TO: THE BOARD OF DIRECTORS OF LAKE DUNLAP WATER CONTROL AND IMPROVEMENT DISTRICT, TEXAS, AND TO ALL OTHER INTERESTED PERSONS:

Notice is hereby given that the Board of Directors of Lake Dunlap Water Control and Improvement District will hold a special meeting on September 20, 2022 at 2:00 p.m. within the boundaries of the District, at Marriott New Braunfels River Village, 750 I-35 North, New Braunfels, Texas 78130.

Meeting Packet:

A copy of the meeting packet shall be available at the following website: https://LakeDunlapWCID.org

Meeting Topics:

The meeting will be held for the following purposes:

1. Receive Public Comments.

2. Consider and take action regarding approval of the minutes from the August 23, 2022 Board of Directors' meetings.

3. Conduct public hearing regarding adoption of final tax rates for 2022 Tax Year.

4. Consider and take action regarding adoption of Resolution approving Budget for 2022-2023 Fiscal Year.

5. Discuss, consider, and take action regarding adoption of Order levying tax rates for 2022 Tax Year.

6. Discussion and possible action regarding approval of Amendment to District Information Form.

7. Consider and take action regarding engagement of auditor to undertake financial audit for 2021-2022 Fiscal Year.

8. Consider and take action relating to Funding and Construction of Improvements to the Lake Dunlap Dam Facilities:

    a. Receive Report regarding status of construction by Guadalupe-Blanco River Authority ("*GBRA*") for construction of Improvements to the Lake Dunlap Dam Facilities;

    b. Receive Report regarding hydroelectric revenues; and

    c. Other matters related thereto.

9. Consider and take action regarding potential communications to District residents and property owners.

10. Consider and take action regarding Approval of the Bookkeepers Report and Payment of Bills and Invoices.

Anthony S. Corbett

The Board of Directors may go into Executive Session if necessary, pursuant to the applicable section of Subchapter D, Chapter 551, Texas Government Code, of the Texas Open Meetings Act, on any of the above matters. No final action, decision or vote will be taken on any subject or matter in Executive Session.

The District is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Please call 512-328-2008 for further information.

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF LAKE DUNLAP WATER CONTROL AND IMPROVEMENT DISTRICT
Tuesday, August 23, 2022

STATE OF TEXAS §
§
COUNTIES OF GUADALUPE AND COMAL §

The Board of Directors of Lake Dunlap Water Control and Improvement District (the "*District*") conducted a regular meeting, open to the public, on Tuesday, August 23, 2022 at 2:00 p.m. Notices of the time, place and the subject of the meeting, and the actions to be taken at the meeting, were posted at the places and for the time required by the laws of the State of Texas. The meeting was conducted within the boundaries of the District at the Marriott New Braunfels River Village, 750 I-35 North, New Braunfels, Texas 78130.

The roll was called of the directors of the Board, to-wit:

Douglas Harrison-	President
J Raymond Harmon-	Vice President
Laurence Johnson-	Secretary
Vernon Gary Schaub-	Treasurer
Harry Alvin Moeller-	Assistant Secretary

and all of said persons were present, thus constituting a quorum. Anthony Corbett of McLean Howard, LLP (District legal counsel) and Allen Douthitt of Bott & Douthitt, PLLC (District Bookkeeper) participated by telephone conference.

Director Harrison called the meeting to order at 2:01 p.m.

1. The Board solicited public comment. There was no public comment.

2. The Board then considered the installation of signs at two principal entrances of the District. Director Harrison presented the proposals for installation of the signs and reported that the costs exceeded the costs previously authorized by the Board. After discussion, Director Harrison moved that the Board approve the Inframark proposal for installation of the signs, and to authorize Director Harmon to determine the final locations for installation. Director Moeller seconded the motion, which carried unanimously (5-0).

3. The Board then considered a preliminary draft budget for the District's 2022-2023 fiscal year. Director Schaub presented a draft budget for Board discussion. The Board took no action regarding the draft budget.

4. The Board then considered the adoption of a proposed tax rate for the 2022 Tax Year. After discussion, Director Johnson moved that the Board adopt a $0.20 per $100 proposed tax rate for the 2022 Tax Year, to schedule a hearing for adoption of final tax rates for September 20th, and to authorize publication of notice of the proposed tax rate and hearing. Director Harmon seconded the motion, which carried unanimously (5-0).

5. Director Moeller provided a report regarding the status of construction of the Lake Dunlap Dam Improvements by GBRA. Director Schaub reported that the first annual debt service payment by GBRA would be payable by the District in 2023, and that GBRA would provide the minimum payment to the District prior to such payment in the amount of $500,000. He reported that since there were no hydroelectric revenues yet, this sum would have to be repaid by the District to GBRA.

6. The Board then discussed potential communications to District residents. The Board concurred that a newsletter should be sent after the September Board meeting when final taxes were levied.

7. Allen Douthitt presented the Bookkeeper's Report. After the presentation, Director Harmon moved that the Board approve the Bookkeeper's Report and the payment of invoices as presented in the report. Director Johnson seconded the motion, which carried unanimously (5-0). A copy of the Bookkeeper's Report is attached to these meeting minutes.

8. By unanimous acclamation, the Board adjourned the meeting at 2:45 p.m.

[*The remainder of this page intentionally left blank*.]

_____

Secretary, Board of Directors

(SEAL)

A RESOLUTION APPROVING THE 2022-2023 FISCAL YEAR OPERATING BUDGET OF LAKE DUNLAP WATER CONTROL AND IMPROVEMENT DISTRICT

WHEREAS, Lake Dunlap Water Control and Improvement District (the "*District*") has been duly and lawfully created and operates pursuant to the provisions of Chapters 49 and 51 of the Texas Water Code, as amended;

WHEREAS, Title 30, Section 293.97(b), Texas Administrative Code, provides that an operating budget shall be passed and approved by a resolution of the governing board and shall be made a part of the governing board minutes; and

WHEREAS, the Board of Directors of the District desires to adopt a budget for the 2022-2023 fiscal year in an open, public meeting, proper notice of which has been given as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF LAKE DUNLAP WATER CONTROL AND IMPROVEMENT DISTRICT THAT:

Section 1. The Board of Directors hereby approves that certain operating budget for the District's 2021-2022 fiscal year in the form attached hereto.

Section 2. A copy of this Resolution and the operating budget approved hereby shall be attached to the meeting minutes of the Board's September 20, 2022 meeting.

Section 3. The President and Secretary of the Board are hereby authorized and directed to execute this Resolution. After this Resolution is executed, an original Resolution shall be filed in the permanent records of the District.

PASSED AND APPROVED this 20th day of September, 20212

_____
President, Board of Directors

ATTEST:

_____
Secretary, Board of Directors

Exhibit
Fiscal Year Budget

Lake Dunlap WCID
Proposed Budget
Fiscal Year 2022-2023

	General Fund FY '22-'23	Special Revenue Fund FY '22-'23	Total FY '22-'23
Revenues:			
Property Tax Revenue	**$ 335,235**	**$ 384,154**	**$ 719,389**
GBRA Annual Payment	**-**	**500,000**	**500,000**
Other Income	**-**	**-**	**-**
Total Revenues	**335,235**	**884,154**	**1,219,389**
Expenses:			
Administrative Expenses			
Insurance	**1,750**	**-**	**1,750**
Public Notice	**500**	**-**	**500**
Website	**1,450**	**-**	**1,450**
Meeting Expense	**500**	**-**	**500**
Appraisal District/Tax Collection Fees	**4,000**	**-**	**4,000**
Election Expense	**5,000**	**-**	**5,000**
Other / Miscellaneous	**2,000**	**-**	**2,000**
Total Administrative Expenses	**15,200**	**-**	**15,200**
Professional Fees			
Legal Fees	**24,000**	**-**	**24,000**
Audit Fees	**10,000**	**-**	**10,000**
Bookkeeping Fees	**15,000**	**-**	**15,000**
Total Professional Fees	**49,000**	**-**	**49,000**
Debt Service			
GBRA Contract Revenue Bond Payments	**335,000**	**1,168,650**	**1,503,650**
Total Contracted Services	**335,000**	**1,168,650**	**1,503,650**
Total Expenses	**399,200**	**1,168,650**	**1,567,850**
Excess/(Deficiency)	**$ (63,965)**	**$ (284,496)**	**$ (348,461)**

Assumptions:

-Certified AV:	
Comal County	$ 119,991,482
Guadalupe County	$ 239,703,141
Total AV	$ 359,694,623
Tax Rate:	
Maintenance	$ 0.0932
Contract	$ 0.1068
Total Tax Rate	$ 0.2000

ORDER OF LAKE DUNLAP WATER CONTROL AND IMPROVEMENT DISTRICT LEVYING MAINTENANCE TAX AND CONTRACT TAX FOR 2022 TAX YEAR

WHEREAS, Lake Dunlap Water Control and Improvement District (the "*District*") is a duly created and existing water control and improvement district created and operating under Chapters 49 and 51 of the Texas Water Code, as amended;

WHEREAS, Section 49.107 of the Texas Water Code provides that a district may levy and collect a tax for operation and maintenance purposes after it is approved by a majority of the electors voting at an election held for that purpose;

