficiency) of Revenue over Expenditures	(584,953)	(902,953)	(584,851)	318,102
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	584,953	902,953	587,087	(315,866)
Transfers Out	-	-	(2,235)	(2,235)
Total Other Financing Sources (Uses)	<u>584,953</u>	<u>902,953</u>	<u>584,852</u>	<u>(318,101)</u>
Net Change in Fund Balance	-	-	1	1
Fund Balance - October 1	<u>995</u>	<u>995</u>	<u>995</u>	<u>-</u>
Fund Balance - September 30	<u>\$ 995</u>	<u>\$ 995</u>	<u>\$ 996</u>	<u>\$ 1</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COURT SECURITY FUND**  
**Year Ended September 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP</b>	<b>with Final</b>
			<b>Basis</b>	<b>Budget</b>
<b>REVENUE</b>				
Fines and Forfeitures	\$ 31,200	\$ 31,200	\$ 19,733	\$ (11,467)
Miscellaneous	-	-	371	371
<b>Total Revenues</b>	<b>31,200</b>	<b>31,200</b>	<b>20,104</b>	<b>(11,096)</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General Government-Employee	40,354	40,354	39,203	1,151
<b>Total Expenditures</b>	<b>40,354</b>	<b>40,354</b>	<b>39,203</b>	<b>1,151</b>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	<b>(9,154)</b>	<b>(9,154)</b>	<b>(19,099)</b>	<b>(9,945)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	7,979	7,979
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>7,979</b>	<b>7,979</b>
<b>Net Change in Fund Balance</b>	<b>(9,154)</b>	<b>(9,154)</b>	<b>(11,120)</b>	<b>(1,966)</b>
<b>Fund Balance - October 1</b>	<b>11,219</b>	<b>11,219</b>	<b>11,219</b>	<b>-</b>
<b>Fund Balance (Deficit) - September 30</b>	<b>\$ 2,065</b>	<b>\$ 2,065</b>	<b>\$ 99</b>	<b>\$ (1,966)</b>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**JUDICIAL EFFICIENCY FUND**  
**Year Ended September 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual GAAP Basis</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUE</b>				
Fines and Forfeitures	\$ 3,000	\$ 3,000	\$ 3,751	\$ 751
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>3,751</u>	<u>751</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
Public Safety-Operations	8,000	8,000	-	8,000
Total Expenditures	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>				
	(5,000)	(5,000)	3,751	8,751
<b>Fund Balance - October 1</b>	<u>6,609</u>	<u>6,609</u>	<u>6,609</u>	<u>-</u>
<b>Fund Balance - September 30</b>	<u><u>\$ 1,609</u></u>	<u><u>\$ 1,609</u></u>	<u><u>\$ 10,360</u></u>	<u><u>\$ 8,751</u></u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COURT TECHNOLOGY FUND**  
**Year Ended September 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual GAAP Basis</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUE</b>				
Fines and Forfeitures	\$ 45,000	\$ 45,000	\$ 26,480	\$ (18,520)
Total Revenues	<u>45,000</u>	<u>45,000</u>	<u>26,480</u>	<u>(18,520)</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
Public Safety-Operations	62,000	62,000	36,444	25,556
Total Expenditures	<u>62,000</u>	<u>62,000</u>	<u>36,444</u>	<u>25,556</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	(17,000)	(17,000)	(9,964)	7,036
<b>Fund Balance - October 1</b>	<u>26,808</u>	<u>26,808</u>	<u>26,808</u>	<u>-</u>
<b>Fund Balance - September 30</b>	<u>\$ 9,808</u>	<u>\$ 9,808</u>	<u>\$ 16,844</u>	<u>\$ 7,036</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**CHILD SAFETY FUND**  
**Year Ended September 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual GAAP Basis</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUE</b>				
Fines and Forfeitures	\$ 15,000	\$ 15,000	\$ 9,226	\$ (5,774)
Interest	-	-	53	53
State and Local Grants	77,500	77,500	102,374	24,874
Miscellaneous	-	-	630	630
<b>Total Revenues</b>	<b>92,500</b>	<b>92,500</b>	<b>112,283</b>	<b>19,783</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
Public Safety				
Employee	77,239	77,239	56,226	21,013
Operations	60,000	60,000	13,321	46,679
<b>Total Expenditures</b>	<b>137,239</b>	<b>137,239</b>	<b>69,547</b>	<b>67,692</b>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	<b>(44,739)</b>	<b>(44,739)</b>	<b>42,736</b>	<b>87,475</b>
<b>Fund Balance - October 1</b>	<b>98,654</b>	<b>98,654</b>	<b>98,654</b>	<b>-</b>
<b>Fund Balance - September 30</b>	<b>\$ 53,915</b>	<b>\$ 53,915</b>	<b>\$ 141,390</b>	<b>\$ 87,475</b>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**STORMWATER DEVELOPMENT FUND**  
**Year Ended September 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual GAAP Basis</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUE</b>				
Interest	\$ -	\$ -	\$ 80	\$ 80
Charges and Fees	35,000	35,000	-	(35,000)
Total Revenues	<u>35,000</u>	<u>35,000</u>	<u>80</u>	<u>(34,920)</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
Public Works				
Operations	30,000	30,000	20,703	9,297
Capital	80,000	80,000	47,333	32,667
Total Expenditures	<u>110,000</u>	<u>110,000</u>	<u>68,036</u>	<u>41,964</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	<b>(75,000)</b>	<b>(75,000)</b>	<b>(67,956)</b>	<b>7,044</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<b>(75,000)</b>	<b>(75,000)</b>	<b>(67,956)</b>	<b>7,044</b>
<b>Fund Balance - October 1</b>	<b><u>94,591</u></b>	<b><u>94,591</u></b>	<b><u>94,591</u></b>	<b><u>-</u></b>
<b>Fund Balance - September 30</b>	<b><u>\$ 19,591</u></b>	<b><u>\$ 19,591</u></b>	<b><u>\$ 26,635</u></b>	<b><u>\$ 7,044</u></b>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**JUVENILE CASE MANAGEMENT FUND**  
**Year Ended September 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP</b>	<b>with Final</b>
			<b>Basis</b>	<b>Budget</b>
<b>REVENUE</b>				
Fines and Forfeitures	\$ 49,200	\$ 49,200	\$ 32,837	\$ (16,363)
Interest	-	-	143	143
<b>Total Revenues</b>	<b><u>49,200</u></b>	<b><u>49,200</u></b>	<b><u>32,980</u></b>	<b><u>(16,220)</u></b>
<b>EXPENDITURES</b>				
<b>Current</b>				
Public Safety				
Employee	44,009	44,009	44,009	-
Operations	<u>10,000</u>	<u>10,000</u>	<u>532</u>	<u>9,468</u>
<b>Total Expenditures</b>	<b><u>54,009</u></b>	<b><u>54,009</u></b>	<b><u>44,541</u></b>	<b><u>9,468</u></b>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	<b>(4,809)</b>	<b>(4,809)</b>	<b>(11,561)</b>	<b>(6,752)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Net Change in Fund Balance</b>	<b>(4,809)</b>	<b>(4,809)</b>	<b>(11,561)</b>	<b>(6,752)</b>
<b>Fund Balance - October 1</b>	<b><u>172,337</u></b>	<b><u>172,337</u></b>	<b><u>172,337</u></b>	<b><u>-</u></b>
<b>Fund Balance - September 30</b>	<b><u>\$ 167,528</u></b>	<b><u>\$ 167,528</u></b>	<b><u>\$ 160,776</u></b>	<b><u>\$ (6,752)</u></b>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FAUST LIBRARY FUND**  
**Year Ended September 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
	<b>Basis</b>	<b>Basis</b>	<b>Basis</b>	<b>Budget</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
Library-Operations	34,441	34,441	34,440	1
Total Expenditures	<u>34,441</u>	<u>34,441</u>	<u>34,440</u>	<u>1</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>				
	(34,441)	(34,441)	(34,440)	1
<b>Fund Balance - October 1</b>	<u>34,441</u>	<u>34,441</u>	<u>34,441</u>	<u>-</u>
<b>Fund Balance - September 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FEDERAL COURT AWARDS FUND**  
**Year Ended September 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP Basis</b>	<b>with Final Budget</b>
<b>REVENUE</b>				
Interest	\$ -	\$ -	\$ 281	\$ 281
Miscellaneous	- -	- -	57,527	57,527
Total Revenues	<u>-</u>	<u>-</u>	<u>57,808</u>	<u>57,808</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
Public Safety-Operations	- -	278,500	179,862	98,638
Total Expenditures	<u>-</u>	<u>278,500</u>	<u>179,862</u>	<u>98,638</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	- -	(278,500)	(122,054)	156,446
<b>Fund Balance - October 1</b>	<u>279,299</u>	<u>279,299</u>	<u>279,299</u>	<u>-</u>
<b>Fund Balance - September 30</b>	<u>\$ 279,299</u>	<u>\$ 799</u>	<u>\$ 157,245</u>	<u>\$ 156,446</u>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**NON-FEDERAL COURT AWARDS FUND**  
**Year Ended September 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP Basis</b>	<b>with Final Budget</b>
<b>REVENUE</b>				
Interest	\$ -	\$ -	\$ 45	\$ 45
Miscellaneous	-	-	23,780	23,780
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>23,825</b>	<b>23,825</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
Public Safety-Operations	-	70,500	38,432	32,068
<b>Total Expenditures</b>	<b>-</b>	<b>70,500</b>	<b>38,432</b>	<b>32,068</b>
<b>Excess (Deficiency) of Revenue over Expenditures</b>		(70,500)	(14,607)	55,893
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	-	25,803	25,803
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>25,803</b>	<b>25,803</b>
<b>Net Change in Fund Balance</b>		(70,500)	11,196	81,696
<b>Fund Balance - October 1</b>	<b>113,618</b>	<b>113,618</b>	<b>113,618</b>	<b>-</b>
<b>Fund Balance - September 30</b>	<b>\$ 113,618</b>	<b>\$ 43,118</b>	<b>\$ 124,814</b>	<b>\$ 81,696</b>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ECONOMIC INCENTIVE FUND**  
**Year Ended September 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP Basis</b>	<b>with Final Budget</b>
<b>REVENUE</b>				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
<b>Current</b>				
Public Safety-Operations	-	-	-	-
Total Expenditures	-	-	-	-
<b>Excess (Deficiency) of Revenue over Expenditures</b>	-	-	-	-
<b>Other Financing Sources and Uses</b>				
Transfer In	-	-	148	148
<b>Fund Balance - October 1</b>	<b>(148)</b>	<b>(148)</b>	<b>(148)</b>	<b>-</b>
<b>Fund Balance - September 30</b>	<b>\$ (148)</b>	<b>\$ (148)</b>	<b>\$ -</b>	<b>\$ 148</b>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDWARDS AQUIFER HCP FUND**  
**Year Ended September 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual GAAP Basis</b>	<b>Variance with Final Budget</b>		
	<b>Original</b>	<b>Final</b>				
<b>EXPENDITURES</b>						
<b>Current</b>						
Public Works-Operations	\$ 55,000	\$ 55,000	\$ 54,301	\$ (699)		
Total Expenditures	<u>55,000</u>	<u>55,000</u>	<u>54,301</u>	<u>(699)</u>		
<b>Excess (Deficiency) of Revenue over Expenditures</b>						
	(55,000)	(55,000)	(54,301)	699		
<b>Other Financing Sources and Uses</b>						
Transfer In	55,000	55,000	55,000	-		
<b>Fund Balance - October 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
<b>Fund Balance - September 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 699</u>	<u>\$ 699</u>		

