


LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT

MEMORANDUM


DATE: FEBRUARY 26, 2019

TO: BOARD OF DIRECTORS
Lake Arrowhead Community Services District

FROM:



JOHN O'BRIEN, Finance Manager



CATHERINE CERRI, General Manager

SUBJECT: FISCAL YEAR 2018-19 FINANCIAL STATEMENTS AND
CASH AND INVESTMENT REPORT FOR THE QUARTER
ENDED DECEMBER 31, 2018

A. RECOMMENDATION

This is an information item only.

B. REASON FOR RECOMMENDATION

This is an information item only.

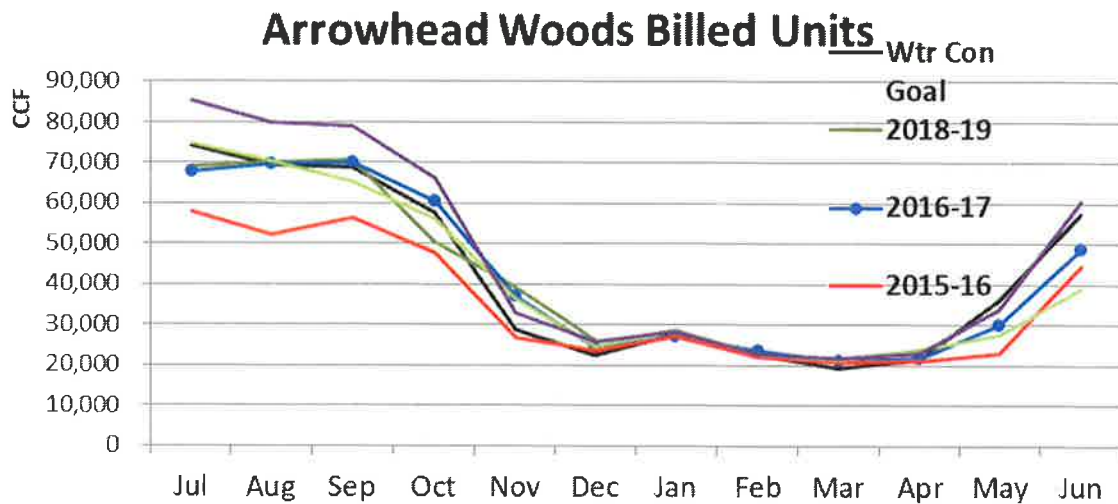
C. BACKGROUND INFORMATION

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 2018-19, covering the period through December 31, 2018.

Summary of Significant Items – Financial Statements

Districtwide operating revenue as of December 31, 2018 of \$7.0 million, was 4% or \$290,000 higher as compared to the same period last year. Additional detail is below:

- Water operating revenue was \$178,000 or 6% higher as compared to the same period last year primarily due to a rate increase effective January 1, 2018. As compared to budget, water operating revenue was 5% or \$165,000 higher primarily due to actual consumption exceeding budget estimates.
- Wastewater operating revenue was 3% or \$105,000 higher as compared to the same period last year due to a rate increase effective January 1, 2018 and 1% or \$50,000 above budget.
- Deer Lodge Park operating revenue was 11% or \$7,000 higher as compared to the same period last year due to a rate increase effective January 1, 2018 and was 11% or \$7,000 above budget primarily due to actual consumption exceeding budget estimates.
- Rimforest operating revenue was essentially flat as compared to last year as well as compared to budget.



Consumption as of December 31, 2018, is as follows:

- Water billed units were 1.3% greater than the water conservation goal of 13% lower than 2013 and reflected a decrease of .3% in consumption as compared to the same period last year.
- Deer Lodge Park year-to-date billed units were 3.6% greater as compared to the same period last year.
- Rimforest year-to-date billed units were 3.5% greater as compared to the same period last year.

Operating Expenses through December 2018

Expense	FYTD 2018-19	PYTD 2017-18	PY Var	PY var %	YTD Bgt	Bgt Var	Bgt Var %
Wages	1,952,565	1,854,649	97,916	5%	1,939,095	13,470	1%
Health Ins	438,639	408,677	29,962	7%	479,082	(40,443)	-8%
Retirement	412,701	358,470	54,230	15%	394,251	18,450	5%
FICA	137,994	134,134	3,861	3%	137,879	115	0%
Employer Ins	59,135	35,284	23,851	68%	67,272	(8,137)	-12%
Training	72,582	46,372	26,210	57%	67,326	5,256	8%
Supplies	101,724	90,095	11,629	13%	119,406	(17,682)	-15%
Equipment	246,641	274,434	(27,793)	-10%	411,840	(165,199)	-40%
Fleet	78,565	77,439	1,126	1%	115,752	(37,187)	-32%
Chemicals	82,234	74,068	8,166	11%	100,506	(18,272)	-18%
Meters	-	14,342	(14,342)	-100%	28,704	(28,704)	-100%
Liability Ins	112,457	97,612	14,844	15%	90,408	22,049	24%
Outside Services	419,697	358,117	61,580	17%	505,938	(86,241)	-17%
Contracts	53,554	102,816	(49,262)	-48%	56,694	(3,140)	-6%
Legal	85,364	43,577	41,786	96%	104,196	(18,832)	-18%
Electric	280,087	279,842	245	0%	321,677	(41,590)	-13%
Utilities	181,373	199,343	(17,970)	-9%	194,367	(12,994)	-7%
Permits	107,114	95,211	11,902	13%	96,659	10,455	11%
Other	9,051	7,612	1,439	19%	10,014	(963)	-10%
Subtotal	4,831,476	4,552,096	279,380	6%	5,241,066	(409,590)	-8%
Water Purchase	516,018	350,361	165,657	47%	409,247	106,771	26%
Grand Total	5,347,494	4,902,457	445,037	9%	5,650,313	(302,819)	-5%

Overall operating expenses as of December 31, 2018, were 6% higher than prior year but 8% below budget. Significant increases as compared to last year include an increase in wages, health insurance, retirement, and legal expenses.

