

**LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT**

**MEMORANDUM**

**DATE:** February 28, 2023

**TO:** **BOARD OF DIRECTORS**  
Lake Arrowhead Community Services District

**FROM:** **JOHN O'BRIEN, Finance Manager**  
**CATHERINE CERRI, General Manager**

**SUBJECT:** **FISCAL YEAR 2022-23 FINANCIAL STATEMENTS AND CASH AND INVESTMENT REPORT FOR THE QUARTER ENDED DECEMBER 31, 2022**

**A. RECOMMENDATION**

This is an information item only.

**B. REASON FOR RECOMMENDATION**

This is an information item only.

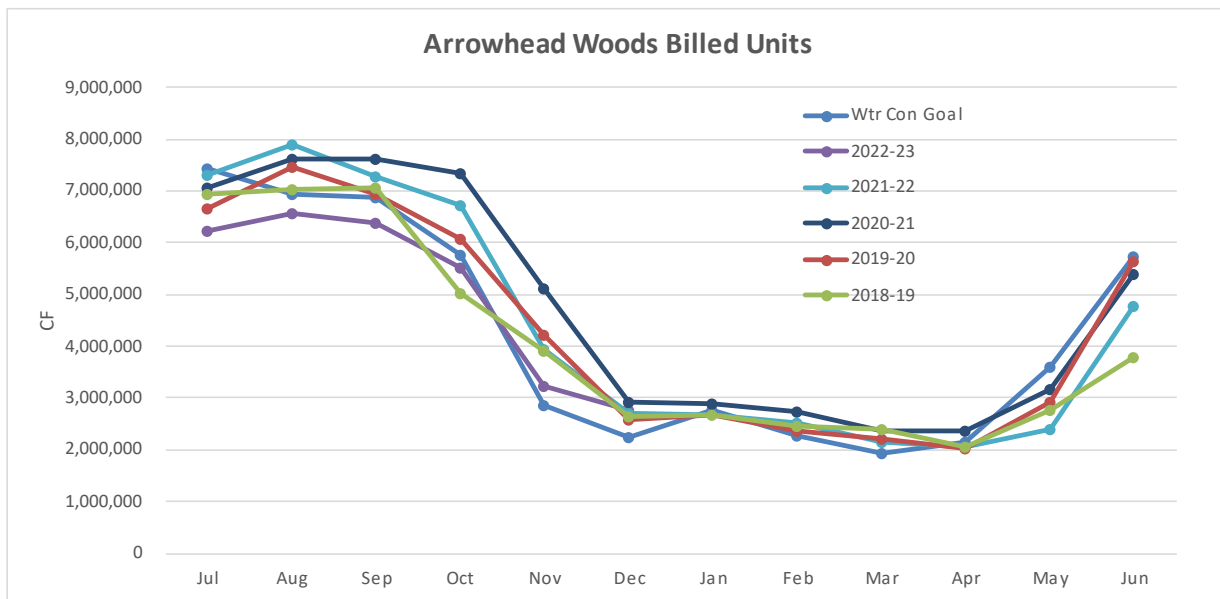
**C. BACKGROUND INFORMATION**

Quarterly reports are presented to the Board of Directors (Board) to provide the most current information on the financial activities of the Lake Arrowhead Community Services District (District) from which to base decisions. Additionally, per the District's Investment Policy, and as encouraged by California Government Code Section 53646, the Treasurer/Finance Manager, or his/her designee, shall submit to each member of the Board a quarterly investment report. This report includes the year-to-date financial statements and cash and investment report through the second quarter of fiscal year 2022-23, covering the period through December 31, 2022.

Summary of Significant Items – Financial Statements

Districtwide operating revenue as of December 31, 2022, of \$7.4 million, was approximately 3% lower as compared to the same period last year. Additional detail is below:

- Water operating revenue was \$221,000 or 6% lower as compared to the same period last year. As compared to budget, water operating revenue was 6% or \$234,000 lower primarily due to reduced consumption.
- Wastewater operating revenue was 1% or \$40,000 lower as compared to the same period last year. As compared to current year budget, wastewater operating revenue was down 4%, due to a timing adjustment.
- Deer Lodge Park operating revenue was up 1% when compared to the same period last year and was 3% or \$3,000 below budget due to reduced consumption.
- Rimforest operating revenue was 25% or \$30,000 higher as compared to the same period last year and was 4% or \$6,700 below budget due to reduced consumption.



Consumption as of December 31, 2022, is as follows:

- Water billed units were 4.9% below the water conservation goal 2013 and reflected a decrease of 14.5% in consumption as compared to the same period last year.
- Deer Lodge Park year-to-date billed units were 14.2% lower as compared to the same period last year.
- Rimforest year-to-date billed units were 3.2% lower as compared to the same period last year.

**Operating Expenses through December 2022**

Expense	FYTD 2022-23	PYTD 2021-22	PY Var	PY var %	YTD Bgt	Bgt Var	Bgt Var %
Wages	2,286,672	2,225,277	61,395	3%	2,573,712	(287,040)	-11%
Health Ins	544,225	557,592	(13,367)	-2%	513,366	30,859	6%
Retirement	480,767	502,204	(21,437)	-4%	458,922	21,845	5%
FICA	164,773	163,300	1,473	1%	188,352	(23,579)	-13%
Employer Ins	25,978	53,647	(27,669)	-52%	80,358	(54,380)	-68%
Training	107,239	98,524	8,715	9%	92,364	14,875	16%
Supplies	111,684	101,649	10,034	10%	142,170	(30,486)	-21%
Equipment	332,660	269,008	63,652	24%	477,732	(145,072)	-30%
Fleet	70,164	52,922	17,242	33%	107,364	(37,200)	-35%
Chemicals	184,062	124,870	59,192	47%	167,406	16,656	10%
Meters	16,207	37,607	(21,401)	-57%	64,824	(48,617)	-75%
Liability Ins	176,736	132,211	44,526	34%	173,232	3,504	2%
Outside Services	272,073	296,856	(24,784)	-8%	500,640	(228,567)	-46%
IT Services	148,445	134,988	13,457	10%	203,928	(55,483)	-27%
Legal	38,205	25,578	12,627	49%	103,422	(65,217)	-63%
Electric	433,678	315,369	118,309	38%	343,476	90,202	26%
Utilities	214,274	206,678	7,596	4%	245,058	(30,784)	-13%
Permits	123,086	108,200	14,886	14%	84,510	38,576	46%
Other	13,779	12,734	1,045	8%	15,294	(1,515)	-10%
Subtotal	5,744,707	5,419,214	325,493	6%	6,536,130	(791,423)	-12%
Water Purchase	119,931	67,111	52,821	79%	306,514	(186,583)	-61%
Grand Total	5,864,639	5,486,325	378,314	7%	6,842,644	(978,005)	-14%

Overall operating expenses as of December 31, 2022, were approximately 7% higher as compared to the prior year and 14% below budget. Significant increases as compared to budget include increases in chemicals, electricity, health insurance and retirement costs. The District has seen significant decreases in wages and FICA due to recent employee turnover. Employer insurance was also lower in the first quarter due to a large rebate from last year's experience.

