

**LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT**

**MEMORANDUM**

**DATE:** August 25, 2020

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

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

**SUBJECT:** **PRELIMINARY FISCAL YEAR 2019-20  
FINANCIAL STATEMENTS AND CASH AND  
INVESTMENT REPORT FOR THE QUARTER  
ENDED JUNE 30, 2020**

**A. RECOMMENDATION**

This is an information item only.

**B. REASON FOR RECOMMENDATION**

This is an information item only.

**C. BACKGROUND INFORMATION**

The 2019-20 Comprehensive Annual Financial Report (CAFR) has not yet been finalized. However, presented to the Board is the attached preliminary fiscal year 2019-20 results.

Revenue

Districtwide preliminary operating revenue was 5% or \$697,693 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 7% or \$450,596 higher as compared to the prior year primarily due to increased consumption and board approved rate increases that were implemented in January 2020.
- Wastewater Enterprise operating revenue was 3% or \$229,735 higher as compared to the prior year primarily due to board approved rate increases that were implemented in January 2020.

- Deer Lodge Park Enterprise operating revenue was 8% or \$13,379 higher as compared to the prior year primarily due to board approved rate increases that were implemented in January 2020.
- Rimforest Enterprise operating revenue was essentially flat as compared to the prior fiscal year.

Expense

Districtwide preliminary operating expenses (not including water purchases) were 1% or \$58,514 lower as compared to prior year and 8% or \$943,931 under budget primarily due to:

- Retirement costs were 7% or \$74,154 less as compared to budget due to the Board's additional payments to the District's Unfunded Accrued Liability.
- Health Insurance was 14% or \$135,586 higher as compared to the prior year but 4% or \$51,027 under budget due to better than anticipated negotiated insurance costs.
- Equipment expense was 6% or \$35,248 lower as compared to prior year and 40% or \$353,746 under budget due to lower than anticipated equipment repairs and maintenance.
- Other significant decreases in expense were associated with legal, contracts, utilities, fleet costs, training and chemicals.
- However, wages increased 9% or \$391,272 as compared to prior year and were over budget by 3% or \$139,397 primarily due to a \$168,000 accrual to Compensated Absences most likely resulting from employees not using vacation time due to the Covid-19 closures.

**Operating Expenses through June 2020**

Expense	FYTD 2019-20	PYTD 2018-19	PY Var	PY var %	YTD Bgt	Bgt Var	Bgt Var %
Wages	4,827,905	4,436,633	391,272	9%	4,688,508	139,397	3%
Health Ins	1,097,098	961,512	135,586	14%	1,148,125	(51,027)	-4%
Retirement	980,308	1,441,901	(461,593)	-32%	1,054,462	(74,154)	-7%
FICA	341,785	326,839	14,946	5%	328,147	13,638	4%
Employer Ins	111,494	117,733	(6,239)	-5%	152,524	(41,030)	-27%
Training	91,753	116,388	(24,635)	-21%	136,705	(44,952)	-33%
Supplies	221,151	204,084	17,067	8%	247,759	(26,608)	-11%
Equipment	533,480	568,728	(35,248)	-6%	887,226	(353,746)	-40%
Fleet	124,145	140,913	(16,769)	-12%	237,281	(113,136)	-48%
Chemicals	157,008	152,301	4,707	3%	206,032	(49,024)	-24%
Meters	43,289	47,992	(4,702)	0%	59,132	(15,843)	-27%
Liability Ins	193,887	198,616	(4,729)	-2%	194,111	(224)	0%
Outside Services	1,043,512	1,187,606	(144,094)	-12%	956,261	87,251	9%
Contracts	92,460	89,895	2,565	3%	329,164	(236,704)	-72%
Legal	70,130	114,987	(44,857)	-39%	211,502	(141,372)	-67%
Electric	631,133	525,648	105,484	20%	614,745	16,388	3%
Utilities	393,474	375,250	18,224	5%	417,490	(24,016)	-6%
Permits	116,922	123,986	(7,064)	-6%	133,762	(16,840)	-13%
Other	14,486	12,921	1,565	12%	26,412	(11,926)	-45%
Subtotal	11,085,417	11,143,931	(58,514)	-1%	12,029,348	(943,931)	-8%
Water Purchase	143,257	542,550	(399,293)	-74%	510,629	(367,372)	-72%
Grand Total	11,228,674	11,686,481	(457,807)	-4%	12,539,977	(1,311,303)	-10%

## 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 2019-20 are as follows:

- The Water Operating Fund (100) contributed \$1.9 million to the Water Capital Improvement Fund (110) which exceeded the minimum annual allocation by \$234,927, in order to fund 2020-21 board approved capital projects. Additionally, the Water Operating Fund (100) contributed \$234,927 to the Water Rate Stabilization Fund (120).
- The Wastewater Operating Fund (200) contributed \$3.78 million to the Wastewater Capital Improvement Fund (210) which exceeded the minimum annual allocation by \$2.1 million.
- Deer Lodge Park Operating Fund (300) and Capital Improvement Fund (310) cash balances as of June 30, 2020, both exceed minimum funding targets.
- Rimforest Operating Fund (400) is underfunded by \$32,539 and Capital Improvement Fund (410) exceeds the minimum funding target by \$13,214 as of June 30, 2020.

