

**LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT**

**MEMORANDUM**

**DATE:** MAY 23, 2017

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

**FROM:**

  
\_\_\_\_\_  
JESSICA BROWN, Finance Manager

  
\_\_\_\_\_  
CATHERINE CERRI, General Manager

**SUBJECT:** FISCAL YEAR 2016-17 FINANCIAL STATEMENTS FOR  
THE QUARTER ENDING MARCH 31, 2017

**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 to provide the most current information on the financial activities of the Lake Arrowhead Community Services District ("LACSD" or "District") from which to base decisions on. This report includes the year-to-date financial statements through the third quarter of fiscal year 2016-17, covering the period of July 1, 2016 through March 31, 2017.

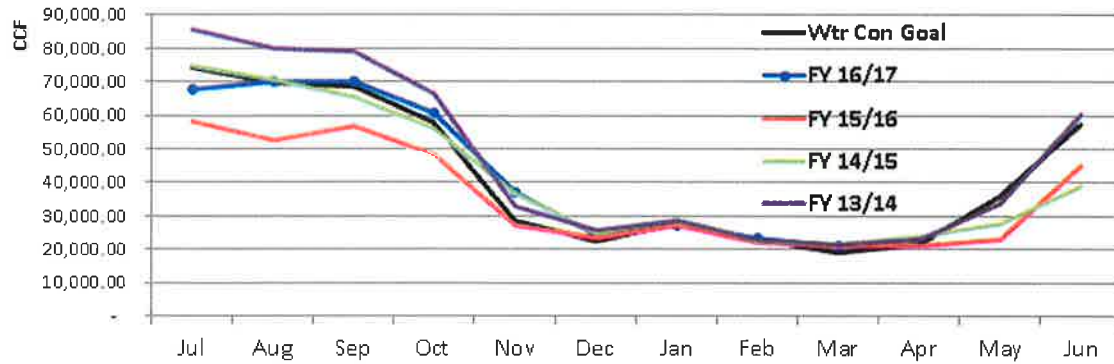
Summary of Significant Items

Districtwide operating revenue as of March 31, 2017, was 10% or \$820,093 higher as compared to the same period last year and 9% or \$755,201 above budget. Additional detail is below:

- Water operating revenue, was 18% or \$654,204 higher as compared to the same period last year and 14% or \$521,009 above budget primarily due to a 20% increase in consumption.
- Wastewater operating revenue was 3% or \$154,904 higher as compared to the same period last year and 5% or \$234,058 above budget.

- Deer Lodge Park operating revenue was 12% or \$9,383 higher as compared to the same period last year and 1% or \$1,267 above budget.
- Rimforest operating revenue is flat as compared to last year.

### Arrowhead Woods Billed Units



### Operating Expenses through March 2017

Expense	FYTD 16/17	PYTD 15/16	PY Var	PY var %	YTD Bgt	Bgt Var	Bgt Var %
Wages	2,766,129	2,783,377	(17,248)	-1%	3,024,195	(258,066)	-9%
Health Ins	614,814	685,193	(70,379)	-10%	720,700	(105,886)	-15%
Retirement	487,333	473,422	13,911	3%	500,981	(13,648)	-3%
FICA	202,715	205,878	(3,163)	-2%	230,419	(27,704)	-12%
Employer Ins	119,302	62,119	57,183	92%	42,392	76,910	181%
Training	79,568	84,413	(4,845)	-6%	104,478	(24,910)	-24%
Supplies	135,638	131,286	4,352	3%	183,230	(47,592)	-26%
Equipment	422,160	542,157	(119,997)	-22%	603,848	(181,688)	-30%
Fleet	92,992	108,296	(15,304)	-14%	169,440	(76,448)	-45%
Chemicals	92,112	83,412	8,700	10%	124,404	(32,292)	-26%
Meters	57,974	67,649	(9,675)	-14%	40,796	17,178	42%
Liability Ins	151,395	132,068	19,327	15%	128,826	22,569	18%
Outside Services	599,555	694,879	(95,324)	-14%	672,113	(72,558)	-11%
Contracts	160,186	97,061	63,125	65%	233,483	(73,297)	-31%
Legal	128,499	200,040	(71,541)	-36%	194,929	(66,430)	-34%
Electric	386,290	412,332	(26,042)	-6%	483,098	(96,808)	-20%
Utilities	267,926	295,029	(27,103)	-9%	297,633	(29,707)	-10%
Permits	87,588	90,197	(2,609)	-3%	110,499	(22,911)	-21%
Other	8,409	9,274	(865)	-9%	20,434	(12,025)	-59%
Subtotal	6,860,583	7,158,082	(297,499)	-4%	7,885,898	(1,025,315)	-13%
Water Purchase	662,587	57,924	604,663	1044%	360,585	302,002	84%
Grand Total	7,523,170	7,216,006	307,164	4%	8,246,483	(723,313)	-9%

Consumption as of March 31, 2017, is as follows:

- Water billed units were higher than the water conservation goal of 13% lower than 2013 and reflected a 20% increase in consumption as compared to last year.
- Deer Lodge Park year-to-date billed units were 16% higher as compared to last year.
- Rimforest year-to-date billed units were 3% higher as compared to last year.

