



**LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT**

**MEMORANDUM**

**DATE:** NOVEMBER 13, 2018

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

**FROM:**   
JESSICA BROWN, Finance Manager

  
CATHERINE CERRI, General Manager

**SUBJECT:** FISCAL YEAR 2018-19 FINANCIAL STATEMENTS AND  
CASH AND INVESTMENT REPORT FOR THE QUARTER  
ENDED SEPTEMBER 30, 2018

**A. RECOMMENDATION**

This is an information item only.

**B. REASON FOR RECOMMENDATION**

This is an information item only

**C. BACKGROUND INFORMATION**

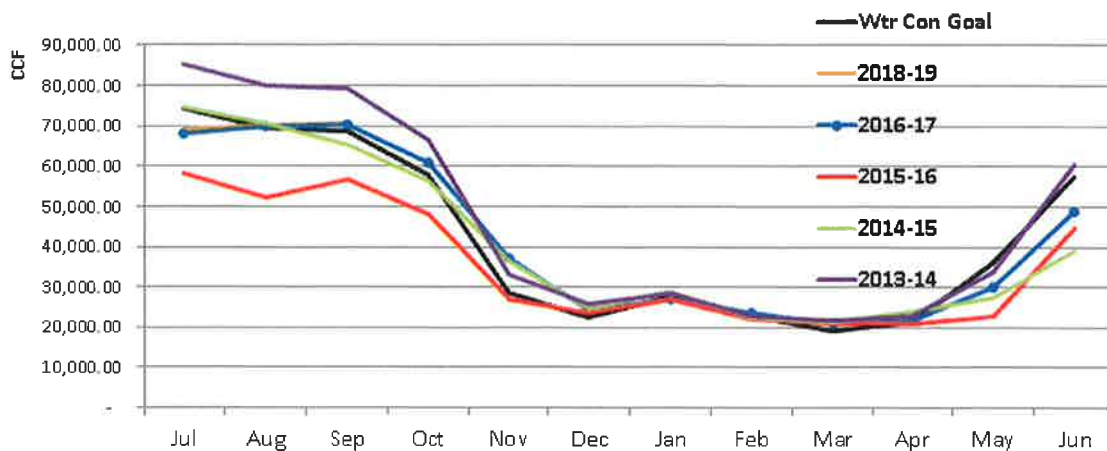
Quarterly reports are presented to the Board of Directors (Board) to provide the most current information on the financial activities of the Lake Arrowhead Community Services District (District) from which to base decisions on. Additionally, per the District's Investment Policy and as encouraged by California 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 first quarter of fiscal year 2018-19, covering the period through September 30, 2018.

Summary of Significant Items – Financial Statements

Districtwide operating revenue as of September 30, 2018 of \$3.4 million, was 3% or \$109,116 higher as compared to the same period last year. Additional detail is below:

- Water operating revenue was \$70,885 or 4% higher as compared to the same period last year primarily due to a rate increase effective January 1, 2018 as well as an increase in consumption. As compared to budget, water operating revenue was 3% or \$55,700 higher primarily due to actual consumption exceeding budget estimates.
- Wastewater operating revenue was 2% or \$35,145 higher as compared to the same period last year due to a rate increase effective January 1, 2018 and 1% or \$7,846 above budget.
- Deer Lodge Park operating revenue was 9% or \$2,626 higher as compared to the same period last year due to a rate increase effective January 1, 2018 and was 8% or \$2,396 above budget primarily due to actual consumption exceeding budget estimates.
- Rimforest operating revenue was 1% or \$461 higher as compared to last year and 5% or \$2,980 above budget primarily due to actual consumption exceeding budget estimates.

### Arrowhead Woods Billed Units



Consumption as of September 30, 2018, is as follows:

- Water billed units were 1.2% lower than the water conservation goal of 13% lower than 2013 and reflected an increase of 2.1% in consumption as compared to the same period last year.
- Deer Lodge Park year-to-date billed units were slightly lower as compared to the same period last year.
- Rimforest year-to-date billed units were 6% higher as compared to the same period last year.

**Operating Expenses through September 2018**

Expense	FYTD 2018-19	PYTD 2017-18	PY Var	PY var %	YTD Bgt	Bgt Var	Bgt Var %
Wages	766,685	739,276	27,409	4%	1,138,479	(371,794)	-33%
Health Ins	209,711	193,189	16,522	9%	254,370	(44,659)	-18%
Retirement*	191,538	168,238	23,299	14%	227,766	(36,228)	-16%
FICA	56,058	55,878	180	0%	79,659	(23,601)	-30%
Employer Ins	24,662	14,082	10,581	75%	33,666	(9,004)	-27%
Training	28,910	23,047	5,863	25%	33,687	(4,777)	-14%
Supplies	50,432	50,432	-	0%	59,736	(9,304)	-16%
Equipment	110,906	115,114	(4,209)	-4%	205,929	(95,023)	-46%
Fleet	30,352	34,934	(4,582)	-13%	57,876	(27,524)	-48%
Chemicals	55,216	48,060	7,156	15%	50,253	4,963	10%
Meters	-	238	(238)	-100%	14,352	(14,352)	-100%
Liability Ins	65,319	67,311	(1,992)	-3%	45,204	20,115	44%
Outside Services	166,564	161,386	5,177	3%	252,969	(86,405)	-34%
Contracts	28,775	33,958	(5,183)	-15%	81,072	(52,297)	-65%
Legal	37,696	20,941	16,755	80%	52,098	(14,402)	-28%
Electric	164,570	171,687	(7,116)	-4%	147,774	16,796	11%
Utilities	94,814	94,574	240	0%	100,371	(5,557)	-6%
Permits	16,282	14,434	1,848	13%	32,955	(16,673)	-51%
Other	1,441	390	1,051	270%	6,525	(5,084)	-78%
Subtotal	2,099,932	2,007,169	92,763	5%	2,874,741	(774,809)	-27%
Water Purchase	385,189	73,911	311,278	421%	127,659	257,530	202%
Grand Total	2,485,121	2,081,080	404,041	19%	3,002,400	(517,279)	-17%

\*Retirement does not include the Board approved accelerated UAL prepayment of \$300,000.