## 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, 2020, the District's cash and investments total \$42.8 million and are allocated to the following accounts:

- Checking Account - \$7.8 million or 18.2%
- Local Agency Investment Fund (LAIF) – \$27.8 million or 64.9%
- Federal Agencies - \$1.0 million or 2.3%
- Negotiable CDs - \$6.2 million or 14.6%

The majority of District funds are held in LAIF which has a current rate of 1.22%. All investments held by the District outside of LAIF have stated rates of 1.45% to 3.2%. Interest rates declined greatly in the last two quarters of the 2019-20 year which translated into rather disappointing returns for the District's fixed income investments. That being said, the District's interest income was 110% or \$426,445 above budget.

## **D. FISCAL IMPACT**

This is an information item only.

## **E. ENVIRONMENTAL IMPACT**

This is an information item only.

## **F. ATTACHMENTS**

- Q4 2019-20 Statement of Revenues, Expenses and Changes in Net Position
- Q4 2019-20 Statement of Net Position
- Q4 2019-20 Cash Flow Statement
- Q4 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						
	JUN - 20 YTD	JUN -19 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	7,114,178	6,663,772	450,406	7%	6,601,200	512,978	8%
Other Op Income	199,455	199,265	190	0%	194,932	4,523	2%
<b>Total Revenue</b>	<b>7,313,632</b>	<b>6,863,037</b>	<b>450,596</b>	<b>7%</b>	<b>6,796,132</b>	<b>517,500</b>	<b>8%</b>
Operations	1,856,121	1,613,489	242,632	15%	1,925,305	(69,184)	-4%
Water Purchases	58,277	476,253	(417,976)	-88%	432,249	(373,972)	-87%
Field Operations	987,272	932,844	54,428	6%	1,144,141	(156,869)	-14%
Physical Plant	129,864	114,066	15,798	14%	177,333	(47,469)	-27%
Administration	1,402,116	1,557,862	(155,746)	-10%	1,649,101	(246,985)	-15%
Engineering	198,033	170,542	27,491	16%	151,664	46,369	31%
Water Conservation	221,025	209,616	11,410	5%	266,946	(45,921)	-17%
<b>Total Op Expense</b>	<b>4,852,708</b>	<b>5,074,672</b>	<b>(221,964)</b>	<b>-4%</b>	<b>5,746,739</b>	<b>(894,031)</b>	<b>-16%</b>
<b>Net Operating Income</b>	<b>2,460,924</b>	<b>1,788,365</b>	<b>672,560</b>	<b>38%</b>	<b>1,049,393</b>	<b>1,411,531</b>	<b>135%</b>
SWF or Prop Taxes	34,891	1,937,454	(1,902,563)	-98%	-	34,891	100%
Connection Fees	165,853	194,644	(28,791)	-15%	50,000	115,853	232%
Contributed Capital	-	-	-	100%	-	-	100%
Interest Income	431,368	435,769	(4,401)	-1%	208,271	223,097	107%
Interest Expense	(302,191)	(324,934)	22,743	7%	(294,504)	(7,687)	-3%
Depreciation	(1,650,008)	(1,447,578)	(202,430)	-14%	(1,645,104)	(4,904)	0%
Amortization	13,804	13,804	-	0%	47,820	(34,016)	-71%
Other Expense	(301,948)	(1,637)	(300,311)	-18346%	(1,612)		
Other Income	134,469	(383,307)	517,776	100%	6,074	128,395	2114%
<b>Total Non-Op Income</b>	<b>(1,473,761)</b>	<b>424,216</b>	<b>(1,897,977)</b>	<b>-447%</b>	<b>(1,629,055)</b>	<b>455,631</b>	<b>28%</b>
<b>Net Income</b>	<b>987,164</b>	<b>2,212,581</b>	<b>(1,225,418)</b>	<b>-55%</b>	<b>(579,662)</b>	<b>1,867,162</b>	<b>322%</b>
Beginning Net Position	54,380,093	52,256,575	2,123,518	4%	54,380,093	-	0%
Change in Net Position	987,164	2,212,581	(1,225,418)	-55%	(579,662)	1,566,826	270%
Ending Net Position	55,367,257	54,469,156	898,100	2%	53,800,431	1,566,826	3%

Fund Balances	Water						
	JUN - 20 YTD	JUN -19 YTD	PY Var	%	FY 19/20 Bgt	Bgt Var	%
-00 Operating Fund	1,423,000	1,408,000	15,000	1%	1,343,831	79,169	6%
-10 Capital Improvemnt	4,060,088	3,113,832	946,256	30%	341,365	3,718,723	1089%
-20 Rate Stabilztn Fund	1,356,376	1,101,593	254,783	23%	-	1,356,376	100%
<b>Total Pooled Cash</b>	<b>6,839,464</b>	<b>5,623,424</b>	<b>1,216,040</b>	<b>22%</b>	<b>1,685,196</b>	<b>5,154,268</b>	<b>306%</b>
-50 New Facilities Fund	45,894	41,747	4,146	10%	185,707	(139,813)	-75%
160 Supplemental Wtr	12,812,449	13,469,053	(656,604)	-5%	9,707,872	3,104,577	32%
161, 270 Debt Reserve	-	-	-	100%	-	-	100%
271 Bond Proceeds	-	-	-	100%	-	-	100%
Assessment Districts	-	-	-	100%	-	-	100%
<b>Total Restricted Cash</b>	<b>12,858,343</b>	<b>13,510,801</b>	<b>(652,458)</b>	<b>-5%</b>	<b>9,893,579</b>	<b>2,964,764</b>	<b>30%</b>
<b>Total Cash</b>	<b>19,697,806</b>	<b>19,134,225</b>	<b>563,582</b>	<b>3%</b>	<b>11,578,775</b>	<b>8,119,031</b>	<b>70%</b>