The District is currently taking imported water deliveries from CLAWA for Arrowhead Woods and purchased 31.73 acre-feet in the second quarter. The District has a balance of \$1.9 million for water that was prepaid to CLAWA. In the second quarter, Deer Lodge Park purchased 4.64 acre-feet and Rimforest purchased 9.11 acre-feet.

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, 2018, the District's market value of cash and investments totaled \$37.9 million and are allocated to the following accounts:

- Checking Account - \$7.3 million or 19.4% of portfolio allocation
- Local Agency Investment Fund (LAIF) – \$26.8 million or 70.9% of portfolio allocation
- Federal Agencies - \$987,000 or 2.6% of portfolio allocation
- Negotiable CDs - \$2.7 million or 7.1% of portfolio allocation

The majority of District funds are held in LAIF which has a current rate of 2.38%. All investments held by the District outside of LAIF have stated rates of 1.3% to 3.2%. Although LAIF rates have improved, the District will continue to pursue investments in Federal Agencies and Negotiable CDs. Just as there has been a stated rate of return increase with LAIF, there has also been an increase in the stated rates of return with other investments that comply with the District's investment policy. As current investments mature, the District expects to be able to reinvest at higher current stated rates of return and therefore increase the District's overall investment income.

D. FISCAL IMPACT

This is an information item only.

E. ATTACHMENTS

Q2 2018-19 Statement of Revenues, Expenses and Changes in Net Position

Q2 2018-19 Statement of Net Position

Q2 2018-19 Cash Flow Statement

Q2 2018-19 Cash and Investment Report

Lake Arrowhead Community Services District

Preliminary Fiscal Year 2018-19 Statement of Revenues, Expenses and Changes in Net Position and Fund Balances

	Water						
	Dec - 18 YTD	Dec -17 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	3,289,652	3,094,989	194,664	6%	3,125,035	164,617	5%
Other Op Income	98,207	115,023	(16,816)	-15%	97,458	749	1%
Total Revenue	3,387,859	3,210,012	177,848	6%	3,222,493	165,366	5%
Operations	802,735	804,870	(2,135)	0%	827,714	(24,979)	-3%
Water Purchases	475,642	307,845	167,797	55%	365,000	110,642	30%
Field Operations	372,140	401,157	(29,017)	-7%	460,711	(88,571)	-19%
Physical Plant	57,931	54,286	3,645	7%	81,728	(23,797)	-29%
Administration	714,091	595,849	118,242	20%	708,728	5,363	1%
Engineering	57,406	38,679	18,727	48%	60,758	(3,352)	-6%
Water Conservation	91,407	91,018	389	0%	113,083	(21,676)	-19%
Total Op Expense	2,571,354	2,293,705	277,649	12%	2,617,722	(46,368)	-2%
Net Operating Income	816,506	916,307	(99,801)	-11%	604,771	211,735	35%
SWF or Prop Taxes	1,906,988	1,911,496	(4,508)	0%	1,914,483	(7,495)	0%
Connection Fees	36,877	57,951	(21,074)	-36%	25,002	11,875	47%
Contributed Capital	-	-	-	100%	-	-	100%
Interest Income	154,816	88,768	66,047	74%	79,666	75,150	94%
Interest Expense	(133,289)	(136,587)	3,298	2%	(155,718)	22,430	14%
Depreciation	(726,721)	(791,279)	64,558	8%	(815,052)	88,331	11%
Amortization	6,902	23,908	(17,005)	-71%	(23,910)	30,812	129%
Other Expense	(1,432)	2,789	(4,221)	-151%	(779)		
Other Income	14,546	1,875	12,672	100%	3,036	11,510	379%
Total Non-Op Income	1,258,688	1,158,922	99,766	9%	1,026,728	232,613	23%
Net Income	2,075,193	2,075,229	(35)	0%	1,631,499	444,348	27%
Beginning Net Position	52,256,575	50,098,094	2,158,481	4%	52,256,575	-	0%
Change in Net Position	2,075,193	2,075,229	(35)	0%	1,631,499	443,694	27%
Ending Net Position	54,331,768	52,173,323	2,158,446	4%	53,888,074	443,694	1%

	Water						
	Dec - 18 YTD	Dec -17 YTD	PY Var	%	FY 18/19 Bgt	Bgt Var	%
Fund Balances							
-00 Operating Fund	3,167,688	2,949,985	217,704	7%	1,274,934	1,892,754	148%
-10 Capital Improvemnt	1,744,451	5,608,792	(3,864,341)	-69%	170,866	1,573,585	921%
-20 Rate Stabilztn Fund	414,893	-	414,893	100%	-	414,893	100%
Total Pooled Cash	5,327,033	8,558,776	(3,231,743)	-38%	1,445,800	3,881,233	268%
-50 New Facilities Fund	50,013	83,712	(33,699)	-40%	134,815	(84,802)	-63%
160 Supplemental Wtr	12,529,652	11,106,618	1,423,034	13%	11,913,640	616,012	5%
161, 270 Debt Reserve	-	-	-	100%	-	-	100%
271 Bond Proceeds	-	-	-	100%	-	-	100%
Assessment Districts	-	-	-	100%	-	-	100%
Total Restricted Cash	12,579,665	11,190,330	1,389,335	12%	12,048,455	531,210	4%
Total Cash	17,906,698	19,749,107	(1,842,408)	-9%	13,494,255	4,412,443	33%

