


**LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT**

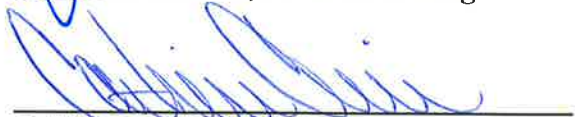
**MEMORANDUM**

**DATE:** SEPTEMBER 24, 2019

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

**FROM:**

  
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**JOHN O'BRIEN, Finance Manager**

  
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**CATHERINE CERRI, General Manager**

**SUBJECT:** PRELIMINARY FISCAL YEAR 2018-19 YEAR END RESULTS AND CASH AND INVESTMENT REPORT

**A. RECOMMENDATION**

This is an information item only.

**B. REASON FOR RECOMMENDATION**

This is an information item only.

**C. BACKGROUND INFORMATION**

The 2018-19 Comprehensive Annual Financial Report (CAFR) has not yet been finalized. However, presented to the Board is the attached preliminary fiscal year 2018-19 results.

Revenue

Districtwide preliminary operating revenue was 4% or \$549,643 higher as compared to the prior year primarily due to the results of operations for both the Water and Wastewater Enterprises as summarized below:

- Water Enterprise operating revenue was 4% or \$264,159 higher as compared to the prior year primarily due to board approved rate increases that were implemented in January 2019.

- Wastewater Enterprise operating revenue was 3% or \$252,716 higher as compared to the prior year primarily due to board approved rate increases that were implemented in January 2019.
- Deer Lodge Park Enterprise operating revenue was 9% or \$13,441 higher as compared to the prior year primarily due to board approved rate increases that were implemented in January 2019.
- Rimforest Enterprise operating revenue was essentially flat as compared to the prior fiscal year.

#### Expense

Districtwide preliminary operating expenses (not including water purchases) were 8% or \$834,067 higher as compared to prior year but 6% or \$753,304 under budget primarily due to:

- Wages increased 6% or \$232,128 as compared to prior year primarily due to MOU step increases and cost of living adjustments (COLA). Wages were under budget by 3% or \$117,182 primarily due a 3% COLA being budgeted both fiscal years of the biennial budget.
- Health Insurance was 14% or \$120,331 higher as compared to the prior year and 5% or \$55,897 under budget due to better than anticipated negotiated insurance costs.
- Equipment expense was 18% or \$86,497 higher as compared to prior year but 31% or \$254,974 under budget due to lower than anticipated equipment repairs and maintenance.
- Other significant decreases in expense were associated with legal, utilities, fleet costs, supplies and chemicals.

**Operating Expenses through June 2019**

<b>Expense</b>	<b>FYTD 2018-19</b>	<b>PYTD 2017-18</b>	<b>PY Var</b>	<b>PY var %</b>	<b>YTD Bgt</b>	<b>Bgt Var</b>	<b>Bgt Var %</b>
Wages	4,436,633	4,204,504	232,128	6%	4,553,815	(117,182)	-3%
Health Ins	961,512	841,181	120,331	14%	1,017,409	(55,897)	-5%
Retirement	1,441,901	1,426,566	15,335	1%	1,309,887	132,014	10%
FICA	326,839	310,930	15,909	5%	318,589	8,250	3%
Employer Ins	117,733	75,532	42,200	56%	134,621	(16,888)	-13%
Training	116,388	115,717	671	1%	134,695	(18,307)	-14%
Supplies	204,084	193,190	10,894	6%	238,869	(34,785)	-15%
Equipment	568,728	482,231	86,497	18%	823,702	(254,974)	-31%
Fleet	140,913	138,827	2,086	2%	231,494	(90,581)	-39%
Chemicals	152,301	146,050	6,251	4%	201,007	(48,706)	-24%
Meters	47,992	53,929	(5,937)	-11%	57,410	(9,418)	-16%
Liability Ins	198,616	155,906	42,710	27%	180,815	17,801	10%
Outside Services	1,187,606	756,399	431,207	57%	1,011,812	175,794	17%
Contracts	89,895	266,282	(176,387)	-66%	324,300	(234,405)	-72%
Legal	114,987	119,863	(4,876)	-4%	208,376	(93,389)	-45%
Electric	525,648	515,137	10,511	2%	591,100	(65,452)	-11%
Utilities	375,250	381,202	(5,952)	-2%	401,437	(26,187)	-7%
Permits	123,986	116,064	7,921	7%	131,786	(7,800)	-6%
Other	12,921	10,354	2,568	25%	26,111	(13,190)	-51%
<b>Subtotal</b>	<b>11,143,931</b>	<b>10,309,864</b>	<b>834,067</b>	<b>8%</b>	<b>11,897,235</b>	<b>(753,304)</b>	<b>-6%</b>
Water Purchase	542,550	559,916	(17,366)	-3%	510,629	31,921	6%
<b>Grand Total</b>	<b>11,686,481</b>	<b>10,869,780</b>	<b>816,701</b>	<b>8%</b>	<b>12,407,864</b>	<b>(721,383)</b>	<b>-6%</b>

Cash

Per the District's Cash Reserve Policy, fund balance targets are set annually based upon specific criteria. The minimum funding target for each enterprise operating fund is equal to three months of budgeted operating expenses and the minimum annual allocation amount for each capital improvement fund is equal to the amount of annual budgeted depreciation plus 10% for cost increases. The District's allocations for 2018-19 are as follows:

- The Water Operating Fund (100) contributed \$1.95 million to the Water Capital Improvement Fund (110) which exceeded the minimum annual allocation by \$157,049, in order to fund 2018-19 board approved capital projects. Additionally, the Water Operating Fund (100) contributed \$682,286 to the Water Rate Stabilization Fund (120).
- The Wastewater Operating Fund (200) contributed \$4.47 million to the Wastewater Capital Improvement Fund (210) which exceeded the minimum annual allocation by \$2.5 million.

- Deer Lodge Park Operating Fund (300) and Capital Improvement Fund (310) cash balances as of June 30, 2019, both exceed minimum funding targets.
- Rimforest Operating Fund (400) and Capital Improvement Fund (410) cash balances as of June 30, 2019, both exceed minimum funding targets.

