

**LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT**

**MEMORANDUM**

**DATE:** May 26, 2020

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

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

**SUBJECT:** **FISCAL YEAR 2019-20 FINANCIAL STATEMENTS AND CASH AND INVESTMENT REPORT FOR THE QUARTER ENDED MARCH 31, 2020**

**A. RECOMMENDATION**

This is an information item only.

**B. REASON FOR RECOMMENDATION**

This is an information item only.

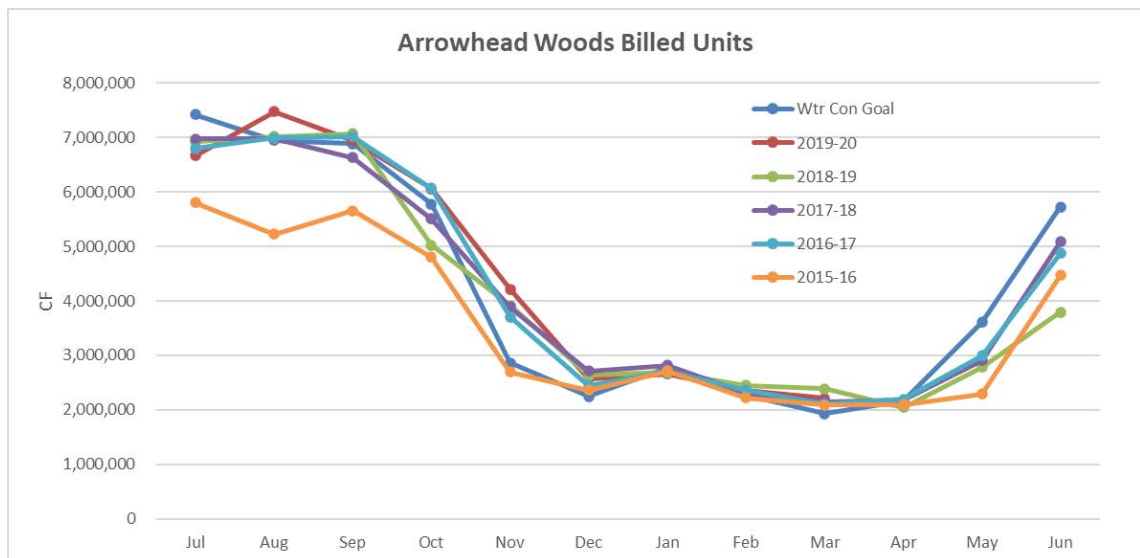
**C. BACKGROUND INFORMATION**

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 third quarter of fiscal year 2019-20, covering the period through March 31, 2020.

Summary of Significant Items – Financial Statements

Districtwide operating revenue as of March 31, 2020 of \$10.7 million, was 4% or \$378,000 higher as compared to the same period last year. Additional detail is below:

- Water operating revenue was \$200,000 or 4% higher as compared to the same period last year primarily due to a rate increase effective January 1, 2020. As compared to budget, water operating revenue was 7% or \$320,000 higher primarily due to actual consumption exceeding budget estimates.
- Wastewater operating revenue was 3% or \$164,000 higher as compared to the same period last year due to a rate increase effective January 1, 2020 and 3% or \$162,000 above budget.
- Deer Lodge Park operating revenue was 11% or \$12,000 higher as compared to the same period last year due to a rate increase effective January 1, 2020 and was 17% or \$17,000 above budget.
- Rimforest operating revenue 1% or \$1,000 higher as compared to the same period last year due to a slight increase in usage and was 1% or \$2,000 above budget.



Consumption as of March 31, 2020, is as follows:

- Water billed units were 4.9% more than the water conservation goal of 13% lower than 2013 and reflected an increase of 2.6% in consumption as compared to the same period last year.
- Deer Lodge Park year-to-date billed units were 4.1% less as compared to the same period last year.
- Rimforest year-to-date billed units were 1.2% higher as compared to the same period last year.

**Operating Expenses through March 2020**

Expense	FYTD 2019-20	PYTD 2018-19	PY Var	PY var %	YTD Bgt	Bgt Var	Bgt Var %
Wages	3,145,219	3,018,979	126,240	4%	3,332,913	(187,694)	-6%
Health Ins	812,047	694,428	117,618	17%	861,171	(49,124)	-6%
Retirement	721,056	619,569	101,487	16%	790,893	(69,837)	-9%
FICA	226,351	219,249	7,102	3%	246,123	(19,772)	-8%
Employer Ins	80,580	90,198	(9,618)	-11%	114,406	(33,826)	-30%
Training	80,214	92,040	(11,826)	-13%	102,555	(22,341)	-22%
Supplies	167,891	153,192	14,699	10%	185,829	(17,938)	-10%
Equipment	383,939	370,771	13,168	4%	665,424	(281,485)	-42%
Fleet	105,205	116,623	(11,418)	-10%	177,957	(72,752)	-41%
Chemicals	116,042	117,431	(1,389)	-1%	154,512	(38,470)	-25%
Meters	21,573	43,652	(22,079)	0%	44,352	(22,779)	-51%
Liability Ins	149,975	153,616	(3,641)	-2%	145,593	4,382	3%
Outside Services	797,341	767,125	30,216	4%	717,237	80,104	11%
Contracts	80,229	61,563	18,666	30%	211,126	(130,897)	-62%
Legal	57,628	97,114	(39,485)	-41%	158,625	(100,997)	-64%
Electric	407,611	405,621	1,990	0%	461,052	(53,441)	-12%
Utilities	292,361	277,257	15,104	5%	313,110	(20,749)	-7%
Permits	102,226	115,256	(13,030)	-11%	100,328	1,898	2%
Other	11,785	10,103	1,683	17%	19,806	(8,021)	-40%
Subtotal	7,759,273	7,423,788	335,485	5%	8,803,012	(1,043,739)	-12%
Water Purchase	114,155	527,842	(413,688)	-78%	382,977	(268,822)	-70%
Grand Total	7,873,428	7,951,630	(78,202)	-1%	9,185,989	(1,312,561)	-14%

Overall operating expenses as of March 31, 2020, were 1% lower than prior year and 14% below budget. Significant increases as compared to last year include an increase in wages, health insurance, retirement and outside services.

The District did not purchase water from CLAWA for Arrowhead Woods in the second quarter. The District has a balance of \$2.2 million for water that was prepaid to CLAWA. Also in the second quarter, Deer Lodge Park purchased 4.22 acre-feet and Rimforest purchased 10.86 acre-feet from CLAWA.

