



Lakeway MUD Finance Committee Meeting Friday January 5, 2024 1:30pm

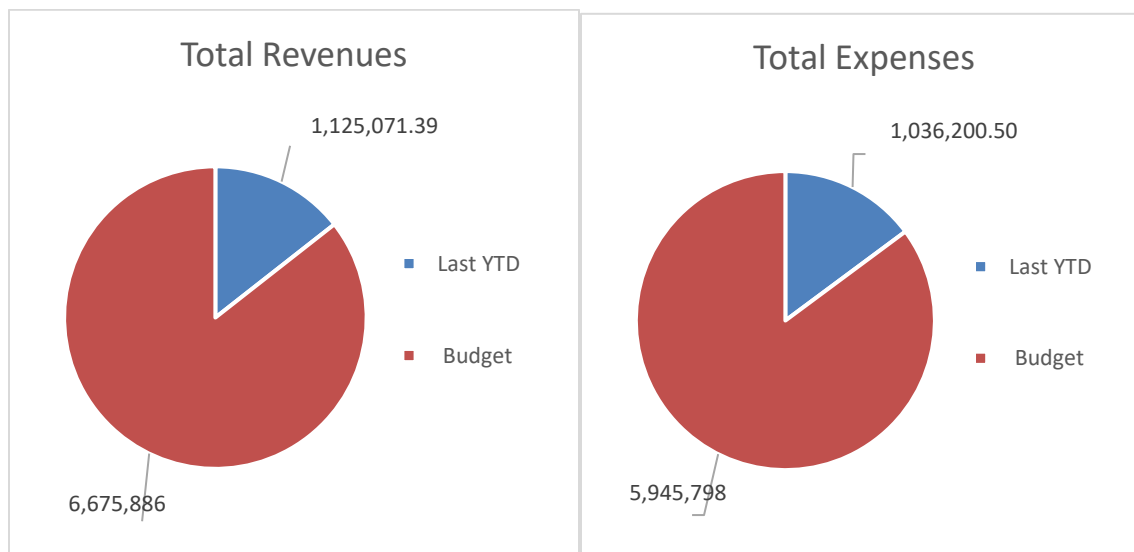
Attendees: Lee Smith Mike Cripe
Ann Smith Jason Buddin
Vincent Maggio Frank Cooley, Board Liaison
Bud Welborn Earl Foster, GM

Guests: Jimmy Rommell – Maxwell Locke and Ritter, auditors

Minutes:

1. November Financials: (See attached November Financials)

- Revenues for the month against Budget were 16.85% (\$1,125,071 of budgeted \$6,675,886)
- Expenses for the month against Budget were 17.43% (\$1,036,200 of Budgeted \$5,945,798)
- Actual Revenues for the month compared to last year showed a decrease of (9.3%). Much of the decrease resulted from water restrictions from 2 days to 1 per week.
- Actual Expenses for the month compared to last year increased by 58.8%. Most of the increase came from an increase in Purchased Services and Salary & Fringes.



2. Financial Audit presentation FY 23: (See attached draft audit for year ending September 30, 2023)
Jimmy Romell began the presentation by explaining that there have been several changes to the audit requirements from last year which is not unusual. Most of the changes are directed to more accountability on both the LMUD and the auditors. The presentation highlighted several pages in the audit.
 - Page 10: The most important columns are the first 3, General Fund, Debt Service and Capitol Projects. It is important to note the General Fund Unassigned Balance is \$5,295,008 which is uncommitted and approximately 92% of the total liabilities.
 - Page 12: Noted that the end of year fund balance was \$5,316,949 which was 29.4% positive variance from original budget.
 - Page 22: Noted that there was a \$601,808 addition to the net capital assets from 2022.
 - Page 30: Noted that the pensions are funded at 85 to 87% as of December 31, 2022.
 - Page 39: Of the water pumped into the system approximately 80% was billed to the customers. The remaining 20% was probably leakage. That figure should probably be closer to 10-15% which is being working on.
 - Page 43: Of the taxes levied based on customer property valuations, 99.26% were collected.
 - Page 46: Noted that the water and wastewater connections have been consistent over the past several years.Financially the districts Total Ending Net position was positive 7%.
3. Review Utility Cost Comparison: (See attached comparison chart)
 - Of the eight surrounding utilities plus Austin, The Hill and LMUD have the lowest rates and Austin the highest based on a total of rates charged for water plus district and city taxes.
 - The revised comparison chart now includes Lakeway RH-TCMUD 11, Lakeway Highlands - TCMUD 12 and Lakeway Highlands – TCMUD 13. The cost on the first page reflects actual water and taxes paid by customers within their respective districts. The costs on the second page reflect a change in districts TCMUD 11/12/13 costs if they were paying LMUD rates (taxes do not change). There is significant saving for all three districts, 35.0% for 11, 30.6% for 12 and 34.2% for 13.
4. There being no other business the meeting was adjourned.
 - **Next meeting is February 6th at 1:30pm.**