WHEREAS, Section 49.108 of the Texas Water Code provides that a district may make payments under a contract from taxes other than operation and maintenance taxes after the provisions of the contract have been approved by a majority of the qualified voters voting at an election held for that purpose;

WHEREAS, Section 49.108 further provides that a district that is required under Section 49.181 of the Texas Water Code to obtain approval by the Texas Commission on Environmental Quality ("*TCEQ*") must obtain approval by the executive director of TCEQ before the district enters into an obligation to collect a contract tax for debt that exceeds three years;

WHEREAS, by Order dated October 28, 2020, TCEQ adopted an Order approving a proposed contract between the District and the Guadalupe-Blanco River Authority ("*GBRA*") setting forth the terms and conditions pursuant to which GBRA agreed to repair the Lake Dunlap Dam, and pursuant to which the District agreed to levy and collect a contract tax to fund debt service on GBRA bonds issued to repair the dam facilities (the "*GBRA Contract*");

WHEREAS, at an election properly conducted on November 3, 2020 in accordance with all applicable laws, the eligible residents of the District previously approved the GBRA Contract, authorized the levy and collection of District maintenance and operation taxes, and the levy and collection of a contract tax to pay sums due and payable under the GBRA Contract;

WHEREAS, the GBRA Contract became effective December 16, 2020 upon execution by the District and GBRA;

WHEREAS, the Board of Directors of the District approved a proposed ad valorem tax rate for the 2022 tax year at a meeting conducted on August 23, 2022;

WHEREAS, in accordance with the requirements set forth at Section 49.236 of the Texas Water Code and other applicable laws, the District has given proper notice and conducted a public hearing regarding the adoption of an ad valorem tax for the 2022 tax year;

WHEREAS, after conducting the public hearing, the Board of Directors of the District desires to proceed with the levy and collection of a maintenance tax and a contract tax for the 2022 tax year; and

WHEREAS, the District has complied with the applicable requirements of the Texas Water Code and other statutes relating to the procedures for establishing ad valorem taxes by water control and improvement districts. Now, therefore,

BE IT ORDERED BY THE BOARD OF DIRECTORS OF LAKE DUNLAP WATER CONTROL AND IMPROVEMENT DISTRICT THAT:

Section 1. The facts and recitations found in the preamble of this Order are hereby found and declared to be true and correct, and are incorporated by reference herein and expressly made a part hereof, as if copied verbatim.

Section 2. There is hereby levied for the 2022 tax year the following ad valorem tax:

(i) An ad valorem maintenance and operations tax rate of $0.0932 on each $100 of taxable value on all taxable property within the District; and

(ii) An ad valorem contract tax rate of $0.1068 per $100 of taxable value on all taxable property within the District.

Section 3. The Board of Directors hereby finds and declares that the tax rates adopted and levied by this Order do not exceed the maximum tax rate authorized by the voters of the District.

Section 4. All maintenance and operation taxes collected pursuant to this Order, after paying reasonable costs of levying, assessing and collecting same, shall be used for authorized purposes, as may be specified by the Board of Directors in accordance with applicable laws.

Section 5. All contract taxes collected pursuant to this Order shall be used to pay costs payable under the GBRA Contract.

PASSED AND APPROVED this 20th day of September, 2022.

_____
President, Board of Directors

ATTEST:

_____
Secretary, Board of Directors

LAKE DUNLAP WATER CONTROL AND IMPROVEMENT DISTRICT

AMENDMENT NO. 2 TO DISTRICT INFORMATION FORM

THE STATE OF TEXAS	§
	§
COUNTIES OF COMAL AND GUADALUPE	§

We, the undersigned, constituting a majority of the members of the Board of Directors of the referenced District do hereby make and execute this Information Form in compliance with Section 49.455, Texas Water Code, as amended. We do hereby certify as follows:

1. The most recent rate of district taxes on property located in the District is $0.____ per $100 assessed valuation.

2. An updated Notice to Purchaser required by section 49.452, Texas Water Code, is attached as **Exhibit A**.

WITNESS OUR HANDS this _____ day of _____, 2021.

_____
Douglas Harrison

_____
Vernon Gary Schaub

_____
J Raymond Harmon

_____
Harry Alvin Moeller

_____
Larry Johnson

THE STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on September 20, 2022, by _____, _____, _____, _____ and _____.

_____
Notary Public, State of Texas

(SEAL)

My Commission expires: _____

Exhibit A
NOTICE TO PURCHASER

The real property, described below, that you are about to purchase is located in the Lake Dunlap Water Control and Improvement District. The District has taxing authority separate from any other taxing authority and may, subject to voter approval, issue an unlimited amount of bonds and levy an unlimited rate of tax in payment of such bonds. As of this date, the rate of taxes levied by the District on real property located in the district is $0.____ on each $100 of assessed valuation. The total amount of bonds, excluding refunding bonds and any bonds or any portion of bonds issued that are payable solely from revenues received or expected to be received under a contract with a governmental entity, approved by the voters and which have been or may, at this date, be issued is $0.00, and the aggregate initial principal amounts of all bonds issued for one or more of the specified facilities of the District and payable in whole or in part from property taxes is $0.00.

The District has the authority to adopt and impose a standby fee on property in the District that has water, sanitary sewer, or drainage facilities and services available but not connected and which does not have a house, building, or other improvement located thereon and does not substantially utilize the utility capacity available to the property. The District may exercise the authority without holding an election on the matter. As of this date, the most recent amount of the standby fee is $0.00. An unpaid standby fee is a personal obligation of the person that owned the property at the time of imposition and is secured by a lien on the property. Any person may request a certificate from the District stating the amount, if any, of unpaid standby fees on a tract of property in the District.

The District is located in whole or in part within the corporate boundaries of the City of New Braunfels. The taxpayers of the District are subject to the taxes imposed by the municipality and by the District until the District is dissolved. By law, a district located within the corporate boundaries of a municipality may be dissolved by municipal ordinance without the consent of the district or the voters of the district.

The purpose of this District is to finance, build, construct, improve, reconstruct, repair and maintain dams, structures, facilities and equipment in aid thereof, in order to store and preserve the waters within Lake Dunlap. The District has entered into a contract with the Guadalupe-Blanco River Authority ("GBRA") to accomplish such purposes. Pursuant to the terms of the contract, GBRA shall finance and construct the improvements to the Lake Dunlap Dam Facilities, and the District shall levy a tax each year to fund debt service and other costs for which the District is responsible under the contract.. The legal description of the property you are acquiring is as follows:

_____

_____

_____
(Date)

_____
Signature of Seller

PURCHASER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY TIME. THE DISTRICT ROUTINELY ESTABLISHES TAX RATES DURING THE MONTHS OF SEPTEMBER THROUGH DECEMBER OF EACH YEAR, EFFECTIVE FOR THE YEAR IN WHICH THE TAX RATES ARE APPROVED BY THE DISTRICT. PURCHASER IS ADVISED TO CONTACT THE DISTRICT TO DETERMINE THE STATUS OF ANY CURRENT OR PROPOSED CHANGES TO THE INFORMATION SHOWN ON THIS FORM.

The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or prior to execution of a binding contract for the purchase of the real property described in such notice or at closing of purchase of the real property.

_____
(Date)

_____
Signature of Purchaser

LAKE DUNLAP

WATER CONTROL AND IMPROVEMENT DISTRICT

GUADALUPE COUNTY, TEXAS

AUDIT PROPOSAL

FOR THE FISCAL YEAR ENDED

AUGUST 31, 2022

McCALL GIBSON SWEDLUND BARFOOT PLLC
CERTIFIED PUBLIC ACCOUNTANTS

13100 Wortham Center Drive, Suite 235
Houston, TX 77065
(713) 462-0341

TABLE OF CONTENTS

	Page
INTRODUCTION TO BOARD	1-2
ENGAGEMENT LETTER	3-8
COPY OF FIRM LICENSE	9

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants

McCall Gibson Swedlund Barfoot PLLC is a Texas CPA firm which provides auditing services for local governmental and not-for-profit organizations all over Texas. In the beginning of our professional career, we recognized that there were areas within the local governmental and not-for-profit industries that had accounting issues we enjoyed, so we chose to develop our expertise in this area. It is because of this specialty that we believe our firm is small enough to provide the very best in personal service and large enough to practice the quality standards of the largest CPA firms. The firm currently represents clients in over 30 counties in Texas including Cameron and El Paso in the valley; Kaufman, Denton, Henderson, Dallas, Hunt, Collin, Rockwall, Ellis, Erath, Tarrant, Johnson, Parker, and Palo Pinto in the Dallas/Fort Worth area; Bell, Comal, Williamson, Travis, Hays, Bastrop, Kendall, Guadalupe and Wilson in the Austin/San Antonio area; and Harris, Waller, Fort Bend, Brazoria, Galveston, Calhoun, Grimes, Montgomery, Polk, Jasper, Chambers, Walker and San Jacinto in the Houston/East Texas area.