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 June 30, 2019, the District’s cash and investments total \$40.3 million and are allocated to the following accounts:

- Checking Account - \$6.1 million or 15%
- Local Agency Investment Fund (LAIF) – \$27.1 million or 67.5%
- Federal Agencies - \$1.0 million or 2.5%
- Negotiable CDs - \$6.0 million or 15%

The majority of District funds are held in LAIF which has a current rate of 2.43%. All investments held by the District outside of LAIF have stated rates of 1.3% to 3.2%. Interest rates improved for much of the 2018-19 year which translated into greater returns for the District’s fixed income investments. The District’s interest income was 68% or \$338,696 higher as compared to the prior year.

**D. FISCAL IMPACT**

This is an information item only.

**E. ENVIRONMENTAL IMPACT**

None.

**F. ATTACHMENTS**

Preliminary Fiscal Year 2018-19 Financial Statements  
4Q 2018-19 Cash and Investment Report

**Lake Arrowhead Community Services District**  
**Preliminary Combining Statement of Net Position as of June 30, 2019**

<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	5,623,424	18,929,789	202,890	87,269	24,843,372
Restricted Cash and Investments	13,510,801	1,575,819	398,477	-	15,485,096
Accounts Receivable	472,997	623,670	10,695	25,563	1,132,924
Restricted Accounts Receivable	120,899	-	-	-	120,899
Tax Roll Receivable	-	151,080	-	-	151,080
Interest Receivable	71,224	129,141	-	-	200,365
Unbilled Accounts Receivable	508,357	367,673	15,933	13,374	905,337
Other Receivables & Deposits	48,878	47,171	-	-	96,049
Parts Inventory	253,025	40,130	-	-	293,155
Prepaid Expenses	141,013	14,887	1,714	3,427	161,040
Prepaid Water	2,160,603	-	-	-	2,160,603
Interfund Receivable	2,575,071	182,343	-	-	2,757,414
<b>Total Current Assets</b>	<b>25,486,291</b>	<b>22,061,702</b>	<b>629,708</b>	<b>129,633</b>	<b>48,307,335</b>
<b>Capital Assets:</b>					
Fixed Assets	61,593,093	78,552,122	1,894,668	476,984	142,516,867
Accumulated Depreciation	(22,664,939)	(36,886,666)	(824,882)	(63,642)	(60,440,130)
Intangible Asset	1,000,000	-	-	-	1,000,000
Accum Amortization of Intangible	(90,909)	-	-	-	(90,909)
Construction in Progress	495,352	3,627,319	53,156	195	4,176,021
<b>Net Capital Assets</b>	<b>40,332,597</b>	<b>45,292,774</b>	<b>1,122,942</b>	<b>413,537</b>	<b>87,161,850</b>
<b>Total Assets</b>	<b>65,818,888</b>	<b>67,354,476</b>	<b>1,752,650</b>	<b>543,170</b>	<b>135,469,184</b>
Deferred Outflows	1,606,233	2,456,895	21,046	21,046	4,105,219
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Accounts Payable	310,835	340,515	3,706	4,846	659,902
Accrued Payroll and Benefits	86,111	109,847	2,060	2,440	200,458
Compensated Absences	220,050	329,212	-	-	549,262
Deferred Revenue	-	83	-	-	83
Deposits & Retentions	30,893	180,689	-	-	211,582
Interest Payable	65,684	127,504	1,687	-	194,875
SRF Loan & Notes Payable	-	-	-	49,414	49,414
Bonds Payable	198,900	386,100	-	-	585,000
Interfund Payable	1,300,531	1,423,148	33,735	-	2,757,414
<b>Total Current Liabilities</b>	<b>2,213,004</b>	<b>2,897,098</b>	<b>41,188</b>	<b>56,700</b>	<b>5,207,990</b>
<b>Non-Current Liabilities:</b>					
Compensated Absences	99,468	146,220	-	-	245,688
Net Pension Liability	3,633,598	4,459,416	82,582	82,582	8,258,177
SRF Loan & Notes Payable	-	-	-	95,036	95,036
Bonds Payable	6,029,900	11,705,100	-	-	17,735,000
Bond Premium	956,303	1,856,353	-	-	2,812,655
<b>Net Non-Current Liabilities</b>	<b>10,719,269</b>	<b>18,167,088</b>	<b>82,582</b>	<b>177,617</b>	<b>29,146,556</b>
<b>Total Liabilities</b>	<b>12,932,273</b>	<b>21,064,186</b>	<b>123,770</b>	<b>234,318</b>	<b>34,354,546</b>
Deferred Inflows - Pension	112,668	138,274	2,561	2,561	256,063
<b>Net Position</b>					
Restricted	15,792,303	1,575,819	398,477	-	17,766,599
Unrestricted	4,484,080	13,831,518	125,947	58,250	18,499,795
Capital Assets	34,103,797	33,201,574	1,122,942	269,087	68,697,400
<b>Total Net Position</b>	<b>54,380,180</b>	<b>48,608,911</b>	<b>1,647,365</b>	<b>327,337</b>	<b>104,963,794</b>
<b>Liabilities, Deferrals &amp; Net Position</b>	<b>67,425,121</b>	<b>69,811,371</b>	<b>1,773,696</b>	<b>564,216</b>	<b>139,574,403</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)	2,123,606	3,391,363	(2,141)	51,645	5,564,473
<b>Ending net position</b>	<b>54,380,181</b>	<b>48,608,911</b>	<b>1,647,365</b>	<b>327,336</b>	<b>104,963,793</b>