Overall operating expenses as of March 31, 2017, were 4% higher than prior year and 9% below budget. Significant decreases as compared to last year are primarily due to decreases in health insurance, outside services, electric, and utilities offset by increases in worker's compensation insurance and contracts.

The District is currently taking imported water deliveries from CLAWA for Arrowhead Woods and purchased 88.4 acre-feet in the third quarter and a total of 235.88 acre-feet for the fiscal year. The District has a balance of \$2.3 million for water that was prepaid to CLAWA. As of March 31, 2017, Deer Lodge Park has purchased 19.19 acre feet and Rimforest has purchased 32.61 acre-feet.

**D. FISCAL IMPACT**

This is an information item only.

**E. ATTACHMENTS**

Q3 FY 2016-17 Statement of Revenues, Expenses and Changes in Net Position  
Q3 FY 2016-17 Statement of Net Position  
Q3 FY 2016-17 Cash Flow Statement

**Lake Arrowhead Community Services District**

**Fiscal Year 2016/2017 Statement of Revenues, Expenses and Changes in Net Position and Fund Balances**

Exhibit I

**Water**

	<u>Mar-17 YTD</u>	<u>Mar-16 YTD</u>	<u>PY Var</u>	<u>%</u>	<u>YTD Budget</u>	<u>Bgt Var</u>	<u>%</u>
Charges for Services	4,281,775.75	3,627,572	654,204	18%	3,760,767	521,009	14%
Other Op Income	152,563	133,180	19,383	15%	50,400	102,163	203%
<b>Total Revenue</b>	<b>4,434,339</b>	<b>3,760,752</b>	<b>673,587</b>	<b>18%</b>	<b>3,811,167</b>	<b>623,172</b>	<b>16%</b>
Operations	1,047,182	1,104,080	(56,898)	-5%	1,143,293	(96,111)	-8%
Water Purchases	600,078	2,260	597,818	26452%	304,100	295,978	97%
Field Operations	543,029	589,363	(46,334)	-8%	604,031	(61,002)	-10%
Physical Plant	68,966	79,926	(10,960)	-14%	121,446	(52,480)	-43%
Administration	916,810	986,701	(69,891)	-7%	1,012,210	(95,400)	-9%
Engineering	100,392	82,483	17,909	22%	90,952	9,440	10%
Water Conservation	141,317	153,581	(12,264)	-8%	152,623	(11,306)	-7%
<b>Total Op Expense</b>	<b>3,417,774</b>	<b>2,998,394</b>	<b>419,380</b>	<b>14%</b>	<b>3,428,655</b>	<b>(10,881)</b>	<b>0%</b>
<b>Net Operating Income</b>	<b>1,016,565</b>	<b>762,358</b>	<b>254,207</b>	<b>33%</b>	<b>382,512</b>	<b>634,053</b>	<b>166%</b>
SWF or Prop Taxes	1,924,572	2,854,025	(929,453)	-33%	1,899,905	24,667	1%
Connection Fees	100,182	86,225	13,957	16%	9,000	91,182	1013%
Contributed Capital	-	232,225	(232,225)	-100%	-	-	100%
Interest Income	82,776	36,493	46,283	127%	30,751	52,025	169%
Interest Expense	(241,786)	(253,791)	12,005	5%	(240,806)	(980)	0%
Depreciation	(1,169,793)	(1,223,285)	53,492	4%	(1,257,057)	87,264	7%
Amortization	(270)	(12,690)	12,420	98%	(5,119)	4,849	95%
Other Income (Exp)	560,897	23,787	537,110	100%	4,500	556,397	12364%
<b>Total Non-Op Income</b>	<b>1,256,578</b>	<b>1,742,989</b>	<b>(486,411)</b>	<b>-28%</b>	<b>441,174</b>	<b>815,404</b>	<b>185%</b>
<b>Net Income</b>	<b>2,273,143</b>	<b>2,505,347</b>	<b>(232,204)</b>	<b>-9%</b>	<b>823,686</b>	<b>1,449,457</b>	<b>176%</b>
Beginning Net Position	47,636,505	44,850,543	2,785,962	6%	47,636,505	-	0%
Change in Net Position	2,273,143	2,505,347	(232,204)	-9%	823,686	1,449,457	176%
Ending Net Position	49,909,648	47,355,890	2,553,758	5%	48,460,191	1,449,457	3%