Overall operating expenses as of September 30, 2018, were 5% higher than prior year and 27% 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 137.84 acre-feet in the third quarter. The District has a balance of \$2.0 million for water that was prepaid to CLAWA. In the first quarter, Deer Lodge Park has purchased 4.29 acre-feet and Rimforest has purchased 10.19 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 September 30, 2018, the District's market value of cash and investments totaled \$34.4 million and are allocated to the following accounts:

- Checking Account - \$4.1 million or 11.8%
- Local Agency Investment Fund (LAIF) – \$26.7 million or 77.5%
- Federal Agencies - \$983,940 or 2.9%
- Negotiable CDs - \$2.7 million or 7.8%

The majority of District funds are held in LAIF which has a current rate of 2.06%. 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's investments held with Federal Agencies and Negotiable CDs are out performing LAIF for the terms of the investments. If all investments are carried to maturity, the District will receive an additional \$61,984 in total investment income over LAIF for the terms of the investments assuming LAIF rates don't change

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

This is an information item only.

#### **E. ATTACHMENTS**

Q1 2018-19 Statement of Revenues, Expenses and Changes in Net Position  
Q1 2018-19 Statement of Net Position  
Q1 2018-19 Cash Flow Statement  
Q1 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

	<b>Water</b>						
	<u>Sept - 18 YTD</u>	<u>Sept -17 YTD</u>	<u>PY Var</u>	<u>%</u>	<u>YTD Budget</u>	<u>Bgt Var</u>	<u>%</u>
Charges for Services	1,646,781	1,576,416	70,366	4%	1,591,720	55,062	3%
Other Op Income	49,367	48,849	519	1%	48,729	638	1%
<b>Total Revenue</b>	<b>1,696,149</b>	<b>1,625,264</b>	<b>70,885</b>	<b>4%</b>	<b>1,640,449</b>	<b>55,700</b>	<b>3%</b>
Operations	373,481	375,068	(1,587)	0%	454,044	(80,563)	-18%
Water Purchases	361,036	48,085	312,952	651%	108,063	252,973	234%
Field Operations	141,676	164,311	(22,635)	-14%	258,837	(117,161)	-45%
Physical Plant	23,022	23,977	(955)	-4%	42,288	(19,266)	-46%
Administration	332,196	268,888	63,308	24%	383,637	(51,441)	-13%
Engineering	21,733	15,639	6,094	39%	34,221	(12,488)	-36%
Water Conservation	28,716	44,736	(16,020)	-36%	61,455	(32,739)	-53%
<b>Total Op Expense</b>	<b>1,281,860</b>	<b>940,703</b>	<b>341,157</b>	<b>36%</b>	<b>1,342,545</b>	<b>(60,685)</b>	<b>-5%</b>
<b>Net Operating Income</b>	<b>414,289</b>	<b>684,561</b>	<b>(270,272)</b>	<b>-39%</b>	<b>297,904</b>	<b>116,385</b>	<b>39%</b>
SWF or Prop Taxes	1,906,988	1,904,441	2,548	0%	479,505	1,427,483	298%
Connection Fees	26,341	15,805	10,536	67%	12,501	13,840	111%
Contributed Capital	-	-	-	100%	-	-	100%
Interest Income	70,841	39,848	30,992	78%	52,068	18,773	36%
Interest Expense	(67,605)	(68,982)	1,377	2%	(77,859)	10,254	13%
Depreciation	(365,757)	(395,713)	29,956	8%	(407,526)	41,769	10%
Amortization	3,451	11,954	(8,503)	-71%	11,955	(8,504)	-71%
Other Expense	-	4,285			(477)		
Other Income	5,306	1,320	3,986	100%	1,518	3,788	250%
<b>Total Non-Op Income</b>	<b>1,579,566</b>	<b>1,512,957</b>	<b>70,893</b>	<b>5%</b>	<b>71,685</b>	<b>1,507,404</b>	<b>2103%</b>
<b>Net Income</b>	<b>1,993,855</b>	<b>2,197,518</b>	<b>(199,379)</b>	<b>-9%</b>	<b>369,589</b>	<b>1,623,789</b>	<b>439%</b>

Beginning Net Position	52,256,575	50,098,094	2,158,481	4%	52,256,575	-	0%
Change in Net Position	1,993,855	2,197,518	(203,664)	-9%	369,589	1,624,266	439%
Ending Net Position	54,250,430	52,295,612	1,954,817	4%	52,626,164	1,624,266	3%

<u>Fund Balances</u>	<b>Water</b>						
	<u>Sept - 18 YTD</u>	<u>Sept -17 YTD</u>	<u>PY Var</u>	<u>%</u>	<u>FY 17/18 Bgt</u>	<u>Bgt Var</u>	<u>%</u>
-00 Operating Fund	2,169,078	2,034,526	134,552	7%	1,301,232	867,846	67%
-10 Capital Improvemnt	2,127,776	6,794,868	(4,667,092)	-69%	4,163,981	(2,036,205)	-49%
-20 Rate Stabilztn Fund	412,955	-	412,955	100%	-	412,955	100%
<b>Total Pooled Cash</b>	<b>4,709,810</b>	<b>8,829,394</b>	<b>(4,119,585)</b>	<b>-47%</b>	<b>5,465,213</b>	<b>(755,403)</b>	<b>-14%</b>
-50 New Facilities Fund	39,246	41,357	(2,111)	-5%	12,000	27,246	227%
160 Supplemental Wtr	11,613,592	10,188,310	1,425,282	14%	8,748,691	2,864,901	33%
161, 270 Debt Reserve	-	-	-	100%	265,238	(265,238)	-100%
271 Bond Proceeds	-	-	-	100%	-	-	100%
Assessment Districts	-	-	-	100%	-	-	100%
<b>Total Restricted Cash</b>	<b>11,652,838</b>	<b>10,229,667</b>	<b>1,423,171</b>	<b>14%</b>	<b>9,025,929</b>	<b>2,626,909</b>	<b>29%</b>
<b>Total Cash</b>	<b>16,362,648</b>	<b>19,059,062</b>	<b>(2,696,414)</b>	<b>-14%</b>	<b>14,491,142</b>	<b>1,871,506</b>	<b>13%</b>