# Lake Arrowhead Community Services District

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

	Wastewater						
	JUN - 20 YTD	JUN -19 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	7,597,054	7,371,761	225,293	3%	7,349,059	247,995	3%
Other Op Income	126,514	122,072	4,442	4%	133,512	(6,998)	-5%
<b>Total Revenue</b>	<b>7,723,568</b>	<b>7,493,832</b>	<b>229,735</b>	<b>3%</b>	<b>7,482,571</b>	<b>240,997</b>	<b>3%</b>
Operations	2,609,334	2,691,382	(82,048)	-3%	2,533,752	75,582	3%
Water Purchases	-	-	-	0%	-	-	0%
Field Operations	1,247,094	1,340,437	(93,343)	-7%	1,648,922	(401,828)	-24%
Physical Plant	228,729	215,643	13,086	6%	329,548	(100,819)	-31%
Administration	1,670,504	1,669,524	981	0%	1,954,997	(284,493)	-15%
Engineering	236,247	249,644	(13,397)	-5%	243,691	(7,444)	-3%
Water Conservation	-	-	-	0%	-	-	0%
<b>Total Op Expense</b>	<b>5,991,909</b>	<b>6,166,629</b>	<b>(174,721)</b>	<b>-3%</b>	<b>6,710,910</b>	<b>(719,001)</b>	<b>-11%</b>
<b>Net Operating Income</b>	<b>1,731,659</b>	<b>1,327,203</b>	<b>404,456</b>	<b>30%</b>	<b>771,661</b>	<b>959,998</b>	<b>124%</b>
SWF or Prop Taxes	3,556,816	3,455,273	101,542	3%	3,566,136	(9,320)	0%
Connection Fees	86,280	86,280	-	0%	25,000	61,280	245%
Contributed Capital	-	-	-	100%	-	-	100%
Interest Income	373,012	384,809	(11,797)	-3%	173,670	199,342	115%
Interest Expense	(542,901)	(560,832)	17,931	3%	(562,380)	19,479	3%
Depreciation	(1,801,094)	(1,777,475)	(23,618)	-1%	(1,831,200)	30,106	2%
Amortization	26,797	26,797	-	0%	92,820	(66,023)	-71%
Other Expense	287,371	(2,497)	289,869	11607%	(7,148)		
Other Income	658,381	464,749	193,632	42%	115,216	543,165	471%
<b>Total Non-Op Income</b>	<b>2,644,662</b>	<b>2,077,103</b>	<b>567,559</b>	<b>27%</b>	<b>1,572,114</b>	<b>778,029</b>	<b>49%</b>
<b>Net Income</b>	<b>4,376,321</b>	<b>3,404,306</b>	<b>972,015</b>	<b>29%</b>	<b>2,343,775</b>	<b>1,738,027</b>	<b>74%</b>
Beginning Net Position	48,609,658	45,217,548	3,392,110	8%	48,609,658	-	0%
Change in Net Position	4,376,321	3,404,306	972,015	29%	2,343,775	2,032,546	87%
Ending Net Position	52,985,979	48,621,854	4,364,125	9%	50,953,433	2,032,546	4%