# Lake Arrowhead Community Services District

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

	Water						
	JUN - 19 YTD	JUN - 18 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	6,663,772	6,393,712	270,059	4%	6,455,783	207,989	3%
Other Op Income	199,265	205,165	(5,900)	-3%	194,932	4,333	2%
<b>Total Revenue</b>	<b>6,863,037</b>	<b>6,598,878</b>	<b>264,159</b>	<b>4%</b>	<b>6,650,715</b>	<b>212,322</b>	<b>3%</b>
Operations	1,702,464	1,653,496	48,968	3%	1,816,135	(113,671)	-6%
Water Purchases	476,253	486,322	(10,069)	-2%	432,249	44,004	10%
Field Operations	932,844	897,099	35,745	4%	1,083,850	(151,006)	-14%
Physical Plant	114,066	109,268	4,799	4%	171,012	(56,946)	-33%
Administration	1,557,862	1,309,163	248,698	19%	1,588,640	(30,778)	-2%
Engineering	170,542	109,047	61,495	56%	144,313	26,229	18%
Water Conservation	209,616	198,770	10,845	5%	255,124	(45,508)	-18%
<b>Total Op Expense</b>	<b>5,163,647</b>	<b>4,763,166</b>	<b>400,481</b>	<b>8%</b>	<b>5,491,323</b>	<b>(327,676)</b>	<b>-6%</b>
<b>Net Operating Income</b>	<b>1,699,390</b>	<b>1,835,712</b>	<b>(136,322)</b>	<b>-7%</b>	<b>1,159,392</b>	<b>539,998</b>	<b>47%</b>
SWF or Prop Taxes	1,937,454	1,915,024	22,431	1%	1,918,017	19,437	1%
Connection Fees	194,644	63,220	131,424	208%	50,000	144,644	289%
Contributed Capital	-	-	-	100%	-	-	100%
Interest Income	435,769	271,308	164,461	61%	208,271	227,498	109%
Interest Expense	(324,934)	(319,513)	(5,421)	-2%	(311,436)	(13,498)	-4%
Depreciation	(1,447,578)	(1,574,196)	126,618	8%	(1,630,104)	182,526	11%
Amortization	13,804	13,804	-	0%	47,820	(34,016)	-71%
Other Expense	(1,637)	(24,730)	23,093	93%	(1,912)		
Other Income	(383,307)	(22,150)	(361,157)	100%	6,074	(389,381)	-6411%
<b>Total Non-Op Income</b>	<b>424,216</b>	<b>322,768</b>	<b>101,449</b>	<b>31%</b>	<b>286,730</b>	<b>137,211</b>	<b>48%</b>
<b>Net Income</b>	<b>2,123,606</b>	<b>2,158,480</b>	<b>(34,874)</b>	<b>-2%</b>	<b>1,446,122</b>	<b>677,209</b>	<b>47%</b>

Beginning Net Position	52,256,575	50,098,094	2,158,481	4%	52,256,575	-	0%
Change in Net Position	2,123,606	2,158,480	(34,874)	-2%	1,446,122	677,484	47%
Ending Net Position	54,380,181	52,256,574	2,123,607	4%	53,702,697	677,484	1%

Fund Balances	Water						
	JUN - 19 YTD	JUN - 18 YTD	PY Var	%	FY 18/19 Bgt	Bgt Var	%
-00 Operating Fund	1,408,000	1,346,910	61,090	5%	1,274,934	133,066	10%
-10 Capital Improvemnt	3,113,832	2,706,000	407,832	15%	170,866	2,942,966	1722%
-20 Rate Stabilztn Fund	1,101,593	411,161	690,431	168%	-	1,101,593	100%
<b>Total Pooled Cash</b>	<b>5,623,424</b>	<b>4,464,071</b>	<b>1,159,353</b>	<b>26%</b>	<b>1,445,800</b>	<b>4,177,624</b>	<b>289%</b>
-50 New Facilities Fund	41,747	23,278	18,469	79%	134,815	(93,068)	-69%
160 Supplemental Wtr	13,469,053	11,971,319	1,497,734	13%	11,913,640	1,555,413	13%
161, 270 Debt Reserve	-	-	-	100%	-	-	100%
271 Bond Proceeds	-	-	-	100%	-	-	100%
Assessment Districts	-	-	-	100%	-	-	100%
<b>Total Restricted Cash</b>	<b>13,510,801</b>	<b>11,994,597</b>	<b>1,516,204</b>	<b>13%</b>	<b>12,048,455</b>	<b>1,462,346</b>	<b>12%</b>
<b>Total Cash</b>	<b>19,134,225</b>	<b>16,458,668</b>	<b>2,675,557</b>	<b>16%</b>	<b>13,494,255</b>	<b>5,639,970</b>	<b>42%</b>

# Lake Arrowhead Community Services District

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

Wastewater							
	JUN - 19 YTD	JUN -18 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	7,371,761	7,107,882	263,879	4%	7,222,662	149,099	2%
Other Op Income	122,072	133,235	(11,163)	-8%	133,512	(11,440)	-9%
<b>Total Revenue</b>	<b>7,493,832</b>	<b>7,241,117</b>	<b>252,716</b>	<b>3%</b>	<b>7,356,174</b>	<b>137,658</b>	<b>2%</b>
Operations	2,691,382	2,368,014	323,368	14%	2,449,939	241,443	10%
Water Purchases	-	-	-	0%	-	-	0%
Field Operations	1,340,437	1,282,724	57,713	4%	1,572,265	(231,828)	-15%
Physical Plant	215,643	227,852	(12,209)	-5%	318,079	(102,436)	-32%
Administration	1,682,467	1,719,317	(36,851)	-2%	1,872,763	(190,296)	-10%
Engineering	249,644	211,510	38,134	18%	231,735	17,909	8%
Water Conservation	-	-	-	0%	-	-	0%
<b>Total Op Expense</b>	<b>6,179,573</b>	<b>5,809,417</b>	<b>370,156</b>	<b>6%</b>	<b>6,444,781</b>	<b>(265,208)</b>	<b>-4%</b>
<b>Net Operating Income</b>	<b>1,314,260</b>	<b>1,431,699</b>	<b>(117,440)</b>	<b>-8%</b>	<b>911,393</b>	<b>402,867</b>	<b>44%</b>
SWF or Prop Taxes	3,455,273	3,304,724	150,549	5%	3,496,213	(40,940)	-1%
Connection Fees	86,280	57,148	29,132	51%	25,000	61,280	245%
Contributed Capital	-	-	-	100%	-	-	100%
Interest Income	384,809	215,775	169,035	78%	173,670	211,139	122%
Interest Expense	(560,832)	(556,353)	(4,479)	-1%	(549,996)	(10,836)	-2%
Depreciation	(1,777,475)	(1,794,011)	16,535	1%	(1,740,000)	(37,475)	-2%
Amortization	26,797	26,797	-	0%	92,820	(66,023)	-71%
Other Expense	(2,497)	31,283	(33,781)	-108%	(8,168)		
Other Income	464,749	(66,508)	531,257	799%	111,819	352,930	316%
<b>Total Non-Op Income</b>	<b>2,077,103</b>	<b>1,218,855</b>	<b>858,249</b>	<b>70%</b>	<b>1,601,358</b>	<b>470,075</b>	<b>29%</b>
<b>Net Income</b>	<b>3,391,363</b>	<b>2,650,554</b>	<b>740,809</b>	<b>28%</b>	<b>2,512,751</b>	<b>872,941</b>	<b>35%</b>
Beginning Net Position	45,217,548	42,566,994	2,650,554	6%	45,217,548	-	0%
Change in Net Position	3,391,363	2,650,554	740,809	28%	2,512,751	878,612	35%
Ending Net Position	48,608,911	45,217,548	3,391,363	8%	47,730,299	878,612	2%

