

**Lakeway MUD Finance Committee
Meeting Minutes
March 13, 2018**

All Members Attended: Vince Maggio, Chair; Bud Wellborn, Vice Chair; Bill Cobb; Ann Smith; Hal Hirsch, Secretary; Lawrence Christian, (Board Liaison); and Earl Foster, (General Manager).

Fiscal Year 2018 Financials (through January):

Fiscal Year 2018 P & L (January, Month 4 YTD)

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	<u>Actual</u>	Fav / (Unf) <u>Plan</u>	Fav / (Unf) <u>2017 YTD</u>	Memo: <u>FY 2018 Plan</u>
Revenue	\$ 1794	65	17	\$5150
Expense	1215	(13)	(80)	3687
Net*	\$579	52	(63)	\$1463

* Before Bond Payments and Capital

- 2018 Revenue is tracking well
- Expense variances relate to legal and professional services for the land sale and the Out of District Waste Water (OOD W/W) project. A portion of these expenses may later be credited back to the P&L and associated with the OOD W/W Capital Project.
- Net Revenue / Expense (before Bond Repayments and Capital) of \$579 K is better than 2018 Plan; but behind 2017 Year to Date largely due to the program expenses.

Investments outside Texpool

LMUD has \$6.5 M invested with FNC. The weighted Average Maturity is 13.8 months and the Weighted Average Yield is 1.7% per annum. FNC provides comprehensive reporting. Additionally, there is \$2 M now invested with CDARS. All \$8.5 M is FDIC insured.

Financial Audit

There were two weaknesses noted in the recent audit although they do not indicate LMUD control issues. First was the retirement liability item which was booked by the auditors a few years back and then reversed as the Government Accounting Policies evolved. The second was accounting for funds contractually owed from Waste Water District 17. Although recent audits have been at relatively low cost to LMUD, it now seems desirous on both sides to switch auditors. Changing auditors every few years is a respected management practice and a Request for Proposal (RFP) has been initiated for completion next quarter.

Land Sale Extension Fees

The contractor is now paying LMUD \$30 K / month which is not reducing the purchase price. Roughly \$4 M has been paid and there is roughly \$7 M that may be paid in 1Q 2019 for the land. The contractor and the City of Lakeway are addressing the site plan.

Next Meeting of the Finance Committee

Tuesday, May 1, 2018 at 1:30 PM