Lake Arrowhead Community Services District

Preliminary Fiscal Year 2018-19 Statement of Revenues, Expenses and Changes in Net Position and Fund Balances

	Wastewater						
	Dec - 18 YTD	Dec -17 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	3,360,903	3,250,351	110,552	3%	3,302,838	58,065	2%
Other Op Income	59,061	64,864	(5,803)	-9%	66,756	(7,695)	-12%
Total Revenue	3,419,964	3,315,215	104,749	3%	3,369,594	50,370	1%
Operations	1,105,828	1,047,736	58,092	6%	1,092,147	13,681	1%
Water Purchases	-	-	-	0%	-	-	0%
Field Operations	522,918	493,937	28,981	6%	580,084	(57,166)	-10%
Physical Plant	98,451	105,113	(6,661)	-6%	152,498	(54,047)	-35%
Administration	784,014	735,211	48,803	7%	842,128	(58,114)	-7%
Engineering	101,432	79,737	21,695	27%	98,434	2,998	3%
Water Conservation	-	-	-	0%	-	-	0%
Total Op Expense	2,612,643	2,461,734	150,909	6%	2,765,291	(152,648)	-6%
Net Operating Income	807,321	853,480	(46,159)	-5%	604,303	203,018	34%
SWF or Prop Taxes	1,767,444	1,739,783	27,660	2%	1,840,593	(73,149)	-4%
Connection Fees	34,512	25,884	8,628	33%	12,498	22,014	176%
Contributed Capital	-	-	-	100%	-	-	100%
Interest Income	166,185	71,905	94,280	131%	61,879	104,306	169%
Interest Expense	(258,737)	(265,139)	6,402	2%	(274,998)	16,262	6%
Depreciation	(888,502)	(897,347)	8,844	1%	(870,000)	(18,502)	-2%
Amortization	13,398	46,409	(33,010)	-71%	(46,410)	59,808	129%
Other Expense	(2,818)	(7,041)	4,223	60%	-	-	-
Other Income	103,828	(295,174)	399,002	135%	54,048	49,780	92%
Total Non-Op Income	935,311	419,281	516,029	123%	777,610	160,519	21%
Net Income	1,742,632	1,272,762	469,870	37%	1,381,913	363,536	26%
Beginning Net Position	45,217,548	42,566,994	2,650,554	6%	45,217,548	-	0%
Change in Net Position	1,742,632	1,272,762	469,870	37%	1,381,913	360,719	26%
Ending Net Position	46,960,180	43,839,756	3,120,424	7%	46,599,461	360,719	1%

	Wastewater						
	Dec - 18 YTD	Dec -17 YTD	PY Var	%	FY 18/19 Bgt	Bgt Var	%
Fund Balances							
-00 Operating Fund	3,541,061	5,189,210	(1,648,149)	-32%	1,699,206	1,841,855	108%
-10 Capital Improvemnt	12,684,421	8,201,925	4,482,496	55%	7,355,284	5,329,137	72%
-20 Rate Stabilztn Fund	1,484,375	1,377,280	107,094	8%	1,444,532	39,843	3%
Total Pooled Cash	17,709,857	14,768,416	2,941,441	20%	10,499,022	7,210,835	69%
-50 New Facilities Fund	51,302	36,711	14,592	40%	70,727	(19,425)	-27%
160 Supplemental Wtr	-	-	-	100%	-	-	100%
161, 270 Debt Reserve	-	231	(231)	-100%	-	-	100%
271 Bond Proceeds	79	136	(57)	-42%	9	70	780%
Assessment Districts	1,558,962	1,533,233	25,729	2%	1,549,406	9,556	1%
Total Restricted Cash	1,610,344	1,570,311	40,033	3%	1,620,142	(9,798)	-1%
Total Cash	19,320,201	16,338,727	2,981,474	18%	12,119,164	7,201,037	59%

Lake Arrowhead Community Services District

Preliminary Fiscal Year 2018-19 Statement of Revenues, Expenses and Changes in Net Position and Fund Balances

Deer Lodge Park							
	Dec - 18 YTD	Dec -17 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	70,436	62,591	7,844	13%	63,288	7,148	11%
Other Op Income	2,723	3,518	(795)	-23%	2,868	(145)	-5%
Total Revenue	73,159	66,109	7,050	11%	66,156	7,003	11%
Operations	25,920	37,580	(11,660)	-31%	34,668	(8,748)	-25%
Water Purchases	16,948	18,771	(1,823)	-10%	15,515	1,433	9%
Field Operations	5,267	6,172	(905)	-15%	6,058	(791)	-13%
Physical Plant	1,109	1,054	56	5%	1,658	(549)	-33%
Administration	18,351	15,354	2,997	20%	18,706	(355)	-2%
Engineering	1,567	1,142	425	37%	1,472	95	6%
Water Conservation	-	-	-	0%	-	-	0%
Total Op Expense	69,163	80,074	(10,910)	-14%	78,077	(8,914)	-11%
Net Operating Income	3,995	(13,965)	17,960	129%	(11,921)	15,916	134%
SWF or Prop Taxes	-	-	-	0%	-	-	0%
Connection Fees	-	-	-	0%	-	-	0%
Contributed Capital	-	-	-	0%	-	-	0%
Interest Income	5,469	2,787	2,682	96%	2,486	2,983	120%
Interest Expense	-	-	-	0%	-	-	100%
Depreciation	(19,404)	(19,312)	(92)	0%	(20,100)	696	3%
Amortization	-	-	-	0%	-	-	0%
Other Expense	-	1	-	-	-	-	-
Other Income	230	-	230	100%	-	230	100%
Total Non-Op Income	(13,705)	(16,524)	2,820	17%	(17,614)	3,909	22%
Net Income	(9,709)	(30,488)	20,780	68%	(29,535)	19,826	67%
Beginning Net Position	1,649,506	1,660,412	(10,906)	-1%	1,649,506	-	0%
Change in Net Position	(9,709)	(30,488)	20,779	68%	(29,535)	19,826	67%
Ending Net Position	1,639,797	1,629,924	9,873	1%	1,619,971	19,826	1%