# Lake Arrowhead Community Services District

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

	Wastewater						
	Sept - 18 YTD	Sept -17 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	1,547,183	1,506,849	40,334	3%	1,531,183	16,001	1%
Other Op Income	25,223	30,412	(5,189)	-17%	33,378	(8,155)	-24%
<b>Total Revenue</b>	<b>1,572,406</b>	<b>1,537,261</b>	<b>35,145</b>	<b>2%</b>	<b>1,564,561</b>	<b>7,846</b>	<b>1%</b>
Operations	501,561	454,854	46,707	10%	595,911	(94,350)	-16%
Water Purchases	-	-	-	0%	-	-	0%
Field Operations	220,387	179,245	41,142	23%	377,997	(157,610)	-42%
Physical Plant	41,878	48,953	(7,075)	-14%	78,522	(36,644)	-47%
Administration	324,644	336,636	(11,991)	-4%	453,141	(128,497)	-28%
Engineering	36,518	35,479	1,039	3%	55,428	(18,910)	-34%
Water Conservation	-	-	-	0%	-	-	0%
<b>Total Op Expense</b>	<b>1,124,989</b>	<b>1,055,168</b>	<b>69,822</b>	<b>7%</b>	<b>1,560,999</b>	<b>(436,010)</b>	<b>-28%</b>
<b>Net Operating Income</b>	<b>447,417</b>	<b>482,093</b>	<b>(34,676)</b>	<b>-7%</b>	<b>3,562</b>	<b>443,855</b>	<b>12463%</b>
SWF or Prop Taxes	-	-	-	100%	874,053	(874,053)	-100%
Connection Fees	17,256	17,256	-	0%	6,249	11,007	176%
Contributed Capital	-	-	-	100%	-	-	100%
Interest Income	75,018	30,684	44,334	144%	46,206	28,812	62%
Interest Expense	(131,233)	(133,906)	2,673	2%	(137,499)	6,266	5%
Depreciation	(444,136)	(448,671)	4,535	1%	(435,000)	(9,136)	-2%
Amortization	6,699	23,204	(16,505)	-71%	23,205	(16,506)	-71%
Other Expense	-	(4,285)	-	-	(2,043)	-	-
Other Income	50,155	(356,432)	406,587	114%	299,648	(249,493)	-83%
<b>Total Non-Op Income</b>	<b>(426,240)</b>	<b>(872,148)</b>	<b>441,624</b>	<b>51%</b>	<b>674,819</b>	<b>(1,103,102)</b>	<b>-163%</b>
<b>Net Income</b>	<b>21,177</b>	<b>(390,055)</b>	<b>406,948</b>	<b>104%</b>	<b>678,381</b>	<b>(659,247)</b>	<b>-97%</b>
Beginning Net Position	45,217,548	42,566,994	2,650,554	6%	45,217,548	-	0%
Change in Net Position	21,177	(390,055)	411,232	105%	678,381	(657,204)	-97%
Ending Net Position	45,238,725	42,176,939	3,061,786	7%	45,895,929	(657,204)	-1%

Fund Balances	Wastewater						
	Sept - 18 YTD	Sept -17 YTD	PY Var	%	FY 17/18 Bgt	Bgt Var	%
-00 Operating Fund	849,002	2,473,378	(1,624,376)	-66%	1,825,043	(976,042)	-53%
-10 Capital Improvemnt	13,294,012	8,890,829	4,403,183	50%	4,205,923	9,088,089	216%
-20 Rate Stabilztn Fund	1,477,405	1,373,873	103,532	8%	1,319,400	158,005	12%
<b>Total Pooled Cash</b>	<b>15,620,419</b>	<b>12,738,080</b>	<b>2,882,339</b>	<b>23%</b>	<b>7,350,366</b>	<b>8,270,053</b>	<b>113%</b>
-50 New Facilities Fund	33,797	27,992	5,806	21%	59,000	(25,203)	-43%
160 Supplemental Wtr	-	-	-	100%	-	-	100%
161, 270 Debt Reserve	-	231	(231)	-100%	1,720,360	(1,720,360)	-100%
271 Bond Proceeds	37	145	(107)	-74%	85,500	(85,463)	-100%
Assessment Districts	1,551,655	1,529,435	22,220	1%	1,518,720	32,935	2%
<b>Total Restricted Cash</b>	<b>1,585,489</b>	<b>1,557,802</b>	<b>27,688</b>	<b>2%</b>	<b>3,383,580</b>	<b>(1,798,091)</b>	<b>-53%</b>
<b>Total Cash</b>	<b>17,205,908</b>	<b>14,295,882</b>	<b>2,910,026</b>	<b>20%</b>	<b>10,733,946</b>	<b>6,471,962</b>	<b>60%</b>

# 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							
	Sept - 18 YTD	Sept -17 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	30,346	27,568	2,778	10%	27,874	2,472	9%
Other Op Income	1,358	1,510	(152)	-10%	1,434	(76)	-5%
<b>Total Revenue</b>	<b>31,704</b>	<b>29,078</b>	<b>2,626</b>	<b>9%</b>	<b>29,308</b>	<b>2,396</b>	<b>8%</b>
Operations	11,051	22,814	(11,763)	-52%	19,719	(8,668)	-44%
Water Purchases	11,154	13,231	(2,077)	-16%	5,751	5,403	94%
Field Operations	2,272	3,080	(808)	-26%	3,423	(1,151)	-34%
Physical Plant	443	491	(48)	-10%	843	(400)	-47%
Administration	8,797	6,989	1,808	26%	10,236	(1,439)	-14%
Engineering	607	467	140	30%	843	(236)	-28%
Water Conservation	-	-	-	0%	-	-	0%
<b>Total Op Expense</b>	<b>34,324</b>	<b>47,071</b>	<b>(12,747)</b>	<b>-27%</b>	<b>40,815</b>	<b>(6,492)</b>	<b>-16%</b>
<b>Net Operating Income</b>	<b>(2,619)</b>	<b>(17,993)</b>	<b>15,373</b>	<b>85%</b>	<b>(11,507)</b>	<b>8,887</b>	<b>77%</b>
SWF or Prop Taxes	-	-	-	0%	-	-	0%
Connection Fees	-	-	-	0%	-	-	0%
Contributed Capital	-	-	-	0%	-	-	0%
Interest Income	2,624	1,266	1,358	107%	1,620	1,004	62%
Interest Expense	-	-	-	0%	(618)	618	100%
Depreciation	(9,702)	(9,610)	(92)	-1%	(10,050)	348	3%
Amortization	-	-	-	0%	-	-	0%
Other Expense	-	-	-	-	-	-	-
Other Income	230	-	230	100%	8,366	(8,136)	-97%
<b>Total Non-Op Income</b>	<b>(6,848)</b>	<b>(8,344)</b>	<b>1,496</b>	<b>18%</b>	<b>(682)</b>	<b>(6,165)</b>	<b>-904%</b>
<b>Net Income</b>	<b>(9,467)</b>	<b>(26,337)</b>	<b>16,870</b>	<b>64%</b>	<b>(12,189)</b>	<b>2,722</b>	<b>22%</b>