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**CABLE FRANCHISE PEG FUND**  
**Year Ended September 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP Basis</b>	<b>with Final Budget</b>
<b>REVENUE</b>				
Franchise Taxes	\$ 140,000	\$ 140,000	\$ 154,437	\$ 14,437
Total Revenues	<u>140,000</u>	<u>140,000</u>	<u>154,437</u>	<u>14,437</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
General Government				
Operations	200,000	200,000	166	199,834
Capital	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total Expenditures	<u>300,000</u>	<u>300,000</u>	<u>166</u>	<u>299,834</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	<b>(160,000)</b>	<b>(160,000)</b>	<b>154,271</b>	<b>314,271</b>
<b>Other Financing Sources and Uses</b>				
Transfer In	265,000	265,000	242,140	(22,860)
<b>Fund Balance - October 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - September 30</b>	<b><u>\$ 105,000</u></b>	<b><u>\$ 105,000</u></b>	<b><u>\$ 396,411</u></b>	<b><u>\$ 291,411</u></b>

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**CREEKSIDE TOWN CENTER FUND**  
**Year Ended September 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual</b>		<b>Variance with Final Budget</b>
			<b>Original</b>	<b>Final</b>	
				<b>GAAP Basis</b>	
<b>REVENUE</b>					
Ad valorem Taxes	\$ 270,800	\$ 270,800	\$ 320,677	\$ 320,677	\$ 49,877
Sales Tax	420,000	420,000	498,108	498,108	78,108
Interest	500	500	-	-	(500)
Total Revenues	<u>691,300</u>	<u>691,300</u>	<u>818,785</u>	<u>818,785</u>	<u>127,485</u>
<b>EXPENDITURES</b>					
<b>Current</b>					
General Government-Operations	-	-	1,231,753	1,231,753	(1,231,753)
Total Expenditures	<u>-</u>	<u>-</u>	<u>1,231,753</u>	<u>1,231,753</u>	<u>(1,231,753)</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	<b>691,300</b>	<b>691,300</b>	<b>(412,968)</b>	<b>(412,968)</b>	<b>(1,104,268)</b>
<b>Fund Balance - October 1</b>	<b>658,016</b>	<b>658,016</b>	<b>658,016</b>	<b>658,016</b>	<b>-</b>
<b>Fund Balance - September 30</b>	<b><u>\$ 1,349,316</u></b>	<b><u>\$ 1,349,316</u></b>	<b><u>\$ 245,048</u></b>	<b><u>\$ (1,104,268)</u></b>	