The firm was first formed on March 1, 1987. Our governmental clients include water districts, regional water and wastewater treatment facilities, emergency services districts, management districts, cities, improvement districts (including road, drainage and levee improvement districts), rail districts, security districts and water authorities. Our not-for-profit clients include water supply corporations, redevelopment authorities/tax increment redevelopment zones, VFD/EMS organizations, large homeowners' associations and other organizations. Our staff provides voluntary community services to the Cy-Fair Educational Foundation, the Miss Kemah pageant, and various other community organizations.

The partners of the firm are Christopher (Chris) J. Swedlund, CPA, Noel W. Barfoot, CPA, and Joseph L. Ellis, CPA. Mike McCall retired in July 2012 after working in public accounting for 35 years. Debbie Gibson retired in June 2019 after working in public accounting for 34 years. Chris joined the firm in 1994 after graduation from Abilene Christian University. Noel has worked as an auditor in public accounting since graduation from the University of Houston in 1996 and first joined the firm in 1996. Joseph joined the firm in 1998 as a high school co-op student and graduated from the University of Houston in 2007.

In addition to the partners, the firm employs Jennifer Day, CPA. She joined the firm in December 2001 after graduation from Sam Houston State University. Jennifer is now an audit manager with the firm. Julia C. McCain, CPA joined the firm in October 2008 and is an audit manager with the firm. Julia graduated from Texas Tech University and previously worked as an auditor with KPMG, LLP. Brian Toldan, CPA joined the firm in January 2010 and is an audit manager with the firm. Brian

has 30 years of experience as an internal auditor in the corporate world. Michelle Roenz, CPA joined the firm in August 2010 and is an audit manager with the firm. Ashlee Martin, CPA joined the firm in October 2016 and is now a senior audit manager with the firm. Ashlee graduated from Southwestern University and previously worked as an auditor with Deloitte. Nancy Olson, CPA joined the firm in November 2016 and is an audit manager with the firm. Nancy graduated from University of Texas-Austin. Suzanne Villarreal, CPA joined the firm in July 2021 and is an audit manager with the firm. Justin Jenkins, CPA, is the firm's newest audit manager. His primary focus is on overseeing the agreed-upon procedures department and the preparation of a large numbers of AUP reports throughout the year. The firm also employs Terri Shepherd, CPA, Jennifer Vossler, CPA, Alyssa Saccomen, CPA and Louis Shocket, CPA. The firm's other employees include 13 staff accountants with accounting degrees or comparable educational backgrounds, and 4 administrative personnel.

Professionally, we are members of the American Institute of Certified Public Accountants (AICPA) and the Texas Society of Certified Public Accountants. In June of 1988, the firm joined the Private Companies Practice Section (PCPS) of the AICPA. We are also members of the AICPA's Governmental Audit Quality Center, the Governmental Finance Officers Association (GFOA), the Association of Water Board Directors (AWBD), the Texas Rural Water Association (TRWA), Capital Area Suburban Exchange (CASE) and the Texas State Association of Fire and Emergency Districts (SAFE-D).

In addition, we pride ourselves on meeting filing deadline requirements imposed by the Texas Commission on Environmental Quality and the Texas Water Development Board.

To learn more about our firm, please visit our website at www.mgsbpllc.com.

McCALL GIBSON SWEDLUND BARFOOT PLLC

Certified Public Accountants

13100 Wortham Center Drive
Suite 235
Houston, Texas 77065-5610
(713) 462-0341
Fax (713) 462-2708

PO Box 29584
Austin, Texas 78755-5126
(512) 610-2209
www.mgsbpllc.com
E-Mail: mgsb@mgsbpllc.com

September 20, 2022

Board of Directors
Lake Dunlap Water Control and
Improvement District
Guadalupe County, Texas

We are pleased to confirm our understanding of the services we are to provide Lake Dunlap Water Control and Improvement District (the "District") for the year ended August 31, 2022.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, each major fund, and the disclosures, which collectively comprise the basic financial statements of the District as of and for the year ended August 31, 2022. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis
2) Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund

The document we submit to you will include Texas Supplementary Information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* and Other Supplementary Information. This information is presented for purposes of additional analysis and will not be subjected to the auditing procedures applied in our audit of the financial statements. We will apply certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America; however, our report will not provide an opinion or any assurance on this information.

Audit Scope and Objectives (Continued)

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles (GAAP); and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards (GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Audit Procedures – Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

Responsibilities of Management for the Financial Statements (Continued)

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

You are responsible for the preparation of the supplementary information and the other supplementary information. You agree to include our report on the supplementary information and the other supplementary information in any document that contains, and indicates that we have reported on, the supplementary information and the other supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information and the other supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information and the other supplementary information; (2) you believe the supplementary information and the other supplementary information, including its form and content, is fairly presented; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information and the other supplementary information.

Engagement Administration, Fees and Other

We are aware of the State statute requiring the audit to be completed within 120 days and filed with the Texas Commission on Environmental Quality within 135 days from the closing date of the audit and barring any unforeseen circumstances every effort will be made to comply with this rule. In regard to retaining the documents we produce as part of our audit, we will comply with the Rules of Professional Conduct of the Texas State Board of Public Accountancy and the District's record retention policies.

We expect to present a draft of the audit report within 45 days of the availability of the District's accounting records. Noel Barfoot is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign the report. The following is an estimate of our fees for the services included in this engagement letter.

- Audit of the District's financial statements for the year ended August 31, 2022, to range between $6,000 and $7,000

The above fee is based on anticipated cooperation from your consultants and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Engagement Administration, Fees and Other (Continued)

If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement. The District will be obligated to compensate us for our time expended through the date of withdrawal or termination. You agree that any dispute regarding this engagement will, prior to resorting to litigation, be submitted to mediation upon written request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The American Arbitration Association will administer any such mediation in accordance with its Commercial Mediation Rules. The results of the mediation proceeding shall be binding only if each of us agrees to be bound. We will share any costs of mediation proceedings equally.

Reporting

We will issue a written report upon completion of our audit of the District's financial statements, which will also address the supplementary information required by the Commission in accordance with *AU-C 725, Supplementary Information in Relation to the Financial Statements as a Whole* and the other supplementary information in accordance with *AU-C 720, The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*. Our report will be addressed to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

Fossil Fuels Boycott Verification

As required by 2274.002, Texas Government Code (as added by Senate Bill 13, 87th Texas Legislature, Regular Session), as amended, McCall Gibson Swedlund Barfoot PLLC hereby verifies that McCall Gibson Swedlund Barfoot PLLC, including any wholly-owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, does not boycott energy companies, and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code, as amended.

Firearms Discrimination Verification

As required by Section 2274.002, Texas Government Code (as added by Senate Bill 19, 87th Texas Legislature, Regular Session, "SB 19"), as amended, McCall Gibson Swedlund Barfoot PLLC hereby verifies that McCall Gibson Swedlund Barfoot PLLC, including any wholly-owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, (i) does not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association, and (ii) will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, "discriminate against a firearm entity or trade association" shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code (as added by SB 19), as amended.

Israel Boycott Verification

As required by Chapter 2271, Texas Government Code, as amended, McCall Gibson Swedlund Barfoot PLLC hereby verifies that McCall Gibson Swedlund Barfoot PLLC, including any wholly-owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, does not boycott Israel and will not boycott Israel through the term of this Agreement. As used in the foregoing verification, the term "boycott Israel" has the meaning assigned to such term in Section 808.001, Texas Government Code, as amended.

Anti-Terrorism Representation

Pursuant to Chapter 2252, Texas Government Code, McCall Gibson Swedlund Barfoot PLLC represents and certifies that, at the time of execution of this letter neither McCall Gibson Swedlund Barfoot PLLC, nor any wholly-owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same: (i) engages in business with Iran, Sudan, or any foreign terrorist organization pursuant to Subchapter F of Chapter 2252 of the Texas Government Code; or (ii) is a company listed by the Texas Comptroller pursuant to Section 2252.153 of the Texas Government Code. The term "foreign terrorist organization" has the meaning assigned to such term pursuant to Section 2252.151 of the Texas Government Code.

We believe this letter accurately summarizes the significant terms of the engagement. If you have any questions, please let us know. If you agree with the terms of the engagement as described in this letter, please sign the enclosed copy and return it to us. We appreciate the confidence you have placed in us by retaining this firm as your independent auditor in this matter.

Sincerely,

McCall Gibson Swedlund Barfoot PLLC

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants

This letter correctly sets forth the understanding of the District.

Signature	Title	Date

Texas State Board of Public Accountancy
505 E. Huntland Drive, Suite 380, Austin Texas 78752

MCCALL GIBSON SWEDLUND BARFOOT PLLC
OFFICE
13100 WORTHAM CENTER DR STE 235
HOUSTON TX 77065

Office License ID: **W07124**
Firm License ID: **C06958** Expires: **4/30/2023**

MAXWELL & LOCKE RITTER

Proposal to Provide Professional Services to:

Lake Dunlap Water Control and Improvement District

September 2, 2022

Maxwell Locke & Ritter
Jimmy Romell

(512) 370-3245
jromell@mlrpc.com

MAXWELL LOCKE & RITTER LLP
Accountants and Consultants
An Affiliate of CPAmerica International
tel (512) 370 3200 fax (512) 370 3250
www.mlrpc.com

Austin: 401 Congress Avenue, Suite 1100
Austin, TX 78701

Round Rock: 411 West Main Street, Suite 300
Round Rock, TX 78664

September 2, 2022

Board of Directors
Lake Dunlap Water Control and Improvement District
4301 Bull Creek Road, Suite 150
Austin, TX 78731

Dear Board of Directors:

Maxwell Locke & Ritter welcomes the opportunity to present our credentials to serve as independent auditors for Lake Dunlap Water Control and Improvement District (the District). You will be an important client to our firm and will receive the highest level of quality service from our team. We understand the scope of work includes the audit and preparation of the financial statements as of and for the year ending August 31, 2022.

