City of Manor, Texas

Water and Wastewater Impact Fees Report

Agreed-Upon Procedures

October 1, 2021 to September 30, 2024

City of Manor, Texas

Table of Contents
October 1, 2021 to September 30, 2024

	Page
Independent Accountants' Report	1
Attachments	
Attachment #1 - Summary of Collections and Project Spending	4
Attachment #2 - Interest Income	4
Attachment #3 - Capital Projects and Current Status	5
Attachment #4 - Refunds	6
Attachment #5 - Ending Balance, by Type	6

Independent Accountants' Report

Honorable Mayor and City Council
Scott Moore, City Manager
City of Manor, Texas

We have performed the procedures enumerated below for this agreed-upon procedures engagement to assist management of the City of Manor, Texas (the City), with the requirement set forth in Section 395.059 of the Texas Local Government Code (the Code) which requires that "before a political subdivision may increase an existing impact fee or adopt a new impact fee for a service area where an impact fee had previously been adopted, the political subdivision must conduct an independent financial audit in accordance with this section." As such, we have performed the procedures identified below, solely to assist users in evaluation of the City's compliance with the Code for the period from October 1, 2021 to September 30, 2024. The City is responsible for compliance with all legislative requirements defined by the Code.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement which is determining compliance with Section 395.059 of the Code. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

- Procedure #1: We obtained from the City a detailed listing of impact fee funds collected by category, and year. We compared this listing to the general ledger detail, the annual audited financial statements, the summary of collections provided by the City (Attachment 1), and a detailed listing of building permits issued. We selected a sample of 40 of these transactions (22 from water and 18 from wastewater), by selecting every 90th permit in each impact fee type until the sample size was met and performed the following: 1) Agreed the category and service area assigned to supporting documentation. 2) Agreed the amounts charged to the impact fee schedule passed by City ordinance. 3) Traced the amounts charged to the bank statements.

    - Finding Number One: We were unable to reconcile the impact fee permit population for the fiscal years ending September 30, 2022, September 30, 2023, and September 30, 2024, to the summary of collections provided by the City (Attachment 1). The total variance for all years is $682,647.

- Procedure #2: We obtained from the City a summary of interest income earned on impact fee funds by year, by type (Attachment 2). We agreed this summary to the general ledger detail, annual audited financial statements, and selected a sample of 7 of these transactions by selecting every 10th transaction until our sample size was met, to trace to the bank statements and/or allocation support. We agreed the amount of interest accumulated related to refunds in Attachment 2 to supporting documentation and recalculated the amount disbursed compared to Section 395.025(d).

    - Finding Number Two: We noted that interest income was not recorded within the wastewater impact fee fund for fiscal year ending September 30, 2022. Per Section 395.024(b) of the Code, *"Interest earned on impact fees is considered funds of the account on which it is earned and is subject to all restrictions placed on use of impact fees under this chapter."*

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

- Procedure #3: We obtained from the City a listing of proposed projects by category/service area, identifying if each has been completed or not (Attachment 3). We compared the list to the capital improvements plans included in the impact fee studies from 2016, 2021, and 2022. We selected a sample of the completed projects (falling within the record retention period of the City) to trace to supporting documentation to confirm the status of completion. We selected 8 closed projects consisting of 3 water and 5 wastewater projects of which we selected every 3rd project in each impact fee type until our sample size was met. Lastly, we confirmed if the City is tracking whether impact fees are spent within 10 years after the date of payment, per Section 395.025(c) of the Code.

    - Finding Number Three: Sec. 395.025 of the Code says that *"The political subdivision shall refund any impact fee or part of it that is not spent as authorized by this chapter within 10 years after the date of payment*." The City is currently not tracking this 10-year requirement.

- Procedure #4: We agreed the balance of unspent funds at the end of each fiscal year provided by the City (Attachments 1 and 5) to the annual audited financial statements and bank/investment statements. We recalculated the ending balances and observed that the amounts were shown as restricted net position in the annual audited financial statements.