Summary of Significant Items – Cash and Investment Report

All District investment activities and all components of the investment portfolio for the period comply, in all respects, with the District's Investment Policy. As of March 31, 2020, the District's market value of cash and investments totaled \$40.5 million and are allocated to the following accounts:

- Checking Account - \$5.7 million or 14.1% of portfolio allocation
- Local Agency Investment Fund (LAIF) – \$27.6 million or 68.2% of portfolio allocation
- Federal Agencies - \$1 million or 2.5% of portfolio allocation
- Negotiable CDs - \$6.1 million or 15.2% of portfolio allocation

The majority of District funds are held in LAIF which has a current rate of 1.79%. All investments held by the District outside of LAIF have stated rates of 1.35% to 3.2%. The District's interest income was 7% or \$34,000 higher as compared to the same time in the prior year.

### Summary of Significant Items – Other Finance Department Activities

2020-2022 Budget – The Finance Department has completed the Draft Budget for the upcoming 2020-21 and 2021-22 fiscal years.

Interest Income –Interest rates have continued to fall to historically low levels and, if sustained, will have a negative impact of the District’s ability to generate interest income in the future.

CalPERS Pension – The equity markets hit their recent lows on or around March 23, 2020 and have recovered significantly since then. We continue to monitor this situation very closely and will report any further news provided by CalPERS as it becomes available.

### Summary of Significant Items – Public Programs Activities

The Metering Department replaced antennas, antenna cables and raised the antenna elevations at six of our Water and Wastewater stations in order to improve communications within the meter infrastructure.

The Customer Service Department has updated our customer brochures for Water Conservation, the Fats Oils and Grease, Anti Flood and About Your Service. These brochures are used as welcome packs for new customers as well as educational tools for existing customers.

## **D. FISCAL IMPACT**

This is an information item only.

## **E. ENVIRONMENTAL IMPACT**

This is an information item only.

## **F. ATTACHMENTS**

- Q3 2019-20 Statement of Revenues, Expenses and Changes in Net Position
- Q3 2019-20 Statement of Net Position
- Q3 2019-20 Cash Flow Statement
- Q3 2019-20 Cash and Investment Report

# Lake Arrowhead Community Services District

## Preliminary Fiscal Year 2019-20 Statement of Revenues, Expenses and Changes in Net Position and Fund Balances

	Water						
	MAR - 20 YTD	MAR -20 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	4,841,883	4,669,188	172,694	4%	4,541,626	300,257	7%
Other Op Income	166,082	138,287	27,795	20%	146,187	19,895	14%
<b>Total Revenue</b>	<b>5,007,965</b>	<b>4,807,476</b>	<b>200,489</b>	<b>4%</b>	<b>4,687,813</b>	<b>320,152</b>	<b>7%</b>
Operations	1,286,591	1,165,328	121,264	10%	1,413,861	(127,270)	-9%
Water Purchases	51,275	475,642	(424,367)	-89%	324,189	(272,914)	-84%
Field Operations	666,868	587,666	79,202	13%	798,791	(131,923)	-17%
Physical Plant	100,716	87,129	13,587	16%	130,440	(29,724)	-23%
Administration	979,223	1,073,876	(94,653)	-9%	1,171,714	(192,491)	-16%
Engineering	103,999	92,623	11,376	12%	105,060	(1,061)	-1%
Water Conservation	156,564	150,051	6,513	4%	189,060	(32,496)	-17%
<b>Total Op Expense</b>	<b>3,345,238</b>	<b>3,632,316</b>	<b>(287,078)</b>	<b>-8%</b>	<b>4,133,115</b>	<b>(787,878)</b>	<b>-19%</b>
<b>Net Operating Income</b>	<b>1,662,727</b>	<b>1,175,160</b>	<b>487,567</b>	<b>41%</b>	<b>554,698</b>	<b>1,108,029</b>	<b>200%</b>
SWF or Prop Taxes	31,006	1,914,605	(1,883,599)	-98%	-	31,006	100%
Connection Fees	147,512	89,559	57,953	65%	37,503	110,009	293%
Contributed Capital	-	-	-	100%	-	-	100%
Interest Income	266,821	245,738	21,083	9%	156,204	110,617	71%
Interest Expense	(197,165)	(211,603)	14,439	7%	(220,878)	23,713	11%
Depreciation	(1,239,218)	(1,087,385)	(151,833)	-14%	(1,233,828)	(5,390)	0%
Amortization	10,353	10,353	-	0%	35,865	(25,512)	-71%
Other Expense	(1,075)	(1,584)	508	32%	(1,206)	-	-
Other Income	9,633	14,574	(4,941)	100%	4,554	5,079	112%
<b>Total Non-Op Income</b>	<b>(972,133)</b>	<b>974,257</b>	<b>(1,946,390)</b>	<b>-200%</b>	<b>(1,221,786)</b>	<b>249,522</b>	<b>20%</b>
<b>Net Income</b>	<b>690,594</b>	<b>2,149,417</b>	<b>(1,458,823)</b>	<b>-68%</b>	<b>(667,088)</b>	<b>1,357,551</b>	<b>204%</b>
Beginning Net Position	54,380,093	52,256,575	2,123,518	4%	54,380,093	-	0%
Change in Net Position	690,594	2,149,417	(1,458,823)	-68%	(667,088)	1,357,682	204%
Ending Net Position	55,070,687	54,405,992	664,695	1%	53,713,005	1,357,682	3%

Fund Balances	Water						
	MAR - 20 YTD	MAR -20 YTD	PY Var	%	FY 19/20 Bgt	Bgt Var	%
-00 Operating Fund	3,048,922	3,427,763	(378,841)	-11%	1,343,831	1,705,091	127%
-10 Capital Improvemnt	2,443,762	1,410,178	1,033,584	73%	341,365	2,102,397	616%
-20 Rate Stabilztn Fund	1,116,951	417,021	699,930	168%	-	1,116,951	100%
<b>Total Pooled Cash</b>	<b>6,609,635</b>	<b>5,254,961</b>	<b>1,354,674</b>	<b>26%</b>	<b>1,685,196</b>	<b>4,924,439</b>	<b>292%</b>
-50 New Facilities Fund	199,318	92,634	106,684	115%	185,707	13,611	7%
160 Supplemental Wtr	12,660,642	12,405,555	255,087	2%	9,707,872	2,952,770	30%
161, 270 Debt Reserve	-	-	-	100%	-	-	100%
271 Bond Proceeds	-	-	-	100%	-	-	100%
Assessment Districts	-	-	-	100%	-	-	100%
<b>Total Restricted Cash</b>	<b>12,859,960</b>	<b>12,498,189</b>	<b>361,771</b>	<b>3%</b>	<b>9,893,579</b>	<b>2,966,381</b>	<b>30%</b>
<b>Total Cash</b>	<b>19,469,595</b>	<b>17,753,150</b>	<b>1,716,445</b>	<b>10%</b>	<b>11,578,775</b>	<b>7,890,820</b>	<b>68%</b>