We want to help you achieve your goals and believe our ability to deliver the scope of work outlined in this proposal is exceptional and characterized by the following qualifications:

- **We want our engagement and your business to succeed.** We have a holistic approach to client service, where our connections and industry expertise provide an understanding of your business that is key to a successful, collaborative relationship. It is our desire to offer recommendations for possible business improvements.
- **Our experienced engagement team will serve as your Trusted Advisors, offering proactive solutions to your issues as they arise.** We only hire experienced professionals that can deliver on our services. Our engagement team members are caring people who keep your financial goals and business success top of mind. We think broadly about your business and will proactively help you achieve your goals.
- **Our unique culture is fundamental to our lasting client relationships.** Our theory is simple: happy, rewarded and valued professionals provide quality services, which leads to highly satisfied clients. We work every day to make Maxwell Locke & Ritter the best place to work in Central Texas, where people do not have to choose between a successful career, a healthy home life and meaningful community involvement.

We hope that our interest, qualifications and experience are reflected in the proposal. Should you have any questions about our proposal or desire additional information, please contact me at (512) 370-3245 or jromell@mlrpc.com. If you wish to see additional information on our firm, please visit our website at www.mlrpc.com.

Sincerely,

Jimmy Romell
Partner

Affiliated Company
ML&R WEALTH MANAGEMENT LLC
"A Registered Investment Advisor"
This firm is not a CPA firm

Table of Contents

Detailed Statement of Qualifications 2
- Industry Experience 2
- Specific Audit Approach 3
- Internal Control 4
- Management Letter 4
- Quality Control 4
- License to Practice in Texas 5
- Independence 5
- Our Audit Philosophy 5
- Information Technology 6
- Support from the District 6

Engagement Team 6

Client Information Management 9
- Continuity, Security and Disaster Plan 9
- Record Retention 9

References 9

Proposed Fee Schedule 9

Peer Review Letter 10

Detailed Statement of Qualifications

Industry Experience

Maxwell Locke & Ritter's connections and industry focused teams offer an understanding of your business that is key to a successful, collaborative relationship. Our firm currently serves the following related clients:

Client	Served Since
1. Bastrop County Water Control & Improvement District No.3	2012
2. Central Health f.k.a. Travis County Healthcare District	2005
3. Greenhawe Water Control & Improvement District No. 2	2008
4. Hays County Water Control & Improvement District No. 1	2003
5. Hays County Water Control & Improvement District No. 2	2005
6. Johnson Ranch Municipal Utility District	2014
7. Lakepointe Municipal Utility District	2018
8. Lakeside Municipal Utility District No. 3	2008
9. Lost Creek Limited District	2018
10. Lower Brushy Creek Water Control & Improvement District	2018
11. Meadows at Chandler Creek Municipal Utility District	2011
12. Moore's Crossing Municipal Utility District	2009
13. North Hays County Municipal Utility District No.1	2006
14. Northeast Travis County Utility District	2005
15. Presidential Glen Municipal Utility District	2014
16. Reunion Ranch Water Control & Improvement District	2013
17. River Place Municipal Utility District	2008
18. South Buda Water Control & Improvement District No. 1	2006
19. Stonewall Ranch Municipal Utility District	2007
20. Tanglewood Forest Limited District	2016
21. Texas State Affordable Housing Corporation	2014
22. Travis County Emergency Services District No. 2	2019
23. Travis County Emergency Services District No. 3	2016
24. Travis County Emergency Services District No. 5	2014
25. Travis County Emergency Services District No. 6	2007
26. Travis County Emergency Services District No. 11	2013
27. Travis County Emergency Services District No. 14	2009
28. Travis County Emergency Services District No. 15	2018
29. Travis County Emergency Services District No. 17	2021
30. Travis County Municipal Utility District No. 3	2008
31. Travis County Municipal Utility District No. 14	2008
32. Travis County Municipal Utility District No. 17	2014
33. Travis County Water Control & Improvement District No. 10	1991
34. Travis County Water Control & Improvement District No. 20	1995
35. Travis County Water Control & Improvement District No. 17	2017
36. Travis County Water Control & Improvement District – Point Venture	2018
37. Upper Brushy Creek Water Control & Improvement District	2002
38. Watch Hill Municipal Utility District	2015
39. West Travis County Public Utility Agency	2012
40. West Williamson County Municipal Utility District No. 1	2014
41. Williamson County & Cities Health District	2015
42. Williamson County Municipal Utility District No. 12	2008

43. Williamson County Municipal Utility District No. 13	2006
44. Williamson County Municipal Utility District No. 22	2014
45. Williamson County Water, Sewer, Irrigation and Drainage District No. 3	2002
46. Williamson-Travis Counties Municipal Utility District No. 1	2009

Maxwell Locke & Ritter is also a member of the American Institute of Certified Public Accountants (AICPA) Governmental Audit Quality Center (the Center). The Center is a voluntary membership center for CPA firms that perform governmental audits, including all audits and attestation engagements performed under Government Auditing Standards, the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, the State of Texas Uniform Grant Management Standards for State or local awards; nonprofit organizations (NPO); and certain for-profit organizations that receive federal and state assistance. The AICPA established the Center to help CPAs perform quality audits by providing resources and guidance to help them navigate the increased complexity of the federal rules and regulations underlying governmental auditing.

As a member of the Center, we have made a commitment to adhere to Center membership requirements that are designed to introduce additional quality control features to our practice. As a Center member, we receive comprehensive resources to assist us in performing governmental audits. We receive up-to-date information on a variety of technical, legislative and regulatory subjects that we then apply to your audit to help ensure that you are in compliance with the appropriate standards and changes in regulation. These resources help us respond nimbly to new standards and requirements to ensure the efficiency of your audit engagement.

Specific Audit Approach

Our audit of the District will be conducted in accordance with U.S. generally accepted auditing standards and the AICPA generally accepted auditing standards. The proposed audit team has met the governmental accounting and auditing continuing professional education requirements of these standards for many years. As required by U.S. generally accepted auditing standards, we plan our audit to focus on areas of risk and use the most efficient audit methods to test those areas. Those methods may include statistical or non-statistical sampling, or other procedures, depending on which will be most effective and efficient.

Our audit will be designed and implemented at the District in two phases that emphasize the principal stages of evaluation and testing. They are:

- ***Phase I*** - The first phase involves obtaining knowledge of your operations, identifying and evaluating key systems and controls, and setting audit objectives based on our risk analysis, our control evaluation and management/board concerns.
- ***Phase II*** - During the second phase we perform substantive tests of the account balances and formulate an opinion on the financial statements. Our substantive tests of account balances will include samples based on stratification of the populations.

Internal Control

Your internal controls consist of your control environment, your accounting system, and your control procedures. We will gain an understanding of your internal controls to assist us in designing our audit plan. Should we identify weaknesses in your internal controls, we will communicate them to your Board of Directors. We understand the District's management emphasizes the importance of the control environment of the District, is conservative in its selection and application of accounting policies, and requires compliance with standard procedures.

Materiality is the criterion used to distinguish between trivial and important matters or, said another way, it is the acceptable limit of misstatement on the financial statements. Generally accepted auditing standards define audit risk as "the risk that the auditor may unknowingly fail to appropriately modify his opinion of financial statements that are materially misstated." Audit risk at the financial statement level is referred to as engagement risk. The factors that influence our consideration of engagement risk include the following:

- Management characteristics such as aggressive attitudes, emphasis on meeting goals, high turnover or poor reputations in the community.
- Operating and industry characteristics such as having profits below industry peers, sensitivity to economic factors, participation in a quickly changing or declining industry or poorly monitored operations.
- Engagement characteristics such as contentious or difficult accounting issues, difficult to audit transactions or balances, unusual related party transactions or a history of significant audit adjustments.

In planning our audit, we will be particularly sensitive in the areas of internal controls, conflicts of interest, cash management, adherence to investment policies, changes in the equity markets and significant transactions.

Management Letter

One product of our audit is the management letter, which is prepared for the District focusing on those areas that we observe during the performance of our procedures which may benefit from additional attention. These will relate to specific areas for internal control improvements and also address opportunities for general improvements in your business practices.

The management letter is a direct result of audit findings, e.g., review of internal controls and testing of account balances. Added input comes from routine client service conversations involving your audit engagement team and your personnel. Our management letter will go beyond technical issues to achieve a broader, balanced business view, one that is useful and directly relevant to the District.