    - Finding Number Four: We noted that for the fiscal years ending September 30, 2022, September 30, 2023, and September 30, 2024, we were unable to tie the reconciled bank balance amounts (as shown in Attachment 5) to the audited financial statements and were also unable to reconcile the balances shown in Attachment 5 to the ending balances in Attachment 1.

- Procedure #5: We obtained from the City a detailed listing of expenditures, by category and year, funded by impact fees. We compared this listing to the general ledger detail, the annual audited financial statements, and the summary of project spending provided by the City (Attachment 1). We selected a sample of 17 of these expenditures (every 10th transaction including 11 from wastewater and 6 from water) to trace to an approved project in the capital improvements plans, compared the category and service area assigned to supporting documentation, and confirmed that it was an allowable expenditure per Section 395.012.

    - Finding Number Five: We were unable to reconcile the fiscal year ending September 30, 2023 expenditure balance shown in Attachment 1 to the audited financial statements.

    - Finding Number Six: We were unable to reconcile the impact fee expenditure population for the years ending September 30, 2022, September 30, 2023, and September 30, 2024, to the summary of project spending provided by the City (Attachment 1).

- Procedure #6: We obtained from the City a listing of waived impact fees under Section 395.016(g) of the Code. We selected a sample from this listing and inspected documentation confirming its qualification as affordable housing under 42 U.S.C Section 12745 and under any applicable City ordinance(s). As there were no waived impact fees during the period from October 1, 2021 to September 30, 2024, the planned procedures above related to selecting a sample were not applicable to complete.

    - No exceptions or findings noted.

- Procedure #7: We obtained from the City a detailed listing of any requested refunds of impact fees under Section 395.025 and compared the total to Attachment 4. We selected a sample from this detailed listing and compared to the City's records related to the decision of disposition to both Section 395.025 of the Code and any applicable City ordinances. As there were no requested refunds during the period from October 1, 2021 to September 30, 2024, the planned procedures above related to selecting a sample were not applicable to complete.
    - No exceptions or findings noted.
- Procedure #8: We obtained from the City a detailed listing of impact fees refunded under Section 395.025 and compared the total to Attachment 4 as well as the general ledger detail. We selected a sample from this detailed listing and inspected documentation confirming its qualification under Section 395.025 of the Code and any applicable City ordinance(s). As there were no refunded impact fees during the period from October 1, 2021 to September 30, 2024, the planned procedures above related to selecting a sample were not applicable to complete.
    - No exceptions or findings noted.
- Procedure #9: We obtained the 2016, 2021, and 2022 impact fee studies and confirmed that they contained a credit under Section 395.014 (7)(A) or (7)(B) of the code. If Section 395.014(A) was used, we compared this calculation to supporting documents and recalculated the credit.
    - No exceptions or findings noted.

We were engaged by the City 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 audit or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the Code for the period from October 1, 2021 to September 30, 2024. 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 City 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 and the use of the City and is not intended to be, and should not be, used by anyone other than this specified party.

Baker Tilly US, LLP

Madison, Wisconsin
October 5, 2026

Attachment #1 – Summary of Collections and Project Spending

	Fiscal Year-Ending		
	9/30/2022	9/30/2023	9/30/2024
Beginning Balance	$ 9,040,807	$ 8,128,836	$ 7,515,575
Add:			
Collections:			
Water	1,061,764	623,595	984,705
Wastewater	4,703,534	1,025,842	4,076,766
Interest Income:			
Water	3,302	32,116	142,737
Wastewater	-	18,004	128,324
Less:			
Project Spending:			
Water	960,031	261,769	232,039
Wastewater	5,720,540	2,051,049	4,133,805
Ending Balance	$ 8,128,836	$ 7,515,575	$ 8,482,263

Attachment #2 - Interest Income

	Fiscal Year-Ending		
	9/30/2022	9/30/2023	9/30/2024
Interest Income			
Water	$ 3,302	$ 32,116	$ 142,737
Wastewater	-	18,004	128,324
Total	$ 3,302	$ 50,120	$ 271,061

Attachment #3 - Capital Projects and Current Status

- The list of projects below were taken from the 2016, 2021 and 2022 Water and Wastewater Impact Fee Studies.

