New Braunfels Utilities

Report on Applying Agreed-Upon Procedures
Water and Wastewater Impact Fees

For the Period of February 1, 2023 through July 31, 2025

JMS CPAs, PLLC

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Trustees of
New Braunfels Utilities

We have performed this agreed-upon procedures engagement to assist management of New Braunfels Utilities (NBU), with the requirement set forth in Texas Local Government Code 395.059, as amended, including the requirements enacted by Senate Bill 1883 for the period of February 1, 2023, through July 31, 2025. The management of NBU is responsible for administering and recording impact fee funds in accordance with all applicable provisions of Texas Local Government Code Chapter 395.

Management of the NBU has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose. This report may not be suitable for any other purpose. The procedures performed may not address all matters of interest to a user of this report and may not meet the needs of all users. Accordingly, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. To determine the amount of funds collected from any impact fee imposed by NBU, we obtained reports for impact fees assessed by fee type for permits issued and compared them to reports detailing the amount of each impact fees collected for the period of February 1, 2023 through July 31, 2025. We compared the impact fees collected, by fee type and service area, to NBU's accounting records and NBU-prepared impact fee schedules. No exceptions were noted, the amounts identified as collected from impact fees during the period are summarized below.

As of July 31,	Total
2023	$ 18,829,730
2024	28,413,124
2025	26,005,934
	$ 73,248,788

2. To determine the amount of interest accumulated under Section 395.025 on impact fees collected by NBU we compared the interest earned per NBU's financial records to the supporting bank statements and investment statements for the period of February 1, 2023 through July 31, 2025. No exceptions were noted, the amounts identified are summarized below.

As of July 31,	Water	Wastewater	Total
2023	$ 249,771	$ 140,351	$ 390,122
2024	691,835	251,114	942,949
2025	480,040	41,925	521,965
	$ 1,421,646	$ 433,390	$ 1,855,036

3. To identify proposed capital improvements or facility expansions to be financed with impact fees collected by NBU that were not constructed, we obtained approved capital improvement plans, impact fee studies, project listings, and project status information maintained by NBU. We compared the proposed projects identified in those records to prepared project status information to identify capital improvements or facility expansions that were intended to be financed with impact fees but had not been constructed as of July 31, 2025. No exceptions were noted, see summary below.

Water Impact Fee Unconstructed Capital Improvement Projects

Project ID	Project Name	Impact Fee Eligible Cost
2-C30RCEST	New River Chase EST (RC-01)	$ 652,950
2-C29BZHMW	Bretzke PS to Hoffmann PZ Discharge Water Line (HM-02)	762,800
2-C29BZHMP	Bretzke PS to Hoffmann PZ and PRV to Bretzke PZ (HM-03)	243,876
2-C30AGEST	Altgelt EST	3,225,360
2-C30CNYLW	County Line PS Discharge Water Line (MO-04)	446,385
2-C30CNYLP	County Line PS Expansion	513,200
		$ 5,844,571

Wastewater Impact Fee Unconstructed Capital Improvement Projects

Project ID	Project Name	Impact Fee Eligible Cost
3-C25SKIP1	South Kuehler Interceptor Phase 1	$ 1,442,160
3-C28SKIP2	South Kuehler Interceptor Phase 2	2,760,345
3-C30SKIP3	South Kuehler Interceptor Phase 3	5,415,500
3-C27337S	Loop 337 South Wastewater Main	574,000
3-C30RGINT	River Gardens Wastewater Main	156,315
3-C28GTPEX	Gruene WWTP Expansion	2,224,500
3-C30SLSEV	Solms Force Main and Lift Station Evaluation	4,671,280
		$ 17,244,100

4. To determine the amount of impact fees collected by NBU, that were not spent, we determined the amount of impact fees collected, the amount spent on capital improvement projects, the amount of refunds issued, and the amount of interest earned for the period of February 1, 2023 through July 31, 2025. The results of the procedure performed are presented in Table 1 located in the Appendix.