Beginning Net Position	1,649,506	1,660,412	(10,906)	-1%	1,649,506	-	0%
Change in Net Position	(9,467)	(26,337)	16,870	64%	(12,189)	2,722	22%
Ending Net Position	1,640,039	1,634,075	5,964	0%	1,637,317	2,722	0%

Deer Lodge Park							
Fund Balances	Sept - 18 YTD	Sept -17 YTD	PY Var	%	FY 17/18 Bgt	Bgt Var	%
-00 Operating Fund	62,417	62,922	(505)	-1%	67,758	(5,341)	-8%
-10 Capital Improvemnt	115,703	128,298	(12,595)	-10%	-	115,703	100%
-20 Rate Stabilztn Fund	25,978	25,611	368	1%	25,400	578	2%
<b>Total Pooled Cash</b>	<b>204,098</b>	<b>216,830</b>	<b>(12,732)</b>	<b>-6%</b>	<b>93,158</b>	<b>110,940</b>	<b>119%</b>
-50 New Facilities Fund	17,922	9,663	8,259	85%	7,275	10,647	146%
160 Supplemental Wtr	-	-	-	100%	-	-	100%
161, 270 Debt Reserve	-	-	-	100%	-	-	100%
271 Bond Proceeds	-	-	-	100%	-	-	100%
Assessment Districts	383,631	377,279	6,352	2%	274,918	108,713	40%
<b>Total Restricted Cash</b>	<b>401,554</b>	<b>386,942</b>	<b>14,611</b>	<b>4%</b>	<b>282,193</b>	<b>119,361</b>	<b>42%</b>
<b>Total Cash</b>	<b>605,652</b>	<b>603,772</b>	<b>1,880</b>	<b>0%</b>	<b>375,351</b>	<b>230,301</b>	<b>61%</b>

# Lake Arrowhead Community Services District

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

	Rimforest						
	Sept - 18 YTD	Sept -17 YTD	PY Var	%	YTD Budget*	Bgt Var	%
Charges for Services	55,957	55,474	483	1%	55,348	610	1%
Other Op Income	2,370	2,393	(23)	-1%	-	2,370	100%
<b>Total Revenue</b>	<b>58,327</b>	<b>57,867</b>	<b>461</b>	<b>1%</b>	<b>55,348</b>	<b>2,980</b>	<b>5%</b>
Operations	7,369	5,310	2,059	39%	8,154	(785)	-10%
Water Purchases	12,999	12,596	404	3%	13,845	(846)	-6%
Field Operations	7,014	3,999	3,015	75%	12,930	(5,916)	-46%
Physical Plant	891	491	400	81%	624	267	43%
Administration	14,600	7,185	7,415	103%	18,159	(3,559)	-20%
Engineering	1,076	585	490	84%	1,560	(484)	-31%
Water Conservation	-	-	-	0%	-	-	0%
<b>Total Op Expense</b>	<b>43,948</b>	<b>30,166</b>	<b>13,782</b>	<b>46%</b>	<b>55,272</b>	<b>(11,324)</b>	<b>-20%</b>
<b>Net Operating Income</b>	<b>14,379</b>	<b>27,701</b>	<b>(13,322)</b>	<b>-48%</b>	<b>76</b>	<b>14,303</b>	<b>18928%</b>
SWF or Prop Taxes	-	-	-	0%	-	-	0%
Connection Fees	-	-	-	0%	-	-	0%
Contributed Capital	-	-	-	0%	-	-	0%
Interest Income	311	121	190	158%	204	107	53%
Interest Expense	(3,203)	(3,946)	743	0%	(2,910)	(293)	-10%
Depreciation	(3,975)	(3,975)	-	0%	(3,975)	0	0%
Amortization	-	-	-	0%	-	-	0%
Other Expense	-	-	-	-	(18)	-	-
Other Income	220	0	220	0%	12,455	(12,236)	-98%
<b>Total Non-Op Income</b>	<b>(6,647)</b>	<b>(7,800)</b>	<b>1,153</b>	<b>15%</b>	<b>5,756</b>	<b>(12,421)</b>	<b>-216%</b>
<b>Net Income</b>	<b>7,732</b>	<b>19,901</b>	<b>(12,169)</b>	<b>-61%</b>	<b>5,832</b>	<b>1,882</b>	<b>32%</b>
Beginning Net Position	275,691	178,260	97,431	55%	275,691	-	0%
Change in Net Position	7,732	19,901	(12,169)	-61%	5,832	1,900	33%
Ending Net Position	283,423	198,161	85,262	43%	281,523	1,900	1%