The District did not purchase any water from CLAWA for Arrowhead Woods in the first quarter. The District has a balance of \$1.9 million for water that was prepaid to CLAWA. Also, in the first quarter, Deer Lodge Park purchased 1.54 acre-feet and Rimforest purchased 11.31 acre-feet from CLAWA.

**Summary of Significant Items – Cash and Investment Report**

All District investment activities and all components of the investment portfolio for the period comply, in all respects, with the District's Investment Policy. As of December 31, 2022, the District's market value of cash and investments totaled \$47.1 million and are allocated to the following accounts:

- Checking Account - \$6.9 million or 14.6% of portfolio allocation
- Local Agency Investment Fund (LAIF) – \$28.2 million or 59.9% of portfolio allocation
- Corporate Bonds - \$5.3 million or 11.2% of portfolio allocation
- Negotiable CDs - \$6.7 million or 14.3% of portfolio allocation

The majority of District funds are held in LAIF which has a current rate of 2.17%. All investments held by the District outside of LAIF have stated rates of .75% to 6.25%. The District's interest income was 255% or \$223,000 higher as compared to the same time in the prior year due to the District investing in instruments taking advantage of the increased interest rate environment.

#### Summary of Significant Items – Metering, Public Outreach and Customer Service

The District has started the work necessary for the redesign of the District's website. This will give the ratepayers a much more streamlined and enjoyable experience when accessing District information and services.

The metering department continues to test and experiment with different metering communications to keep abreast of new technologies that may benefit the District in the future. The last major replacement of District metering communications was more than 10 years ago.

#### **D. FISCAL IMPACT**

This is an information item only.

#### **E. ENVIRONMENTAL IMPACT**

This is an information item only.

#### **F. ATTACHMENTS**

- Q2 2022-23 Statement of Revenues, Expenses and Changes in Net Position
- Q2 2022-23 Statement of Net Position
- Q2 2022-23 Cash Flow Statement
- Q2 2022-23 Cash and Investment Report

**Lake Arrowhead Community Services District**  
**Preliminary Combining Statement of Net Position as of December**  
**31, 2022**

<b>Assets</b>	<b>Water</b>	<b>Wastewater</b>	<b>DLP</b>	<b>Rimforest</b>	<b>Total</b>
<b>Current Assets:</b>					
Pooled Cash and Investments	10,129,847	23,773,132	138,587	9,584	34,051,149
Restricted Cash and Investments	11,252,948	1,705,893	434,760	-	13,393,600
Accounts Receivable	455,086	1,546,839	12,277	30,446	2,044,648
Restricted Accounts Receivable	33,011	-	-	-	33,011
Tax Roll Receivable	-	849,519	-	-	849,519
Interest Receivable	51,612	95,850	-	-	147,462
Unbilled Accounts Receivable	-	-	-	-	-
Other Receivables & Deposits	36,548	116,324	-	-	152,872
Parts Inventory	242,406	111,535	-	-	353,942
Prepaid Expenses	177,407	194,295	1,177	2,354	375,233
Prepaid Water	1,880,051	-	-	-	1,880,051
Interfund Receivable	1,556,252	-	-	-	1,556,252
<b>Total Current Assets</b>	<b>25,815,167</b>	<b>28,393,388</b>	<b>586,801</b>	<b>42,384</b>	<b>54,837,739</b>
<b>Capital Assets:</b>					
Fixed Assets	63,006,580	85,917,696	2,019,488	476,984	151,420,748
Accumulated Depreciation	(27,948,559)	(43,344,660)	(971,110)	(119,291)	(72,383,619)
Intangible Asset	1,000,000	-	-	-	1,000,000
Accum Amortization of Intangible	(126,263)	-	-	-	(126,263)
Construction in Progress	3,603,273	7,850,996	51,364	8,555	11,514,189
<b>Net Capital Assets</b>	<b>39,535,032</b>	<b>50,424,033</b>	<b>1,099,743</b>	<b>366,248</b>	<b>91,425,056</b>
<b>Total Assets</b>	<b>65,350,199</b>	<b>78,817,421</b>	<b>1,686,544</b>	<b>408,632</b>	<b>146,262,795</b>
Deferred Outflows	2,567,422	3,341,617	52,045	68,094	6,029,178
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Accounts Payable	226,814	393,893	2,093	6,528	629,328
Accrued Payroll and Benefits	476	-	-	-	476
Compensated Absences	287,537	454,544	-	-	742,081
Deferred Revenue	-	950,629	-	-	950,629
Deposits & Retentions	83,758	156,271	-	-	240,029
Interest Payable	54,953	106,673	-	-	161,625
Bonds Payable	-	-	-	-	-
Interfund Payable	684,751	871,501	-	-	1,556,252
<b>Total Current Liabilities</b>	<b>1,338,288</b>	<b>2,933,510</b>	<b>2,093</b>	<b>6,528</b>	<b>4,280,420</b>
<b>Non-Current Liabilities:</b>					
Compensated Absences	116,210	177,312	-	-	293,523
Net Pension Liability	578,910	649,902	15,018	19,649	1,263,479
Bonds Payable	5,370,300	10,424,700	-	-	15,795,000
Bond Premium	788,950	1,531,491	-	-	2,320,441
<b>Net Non-Current Liabilities</b>	<b>6,854,370</b>	<b>12,783,406</b>	<b>15,018</b>	<b>19,649</b>	<b>19,672,442</b>
<b>Total Liabilities</b>	<b>8,192,658</b>	<b>15,716,916</b>	<b>17,110</b>	<b>26,177</b>	<b>23,952,862</b>
Deferred Inflows	1,164,908	1,422,736	30,219	39,538	2,657,401
<b>Net Position</b>					
Restricted	13,166,009	1,705,893	434,760	-	15,306,662
Unrestricted	11,229,313	23,314,161	156,756	44,762	34,744,993
Capital Assets	34,164,732	39,999,333	1,099,743	366,248	75,630,056
<b>Total Net Position</b>	<b>58,560,055</b>	<b>65,019,387</b>	<b>1,691,259</b>	<b>411,010</b>	<b>125,681,711</b>
<b>Liabilities, Deferrals &amp; Net Position</b>	<b>67,917,621</b>	<b>82,159,038</b>	<b>1,738,588</b>	<b>476,726</b>	<b>152,291,973</b>
<b>Beginning net position</b>	<b>58,089,388</b>	<b>63,203,902</b>	<b>1,699,235</b>	<b>375,381</b>	<b>123,367,906</b>
Change in Net Position (NI)	470,667	1,815,485	(7,977)	35,629	2,313,805
<b>Ending net position</b>	<b>58,560,055</b>	<b>65,019,387</b>	<b>1,691,258</b>	<b>411,010</b>	<b>125,681,711</b>