# Lake Arrowhead Community Services District

## Preliminary Fiscal Year 2019-20 Statement of Revenues, Expenses and Changes in Net Position and Fund Balances

	Wastewater						
	MAR - 20 YTD	MAR -20 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	5,317,177	5,167,222	149,955	3%	5,151,691	165,486	3%
Other Op Income	96,358	82,745	13,613	16%	100,134	(3,776)	-4%
<b>Total Revenue</b>	<b>5,413,535</b>	<b>5,249,968</b>	<b>163,568</b>	<b>3%</b>	<b>5,251,825</b>	<b>161,710</b>	<b>3%</b>
Operations	1,889,370	1,752,271	137,099	8%	1,820,529	68,841	4%
Water Purchases	-	-	-	0%	-	-	0%
Field Operations	846,525	865,628	(19,104)	-2%	1,127,875	(281,350)	-25%
Physical Plant	173,587	152,191	21,397	14%	242,287	(68,700)	-28%
Administration	1,189,628	1,146,669	42,959	4%	1,393,481	(203,853)	-15%
Engineering	164,609	158,548	6,061	4%	170,225	(5,616)	-3%
Water Conservation	-	-	-	0%	-	-	0%
<b>Total Op Expense</b>	<b>4,263,719</b>	<b>4,075,306</b>	<b>188,412</b>	<b>5%</b>	<b>4,754,397</b>	<b>(490,678)</b>	<b>-10%</b>
<b>Net Operating Income</b>	<b>1,149,817</b>	<b>1,174,661</b>	<b>(24,845)</b>	<b>-2%</b>	<b>497,428</b>	<b>652,389</b>	<b>131%</b>
SWF or Prop Taxes	2,118,598	2,035,526	83,072	4%	2,143,248	(24,650)	-1%
Connection Fees	43,140	51,768	(8,628)	-17%	18,747	24,393	130%
Contributed Capital	-	-	-	100%	-	-	100%
Interest Income	276,213	262,062	14,150	5%	131,178	145,035	111%
Interest Expense	(372,859)	(386,240)	13,382	3%	(421,785)	48,926	12%
Depreciation	(1,348,148)	(1,332,989)	(15,159)	-1%	(1,373,400)	25,252	2%
Amortization	20,098	20,098	-	0%	69,615	(49,517)	-71%
Other Expense	(2,175)	(3,271)	1,097	34%	(5,364)		
Other Income	156,528	145,086	11,442	8%	85,479	71,049	83%
<b>Total Non-Op Income</b>	<b>891,394</b>	<b>792,039</b>	<b>99,356</b>	<b>13%</b>	<b>647,718</b>	<b>240,487</b>	<b>37%</b>
<b>Net Income</b>	<b>2,041,211</b>	<b>1,966,700</b>	<b>74,511</b>	<b>4%</b>	<b>1,145,146</b>	<b>892,876</b>	<b>78%</b>
Beginning Net Position	48,609,658	45,217,548	3,392,110	8%	48,609,658	-	0%
Change in Net Position	2,041,211	1,966,700	74,511	4%	1,145,146	896,065	78%
Ending Net Position	50,650,869	47,184,248	3,466,621	7%	49,754,804	896,065	2%

Fund Balances	Wastewater						
	MAR - 20 YTD	MAR -20 YTD	PY Var	%	FY 19/20 Bgt	Bgt Var	%
-00 Operating Fund	3,081,901	3,828,811	(746,911)	-20%	1,700,300	1,381,601	81%
-10 Capital Improvemnt	14,306,894	11,690,521	2,616,373	22%	6,800,156	7,506,738	110%
-20 Rate Stabilztn Fund	1,517,851	1,492,012	25,839	2%	1,469,811	48,040	3%
<b>Total Pooled Cash</b>	<b>18,906,645</b>	<b>17,011,344</b>	<b>1,895,301</b>	<b>11%</b>	<b>9,970,267</b>	<b>8,936,378</b>	<b>90%</b>
-50 New Facilities Fund	57,251	68,919	(11,668)	-17%	96,115	(38,864)	-40%
160 Supplemental Wtr	-	-	-	100%	-	-	100%
161, 270 Debt Reserve	-	-	-	100%	-	-	100%
271 Bond Proceeds	123	79	43	55%	9	114	1261%
Assessment Districts	1,583,964	1,562,702	21,262	1%	1,565,579	18,385	1%
<b>Total Restricted Cash</b>	<b>1,641,338</b>	<b>1,631,700</b>	<b>9,637</b>	<b>1%</b>	<b>1,661,703</b>	<b>(20,365)</b>	<b>-1%</b>
<b>Total Cash</b>	<b>20,547,983</b>	<b>18,643,044</b>	<b>1,904,939</b>	<b>10%</b>	<b>11,631,970</b>	<b>8,916,013</b>	<b>77%</b>

# Lake Arrowhead Community Services District

## Preliminary Fiscal Year 2019-20 Statement of Revenues, Expenses and Changes in Net Position and Fund Balances

	Deer Lodge Park						
	MAR - 20 YTD	MAR -20 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	111,964	104,795	7,170	7%	99,133	12,831	13%
Other Op Income	8,873	3,858	5,016	130%	4,302	4,571	106%
<b>Total Revenue</b>	<b>120,838</b>	<b>108,652</b>	<b>12,186</b>	<b>11%</b>	<b>103,435</b>	<b>17,403</b>	<b>17%</b>
Operations	41,095	37,967	3,128	8%	60,886	(19,791)	-33%
Water Purchases	21,464	18,913	2,551	13%	17,253	4,211	24%
Field Operations	15,586	9,092	6,495	71%	10,554	5,032	48%
Physical Plant	1,792	1,638	154	9%	2,601	(809)	-31%
Administration	25,789	27,509	(1,719)	-6%	31,796	(6,007)	-19%
Engineering	2,674	2,516	158	6%	2,612	62	2%
Water Conservation	-	-	-	0%	-	-	0%
<b>Total Op Expense</b>	<b>108,401</b>	<b>97,634</b>	<b>10,767</b>	<b>11%</b>	<b>125,702</b>	<b>(17,301)</b>	<b>-14%</b>
<b>Net Operating Income</b>	<b>12,437</b>	<b>11,018</b>	<b>1,419</b>	<b>13%</b>	<b>(22,267)</b>	<b>34,704</b>	<b>156%</b>
SWF or Prop Taxes	-	-	-	0%	-	-	0%
Connection Fees	15,579	-	15,579	0%	-	15,579	0%
Contributed Capital	-	-	-	0%	-	-	0%
Interest Income	7,983	8,623	(640)	-7%	4,860	3,123	64%
Interest Expense	-	-	-	0%	(1,269)	1,269	100%
Depreciation	(29,106)	(29,106)	-	0%	(30,150)	1,044	3%
Amortization	-	-	-	0%	-	-	0%
Other Expense	-	-	-	-	-	-	-
Other Income	19	311	(291)	100%	-	19	100%
<b>Total Non-Op Income</b>	<b>(5,525)</b>	<b>(20,172)</b>	<b>14,648</b>	<b>73%</b>	<b>(26,559)</b>	<b>21,034</b>	<b>79%</b>
<b>Net Income</b>	<b>6,913</b>	<b>(9,154)</b>	<b>16,067</b>	<b>176%</b>	<b>(48,826)</b>	<b>55,739</b>	<b>114%</b>
Beginning Net Position	1,647,366	1,649,506	(2,140)	0%	1,647,366	-	0%
Change in Net Position	6,913	(9,154)	16,067	176%	(48,826)	55,739	114%
Ending Net Position	1,654,279	1,640,352	13,927	1%	1,598,540	55,739	3%