**CITY OF NEW BRAUNFELS, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**CEMETERY PERPETUAL CARE**  
**Year Ended September 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
			<b>GAAP</b>	<b>with Final</b>
<b>REVENUE</b>				
Licenses and Permits	\$ 2,000	\$ 2,000	\$ 625	\$ (1,375)
Interest	-	-	131	131
<b>Total Revenues</b>	<b>2,000</b>	<b>2,000</b>	<b>756</b>	<b>(1,244)</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
Parks and Recreation	120,000	120,000	47,862	72,138
<b>Total Expenditures</b>	<b>120,000</b>	<b>120,000</b>	<b>47,862</b>	<b>72,138</b>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	<b>(118,000)</b>	<b>(118,000)</b>	<b>(47,106)</b>	<b>70,894</b>
<b>Fund Balance - October 1</b>	<b>134,950</b>	<b>134,950</b>	<b>134,950</b>	<b>-</b>
<b>Fund Balance - September 30</b>	<b>\$ 16,950</b>	<b>\$ 16,950</b>	<b>\$ 87,844</b>	<b>\$ 70,894</b>

## STATISTICAL SECTION

## STATISTICAL SECTION

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

Contents	Page
Financial Trends	79
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	86
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, property tax revenues.</i>	
Debt Capacity	91
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	95
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	98
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the service the government provides and the activities it performs.</i>	

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

Table 1

**CITY OF NEW BRAUNFELS, TEXAS**  
**Net Assets by Component**  
**Last Eight Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<b>Fiscal Year</b>							
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Governmental activities</b>								
Invested in Capital Assets, net of Related Debt	\$ 25,698	\$ 19,682	\$ 16,701	\$ 28,406	\$ 24,535	\$ 25,853	\$ 26,047	\$ 25,891
Restricted	3,149	30,529	17,170	8,705	5,001	3,834	4,571	5,198
Unrestricted	17,607	5,562	25,817	23,302	27,138	23,972	22,021	15,326
Total Governmental Activities net Assets	<u>\$ 46,454</u>	<u>\$ 55,773</u>	<u>\$ 59,688</u>	<u>\$ 60,413</u>	<u>\$ 56,674</u>	<u>\$ 53,659</u>	<u>\$ 52,639</u>	<u>\$ 46,415</u>
<b>Business-type activities</b>								
Invested in Capital Assets, net of Related Debt	\$ 4,772	\$ 6,330	\$ 8,620	\$ 8,716	\$ 8,414	\$ 7,940	\$ 6,951	\$ 8,200
Restricted	-	-	-	-	-	-	-	-
Unrestricted	3,585	3,860	3,363	2,251	3,103	2,151	1,235	1,930
Total Business-type Activities net Assets	<u>\$ 8,357</u>	<u>\$ 10,190</u>	<u>\$ 11,983</u>	<u>\$ 10,967</u>	<u>\$ 11,517</u>	<u>\$ 10,091</u>	<u>\$ 8,186</u>	<u>\$ 10,130</u>
<b>Primary government</b>								
Invested in Capital Assets, net of Related Debt	\$ 30,470	\$ 26,012	\$ 25,321	\$ 37,122	\$ 32,949	\$ 33,793	\$ 32,998	\$ 34,091
Restricted	3,149	30,529	17,170	8,705	5,001	3,834	4,571	5,198
Unrestricted	21,192	9,422	29,180	25,553	30,241	26,123	23,256	17,256
Total Primary Government net Assets	<u>\$ 54,811</u>	<u>\$ 65,963</u>	<u>\$ 71,671</u>	<u>\$ 71,380</u>	<u>\$ 68,191</u>	<u>\$ 63,750</u>	<u>\$ 60,825</u>	<u>\$ 56,545</u>

Source: City financial statements

**CITY OF NEW BRAUNFELS, TEXAS**  
**Changes in Net Assets**  
**Last Eight Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

**Expenses****Governmental Activities:**

	<b>Fiscal Year</b>							
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
General Government	\$ 2,886	\$ 2,668	\$ 5,048	\$ 5,992	\$ 6,016	\$ 5,409	\$ 7,918	\$ 9,416
Finance and Tax	1,104	836	949	1,285	1,011	966	912	1,050
Planning and Environmental Development	1,468	1,671	2,656	2,468	2,896	2,861	3,350	2,816
Public Safety	15,877	18,071	19,107	22,472	25,901	27,303	28,515	31,810
Public Works	2,433	3,557	4,050	5,116	6,460	6,631	6,675	8,179
Parks and Recreation	2,855	3,017	3,661	4,042	4,538	5,321	5,069	5,995
Library	1,117	1,440	1,529	1,717	1,860	1,769	1,836	1,954
Civic/Convention Center	245	399	713	1,185	-	-	-	-
Housing Assistance Payments	-	38	-	-	-	-	-	-
Airport	-	-	-	-	15	249	9	-
Contributions	-	-	-	-	-	-	-	-
Interest on Long-term Debt	1,604	1,547	1,639	2,610	3,181	3,552	3,184	4,214
<b>Total Governmental Activities Expenses</b>	<b>29,589</b>	<b>33,244</b>	<b>39,352</b>	<b>46,887</b>	<b>51,878</b>	<b>54,061</b>	<b>57,468</b>	<b>65,434</b>

**Business-type Activities:**

Airport	1,000	1,234	1,093	1,458	1,134	1,730	1,968	2,174
Solid Waste	3,768	4,102	4,846	5,433	5,552	6,389	5,506	5,167
Golf Course	823	923	916	924	888	884	979	1,015
Civic/Convention Center	-	-	-	-	656	752	746	730
<b>Total Business-type Activities Expenses</b>	<b>5,591</b>	<b>6,259</b>	<b>6,855</b>	<b>7,815</b>	<b>8,230</b>	<b>9,755</b>	<b>9,199</b>	<b>9,086</b>

**Total Primary Government Expenses**

<b>\$ 35,180</b>	<b>\$ 39,503</b>	<b>\$ 46,207</b>	<b>\$ 54,702</b>	<b>\$ 60,108</b>	<b>\$ 63,816</b>	<b>\$ 66,667</b>	<b>\$ 74,520</b>
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Table 2