Deer Lodge Park							
Fund Balances	Dec - 18 YTD	Dec -17 YTD	PY Var	%	FY 18/19 Bgt	Bgt Var	%
-00 Operating Fund	69,539	70,591	(1,053)	-1%	38,932	30,607	79%
-10 Capital Improvemnt	107,157	127,697	(20,540)	-16%	-	107,157	100%
-20 Rate Stabilztn Fund	26,103	25,674	428	2%	26,075	28	0%
Total Pooled Cash	202,798	223,963	(21,164)	-9%	65,007	137,791	212%
-50 New Facilities Fund	18,011	9,690	8,321	86%	9,861	8,150	83%
160 Supplemental Wtr	-	-	-	100%	-	-	100%
161, 270 Debt Reserve	-	-	-	100%	-	-	100%
271 Bond Proceeds	-	-	-	100%	-	-	100%
Assessment Districts	385,086	378,217	6,868	2%	188,375	196,711	104%
Total Restricted Cash	403,097	387,908	15,189	4%	198,236	204,861	103%
Total Cash	605,895	611,870	(5,975)	-1%	263,243	342,652	130%

Lake Arrowhead Community Services District

Preliminary Fiscal Year 2018-19 Statement of Revenues, Expenses and Changes in Net Position and Fund Balances

	Rimforest						
	Dec - 18 YTD	Dec -17 YTD	PY Var	%	YTD Budget*	Bgt Var	%
Charges for Services	121,279	120,928	351	0%	120,654	625	1%
Other Op Income	5,133	5,017	116	2%	5,148	(15)	0%
Total Revenue	126,412	125,945	467	0%	125,802	610	0%
Operations	16,175	13,854	2,321	17%	14,491	1,684	12%
Water Purchases	23,427	23,745	(318)	-1%	28,732	(5,305)	-18%
Field Operations	17,746	10,728	7,018	65%	23,314	(5,568)	-24%
Physical Plant	2,226	1,055	1,171	111%	1,200	1,026	86%
Administration	31,897	15,784	16,113	102%	33,222	(1,325)	-4%
Engineering	2,862	1,778	1,084	61%	2,753	109	4%
Water Conservation	-	-	-	0%	-	-	0%
Total Op Expense	94,334	66,944	27,389	41%	103,712	(9,378)	-9%
Net Operating Income	32,078	59,001	(26,923)	-46%	22,090	9,988	45%
SWF or Prop Taxes	-	-	-	0%	-	-	0%
Connection Fees	-	-	-	0%	-	-	0%
Contributed Capital	-	-	-	0%	-	-	0%
Interest Income	667	312	355	114%	268	399	149%
Interest Expense	(6,212)	(7,711)	1,499	19%	(5,820)	(392)	-7%
Depreciation	(7,950)	(7,950)	-	0%	(7,950)	0	0%
Amortization	-	-	-	0%	-	-	0%
Other Expense	-	1	-	-	-	-	-
Other Income	220	(0)	220	0%	-	220	100%
Total Non-Op Income	(13,275)	(15,347)	2,073	14%	(13,502)	227	2%
Net Income	18,804	43,654	(24,849)	-57%	8,588	10,216	119%
Beginning Net Position	275,691	178,260	97,431	55%	275,691	-	0%
Change in Net Position	18,804	43,654	(24,850)	-57%	8,588	10,216	119%
Ending Net Position	294,495	221,914	72,581	33%	284,279	10,216	4%

Fund Balances	Rimforest						
	Dec - 18 YTD	Dec -17 YTD	PY Var	%	FY 18/19 Bgt	Bgt Var	%
-00 Operating Fund	60,782	83,245	(22,463)	-27%	38,144	22,638	59%
-10 Capital Improvemnt	12,608	-	12,608	100%	-	12,608	100%
-20 Rate Stabilztn Fund	-	-	-	100%	-	-	100%
Total Pooled Cash	73,390	83,245	(9,855)	-12%	38,144	35,246	92%
-50 New Facilities Fund	-	-	-	100%	-	-	100%
160 Supplemental Wtr	-	-	-	100%	-	-	100%
161, 270 Debt Reserve	-	-	-	100%	-	-	100%
271 Bond Proceeds	-	-	-	100%	-	-	100%
Assessment Districts	-	-	-	100%	-	-	100%
Total Restricted Cash	-	-	-	100%	-	-	100%
Total Cash	73,390	83,245	(9,855)	-12%	38,144	35,246	92%

Lake Arrowhead Community Services District

Preliminary Fiscal Year 2018-19 Statement of Revenues, Expenses and Changes in Net Position and Fund Balances