	Deer Lodge Park						
	MAR - 20 YTD	MAR -20 YTD	PY Var	%	FY 19/20 Bgt	Bgt Var	%
<b>Fund Balances</b>							
-00 Operating Fund	72,928	76,476	(3,548)	-5%	6,095	66,833	1097%
-10 Capital Improvemnt	41,827	105,813	(63,986)	-60%	1,357	40,470	2982%
-20 Rate Stabilztn Fund	26,775	26,236	540	2%	26,346	429	2%
<b>Total Pooled Cash</b>	<b>141,530</b>	<b>208,525</b>	<b>(66,995)</b>	<b>-32%</b>	<b>33,798</b>	<b>107,732</b>	<b>319%</b>
-50 New Facilities Fund	24,948	18,106	6,842	38%	9,777	15,171	155%
160 Supplemental Wtr	-	-	-	100%	-	-	100%
161, 270 Debt Reserve	-	-	-	100%	-	-	100%
271 Bond Proceeds	-	-	-	100%	-	-	100%
Assessment Districts	394,788	387,061	7,727	2%	1,996	392,792	19679%
<b>Total Restricted Cash</b>	<b>419,736</b>	<b>405,168</b>	<b>14,568</b>	<b>4%</b>	<b>11,773</b>	<b>407,963</b>	<b>3465%</b>
<b>Total Cash</b>	<b>561,266</b>	<b>613,692</b>	<b>(52,426)</b>	<b>-9%</b>	<b>45,571</b>	<b>515,695</b>	<b>1132%</b>

# Lake Arrowhead Community Services District

## Preliminary Fiscal Year 2019-20 Statement of Revenues, Expenses and Changes in Net Position and Fund Balances

	Rimforest						
	MAR - 20 YTD	MAR -20 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	184,747	184,268	479	0%	183,163	1,584	1%
Other Op Income	8,117	7,152	965	13%	7,722	395	5%
<b>Total Revenue</b>	<b>192,864</b>	<b>191,420</b>	<b>1,444</b>	<b>1%</b>	<b>190,885</b>	<b>1,979</b>	<b>1%</b>
Operations	21,088	23,616	(2,528)	-11%	25,150	(4,062)	-16%
Water Purchases	41,678	33,287	8,391	25%	41,535	143	0%
Field Operations	37,152	25,267	11,885	47%	34,958	2,194	6%
Physical Plant	3,578	3,373	204	6%	1,907	1,671	88%
Administration	47,612	48,978	(1,365)	-3%	56,045	(8,433)	-15%
Engineering	4,963	4,632	331	7%	4,783	180	4%
Water Conservation	-	-	-	0%	-	-	0%
<b>Total Op Expense</b>	<b>156,071</b>	<b>139,153</b>	<b>16,918</b>	<b>12%</b>	<b>164,378</b>	<b>(8,307)</b>	<b>-5%</b>
<b>Net Operating Income</b>	<b>36,793</b>	<b>52,267</b>	<b>(15,474)</b>	<b>-30%</b>	<b>26,507</b>	<b>10,286</b>	<b>39%</b>
SWF or Prop Taxes	-	-	-	0%	-	-	0%
Connection Fees	-	-	-	0%	-	-	0%
Contributed Capital	-	-	-	0%	-	-	0%
Interest Income	856	1,085	(229)	-21%	612	244	40%
Interest Expense	(7,187)	(9,024)	1,837	20%	(6,282)	(905)	-14%
Depreciation	(11,925)	(11,925)	-	0%	(11,925)	0	0%
Amortization	-	-	-	0%	-	-	0%
Other Expense	-	-	-	-	(54)	-	-
Other Income	38	221	(183)	0%	-	38	100%
<b>Total Non-Op Income</b>	<b>(18,217)</b>	<b>(19,642)</b>	<b>1,425</b>	<b>7%</b>	<b>(17,649)</b>	<b>(622)</b>	<b>-4%</b>
<b>Net Income</b>	<b>18,575</b>	<b>32,625</b>	<b>(14,049)</b>	<b>-43%</b>	<b>8,858</b>	<b>9,663</b>	<b>109%</b>
Beginning Net Position	327,419	275,691	51,728	19%	327,419	-	0%
Change in Net Position	18,575	32,625	(14,049)	-43%	8,858	9,717	110%
Ending Net Position	345,994	308,316	37,679	12%	336,277	9,717	3%

	Rimforest						
	MAR - 20 YTD	MAR -20 YTD	PY Var	%	FY 19/20 Bgt	Bgt Var	%
<b>Fund Balances</b>							
-00 Operating Fund	23,731	67,608	(43,877)	-65%	23,280	451	2%
-10 Capital Improvemnt	31,059	12,684	18,375	145%	-	31,059	100%
-20 Rate Stabilztn Fund	-	-	-	100%	-	-	100%
<b>Total Pooled Cash</b>	<b>54,790</b>	<b>80,292</b>	<b>(25,502)</b>	<b>-32%</b>	<b>23,280</b>	<b>31,510</b>	<b>135%</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>54,790</b>	<b>80,292</b>	<b>(25,502)</b>	<b>-32%</b>	<b>23,280</b>	<b>31,510</b>	<b>135%</b>



