

**Lakeway MUD Financial Committee
Meeting Minutes February 4, 2014**

Members in Attendance: Lawrence Christian (Vice Chair), Kay Andrews (Board Liaison), Earl Foster (General Manager), Bill Cobb, Vince Maggio, Hal Hirsch (Secretary),
Absent: Larry Burmeier (Chair).

Audit:

- Don Mc Phee with the local office of PMB Helin Donovan, Consultants and Certified Public Accountants, took the committee through the recently completed Fiscal 2013 Audit.
- The results were acceptable and Lakeway MUD is in compliance with US Accounting principles.
- The audit included an examination of Internal Controls.
- Don will be forwarding a "No Material Weakness" letter to Earl.
- A key difference between the 2012 and 2013 financials is the Capital investment of \$1.7 Mill associated with the Lake Travis barge in 2012, while the Capital for 2013 was \$57K.
- Don noted the strong financial position and that roughly half of the \$7 Mill in cash is not earmarked.
- In response to Earl's request, Don has the action item to check the \$63 Thousand, Other, noted on page 6. Earl suspects that should be reclassified.
- Kay and Lawrence requested all members to review the audit again so it can be finalized at the 2/19 (rescheduled from 2/12) meeting of the LMUD Board.
- Kay requested that the LMUD Board be sent copies of the audit in advance of receiving their 2/19 board meeting regular packet.
- Lawrence [thanks] provided the wording for the Finance Committee's response to the audit:

The Finance Committee met with the Lakeway Municipal District auditor, Mr. Don McPhee of PMB Helin Donovan, on Tuesday, February 4, 2014 to review their audit of the District's financial books and records, as of and for the twelve months ended September 30, 2013. The auditor stated they had a "clean, unqualified opinion" of the District, as of subject date.

The committee listened to the auditors' explanation of the scope and results of their work, performed according to Governmental Accounting Standards.

The committee found no exceptions to the auditors' presentation and accordingly, accepted the audit report, and recommend that the Board of Directors consider accepting subject audit report.

Review of Financials:

Committee reviewed December, 2013 Financials with Earl providing satisfactory explanation to revenue and expense questions.

Next Meeting:

Tuesday March 4, 2014 at 3:00PM

Hal Hirsch (Secretary)