	LACSD Total						
	Dec - 18 YTD	Dec -17 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	6,842,270	6,528,859	313,411	5%	6,611,815	230,455	3%
Other Op Income	165,124	188,421	(23,297)	-12%	172,230	(7,106)	-4%
Total Revenue	7,007,394	6,717,281	290,113	4%	6,784,045	223,349	3%
Operations	1,950,658	1,904,040	46,618	2%	1,969,020	(18,362)	-1%
Water Purchases	516,018	350,361	165,657	47%	409,247	106,771	26%
Field Operations	918,072	911,995	6,077	1%	1,070,167	(152,095)	-14%
Physical Plant	159,718	161,507	(1,789)	-1%	237,084	(77,366)	-33%
Administration	1,548,354	1,362,198	186,155	14%	1,602,784	(54,431)	-3%
Engineering	163,267	121,337	41,930	35%	163,417	(150)	0%
Water Conservation	91,407	91,018	389	0%	113,083	(21,676)	-19%
Total Op Expense	5,347,494	4,902,457	445,037	9%	5,564,802	(217,308)	-4%
Net Operating Income	1,659,900	1,814,823	(154,923)	-9%	1,219,243	440,657	36%
SWF or Prop Taxes	3,674,432	3,651,279	23,153	1%	3,755,076	(80,644)	-2%
Connection Fees	71,389	83,835	(12,446)	-15%	37,500	33,889	90%
Contributed Capital	-	-	-	100%	-	-	100%
Interest Income	327,137	163,773	163,364	100%	144,299	182,838	127%
Interest Expense	(398,237)	(409,436)	11,199	3%	(436,536)	38,299	9%
Depreciation	(1,642,577)	(1,715,887)	73,310	4%	(1,713,102)	70,525	4%
Amortization	20,301	70,316	(50,016)	-71%	(70,320)	90,621	129%
Other Expense	(4,250)	(4,250)	-	0%	(779)		
Other Income	118,824	(293,299)	412,123	141%	57,084	61,740	108%
Total Non-Op Income	2,167,019	1,546,333	620,686	40%	1,773,222	397,268	22%
Net Income	3,826,919	3,361,156	465,763	14%	2,992,465	837,925	28%

Beginning Net Position	99,399,320	94,503,760	4,895,560	5%	99,399,320	-	0%
Change in Net Position	3,826,919	3,361,156	465,763	14%	2,992,465	834,454	28%
Ending Net Position	103,226,239	97,864,916	5,361,323	5%	102,391,785	834,454	1%

Fund Balances	LACSD Total						
	Dec - 18 YTD	Dec -17 YTD	PY Var	%	FY 18/19 Bgt	Bgt Var	%
-00 Operating Fund	6,839,071	8,293,031	(1,453,961)	-18%	3,051,216	3,787,855	124%
-10 Capital Improvemnt	14,548,637	13,938,414	610,223	4%	7,526,150	7,022,487	93%
-20 Rate Stabilztn Fund	1,925,371	1,402,955	522,416	37%	1,470,607	454,764	31%
Total Pooled Cash	23,313,079	23,634,400	(321,321)	-1%	12,047,973	11,265,106	94%
-50 New Facilities Fund	119,326	130,114	(10,787)	-8%	215,403	(96,077)	-45%
160 Supplemental Wtr	12,529,652	11,106,618	1,423,034	13%	11,913,640	616,012	5%
161, 270 Debt Reserve	-	231	(231)	-100%	-	-	100%
271 Bond Proceeds	79	136	(57)	-42%	9	70	780%
Assessment Districts	1,944,048	1,911,451	32,597	2%	1,737,781	206,267	12%
Total Restricted Cash	14,593,106	13,148,549	1,444,557	11%	13,866,833	726,273	5%
Total Cash	37,906,185	36,782,949	1,123,235	3%	25,914,806	11,991,379	46%

Lake Arrowhead Community Services District
Preliminary Combining Statement of Net Position as of December 31, 2018