Fund Balances	Rimforest						
	Sept - 18 YTD	Sept -17 YTD	PY Var	%	FY 17/18 Bgt	Bgt Var	%
-00 Operating Fund	53,233	57,648	(4,414)	-8%	65,009	(11,776)	-18%
-10 Capital Improvemnt	12,537	-	12,537	100%	-	12,537	100%
-20 Rate Stabilztn Fund	-	-	-	100%	-	-	100%
<b>Total Pooled Cash</b>	<b>65,770</b>	<b>57,648</b>	<b>8,123</b>	<b>14%</b>	<b>65,009</b>	<b>761</b>	<b>1%</b>
-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%
<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>65,770</b>	<b>57,648</b>	<b>8,123</b>	<b>14%</b>	<b>65,009</b>	<b>761</b>	<b>1%</b>



# Lake Arrowhead Community Services District

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

	LACSD Total						
	Sept - 18 YTD	Sept -17 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	3,280,268	3,166,307	113,961	4%	3,206,124	74,144	2%
Other Op Income	78,319	83,164	(4,845)	-6%	83,541	(5,222)	-6%
<b>Total Revenue</b>	<b>3,358,587</b>	<b>3,249,470</b>	<b>109,116</b>	<b>3%</b>	<b>3,289,665</b>	<b>68,922</b>	<b>2%</b>
Operations	893,463	858,047	35,416	4%	1,077,828	(184,365)	-17%
Water Purchases	385,189	73,911	311,278	421%	127,659	257,530	202%
Field Operations	371,349	350,635	20,714	6%	653,187	(281,838)	-43%
Physical Plant	66,234	73,913	(7,678)	-10%	122,277	(56,043)	-46%
Administration	680,237	619,697	60,540	10%	865,173	(184,936)	-21%
Engineering	59,934	52,170	7,763	15%	92,052	(32,118)	-35%
Water Conservation	28,716	44,736	(16,020)	-36%	61,455	(32,739)	-53%
<b>Total Op Expense</b>	<b>2,485,121</b>	<b>2,073,108</b>	<b>412,014</b>	<b>20%</b>	<b>2,999,631</b>	<b>(514,510)</b>	<b>-17%</b>
<b>Net Operating Income</b>	<b>873,465</b>	<b>1,176,363</b>	<b>(302,897)</b>	<b>-26%</b>	<b>290,034</b>	<b>583,432</b>	<b>201%</b>
SWF or Prop Taxes	1,906,988	1,904,441	2,548	0%	1,353,558	553,430	41%
Connection Fees	43,597	33,061	10,536	32%	18,750	24,847	133%
Contributed Capital	-	-	-	100%	-	-	100%
Interest Income	148,795	71,919	76,876	107%	100,098	48,697	49%
Interest Expense	(202,040)	(206,833)	4,793	2%	(218,886)	16,846	8%
Depreciation	(823,569)	(857,969)	34,399	4%	(856,551)	32,982	4%
Amortization	10,150	35,158	(25,008)	-71%	35,160	(25,010)	-71%
Other Expense					(2,538)		
Other Income	55,911	(355,112)	411,023	116%	321,988	(266,076)	-83%
<b>Total Non-Op Income</b>	<b>1,139,832</b>	<b>624,665</b>	<b>515,167</b>	<b>82%</b>	<b>751,579</b>	<b>385,715</b>	<b>51%</b>
<b>Net Income</b>	<b>2,013,298</b>	<b>1,801,028</b>	<b>212,270</b>	<b>12%</b>	<b>1,041,613</b>	<b>969,147</b>	<b>93%</b>

Beginning Net Position	99,399,320	94,503,760	4,895,560	5%	99,399,320	-	0%
Change in Net Position	2,013,298	1,801,028	212,270	12%	1,041,613	971,685	93%
Ending Net Position	101,412,618	96,304,788	5,107,830	5%	100,440,933	971,685	1%

Fund Balances	LACSD Total						
	Sept - 18 YTD	Sept -17 YTD	PY Var	%	FY 17/18 Bgt	Bgt Var	%
-00 Operating Fund	3,133,730	4,628,473	(1,494,743)	-32%	3,259,042	(125,312)	-4%
-10 Capital Improvemnt	15,550,029	15,813,996	(263,967)	-2%	8,369,904	7,180,125	86%
-20 Rate Stabilztn Fund	1,916,339	1,399,484	516,855	37%	1,344,800	571,539	42%
<b>Total Pooled Cash</b>	<b>20,600,097</b>	<b>21,841,953</b>	<b>(1,241,855)</b>	<b>-6%</b>	<b>12,973,746</b>	<b>7,626,351</b>	<b>59%</b>
-50 New Facilities Fund	90,965	79,012	11,954	15%	78,275	12,690	16%
160 Supplemental Wtr	11,613,592	10,188,310	1,425,282	14%	8,748,691	2,864,901	33%
161, 270 Debt Reserve	-	231	(231)	-100%	1,985,598	(1,985,598)	-100%
271 Bond Proceeds	37	145	(107)	-74%	85,500	(85,463)	-100%
Assessment Districts	1,935,286	1,906,714	28,572	1%	1,793,638	141,648	8%
<b>Total Restricted Cash</b>	<b>13,639,881</b>	<b>12,174,411</b>	<b>1,465,470</b>	<b>12%</b>	<b>12,691,702</b>	<b>948,179</b>	<b>7%</b>
<b>Total Cash</b>	<b>34,239,978</b>	<b>34,016,364</b>	<b>223,614</b>	<b>1%</b>	<b>25,665,448</b>	<b>8,574,530</b>	<b>33%</b>