**CITY OF NEW BRAUNFELS, TEXAS**  
**Changes in Net Assets**  
**Last Eight Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<b>Fiscal Year</b>							
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Program Revenues</b>								
Governmental Activities:								
Charges for Services:								
General Government	\$ 167	\$ 430	\$ 150	\$ 95	\$ 155	\$ 158	\$ 260	\$ 165
Finance and Tax	-	1,984	-	-	-	-	-	-
Planning and Environmental Development	1,662	2,904	2,197	2,269	1,967	2,000	2,385	2,988
Public Safety	2,618	252	2,362	2,827	4,477	4,245	4,684	3,822
Public Works	16	1,052	602	656	620	295	222	1,141
Parks and Recreation	839	81	1,162	1,337	1,375	1,181	1,352	1,386
Library	90	-	82	90	103	137	177	98
Facilities Maintenance	-	71	-	-	-	-	-	-
Civic/Convention Center	58	-	58	179	-	-	-	-
Operating Grants and Contributions	487	632	1,803	1,531	1,739	1,874	2,760	1,366
Capital Grants and Contributions	-	626	490	801	701	837	1,555	2,072
<b>Total Governmental Activities Program Revenues</b>	<b>5,937</b>	<b>8,032</b>	<b>8,906</b>	<b>9,785</b>	<b>11,137</b>	<b>10,727</b>	<b>13,395</b>	<b>13,038</b>
Business-type Activities:								
Charges for Services:								
Airport	668	918	841	1,028	783	1,361	1,406	1,667
Solid Waste	5,009	5,351	5,259	5,046	5,690	5,855	6,415	7,020
Golf Course	843	910	890	1,056	1,103	867	957	975
Civic/Convention Center	-	-	-	-	224	291	321	279
Operating Grants and Contributions	154	-	-	-	-	-	71	50
Capital Grants and Contributions	-	77	9	87	650	955	223	2,224
<b>Total Business-type Activities Program Revenues</b>	<b>6,674</b>	<b>7,256</b>	<b>6,999</b>	<b>7,217</b>	<b>8,450</b>	<b>9,329</b>	<b>9,393</b>	<b>12,215</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 12,611</b>	<b>\$ 15,288</b>	<b>\$ 15,905</b>	<b>\$ 17,002</b>	<b>\$ 19,587</b>	<b>\$ 20,056</b>	<b>\$ 22,788</b>	<b>\$ 25,253</b>
Net (Expense) Revenue								
Governmental Activities	\$ (23,652)	\$ (25,212)	\$ (30,446)	\$ (37,102)	\$ (40,741)	\$ (43,334)	\$ (44,073)	\$ (52,396)
Business-type Activities	1,083	997	144	(598)	220	(426)	194	3,129
<b>Total Primary Government net Expense</b>	<b>\$ (22,569)</b>	<b>\$ (24,215)</b>	<b>\$ (30,302)</b>	<b>\$ (37,700)</b>	<b>\$ (40,521)</b>	<b>\$ (43,760)</b>	<b>\$ (43,879)</b>	<b>\$ (49,267)</b>

Table 2

**CITY OF NEW BRAUNFELS, TEXAS**  
**Changes in Net Assets**  
**Last Eight Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

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

Governmental Activities:

Taxes

	<b>Fiscal Year</b>							
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Property Taxes, Levied for General Purposes	\$ 7,319	\$ 9,154	\$ 9,800	\$ 9,809	\$ 10,781	\$ 10,838	\$ 10,340	\$ 10,578
Property Taxes, Levied for Debt Service	2,890	1,382	2,385	3,774	4,688	4,992	5,698	7,260
Sales Tax	8,580	10,315	11,200	11,974	11,858	12,562	13,457	14,665
Hotel/Motel Occupancy Taxes	2,563	2,747	2,096	2,346	2,155	2,486	2,615	3,118
Franchise Taxes	4,792	5,320	6,125	5,869	6,351	6,986	7,448	7,694
Mixed Beverages				190	193	220	232	211
Investment Income	1,404	2,618	3,314	2,544	740	189	114	155
Other Contributions		2	26	20	183	343	205	171
Miscellaneous	436	169	545	775	357	643	817	1,051
Transfers	753	2,824	(2,827)	699	(304)	1,015	2,127	1,269
<b>Total Governmental Activities</b>	<b>28,737</b>	<b>34,531</b>	<b>32,664</b>	<b>38,000</b>	<b>37,002</b>	<b>40,274</b>	<b>43,053</b>	<b>46,172</b>

Business-type Activities:

Investment Income	98	172	199	109	30	14	3	2
Miscellaneous Income	-	-	-	-	-	-	25	82
Transfers	(48)	664	2,827	(699)	304	(1,015)	(2,127)	(1,269)
<b>Total Business-type Activities</b>	<b>50</b>	<b>836</b>	<b>3,026</b>	<b>(590)</b>	<b>334</b>	<b>(1,001)</b>	<b>(2,099)</b>	<b>(1,185)</b>
<b>Total Primary Government</b>	<b>\$ 28,787</b>	<b>\$ 35,367</b>	<b>\$ 35,690</b>	<b>\$ 37,410</b>	<b>\$ 37,336</b>	<b>\$ 39,273</b>	<b>\$ 40,954</b>	<b>\$ 44,987</b>

**Change in Net Assets**

Governmental Activities	\$ 5,085	\$ 9,319	\$ 2,218	\$ 898	\$ (3,739)	\$ (3,060)	\$ (1,020)	\$ (6,224)
Business-type Activities	1,133	1,833	3,170	(1,188)	554	(1,427)	(1,905)	1,944
<b>Total Primary Government</b>	<b>\$ 6,218</b>	<b>\$ 11,152</b>	<b>\$ 5,388</b>	<b>\$ (290)</b>	<b>\$ (3,185)</b>	<b>\$ (4,487)</b>	<b>\$ (2,925)</b>	<b>\$ (4,280)</b>

Source: Statement of Activities from City CAFRs

Table 3

**CITY OF NEW BRAUNFELS, TEXAS**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<b>Fiscal Year</b>									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Fund</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 1
Assigned	-	-	-	-	1,507	560	258	267	9,318	7,611
Unassigned	14,272	15,393	17,794	22,185	23,647	21,461	23,260	26,139	18,291	16,838
<b>Total General Fund</b>	<b>\$ 14,272</b>	<b>\$ 15,393</b>	<b>\$ 17,794</b>	<b>\$ 22,185</b>	<b>\$ 25,154</b>	<b>\$ 22,021</b>	<b>\$ 23,518</b>	<b>\$ 26,406</b>	<b>\$ 27,611</b>	<b>\$ 24,450</b>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135	\$ 88
Restricted	-	-	-	-	-	39,619	30,361	2,586	27,222	36,789
Committed	-	-	-	-	-	-	-	-	104	531
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned, Reported in:										
Debt Service Fund	244	1,178	1,213	1,423	2,473	2,504	1,725	679	-	-
Hotel/Motel Tax Fund	-	992	1,427	311	174	224	203	443	-	-
Special Revenue Funds (Deficit)	2,354	2,630	2,629	2,151	1,344	1,257	312	598	-	(20)
Permanent Fund	-	-	-	-	192	198	144	146	-	-
Capital Project Funds (Deficit)	(305)	30,997	29,894	28,185	42,210	621	1,381	15,350	-	(2,014)
<b>Total All Other Governmental Funds</b>	<b>\$ 2,293</b>	<b>\$ 35,797</b>	<b>\$ 35,163</b>	<b>\$ 32,070</b>	<b>\$ 46,393</b>	<b>\$ 44,423</b>	<b>\$ 34,126</b>	<b>\$ 19,802</b>	<b>\$ 27,461</b>	<b>\$ 35,374</b>