Assets	Water	Wastewater	DLP	Rimforest	Total
Current Assets:					
Pooled Cash and Investments	5,327,033	17,709,857	202,798	73,390	23,313,079
Restricted Cash and Investments	12,579,665	1,610,344	403,097	-	14,593,106
Accounts Receivable	433,692	614,291	9,338	23,627	1,080,949
Restricted Accounts Receivable	963,520	-	-	-	963,520
Tax Roll Receivable	-	783,222	-	-	783,222
Interest Receivable	59,145	105,253	-	-	164,398
Unbilled Accounts Receivable	-	-	-	-	-
Other Receivables & Deposits	38,100	64,161	15	31	102,307
Parts Inventory	233,943	48,274	-	-	282,217
Prepaid Expenses	119,374	189,264	-	-	308,638
Prepaid Water	1,870,648	-	-	-	1,870,648
Interfund Receivable	2,928,008	364,685	-	-	3,292,693
Total Current Assets	24,553,129	21,489,353	615,249	97,048	46,754,779
Capital Assets:					
Fixed Assets	56,080,002	77,994,194	1,894,668	476,984	136,445,848
Accumulated Depreciation	(23,328,349)	(36,002,795)	(805,479)	(55,693)	(60,192,316)
Intangible Asset	1,000,000	-	-	-	1,000,000
Accum Amortization of Intangible	(85,859)	-	-	-	(85,859)
Construction in Progress	7,754,938	2,405,717	48,335	-	10,208,990
Net Capital Assets	41,420,732	44,397,115	1,137,525	421,291	87,376,663
Total Assets	65,973,861	65,886,468	1,752,773	518,339	134,131,442
Deferred Outflows	1,808,372	2,717,115	25,253	25,253	4,575,994
Liabilities					
Current Liabilities:					
Accounts Payable	257,776	101,539	2,952	777	363,045
Accrued Payroll and Benefits	396	-	-	-	396
Compensated Absences	218,810	326,908	-	-	545,718
Deferred Revenue	-	728,004	-	-	728,004
Deposits & Retentions	278,590	123,816	-	-	402,406
Interest Payable	65,684	127,504	2,470	-	195,658
SRF Loan & Notes Payable	-	-	-	23,469	23,469
Bonds Payable	-	-	-	-	-
Interfund Payable	1,631,270	1,612,018	49,405	-	3,292,693
Total Current Liabilities	2,452,525	3,019,789	54,827	24,246	5,551,388
Non-Current Liabilities:					
Compensated Absences	98,244	143,947	-	-	242,191
Net Pension Liability	3,581,069	4,351,176	80,911	77,911	8,091,067
SRF Loan & Notes Payable	-	-	-	144,450	144,450
Bonds Payable	6,228,800	12,091,200	-	-	18,320,000
Bond Premium	980,210	1,902,761	-	-	2,882,972
Net Non-Current Liabilities	10,888,324	18,489,085	80,911	222,360	29,680,680
Total Liabilities	13,340,849	21,508,874	135,738	246,606	35,232,068
Deferred Inflows - Pension	109,616	134,529	2,491	2,491	249,128
Net Position					
Restricted	15,413,834	1,610,344	403,097	-	17,427,274
Unrestricted	3,726,002	13,043,921	99,176	41,123	16,910,221
Capital Assets	35,191,932	32,305,915	1,137,525	253,373	68,888,745
Total Net Position	54,331,768	46,960,180	1,639,798	294,495	103,226,240
Liabilities, Deferrals & Net Position	67,782,233	68,603,583	1,778,027	543,593	138,707,436
Beginning net position	52,256,575	45,217,548	1,649,506	275,691	99,399,320
Change in Net Position (NI)	2,075,193	1,742,632	(9,709)	18,804	3,826,919
Ending net position	54,331,768	46,960,180	1,639,797	294,495	103,226,239

Lake Arrowhead Community Services District Cash Flow Statement

Preliminary Fiscal Year 2018-19

	<u>Water</u>	<u>Wastewater</u>	<u>DLP</u>	<u>RF</u>	<u>YTD 2018-19</u>
Change in Net Position (Net Income)	2,075,193	1,742,632	(9,709)	18,804	3,826,919
Depreciation & Amortization	631,269	784,134	19,404	7,950	1,442,756
Asset Disposal	-	-	-	-	-
Net Cash from Income Statement	<u>2,706,462</u>	<u>2,526,766</u>	<u>9,694</u>	<u>26,753</u>	<u>5,269,676</u>
Customer Accounts Receivable	(291,367)	(312,044)	16,760	14,757	(571,894)
Other Receivables	(9,604)	22,667	(15)	(31)	13,018
Prepaid Expenses	(99,467)	(184,725)	-	-	(284,192)
Prepaid Water	473,382	-	-	-	473,382
Accounts Payable	(154,737)	(25,933)	(1,263)	(4,539)	(186,473)
Net Pension Liability	(111,000)	(180,000)	(3,000)	(6,000)	(300,000)
Accrued Liabilities	(88,042)	629,256	(1,880)	(1,416)	537,919
Deposits & Retentions	(10,454)	15,836	-	(918)	4,464
Parts Inventory	-	-	-	-	-
Total Sources (Uses) of Cash	<u>(291,288)</u>	<u>(34,942)</u>	<u>10,601</u>	<u>1,854</u>	<u>(313,774)</u>
Net Cash Flow from Operating Activities	2,415,174	2,491,824	20,296	28,608	4,955,901
CASH FLOW FROM FINANCING ACTIVITIES:					
Additions to Fixed Assets	96,152	83,471	-	-	179,623
Construction in Progress	(855,849)	(851,451)	(10,463)	-	(1,717,763)
Bond Principal	(216,008)	(419,309)	-	-	(635,316)
Contributions to Financing Activities	17,005	33,010	-	-	50,015
SRF Loan & Notes Payable	-	-	-	(22,680)	(22,680)
Interfund Payable/Receivable	-	-	-	-	-
Interest Payable	(1,921)	(3,729)	-	-	(5,650)
Net Cash Flow from Financing Activities	<u>(960,620)</u>	<u>(1,158,008)</u>	<u>(10,463)</u>	<u>(22,680)</u>	<u>(2,201,786)</u>
CASH FLOW FROM INVESTING ACTIVITIES:					
Interest Receivable	(6,524)	(12,115)	-	-	(18,639)
Net Cash Flow from Investing Activities	<u>(6,524)</u>	<u>(12,115)</u>	<u>-</u>	<u>-</u>	<u>(18,639)</u>
Net Increase (Decrease) in Cash	1,448,031	1,321,701	9,833	5,928	2,785,492
Cash at Beginning of Period	<u>16,458,668</u>	<u>17,998,500</u>	<u>596,062</u>	<u>67,463</u>	<u>35,120,692</u>
Cash and Equivalents at End of Period	<u>17,906,698</u>	<u>19,320,201</u>	<u>605,895</u>	<u>73,390</u>	<u>37,906,185</u>



Lake Arrowhead Community Services District
Cash and Investment Report
as of December 31, 2018