Quality Control

During the history of our firm that was established in 1991, Maxwell Locke & Ritter has not been the subject of disciplinary actions taken as a result of any Federal or State desk or field reviews, or any other regulatory bodies or professional organizations. We have the following internal and external quality control standards:

- **Internal** - Maxwell Locke & Ritter has an annual inspection program to review the quality of audit work and compliance with standards.
- **External** - Within the public accounting profession, members of our firm have taken a leading role in the quality control "peer review" program that was established by the AICPA in 1976. We have had a review of our auditing practice quality control system in accordance with the standards for peer reviews promulgated by the peer review committee of the AICPA Division for CPA Firms. Maxwell Locke & Ritter has never been under the terms of a public or private reprimand by the Texas State Board of Public Accountancy and/or licensing boards of other states. We have been a member of the AICPA Division for CPA Firms since 1991. As indicated by the report outlined in the Peer Review section of this proposal, our system of quality control was found to meet the objectives of quality control standards established by the AICPA. Our required frequency of peer reviews is every three years.

License to Practice in Texas

Maxwell Locke & Ritter and all assigned key professional staff are properly licensed to practice in Texas. We are well qualified to perform audits of nonprofit and governmental organizations and to provide any special services such organizations require.

Independence

Of paramount importance in contracting for an audit is the independence of the auditors. While you are, of course, interested in hiring professionals who will work effectively with the District and in its best interest, the credentials and independence of those professionals must be beyond question. We have determined that our firm and all individuals included in this proposal are independent of the District under the provisions of Rule 101 of the professional standards of the AICPA.

Our Audit Philosophy

Our audit philosophy for serving the District is based on the premise that you deserve more from your independent auditors than just an audit opinion. Our audit philosophy is distinctly different, for a number of reasons, including:

- **Professional quality.** Our audit approach ensures professional quality that exceeds the highest auditing standards of our profession. Indeed, our audits have warranted the respect of our clients, the financial community and regulatory agencies.
- **Industry perspective.** In our audit of the District, we are assigning individuals with significant experience in serving other clients with similar attributes.
- **Tailored and individualized audit.** Our audit is tailored for each client. We employ an approach which is a conceptual framework, rather than a routine. Routine applications are easily done by computers and should not be the work of audit professionals. Our audits are people-driven and computer assisted. We teach our professionals concepts - systems evaluation, risk assessment, and business evaluation techniques - which are applied to the specific situation of a particular individual client. We utilize sampling techniques and current technology to provide an efficient and effective audit.
- **Usefulness to management.** The external audit process has traditionally been geared to produce the "opinion" of the external auditor as to the fairness of your financial statements and the adherence to generally accepted accounting principles. Our audits are also designed to identify areas that should be of concern to management and to recommend alternate approaches. Should we encounter significant audit issues or possible illegal acts, we immediately discuss them with the appropriate level of management and/or board and assist in the resolution of such matters.

Our approach combines analytical and detail testing procedures. Analytical auditing focuses on the risk elements of your business and related systems of internal control and concentrates our detail testing into priority areas where you have higher levels of business risk. We believe four benefits will accrue through the use of our approach:

- **Effective management.** First, your client service team exercises a high degree of management control over the auditing process. Our management team is on-site during the course of our audit and readily available to you throughout the year.
- **Assurance.** Second, this approach maintains a high level of measurable assurance. This approach rests upon a quantitative diagnosis of areas which represent the greatest degree of risk and thus more efficiently directs audit resources.
- **Comprehensive perspective.** Third, our auditors are oriented toward understanding how your organization operates.
- **Efficiencies.** Fourth, this approach is productivity oriented, producing relevant auditing hours which are tailored to your operations.

The core business of Maxwell Locke & Ritter is providing professional, high quality auditing services to a wide variety of clients of differing sizes, complexities and natures. Our commitment to the most exacting standards and the highest quality of service remains the foundation of our philosophy and will certainly be the basis of our professional relationship with the District. We are confident our philosophy and the specific approach we adopt in the audit of the District are compatible with your operations, management style and needs. We are committed to providing you with the highest quality professional audit - and one which is useful and relevant to management - because it is more than an "opinion".

Information Technology

Our audit engagement files are paperless. We use ProSystem fx Engagement software, which is a secure system. This software includes a trial balance component that allows us to post our audit adjustments and link the adjusted balances directly to our final reports.

Support from the District

Upon acceptance of our proposal, we will provide a PBC audit questionnaire, which will list items to prepare for us in advance of the audit fieldwork date. We understand that your employees will be available during fieldwork to prepare trial balances and selected account analyses, prepare confirmations requested and locate invoices selected by us for testing. We will need space in your office and internet accessibility for one to two auditors for approximately one week for final audit fieldwork.

Engagement Team

Deeply rooted in Central Texas, Maxwell Locke & Ritter is the largest locally owned and managed accounting firm with offices in downtown Austin and Round Rock and has been in business for 31 years. This gives us the unique advantage of being large enough to provide sound, timely, and proactive services while maintaining the personal touch from a team of highly experienced and qualified people. Our office hours are 8AM – 5PM, Monday through Friday.

Our firm is structured with three levels of highly-experienced staff: Partners, Managers and Associates. We cultivate our commitment to a unique culture through the development of and investment in talent, and leadership succession throughout the firm. This enables us to attract, select and retain highly-qualified industry experts, primarily from regional and national firms. Your proposed engagement team follows:

Name	Role	Years of Experience
Jimmy Romell	Audit Partner responsible for audit services	22
Kevin Gilmartin	Audit Manager responsible for audit fieldwork	10

Throughout the engagement there will be multiple professionals that understand your business and are available to assist you. One of the advantages of working with a locally owned firm is continuity of service. Members of your service team will not be transferred to another branch office. Because of the extensive training and experience of your service team, we do not anticipate any need to bring in outside specialists or consultants. Resumes of your engagement team are shown on the following pages.

Jimmy Romell, CPA
Audit Partner

CONTACT

jromell@mlrpc.com
(512) 370-3245

EDUCATION

The University of Texas at Austin

- Bachelor of Business Administration
- Master of Professional Accounting

PROFESSIONAL EXPERIENCE

After graduation, Jimmy joined the San Antonio office of Deloitte & Touche where he audited a variety of commercial clients in the oil and gas, manufacturing, investments, and financial institution industries.

Jimmy moved back to Austin in 2003 and served as an internal auditor for a public telecommunications company before re-entering public accounting by joining Maxwell Locke & Ritter in 2005.

Jimmy has developed a diverse client based with a primary focus on governmental, nonprofit, construction, wholesale/retail and professional services entities in the Austin and Central Texas area. He leads the government niche and oversees services provided to government clients which include municipal utility districts, water control and improvement districts and emergency services districts. These services also include overseeing audits performed in compliance with Government Auditing Standards and federal Single Audits performed under the Uniform Guidance.

INDUSTRY EXPERTISE

- Government
- Nonprofit
- Construction
- Wholesale & Retail
- Professional Services

COMMUNITY

- First Tee of Austin, Mentor and Former Board Member
- Meals on Wheels, Volunteer

AFFILIATIONS

- American Institute of Certified Public Accountants
- Texas Society of Certified Public Accountants

Kevin Gilmartin, CPA

Audit Manager

CONTACT

kgilmartin@mlrpc.com
(512) 370-3232

EDUCATION

Texas A&M University

- Bachelor of Business Administration

PROFESSIONAL EXPERIENCE

Kevin began his accounting career with Melton & Melton LLP in Houston, TX in August 2012, where he served in the Audit and Assurance group for four years. He provided attestation services for privately-held companies operating in various industries.

Kevin joined Maxwell Locke & Ritter in July 2016. He continues to provide attestation services to his clients.

INDUSTRY EXPERTISE

- Government
- Manufacturing
- Wholesale & Retail
- Real Estate & Construction
- Technology

COMMUNITY

- Meals on Wheels, Volunteer
- Young Men's Business League, Member

AFFILIATIONS

- American Institute of Certified Public Accountants
- Texas Society of Certified Public Accountants

Client Information Management

Continuity, Security and Disaster Plan

All servers and the data contained are snapshotted and replicated to our off-site data center on an hourly basis. Disaster Recovery is automated by VMware's Site Recovery Manager to bring up necessary systems at our off-site location. Our Disaster Recovery plan was last tested on July 20th of 2019. All client machines and servers are patched weekly via Kaseya's Virtual Systems Administrator's patch management module.

Record Retention

We maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. The audit documentation for this engagement would be the property of Maxwell Locke & Ritter and is not a substitute for your own records. Our firm maintains digital workpapers on a secure network for a retention period of five years, after which time all pertinent workpapers will be destroyed and will no longer be available.

References

We believe the best indicator of services you can expect from us comes from those with whom we have previously worked. We urge you to contact the following references:

1. Travis County Water Control and Improvement District No. 10
   Ms. Carla Orts, General Manager
   (512) 327-2230
2. Travis County Municipal Utility District No. 17
   Ms. Mary Bott, Bookkeeper
   (512) 733-0700
3. Upper Brushy Creek Water Control and Improvement District
   Ms. Alysha Girard, General Manager
   (512) 284-7685
4. Stonewall Ranch Municipal Utility District
   Mr. Jeff Monzingo, Bookkeeper
   (512) 251-5668

Proposed Fee Schedule

Our objective is to deliver valuable, high-quality professional services at a fair price. Based on our understanding of your current operations, our estimated fees are as follows:

Services	Fee
Audit and preparation of the financial statements as of and for the year ending August 31, 2022	$10,000

If you have any questions about our proposed fees, we encourage you to contact us for further discussion.