Wastewater							
Fund Balances	JUN - 19 YTD	JUN -18 YTD	PY Var	%	FY 18/19 Bgt	Bgt Var	%
-00 Operating Fund	1,628,000	1,565,428	62,572	4%	1,699,206	(71,206)	-4%
-10 Capital Improvemnt	15,804,789	13,409,331	2,395,458	18%	7,355,284	8,449,505	115%
-20 Rate Stabilztn Fund	1,497,000	1,471,000	26,000	2%	1,444,532	52,468	4%
<b>Total Pooled Cash</b>	<b>18,929,789</b>	<b>16,445,759</b>	<b>2,484,030</b>	<b>15%</b>	<b>10,499,022</b>	<b>8,430,767</b>	<b>80%</b>
-50 New Facilities Fund	13,520	7,765	5,755	74%	70,727	(57,207)	-81%
160 Supplemental Wtr	-	-	-	100%	-	-	100%
161, 270 Debt Reserve	-	-	-	100%	-	-	100%
271 Bond Proceeds	88	37	51	136%	9	79	876%
Assessment Districts	1,562,211	1,544,938	17,273	1%	1,549,406	12,805	1%
<b>Total Restricted Cash</b>	<b>1,575,819</b>	<b>1,552,741</b>	<b>23,078</b>	<b>1%</b>	<b>1,620,142</b>	<b>(44,323)</b>	<b>-3%</b>
<b>Total Cash</b>	<b>20,505,608</b>	<b>17,998,500</b>	<b>2,507,108</b>	<b>14%</b>	<b>12,119,164</b>	<b>8,386,444</b>	<b>69%</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							
	JUN - 19 YTD	JUN -18 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	158,722	143,369	15,353	11%	144,962	13,760	9%
Other Op Income	9,091	11,003	(1,912)	-17%	5,741	3,350	58%
<b>Total Revenue</b>	<b>167,813</b>	<b>154,372</b>	<b>13,441</b>	<b>9%</b>	<b>150,703</b>	<b>17,110</b>	<b>11%</b>
Operations	60,973	70,209	(9,237)	-13%	81,393	(20,420)	-25%
Water Purchases	22,527	27,828	(5,301)	-19%	23,000	(473)	-2%
Field Operations	16,216	17,433	(1,217)	-7%	14,297	1,919	13%
Physical Plant	2,007	1,910	96	5%	3,370	(1,363)	-40%
Administration	39,851	34,260	5,592	16%	40,897	(1,046)	-3%
Engineering	3,868	3,122	745	24%	3,512	356	10%
Water Conservation	-	-	-	0%	-	-	0%
<b>Total Op Expense</b>	<b>145,441</b>	<b>154,762</b>	<b>(9,321)</b>	<b>-6%</b>	<b>166,469</b>	<b>(21,028)</b>	<b>-13%</b>
<b>Net Operating Income</b>	<b>22,372</b>	<b>(390)</b>	<b>22,762</b>	<b>5834%</b>	<b>(15,766)</b>	<b>38,138</b>	<b>242%</b>
SWF or Prop Taxes	-	-	-	0%	-	-	0%
Connection Fees	-	25,966	(25,966)	0%	-	-	0%
Contributed Capital	-	-	-	0%	-	-	0%
Interest Income	11,941	7,337	4,604	63%	6,477	5,464	84%
Interest Expense	(1,687)	(2,470)	783	0%	(2,472)	785	32%
Depreciation	(38,807)	(38,715)	(92)	0%	(40,200)	1,393	3%
Amortization	-	-	-	0%	-	-	0%
Other Expense	1,869	(1,846)	-	-	-	-	-
Other Income	2,171	(786)	2,956	100%	-	2,171	100%
<b>Total Non-Op Income</b>	<b>(24,513)</b>	<b>(10,515)</b>	<b>(17,714)</b>	<b>-168%</b>	<b>(36,195)</b>	<b>9,812</b>	<b>27%</b>
<b>Net Income</b>	<b>(2,141)</b>	<b>(10,905)</b>	<b>5,048</b>	<b>46%</b>	<b>(51,961)</b>	<b>47,950</b>	<b>92%</b>

Beginning Net Position	1,649,506	1,660,412	(10,906)	-1%	1,649,506	-	0%
Change in Net Position	(2,141)	(10,905)	8,763	80%	(51,961)	49,820	96%
Ending Net Position	1,647,365	1,649,507	(2,143)	0%	1,597,545	49,820	3%

Deer Lodge Park							
Fund Balances	JUN - 19 YTD	JUN -18 YTD	PY Var	%	FY 18/19 Bgt	Bgt Var	%
-00 Operating Fund	63,862	53,617	10,245	19%	38,932	24,930	64%
-10 Capital Improvemnt	112,639	116,617	(3,979)	-3%	-	112,639	100%
-20 Rate Stabilztn Fund	26,390	25,860	530	2%	26,075	315	1%
<b>Total Pooled Cash</b>	<b>202,890</b>	<b>196,094</b>	<b>6,796</b>	<b>3%</b>	<b>65,007</b>	<b>137,883</b>	<b>212%</b>
-50 New Facilities Fund	9,108	17,997	(8,889)	-49%	9,861	(753)	-8%
160 Supplemental Wtr	-	-	-	100%	-	-	100%
161, 270 Debt Reserve	-	-	-	100%	-	-	100%
271 Bond Proceeds	-	-	-	100%	-	-	100%
Assessment Districts	389,369	381,971	7,398	2%	188,375	200,994	107%
<b>Total Restricted Cash</b>	<b>398,477</b>	<b>399,968</b>	<b>(1,491)</b>	<b>0%</b>	<b>198,236</b>	<b>200,241</b>	<b>101%</b>
<b>Total Cash</b>	<b>601,366</b>	<b>596,062</b>	<b>5,304</b>	<b>1%</b>	<b>263,243</b>	<b>338,123</b>	<b>128%</b>