5. To determine each Impact fee collected by NBU and the allocation of each impact fee made by NBU we obtained reports for impact fees assessed by fee type for permits issued and compared them to reports detailing the amount of each impact fees collected for the period of February 1, 2023 through July 31, 2025. No exceptions were noted, the amounts identified as collected by fee type from impact fees during the period are summarized below.

As of July 31,	Water	Wastewater	Total
2023	$ 13,411,486	$ 5,418,244	$ 18,829,730
2024	20,074,201	8,338,923	28,413,124
2025	19,042,085	6,963,849	26,005,934
	$ 52,527,772	$ 20,721,016	$ 73,248,788

6. To determine the amount of impact fees waived under Section 395.016(g) of the Texas Local Government Code, we inquired of NBU management about impact fee waivers, obtained management prepared documentation of waived impact fees by service area, if applicable, and reviewed supporting documentation to determine whether the waivers were authorized under Texas Local Government Code Section 395.016(g) for the period of February 1, 2023 through July 31, 2025. Because there were no waived impact fees during the period, the planned procedures were not applicable. No exceptions or findings were noted.

7. To determine the amount of any requested funds of impact fees and impact fees refunded we obtained permit reports identifying impact fee refunds and compared to supporting documentation evidencing refunds issued and recorded in the underlying accounting record for the period of February 1, 2023 through July 31, 2025. No exceptions were noted, see summary below.

As of July 31,	Water	Wastewater	Total
2023	$ -	$ -	$ -
2024	20,672	1,160	21,832
2025	5,321	-	5,321
	$ 25,993	$ 1,160	$ 27,153

8. To determine any errors or omissions of credits in impact fee calculations for impact fees in NBU's, we compared impact fees assessed per NBU's permit issuance system to impact fees recorded in NBU's accounting records by fee type and service area and reviewed any differences identified to determine whether they represented the application of impact fee credits for the period of February 1, 2023 through July 31, 2025.

   No exceptions were noted, no errors or omissions were identified between impact fees assessed per NBU's permit issuance system and impact fees recorded in NBU's accounting records that were determined to represent the application of impact fee credits.

We were engaged by the management of NBU to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the specified requirements. Accordingly, we do not express such an

opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the NBU and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Trustees and management of NBU and the impact fee advisory committee described by Section 395.058 of the Texas Local Government Code, and is not intended to be and should not be used by anyone other than these specified parties.

JMS CPAs, PLLC
San Antonio, Texas
August 21, 2026

Appendix

Table 1

Water Impact Fees

FYE	Impact Fees Collected (Procedure 5)	Earned Interest (Procedure 2)	Refunds Dispersed (Procedure 7)	CIP Expenditures	Unexpended Impact Fees	Accumulated Balance *
2023	$ 13,411,486	$ 249,771	$ -	$ (4,448,241)	$ 9,213,016	$ 9,213,016
2024	20,074,201	691,835	(20,672)	(23,134,097)	(2,388,733)	6,824,283
2025	19,042,085	480,040	(5,321)	(18,758,398)	758,406	7,582,689
Total	$ 52,527,772	$ 1,421,646	$ (25,993)	$ (46,340,736)	$ 7,582,689	

Wastewater Impact Fees

FYE	Impact Fees Collected (Procedure 5)	Earned Interest (Procedure 2)	Refunds Dispersed (Procedure 7)	CIP Expenditures	Unexpended Impact Fees	Accumulated Balance *
2023	$ 5,418,244	$ 140,351	$ -	$ (1,556,421)	$ 4,002,174	$ 4,002,174
2024	8,338,923	251,114	(1,160)	(14,399,229)	(5,810,352)	(1,808,178)
2025	6,963,849	41,925	-	(8,787,835)	(1,782,061)	(3,590,239)
Total	$ 20,721,016	$ 433,390	$ (1,160)	$ (24,743,485)	$ (3,590,239)	

* = These accumulated balances do no include prior year's unexpended impact fees.