Source: Statements of Revenues, Expenditures and Changes in Fund balances - Governmental Funds tables in City CAFRs

Note: In 2003, the City changed its fiscal year from July 1 through June 30 to October 1 through September 30

Table 4

**CITY OF NEW BRAUNFELS, TEXAS**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<b>Fiscal Year</b>									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Taxes and Transfers	\$ 19,170	\$ 21,846	\$ 26,057	\$ 28,918	\$ 31,515	\$ 33,898	\$ 35,823	\$ 38,778	\$ 39,841	\$ 43,365
Licenses and Permits	1,145	1,459	1,731	2,061	1,705	1,792	1,542	1,490	1,693	2,340
Charges for Services	395	799	1,492	1,594	2,278	2,484	3,377	3,001	3,857	3,946
Fines and Forfeitures	788	927	1,132	1,318	931	1,168	1,191	1,465	1,845	1,233
Parks and Recreation	420	623	838	1,294	1,130	1,491	1,384	1,180	1,358	1,062
Interest	273	226	1,359	2,573	3,267	2,511	715	185	114	302
Federal Grants	2,056	1,677	402	1,022	800	306	385	635	1,137	267
State and Local Grants	-	-	-	134	214	223	260	207	554	57
Other Contributions	99	35	-	86	1,257	1,669	1,830	2,067	1,773	2,166
Miscellaneous	1,187	591	748	442	843	1,255	1,467	830	1,073	1,031
Charges and Fees	-	-	30	252	-	-	-	-	-	-
Total Revenues	25,533	28,183	33,789	39,694	43,940	46,797	47,974	49,838	53,245	55,769
<b>Expenditures</b>										
General Government	2,753	1,672	3,397	3,401	5,783	5,952	5,200	5,183	6,764	8,312
Finance and Tax	565	591	651	760	859	1,171	862	811	742	870
Planning and Environmental Devel.	1,200	1,670	1,321	1,671	2,438	2,391	2,511	2,463	2,959	2,335
Public Safety	11,891	13,362	15,131	18,192	18,122	25,919	23,176	22,631	26,137	34,934
Public Works	3,523	3,874	2,761	3,066	7,532	16,751	20,670	13,566	13,742	10,112
Parks and Recreation	2,104	2,434	3,072	3,218	5,690	4,812	5,713	6,395	4,953	5,907
Library	3,028	3,394	1,006	1,399	1,369	1,551	1,645	1,560	1,602	1,608
Facilities Maintenance	-	-	296	346	229	260	1,493	-	-	-
Civic/Convention Center	-	-	269	259	7,374	4,458	-	-	-	-
Contributions	-	1,114	-	-	-	-	-	-	-	-
Housing Assistance Payments	-	-	-	38	-	-	-	-	-	-
Airport	-	-	-	-	112	-	15	249	9	-
Capital Projects	-	-	1,154	6,980	-	-	-	-	-	-

Table 4

**CITY OF NEW BRAUNFELS, TEXAS**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Debt Service</b>										
Principal	\$ 850	\$ 905	\$ 1,234	\$ 343	\$ 1,390	\$ 2,805	\$ 3,575	\$ 4,000	\$ 4,140	4,715
Interest	302	391	1,430	1,547	1,529	2,540	3,182	3,513	3,222	3,961
Other Charges	1	422	2	1	542	243	151	3	107	249
<b>Total Expenditures</b>	<b>26,217</b>	<b>29,829</b>	<b>31,724</b>	<b>41,221</b>	<b>52,969</b>	<b>68,853</b>	<b>68,193</b>	<b>60,374</b>	<b>64,377</b>	<b>73,003</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(684)</b>	<b>(1,646)</b>	<b>2,065</b>	<b>(1,527)</b>	<b>(9,029)</b>	<b>(22,056)</b>	<b>(20,219)</b>	<b>(10,536)</b>	<b>(11,132)</b>	<b>(17,234)</b>
<b>Other financing sources (uses)</b>										
Transfer In	593	3,277	1,267	5,688	4,127	4,389	3,641	2,399	3,486	4,975
Transfer Out	(1,533)	(1,447)	(514)	(2,864)	(3,854)	(3,690)	(3,946)	(1,384)	(1,858)	(4,106)
Proceeds from Issuance of Debt	-	33,684	-	-	37,700	16,300	9,500	-	18,930	19,470
Premium (Discount) on Debt Issuance	-	-	-	-	46	100	65	-	-	1,526
Payment to Bond Escrow Agent	-	-	-	-	(10,432)	-	-	-	(719)	-
Proceeds From Sale of Assets	-	-	-	-	45	25	68	12	114	121
<b>Net Other Financing Sources (Uses)</b>	<b>(940)</b>	<b>35,514</b>	<b>753</b>	<b>2,824</b>	<b>27,632</b>	<b>17,124</b>	<b>9,328</b>	<b>1,027</b>	<b>19,953</b>	<b>21,986</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,624)</b>	<b>\$ 33,868</b>	<b>\$ 2,818</b>	<b>\$ 1,297</b>	<b>\$ 18,603</b>	<b>\$ (4,932)</b>	<b>\$ (10,891)</b>	<b>\$ (9,509)</b>	<b>\$ 8,821</b>	<b>\$ 4,752</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>4.4%</b>	<b>5.8%</b>	<b>8.7%</b>	<b>5.5%</b>	<b>6.5%</b>	<b>8.1%</b>	<b>10.1%</b>	<b>15.8%</b>	<b>14.4%</b>	<b>14.8%</b>

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

Note: In 2003, the City changed its fiscal year from July 1 through June 30 to October 1 through September 30.

Table 5

**CITY OF NEW BRAUNFELS, TEXAS**  
**General Governmental Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Utilities Transfer</b>	<b>Hotel Occupancy Tax</b>	<b>Mixed Beverage Tax</b>	<b>Total</b>
2003	\$ 5,438	\$ 6,987	\$ 605	\$ 3,973	\$ 1,453	\$ 82	\$ 18,538
2004	7,391	7,454	664	4,106	1,607	136	21,358
2005	10,122	8,580	713	4,241	1,849	77	25,582
2006	10,535	10,315	809	4,769	1,923	131	28,482
2007	11,938	11,200	874	5,251	2,096	156	31,515
2008	13,519	11,974	939	4,929	2,343	190	33,894
2009	15,266	11,858	1,045	5,306	2,155	193	35,823
2010	15,830	12,562	1,336	5,650	2,486	220	38,084
2011	16,089	13,457	1,629	5,819	2,615	232	39,841
2012	17,511	14,536	1,475	6,065	2,977	211	42,775

Data Source: City CAFRs and detailed financial records

Note: In 2003, the City changed its fiscal year from July 1 through June 30 to October 1 through September 30.