# Lake Arrowhead Community Services District

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

	Rimforest						
	JUN - 19 YTD	JUN -18 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	261,863	261,511	352	0%	260,917	946	0%
Other Op Income	9,759	10,230	(470)	-5%	10,295	(536)	-5%
<b>Total Revenue</b>	<b>271,623</b>	<b>271,741</b>	<b>(118)</b>	<b>0%</b>	<b>271,212</b>	<b>411</b>	<b>0%</b>
Operations	36,558	32,999	3,559	11%	33,830	2,728	8%
Water Purchases	43,770	45,766	(1,997)	-4%	55,380	(11,610)	-21%
Field Operations	35,368	22,822	12,546	55%	53,817	(18,449)	-34%
Physical Plant	4,181	2,153	2,028	94%	2,537	1,644	65%
Administration	70,695	35,481	35,213	99%	75,265	(4,570)	-6%
Engineering	7,248	3,187	4,062	127%	6,563	685	10%
Water Conservation	-	-	-	0%	-	-	0%
<b>Total Op Expense</b>	<b>197,820</b>	<b>142,409</b>	<b>55,411</b>	<b>39%</b>	<b>227,392</b>	<b>(29,572)</b>	<b>-13%</b>
<b>Net Operating Income</b>	<b>73,803</b>	<b>129,333</b>	<b>(55,530)</b>	<b>-43%</b>	<b>43,820</b>	<b>29,983</b>	<b>68%</b>
SWF or Prop Taxes	-	-	-	0%	-	-	0%
Connection Fees	-	-	-	0%	-	-	0%
Contributed Capital	-	-	-	0%	-	-	0%
Interest Income	1,546	950	596	63%	815	731	90%
Interest Expense	(11,635)	(15,895)	4,259	27%	(11,640)	5	0%
Depreciation	(15,900)	(15,900)	-	0%	(15,900)	0	0%
Amortization	-	-	-	0%	-	-	0%
Other Expense	(110)	(245)	-	-	(75)	-	-
Other Income	3,941	(786)	4,727	0%	-	3,941	100%
<b>Total Non-Op Income</b>	<b>(22,157)</b>	<b>(31,875)</b>	<b>9,583</b>	<b>30%</b>	<b>(26,800)</b>	<b>4,678</b>	<b>17%</b>
<b>Net Income</b>	<b>51,645</b>	<b>97,458</b>	<b>(45,947)</b>	<b>-47%</b>	<b>17,020</b>	<b>34,661</b>	<b>204%</b>

Beginning Net Position	275,691	178,260	97,431	55%	275,691	-	0%
Change in Net Position	51,645	97,458	(45,812)	-47%	17,020	34,625	203%
Ending Net Position	327,336	275,718	51,619	19%	292,711	34,625	12%

Fund Balances	Rimforest						
	JUN - 19 YTD	JUN -18 YTD	PY Var	%	FY 18/19 Bgt	Bgt Var	%
-00 Operating Fund	56,000	55,000	1,000	2%	38,144	17,856	47%
-10 Capital Improvemnt	31,269	12,463	18,806	151%	-	31,269	100%
-20 Rate Stabilztn Fund	-	-	-	100%	-	-	100%
<b>Total Pooled Cash</b>	<b>87,269</b>	<b>67,463</b>	<b>19,806</b>	<b>29%</b>	<b>38,144</b>	<b>49,125</b>	<b>129%</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>87,269</b>	<b>67,463</b>	<b>19,806</b>	<b>29%</b>	<b>38,144</b>	<b>49,125</b>	<b>129%</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						
	JUN - 19 YTD	JUN -18 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	14,456,118	13,906,474	549,643	4%	14,084,324	371,794	3%
Other Op Income	340,187	359,634	(19,446)	-5%	344,480	(4,293)	-1%
<b>Total Revenue</b>	<b>14,796,305</b>	<b>14,266,108</b>	<b>530,197</b>	<b>4%</b>	<b>14,428,804</b>	<b>367,501</b>	<b>3%</b>
Operations	4,491,376	4,124,718	366,658	9%	4,381,297	110,079	3%
Water Purchases	542,550	559,916	(17,366)	-3%	510,629	31,921	6%
Field Operations	2,324,865	2,220,078	104,787	5%	2,724,229	(399,364)	-15%
Physical Plant	335,897	341,184	(5,287)	-2%	494,998	(159,101)	-32%
Administration	3,350,875	3,098,222	252,652	8%	3,577,565	(226,690)	-6%
Engineering	431,302	326,866	104,437	32%	386,123	45,179	12%
Water Conservation	209,616	198,770	10,845	5%	255,124	(45,508)	-18%
<b>Total Op Expense</b>	<b>11,686,481</b>	<b>10,869,754</b>	<b>816,727</b>	<b>8%</b>	<b>12,329,965</b>	<b>(643,484)</b>	<b>-5%</b>
<b>Net Operating Income</b>	<b>3,109,824</b>	<b>3,396,354</b>	<b>(286,530)</b>	<b>-8%</b>	<b>2,098,839</b>	<b>1,010,985</b>	<b>48%</b>
SWF or Prop Taxes	5,392,728	5,219,748	172,980	3%	5,414,230	(21,502)	0%
Connection Fees	280,924	146,334	134,590	92%	75,000	205,924	275%
Contributed Capital	-	-	-	100%	-	-	100%
Interest Income	834,066	495,370	338,696	68%	389,233	444,833	114%
Interest Expense	(899,088)	(894,231)	(4,858)	-1%	(875,544)	(23,544)	-3%
Depreciation	(3,279,760)	(3,422,821)	143,061	4%	(3,426,204)	146,444	4%
Amortization	40,601	40,601	-	0%	140,640	(100,039)	-71%
Other Expense	(2,375)	4,461	(6,837)	-153%	(10,155)		
Other Income	87,554	(90,230)	177,783	197%	117,893	(30,339)	-26%
<b>Total Non-Op Income</b>	<b>2,454,649</b>	<b>1,499,233</b>	<b>955,416</b>	<b>64%</b>	<b>1,825,093</b>	<b>621,776</b>	<b>34%</b>
<b>Net Income</b>	<b>5,564,473</b>	<b>4,895,587</b>	<b>668,886</b>	<b>14%</b>	<b>3,923,932</b>	<b>1,632,761</b>	<b>42%</b>

Beginning Net Position	99,399,320	94,503,760	4,895,560	5%	99,399,320	-	0%
Change in Net Position	5,564,473	4,895,587	668,886	14%	3,923,932	1,640,541	42%
Ending Net Position	104,963,793	99,399,347	5,564,446	6%	103,323,252	1,640,541	2%