This fee estimate is based on anticipated cooperation from your personnel, including providing us information as requested in our standard PBC requests, and the assumption that unexpected circumstances will not be encountered during the processes. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate using standard rates. Our invoices are payable on presentation.

Routine consultations regarding recommended accounting procedures, IRS and other regulations are included in the fees stated above. We encourage you to contact us throughout the year on technical matters that arise, which are not directly associated with the audit preparation. We will not bill for items that do not require research or items that require a minimum amount of research. Generally, we will discuss the need to bill you for research that takes an hour or more of our time. We will agree on the fee estimate with you before we begin the research. In addition, you may ask us to provide additional business advisory, accounting and tax services. These services will be invoiced based on standard hourly rates by level of experience of the person performing the project.

Peer Review Letter

Gollob Morgan Peddy
CERTIFIED PUBLIC ACCOUNTANTS

Report on the Firm's System of Quality Control

December 2, 2019

To To the Partners of
Maxwell Locke & Ritter LLP
and the Peer Review Committee of the TSCPA

We have reviewed the system of quality control for the accounting and auditing practice of Maxwell Locke & Ritter LLP in effect for the year ended May 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not preformed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included an engagement performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, audits of employee benefit plans and examinations of service organizations (Service Organizations Control (SOC) 1 and 2 engagements). As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Maxwell Locke & Ritter LLP, in effect for the year ended May 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies) or fail.* Maxwell Locke & Ritter LLP has received a peer review rating of *pass.*

Gollob Morgan Peddy PC

Gollob Morgan Peddy PC
Certified Public Accountants

Gollob Morgan Peddy PC
1001 ESE Loop 323, Suite 300, Tyler, TX 75701
Tel 903-534-0088 Fax 903-581-3915 www.gmpcpa.com
Members American Institute of Certified Public Accountants and Private Companies Practice Section

member of
CPAmerica International
Member Crowe Global™

LAKE DUNLAP WCID

Accounting Report

September 20, 2022

- Review Cash Activity Report, including Receipts and Expenditures

  ☑ Action Items:

  - Approval of vendor payments
  - Approval of fund transfers:
    - Transfer from TexPool Operating Account to First Citizen's Bookkeeper's Account: $10,000.00
    - Transfer from TexPool Operating Account to TexPool Special Revenue Account: $2,668.84

- Review August 31, 2022 Financial Statements

2022
Lake Dunlap WCID

January

Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

February

Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					

March

Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

April

Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

May

Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

June

Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

July

Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

August

Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

September

Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

October

Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

November

Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

December

Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Notes

Jan 18	Board Meeting
Mar 15	Board Meeting
Jun 21	Board Meeting
Aug 23	Board Meeting
Sep 20	Board Meeting

Lake Dunlap WCID
Cash Activity Report
September 20, 2022

				First Citizens Operating	First Citizens Bookkeeper's
Cash - Reported at August 23, 2022 Meeting				**$ 30,908.68**	**$ 3,094.79**
Subsequent Activity				**6,365.82**	**0.52**
Vendor	**Ck #**	**Memo**	**Amount**		
Deposit		Tax Collections - August 2022	6,364.48		
Interest Income		Interest Income - August 2022	1.34		
		Total Operating Account Activity	6,365.82		
Interest Income		Interest Income - August 2022	0.52		
		Total Bookkeeper's Account Activity	0.52		
Cash - Reconciled Balance as of August 31, 2022				**37,274.50**	**3,095.31**
Expenditures for Approval - September 20, 2022				**-**	**(5,699.09)**
Vendor	**Ck #**	**Memo**	**Amount**		
Bott & Douthitt PLLC	3057	Accounting Fees - August 2022	(1,250.00)		
Guadalupe Appraisal District	3058	2022 - 4th Quarter Appraisal District Fees	(1,174.09)		
Maxwebs Company	3059	Website Maintenance - August 2022	(125.00)		
McLean and Howard LLP	3060	Legal Fees - August 2022	(3,150.00)		
		Total Expenditures for Approval	(5,699.09)		
Subtotal - September 20, 2022				**37,274.50**	**(2,603.78)**
Funds Transfer to be Approved - TexPool Operating to Bookkeeper's Account				**-**	**10,000.00**
Expected Balance as of September 20, 2022				**$ 37,274.50**	**$ 7,396.22**

Lake Dunlap WCID
Cash/Investment Activity Report
August 31, 2022 - September 20, 2022

	Maturity Date	Interest Rates	Balance 8/31/2022	Subsequent Receipts	Subsequent Disbursements	Subtotal 9/20/2022	Transfers to be Approved 9/20/2022		Projected Balance 9/20/2022
General Fund -									
First Citizens Operating Account	n/a	n/a	$ 37,274.50	$ -	$ -	$ 37,274.50	$ -		$ 37,274.50
First Citizens Bookkeeper's Account	n/a	n/a	3,095.31	-	(5,699.09)	(2,603.78)	10,000.00		7,396.22
TexPool Operating Account	n/a	2.2463%	246,296.30	-	-	246,296.30	(12,668.84)	(1)	233,627.46
Total - General Fund			**286,666.11**	**-**	**(5,699.09)**	**280,967.02**	**(2,668.84)**		**278,298.18**
Special Revenue Fund -									
TexPool Special Revenue Account	n/a	2.2463%	290,124.35	-	-	290,124.35	2,668.84	(1)	292,793.19
Total - Debt Service Fund			**290,124.35**	**-**	**-**	**290,124.35**	**2,668.84**		**292,793.19**
Total - All Funds			**$ 576,790.46**	**$ -**	**$ (5,699.09)**	**$ 571,091.37**	**$ -**		**$ 571,091.37**

Transfer Letter Information:

(1) Transfer funds from TexPool Operating Account to First Citizens Bookkeeper's Account: $10,000.00

(2) Transfer funds from TexPool Operating Account to TexPool Special Revenue Account: $2,668.84

Lake Dunlap WCID
ANALYSIS OF TAXES COLLECTED FOR RECONCILIATION
FY 2021 - 2022

TAX YEAR	2021			TOTAL		
	General Fund	Special Revenue Fund	Total	General Fund	Debt Service Fund	Total
PERCENTAGE	$ 0.1000	$ 0.1000	$ 0.2000			
COLLECTIONS:						
OCT						
TAX ADJUSTMENTS	0.00	0.00	0.00	0.00	0.00	0.00
BASE TAX REV	0.00	0.00	0.00	0.00	0.00	0.00
TAXES	367.28	367.28	734.56	367.28	367.28	734.56
PENALTY	0.00	0.00	0.00	0.00	0.00	0.00
NOV						
TAX ADJUSTMENTS	0.00	0.00	0.00	0.00	0.00	0.00
BASE TAX REV	0.00	0.00	0.00	0.00	0.00	0.00
TAXES	27,018.73	27,018.73	54,037.46	27,018.73	27,018.73	54,037.46
PENALTY	0.00	0.00	0.00	0.00	0.00	0.00
DEC						
TAX ADJUSTMENTS	20,482.13	20,482.13	40,964.26	20,482.13	20,482.13	40,964.26
BASE TAX REV	0.00	0.00	0.00	0.00	0.00	0.00
TAXES	85,072.92	85,072.92	170,145.83	85,072.92	85,072.92	170,145.83
PENALTY	0.00	0.00	0.00	0.00	0.00	0.00
JAN						
TAX ADJUSTMENTS	357.58	357.58	715.16	357.58	357.58	715.16
BASE TAX REV	0.00	0.00	0.00	0.00	0.00	0.00
TAXES	99,266.14	99,266.14	198,532.27	99,266.14	99,266.14	198,532.27
PENALTY	0.00	0.00	0.00	0.00	0.00	0.00
FEB						
TAX ADJUSTMENTS	(195.24)	(195.24)	(390.47)	(195.24)	(195.24)	(390.47)
BASE TAX REV	0.00	0.00	0.00	0.00	0.00	0.00
TAXES	65,638.75	65,638.75	131,277.50	65,638.75	65,638.75	131,277.50
PENALTY	140.12	140.12	280.23	140.12	140.12	280.23
MAR						
TAX ADJUSTMENTS	373.35	373.35	746.69	373.35	373.35	746.69
BASE TAX REV	0.00	0.00	0.00	0.00	0.00	0.00
TAXES	6,451.41	6,451.41	12,902.81	6,451.41	6,451.41	12,902.81
PENALTY	357.69	357.69	715.37	357.69	357.69	715.37
APR						
TAX ADJUSTMENTS	0.00	0.00	0.00	0.00	0.00	0.00
BASE TAX REV	0.00	0.00	0.00	0.00	0.00	0.00
TAXES	1,187.39	1,187.39	2,374.78	1,187.39	1,187.39	2,374.78
PENALTY	89.20	89.20	178.40	89.20	89.20	178.40
MAY						
TAX ADJUSTMENTS	596.84	596.84	1,193.68	596.84	596.84	1,193.68
BASE TAX REV	0.00	0.00	0.00	0.00	0.00	0.00
TAXES	1,669.42	1,669.42	3,338.84	1,669.42	1,669.42	3,338.84
PENALTY	210.89	210.89	421.77	210.89	210.89	421.77
JUN						
TAX ADJUSTMENTS	(89.07)	(89.07)	(178.14)	(89.07)	(89.07)	(178.14)
BASE TAX REV	0.00	0.00	0.00	0.00	0.00	0.00
TAXES	3,390.67	3,390.67	6,781.34	3,390.67	3,390.67	6,781.34
PENALTY	312.38	312.38	624.75	312.38	312.38	624.75
JUL						
TAX ADJUSTMENTS	0.00	0.00	0.00	0.00	0.00	0.00
BASE TAX REV	0.00	0.00	0.00	0.00	0.00	0.00
TAXES	751.69	751.69	1,503.38	751.69	751.69	1,503.38
PENALTY	66.17	66.17	132.34	66.17	66.17	132.34
AUG						
TAX ADJUSTMENTS	0.00	0.00	0.00	0.00	0.00	0.00
BASE TAX REV	0.00	0.00	0.00	0.00	0.00	0.00
TAXES	2,738.59	2,738.59	5,477.17	2,738.59	2,738.59	5,477.17
PENALTY	517.29	517.29	1,034.58	517.29	517.29	1,034.58
SEP						
TAX ADJUSTMENTS	0.00	0.00	0.00	0.00	0.00	0.00
BASE TAX REV	0.00	0.00	0.00	0.00	0.00	0.00
TAXES	0.00	0.00	0.00	0.00	0.00	0.00
PENALTY	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL						
BASE TAX REV	0.00	0.00	0.00	0.00	0.00	0.00
TAXES	293,552.97	293,552.97	587,105.94	293,552.97	293,552.97	587,105.94
PENALTY	1,693.72	1,693.72	3,387.44	1,693.72	1,693.72	3,387.44
TOTAL DISTRIBUTION	295,246.69	295,246.69	590,493.38	295,246.69	295,246.69	590,493.38
BEGINNNING						
TAXES RECEIVABLE	285,192.43	285,192.43	570,384.85	285,192.43	285,192.43	570,384.85
TAX ADJUSTMENTS	21,525.59	21,525.59	43,051.18	21,525.59	21,525.59	43,051.18
BASE TAX REV	0.00	0.00	0.00	0.00	0.00	0.00
LESS: COLLECTIONS	(293,552.97)	(293,552.97)	(587,105.94)	(293,552.97)	(293,552.97)	(587,105.94)
TAX REC @ END OF PERIOD	13,165.04	13,165.04	26,330.09	13,165.04	13,165.04	26,330.09