# Lake Arrowhead Community Services District

Fiscal Year 2022-23

## Statement of Revenues, Expenses and Changes in Net Position and Fund Balances

	Water						
	DEC - 22 YTD	DEC -21 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	3,480,647	3,704,071	(223,424)	-6%	3,720,968	(240,321)	-6%
Other Op Income	110,259	107,510	2,749	3%	103,644	6,615	6%
<b>Total Revenue</b>	<b>3,590,906</b>	<b>3,811,581</b>	<b>(220,675)</b>	<b>-6%</b>	<b>3,824,612</b>	<b>(233,706)</b>	<b>-6%</b>
Operations	1,065,611	892,540	173,072	19%	1,022,862	42,749	4%
Water Purchases	58,949	16,032	42,917	268%	247,722	(188,773)	-76%
Field Operations	465,527	529,278	(63,751)	-12%	515,982	(50,455)	-10%
Physical Plant	66,740	67,017	(277)	0%	98,868	(32,128)	-32%
Administration	704,255	724,244	(19,989)	-3%	873,150	(168,895)	-19%
Engineering	76,225	61,150	15,075	25%	61,632	14,593	24%
Water Conservation	82,112	107,130	(25,017)	-23%	125,340	(43,228)	-34%
<b>Total Op Expense</b>	<b>2,519,419</b>	<b>2,397,390</b>	<b>122,030</b>	<b>5%</b>	<b>2,945,556</b>	<b>(426,137)</b>	<b>-14%</b>
<b>Net Operating Income</b>	<b>1,071,487</b>	<b>1,414,191</b>	<b>(342,704)</b>	<b>-24%</b>	<b>879,056</b>	<b>192,431</b>	<b>22%</b>
SWF or Prop Taxes	19,980	26,707	(6,727)	-25%	-	19,980	100%
Connection Fees	123,669	128,527	(4,858)	-4%	17,502	106,167	607%
Contributed Capital	-	-	-	100%	-	-	100%
Interest Income	142,019	42,502	99,517	234%	84,594	57,425	68%
Interest Expense	(112,774)	(118,384)	5,610	5%	(123,618)	10,844	9%
Depreciation	(787,665)	(804,429)	16,765	2%	(781,404)	(6,261)	-1%
Amortization	6,902	6,902	-	0%	6,906	(4)	0%
Other Expense	(1,207)	(1,105)	(102)	-9%	(804)	(403)	-50%
Other Income	8,255	51,405	(43,149)	100%	2,214	6,041	273%
<b>Total Non-Op Income</b>	<b>(600,819)</b>	<b>(667,875)</b>	<b>67,056</b>	<b>10%</b>	<b>(794,610)</b>	<b>193,791</b>	<b>24%</b>
<b>Net Income</b>	<b>470,667</b>	<b>746,316</b>	<b>(275,648)</b>	<b>-37%</b>	<b>84,446</b>	<b>386,221</b>	<b>457%</b>
Beginning Net Position	58,089,388	55,895,058	2,194,330	4%	58,089,388	-	0%
Change in Net Position	470,667	746,316	(275,648)	-37%	84,446	386,221	457%
Ending Net Position	58,560,055	56,641,374	1,918,682	3%	58,173,834	386,221	1%

Fund Balances	Water						
	DEC - 22 YTD	DEC -21 YTD	PY Var	%	FY 22/23 Bgt	Bgt Var	%
-00 Operating Fund	3,171,312	2,882,705	288,606	10%	1,484,000	1,687,312	114%
-10 Capital Improvemnt	5,284,332	5,078,080	206,252	4%	2,417,948	2,866,384	119%
-20 Rate Stabilztn Fund	1,674,203	1,434,887	239,316	17%	1,663,000	11,203	1%
<b>Total Pooled Cash</b>	<b>10,129,847</b>	<b>9,395,673</b>	<b>734,174</b>	<b>8%</b>	<b>5,564,948</b>	<b>4,564,899</b>	<b>82%</b>
-50 New Facilities Fund	204,109	192,092	12,017	6%	269,474	(65,365)	-24%
160 Supplemental Wtr	11,048,839	11,504,958	(456,118)	-4%	9,627,729	1,421,110	15%
Assessment Districts	-	-	-	100%	-	-	100%
<b>Total Restricted Cash</b>	<b>11,252,948</b>	<b>11,697,050</b>	<b>(444,102)</b>	<b>-4%</b>	<b>9,897,203</b>	<b>1,355,745</b>	<b>14%</b>
<b>Total Cash</b>	<b>21,382,795</b>	<b>21,092,722</b>	<b>290,072</b>	<b>1%</b>	<b>15,462,151</b>	<b>5,920,644</b>	<b>38%</b>

# Lake Arrowhead Community Services District

Fiscal Year 2022-23

## Statement of Revenues, Expenses and Changes in Net Position and Fund Balances

	Wastewater						
	DEC - 22 YTD	DEC -21 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	3,538,491	3,574,917	(36,426)	-1%	3,704,459	(165,968)	-4%
Other Op Income	65,642	69,329	(3,687)	-5%	56,634	9,008	16%
<b>Total Revenue</b>	<b>3,604,133</b>	<b>3,644,246</b>	<b>(40,113)</b>	<b>-1%</b>	<b>3,761,093</b>	<b>(156,960)</b>	<b>-4%</b>
Operations	1,397,647	1,260,757	136,891	11%	1,592,604	(194,957)	-12%
Water Purchases	-	-	-	0%	-	-	0%
Field Operations	571,304	542,403	28,902	5%	751,278	(179,974)	-24%
Physical Plant	146,472	125,514	20,957	17%	186,780	(40,308)	-22%
Administration	877,871	867,676	10,195	1%	1,000,542	(122,671)	-12%
Engineering	149,222	97,943	51,279	52%	100,620	48,602	48%
Water Conservation	-	-	-	0%	-	-	0%
<b>Total Op Expense</b>	<b>3,142,517</b>	<b>2,894,293</b>	<b>248,224</b>	<b>9%</b>	<b>3,631,824</b>	<b>(489,307)</b>	<b>-13%</b>
<b>Net Operating Income</b>	<b>461,616</b>	<b>749,953</b>	<b>(288,337)</b>	<b>-38%</b>	<b>129,269</b>	<b>332,347</b>	<b>257%</b>
SWF or Prop Taxes	2,281,507	2,119,659	161,848	8%	2,033,908	247,599	12%
Connection Fees	60,396	98,419	(38,023)	-39%	8,778	51,618	588%
Contributed Capital	-	-	-	100%	-	-	100%
Interest Income	164,565	43,864	120,701	275%	71,394	93,171	131%
Interest Expense	(218,914)	(229,804)	10,890	5%	(232,722)	13,808	6%
Depreciation	(1,058,519)	(1,028,615)	(29,903)	-3%	(1,153,740)	95,221	8%
Amortization	13,398	13,398	-	0%	13,398	0	0%
Other Expense	(2,343)	(2,145)	(198)	-9%	(3,576)	1,233	34%
Other Income	113,778	84,526	29,253	35%	43,872	69,906	159%
<b>Total Non-Op Income</b>	<b>1,353,869</b>	<b>1,099,302</b>	<b>254,567</b>	<b>23%</b>	<b>781,312</b>	<b>572,557</b>	<b>73%</b>
<b>Net Income</b>	<b>1,815,485</b>	<b>1,849,255</b>	<b>(33,770)</b>	<b>-2%</b>	<b>910,581</b>	<b>904,904</b>	<b>99%</b>
Beginning Net Position	63,203,902	57,417,365	5,786,537	10%	63,203,902	-	0%
Change in Net Position	1,815,485	1,849,255	(33,770)	-2%	910,581	904,904	99%
Ending Net Position	65,019,387	59,266,620	5,752,767	10%	64,114,483	904,904	1%

