



New Braunfels Utilities December 12, 2024

2024 AUDIT RESULTS

Agenda

1. Engagement Team
2. Nature of Services Provided
3. Auditor Opinions / Reports
4. Required Communications



YOUR DEDICATED TEAM



KEITH SIMOVIC

Engagement Reviewer
And Partner

JULIE DESIMONE

Concurring Reviewer
and Partner

LAUREL BRASCHAYKO

Audit Senior Manager

AYDE ALVARADO

Audit Manager



Nature of Services Provided

1 Independent Auditors' Report on the financial statements of New Braunfels Utilities

2 Assistance with, and technical review of the ACFR for compliance with GAAP as well as GFOA Certificate of Excellence requirements

3 Report of Independent Auditors' on Internal Control Over Financial Reporting and on Compliance in Accordance with *Government Auditing Standards*

4 Communication to Those Charged with Governance





Audit Opinion/Reports

Financial
Statements

Unmodified
(clean) opinion
on financial
statements

Government
Auditing
Standards
Report

No reportable
findings

Communication
to Those
Charged with
Governance

No material
weaknesses



Required Communication

- Auditor's responsibility under auditing standards
- Significant accounting policies
- Management judgments & accounting estimates
- **Audit adjustments** – (none in current year)
- Management's consultation with other accountants
- No disagreements with management
- No difficulties in performing the audit
- **Audit observations and recommendations** – discussed with audit committee



Financial highlights

- **Healthy net income before capital contributions of \$30.3 million and \$14.7 million the past two years – rates are set adequately to recoup operating costs**
- **Positive cash flows from operations at \$81.8 million and \$67.1 million the past two years**
- **Continued investment in plant assets – increasing balance from July 2023 to July 2024 - \$910.9 million in 2023 vs. \$1.06 billion in 2024**
- **Consistent cash balances - \$146.7 million in 2024 compared to \$154.3 million in 2023. Covers approximately 60.5% in 2024 and 65.8% 2023 of operating expenses**
- **Exceeding debt service coverage ratios required by bond agreements**

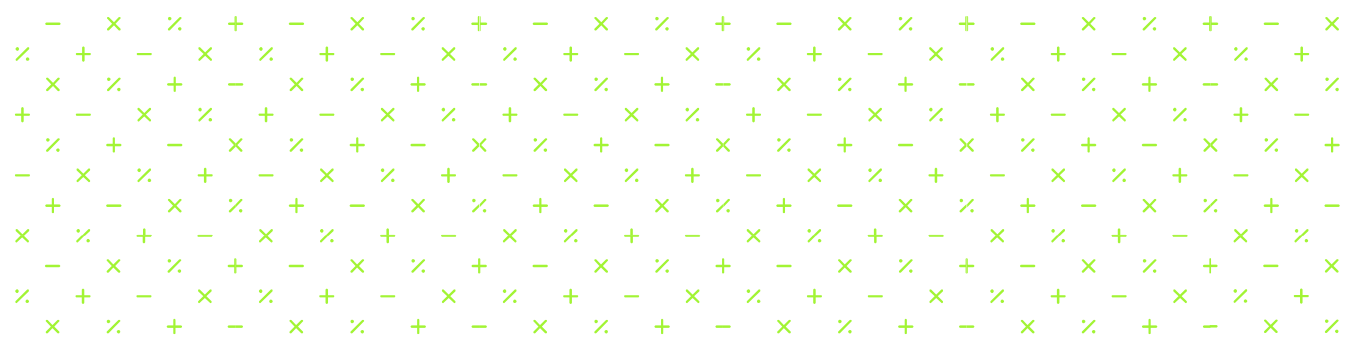


Acknowledgements

Thank you Dawn Schriewer, Kimberly Huffman, and their staff for their excellent facilitation of the audit process.

- The audit progressed on time and in an orderly fashion; all requested schedules were received on a timely basis
- All personnel across all departments were courteous, responsive, and fulfilled all our requests in a timely manner
- ‘Tone at the Top’ and attitude from management was one of helpfulness, candor, and openness in response to audit requests and discussion points





Thank You