# Lake Arrowhead Community Services District

## Preliminary Fiscal Year 2019-20 Statement of Revenues, Expenses and Changes in Net Position and Fund Balances

	LACSD Total						
	MAR - 20 YTD	MAR -20 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	10,455,771	10,125,473	330,298	3%	9,975,613	480,158	5%
Other Op Income	279,430	232,042	47,388	20%	258,345	21,085	8%
<b>Total Revenue</b>	<b>10,735,201</b>	<b>10,357,515</b>	<b>377,686</b>	<b>4%</b>	<b>10,233,958</b>	<b>501,243</b>	<b>5%</b>
Operations	3,238,145	2,979,182	258,963	9%	3,320,426	(82,281)	-2%
Water Purchases	114,418	527,842	(413,425)	-78%	382,977	(268,559)	-70%
Field Operations	1,566,131	1,487,653	78,478	5%	1,972,178	(406,047)	-21%
Physical Plant	279,674	244,331	35,342	14%	377,235	(97,561)	-26%
Administration	2,242,252	2,297,031	(54,779)	-2%	2,653,036	(410,784)	-15%
Engineering	276,245	258,318	17,927	7%	282,680	(6,435)	-2%
Water Conservation	156,564	150,051	6,513	4%	189,060	(32,496)	-17%
<b>Total Op Expense</b>	<b>7,873,428</b>	<b>7,944,409</b>	<b>(70,981)</b>	<b>-1%</b>	<b>9,177,592</b>	<b>(1,304,164)</b>	<b>-14%</b>
<b>Net Operating Income</b>	<b>2,861,773</b>	<b>2,413,107</b>	<b>448,667</b>	<b>19%</b>	<b>1,056,366</b>	<b>1,805,407</b>	<b>171%</b>
SWF or Prop Taxes	2,149,604	3,950,130	(1,800,527)	-46%	2,143,248	6,356	0%
Connection Fees	206,231	141,327	64,904	46%	56,250	149,981	267%
Contributed Capital	-	-	-	100%	-	-	100%
Interest Income	551,872	517,507	34,365	7%	292,854	259,018	88%
Interest Expense	(577,211)	(606,867)	29,657	5%	(650,214)	73,003	11%
Depreciation	(2,628,396)	(2,461,404)	(166,992)	-7%	(2,649,303)	20,907	1%
Amortization	30,451	30,451	-	0%	105,480	(75,029)	-71%
Other Expense	(3,250)	(4,855)	1,605	33%	(6,624)		
Other Income	166,218	160,192	6,026	4%	90,033	76,185	85%
<b>Total Non-Op Income</b>	<b>(104,481)</b>	<b>1,726,481</b>	<b>(1,830,962)</b>	<b>-106%</b>	<b>(618,276)</b>	<b>510,421</b>	<b>83%</b>
<b>Net Income</b>	<b>2,757,293</b>	<b>4,139,588</b>	<b>(1,382,295)</b>	<b>-33%</b>	<b>438,090</b>	<b>2,315,829</b>	<b>529%</b>
Beginning Net Position	104,964,536	99,399,320	5,565,216	6%	104,964,536	-	0%
Change in Net Position	2,757,293	4,139,588	(1,382,295)	-33%	438,090	2,319,203	529%
Ending Net Position	107,721,829	103,538,908	4,182,921	4%	105,402,626	2,319,203	2%

	LACSD Total						
	MAR - 20 YTD	MAR -20 YTD	PY Var	%	FY 19/20 Bgt	Bgt Var	%
<b>Fund Balances</b>							
-00 Operating Fund	6,227,482	7,400,658	(1,173,176)	-16%	3,073,506	3,153,976	103%
-10 Capital Improvemnt	16,823,542	13,219,196	3,604,346	27%	7,142,878	9,680,664	136%
-20 Rate Stabilztn Fund	2,661,577	1,935,269	726,309	38%	1,496,157	1,165,420	78%
<b>Total Pooled Cash</b>	<b>25,712,601</b>	<b>22,555,122</b>	<b>3,157,479</b>	<b>14%</b>	<b>11,712,541</b>	<b>14,000,060</b>	<b>120%</b>
-50 New Facilities Fund	281,517	179,659	101,858	57%	291,599	(10,082)	-3%
160 Supplemental Wtr	12,660,642	12,405,555	255,087	2%	9,707,872	2,952,770	30%
161, 270 Debt Reserve	-	-	-	100%	-	-	100%
271 Bond Proceeds	123	79	43	55%	9	114	1261%
Assessment Districts	1,978,752	1,949,763	28,989	1%	1,567,575	411,177	26%
<b>Total Restricted Cash</b>	<b>14,921,033</b>	<b>14,535,056</b>	<b>385,977</b>	<b>3%</b>	<b>11,567,055</b>	<b>3,353,978</b>	<b>29%</b>
<b>Total Cash</b>	<b>40,633,634</b>	<b>37,090,179</b>	<b>3,543,456</b>	<b>10%</b>	<b>23,279,596</b>	<b>17,354,038</b>	<b>75%</b>