Fund Balances	Wastewater						
	DEC - 22 YTD	DEC -21 YTD	PY Var	%	FY 22/23 Bgt	Bgt Var	%
-00 Operating Fund	4,167,108	3,000,631	1,166,477	39%	1,816,000	2,351,108	129%
-10 Capital Improvemnt	17,953,977	16,053,313	1,900,663	12%	436,532	17,517,445	4013%
-20 Rate Stabilztn Fund	1,652,048	1,588,197	63,851	4%	1,651,874	174	0%
<b>Total Pooled Cash</b>	<b>23,773,132</b>	<b>20,642,141</b>	<b>3,130,991</b>	<b>15%</b>	<b>3,904,406</b>	<b>19,868,726</b>	<b>509%</b>
-50 New Facilities Fund	84,670	113,855	(29,185)	-26%	149,108	(64,438)	-43%
160 Supplemental Wtr	-	-	-	100%	-	-	100%
Assessment Districts	1,621,219	1,604,948	16,271	1%	1,619,446	1,773	0%
<b>Total Restricted Cash</b>	<b>1,705,893</b>	<b>1,718,806</b>	<b>(12,913)</b>	<b>-1%</b>	<b>1,768,554</b>	<b>(62,661)</b>	<b>-4%</b>
<b>Total Cash</b>	<b>25,479,025</b>	<b>22,360,946</b>	<b>3,118,078</b>	<b>14%</b>	<b>5,672,960</b>	<b>19,806,065</b>	<b>349%</b>

# Lake Arrowhead Community Services District

Fiscal Year 2022-23

## Statement of Revenues, Expenses and Changes in Net Position and Fund Balances

	Deer Lodge Park						
	DEC - 22 YTD	DEC -21 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	81,219	81,801	(583)	-1%	89,037	(7,818)	-9%
Other Op Income	7,869	6,695	1,174	18%	3,000	4,869	162%
<b>Total Revenue</b>	<b>89,088</b>	<b>88,496</b>	<b>592</b>	<b>1%</b>	<b>92,037</b>	<b>(2,949)</b>	<b>-3%</b>
Operations	35,255	26,598	8,657	33%	47,094	(11,839)	-25%
Water Purchases	26,310	22,518	3,792	17%	26,092	218	1%
Field Operations	11,908	11,342	565	5%	16,380	(4,472)	-27%
Physical Plant	1,523	1,321	202	15%	1,926	(403)	-21%
Administration	18,065	20,914	(2,849)	-14%	22,044	(3,979)	-18%
Engineering	2,060	1,619	442	27%	1,680	380	23%
Water Conservation	-	-	-	0%	-	-	0%
<b>Total Op Expense</b>	<b>95,121</b>	<b>84,312</b>	<b>10,809</b>	<b>13%</b>	<b>115,216</b>	<b>(20,095)</b>	<b>-17%</b>
<b>Net Operating Income</b>	<b>(6,032)</b>	<b>4,184</b>	<b>(10,217)</b>	<b>-244%</b>	<b>(23,179)</b>	<b>17,147</b>	<b>74%</b>
SWF or Prop Taxes	-	-	-	0%	-	-	0%
Connection Fees	15,579	15,579	-	0%	-	15,579	0%
Contributed Capital	-	-	-	0%	-	-	0%
Interest Income	3,745	1,194	2,551	214%	2,628	1,117	43%
Interest Expense	-	-	-	0%	-	-	100%
Depreciation	(21,484)	(21,484)	-	0%	(21,486)	2	0%
Amortization	-	-	-	0%	-	-	0%
Other Expense	-	-	-	0%	-	-	0%
Other Income	216	49	167	100%	3,000	(2,784)	-93%
<b>Total Non-Op Income</b>	<b>(1,944)</b>	<b>(4,662)</b>	<b>2,718</b>	<b>58%</b>	<b>(15,858)</b>	<b>13,914</b>	<b>88%</b>
<b>Net Income</b>	<b>(7,977)</b>	<b>(478)</b>	<b>(7,499)</b>	<b>-1570%</b>	<b>(39,037)</b>	<b>31,060</b>	<b>80%</b>
Beginning Net Position	1,699,235	1,664,931	34,304	2%	1,699,235	-	0%
Change in Net Position	(7,977)	(478)	(7,499)	-1570%	(39,037)	31,060	80%
Ending Net Position	1,691,258	1,664,453	26,805	2%	1,660,198	31,060	2%

	Deer Lodge Park						
	DEC - 22 YTD	DEC -21 YTD	PY Var	%	FY 22/23 Bgt	Bgt Var	%
<b>Fund Balances</b>							
-00 Operating Fund	77,943	64,065	13,878	22%	54,000	23,943	44%
-10 Capital Improvemnt	33,241	69,209	(35,968)	-52%	67,588	(34,347)	-51%
-20 Rate Stabilztn Fund	27,403	27,123	280	1%	38,017	(10,614)	-28%
<b>Total Pooled Cash</b>	<b>138,587</b>	<b>160,397</b>	<b>(21,810)</b>	<b>-14%</b>	<b>159,605</b>	<b>(21,018)</b>	<b>-13%</b>
-50 New Facilities Fund	30,680	29,797	883	3%	29,919	761	3%
160 Supplemental Wtr	-	-	-	100%	-	-	100%
Assessment Districts	404,080	400,024	4,056	1%	63,669	340,411	535%
<b>Total Restricted Cash</b>	<b>434,760</b>	<b>429,821</b>	<b>4,939</b>	<b>1%</b>	<b>93,588</b>	<b>341,172</b>	<b>365%</b>
<b>Total Cash</b>	<b>573,346</b>	<b>590,218</b>	<b>(16,871)</b>	<b>-3%</b>	<b>253,193</b>	<b>320,153</b>	<b>126%</b>