**Water**

<u>Fund Balances</u>	<u>31-Mar-17</u>	<u>31-Mar-16</u>	<u>PY Var</u>	<u>%</u>	<u>FY 16/17 Bgt</u>	<u>Bgt Var</u>	<u>%</u>
-00 Operating Fund	2,783,215	1,998,340	784,874	39%	1,301,232	1,481,983	114%
-10 Capital Improvemnt	5,426,843	4,922,351	504,492	10%	4,163,981	1,262,862	30%
-20 Rate Stabilztn Fund	-	-	-	100%	-	-	100%
<b>Total Pooled Cash</b>	<b>8,210,058</b>	<b>6,920,692</b>	<b>1,289,366</b>	<b>19%</b>	<b>5,465,213</b>	<b>2,744,845</b>	<b>50%</b>
-50 New Facilities Fund	105,520	123,687	(18,167)	-15%	12,000	93,520	779%
160 Supplemental Wtr	9,591,169	7,688,055	1,903,114	25%	8,748,691	842,478	10%
161, 270 Debt Reserve	-	220,484	(220,484)	-100%	265,238	(265,238)	-100%
271 Bond Proceeds	-	-	-	100%	-	-	100%
Assessment Districts	-	-	-	100%	-	-	100%
<b>Total Restricted Cash</b>	<b>9,696,689</b>	<b>8,032,227</b>	<b>1,664,462</b>	<b>21%</b>	<b>9,025,929</b>	<b>670,760</b>	<b>7%</b>
<b>Total Cash</b>	<b>17,906,747</b>	<b>14,952,918</b>	<b>2,953,828</b>	<b>20%</b>	<b>14,491,142</b>	<b>3,415,605</b>	<b>24%</b>

# Lake Arrowhead Community Services District

## Fiscal Year 2016/2017 Statement of Revenues, Expenses and Changes in Net Position and Fund Balances

Exhibit I

	<b>Wastewater</b>						
	<u>Mar-17 YTD</u>	<u>Mar-16 YTD</u>	<u>PY Var</u>	<u>%</u>	<u>YTD Budget</u>	<u>Bgt Var</u>	<u>%</u>
Charges for Services	4,843,052	4,688,148	154,904	3%	4,608,994	234,058	5%
Other Op Income	98,044	95,028	3,016	3%	43,290	54,754	126%
<b>Total Revenue</b>	<b>4,941,096</b>	<b>4,783,176</b>	<b>157,920</b>	<b>3%</b>	<b>4,652,284</b>	<b>288,812</b>	<b>6%</b>
Operations	1,654,273	1,551,711	102,562	7%	1,795,152	(140,879)	-8%
Water Purchases	-	-	-	0%	-	-	0%
Field Operations	843,300	840,689	2,611	0%	1,033,146	(189,846)	-18%
Physical Plant	151,069	209,787	(58,718)	-28%	226,942	(75,873)	-33%
Administration	1,102,047	1,294,064	(192,017)	-15%	1,362,450	(260,403)	-19%
Engineering	154,483	141,194	13,289	9%	168,673	(14,190)	-8%
Water Conservation	-	-	-	0%	-	-	0%
<b>Total Op Expense</b>	<b>3,905,172</b>	<b>4,037,445</b>	<b>(132,273)</b>	<b>-3%</b>	<b>4,586,363</b>	<b>(681,191)</b>	<b>-15%</b>
<b>Net Operating Income</b>	<b>1,035,924</b>	<b>745,731</b>	<b>290,193</b>	<b>39%</b>	<b>65,921</b>	<b>970,003</b>	<b>1471%</b>
SWF or Prop Taxes	1,910,097	1,830,509	79,588	4%	1,822,991	87,106	5%
Connection Fees	64,678	35,727	28,951	81%	9,000	55,678	619%
Contributed Capital	12,583	(193,120)	205,703	107%	-	12,583	100%
Interest Income	129,314	29,606	99,708	337%	14,670	114,644	781%
Interest Expense	(462,238)	(530,345)	68,107	13%	(514,888)	52,650	10%
Depreciation	(1,289,933)	(1,309,176)	19,243	1%	(1,326,486)	36,553	3%
Amortization	(809)	(15,756)	14,947	95%	(15,759)	14,950	95%
Other Income (Exp)	(632,860)	188,195	(821,055)	-436%	86,250	(719,110)	-834%
<b>Total Non-Op Income</b>	<b>(269,168)</b>	<b>35,640</b>	<b>(304,808)</b>	<b>-855%</b>	<b>75,778</b>	<b>(344,946)</b>	<b>-455%</b>
<b>Net Income</b>	<b>766,756</b>	<b>781,371</b>	<b>(14,615)</b>	<b>-2%</b>	<b>141,699</b>	<b>625,057</b>	<b>441%</b>
	(0)						
Beginning Net Position	40,377,929	38,063,266	2,314,663	6%	40,377,929	-	0%
Change in Net Position	766,756	781,371	(14,615)	-2%	141,699	625,057	441%
Ending Net Position	41,144,685	38,844,637	2,300,049	6%	40,519,628	625,057	2%