Summary of Portfolio Assets

Category	Book Value	Adj Book Value	Market Value	Percent of Portfolio	Current Quarter Yield
Checking Account	7,329,396	7,329,396	7,329,396	19.4%	0.00%
LAIF	26,796,891	26,796,891	26,796,891	70.9%	2.21%
Federal Agencies	1,000,000	1,000,000	986,910	2.6%	1.30%
Negotiable CDs	2,750,000	2,750,000	2,694,765	7.1%	2.20%
Total Cash & Investments	37,876,287	37,876,287	37,807,962	100.0%	1.76%

Summary of Portfolio Liquidity

Category	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio	Par Value	Percent of Portfolio
On Demand	34,126,287	90.1%	34,126,287	90.3%	34,126,287	90.1%
Within 2017-18	-	0.0%	-	0.0%	-	0.0%
Within 2018-19	-	0.0%	248,468	0.7%	-	0.0%
Within 2019-20	1,750,000	4.6%	1,725,543	4.6%	1,750,000	4.6%
Within 2020-21	500,000	1.3%	730,743	1.9%	500,000	1.3%
Within 2021-22	750,000	2.0%	245,033	0.6%	750,000	2.0%
Within 2022-23	750,000	2.0%	731,890	1.9%	750,000	2.0%
Total	37,876,287	100.0%	37,807,962	100.0%	37,876,287	100.0%



Lake Arrowhead Community Services District
Portfolio Details
as of December 31, 2018

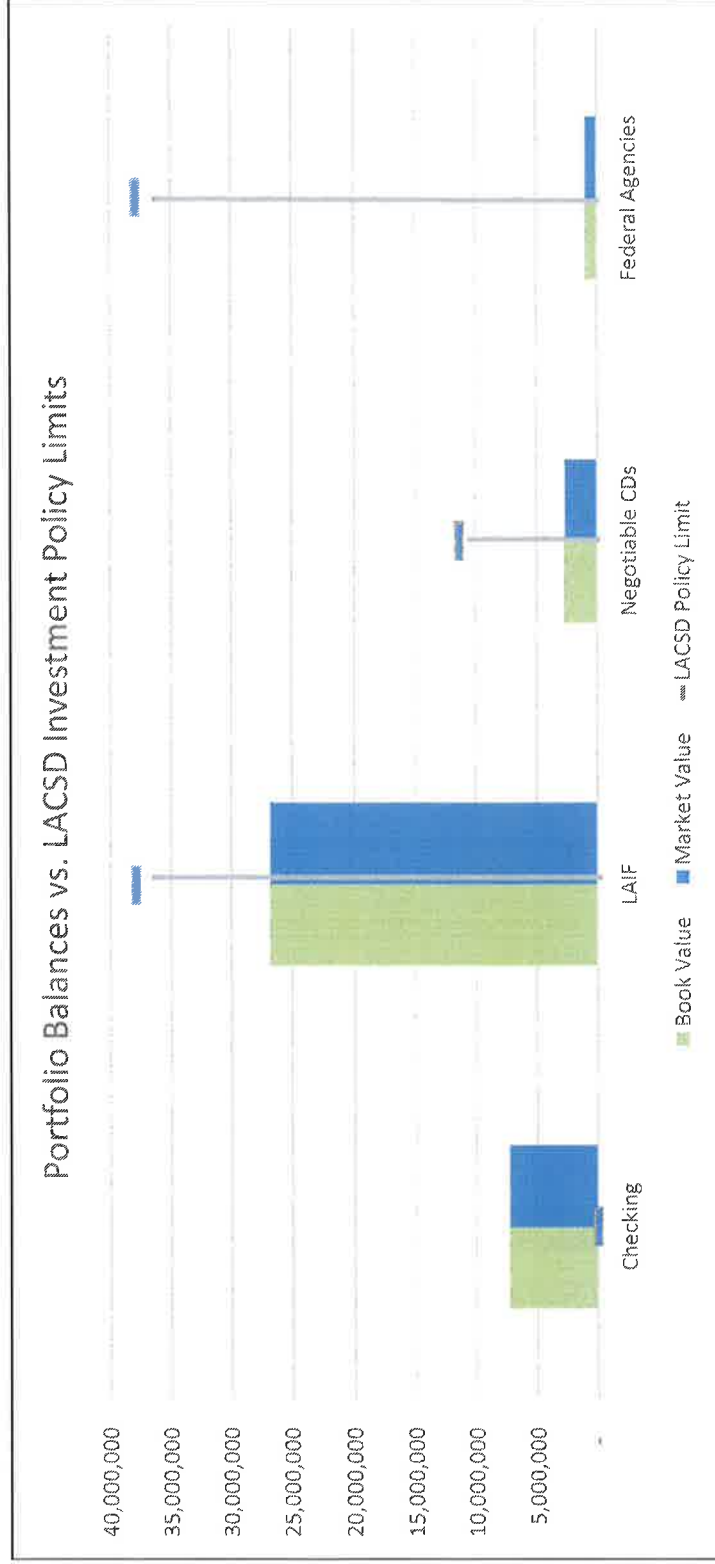
Type	Issuer	CUSIP	Purchase Date	Maturity Date	Par Value	Market Value	Book Value	Stated Rate
Checking Account	Union Bank				\$ 7,329,396	\$ 7,329,396	\$ 7,329,396	
LAIF	LAIF				\$ 26,796,891	\$ 26,796,891	\$ 26,796,891	1.85%
Negotiable CD	Capital One	140420YR5	5/4/2016	5/4/2020	\$ 250,000	\$ 245,798	\$ 250,000	1.35%
Negotiable CD	Synchrony Bank	87165EJL2	5/6/2016	5/6/2021	\$ 250,000	\$ 242,048	\$ 250,000	1.60%
Negotiable CD	Discover Bank	254673BW5	9/7/2017	9/9/2019	\$ 250,000	\$ 248,468	\$ 250,000	1.70%
Negotiable CD	American Express Federal Savings Bank	02587CFZ8	9/6/2017	9/8/2020	\$ 250,000	\$ 245,473	\$ 250,000	1.95%
Negotiable CD	American Express	02587DY51	9/6/2017	3/6/2020	\$ 250,000	\$ 247,363	\$ 250,000	1.90%
Negotiable CD	Capital One National Association	14042RHR5	9/1/2017	8/30/2021	\$ 250,000	\$ 243,910	\$ 250,000	2.20%
Negotiable CD	East Boston Savings Bank	27113PCG4	2/8/2018	7/30/2021	\$ 250,000	\$ 244,785	\$ 250,000	2.30%
Negotiable CD	Wells Fargo Bank	949763NP7	2/14/2018	2/14/2022	\$ 250,000	\$ 245,033	\$ 250,000	2.60%
Negotiable CD	Goldman Sachs	38148PXXW2	2/14/2018	2/14/2023	\$ 250,000	\$ 242,688	\$ 250,000	2.70%
Negotiable CD	Sallie Mae Bank	795450K53	2/8/2018	2/8/2023	\$ 250,000	\$ 242,263	\$ 250,000	2.65%
Negotiable CD	Citibank National Association CD	17312QL98	5/23/2018	5/23/2023	\$ 250,000	\$ 246,940	\$ 250,000	3.20%
Federal Agency	Freddie Mac	313469GZ4	5/25/2016	11/25/2019	\$ 1,000,000	\$ 986,910	\$ 1,000,000	1.30%