# Lake Arrowhead Community Services District

Fiscal Year 2022-23

## Statement of Revenues, Expenses and Changes in Net Position and Fund Balances

	Rimforest						
	DEC - 22 YTD	DEC -21 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	145,573	117,807	27,766	24%	154,015	(8,442)	-5%
Other Op Income	5,074	2,971	2,102	71%	3,348	1,726	52%
<b>Total Revenue</b>	<b>150,647</b>	<b>120,779</b>	<b>29,868</b>	<b>25%</b>	<b>157,363</b>	<b>(6,716)</b>	<b>-4%</b>
Operations	17,495	16,241	1,254	8%	22,692	(5,197)	-23%
Water Purchases	34,672	28,561	6,112	21%	32,700	1,972	6%
Field Operations	14,652	24,062	(9,410)	-39%	24,540	(9,888)	-40%
Physical Plant	2,880	2,412	468	19%	1,326	1,554	117%
Administration	34,001	36,049	(2,048)	-6%	40,290	(6,289)	-16%
Engineering	3,881	3,006	875	29%	3,390	491	14%
Water Conservation	-	-	-	0%	-	-	0%
<b>Total Op Expense</b>	<b>107,582</b>	<b>110,331</b>	<b>(2,749)</b>	<b>-2%</b>	<b>124,938</b>	<b>(17,356)</b>	<b>-14%</b>
<b>Net Operating Income</b>	<b>43,065</b>	<b>10,448</b>	<b>32,617</b>	<b>312%</b>	<b>32,425</b>	<b>10,640</b>	<b>33%</b>
SWF or Prop Taxes	-	-	-	0%	-	-	0%
Connection Fees	-	-	-	0%	-	-	0%
Contributed Capital	-	-	-	0%	-	-	0%
Interest Income	83	-	83	100%	330	(247)	-75%
Interest Expense	-	(1,049)	1,049	100%	-	-	100%
Depreciation	(7,950)	(7,950)	-	0%	(7,950)	0	0%
Amortization	-	-	-	0%	-	-	0%
Other Expense	-	-	-	0%	(36)	36	0%
Other Income	431	98	333	0%	25,000	(24,569)	-98%
<b>Total Non-Op Income</b>	<b>(7,435)</b>	<b>(8,901)</b>	<b>1,465</b>	<b>16%</b>	<b>17,344</b>	<b>(24,779)</b>	<b>-143%</b>
<b>Net Income</b>	<b>35,629</b>	<b>1,547</b>	<b>34,082</b>	<b>2202%</b>	<b>49,769</b>	<b>(14,140)</b>	<b>-28%</b>
Beginning Net Position	375,381	340,041	35,340	10%	375,381	-	0%
Change in Net Position	35,629	1,547	34,082	2202%	49,769	(14,140)	-28%
Ending Net Position	411,010	341,588	69,422	20%	425,150	(14,140)	-3%

	Rimforest						
	DEC - 22 YTD	DEC -21 YTD	PY Var	%	FY 22/23 Bgt	Bgt Var	%
<b>Fund Balances</b>							
-00 Operating Fund	17,476	(44,226)	61,703	140%	62,000	(44,524)	-72%
-10 Capital Improvemnt	(7,893)	4,581	(12,474)	-272%	-	(7,893)	100%
-20 Rate Stabilztn Fund	-	-	-	100%	-	-	100%
<b>Total Pooled Cash</b>	<b>9,584</b>	<b>(39,645)</b>	<b>49,229</b>	<b>124%</b>	<b>62,000</b>	<b>(52,416)</b>	<b>-85%</b>
-50 New Facilities Fund	-	-	-	100%	-	-	100%
160 Supplemental Wtr	-	-	-	100%	-	-	100%
Assessment Districts	-	-	-	100%	-	-	100%
<b>Total Restricted Cash</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>100%</b>
<b>Total Cash</b>	<b>9,584</b>	<b>(39,645)</b>	<b>49,229</b>	<b>124%</b>	<b>62,000</b>	<b>(52,416)</b>	<b>-85%</b>

# Lake Arrowhead Community Services District

Fiscal Year 2022-23

## Statement of Revenues, Expenses and Changes in Net Position and Fund Balances

	LACSD Total						
	DEC - 22 YTD	DEC -21 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	7,245,930	7,478,597	(232,667)	-3%	7,668,479	(422,549)	-6%
Other Op Income	188,844	186,505	2,339	1%	166,626	22,218	13%
<b>Total Revenue</b>	<b>7,434,774</b>	<b>7,665,102</b>	<b>(230,328)</b>	<b>-3%</b>	<b>7,835,105</b>	<b>(400,331)</b>	<b>-5%</b>
Operations	2,516,008	2,196,135	319,873	15%	2,685,252	(169,244)	-6%
Water Purchases	119,931	67,111	52,821	79%	306,514	(186,583)	-61%
Field Operations	1,063,391	1,107,085	(43,693)	-4%	1,308,180	(244,789)	-19%
Physical Plant	217,614	196,264	21,350	11%	288,900	(71,286)	-25%
Administration	1,634,193	1,648,883	(14,690)	-1%	1,936,026	(301,833)	-16%
Engineering	231,389	163,718	67,671	41%	167,322	64,067	38%
Water Conservation	82,112	107,130	(25,017)	-23%	125,340	(43,228)	-34%
<b>Total Op Expense</b>	<b>5,864,639</b>	<b>5,486,325</b>	<b>378,314</b>	<b>7%</b>	<b>6,817,534</b>	<b>(952,895)</b>	<b>-14%</b>
<b>Net Operating Income</b>	<b>1,570,135</b>	<b>2,178,777</b>	<b>(608,642)</b>	<b>-28%</b>	<b>1,017,571</b>	<b>552,564</b>	<b>54%</b>
SWF or Prop Taxes	2,301,487	2,146,366	155,121	7%	2,033,908	267,579	13%
Connection Fees	199,644	242,525	(42,881)	-18%	26,280	173,364	660%
Contributed Capital	-	-	-	100%	-	-	100%
Interest Income	310,413	87,560	222,853	255%	158,946	151,467	95%
Interest Expense	(331,687)	(349,237)	17,549	5%	(356,340)	24,653	7%
Depreciation	(1,875,617)	(1,862,478)	(13,139)	-1%	(1,964,580)	88,963	5%
Amortization	20,301	20,301	-	0%	20,304	(3)	0%
Other Expense	(3,550)	(3,250)	(300)	-9%	(4,416)	866	20%
Other Income	122,680	136,077	(13,397)	-10%	74,086	48,594	66%
<b>Total Non-Op Income</b>	<b>743,670</b>	<b>417,864</b>	<b>325,806</b>	<b>78%</b>	<b>(11,812)</b>	<b>755,482</b>	<b>6396%</b>
<b>Net Income</b>	<b>2,313,805</b>	<b>2,596,641</b>	<b>(282,836)</b>	<b>-11%</b>	<b>1,005,759</b>	<b>1,308,046</b>	<b>130%</b>
Beginning Net Position	123,367,906	115,317,395	8,050,511	7%	123,367,906	-	0%
Change in Net Position	2,313,805	2,596,641	(282,836)	-11%	1,005,759	1,308,046	130%
Ending Net Position	125,681,711	117,914,036	7,767,675	7%	124,373,665	1,308,046	1%