# Lake Arrowhead Community Services District

## Preliminary Combining Statement of Net Position as of September 30, 2018

<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	4,709,810	15,620,419	204,098	65,770	20,600,097
Restricted Cash and Investments	11,652,838	1,585,489	401,554	-	13,639,881
Accounts Receivable	572,836	599,083	10,586	26,754	1,209,259
Restricted Accounts Receivable	1,988,930	-	-	-	1,988,930
Tax Roll Receivable	-	1,555,329	-	-	1,555,329
Interest Receivable	53,154	94,127	-	-	147,280
Unbilled Accounts Receivable	-	-	-	-	-
Other Receivables & Deposits	38,636	70,344	-	-	108,980
Parts Inventory	233,943	48,274	-	-	282,217
Prepaid Expenses	180,254	302,328	-	-	482,583
Prepaid Water	1,985,255	-	-	-	1,985,255
Interfund Receivable	2,928,008	364,685	-	-	3,292,693
<b>Total Current Assets</b>	<b>24,343,663</b>	<b>20,240,078</b>	<b>616,238</b>	<b>92,524</b>	<b>45,292,504</b>
<b>Capital Assets:</b>					
Fixed Assets	56,170,403	78,098,562	1,894,668	476,984	136,640,618
Accumulated Depreciation	(23,060,312)	(35,662,797)	(795,777)	(51,718)	(59,570,603)
Intangible Asset	1,000,000	-	-	-	1,000,000
Accum Amortization of Intangible	(83,333)	-	-	-	(83,333)
Construction in Progress	7,280,821	1,706,549	40,191	-	9,027,560
<b>Net Capital Assets</b>	<b>41,307,579</b>	<b>44,142,314</b>	<b>1,139,083</b>	<b>425,266</b>	<b>87,014,241</b>
<b>Total Assets</b>	<b>65,651,242</b>	<b>64,382,392</b>	<b>1,755,321</b>	<b>517,790</b>	<b>132,306,745</b>
Deferred Outflows	1,816,875	2,733,620	25,253	25,253	4,601,002
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Accounts Payable	(236,870)	(530,334)	5,257	(138)	(762,085)
Accrued Payroll and Benefits	396	-	-	-	396
Compensated Absences	218,810	326,908	-	-	545,718
Deferred Revenue	-	1,092,006	-	-	1,092,006
Deposits & Retentions	266,878	94,505	-	-	361,384
Interest Payable	135,210	262,466	2,470	-	400,145
SRF Loan & Notes Payable	-	-	-	34,906	34,906
Bonds Payable	192,100	372,900	-	-	565,000
Interfund Payable	1,631,270	1,612,018	49,405	-	3,292,693
<b>Total Current Liabilities</b>	<b>2,207,793</b>	<b>3,230,469</b>	<b>57,132</b>	<b>34,768</b>	<b>5,530,162</b>
<b>Non-Current Liabilities:</b>					
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
Less Bond Discount	992,164	1,925,966	-	-	2,918,130
<b>Net Non-Current Liabilities</b>	<b>10,900,278</b>	<b>18,512,289</b>	<b>80,911</b>	<b>222,360</b>	<b>29,715,838</b>
<b>Total Liabilities</b>	<b>13,108,071</b>	<b>21,742,758</b>	<b>138,043</b>	<b>257,128</b>	<b>35,246,000</b>
Deferred Inflows - Pension	109,616	134,529	2,491	2,491	249,128
<b>Net Position</b>					
Restricted	15,627,023	1,585,489	401,554	-	17,614,066
Unrestricted	3,736,728	11,975,022	99,404	37,513	15,848,667
Capital Assets	34,886,679	31,678,214	1,139,083	245,911	67,949,886
<b>Total Net Position</b>	<b>54,250,429</b>	<b>45,238,725</b>	<b>1,640,040</b>	<b>283,424</b>	<b>101,412,618</b>
<b>Liabilities, Deferrals &amp; Net Position</b>	<b>67,468,117</b>	<b>67,116,012</b>	<b>1,780,574</b>	<b>543,044</b>	<b>136,907,747</b>
<b>Beginning net position</b>	<b>52,256,575</b>	<b>45,217,548</b>	<b>1,649,506</b>	<b>275,691</b>	<b>99,399,320</b>
Change in Net Position (NI)	1,993,855	21,177	(9,467)	7,732	2,013,298
<b>Ending net position</b>	<b>54,250,430</b>	<b>45,238,725</b>	<b>1,640,039</b>	<b>283,423</b>	<b>101,412,618</b>

# 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>2018-19</u>
<b>Change in Net Position (Net Income)</b>	1,993,855	21,177	(9,467)	7,732	2,013,298
Depreciation & Amortization	363,232	444,136	9,702	3,975	821,044
Asset Disposal	-	-	-	-	-
<b>Net Cash from Income Statement</b>	<u>2,357,086</u>	<u>465,313</u>	<u>235</u>	<u>11,707</u>	<u>2,834,341</u>
Customer Accounts Receivable	(1,455,921)	(1,068,942)	15,512	11,630	(2,497,720)
Other Receivables	(10,139)	16,484	-	-	6,345
Prepaid Expenses	(160,348)	(297,788)	-	-	(458,136)
Prepaid Water	358,776	-	-	-	358,776
Accounts Payable	(649,383)	(657,807)	1,042	(5,454)	(1,311,602)
Net Pension Liability	(111,000)	(180,000)	(3,000)	(6,000)	(300,000)
Accrued Liabilities	(88,042)	993,259	(1,880)	(1,416)	901,921
Deposits & Retentions	(22,166)	(13,474)	-	(918)	(36,557)
Parts Inventory	-	-	-	-	-
<b>Total Sources (Uses) of Cash</b>	<u>(2,138,222)</u>	<u>(1,208,269)</u>	<u>11,674</u>	<u>(2,157)</u>	<u>(3,336,974)</u>
<b>Net Cash Flow from Operating Activities</b>	<b>218,864</b>	<b>(742,956)</b>	<b>11,908</b>	<b>9,551</b>	<b>(502,632)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>					
Additions to Fixed Assets	3,226	(20,898)	-	-	(17,672)
Construction in Progress	(381,731)	(152,284)	(2,318)	-	(536,333)
Bond Principal	(11,954)	(23,204)	-	-	(35,158)
Contributions to Financing Activities	8,503	16,505	-	-	
SRF Loan & Notes Payable	-	-	-	(11,243)	(11,243)
Interfund Payable/Receivable	-	-	-	-	-
Interest Payable	67,605	131,233	-	-	198,837
<b>Net Cash Flow from Financing Activities</b>	<u>(314,352)</u>	<u>(48,647)</u>	<u>(2,318)</u>	<u>(11,243)</u>	<u>(401,569)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>					
Interest Receivable	(532)	(989)	-	-	(1,521)
<b>Net Cash Flow from Investing Activities</b>	<u>(532)</u>	<u>(989)</u>	<u>-</u>	<u>-</u>	<u>(1,521)</u>
<b>Net Increase (Decrease) in Cash</b>	(96,020)	(792,592)	9,590	(1,693)	(880,714)
Cash at Beginning of Period	16,458,668	17,998,500	596,062	67,463	35,120,692
<b>Cash and Equivalents at End of Period</b>	<u>16,362,648</u>	<u>17,205,908</u>	<u>605,652</u>	<u>65,770</u>	<u>34,239,978</u>