Fund Balances	LACSD Total						
	JUN - 19 YTD	JUN -18 YTD	PY Var	%	FY 18/19 Bgt	Bgt Var	%
-00 Operating Fund	3,155,862	3,020,955	134,907	4%	3,051,216	104,646	3%
-10 Capital Improvemnt	19,062,528	16,244,411	2,818,117	17%	7,526,150	11,536,378	153%
-20 Rate Stabilztn Fund	2,624,982	1,908,021	716,961	38%	1,470,607	1,154,375	78%
<b>Total Pooled Cash</b>	<b>24,843,372</b>	<b>21,173,387</b>	<b>3,669,985</b>	<b>17%</b>	<b>12,047,973</b>	<b>12,795,399</b>	<b>106%</b>
-50 New Facilities Fund	64,376	49,040	15,336	31%	215,403	(151,027)	-70%
160 Supplemental Wtr	13,469,053	11,971,319	1,497,734	13%	11,913,640	1,555,413	13%
161, 270 Debt Reserve	-	-	-	100%	-	-	100%
271 Bond Proceeds	88	37	51	136%	9	79	876%
Assessment Districts	1,951,580	1,926,909	24,670	1%	1,737,781	213,799	12%
<b>Total Restricted Cash</b>	<b>15,485,096</b>	<b>13,947,305</b>	<b>1,537,791</b>	<b>11%</b>	<b>13,866,833</b>	<b>1,618,263</b>	<b>12%</b>
<b>Total Cash</b>	<b>40,328,468</b>	<b>35,120,692</b>	<b>5,207,776</b>	<b>15%</b>	<b>25,914,806</b>	<b>14,413,662</b>	<b>56%</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>YTD 2018-19</u>
<b>Change in Net Position (Net Income)</b>	2,123,606	3,391,363	(2,141)	51,645	5,564,473
Depreciation & Amortization	(32,142)	1,668,005	38,807	15,900	1,690,570
Asset Disposal	-	-	-	-	-
<b>Net Cash from Income Statement</b>	<u>2,091,464</u>	<u>5,059,368</u>	<u>36,666</u>	<u>67,545</u>	<u>7,255,043</u>
Customer Accounts Receivable	3,592	(56,953)	(530)	(553)	(54,444)
Other Receivables	(20,381)	39,657	-	-	19,276
Prepaid Expenses	(121,106)	(10,347)	(1,714)	(3,427)	(136,593)
Prepaid Water	183,428	-	-	-	183,428
Accounts Payable	(101,678)	213,042	(576)	(648)	110,140
Net Pension Liability	(55,420)	(68,016)	(1,260)	(1,260)	(125,955)
Accrued Liabilities	138	15,759	247	1,203	17,347
Deposits & Retentions	(258,151)	72,710	-	(918)	(186,359)
Parts Inventory	(19,082)	8,144	-	-	(10,937)
<b>Total Sources (Uses) of Cash</b>	<u>(388,659)</u>	<u>213,997</u>	<u>(3,833)</u>	<u>(5,602)</u>	<u>(184,098)</u>
<b>Net Cash Flow from Operating Activities</b>	<b>1,702,805</b>	<b>5,273,364</b>	<b>32,833</b>	<b>61,942</b>	<b>7,070,945</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>					
Additions to Fixed Assets	(5,411,888)	(474,457)	-	-	(5,886,345)
Construction in Progress	6,403,737	(2,073,053)	(15,283)	(195)	4,315,206
Bond Principal	(239,915)	(465,718)	-	-	(705,633)
Contributions to Financing Activities	219,145	293,231	4,208	4,208	
SRF Loan & Notes Payable	-	-	-	(46,149)	(46,149)
Interfund Payable/Receivable	22,197	(6,527)	(15,670)	-	(0)
Interest Payable	(1,921)	(3,729)	(783)	-	(6,433)
<b>Net Cash Flow from Financing Activities</b>	<b>991,355</b>	<b>(2,730,253)</b>	<b>(27,529)</b>	<b>(42,136)</b>	<b>(2,329,354)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>					
Interest Receivable	(18,603)	(36,002)	-	-	(54,605)
<b>Net Cash Flow from Investing Activities</b>	<b>(18,603)</b>	<b>(36,002)</b>	<b>-</b>	<b>-</b>	<b>(54,605)</b>
<b>Net Increase (Decrease) in Cash</b>	2,675,557	2,507,108	5,304	19,806	5,207,776
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>
<b>Cash and Equivalents at End of Period</b>	<b><u>19,134,225</u></b>	<b><u>20,505,608</u></b>	<b><u>601,366</u></b>	<b><u>87,269</u></b>	<b><u>40,328,468</u></b>



**Lake Arrowhead Community Services District**  
**Cash and Investment Report**  
*as of June 30, 2019*

**Summary of Portfolio Assets**

Category	Book Value	Adj Book Value	Market Value	Percent of Portfolio	Current Quarter Yield
Checking Account	6,039,782	6,039,782	6,039,782	15.0%	0.00%
LAIF	27,127,927	27,127,927	27,127,927	67.5%	2.43%
Federal Agencies	1,000,000	1,000,000	996,510	2.5%	1.30%
Negotiable CDs	6,000,000	6,000,000	6,021,014	15.0%	2.42%
<b>Total Cash &amp; Investments</b>	<b>40,167,709</b>	<b>40,167,709</b>	<b>40,185,233</b>	<b>100.0%</b>	<b>2.03%</b>

**Summary of Portfolio Liquidity**

Category	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio	Par Value	Percent of Portfolio
On Demand	33,167,709	82.6%	33,167,709	82.5%	33,167,709	82.6%
Within 2018-19	-		-		-	
Within 2019-20	1,750,000	4.4%	1,743,912	4.3%	1,750,000	4.4%
Within 2020-21	500,000	1.2%	496,960	1.2%	500,000	1.2%
Within 2021-22	1,500,000	3.7%	1,506,755	3.7%	1,500,000	3.7%
Within 2022-23	1,750,000	4.4%	1,764,695	4.4%	1,750,000	4.4%
Within 2023-24	1,500,000	3.7%	1,505,202	3.7%	1,500,000	3.7%
<b>Total</b>	<b>40,167,709</b>	<b>100.0%</b>	<b>40,185,233</b>	<b>100.0%</b>	<b>40,167,709</b>	<b>100.0%</b>