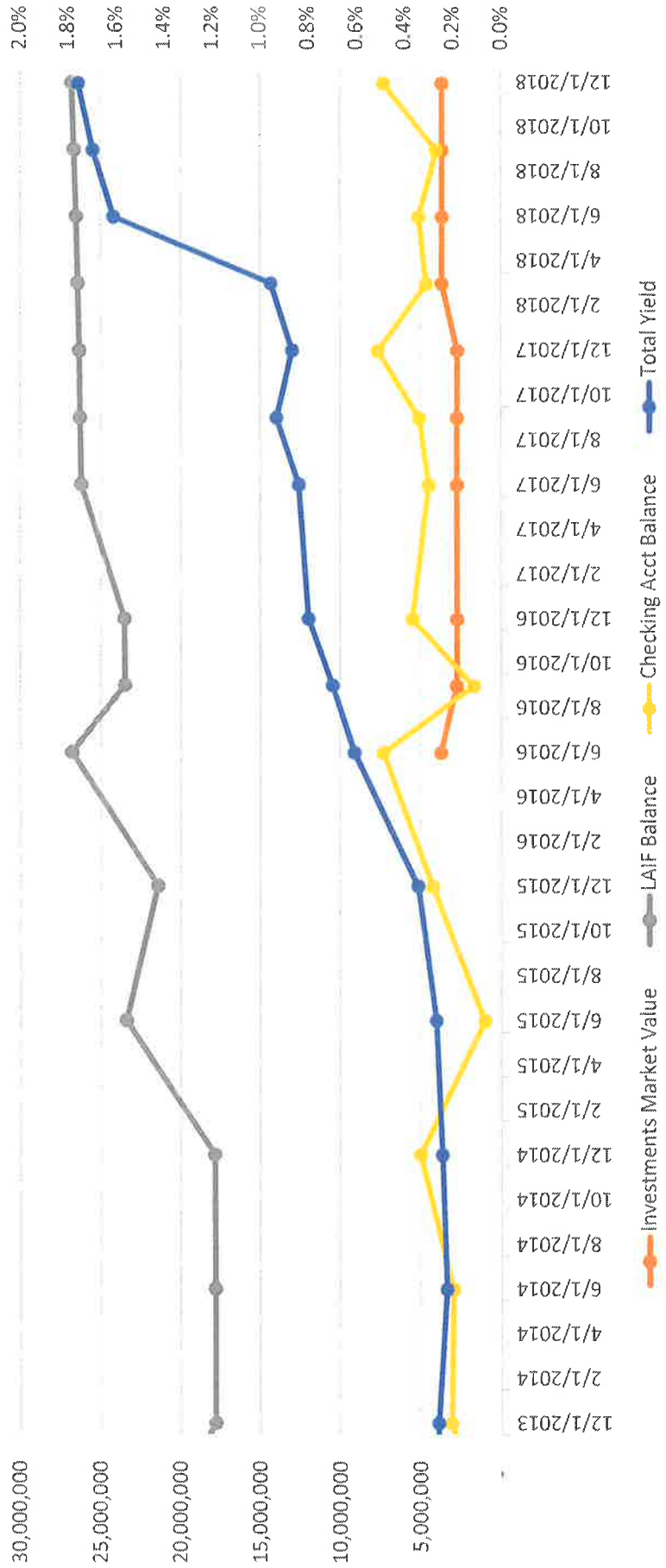
as of December 31, 2018

Lake Arrowhead Community Services District Investment Policy Compliance Report

Investment Type	Book Value	Market Value	LACSD Policy Limit	Description of Limit
Checking	7,329,396	7,329,396	None	None
LAIF	26,796,891	26,796,891	37,876,287	Up to 100% of portfolio
Negotiable CDs	2,750,000	2,694,765	11,362,886	Up to 30% of portfolio
Federal Agencies	1,000,000	986,910	37,876,287	Up to 100% of portfolio
Total Portfolio	37,876,287	37,807,962		



5 Year Balance and Yield History



Market Rates