Table 6

**CITY OF NEW BRAUNFELS, TEXAS**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

Fiscal Year Ended	Total Assessed	Total Real Property	Total Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value <sup>1</sup> as a Percentage of Actual Value
2003	\$ 2,464,844	\$ -	\$ -	\$ 355,045	\$ 2,109,799	0.31850	\$ 2,109,799	85.60%
2004	2,652,608	-	-	389,147	2,263,461	0.37110	2,263,461	85.33%
2005	2,900,318	2,607,147	293,171	423,841	2,476,477	0.44833	2,476,477	85.39%
2006	3,436,339	3,134,226	302,113	501,538	2,934,801	0.42561	2,934,801	85.40%
2007	3,825,235	3,500,619	324,616	524,642	3,300,593	0.40986	3,300,593	86.28%
2008	4,434,090	4,074,265	359,825	635,571	3,798,519	0.40986	3,798,519	85.67%
2009	4,815,790	4,485,101	330,689	715,980	4,099,810	0.40986	4,099,810	85.13%
2010	4,731,368	4,379,000	352,368	789,412	3,941,956	0.40986	3,941,956	83.32%
2011	4,871,687	4,488,892	382,795	809,339	4,062,348	0.44836	4,062,348	83.39%
2012	4,959,408	4,610,203	349,205	853,111	4,106,297	0.46734	4,106,297	82.80%

Source: Comal County Appraisal District

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

Note: In 2003, the City changed its fiscal year from July 1 through June 30 to October 1 through September 30.

Table 7

**CITY OF NEW BRAUNFELS, TEXAS**  
**Property Tax Rates<sup>1</sup>**  
**Direct and Overlapping<sup>2</sup> Governments**  
**(per \$100 of assessed value)**  
**Last Ten Fiscal Years**

Fiscal Year	City of New Braunfels Tax Rate			Overlapping Tax Rates					Total Direct & Overlapping		Total Direct & Overlapping		Total Direct & Overlapping	
	General Government	Debt Service	Total	Comal County	Guadalupe County	Navarro ISD	Braunfels ISD	Comal ISD	Rates		Rates		Rates	
									NBISD	Comal ISD	Navarro ISD	Comal ISD		
2003	0.26504	0.05346	0.31850	0.33375	0.36540	1.62030	1.85500	1.83000		2.50725	2.48225	2.30420		
2004	0.32423	0.04688	0.37110	0.33374	0.35310	1.85510	1.82000	1.82000		2.52484	2.52484	2.57930		
2005	0.32026	0.12807	0.44833	0.35375	0.35310	1.88000	1.82000	1.80000		2.62208	2.60208	2.68143		
2006	0.36900	0.05662	0.42561	0.31520	0.34810	1.82000	1.65250	1.64000		2.39332	2.38082	2.59371		
2007	0.32702	0.08285	0.40986	0.31799	0.32950	1.44000	1.34486	1.31000		2.07272	2.03786	2.17936		
2008	0.28218	0.12768	0.40986	0.30802	0.32950	1.44000	1.33880	1.31000		2.05669	2.02789	2.17936		
2009	0.28218	0.12768	0.40986	0.31296	0.33450	1.44000	1.33910	1.31000		2.06192	2.03282	2.18436		
2010	0.26136	0.14850	0.40986	0.33400	0.34490	1.46000	1.33910	1.37000		2.08296	2.11386	2.21476		
2011	0.26136	0.18700	0.44836	0.30542	0.34560	1.46000	1.33910	1.43000		2.09288	2.18378	2.25396		
2012	0.26856	0.19878	0.46734	0.31432	0.34560	1.43000	1.33910	1.43000		2.12077	2.21167	2.24294		

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

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

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

Note: In 2003, the City changed its fiscal year from July 1 through June 30 to October 1 through September 30.

Table 8

**CITY OF NEW BRAUNFELS, TEXAS**  
**Principal Property Taxpayers**  
**Fiscal Year End 2012 and 2003**

<b>Taxpayer</b>	<b>2012</b>			<b>2003</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>
Rush Truck Leasing	\$ 31,460,750	1	0.77%			
Creekside Town Center	25,783,343	2	0.63%			
Coleman Co. Inc.	24,703,738	3	0.60%	21,828,550	1	1.03%
Augusta Gruene Apartments	16,395,220	4	0.40%			
Westpointe Village	15,930,890	5	0.39%			
Health Care Reit Inc.	15,126,910	6	0.37%			
SC New Braunfels Apartments	13,900,000	7	0.34%			
Bucees	13,508,040	8	0.33%			
JC Penney	13,197,940	9	0.32%			
Triden Westshore Colony	13,100,000	10	0.32%	\$ 11,154,847	2	
Bluebonnet Motors				10,920,420	3	0.52%
Southwestern Bell Telephone				10,435,880	4	0.49%
NB Marketplace				9,477,179	5	0.45%
H.E. Butt Grocery Co.				9,054,759	6	0.43%
Walmart Real Estate Bus Trust				8,919,380	7	0.42%
Plains Cotton Cooperative Association				8,888,720	8	0.42%
New Braunfels Office Ltd.				8,872,100	9	0.42%
Metra United Grand Cypress LP				8,000,000	10	0.38%
<b>Totals</b>	<b>\$ 183,106,831</b>		<b>4.47%</b>	<b>\$ 107,551,835</b>		<b>4.56%</b>

Source: Comal County Tax Assessor-Collector's Office

Table 9

**CITY OF NEW BRAUNFELS, TEXAS**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

<b>Fiscal Year Ended</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collections within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2003	\$ 7,226	\$ 7,048	97.54%	\$ 161	\$ 7,209	99.8%
2004	7,853	7,643	97.32%	210	7,853	100.0%
2005	10,149	10,105	99.57%	24	10,129	99.8%
2006	10,494	9,680	96.67%	797	10,477	99.8%
2007	11,820	11,568	97.87%	229	11,797	99.8%
2008	13,422	13,094	97.56%	286	13,380	99.7%
2009	15,178	14,817	98.06%	274	15,091	99.4%
2010	15,623	15,210	97.36%	257	15,467	99.0%
2011	15,838	15,612	98.57%	400	16,012	101.1%
2012	17,747	17,431	98.22%		17,431	98.2%

Source: Comal County Tax Assessor and City CAFR

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

Note: In 2003, the City changed its fiscal year from July 1 through June 30 to October 1 through September 30.