**Lake Arrowhead Community Services District**  
**Cash and Investment Report**  
*as of September 30, 2018*

**Summary of Portfolio Assets**

Category	Book Value	Adj Book Value	Market Value	Percent of Portfolio	Current Quarter Yield
Checking Account	4,055,979	4,055,979	4,055,979	11.8%	0.00%
LAIF	26,652,081	26,652,081	26,652,081	77.5%	1.88%
Federal Agencies	1,000,000	1,000,000	983,940	2.9%	1.30%
Negotiable CDs	2,750,000	2,750,000	2,698,255	7.8%	2.20%
<b>Total Cash &amp; Investments</b>	<b>34,458,060</b>	<b>34,458,060</b>	<b>34,390,255</b>	<b>100.0%</b>	<b>1.67%</b>

**Summary of Portfolio Liquidity**

Category	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio	Par Value	Percent of Portfolio
On Demand	30,708,060	89.1%	30,708,060	89.3%	30,708,060	89.1%
Within 2017-18	-	0.0%	-	0.0%	-	0.0%
Within 2018-19	-	0.0%	248,193	0.7%	-	0.0%
Within 2019-20	1,750,000	5.1%	1,721,245	5.0%	1,750,000	5.1%
Within 2020-21	500,000	1.5%	730,633	2.1%	500,000	1.5%
Within 2021-22	750,000	2.2%	244,990	0.7%	750,000	2.2%
Within 2022-23	750,000	2.2%	737,135	2.1%	750,000	2.2%
<b>Total</b>	<b>34,458,060</b>	<b>100.0%</b>	<b>34,390,255</b>	<b>100.0%</b>	<b>34,458,060</b>	<b>100.0%</b>



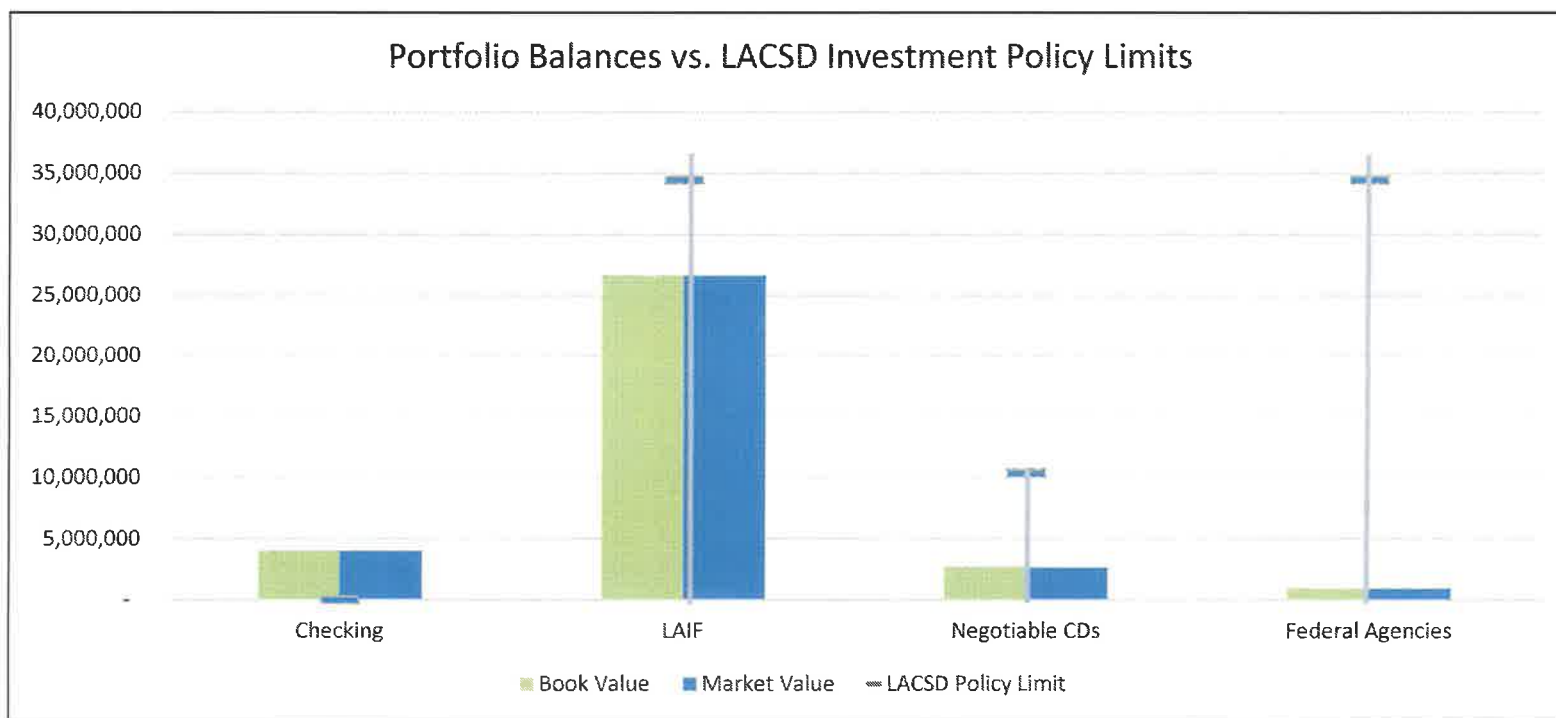
**Lake Arrowhead Community Services District**  
**Portfolio Details**  
**As of September 30, 2018**