	<b>Wastewater</b>						
<u>Fund Balances</u>	<u>31-Mar-17</u>	<u>31-Mar-16</u>	<u>PY Var</u>	<u>%</u>	<u>FY 16/17 Bgt</u>	<u>Bgt Var</u>	<u>%</u>
-00 Operating Fund	3,546,421	2,696,762	849,659	32%	1,825,043	1,721,378	94%
-10 Capital Improvemnt	5,478,197	4,136,939	1,341,258	32%	4,205,923	1,272,274	30%
-20 Rate Stabilztn Fund	1,360,647	1,317,458	43,189	3%	1,319,400	41,247	3%
<b>Total Pooled Cash</b>	<b>10,385,265</b>	<b>8,151,159</b>	<b>2,234,106</b>	<b>27%</b>	<b>7,350,366</b>	<b>3,034,899</b>	<b>41%</b>
-50 New Facilities Fund	73,317	55,067	18,251	33%	59,000	14,317	24%
160 Supplemental Wtr	-	-	-	100%	-	-	100%
161, 270 Debt Reserve	231	1,719,740	(1,719,509)	-100%	1,720,360	(1,720,129)	-100%
271 Bond Proceeds	12,700	85,408	(72,709)	-85%	85,500	(72,800)	-85%
Assessment Districts	1,522,579	1,486,614	35,966	2%	1,518,720	3,859	0%
<b>Total Restricted Cash</b>	<b>1,608,827</b>	<b>3,346,828</b>	<b>(1,738,001)</b>	<b>-52%</b>	<b>3,383,580</b>	<b>(1,774,753)</b>	<b>-52%</b>
<b>Total Cash</b>	<b>11,994,092</b>	<b>11,497,988</b>	<b>496,105</b>	<b>4%</b>	<b>10,733,946</b>	<b>1,260,146</b>	<b>12%</b>

# Lake Arrowhead Community Services District

## Fiscal Year 2016/2017 Statement of Revenues, Expenses and Changes in Net Position and Fund Balances

### Exhibit I

#### Deer Lodge Park

	<u>Mar-17 YTD</u>	<u>Mar-16 YTD</u>	<u>PY Var</u>	<u>%</u>	<u>YTD Budget</u>	<u>Bgt Var</u>	<u>%</u>
Charges for Services	86,108	76,725	9,383	12%	84,841	1,267	1%
Other Op Income	9,385	6,645	2,740	41%	1,800	7,585	421%
<b>Total Revenue</b>	<b>95,493</b>	<b>83,370</b>	<b>12,123</b>	<b>15%</b>	<b>86,641</b>	<b>8,852</b>	<b>10%</b>
Operations	38,194	33,223	4,971	15%	53,610	(15,416)	-29%
Water Purchases	24,279	18,778	5,501	29%	14,950	9,329	62%
Field Operations	8,375	11,068	(2,693)	-24%	15,419	(7,044)	-46%
Physical Plant	1,263	1,445	(182)	-13%	2,413	(1,150)	-48%
Administration	23,205	24,174	(969)	-4%	26,513	(3,308)	-12%
Engineering	2,179	2,142	37	2%	4,109	(1,930)	-47%
Water Conservation	-	-	-	0%	-	-	0%
<b>Total Op Expense</b>	<b>97,496</b>	<b>90,830</b>	<b>6,666</b>	<b>7%</b>	<b>117,014</b>	<b>(19,518)</b>	<b>-17%</b>
<b>Net Operating Income</b>	<b>(2,002)</b>	<b>(7,460)</b>	<b>5,458</b>	<b>73%</b>	<b>(30,373)</b>	<b>28,371</b>	<b>93%</b>
SWF or Prop Taxes	-	-	-	0%	-	-	0%
Connection Fees	-	-	-	0%	-	-	0%
Contributed Capital	-	-	-	0%	-	-	0%
Interest Income	2,957	1,646	1,311	80%	270	2,687	995%
Interest Expense	-	-	-	0%	-	-	100%
Depreciation	(28,671)	(38,007)	9,336	25%	(38,007)	9,336	25%
Amortization	-	-	-	0%	-	-	0%
Other Income (Exp)	2,534	145	2,389	1648%	-	2,534	100%
<b>Total Non-Op Income</b>	<b>(23,180)</b>	<b>(36,216)</b>	<b>13,036</b>	<b>36%</b>	<b>(37,737)</b>	<b>14,557</b>	<b>39%</b>
<b>Net Income</b>	<b>(25,182)</b>	<b>(43,676)</b>	<b>18,494</b>	<b>42%</b>	<b>(68,110)</b>	<b>42,928</b>	<b>63%</b>
Beginning Net Position	1,650,593	1,693,191	(42,598)	-3%	1,650,593	-	0%
Change in Net Position	(25,182)	(43,676)	18,494	42%	(68,110)	42,928	63%
Ending Net Position	1,625,411	1,649,515	(24,105)	-1%	1,582,483	42,928	3%