**Lake Arrowhead Community Services District**  
**Preliminary Combining Statement of Net Position as of March 31, 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	6,609,635	18,906,645	141,530	54,790	25,712,601
Restricted Cash and Investments	12,859,960	1,641,338	419,736	-	14,921,033
Accounts Receivable	486,634	638,478	12,622	24,870	1,162,605
Restricted Accounts Receivable	64,072	-	-	-	64,072
Tax Roll Receivable	-	737,002	-	-	737,002
Interest Receivable	50,352	90,378	-	-	140,731
Unbilled Accounts Receivable	-	-	-	-	-
Other Receivables & Deposits	39,978	23,250	-	-	63,228
Parts Inventory	253,025	40,130	-	-	293,155
Prepaid Expenses	196,338	150,133	1,714	3,427	351,612
Prepaid Water	2,237,198	-	-	-	2,237,198
Interfund Receivable	2,575,071	182,343	-	-	2,757,414
<b>Total Current Assets</b>	<b>25,372,264</b>	<b>22,409,698</b>	<b>575,602</b>	<b>83,087</b>	<b>48,440,651</b>
<b>Capital Assets:</b>					
Fixed Assets	61,736,271	78,596,107	1,894,668	476,984	142,704,031
Accumulated Depreciation	(23,821,828)	(38,192,636)	(853,988)	(75,567)	(62,944,019)
Intangible Asset	1,000,000	-	-	-	1,000,000
Accum Amortization of Intangible	(98,485)	-	-	-	(98,485)
Construction in Progress	1,273,137	5,090,688	124,820	595	6,489,240
<b>Net Capital Assets</b>	<b>40,089,095</b>	<b>45,494,159</b>	<b>1,165,500</b>	<b>402,012</b>	<b>87,150,766</b>
<b>Total Assets</b>	<b>65,461,359</b>	<b>67,903,857</b>	<b>1,741,102</b>	<b>485,100</b>	<b>135,591,417</b>
Deferred Outflows	1,580,725	2,407,379	21,046	21,046	4,030,195
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Accounts Payable	126,746	(63,067)	4,305	5,607	73,591
Accrued Payroll and Benefits	294	-	-	-	294
Compensated Absences	220,050	329,212	-	-	549,262
Deferred Revenue	-	376,905	-	-	376,905
Deposits & Retentions	30,218	133,812	-	-	164,030
Interest Payable	126,395	245,355	1,687	-	373,437
SRF Loan & Notes Payable	-	-	-	8,448	8,448
Bonds Payable	-	-	-	-	-
Interfund Payable	1,300,531	1,423,148	33,735	-	2,757,414
<b>Total Current Liabilities</b>	<b>1,804,234</b>	<b>2,445,365</b>	<b>39,727</b>	<b>14,055</b>	<b>4,303,381</b>
<b>Non-Current Liabilities:</b>					
Compensated Absences	99,468	146,220	-	-	245,688
Net Pension Liability	3,004,598	3,439,416	65,582	48,582	6,558,177
SRF Loan & Notes Payable	-	-	-	95,036	95,036
Bonds Payable	6,029,900	11,705,100	-	-	17,735,000
Bond Premium	920,441	1,786,739	-	-	2,707,181
<b>Net Non-Current Liabilities</b>	<b>10,054,407</b>	<b>17,077,475</b>	<b>65,582</b>	<b>143,617</b>	<b>27,341,082</b>
<b>Total Liabilities</b>	<b>11,858,642</b>	<b>19,522,840</b>	<b>105,308</b>	<b>157,673</b>	<b>31,644,463</b>
Deferred Inflows - Pension	112,668	138,274	2,561	2,561	256,063
<b>Net Position</b>					
Restricted	15,161,231	1,641,338	419,736	-	17,222,304
Unrestricted	5,850,348	15,219,725	69,043	47,384	21,186,500
Capital Assets	34,059,195	33,789,059	1,165,500	298,528	69,312,282
<b>Total Net Position</b>	<b>55,070,774</b>	<b>50,650,122</b>	<b>1,654,279</b>	<b>345,912</b>	<b>107,721,086</b>
<b>Liabilities, Deferrals &amp; Net Position</b>	<b>67,042,083</b>	<b>70,311,236</b>	<b>1,762,148</b>	<b>506,145</b>	<b>139,621,612</b>
<b>Beginning net position</b>	<b>54,380,093</b>	<b>48,609,658</b>	<b>1,647,366</b>	<b>327,419</b>	<b>104,964,536</b>
Change in Net Position (NI)	690,594	2,041,211	6,913	18,575	2,757,293
<b>Ending net position</b>	<b>55,070,687</b>	<b>50,650,869</b>	<b>1,654,279</b>	<b>345,994</b>	<b>107,721,829</b>

# Lake Arrowhead Community Services District Cash Flow Statement

Preliminary Fiscal Year 2019-20

	<u>Water</u>	<u>Wastewater</u>	<u>DLP</u>	<u>RF</u>	<u>YTD 2019-20</u>
<b>Change in Net Position (Net Income)</b>	690,594	2,041,211	6,913	18,575	2,757,293
Depreciation & Amortization	1,156,890	1,305,970	29,106	11,925	2,503,890
Asset Disposal	-	-	-	-	-
<b>Net Cash from Income Statement</b>	<u>1,847,483</u>	<u>3,347,181</u>	<u>36,019</u>	<u>30,500</u>	<u>5,261,183</u>
Customer Accounts Receivable	551,546	(233,057)	14,006	14,067	346,563
Other Receivables	8,900	23,921	-	-	32,821
Prepaid Expenses	(55,325)	(135,247)	1	-	(190,571)
Prepaid Water	(76,595)	-	-	-	(76,595)
Accounts Payable	(184,089)	(403,582)	665	939	(586,067)
Net Pension Liability	(629,000)	(1,020,000)	(17,000)	(34,000)	(1,700,000)
Accrued Liabilities	(85,817)	266,976	(2,127)	(2,619)	176,413
Deposits & Retentions	(675)	(46,877)	-	-	(47,552)
Parts Inventory	-	-	-	-	-
<b>Total Sources (Uses) of Cash</b>	<u>(471,055)</u>	<u>(1,547,867)</u>	<u>(4,454)</u>	<u>(21,613)</u>	<u>(2,044,989)</u>
<b>Net Cash Flow from Operating Activities</b>	<b>1,376,429</b>	<b>1,799,313</b>	<b>31,564</b>	<b>8,887</b>	<b>3,216,194</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>					
Additions to Fixed Assets	(135,602)	(43,986)	-	-	(179,588)
Construction in Progress	(777,785)	(1,463,369)	(71,664)	(400)	(2,313,218)
Bond Principal	(234,761)	(455,713)	-	-	(690,475)
Contributions to Financing Activities	25,508	49,516	-	-	
SRF Loan & Notes Payable	-	-	-	(40,966)	(40,966)
Interfund Payable/Receivable	-	-	-	-	-
Interest Payable	60,711	117,851	-	-	178,562
<b>Net Cash Flow from Financing Activities</b>	<b>(1,061,929)</b>	<b>(1,795,701)</b>	<b>(71,664)</b>	<b>(41,366)</b>	<b>(3,045,684)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>					
Interest Receivable	20,872	38,762	-	-	59,634
<b>Net Cash Flow from Investing Activities</b>	<b>20,872</b>	<b>38,762</b>	<b>-</b>	<b>-</b>	<b>59,634</b>
<b>Net Increase (Decrease) in Cash</b>	335,371	42,375	(40,100)	(32,479)	305,167
Cash at Beginning of Period	19,134,225	20,505,608	601,366	87,269	40,328,468
<b>Cash and Equivalents at End of Period</b>	<b>19,469,596</b>	<b>20,547,983</b>	<b>561,267</b>	<b>54,790</b>	<b>40,633,635</b>



**Lake Arrowhead Community Services District**  
**Cash and Investment Report**  
*as of March 31, 2020*

**Summary of Portfolio Assets**

Category	Book Value	Adj Book Value	Market Value	Percent of Portfolio	Current Quarterly Yield
Checking Account	5,719,616	5,719,616	5,719,616	14.1%	0.00%
LAIF	27,627,249	27,627,249	27,627,249	68.2%	1.79%
Federal Agencies	1,000,000	1,000,000	1,007,910	2.5%	1.68%
Negotiable CDs	6,000,000	6,000,000	6,135,580	15.2%	2.36%
<b>Total Cash &amp; Investments</b>	<b>40,346,865</b>	<b>40,346,865</b>	<b>40,490,355</b>	<b>100.0%</b>	<b>1.62%</b>