**CITY OF NEW BRAUNFELS, TEXAS**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
 (amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities			Business Type Activities			Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	Certificates of Obligation	Capital Leases	Revenue Bond	Capital Leases				
2003	\$ 2,545	\$ 2,825	\$ -	\$ 380	\$ 50	\$ 5,800	0.4%	137	
2004	1,760	34,975	8	340	36	37,119	2.2%	832	
2005	915	33,445	4	300	24	34,688	1.9%	745	
2006	-	34,020	-	255	13	34,288	1.7%	692	
2007	10,600	50,060	-	210	-	60,870	2.8%	1,169	
2008	10,600	63,555	-	160	-	74,315	3.1%	1,377	
2009	10,545	78,645	-	110	-	89,300	3.8%	1,598	
2010	10,490	65,590	-	55	-	76,135	3.2%	1,319	
2011	10,975	79,180	-	-	-	90,155	3.5%	1,534	
2012	10,725	94,185	-	-	-	104,910	Not available	1,753	

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

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

Note: In 2003, the City changed its fiscal year from July 1 through June 30 to October 1 through September 30.

Table 11

**CITY OF NEW BRAUNFELS, TEXAS**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands, except per capita amount)**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Actual Taxable Value<sup>1</sup> of Property</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita<sup>2</sup></b>
2003	\$ 2,545	\$ -	\$ 2,545	0.12%	\$ 60	
2004	1,760	-	1,760	0.08%	39	
2005	915	-	915	0.04%	20	
2006	-	-	-	0.00%	-	
2007	10,600	-	10,600	0.32%	204	
2008	10,600	-	10,600	0.28%	196	
2009	10,545	-	10,545	0.26%	189	
2010	10,490	-	10,490	0.27%	182	
2011	10,975	601	10,374	0.26%	176	
2012	10,725	786	9,939	0.24%	166	

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

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

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

Note: In 2003, the City changed its fiscal year from July 1 through June 30 to October 1 through September 30.

Table 12

**CITY OF NEW BRAUNFELS, TEXAS**  
**Direct and Overlapping Governmental Activities Debt**  
**As of September 30, 2012**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable<sup>1</sup></b>	<b>Estimated Share of Overlapping Debt</b>
<b>Debt Repaid with Property Taxes:</b>			
New Braunfels Independent School District	\$144,930,000	82.1%	\$ 118,987,530
Comal Independent School District	549,670,709	16.2%	89,046,655
Navarro Independent School District	24,887,902	1.3%	323,543
Guadalupe County	17,886,850	7.2%	1,287,853
Comal County	52,343,890	31.3%	16,383,638
Subtotal - Overlapping Debt	<u>789,719,351</u>		<u>226,029,219</u>
City of New Braunfels Direct Debt	\$104,910,000	100%	\$ 104,910,000
Total Direct and Overlapping Debt			<u><u>\$ 330,939,219</u></u>

Source: Debt outstanding data provided by the ISD and the County and is as of December 31, 2011.

**Note:**

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

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

Table 13

**CITY OF NEW BRAUNFELS, TEXAS**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Debt Limit	\$ 246,484	\$ 265,261	\$ 290,032	\$ 343,634	\$ 382,524	\$ 443,409	\$ 481,579	\$ 473,137	\$ 487,169	\$ 495,941
Total Net Debt Applicable to Limit	2,545	1,760	915	-	10,600	10,600	10,545	10,490	10,975	10,725
Legal Debt Margin	\$ 243,939	\$ 263,501	\$ 289,117	\$ 343,634	\$ 371,924	\$ 432,809	\$ 471,034	\$ 462,647	\$ 476,194	\$ 485,216
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.0%	0.7%	0.3%	0.0%	2.8%	2.4%	2.2%	2.2%	2.3%	2.2%

**Legal Debt Margin Calculation for Fiscal Year 2011**

Assessed Value	\$4,106,297
Add Back: Exempt Real Property	853,111
Total Assessed Value	<u>\$4,959,408</u>
Debt Limit (10% of Total Assessed Value)	\$ 495,941
Debt Applicable to Limit:	
General Obligation Bonds	10,725
Legal Debt Margin	<u>\$ 485,216</u>

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

Note: In 2003, the City changed its fiscal year from July 1 through June 30 to October 1 through September 30.

Table 14

**CITY OF NEW BRAUNFELS, TEXAS**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Total Wages</b>		<b>Average Annual Pay</b>	<b>School Enrollment<sup>3</sup></b>	<b>Unemployment Rate<sup>4</sup></b>
		<b>All Industries<sup>2</sup></b>	<b>(expressed in thousands)</b>			
2003	42,489	\$ 1,553,235		\$ 28,845	17,437	5.3%
2004	44,596	1,668,024		29,679	18,881	4.8%
2005	46,577	1,850,843		31,167	20,008	4.2%
2006	49,514	2,030,917		32,380	21,134	3.9%
2007	52,056	2,191,376		33,380	22,366	3.4%
2008	53,975	2,361,258		34,348	23,656	4.0%
2009	55,867	2,349,085		34,565	24,371	5.7%
2010	57,740	2,388,266		34,998	24,941	5.8%
2011	58,779	2,544,510		35,970	14,273	6.1%
2012	59,837	Not Available		Not Available	15,883	5.1%

<sup>1</sup>Population data from the Alamo Area Council of Governments.

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

<sup>3</sup>School enrollment is for Comal County through 2010; 2011 is for City of New Braunfels only.

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

Note: In 2003, the City changed its fiscal year from July 1 through June 30 to October 1 through September 30.

Table 15

**CITY OF NEW BRAUNFELS, TEXAS**  
**Principal Employers**  
**Current Year and Ten Years Ago**

<b>Employer</b>	<b>2012</b>			<b>2003</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Comal ISD	2,300	1	7.82%	1,800	1	8.21%
Schlitterbahn Water Park	1,683	2	5.72%	full time	2	7.75%
The Scooter Store	1,400	3	4.76%	1,500	3	6.84%
Wal-Mart Distribution Center	1,077	4	3.66%	1,200	4	5.47%
New Braunfels ISD	945	5	3.21%	850	6	3.88%
Comal County	616	6	2.10%	483	8	2.20%
Christus Santa Rosa Hospital	576	7	1.96%	871	5	3.97%
Hunter Industries-Colorado Materials	525	8	1.79%	500	7	2.28%
HD Supply	525	8	1.79%	-	-	0.00%
City of New Braunfels	511	10	1.74%	437	10	1.99%
Checks in the Mail, Inc.				450	9	2.05%
<b>Total</b>	<b>10,158</b>		<b>34.55%</b>	<b>9,791</b>		<b>44.66%</b>

Source: Greater New Braunfels Chamber of Commerce.