#### Deer Lodge Park

<u>Fund Balances</u>	<u>31-Mar-17</u>	<u>31-Mar-16</u>	<u>PY Var</u>	<u>%</u>	<u>FY 16/17 Bgt</u>	<u>Bgt Var</u>	<u>%</u>
-00 Operating Fund	101,432	117,346	(15,914)	-14%	67,758	33,674	50%
-10 Capital Improvemnt	125,183	120,798	4,385	4%	-	125,183	100%
-20 Rate Stabilztn Fund	25,490	25,340	150	1%	25,400	90	0%
<b>Total Pooled Cash</b>	<b>252,104</b>	<b>263,484</b>	<b>(11,380)</b>	<b>-4%</b>	<b>93,158</b>	<b>158,946</b>	<b>171%</b>
-50 New Facilities Fund	3,657	7,273	(3,617)	-50%	7,275	(3,618)	-50%
160 Supplemental Wtr	-	-	-	100%	-	-	100%
161, 270 Debt Reserve	-	-	-	100%	-	-	100%
271 Bond Proceeds	-	-	-	100%	-	-	100%
Assessment Districts	375,111	369,600	5,511	1%	274,918	100,193	36%
<b>Total Restricted Cash</b>	<b>375,111</b>	<b>369,600</b>	<b>5,511</b>	<b>1%</b>	<b>274,918</b>	<b>100,193</b>	<b>36%</b>
<b>Total Cash</b>	<b>630,872</b>	<b>640,357</b>	<b>(9,486)</b>	<b>-1%</b>	<b>375,351</b>	<b>255,521</b>	<b>68%</b>

# Lake Arrowhead Community Services District

## Fiscal Year 2016/2017 Statement of Revenues, Expenses and Changes in Net Position and Fund Balances

Exhibit I

### Rimforest

	Mar-17 YTD	Mar-16 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	180,233	178,631	1,602	1%	181,366	(1,133)	-1%
Other Op Income	6,606	4,686	1,920	41%	-	6,606	100%
<b>Total Revenue</b>	<b>186,839</b>	<b>183,317</b>	<b>3,522</b>	<b>2%</b>	<b>181,366</b>	<b>5,473</b>	<b>3%</b>
Operations	16,346	10,774	5,572	52%	27,564	(11,218)	-41%
Water Purchases	38,231	36,886	1,345	4%	41,535	(3,304)	-8%
Field Operations	20,096	13,430	6,666	50%	12,503	7,593	61%
Physical Plant	1,264	1,446	(182)	-13%	1,585	(321)	-20%
Administration	24,517	24,666	(149)	-1%	27,137	(2,620)	-10%
Engineering	2,276	2,140	136	6%	4,127	(1,851)	-45%
Water Conservation	-	-	-	0%	-	-	0%
<b>Total Op Expense</b>	<b>102,729</b>	<b>89,342</b>	<b>13,387</b>	<b>15%</b>	<b>114,451</b>	<b>(11,722)</b>	<b>-10%</b>
<b>Net Operating Income</b>	<b>84,110</b>	<b>93,975</b>	<b>(9,865)</b>	<b>-10%</b>	<b>66,915</b>	<b>17,195</b>	<b>26%</b>
SWF or Prop Taxes	-	-	-	0%	-	-	0%
Connection Fees	-	-	-	0%	-	-	0%
Contributed Capital	-	-	-	0%	-	-	0%
Interest Income	311	110	201	183%	360	(49)	-14%
Interest Expense	(13,409)	(15,453)	2,044	0%	(13,409)	0	0%
Depreciation	(11,925)	(11,959)	34	0%	(11,961)	36	0%
Amortization	-	-	-	0%	-	-	0%
Other Income (Exp)	34	145	(111)	0%	-	34	100%
<b>Total Non-Op Income</b>	<b>(24,988)</b>	<b>(27,157)</b>	<b>2,169</b>	<b>8%</b>	<b>(25,010)</b>	<b>22</b>	<b>0%</b>
<b>Net Income</b>	<b>59,122</b>	<b>66,818</b>	<b>(7,696)</b>	<b>-12%</b>	<b>41,905</b>	<b>17,217</b>	<b>41%</b>
Beginning Net Position	108,410	4,191	104,219	2486%	108,410	-	0%
Change in Net Position	59,122	66,818	(7,696)	-12%	41,905	17,217	41%
Ending Net Position	167,532	71,009	96,522	136%	150,315	17,217	11%