Water

Project	Completed?
W-6 - Blake Manor Road Water Line	No
W-10 - Hill Lane Water Line	Yes
W-13 - US 290 Crossing at Golf Course	No
W-14 - Gregg Manor Road Water Supply - Ground Storage Tank and Pumps	Yes
W-15 - FM 973 Water Line	Yes
W-16 - US 290 Water Line	No
W-17 - US 290 Water Line	Yes
W-18 - Old Kimbro Road Water Line	Yes
W-20 - Bois D'Arc Lane Water Line	No
W-22 - Bois D'Arc Lane Water Line	No
W-24 - Gregg Manor Road Pump Improvements	No
W-31 - FM 973 Water Line	Yes
W-32 - FM 973 Water Line	Yes
W-33 - Gregg Lane Water Supply - Ground Storage Tank and Pumps	No
Water CIP-1 - Gregg Lane to Tower Road Waterline	Yes
Water CIP-2 - AMR Water Meters	Yes
Water CIP-3 - AMR Water Meters	Yes

Wastewater

Project	Completed?
S-13 - Addl. Wilbarger WWTP Capacity	Yes
S-15 - Cottonwood WWTP, Phase 1, 0.20 MGD	Yes
S-16 - East Cottonwood Gravity Line	Yes
S-17 - West Cottonwood LS and FM	Yes
S-18 - West Cottonwood Gravity Line, Phase 2	Yes
S-19 - FM 973 Gravity Wastewater Line	Yes
S-23 - Willow Lift Station and Force Main	No
S-27 - Wilbarger Lift Station and Force Main to CoP WWTP	No
S-28 - High School gravity line to Stonewater Lift Station; Stonewater Lift Station Upgrades	Yes
S-30 - Expand Cottonwood WWTP to 0.40 MGD Capacity	No
S-31 - Expand Cottonwood WWTP to 0.60 MGD Capacity	No
S-32 - Bastrop-Parsons WW Improvements	Yes
S-33 - Wilbarger Basin Gravity Line to Lift Station (off Gregg Lane)	Yes
S-34 - Wilbarger Basin lift station and force main (off Gregg Lane)	Yes
S-35 - Wastewater line to Cottonwood	Yes
S-36 - Lift Station and Force main to Cottonwood WWTP	No
S-37 - Expand Cottonwood WWTP to 0.80 MGD Capacity	No
S-38 - Travis County Regional WWTP - with Elgin - Phase 1 - 1.1 MGD and 39" trunk main	No
CIP-1 - Wildhorse Creek Lift Station Expansion	Yes
CIP-2 - Bell Farms Lift Station Expansion	Yes
CIP-3 - Presidential Glen Lift Station Expansion	Yes
CIP-4 - US 290 WW Line Expansion	No
CIP-6 - Travis County Rural Center Lift Station, force main	Yes

Attachment #4 - Refunds

	Fiscal Year-Ending		
	9/30/2022	9/30/2023	9/30/2024
Requested Refunds	$ -	$ -	$ -
Amount Refunded			
Water	-	-	-
Wastewater	-	-	-
Total Refunds	$ -	$ -	$ -

Attachment #5 - Ending Balance, by Type

	Fiscal Year-Ending		
	9/30/2022	9/30/2023	9/30/2024
Ending Balance:			
Water	$ 3,477,029	$ 3,397,508	$ 3,768,635
Wastewater	6,552,270	5,219,661	5,343,365
Total Ending Balance*	$ 10,029,299	$ 8,617,169	$ 9,112,000

*Note that these balances are the fiscal year ending reconciled bank statement balances. See finding number four for additional information.