**Summary of Portfolio Liquidity**

Category	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio	Par Value	Percent of Portfolio
On Demand	33,346,865	82.7%	33,346,865	82.4%	33,346,865	82.7%
Within 2019-20	500,000	1.2%	501,155	1.2%	500,000	1.2%
Within 2020-21	1,500,000	3.7%	1,519,096	3.8%	1,500,000	3.7%
Within 2021-22	2,750,000	6.8%	2,801,777	6.9%	2,750,000	6.8%
Within 2022-23	1,000,000	2.5%	1,029,808	2.5%	1,000,000	2.5%
Within 2023-24	1,250,000	3.1%	1,291,654	3.2%	1,250,000	3.1%
<b>Total</b>	<b>40,346,865</b>	<b>100.0%</b>	<b>40,490,355</b>	<b>100.0%</b>	<b>40,346,865</b>	<b>100.0%</b>



**Lake Arrowhead Community Services District**  
**Portfolio Details**  
**as of March 31, 2020**

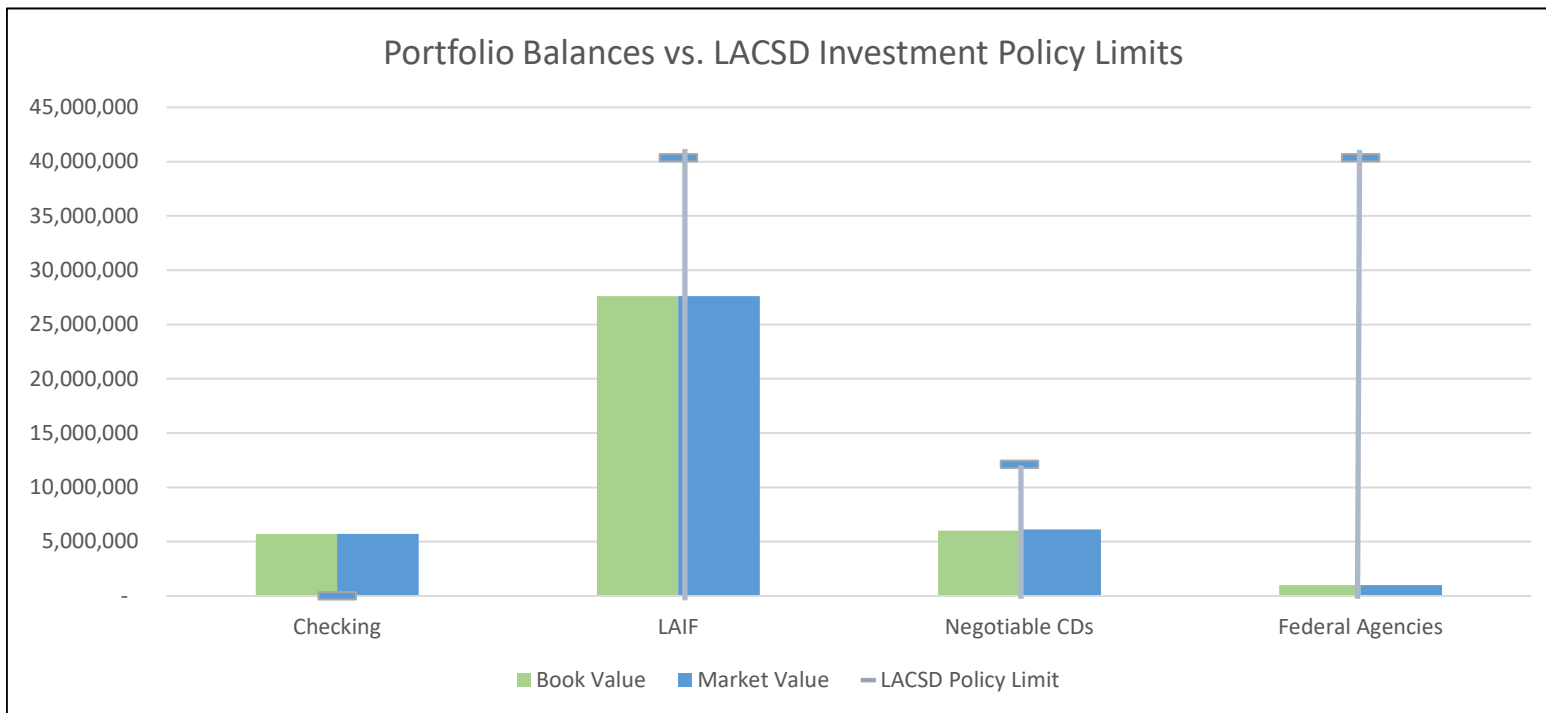
Type	Issuer	CUSIP	Purchase Date	Maturity Date	Par Value	Market Value	Book Value	Stated Rate
Checking Account	Union Bank				\$ 5,719,616	\$ 5,719,616	\$ 5,719,616	
LAIF	LAIF				\$ 27,627,249	\$ 27,627,249	\$ 27,627,249	1.79%
Negotiable CD	Capital One	140420YR5	5/4/2016	5/4/2020	\$ 250,000	\$ 250,142	\$ 250,000	1.35%
Negotiable CD	American Express Federal Savings Bank	02587CFZ8	9/6/2017	9/8/2020	\$ 250,000	\$ 251,013	\$ 250,000	1.95%
Negotiable CD	Synchrony Bank	87165EJL2	5/6/2016	5/6/2021	\$ 250,000	\$ 251,197	\$ 250,000	1.60%
Negotiable CD	East Boston Savings Bank	27113PCG4	2/8/2018	7/30/2021	\$ 250,000	\$ 253,355	\$ 250,000	2.30%
Negotiable CD	Capital One National Association	14042RHR5	9/1/2017	8/30/2021	\$ 250,000	\$ 253,200	\$ 250,000	2.20%
Negotiable CD	CF Bank Fairlawn Ohio	15721UDE6	8/15/2019	10/12/2021	\$ 250,000	\$ 251,315	\$ 250,000	1.65%
Negotiable CD	Pioneer Bank	723605AS0	4/17/2019	10/18/2021	\$ 250,000	\$ 254,197	\$ 250,000	2.40%
Negotiable CD	Wells Fargo Bank	949763NP7	2/14/2018	2/14/2022	\$ 250,000	\$ 255,832	\$ 250,000	2.60%
Negotiable CD	Merrick Bank	59013J7H6	4/18/2019	4/18/2022	\$ 250,000	\$ 255,532	\$ 250,000	2.45%
Negotiable CD	Ally Bank	02007GKC6	6/6/2019	6/6/2022	\$ 250,000	\$ 256,070	\$ 250,000	2.50%
Negotiable CD	TIAA Bank	87270LBY8	4/17/2019	10/17/2022	\$ 250,000	\$ 257,762	\$ 250,000	2.65%
Negotiable CD	Eaglebank	27002YEJ1	4/18/2019	10/18/2022	\$ 250,000	\$ 257,165	\$ 250,000	2.55%
Federal Agency	Federal Farms Agency	3133ELAKO	11/25/2019	11/25/2022	\$ 1,000,000	\$ 1,007,910	\$ 1,000,000	1.68%
Negotiable CD	Great Southern Bank	39120VSK1	6/28/2019	12/28/2022	\$ 250,000	\$ 250,000	\$ 250,000	2.38%
Negotiable CD	Sallie Mae Bank	795450K53	2/8/2018	2/8/2023	\$ 250,000	\$ 258,475	\$ 250,000	2.65%
Negotiable CD	Goldman Sachs	38148PXW2	2/14/2018	2/14/2023	\$ 250,000	\$ 258,863	\$ 250,000	2.70%
Negotiable CD	BMW Bank North America	05580AWA8	3/31/2020	3/31/2023	\$ 250,000	\$ 250,000	\$ 250,000	1.45%
Negotiable CD	Mainstreet Bank	56065GAE8	4/26/2019	4/26/2023	\$ 250,000	\$ 258,230	\$ 250,000	2.55%
Negotiable CD	Citibank National Association	17312QL98	5/23/2018	5/23/2023	\$ 250,000	\$ 263,353	\$ 250,000	3.20%
Negotiable CD	Medallion Bank	58404DEL1	6/11/2019	12/11/2023	\$ 250,000	\$ 258,225	\$ 250,000	2.40%
Negotiable CD	Morgan Stanley Private Bank	61760AYR4	4/11/2019	4/11/2024	\$ 250,000	\$ 262,650	\$ 250,000	2.80%
Negotiable CD	Comenity Capital Bank	20033AU38	4/15/2019	4/15/2024	\$ 250,000	\$ 262,717	\$ 250,000	2.80%
Negotiable CD	JPMorgan Chase Bank	48128HSK5	4/17/2019	4/17/2024	\$ 250,000	\$ 250,163	\$ 250,000	2.80%
Negotiable CD	Suntrust Bank	86789VYH4	4/26/2019	4/26/2024	\$ 250,000	\$ 254,093	\$ 250,000	2.80%
Negotiable CD	Morgan Stanley NA Bank	61690UHB9	6/6/2019	6/6/2024	\$ 250,000	\$ 262,031	\$ 250,000	2.70%