	LACSD Total						
	DEC - 22 YTD	DEC -21 YTD	PY Var	%	FY 22/23 Bgt	Bgt Var	%
<b>Fund Balances</b>							
-00 Operating Fund	7,433,838	5,903,174	1,530,664	26%	3,416,000	4,017,838	118%
-10 Capital Improvemnt	23,263,657	21,205,184	2,058,473	10%	2,922,068	20,341,589	696%
-20 Rate Stabilztn Fund	3,353,654	3,050,207	303,447	10%	3,352,891	763	0%
<b>Total Pooled Cash</b>	<b>34,051,149</b>	<b>30,158,565</b>	<b>3,892,584</b>	<b>13%</b>	<b>9,690,959</b>	<b>24,360,190</b>	<b>251%</b>
-50 New Facilities Fund	319,459	335,744	(16,285)	-5%	448,501	(129,042)	-29%
160 Supplemental Wtr	11,048,839	11,504,958	(456,118)	-4%	9,627,729	1,421,110	15%
Assessment Districts	2,025,299	2,004,972	20,327	1%	1,683,115	342,184	20%
<b>Total Restricted Cash</b>	<b>13,393,600</b>	<b>13,845,676</b>	<b>(452,075)</b>	<b>-3%</b>	<b>11,759,345</b>	<b>1,634,255</b>	<b>14%</b>
<b>Total Cash</b>	<b>47,444,749</b>	<b>44,004,241</b>	<b>3,440,509</b>	<b>8%</b>	<b>21,450,304</b>	<b>25,994,445</b>	<b>121%</b>

# Lake Arrowhead Community Services District Cash Flow Statement

Preliminary Fiscal Year 2021-22

	<u>Water</u>	<u>Wastewater</u>	<u>DLP</u>	<u>RF</u>	<u>YTD 2019-20</u>
<b>Change in Net Position (Net Income)</b>	470,667	1,815,485	(7,977)	35,629	2,313,805
Depreciation & Amortization	782,614	1,025,240	21,484	7,950	1,837,288
Asset Disposal	-	-	-	-	-
<b>Net Cash from Income Statement</b>	<u>1,253,281</u>	<u>2,840,724</u>	<u>13,507</u>	<u>43,579</u>	<u>4,151,092</u>
Customer Accounts Receivable	798,008	(127,564)	20,855	22,117	713,416
Other Receivables	(88)	(325)	-	-	(413)
Prepaid Expenses	(73,049)	(135,663)	-	-	(208,712)
Prepaid Water	-	-	-	-	-
Accounts Payable	(20,408)	(36,965)	(3,357)	(9,586)	(70,316)
Net Pension Liability	-	-	-	-	-
Accrued Liabilities	(144,310)	626,595	(3,271)	(4,174)	474,840
Deposits & Retentions	18,652	(51,253)	-	-	(32,601)
Parts Inventory	-	-	-	-	-
<b>Total Sources (Uses) of Cash</b>	<u>578,804</u>	<u>274,825</u>	<u>14,228</u>	<u>8,356</u>	<u>876,213</u>
<b>Net Cash Flow from Operating Activities</b>	<b>1,832,085</b>	<b>3,115,550</b>	<b>27,735</b>	<b>51,936</b>	<b>5,027,306</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>					
Additions to Fixed Assets	(50,772)	(99,724)	-	-	(150,496)
Construction in Progress	(1,347,559)	(1,407,720)	(51,364)	-	(2,806,643)
Bond Principal	(253,408)	(491,909)	-	-	(745,316)
Contributions to Financing Activities	17,005	33,010	-	-	-
SRF Loan & Notes Payable	-	-	-	-	-
Interfund Payable/Receivable	-	-	-	-	-
Interest Payable	(2,869)	(5,569)	-	-	(8,438)
<b>Net Cash Flow from Financing Activities</b>	<b>(1,637,602)</b>	<b>(1,971,911)</b>	<b>(51,364)</b>	<b>-</b>	<b>(3,710,893)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>					
Interest Receivable	(27,457)	(50,991)	-	-	(78,448)
<b>Net Cash Flow from Investing Activities</b>	<b>(27,457)</b>	<b>(50,991)</b>	<b>-</b>	<b>-</b>	<b>(78,448)</b>
<b>Net Increase (Decrease) in Cash</b>	167,027	1,092,647	(23,629)	51,936	1,287,980
Cash at Beginning of Period	21,215,768	24,386,377	596,976	(42,352)	46,156,769
<b>Cash and Equivalents at End of Period</b>	<u><b>21,382,795</b></u>	<u><b>25,479,025</b></u>	<u><b>573,346</b></u>	<u><b>9,584</b></u>	<u><b>47,444,749</b></u>



**Lake Arrowhead Community Services District**  
**Cash and Investment Report**  
*as of December 31, 2022*

**Summary of Portfolio Assets**

Category	Book Value	Adj Book Value	Market Value	Percent of Portfolio	Current Quarterly Yield
Checking Account	6,861,976	6,861,976	6,861,976	14.6%	0.00%
LAIF	28,227,971	28,227,971	28,227,971	59.9%	2.17%
Corporate Bonds	5,750,000	5,750,000	5,293,903	11.2%	3.26%
Negotiable CDs	7,000,000	7,000,000	6,743,793	14.3%	2.96%
<b>Total Cash &amp; Investments</b>	<b>47,839,947</b>	<b>47,839,947</b>	<b>47,127,643</b>	<b>100.0%</b>	<b>2.11%</b>

**Summary of Portfolio Liquidity**

Category	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio	Par Value	Percent of Portfolio
On Demand	35,089,947	73.3%	35,089,947	74.5%	35,089,947	73.3%
Within 2022-23	1,250,000	2.6%	1,245,211	2.6%	1,250,000	2.6%
Within 2023-24	1,250,000	2.6%	1,216,727	2.6%	1,250,000	2.6%
Within 2024-25	500,000	1.0%	487,120	1.0%	500,000	1.0%
Within 2025-26	4,750,000	9.9%	4,290,096	9.1%	4,750,000	9.9%
Within 2026-27	2,250,000	4.7%	2,109,258	4.5%	2,250,000	4.7%
Within 2027-28	2,750,000	5.7%	2,689,284	5.7%	2,750,000	5.7%
<b>Total</b>	<b>47,839,947</b>	<b>100.0%</b>	<b>47,127,643</b>	<b>100.0%</b>	<b>47,839,947</b>	<b>100.0%</b>



