

Lakeway Municipal Utility District
 Minutes of Finance Committee Meeting
 January 28, 2016

Attendees: Lawrence Christian - Chair, Vince Maggio - Vice Chair, Bill Cobb, Hal Hirsch – Secretary, Earl Foster - LMUD General Manager, Kay Andrews - LMUD Board Liaison
Absent: Bud Wellborn

The **Annual Audit** is nearly complete. Don Mc Phee and his associate from PMB Helin Donovan walked us through the Audit Report Draft. Don, who has been on this account in previous years, was complimentary in his remarks about Internal Controls on Accounts Receivable, Accounts Payable, Bank Reconciliations and the other business processes. There were no weaknesses in Internal Controls, and no Adjustments to the reported financial statements. The LMUD staff did a superb job, as usual, supporting the audit.

However, there was a significant discussion related to a new Government Accounting Standards Board (GASB) Ruling #68 that takes a more conservative view on the Net Pension Liability including a test of the impact if all the covered employees left today. **Based on that recent ruling, \$0.3M additional will be shown as a separate line item on the P&L in the audit Report.** There is no incremental cash outlay for future retirements at this time.

The audit is slated for discussion at the February 3rd LMUD Board Meeting.

December 2015 Cash Position was just under \$16M in major categories of Construction Fund, \$5M; Expansion Fund for Rough Hollow Wastewater, \$5M; Debt Service, \$2M; and Other Accounts, \$4M. All figures are rounded.

December YTD Net P&L was **\$313K favorable** to Net Plan. The key driver is Revenue which is \$1,115K through the third month of the fiscal year, or \$270K, better than Plan:

December YTD P&L (Thru Month 3 of Fiscal Year 2016)
(\$000)

	<u>Actual</u>	<u>Fav / (Unf) Plan</u>	<u>Fav / (Unf) 2015 YTD</u>	<u>Memo: 2016 Plan</u>
Revenue	\$1115	\$270	\$164	\$4836
Expenses	<u>828</u>	<u>43</u>	<u>26</u>	<u>3512</u>
Net Revenue / (Loss)*	<u>\$287</u>	<u>\$313</u>	<u>\$190</u>	<u>\$1324</u>

* Prior to Principal and Interest Payments, and prior to Capital Requirements

Our next Finance Committee Meeting is **Tuesday, March 1st at 1:30 PM**. Tentative topics include: Bank Investments; Long Range Capital Requirements; Callable Bonds; and the status of the potential sale of the LMUD land near Lohmans Crossing.