Fund Balances	Wastewater						
	JUN - 20 YTD	JUN -19 YTD	PY Var	%	FY 19/20 Bgt	Bgt Var	%
-00 Operating Fund	1,713,000	1,628,000	85,000	5%	1,700,300	12,700	1%
-10 Capital Improvemnt	17,889,787	15,804,789	2,084,997	13%	6,800,156	11,089,631	163%
-20 Rate Stabilztn Fund	1,558,000	1,497,000	61,000	4%	1,469,811	88,189	6%
<b>Total Pooled Cash</b>	<b>21,160,787</b>	<b>18,929,789</b>	<b>2,230,997</b>	<b>12%</b>	<b>9,970,267</b>	<b>11,190,520</b>	<b>112%</b>
-50 New Facilities Fund	13,103	13,520	(418)	-3%	96,115	(83,012)	-86%
160 Supplemental Wtr	-	-	-	100%	-	-	100%
161, 270 Debt Reserve	-	-	-	100%	-	-	100%
271 Bond Proceeds	4	88	(84)	-96%	9	(5)	-56%
Assessment Districts	1,590,347	1,562,211	28,136	2%	1,565,579	24,768	2%
<b>Total Restricted Cash</b>	<b>1,603,453</b>	<b>1,575,819</b>	<b>27,634</b>	<b>2%</b>	<b>1,661,703</b>	<b>(58,250)</b>	<b>-4%</b>
<b>Total Cash</b>	<b>22,764,240</b>	<b>20,505,608</b>	<b>2,258,632</b>	<b>11%</b>	<b>11,631,970</b>	<b>11,132,270</b>	<b>96%</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							
	JUN - 20 YTD	JUN -19 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	171,108	158,722	12,386	8%	152,278	18,830	12%
Other Op Income	10,084	9,091	993	11%	5,741	4,343	76%
<b>Total Revenue</b>	<b>181,192</b>	<b>167,813</b>	<b>13,379</b>	<b>8%</b>	<b>158,019</b>	<b>23,173</b>	<b>15%</b>
Operations	61,524	60,973	552	1%	85,239	(23,715)	-28%
Water Purchases	27,429	22,527	4,902	22%	23,000	4,429	19%
Field Operations	25,476	16,216	9,259	57%	15,020	10,456	70%
Physical Plant	2,224	2,007	218	11%	3,476	(1,252)	-36%
Administration	36,504	39,851	(3,347)	-8%	43,294	(6,790)	-16%
Engineering	3,789	3,868	(78)	-2%	3,722	67	2%
Water Conservation	-	-	-	0%	-	-	0%
<b>Total Op Expense</b>	<b>156,947</b>	<b>145,441</b>	<b>11,506</b>	<b>8%</b>	<b>173,751</b>	<b>(16,804)</b>	<b>-10%</b>
<b>Net Operating Income</b>	<b>24,245</b>	<b>22,372</b>	<b>1,873</b>	<b>8%</b>	<b>(15,732)</b>	<b>39,977</b>	<b>254%</b>
SWF or Prop Taxes	-	-	-	0%	-	-	0%
Connection Fees	15,579	-	15,579	0%	-	15,579	0%
Contributed Capital	-	-	-	0%	-	-	0%
Interest Income	10,180	11,941	(1,762)	-15%	6,476	3,704	57%
Interest Expense	(864)	(1,687)	823	0%	(1,692)	828	49%
Depreciation	(38,807)	(38,807)	-	0%	(40,200)	1,393	3%
Amortization	-	-	-	0%	-	-	0%
Other Expense	(78)	1,869	-	-	-	-	-
Other Income	3,393	2,171	1,223	100%	-	3,393	100%
<b>Total Non-Op Income</b>	<b>(10,598)</b>	<b>(24,513)</b>	<b>15,863</b>	<b>65%</b>	<b>(35,416)</b>	<b>24,896</b>	<b>70%</b>
<b>Net Income</b>	<b>13,647</b>	<b>(2,141)</b>	<b>17,736</b>	<b>828%</b>	<b>(51,148)</b>	<b>64,873</b>	<b>127%</b>
Beginning Net Position	1,647,366	1,649,506	(2,140)	0%	1,647,366	-	0%
Change in Net Position	13,647	(2,141)	15,789	737%	(51,148)	64,795	127%
Ending Net Position	1,661,013	1,647,365	13,649	1%	1,596,218	64,795	4%

Deer Lodge Park							
Fund Balances	JUN - 20 YTD	JUN -19 YTD	PY Var	%	FY 19/20 Bgt	Bgt Var	%
-00 Operating Fund	56,705	63,862	(7,157)	-11%	6,095	50,610	830%
-10 Capital Improvemnt	54,526	112,639	(58,113)	-52%	1,357	53,169	3918%
-20 Rate Stabilztn Fund	26,879	26,390	490	2%	26,346	533	2%
<b>Total Pooled Cash</b>	<b>138,110</b>	<b>202,890</b>	<b>(64,780)</b>	<b>-32%</b>	<b>33,798</b>	<b>104,312</b>	<b>309%</b>
-50 New Facilities Fund	12,526	9,108	3,418	38%	9,777	2,749	28%
160 Supplemental Wtr	-	-	-	100%	-	-	100%
161, 270 Debt Reserve	-	-	-	100%	-	-	100%
271 Bond Proceeds	-	-	-	100%	-	-	100%
Assessment Districts	396,380	389,369	7,011	2%	1,996	394,384	19759%
<b>Total Restricted Cash</b>	<b>408,905</b>	<b>398,477</b>	<b>10,429</b>	<b>3%</b>	<b>11,773</b>	<b>397,132</b>	<b>3373%</b>
<b>Total Cash</b>	<b>547,015</b>	<b>601,366</b>	<b>(54,351)</b>	<b>-9%</b>	<b>45,571</b>	<b>501,444</b>	<b>1100%</b>