Recap & Standings Report

Cycles: All | Taxing Units: Guadalupe Co... | Transaction Date Range: 08/01/2022 to 08/31/2022 | Sorted By: By Year, Descending | Options: Include Percentages, Include

Office of Daryl John Tax Assessor-Collector

LADNLP (LAKE DUNLAP WCID)

2021 Fiscal Year: 10/01/2021 - 09/30/2022

Taxing Unit Totals (IS,MO,SA,SAA)

Year	Original Roll	Beg. Uncollected	Adjustments	Adjusted Uncollected	Collections	P&I Collected	Credits / Discounts Allowed	Atty. Fee Collected	Variance	Uncollected Balance	YTD Collections
2022	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2021	397,022.75	31,807.26	0.00	31,807.26	5,477.17	1,034.58	0.00	1,302.34	0.00	26,330.09	587,105.94
2020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2016	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2015	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2014	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2013	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2012	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2011	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2010	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2009	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2008	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2007	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2006	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2005	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2004	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2003	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2002 & prior	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Summary											
Total Current	397,022.75	31,807.26	0.00	31,807.26	5,477.17	1,034.58	0.00	1,302.34	0.00	26,330.09	587,105.94
Total Delinquent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxing Unit Total	397,022.75	31,807.26	0.00	31,807.26	5,477.17	1,034.58	0.00	1,302.34	0.00	26,330.09	587,105.94

Percentages		
% of Roll Collected - 2021 - 95.71%	Adjusted Original Roll -- $613,436.03	Current YTD Collected -- $587,105.94
Tax Collections Compared to Current Taxes Billed 17.22% Collected		
All Collections Compared to Current Taxes Billed 20.47% Collected		

Combined Collections (Collections + P&I Collected) -- 6,511.75

Lake Dunlap WCID

Accountant's Compilation Report

August 31, 2022

The District is responsible for the accompanying financial statements of the governmental activities of Lake Dunlap WCID, as of and for the twelve months ended August 31, 2022, which collectively comprise the District's basic financial statements – governmental funds in accordance with the accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The District has omitted the management's discussion and analysis, the Statement of Net Assets, and Statement of Activities that the Governmental Accounting Standards Board required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context.

In addition, the District has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and components required by GASB 34 were included in the financial statements, they might influence the user's conclusions about the District's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Accounting principles generally accepted in the United States of America require that budgetary comparison information be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Supplementary Information

The supplementary information contained in the schedules described in the Supplementary Information Index is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

We are not independent with respect to Lake Dunlap WCID.

Bott & Douthitt, PLLC

BOTT & DOUTHITT, P.L.L.C.

September 20, 2022
Round Rock, TX

Lake Dunlap WCID
Governmental Funds Balance Sheet
August 31, 2022

	Governmental Funds		Governmental Funds Total
	General Fund	Special Revenue Fund	
Assets			
Cash and Cash Equivalents			
Cash - Operating	$ 37,274.50	$ -	$ 37,274.50
Cash - Bookkeeper's	3,095.31	-	3,095.31
Cash Equivalents	246,296.30	290,124.35	536,420.65
Receivables			
Property Taxes	13,165.03	13,165.03	26,330.06
Prepaid Insurance	433.33	-	433.33
Interfund	-	2,668.84	2,668.84
Total Assets	$ 300,264.47	$ 305,958.22	$ 606,222.69
Liabilities			
Accounts Payable	$ 5,699.09	$ -	$ 5,699.09
Interfund	2,668.84	-	2,668.84
Total Liabilities	8,367.93	-	8,367.93
Deferred Inflows of Resources			
Deferred Revenue - Property Taxes	13,165.03	13,165.03	26,330.06
Total Deferred Inflows of Resources	13,165.03	13,165.03	26,330.06
Fund Balance			
Fund Balances:			
Restricted for Special Revenue	-	292,793.19	292,793.19
Unassigned	278,731.51	-	278,731.51
Total Fund Balances	278,731.51	292,793.19	571,524.70
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 300,264.47	$ 305,958.22	$ 606,222.69

See Accountants' Report.

Lake Dunlap WCID
Statement of Revenues,
Expenditures & Changes in Fund Balance-Governmental Funds
September 1, 2021 - August 31, 2022

	Governmental Funds		Governmental Funds Total
	General Fund	Special Revenue Fund	
Revenues:			
Property Taxes including P&I	$ 295,246.73	$ 295,246.73	$ 590,493.46
Electricity Credits	46.23	-	46.23
Other Income	840.79	1,343.37	2,184.16
Total Revenues	296,133.75	296,590.10	592,723.85
Expenditures:			
Current-			
Administrative Services -			
Tax Collector/Appraisal Fees	3,796.93	3,796.91	7,593.84
Insurance	1,449.42	-	1,449.42
Website Maintenance	1,490.00	-	1,490.00
Miscellaneous Expense	306.27	-	306.27
Professional Fees -			
Legal Fees	11,302.32	-	11,302.32
Accounting Fees	12,100.00	-	12,100.00
Total Expenditures	30,444.94	3,796.91	34,241.85
Excess/(Deficiency) of Revenues over Expenditures	265,688.81	292,793.19	558,482.00
Fund Balance, September 1, 2021	13,042.70	-	13,042.70
Fund Balance, August 31, 2022	$ 278,731.51	$ 292,793.19	$ 571,524.70

See Accountants' Report.

Supplementary Information

Index

General Fund

-- Budgetary Comparison Schedule – General Fund

-- Revenues & Expenses - Budget + Actual

Lake Dunlap WCID
Budgetary Comparison Schedule - General Fund
August 31, 2022

	CURRENT MONTH			YEAR TO DATE		
	Actual	Budget	Difference	Actual	Budget	Difference
Revenues:						
Property Taxes including P&I	$ 3,255.88	$ -	$ 3,255.88	$ 295,246.73	$ 310,892.00	$ (15,645.27)
Electricity Credits	-	-	-	46.23	-	46.23
Other Income	459.54	-	459.54	840.79	-	840.79
Total Revenues	3,715.42	-	3,715.42	296,133.75	310,892.00	(14,758.25)
Expenditures:						
Current-						
Administrative Services -						
Tax Collector/Appraisal Fees	587.05	-	(587.05)	3,796.93	2,500.00	(1,296.93)
Insurance	-	-	-	1,449.42	1,200.00	(249.42)
Election Expenses	-	3,000.00	3,000.00	-	3,000.00	3,000.00
Public Notice	-	500.00	500.00	-	500.00	500.00
Website Maintenance	125.00	300.00	175.00	1,490.00	2,500.00	1,010.00
Miscellaneous Expense	0.01	820.00	819.99	306.27	3,000.00	2,693.73
Professional Fees -						
Legal Fees	3,150.00	2,000.00	(1,150.00)	11,302.32	24,000.00	12,697.68
Accounting Fees	1,250.00	1,250.00	-	12,100.00	15,000.00	2,900.00
Financial Advisor Fees	-	1,000.00	1,000.00	-	1,000.00	1,000.00
Total Expenditures	5,112.06	8,870.00	3,757.94	30,444.94	52,700.00	22,255.06
Excess/(Deficiency) of Revenues over Expenditures	$ (1,396.64)	$ (8,870.00)	$ 7,473.36	$ 265,688.81	$ 258,192.00	$ 7,496.81

See Accountants' Report.