### Rimforest

Fund Balances	31-Mar-17	31-Mar-16	PY Var	%	FY 16/17 Bgt	Bgt Var	%
-00 Operating Fund	80,121	63,699	16,422	26%	65,009	15,112	23%
-10 Capital Improvemnt	-	-	-	100%	-	-	100%
-20 Rate Stabilztn Fund	-	-	-	100%	-	-	100%
<b>Total Pooled Cash</b>	<b>80,121</b>	<b>63,699</b>	<b>16,422</b>	<b>26%</b>	<b>65,009</b>	<b>15,112</b>	<b>23%</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>80,121</b>	<b>63,699</b>	<b>16,422</b>	<b>26%</b>	<b>65,009</b>	<b>15,112</b>	<b>23%</b>

# Lake Arrowhead Community Services District

## Fiscal Year 2016/2017 Statement of Revenues, Expenses and Changes in Net Position and Fund Balances

Exhibit I

### LACSD Total

	<u>Mar-17 YTD</u>	<u>Mar-16 YTD</u>	<u>PY Var</u>	<u>%</u>	<u>YTD Budget</u>	<u>Bgt Var</u>	<u>%</u>
Charges for Services	9,391,169	8,571,076	820,093	10%	8,635,968	755,201	9%
Other Op Income	266,598	239,539	27,059	11%	95,490	171,108	179%
<b>Total Revenue</b>	<b>9,657,767</b>	<b>8,810,615</b>	<b>847,152</b>	<b>10%</b>	<b>8,731,458</b>	<b>926,309</b>	<b>11%</b>
Operations	2,755,995	2,699,788	56,207	2%	3,019,619	(263,624)	-9%
Water Purchases	662,587	57,924	604,663	1044%	360,585	302,002	84%
Field Operations	1,414,801	1,454,550	(39,749)	-3%	1,665,099	(250,298)	-15%
Physical Plant	222,562	292,604	(70,042)	-24%	352,386	(129,824)	-37%
Administration	2,066,579	2,329,605	(263,026)	-11%	2,428,310	(361,731)	-15%
Engineering	259,329	227,959	31,370	14%	267,861	(8,532)	-3%
Water Conservation	141,317	153,581	(12,264)	-8%	152,623	(11,306)	-7%
<b>Total Op Expense</b>	<b>7,523,170</b>	<b>7,216,011</b>	<b>307,159</b>	<b>4%</b>	<b>8,246,483</b>	<b>(723,313)</b>	<b>-9%</b>
<b>Net Operating Income</b>	<b>2,134,597</b>	<b>1,594,604</b>	<b>539,993</b>	<b>34%</b>	<b>484,975</b>	<b>1,649,622</b>	<b>340%</b>
SWF or Prop Taxes	3,834,669	4,684,534	(849,865)	-18%	3,722,896	111,773	3%
Connection Fees	164,860	121,952	42,908	35%	18,000	146,860	816%
Contributed Capital	12,583	39,105	(26,522)	-68%	-	12,583	100%
Interest Income	215,358	67,855	147,503	217%	46,051	169,307	368%
Interest Expense	(717,433)	(799,589)	82,156	10%	(769,103)	51,670	7%
Depreciation	(2,500,322)	(2,582,427)	82,105	3%	(2,633,511)	133,189	5%
Amortization	(1,079)	(28,446)	27,367	96%	(20,878)	19,799	95%
Other Income (Exp)	(69,394)	212,272	(281,666)	-133%	90,750	(160,144)	-176%
<b>Total Non-Op Income</b>	<b>939,242</b>	<b>1,715,256</b>	<b>(776,014)</b>	<b>-45%</b>	<b>454,205</b>	<b>485,037</b>	<b>107%</b>
<b>Net Income</b>	<b>3,073,839</b>	<b>3,309,860</b>	<b>(236,021)</b>	<b>-7%</b>	<b>939,180</b>	<b>2,134,659</b>	<b>227%</b>
Beginning Net Position	89,773,437	84,611,191	5,162,246	6%	89,773,437	-	0%
Change in Net Position	3,073,839	3,309,860	(236,021)	-7%	939,180	2,134,659	227%
Ending Net Position	92,847,276	87,921,051	4,926,225	6%	90,712,617	2,134,659	2%