# Lake Arrowhead Community Services District

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

	Rimforest						
	JUN - 20 YTD	JUN -19 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	265,926	261,863	4,062	2%	260,917	5,009	2%
Other Op Income	9,680	9,759	(79)	-1%	10,295	(615)	-6%
<b>Total Revenue</b>	<b>275,606</b>	<b>271,623</b>	<b>3,983</b>	<b>1%</b>	<b>271,212</b>	<b>4,394</b>	<b>2%</b>
Operations	32,206	36,558	(4,351)	-12%	35,474	(3,268)	-9%
Water Purchases	57,815	43,770	14,045	32%	55,380	2,435	4%
Field Operations	59,501	35,368	24,133	68%	50,022	9,479	19%
Physical Plant	4,443	4,181	262	6%	2,627	1,816	69%
Administration	66,119	70,695	(4,576)	-6%	79,069	(12,950)	-16%
Engineering	7,028	7,248	(221)	-3%	6,880	148	2%
Water Conservation	-	-	-	0%	-	-	0%
<b>Total Op Expense</b>	<b>227,111</b>	<b>197,820</b>	<b>29,291</b>	<b>15%</b>	<b>229,452</b>	<b>(2,341)</b>	<b>-1%</b>
<b>Net Operating Income</b>	<b>48,495</b>	<b>73,803</b>	<b>(25,308)</b>	<b>-34%</b>	<b>41,760</b>	<b>6,735</b>	<b>16%</b>
SWF or Prop Taxes	-	-	-	0%	-	-	0%
Connection Fees	-	-	-	0%	-	-	0%
Contributed Capital	-	-	-	0%	-	-	0%
Interest Income	1,116	1,546	(431)	-28%	814	302	37%
Interest Expense	(8,370)	(11,635)	3,265	28%	(8,376)	6	0%
Depreciation	(15,900)	(15,900)	-	0%	(15,900)	0	0%
Amortization	-	-	-	0%	-	-	0%
Other Expense	(186)	(110)	-	-	(75)	-	-
Other Income	6,786	3,941	2,845	0%	-	6,786	100%
<b>Total Non-Op Income</b>	<b>(16,553)</b>	<b>(22,157)</b>	<b>5,680</b>	<b>26%</b>	<b>(23,537)</b>	<b>7,095</b>	<b>30%</b>
<b>Net Income</b>	<b>31,942</b>	<b>51,645</b>	<b>(19,628)</b>	<b>-38%</b>	<b>18,223</b>	<b>13,829</b>	<b>76%</b>
Beginning Net Position	327,419	275,691	51,728	19%	327,419	-	0%
Change in Net Position	31,942	51,645	(19,703)	-38%	18,223	13,719	75%
Ending Net Position	359,361	327,336	32,025	10%	345,642	13,719	4%

	Rimforest						
	JUN - 20 YTD	JUN -19 YTD	PY Var	%	FY 19/20 Bgt	Bgt Var	%
<b>Fund Balances</b>							
-00 Operating Fund	25,461	56,000	(30,539)	-55%	23,280	2,181	9%
-10 Capital Improvemnt	31,215	31,269	(54)	0%	-	31,215	100%
-20 Rate Stabilztn Fund	-	-	-	100%	-	-	100%
<b>Total Pooled Cash</b>	<b>56,676</b>	<b>87,269</b>	<b>(30,593)</b>	<b>-35%</b>	<b>23,280</b>	<b>33,396</b>	<b>143%</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>56,676</b>	<b>87,269</b>	<b>(30,593)</b>	<b>-35%</b>	<b>23,280</b>	<b>33,396</b>	<b>143%</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						
	JUN - 20 YTD	JUN -19 YTD	PY Var	%	YTD Budget	Bgt Var	%
Charges for Services	15,148,265	14,456,118	692,148	5%	14,363,454	784,811	5%
Other Op Income	345,733	340,187	5,545	2%	344,480	1,253	0%
<b>Total Revenue</b>	<b>15,493,998</b>	<b>14,796,305</b>	<b>697,693</b>	<b>5%</b>	<b>14,707,934</b>	<b>786,064</b>	<b>5%</b>
Operations	4,559,186	4,402,401	156,785	4%	4,579,770	(20,584)	0%
Water Purchases	143,520	542,550	(399,030)	-74%	510,629	(367,109)	-72%
Field Operations	2,319,342	2,324,865	(5,523)	0%	2,858,105	(538,763)	-19%
Physical Plant	365,260	335,897	29,363	9%	512,984	(147,724)	-29%
Administration	3,175,243	3,337,931	(162,688)	-5%	3,726,461	(551,218)	-15%
Engineering	445,098	431,302	13,796	3%	405,957	39,141	10%
Water Conservation	221,025	209,616	11,410	5%	266,946	(45,921)	-17%
<b>Total Op Expense</b>	<b>11,228,675</b>	<b>11,584,563</b>	<b>(355,888)</b>	<b>-3%</b>	<b>12,860,852</b>	<b>(1,632,177)</b>	<b>-13%</b>
<b>Net Operating Income</b>	<b>4,265,323</b>	<b>3,211,742</b>	<b>1,053,581</b>	<b>33%</b>	<b>1,847,082</b>	<b>2,418,241</b>	<b>131%</b>
SWF or Prop Taxes	3,591,707	5,392,728	(1,801,021)	-33%	3,566,136	25,571	1%
Connection Fees	267,712	280,924	(13,212)	-5%	75,000	192,712	257%
Contributed Capital	-	-	-	100%	-	-	100%
Interest Income	815,676	834,066	(18,390)	-2%	389,231	426,445	110%
Interest Expense	(854,326)	(899,088)	44,762	5%	(866,952)	12,626	1%
Depreciation	(3,505,808)	(3,279,760)	(226,048)	-7%	(3,532,404)	26,596	1%
Amortization	40,601	40,601	-	0%	140,640	(100,039)	-71%
Other Expense	(14,841)	(2,375)	(12,465)	-525%	(8,835)		
Other Income	803,029	87,554	715,476	817%	121,290	681,739	562%
<b>Total Non-Op Income</b>	<b>1,143,750</b>	<b>2,454,649</b>	<b>(1,310,899)</b>	<b>-53%</b>	<b>(115,894)</b>	<b>1,265,650</b>	<b>1092%</b>
<b>Net Income</b>	<b>5,409,074</b>	<b>5,666,391</b>	<b>(257,317)</b>	<b>-5%</b>	<b>1,731,188</b>	<b>3,683,892</b>	<b>213%</b>
Beginning Net Position	104,964,536	99,399,320	5,565,216	6%	104,964,536	-	0%
Change in Net Position	5,409,074	5,666,391	(257,317)	-5%	1,731,188	3,677,886	212%
Ending Net Position	110,373,610	105,065,711	5,307,899	5%	106,695,724	3,677,886	3%