**Lake Arrowhead Community Services District**  
**Portfolio Details**  
**as of December 31, 2022**

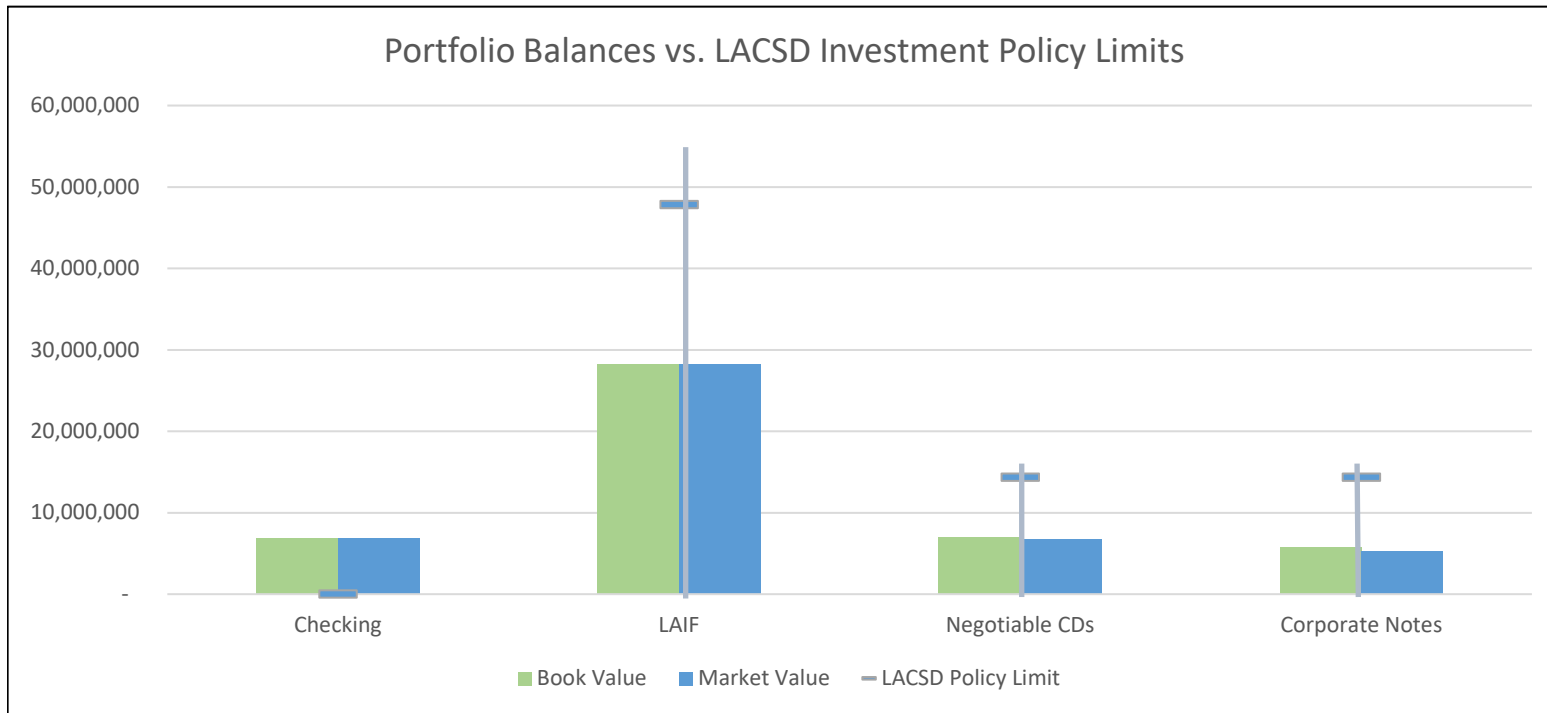
Type	Issuer	CUSIP	Purchase Date	Maturity Date	Par Value	Market Value	Book Value	Stated Rate
Checking Account	Union Bank				\$ 6,861,976	\$ 6,861,976	\$ 6,861,976	
LAIF	LAIF				\$ 28,227,971	\$ 28,227,971	\$ 28,227,971	2.17%
Negotiable CD	Sallie Mae Bank	795450K53	2/8/2018	2/8/2023	\$ 250,000	\$ 249,607	\$ 250,000	2.65%
Negotiable CD	Goldman Sachs	38148PXW2	2/14/2018	2/14/2023	\$ 250,000	\$ 249,562	\$ 250,000	2.70%
Negotiable CD	BMW Bank North America	05580AWA8	3/31/2020	3/31/2023	\$ 250,000	\$ 248,332	\$ 250,000	1.45%
Negotiable CD	Mainstreet Bank	56065GAE8	4/26/2019	4/26/2023	\$ 250,000	\$ 248,710	\$ 250,000	2.55%
Negotiable CD	Citibank National Association	17312QL98	5/23/2018	5/23/2023	\$ 250,000	\$ 249,000	\$ 250,000	3.20%
Negotiable CD	Medallion Bank	58404DEL1	6/11/2019	12/11/2023	\$ 250,000	\$ 244,855	\$ 250,000	2.40%
Negotiable CD	Morgan Stanley Private Bank	61760AYR4	4/11/2019	4/11/2024	\$ 250,000	\$ 244,365	\$ 250,000	2.80%
Negotiable CD	Comenity Capital Bank	20033AU38	4/15/2019	4/15/2024	\$ 250,000	\$ 244,277	\$ 250,000	2.80%
Negotiable CD	Celtic Bank	15118RUV7	4/17/2020	4/17/2024	\$ 250,000	\$ 239,845	\$ 250,000	2.80%
Negotiable CD	Morgan Stanley NA Bank	61690UHB9	6/6/2019	6/6/2024	\$ 250,000	\$ 243,385	\$ 250,000	2.70%
Negotiable CD	Nicolet National Bank	654062LB2	12/28/2021	3/28/2025	\$ 250,000	\$ 247,367	\$ 250,000	4.10%
Negotiable CD	Ally Bank	02007GSW4	6/9/2022	6/9/2025	\$ 250,000	\$ 239,753	\$ 250,000	2.80%
Negotiable CD	Hardin County Bank	412022DA0	10/18/2021	8/18/2025	\$ 250,000	\$ 229,651	\$ 250,000	1.30%
Negotiable CD	Farmers & Merchants Bank	307811EZ8	9/29/2022	9/29/2025	\$ 250,000	\$ 244,640	\$ 250,000	3.75%
Negotiable CD	Guthrie County State Bank	40341PBH0	9/29/2022	9/29/2025	\$ 250,000	\$ 246,293	\$ 250,000	4.00%
Negotiable CD	Signature Bank of New York	82669GET7	9/29/2022	9/29/2025	\$ 250,000	\$ 246,593	\$ 250,000	4.05%
Negotiable CD	First National Bank McGregor	32112UEC1	9/30/2022	9/30/2025	\$ 250,000	\$ 244,636	\$ 250,000	3.75%
Negotiable CD	Legacy Bank and Trust	52470QCA0	9/30/2022	9/30/2025	\$ 250,000	\$ 246,248	\$ 250,000	4.00%
Negotiable CD	American Express National Bank	02589AE24	10/6/2022	10/6/2025	\$ 250,000	\$ 248,820	\$ 250,000	4.40%
Negotiable CD	Toyota Financial Services	89235MLE9	7/29/2021	7/29/2026	\$ 250,000	\$ 220,305	\$ 250,000	0.95%
Negotiable CD	UBS Salt Lake City	90348JS92	9/9/2021	9/9/2026	\$ 250,000	\$ 219,182	\$ 250,000	0.95%
Negotiable CD	Live Oak Bank	538036SV7	10/19/2021	10/19/2026	\$ 250,000	\$ 217,890	\$ 250,000	0.90%
Negotiable CD	State Bank India Chicago	856283U95	10/19/2021	10/19/2026	\$ 250,000	\$ 220,320	\$ 250,000	1.15%
Negotiable CD	Capital One	14042RQS3	4/20/2022	4/20/2027	\$ 250,000	\$ 232,668	\$ 250,000	2.80%
Negotiable CD	Decorah Bank and Trust	243594AR9	9/23/2022	9/23/2027	\$ 250,000	\$ 240,733	\$ 250,000	3.70%
Negotiable CD	First Financial Bank USA Dakota	32022RTL1	10/1/2022	10/1/2027	\$ 250,000	\$ 240,440	\$ 250,000	3.70%
Negotiable CD	Synchrony Bank	87165EX77	10/7/2022	10/7/2027	\$ 250,000	\$ 247,365	\$ 250,000	4.35%
Negotiable CD	Discover Bank	254673V37	10/12/2022	10/12/2027	\$ 250,000	\$ 248,951	\$ 250,000	4.50%
Corporate Bond	Citigroup Inc.	17298CKV9	12/8/2020	12/8/2025	\$ 1,000,000	\$ 865,420	\$ 1,000,000	1.00%
Corporate Bond	JPMorgan Chase & Co.	48128G4B3	12/22/2020	12/22/2025	\$ 1,000,000	\$ 849,630	\$ 1,000,000	0.75%
Corporate Bond	TD Bank Services	89114TK84	3/16/2021	3/16/2026	\$ 1,000,000	\$ 868,165	\$ 1,000,000	1.05%
Corporate Bond	Barclay's Bank	06748XSF9	9/29/2022	9/26/2026	\$ 1,000,000	\$ 998,893	\$ 1,000,000	4.50%
Corporate Bond	Goldman Sachs	38150APH2	10/5/2022	10/5/2027	\$ 1,000,000	\$ 981,370	\$ 1,000,000	6.25%
Corporate Bond	Bank of America	06048WZ29	10/20/2022	10/20/2027	\$ 750,000	\$ 730,425	\$ 750,000	6.00%