### LACSD Total

<u>Fund Balances</u>	<u>31-Mar-17</u>	<u>31-Mar-16</u>	<u>PY Var</u>	<u>%</u>	<u>FY 16/17 Bgt</u>	<u>Bgt Var</u>	<u>%</u>
-00 Operating Fund	6,511,189	4,876,147	1,635,041	34%	3,259,042	3,252,147	100%
-10 Capital Improvemnt	11,030,223	9,180,089	1,850,135	20%	8,369,904	2,660,319	32%
-20 Rate Stabilztn Fund	1,386,137	1,342,798	43,339	3%	1,344,800	41,337	3%
<b>Total Pooled Cash</b>	<b>18,927,548</b>	<b>15,399,034</b>	<b>3,528,514</b>	<b>23%</b>	<b>12,973,746</b>	<b>5,953,802</b>	<b>46%</b>
-50 New Facilities Fund	182,494	186,027	(3,533)	-2%	78,275	104,219	133%
160 Supplemental Wtr	9,591,169	7,688,055	1,903,114	25%	8,748,691	842,478	10%
161, 270 Debt Reserve	231	1,940,224	(1,939,994)	-100%	1,985,598	(1,985,367)	-100%
271 Bond Proceeds	12,700	85,408	(72,709)	-85%	85,500	(72,800)	-85%
Assessment Districts	1,897,690	1,856,214	41,476	2%	1,793,638	104,052	6%
<b>Total Restricted Cash</b>	<b>11,684,283</b>	<b>11,755,928</b>	<b>(71,645)</b>	<b>-1%</b>	<b>12,691,702</b>	<b>(1,007,419)</b>	<b>-8%</b>
<b>Total Cash</b>	<b>30,611,832</b>	<b>27,154,962</b>	<b>3,456,869</b>	<b>13%</b>	<b>25,665,448</b>	<b>4,946,384</b>	<b>19%</b>



**Lake Arrowhead Community Services District**  
**Preliminary Combining Statement of Net Position as of March 31, 2017**

Exhibit II

<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	8,210,058	10,385,265	252,104	80,121	18,927,548
Restricted Cash and Investments	9,696,689	1,608,827	378,767	-	11,684,283
Accounts Receivable	446,041	553,294	11,674	27,109	1,038,117
Restricted Accounts Receivable	823,235	-	-	-	823,235
Tax Roll Receivable	-	653,112	-	-	653,112
Interest Receivable	21,788	32,609	-	-	54,396
Unbilled Accounts Receivable	-	-	-	-	-
Other Receivables & Deposits	48,320	115,467	-	-	163,787
Parts Inventory	265,760	42,185	-	-	307,945
Prepaid Expenses	86,765	128,705	-	-	215,471
Prepaid Water	2,296,189	-	-	-	2,296,189
Interfund Receivable	3,651,433	829,371	-	-	4,480,804
<b>Total Current Assets</b>	<b>25,546,276</b>	<b>14,348,835</b>	<b>642,545</b>	<b>107,229</b>	<b>40,644,886</b>
<b>Capital Assets:</b>					
Fixed Assets	55,102,922	76,574,925	1,888,873	476,984	134,043,704
Accumulated Depreciation	(20,784,014)	(33,123,864)	(737,802)	(27,868)	(54,673,548)
Intangible Asset	1,000,000	-	-	-	1,000,000
Accum Amortization of Intangible	(68,182)	-	-	-	(68,182)
Construction in Progress	944,120	2,536,984	-	-	3,481,104
<b>Net Capital Assets</b>	<b>36,194,847</b>	<b>45,988,045</b>	<b>1,151,071</b>	<b>449,115</b>	<b>83,783,078</b>
<b>Total Assets</b>	<b>61,741,123</b>	<b>60,336,880</b>	<b>1,793,616</b>	<b>556,345</b>	<b>124,427,964</b>
Deferred Outflows	1,277,205	2,115,769	15,114	9,553	3,417,641
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Accounts Payable	(390,839)	(831,877)	2,958	(665)	(1,220,424)
Accrued Payroll and Benefits	(834)	-	-	-	(834)
Compensated Absences	195,355	283,349	-	-	478,704
Deferred Revenue	-	335,226	-	-	335,226
Deposits & Retentions	43,563	98,870	-	1,660	144,094
Interest Payable	149,091	289,413	4,229	-	442,733
SRF Loan & Notes Payable	-	-	-	10,322	10,322
Bonds Payable	-	-	-	-	-
Interfund Payable	2,298,788	1,997,440	84,576	100,000	4,480,804
<b>Total Current Liabilities</b>	<b>2,295,124</b>	<b>2,172,421</b>	<b>91,763</b>	<b>111,317</b>	<b>4,670,625</b>
<b>Non-Current Liabilities:</b>					
Compensated Absences	91,701	131,796	-	-	223,497
Net Pension Liability	2,421,009	3,058,162	77,588	46,456	5,603,215
SRF Loan & Notes Payable	-	-	-	233,698	233,698
Bonds Payable	6,932,600	13,457,400	-	-	20,390,000
Less Bond Discount	1,099,748	2,134,805	-	-	3,234,554
<b>Net Non-Current Liabilities</b>	<b>10,545,058</b>	<b>18,782,163</b>	<b>77,588</b>	<b>280,154</b>	<b>29,684,963</b>
<b>Total Liabilities</b>	<b>12,840,182</b>	<b>20,954,585</b>	<b>169,351</b>	<b>391,471</b>	<b>34,355,588</b>
Deferred Inflows - Pension	268,498	353,379	13,970	6,896	642,743
<b>Net Position</b>					
Restricted	12,816,112	1,608,827	378,767	-	14,803,707
Unrestricted	7,831,290	7,005,214	95,571	(37,565)	14,894,510
Capital Assets	29,262,247	32,530,645	1,151,071	205,095	63,149,058
<b>Total Net Position</b>	<b>49,909,649</b>	<b>41,144,685</b>	<b>1,625,409</b>	<b>167,530</b>	<b>92,847,274</b>
<b>Liabilities, Deferrals &amp; Net Position</b>	<b>63,018,329</b>	<b>62,452,649</b>	<b>1,808,730</b>	<b>565,897</b>	<b>127,845,605</b>
<b>Beginning net position</b>	<b>47,636,505</b>	<b>40,377,929</b>	<b>1,650,593</b>	<b>108,410</b>	<b>89,773,437</b>
Change in Net Position (NI)	2,273,143	766,756	(25,182)	59,122	3,073,839
<b>Ending net position</b>	<b>49,909,648</b>	<b>41,144,685</b>	<b>1,625,411</b>	<b>167,532</b>	<b>92,847,276</b>