**Lake Arrowhead Community Services District**  
**Portfolio Details**  
**as of June 30, 2019**

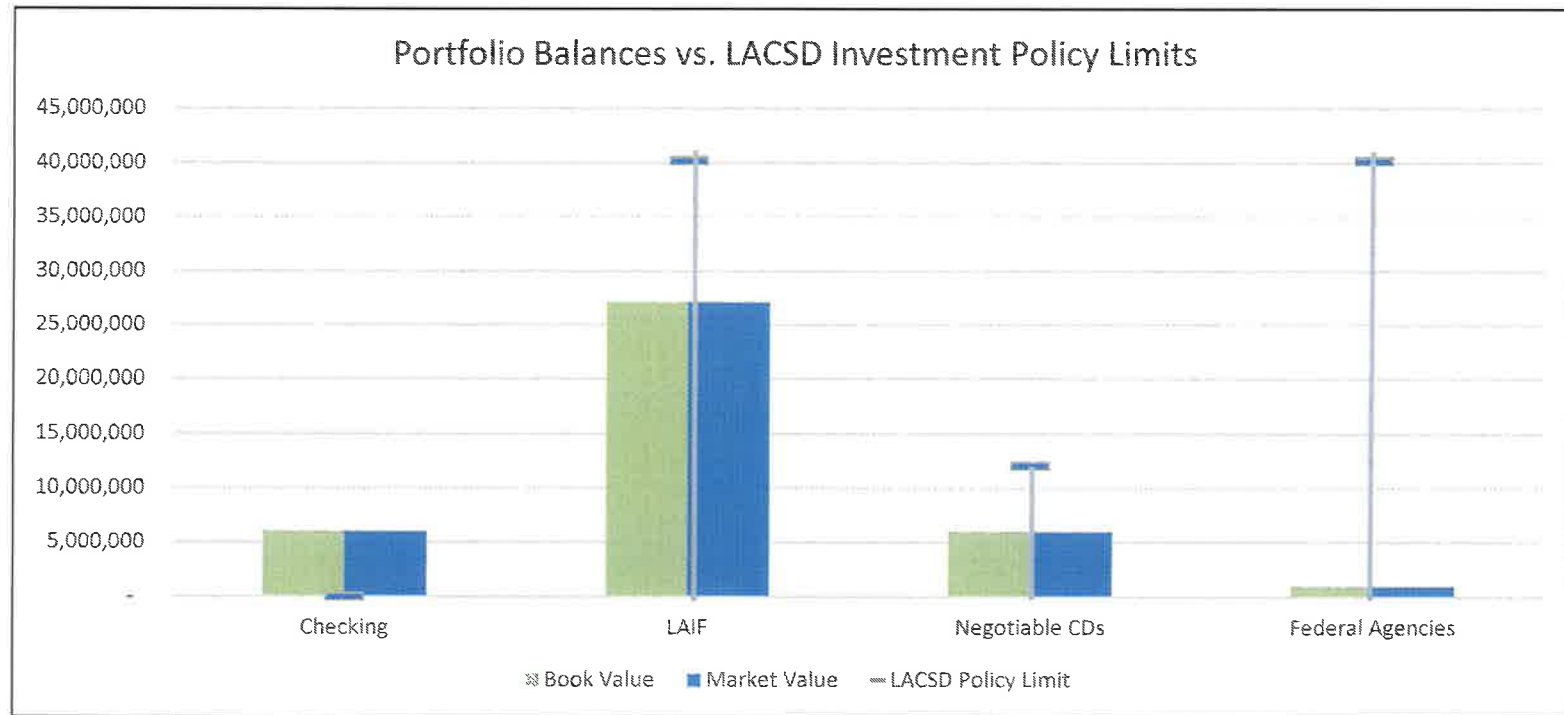
Type	Issuer	CUSIP	Purchase Date	Maturity Date	Par Value	Market Value	Book Value	Stated Rate
Checking Account	Union Bank				\$ 6,039,782	\$ 6,039,782	\$ 6,039,782	
LAIF	LAIF				\$ 27,127,927	\$ 27,127,927	\$ 27,127,927	2.43%
Negotiable CD	Discover Bank	254673BW5	9/7/2017	9/9/2019	\$ 250,000	\$ 249,175	\$ 250,000	1.70%
Federal Agency	Freddie Mac	3134G9GZ4	5/25/2016	11/25/2019	\$ 1,000,000	\$ 996,510	\$ 1,000,000	1.30%
Negotiable CD	American Express	02587DY51	9/6/2017	3/6/2020	\$ 250,000	\$ 249,540	\$ 250,000	1.90%
Negotiable CD	Capital One	140420YR5	5/4/2016	5/4/2020	\$ 250,000	\$ 248,687	\$ 250,000	1.35%
Negotiable CD	American Express Federal Savings Bank	02587CFZ8	9/6/2017	9/8/2020	\$ 250,000	\$ 249,230	\$ 250,000	1.95%
Negotiable CD	Synchrony Bank	87165EJL2	5/6/2016	5/6/2021	\$ 250,000	\$ 247,730	\$ 250,000	1.60%
Negotiable CD	East Boston Savings Bank	27113PCG4	2/8/2018	7/30/2021	\$ 250,000	\$ 250,465	\$ 250,000	2.30%
Negotiable CD	Capital One National Association	14042RHR5	9/1/2017	8/30/2021	\$ 250,000	\$ 249,928	\$ 250,000	2.20%
Negotiable CD	Pioneer Bank	723605AS0	4/17/2019	10/18/2021	\$ 250,000	\$ 251,005	\$ 250,000	2.40%
Negotiable CD	Wells Fargo Bank	949763NP7	2/14/2018	2/14/2022	\$ 250,000	\$ 252,292	\$ 250,000	2.60%
Negotiable CD	Merrick Bank	59013J7H6	4/18/2019	4/18/2022	\$ 250,000	\$ 251,355	\$ 250,000	2.45%
Negotiable CD	Ally Bank	02007GKC6	6/6/2019	6/6/2022	\$ 250,000	\$ 251,710	\$ 250,000	2.50%
Negotiable CD	TIAA Bank	87270LBY8	4/17/2019	10/17/2022	\$ 250,000	\$ 252,373	\$ 250,000	2.65%
Negotiable CD	Eaglebank	27002YEJ1	4/18/2019	10/18/2022	\$ 250,000	\$ 251,585	\$ 250,000	2.55%
Negotiable CD	Great Southern Bank	39120VSK1	6/28/2019	12/28/2022	\$ 250,000	\$ 250,000	\$ 250,000	2.50%
Negotiable CD	Sallie Mae Bank	795450K53	2/8/2018	2/8/2023	\$ 250,000	\$ 251,805	\$ 250,000	2.65%
Negotiable CD	Goldman Sachs	38148PXW2	2/14/2018	2/14/2023	\$ 250,000	\$ 252,205	\$ 250,000	2.70%
Negotiable CD	Mainstreet Bank	56065GAE8	4/26/2019	4/26/2023	\$ 250,000	\$ 250,452	\$ 250,000	2.55%
Negotiable CD	Citibank National Association	17312QL98	5/23/2018	5/23/2023	\$ 250,000	\$ 256,275	\$ 250,000	3.20%
Negotiable CD	Medallion Bank	58404DEL1	6/11/2019	12/11/2023	\$ 250,000	\$ 247,900	\$ 250,000	2.40%
Negotiable CD	Morgan Stanley Private Bank	61760AYR4	4/11/2019	4/11/2024	\$ 250,000	\$ 251,822	\$ 250,000	2.80%
Negotiable CD	Comenity Capital Bank	20033AU38	4/15/2019	4/15/2024	\$ 250,000	\$ 251,825	\$ 250,000	2.80%
Negotiable CD	JPMorgan Chase Bank	48128HSK5	4/17/2019	4/17/2024	\$ 250,000	\$ 251,298	\$ 250,000	2.80%
Negotiable CD	Suntrust Bank	86789VYH4	4/26/2019	4/26/2024	\$ 250,000	\$ 251,822	\$ 250,000	2.80%
Negotiable CD	Morgan Stanley NA Bank	61690UHB9	6/6/2019	6/6/2024	\$ 250,000	\$ 250,535	\$ 250,000	2.70%