Fund Balances	LACSD Total						
	JUN - 20 YTD	JUN -19 YTD	PY Var	%	FY 19/20 Bgt	Bgt Var	%
-00 Operating Fund	3,218,166	3,155,862	62,304	2%	3,073,506	144,660	5%
-10 Capital Improvemnt	22,035,615	19,062,528	2,973,087	16%	7,142,878	14,892,737	208%
-20 Rate Stabilztn Fund	2,941,255	2,624,982	316,273	12%	1,496,157	1,445,098	97%
<b>Total Pooled Cash</b>	<b>28,195,036</b>	<b>24,843,372</b>	<b>3,351,664</b>	<b>13%</b>	<b>11,712,541</b>	<b>16,482,495</b>	<b>141%</b>
-50 New Facilities Fund	71,522	64,376	7,146	11%	291,599	(220,077)	-75%
160 Supplemental Wtr	12,812,449	13,469,053	(656,604)	-5%	9,707,872	3,104,577	32%
161, 270 Debt Reserve	-	-	-	100%	-	-	100%
271 Bond Proceeds	4	88	(84)	-96%	9	(5)	-56%
Assessment Districts	1,986,726	1,951,580	35,147	2%	1,567,575	419,151	27%
<b>Total Restricted Cash</b>	<b>14,870,701</b>	<b>15,485,096</b>	<b>(614,395)</b>	<b>-4%</b>	<b>11,567,055</b>	<b>3,303,646</b>	<b>29%</b>
<b>Total Cash</b>	<b>43,065,737</b>	<b>40,328,468</b>	<b>2,737,269</b>	<b>7%</b>	<b>23,279,596</b>	<b>19,786,141</b>	<b>85%</b>