Table 16

**CITY OF NEW BRAUNFELS, TEXAS**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>GENERAL FUND</b>										
City Secretary	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
City Attorney	2.0	2.0	3.0	3.0	2.0	2.0	2.0	3.0	3.0	4.0
City Manager	3.0	3.0	1.0	1.0	3.0	4.0	5.0	4.0	5.0	5.0
Human Resources	0.0	0.0	0.0	0.0	0.0	0.0	6.0	6.0	6.0	7.0
Support Services	7.0	7.0	8.0	10.0	14.0	18.0	14.0	14.0	15.0	16.0
Municipal Court	5.0	5.0	7.0	8.0	10.0	11.0	11.0	11.0	11.0	10.0
Police	99.0	99.0	99.0	103.5	115.0	123.0	140.0	139.0	139.0	143.0
Fire	82.0	83.0	89.0	95.0	104.0	114.0	116.0	116.0	116.0	134.0
Planning and Community Development	16.0	14.0	16.5	19.0	21.0	23.0	24.0	25.0	24.0	26.0
Planning and Comm. Dev. - Main Street	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0
Parks and Recreation	127.5	127.5	129.5	135.5	150.0	151.0	152.0	140.0	140.5	141.0
Public Works	37.0	34.0	35.0	40.0	42.0	46.0	42.0	42.0	41.5	47.0
Library	17.0	17.0	16.3	21.8	24.0	25.5	25.8	25.8	26.5	26.5
<b>Total General Fund</b>	<b>400.5</b>	<b>396.5</b>	<b>409.3</b>	<b>441.8</b>	<b>490.0</b>	<b>522.5</b>	<b>542.8</b>	<b>529.8</b>	<b>531.5</b>	<b>563.5</b>
<b>GOLF COURSE FUND</b>	<b>11.0</b>	<b>10.5</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>13.0</b>	<b>13.0</b>	<b>12.0</b>	<b>12.0</b>
<b>AIRPORT FUND</b>	<b>2.0</b>	<b>2.0</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>4.5</b>	<b>5.5</b>	<b>6.0</b>	<b>6.0</b>
<b>SOLID WASTE FUND</b>	<b>54.0</b>	<b>60.0</b>	<b>53.0</b>	<b>53.0</b>	<b>53.0</b>	<b>51.0</b>	<b>51.0</b>	<b>51.0</b>	<b>44.5</b>	<b>48.0</b>
<b>CIVIC/CONVENTION CENTER FUND</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>
<b>RIVER ACTIVITIES FUND</b>	<b>0.0</b>	<b>0.0</b>	<b>24.0</b>	<b>24.0</b>	<b>24.0</b>	<b>20.0</b>	<b>20.0</b>	<b>16.0</b>	<b>16.0</b>	<b>68.5</b>
<b>FACILITIES MAINTENANCE FUND</b>	<b>0.0</b>	<b>1.0</b>	<b>1.0</b>							
<b>CDBG FUND</b>	<b>1.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>						
	<b>468.5</b>	<b>470.0</b>	<b>500.8</b>	<b>533.3</b>	<b>581.5</b>	<b>608.0</b>	<b>640.3</b>	<b>623.3</b>	<b>619.0</b>	<b>707.0</b>

Source: City of New Braunfels Annual Budget

Note: In 2003, the City changed its fiscal year from July 1 through June 30 to October 1 through September 30

Table 17

**CITY OF NEW BRAUNFELS, TEXAS**  
**Operating Indicators by Function**  
**Last Seven Fiscal Years**

Function	Fiscal Years						
	2006	2007	2008	2009	2010	2011	2012
Police							
Serious Crimes that Result in Arrest or Cleared for Prosecution	N/A	N/A	N/A	N/A	N/A	1,087	932
Avg. Time from Intake of Crimes in Progress Call until Officer on Scene	N/A	N/A	N/A	N/A	N/A	6:10	6:41
Fire							
Response Times - Structure Fire	N/A	N/A	N/A	N/A	N/A	4:43	4:52
Response times - EMS	N/A	N/A	N/A	N/A	N/A	5:30	5:49
Smoke Detectors Issued/Inspected/Updated	N/A	N/A	N/A	N/A	N/A	762	800
Public Works							
Subdivision Plans Reviewed within 30 Days of Receipt	50%	50%	50%	100%	100%	100%	100%
Permits Reviewed	232	265	280	274	296	285	240
Miles of Roadway Repaired/Improved	1	2	2	2	4	4	14
Acres of Right-of-Way Mowed	165	174	174	174	185	185	165
Solid Waste							
Waste Diverted from Landfill	N/A	13%	13%	13%	13%	20%	29%
Residential Operating cost per Ton Collected	N/A	N/A	N/A	N/A	N/A	\$ 63.32	\$ 70.83
Parks and Recreation							
Participants in Recreation Programs	2,588	2,623	2,710	2,426	2,126	3,198	3,973
Athletic Leagues Teams' Participants	N/A	N/A	N/A	N/A	N/A	196	243
Golf Course Rounds Played	40,062	42,000	42,500	47,976	41,000	40,574	36,500
Planning and Community Development							
Residential Permits Issued within Four Days	N/A	1,924	2,034	1,924	2,116	1,019	1,400
Commercial Permits issued within Ten Days	N/A	282	291	282	310	552	746
Calls for Service - Animal Control	5,493	5,250	5,504	6,144	5,040	5,994	6,000
Cases Abated without Court Action - Code Compliance	90%	95%	97%	97%	92%	96%	98%
Special Projects completed	N/A	N/A	N/A	N/A	N/A	4	7
Historic Landmark Designations	1	10	4	7	7	6	6
Airport Operations							
Flight Operations Annually	30,000	64,000	58,000	47,462	58,000	32,340	30,000
Gallons of Fuel Sold	N/A	N/A	N/A	N/A	N/A	221,106	246,164
Library							
Visitors Annually	232,630	241,000	257,868	270,838	378,000	313,996	350,000
Annual Circulation of Library Materials	431,563	440,000	482,064	568,327	802,500	756,549	900,000
Database Accesses	N/A	N/A	N/A	N/A	N/A	14,117	20,000
Municipal Court							
Time from Plea to Trial	1 year	1 year	1 year	1 year	45 days	123 days	23 days
Time to Issue Warrant for Failure to Appear	1 year	1 year	1 year	1 year	75 days	1 year	65 days

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

Sources: City budget document

Table 18

**CITY OF NEW BRAUNFELS, TEXAS**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety										
Police and Fire:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	4	4	4	4	4	5	5	5	5	6
Highways and Streets										
Streets (miles)					275	283	291	305	317	329
Area in Square Miles					1.7	1.7	1.8	1.8	1.9	2.0
Culture and Recreation										
Parks Acreage	291	291	291	291	349	349	373	373	373	373
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Golf Course	1	1	1	1	1	1	1	1	1	1

Sources: Various city departments.

Note: In 2003, the City changed its fiscal year from July 1 through June 30 to October 1 through September 30.