# Lake Arrowhead Community Services District Cash Flow Statement

Fiscal Year to date as of March 31, 2017

Exhibit III

	<u>Water</u>	<u>Wastewater</u>	<u>DLP</u>	<u>RF</u>	<u>2016-17</u>
<b>Change in Net Position (Net Income)</b>	2,273,143	766,756	(25,182)	59,122	3,073,839
Depreciation & Amortization	926,589	1,275,153	28,671	11,925	2,242,338
Asset Disposal	-	-	-	-	-
<b>Net Cash from Income Statement</b>	<u>3,199,732</u>	<u>2,041,910</u>	<u>3,489</u>	<u>71,047</u>	<u>5,316,177</u>
Customer Accounts Receivable	(258,684)	(124,711)	10,197	11,567	(361,631)
Other Receivables	(22,584)	22,558	-	-	(26)
Prepaid Expenses	(75,522)	(123,238)	-	-	(198,760)
Prepaid Water	452,045	-	-	-	452,045
Accounts Payable	(521,645)	(1,038,724)	(1,134)	(6,774)	(1,568,277)
Net Pension Liability	-	-	-	-	-
Accrued Liabilities	(94,602)	196,063	(1,986)	(1,712)	97,763
Deposits & Retentions	6,389	(25,884)	-	-	(19,495)
Parts Inventory	-	-	-	-	-
<b>Total Sources (Uses) of Cash</b>	<u>(514,603)</u>	<u>(1,093,937)</u>	<u>7,077</u>	<u>3,081</u>	<u>(1,598,381)</u>
<b>Net Cash Flow from Operating Activities</b>	<b>2,685,129</b>	<b>947,973</b>	<b>10,566</b>	<b>74,128</b>	<b>3,717,796</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>					
Additions to Fixed Assets	137,818	(174,880)	-	-	(37,062)
Construction in Progress	(449,961)	(781,490)	-	-	(1,231,451)
Bond Principal	3,662,157	2,481,631	-	-	6,143,788
Contributions to Financing Activities	(748,237)	(1,452,460)	-	-	(5,107,497)
SRF Loan & Notes Payable	(3,442,793)	(1,634,775)	-	(29,929)	(5,107,497)
Interfund Payable/Receivable	-	-	-	-	-
Interest Payable	65,080	113,067	-	-	178,147
<b>Net Cash Flow from Financing Activities</b>	<u>(775,935)</u>	<u>(1,448,907)</u>	<u>-</u>	<u>(29,929)</u>	<u>(54,075)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>					
Interest Receivable	(5,445)	(10,112)	-	-	(15,557)
<b>Net Cash Flow from Investing Activities</b>	<u>(5,445)</u>	<u>(10,112)</u>	<u>-</u>	<u>-</u>	<u>(15,557)</u>
<b>Net Increase (Decrease) in Cash</b>	1,903,748	(511,047)	10,566	44,199	1,447,467
Cash at Beginning of Period	<u>16,002,998</u>	<u>12,505,139</u>	<u>620,305</u>	<u>35,922</u>	<u>29,164,365</u>
<b>Cash and Equivalents at End of Period</b>	<u><b>17,906,747</b></u>	<u><b>11,994,092</b></u>	<u><b>630,872</b></u>	<u><b>80,121</b></u>	<u><b>30,611,832</b></u>