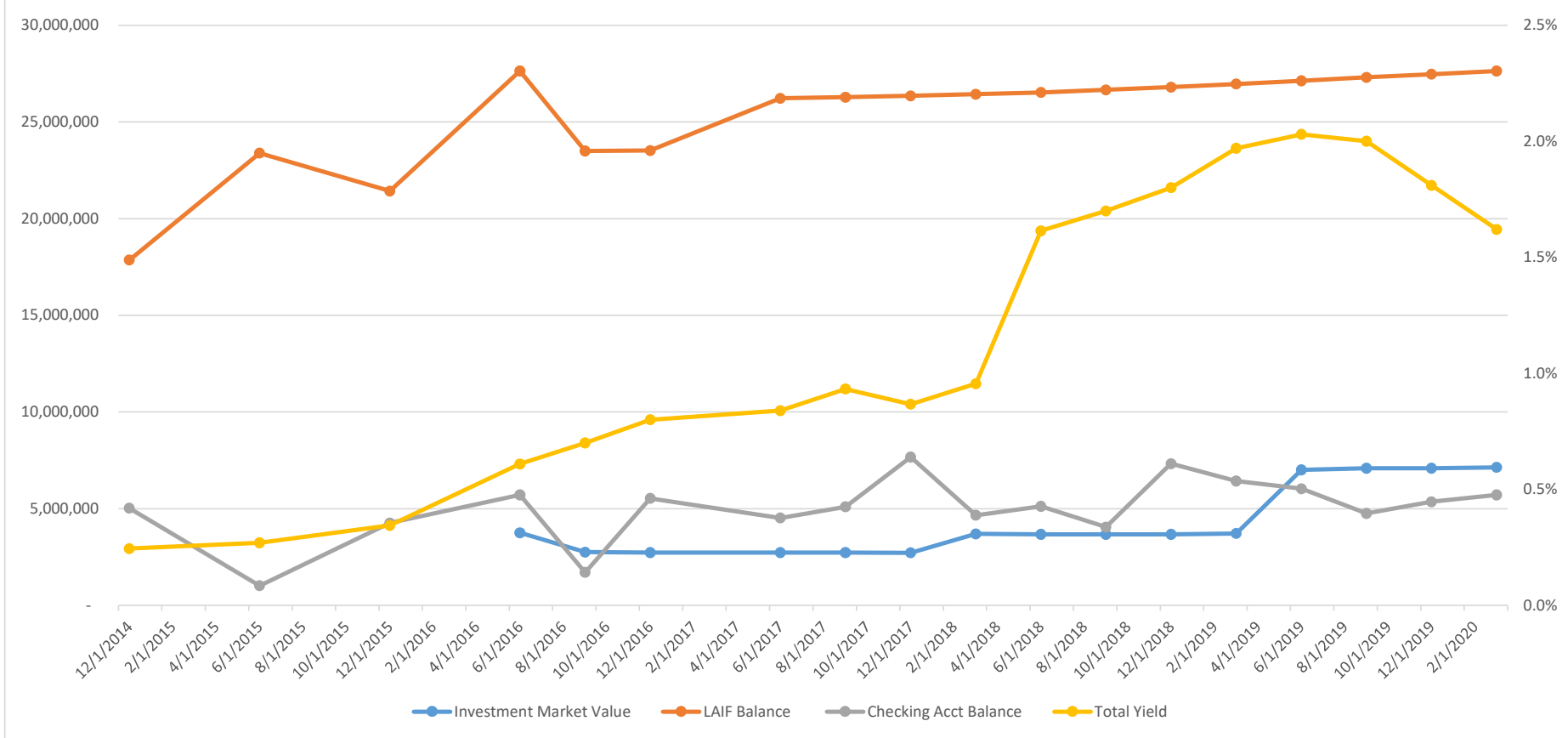
## Lake Arrowhead Community Services District Investment Policy Compliance Report

as of March 31, 2020

Investment Type	Book Value	Market Value	LACSD Policy Limit	Description of Limit
Checking	5,719,616	5,719,616	None	None
LAIF	27,627,249	27,627,249	40,346,865	Up to 100% of portfolio
Negotiable CDs	6,000,000	6,135,580	12,104,060	Up to 30% of portfolio
Federal Agencies	1,000,000	1,007,910	40,346,865	Up to 100% of portfolio
<b>Total Portfolio</b>	<b>40,346,865</b>	<b>40,490,355</b>		



5 Year Balance and Yield History



Market Rates