Type	Issuer	CUSIP	Purchase Date	Maturity Date	Par Value	Market Value	Book Value	Stated Rate
Checking Account	Union Bank				\$ 4,055,979	\$ 4,055,979	\$ 4,055,979	
LAIF	LAIF				\$ 26,652,081	\$ 26,652,081	\$ 26,652,081	1.85%
Negotiable CD	Capital One	140420YR5	05/04/2016	05/04/2020	\$ 250,000	\$ 245,355	\$ 250,000	1.35%
Negotiable CD	Synchrony Bank	87165EJL2	05/06/2016	05/06/2021	\$ 250,000	\$ 241,805	\$ 250,000	1.60%
Negotiable CD	Discover Bank	254673BW5	09/07/2017	09/09/2019	\$ 250,000	\$ 248,193	\$ 250,000	1.70%
Negotiable CD	American Express Federal Savings Bank	02587CFZ8	09/06/2017	09/08/2020	\$ 250,000	\$ 244,945	\$ 250,000	1.95%
Negotiable CD	American Express	02587DY51	09/06/2017	03/06/2020	\$ 250,000	\$ 247,005	\$ 250,000	1.90%
Negotiable CD	Capital One National Association	14042RHR5	09/01/2017	08/30/2021	\$ 250,000	\$ 243,943	\$ 250,000	2.20%
Negotiable CD	East Boston Savings Bank	27113PCG4	02/08/2018	07/30/2021	\$ 250,000	\$ 244,885	\$ 250,000	2.30%
Negotiable CD	Wells Fargo Bank	949763NP7	02/14/2018	02/14/2022	\$ 250,000	\$ 244,990	\$ 250,000	2.60%
Negotiable CD	Goldman Sachs	38148PXW2	02/14/2018	02/14/2023	\$ 250,000	\$ 244,318	\$ 250,000	2.70%
Negotiable CD	Sallie Mae Bank	795450K53	02/08/2018	02/08/2023	\$ 250,000	\$ 243,855	\$ 250,000	2.65%
Negotiable CD	Citibank National Association CD	17312QL98	05/23/2018	05/23/2023	\$ 250,000	\$ 248,963	\$ 250,000	3.20%
Federal Agency	Freddie Mac	3134G9GZ4	05/25/2016	11/25/2019	\$ 1,000,000	\$ 983,940	\$ 1,000,000	1.30%

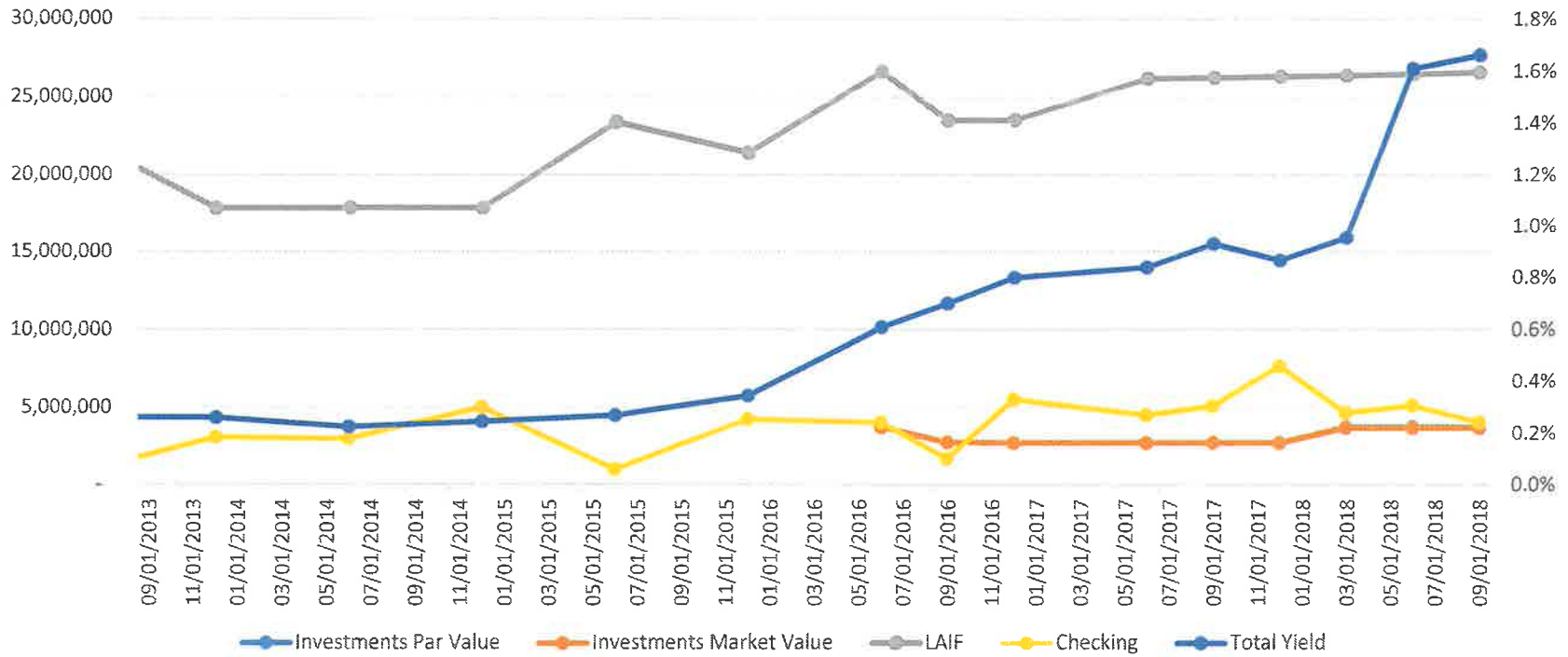


## Lake Arrowhead Community Services District Investment Policy Compliance Report

Investment Type	Book Value	Market Value	LACSD Policy Limit	Description of Limit
Checking	4,055,979	4,055,979	None	None
LAIF	26,652,081	26,652,081	34,458,060	Up to 100% of portfolio
Negotiable CDs	2,750,000	2,698,255	10,337,418	Up to 30% of portfolio
Federal Agencies	1,000,000	983,940	34,458,060	Up to 100% of portfolio
<b>Total Portfolio</b>	<b>34,458,060</b>	<b>34,390,255</b>		



### 5 Year Balance and Yield History



### Market Rates