**Lake Arrowhead Community Services District**  
**Preliminary Combining Statement of Net Position as of June 30, 2020**

<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	6,839,464	21,160,787	138,110	56,676	28,195,036
Restricted Cash and Investments	12,858,343	1,603,453	408,905	-	14,870,701
Accounts Receivable	625,045	646,326	10,150	27,387	1,308,907
Restricted Accounts Receivable	62,811	-	-	-	62,811
Tax Roll Receivable	-	192,311	-	-	192,311
Interest Receivable	44,242	80,559	-	-	124,802
Unbilled Accounts Receivable	620,082	406,663	19,567	15,273	1,061,585
Other Receivables & Deposits	39,878	948	-	-	40,826
Parts Inventory	203,286	37,449	-	-	240,735
Prepaid Expenses	114,670	14,071	1,535	3,069	133,345
Prepaid Water	2,313,794	-	-	-	2,313,794
Interfund Receivable	2,225,843	-	-	-	2,225,843
<b>Total Current Assets</b>	<b>25,947,457</b>	<b>24,142,568</b>	<b>578,267</b>	<b>102,405</b>	<b>50,770,696</b>
<b>Capital Assets:</b>					
Fixed Assets	62,266,036	82,422,310	2,019,488	476,984	147,184,817
Accumulated Depreciation	(24,230,093)	(38,637,564)	(863,690)	(79,542)	(63,810,888)
Intangible Asset	1,000,000	-	-	-	1,000,000
Accum Amortization of Intangible	(101,010)	-	-	-	(101,010)
Construction in Progress	873,431	2,685,448	-	595	3,559,474
<b>Net Capital Assets</b>	<b>39,808,364</b>	<b>46,470,193</b>	<b>1,155,798</b>	<b>398,037</b>	<b>87,832,393</b>
<b>Total Assets</b>	<b>65,755,820</b>	<b>70,612,761</b>	<b>1,734,065</b>	<b>500,442</b>	<b>138,603,089</b>
Deferred Outflows	1,572,222	2,390,874	21,046	21,046	4,005,187
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Accounts Payable	325,052	770,209	4,567	7,720	1,107,549
Accrued Payroll and Benefits	122,232	137,476	3,242	8,310	271,261
Compensated Absences	266,763	415,965	-	-	682,728
Deferred Revenue	-	-	-	-	-
Deposits & Retentions	44,182	119,738	-	-	163,920
Interest Payable	63,198	122,678	864	-	186,739
SRF Loan & Notes Payable	-	-	-	52,910	52,910
Bonds Payable	210,800	409,200	-	-	620,000
Interfund Payable	971,767	1,236,794	17,282	-	2,225,843
<b>Total Current Liabilities</b>	<b>2,003,993</b>	<b>3,212,060</b>	<b>25,955</b>	<b>68,941</b>	<b>5,310,949</b>
<b>Non-Current Liabilities:</b>					
Compensated Absences	111,852	169,219	-	-	281,071
Net Pension Liability	3,004,598	3,439,416	65,582	48,582	6,558,177
SRF Loan & Notes Payable	-	-	-	42,125	42,125
Bonds Payable	5,819,100	11,295,900	-	-	17,115,000
Bond Premium	908,488	1,763,535	-	-	2,672,023
<b>Net Non-Current Liabilities</b>	<b>9,844,038</b>	<b>16,668,069</b>	<b>65,582</b>	<b>90,707</b>	<b>26,668,396</b>
<b>Total Liabilities</b>	<b>11,848,031</b>	<b>19,880,129</b>	<b>91,537</b>	<b>159,648</b>	<b>31,979,345</b>
Deferred Inflows - Pension	112,668	138,274	2,561	2,561	256,063
<b>Net Position</b>					
Restricted	15,234,948	1,603,453	408,905	-	17,247,306
Unrestricted	6,353,932	16,616,685	96,310	56,278	23,123,205
Capital Assets	33,778,464	34,765,093	1,155,798	303,002	70,002,357
<b>Total Net Position</b>	<b>55,367,344</b>	<b>52,985,232</b>	<b>1,661,013</b>	<b>359,279</b>	<b>110,372,868</b>
<b>Liabilities, Deferrals &amp; Net Position</b>	<b>67,328,042</b>	<b>73,003,635</b>	<b>1,755,111</b>	<b>521,488</b>	<b>142,608,276</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)	987,163	4,376,321	13,648	31,942	5,409,074
<b>Ending net position</b>	<b>55,367,256</b>	<b>52,985,979</b>	<b>1,661,014</b>	<b>359,361</b>	<b>110,373,610</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>	987,163	4,376,321	13,648	31,942	5,409,074
Depreciation & Amortization	1,565,154	1,750,898	38,807	15,900	3,370,759
Asset Disposal	-	-	-	-	-
<b>Net Cash from Income Statement</b>	<u>2,552,318</u>	<u>6,127,219</u>	<u>52,455</u>	<u>47,842</u>	<u>8,779,833</u>
Customer Accounts Receivable	(205,685)	(102,877)	(3,089)	(3,723)	(315,373)
Other Receivables	9,000	46,223	-	-	55,223
Prepaid Expenses	26,343	816	179	358	27,696
Prepaid Water	(153,191)	-	-	-	(153,191)
Accounts Payable	14,217	429,694	928	3,052	447,891
Net Pension Liability	(629,000)	(1,020,000)	(17,000)	(34,000)	(1,700,000)
Accrued Liabilities	95,217	137,298	1,116	5,692	239,323
Deposits & Retentions	13,289	(60,951)	-	-	(47,662)
Parts Inventory	49,739	2,681	-	-	52,420
<b>Total Sources (Uses) of Cash</b>	<u>(780,070)</u>	<u>(567,117)</u>	<u>(17,866)</u>	<u>(28,621)</u>	<u>(1,393,674)</u>
<b>Net Cash Flow from Operating Activities</b>	<b>1,772,247</b>	<b>5,560,102</b>	<b>34,589</b>	<b>19,221</b>	<b>7,386,159</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>					
Additions to Fixed Assets	(662,842)	(3,870,188)	(124,820)	-	(4,657,849)
Construction in Progress	(378,079)	941,871	53,156	(400)	616,548
Bond Principal	(246,715)	(478,918)	-	-	(725,633)
Contributions to Financing Activities	34,011	66,021	-	-	-
SRF Loan & Notes Payable	-	-	-	(49,414)	(49,414)
Interfund Payable/Receivable	20,464	(4,011)	(16,453)	-	0
Interest Payable	(2,486)	(4,826)	(823)	-	(8,136)
<b>Net Cash Flow from Financing Activities</b>	<b>(1,235,647)</b>	<b>(3,350,051)</b>	<b>(88,940)</b>	<b>(49,814)</b>	<b>(4,824,484)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>					
Interest Receivable	26,982	48,581	-	-	75,563
<b>Net Cash Flow from Investing Activities</b>	<b>26,982</b>	<b>48,581</b>	<b>-</b>	<b>-</b>	<b>75,563</b>
<b>Net Increase (Decrease) in Cash</b>	563,582	2,258,632	(54,351)	(30,593)	2,737,270
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>	<u><b>19,697,807</b></u>	<u><b>22,764,240</b></u>	<u><b>547,016</b></u>	<u><b>56,676</b></u>	<u><b>43,065,738</b></u>



**Lake Arrowhead Community Services District**  
**Cash and Investment Report**  
*as of June 30, 2020*

**Summary of Portfolio Assets**

Category	Book Value	Adj Book Value	Market Value	Percent of Portfolio	Current Quarterly Yield
Checking Account	7,783,170	7,783,170	7,783,170	18.2%	0.00%
LAIF	27,766,291	27,766,291	27,766,291	64.9%	1.22%
Federal Agencies	1,000,000	1,000,000	1,005,230	2.3%	1.68%
Negotiable CDs	6,000,000	6,000,000	6,257,042	14.6%	2.36%
<b>Total Cash &amp; Investments</b>	<b>42,549,461</b>	<b>42,549,461</b>	<b>42,811,733</b>	<b>100.0%</b>	<b>1.17%</b>

