Lakeway MUD Finance Committee
Meeting Minutes
January 31, 2018

Members in **Attendance**: Vince Maggio, Chairperson; Bud Wellborn, Vice Chairperson; Ann Smith; Hal Hirsch, Secretary; Lawrence Christian, (Board Liaison); and Earl Foster, (General Manager)
Absent: Bill Cobb

2017 Financial Audit

- We reviewed the 2017 **Draft** of the Financial Audit with Don McPhee, partner at the firm PMB Helin Donovan.
- Although there are a few **adjusting entries** awaiting completion by the auditors, the Audit report is **favorable** and states that the reported **LMUD Financials are in conformance with Government Auditing Standards**.
- The audit included **Internal Controls** to ensure that the transactions that underlie the Financial Statements are properly transacted and recorded.
- Comparing Year End 2017 to Year end 2016, **Long Term Liabilities** have reduced roughly $1 M primarily from the pay down of Long Term Debt; and **Unrestricted Cash Assets** went up approximately $ 2 M (which added to the funds primarily invested at CDRS and FNC).
- In 2017 **Costs**, (including Expenses, Capital, Debt Service and Depreciation) were down slightly while still rounding to $5.4 M.
- **Total Cash Inflows** were down in 2017 due to the payment of the $4.9 M for the expansion of the LMUD Wastewater Plant that occurred in FY 2016.
- LMUD's **Gross Capital Assets** are $63 M with Net Assets of $25 M after 'depreciation'. This annual calculation is part of Government accounting and performed during the audit.
- LMUD's **Long Term Debt** was $15.3 M at the end of FY 2017, a reduction of $1.3 M in FY 2017.
- Per the Government Accounting Standards LMUD's **Pension Liability** did not cause a current exposure; nor was there excess in LMUD's Fund.

The group noted a few typographical corrections that should be made but none that alter any key data.
The auditor was appreciative of LMUD's cooperation throughout the process.

Next Meeting of the Finance Committee: Tuesday March 6, 2018 at 1:30 PM.