Lake Dunlap WCID
Revenues & Expenditures - General Fund: Actual + Budgeted
Fiscal Year 2021-2022

	FY 2022 Budget Approved 9/21/2021	Actual Sep-21	Actual Oct-21	Actual Nov-21	Actual Dec-21	Actual Jan-22	Actual Feb-22	Actual Mar-22	Actual Apr-22	Actual May-22	Actual Jun-22	Actual Jul-22	Actual Aug-22	Actual + Budget	Variance
Revenues:															
Property Taxes	$ 310,892	$ -	$ 367	$ 27,019	$ 85,073	$ 99,266	$ 65,779	$ 6,809	$ 1,277	$ 1,880	$ 3,703	$ 818	$ 3,256	$ 295,247	$ (15,645)
Electricity Credits	-	-	-	-	-	-	-	-	-	-	-	46	-	46	46
Other Income	-	-	-	-	1	2	4	5	3	2	39	325	460	841	841
Total Revenues	310,892	-	367	27,019	85,074	99,268	65,783	6,814	1,280	1,882	3,742	1,189	3,716	296,134	(14,758)
Expenditures:															
Administrative Services -															
Tax Assessor/Collector	2,500	-	-	1,817	-	-	-	697	-	-	697	-	587	3,798	(1,298)
Insurance	1,200	-	-	-	-	-	-	1,449	-	-	-	-	-	1,449	(249)
Election Expenses	3,000	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000
Public Notice	500	-	-	-	-	-	-	-	-	-	-	-	-	-	500
Website	2,500	100	100	100	200	240	100	100	100	100	100	125	125	1,490	1,010
Miscellaneous	3,000	-	-	-	-	301	110	(105)	-	-	(147)	147	-	306	2,694
Subtotal-Admin. Services	12,700	100	100	1,917	200	541	210	2,141	100	100	650	272	712	7,043	5,657
Professional Fees -															
Legal Fees	24,000	1,767	90	60	1,355	1,630	-	1,360	-	-	1,890	-	3,150	11,302	12,698
Accounting Fees	15,000	850	-	1,000	1,250	1,250	1,000	1,250	1,000	1,000	1,250	1,000	1,250	12,100	2,900
Financial Advisor Fees	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000
Subtotal-Professional Fees	40,000	2,617	90	1,060	2,605	2,880	1,000	2,610	1,000	1,000	3,140	1,000	4,400	23,402	16,598
Total Expenditures	52,700	2,717	190	2,977	2,805	3,421	1,210	4,751	1,100	1,100	3,790	1,272	5,112	30,445	22,255
Excess/Deficiency) of Revenues over Expenditures	$ 258,192	$ (2,717)	$ 177	$ 24,042	$ 82,269	$ 95,847	$ 64,573	$ 2,063	$ 180	$ 782	$ (48)	$ (83)	$ (1,396)	$ 265,689	7,497

Expenditures to be Approved

Invoice

Bott & Douthitt PLLC

Date	Invoice #
8/31/2022	12423

Bill To

Lake Dunlap WCID
c/o Bott & Douthitt PLLC
PO Box 2445
Round Rock, TX 78680

Description	Amount
Monthly Accounting Services - Meeting	1,250.00

By/Date Received: 9-1-22
By/Date Posted: 9-20-22
Approved for Payment: MWK
Hand Delivered to:
Mailed By/Date:
GL#: 6830

Thank you for your business!

Total $1,250.00

PO Box 2445 • Round Rock, TX • 78680
Phone (512) 733-0700 • Fax (512) 733-0704

GUADALUPE APPRAISAL DISTRICT

Main Office
3000 N. Austin St.
Seguin, Texas 78155
(830) 303-3313 Option 1
(830) 372-2874 (Fax)
gadprotest@guadalupead.org

Schertz Substation
1052 FM 78 Suite 103
Schertz, Texas 78154
(830) 303-3313 Option 0
(877) 254-0888 (Fax)

August 24, 2022

Lake Dunlap WCID **email: allen@bottdouthitt.com**
C/O Bott & Douthitt, PLLC
Attn: Allen Douthitt
P O Box 2445
Round Rock, TX 78680

Dear Mr. Douthitt:

Please be advised that the FOURTH quarterly payment for the 2022 budget allocation is now due.

2022 ALLOCATION	$ 5,573.36
ADJUSTED 2022 ALLOCATION*	$ 5,566.58
TOTAL ALLOCATION PAID TO DATE	$ 4,180.02
2021 FUND BALANCE CREDIT*[1]	$ 205.69
2021 ADJUSTED BUDGET ALLOCATION CREDIT	$ 6.78
FOURTH QUARTER PAYMENT NOW DUE	**$ 1,174.09**

Payment should be made prior to SEPTEMBER 30, 2022. If there are any questions, please let me know.

Sincerely,

Peter Snaddon, R.P.A., C.C.A.
Chief Appraiser

By/Date Received: 8-29-22
By/Date Posted:
Approved for Payment:
Hand Delivered to:
Mailed By/Date:
GL#: 6530/2250

*Adjusted due to allocated budget amounts updated following Hays TAC provided levy totals on 1/4/2022

[1] Texas Property Tax Code §6.06(j) If the total amount of the payments made or due to be made by the taxing units participating in an appraisal district exceeds the amount actually spent or obligated to be spent during the fiscal year for which the payments were made, the chief appraiser shall credit the excess amount against each taxing unit's allocated payments for the following year in proportion to the amount of each unit's budget allocation for the fiscal year for which the payments were made.

Maxwebs Company
11004 Froke Cedar Trail
Austin, TX 78750

Invoice

Date	Invoice #
9/10/2022	3084

Bill To

Lake Dunlap W.C.I.D.
c/o Bott & Doubhitt, PLLC
P.O. Box 2445
Round Rock, TX 78680

P.O. No.	Terms	Due Date	Account #
	Net 30	10/10/2022	

Description	Qty	Rate	Amount
Monthly Website Maintenance -1 for August 2022		125.00	125.00

By/Date Received: 9-12-22
By/Date Posted:
Approved for Payment:
Hand Delivered to:
Mailed By/Date:
GL#: 6590

Total	$125.00
Payments/Credits	$0.00
Balance Due	$125.00

McLean & Howard, L.L.P.
4301 Bull Creek Road
Suite 150
Austin, TX 78731

Ph:512-328-2008 Fax:512-328-2409

Lake Dunlap WCID
c/o Bott & Douthitt
allen@bottdouthitt.com
mary@bottdouthitt.com

August 31, 2022

File #: 2745-002
Attention: Inv #: 43718

RE: General

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
Aug-02-22	Prepare draft meeting agenda for August Board of Directors' meeting.	0.30	105.00	ASC
Aug-10-22	Correspond with client representatives regarding tax rate matters. Conferences with GBRA financial advisor regarding debt service and hydro payment matters.	1.30	455.00	ASC
Aug-11-22	Participate in multiple conferences regarding GBRA payment matters.	0.90	315.00	ASC
Aug-12-22	Prepare final draft Board meeting agenda. Prepare Board meeting packet. Participate in multiple conferences with Board members regarding GBRA payment matters. Participate in multiple conferences with GBRA financial advisor regarding same.	3.30	1,155.00	ASC
	Complete Comal County and Guadalupe County Tax Websites.	0.75	90.00	LJH
Aug-16-22	Conference with G. Schaub regarding GBRA contract and payment matters.	0.40	140.00	ASC
Aug-19-22	Correspond with D. Harrison and G. Schaub regarding tax matters. Prepare draft Tax Notice.	1.10	385.00	ASC
Aug-23-22	Prepare for and participate in Board of Directors' meeting. Prepare final tax notice.	1.10	385.00	ASC

By/Date Received: DR 9-12-22
By/Date Posted:
Approved for Payment: MBH
Hand Delivered to:
Mailed By/Date:
GL#: 6820

Aug-24-22	Arrange for publication of tax notice in Comal County and Guadalupe County. Update Comal County and Guadalupe County tax websites.	1.00	120.00	LJH
	Totals	10.15	$3,150.00	

Total Fees, Disbursements	**$3,150.00**
Previous Balance	$3,250.00
Previous Payments	$0.00
Balance Due Now	**$6,400.00**