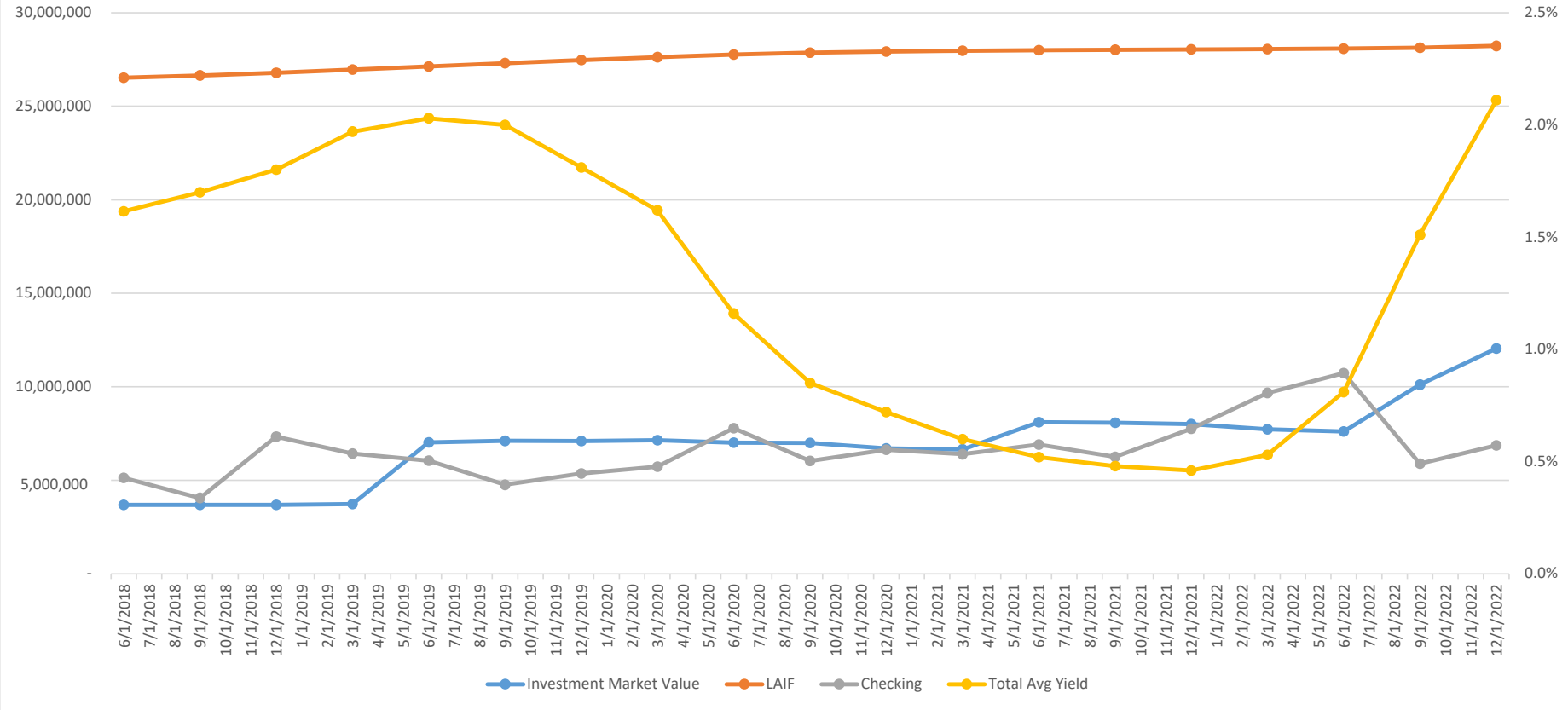
## Lake Arrowhead Community Services District Investment Policy Compliance Report

as of December 31, 2022

Investment Type	Book Value	Market Value	LACSD Policy Limit	Description of Limit
Checking	6,861,976	6,861,976	None	None
LAIF	28,227,971	28,227,971	47,839,947	Up to 100% of portfolio
Negotiable CDs	7,000,000	6,743,793	14,351,984	Up to 30% of portfolio
Corporate Notes	5,750,000	5,293,903	14,351,984	Up to 30% of portfolio
<b>Total Portfolio</b>	<b>47,839,947</b>	<b>47,127,643</b>		



### 5 Year Balance and Yield History



Market Rates