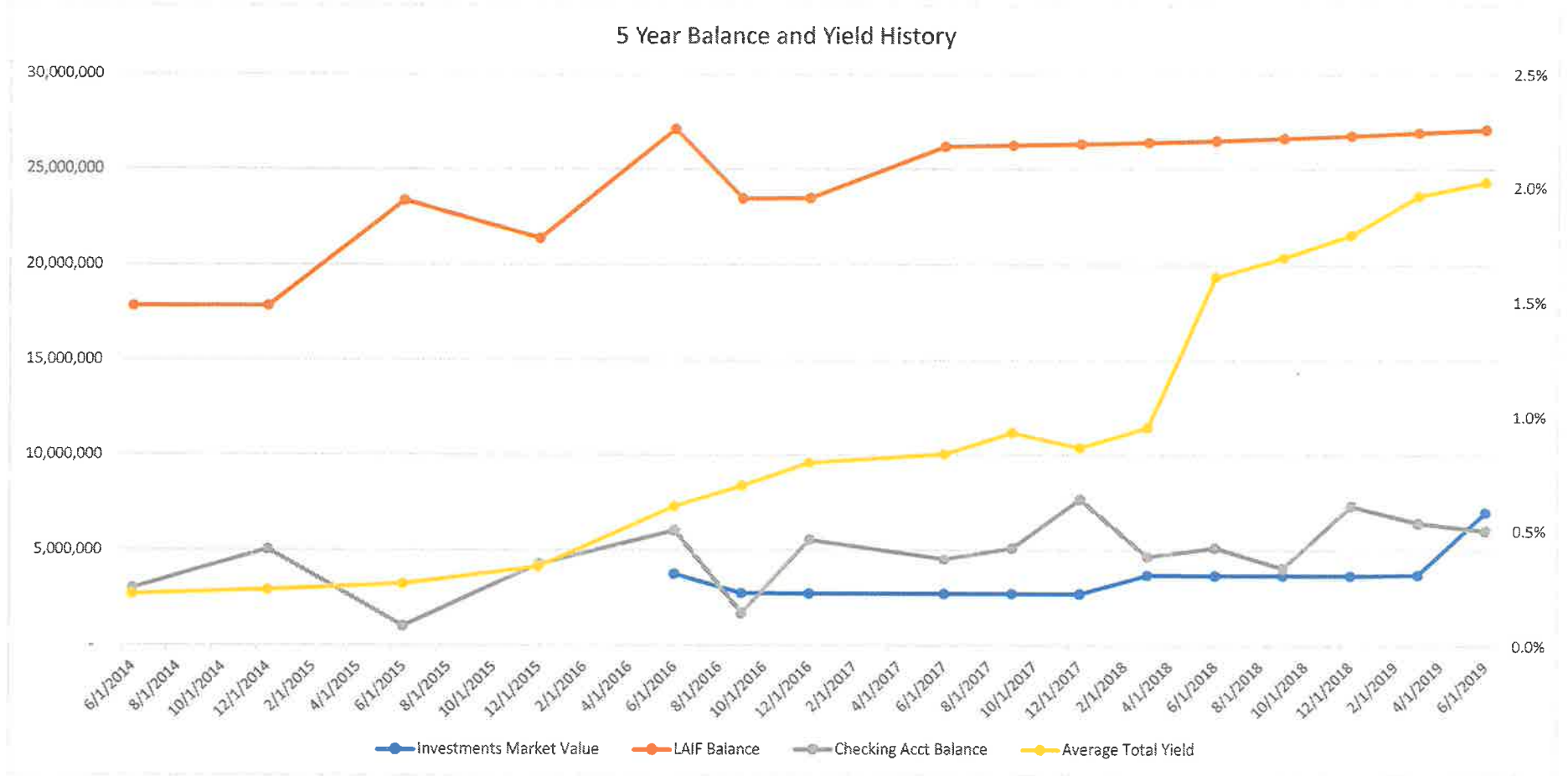
## Lake Arrowhead Community Services District Investment Policy Compliance Report

as of June 30, 2019

Investment Type	Book Value	Market Value	LACSD Policy Limit	Description of Limit
Checking	6,039,782	6,039,782	None	None
LAIF	27,127,927	27,127,927	40,167,709	Up to 100% of portfolio
Negotiable CDs	6,000,000	6,021,014	12,050,313	Up to 30% of portfolio
Federal Agencies	1,000,000	996,510	40,167,709	Up to 100% of portfolio
<b>Total Portfolio</b>	<b>40,167,709</b>	<b>40,185,233</b>		



### 5 Year Balance and Yield History



Market Rates