**Summary of Portfolio Liquidity**

Category	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio	Par Value	Percent of Portfolio
On Demand	35,549,461	83.5%	35,549,461	83.0%	35,549,461	83.5%
Within 2020-21	500,000	1.2%	504,230	1.2%	500,000	1.2%
Within 2021-22	1,750,000	4.1%	1,804,529	4.2%	1,750,000	4.1%
Within 2022-23	3,000,000	7.1%	3,104,185	7.3%	3,000,000	7.1%
Within 2023-24	1,500,000	3.5%	1,598,304	3.7%	1,500,000	3.5%
Within 2024-25	250,000	0.6%	251,024	0.6%	250,000	0.6%
<b>Total</b>	<b>42,549,461</b>	<b>100.0%</b>	<b>42,811,733</b>	<b>100.0%</b>	<b>42,549,461</b>	<b>100.0%</b>



**Lake Arrowhead Community Services District**  
**Portfolio Details**  
**as of June 30, 2020**

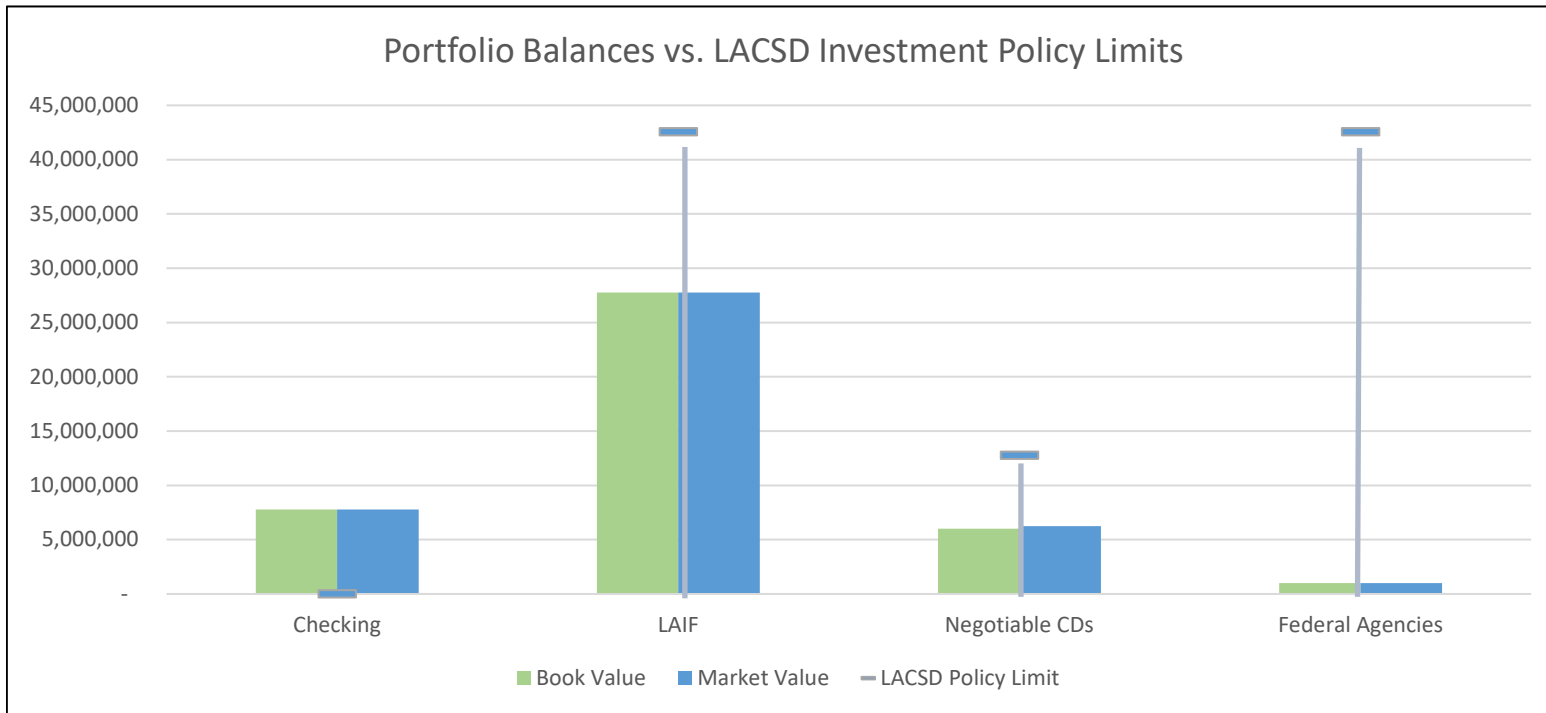
Type	Issuer	CUSIP	Purchase Date	Maturity Date	Par Value	Market Value	Book Value	Stated Rate
Checking Account	Union Bank				\$ 7,783,170	\$ 7,783,170	\$ 7,783,170	
LAIF	LAIF				\$ 27,766,291	\$ 27,766,291	\$ 27,766,291	1.22%
Negotiable CD	American Express Federal Savings Bank	02587CFZ8	9/6/2017	9/8/2020	\$ 250,000	\$ 250,895	\$ 250,000	1.95%
Negotiable CD	Synchrony Bank	87165EJL2	5/6/2016	5/6/2021	\$ 250,000	\$ 253,335	\$ 250,000	1.60%
Negotiable CD	East Boston Savings Bank	27113PCG4	2/8/2018	7/30/2021	\$ 250,000	\$ 255,722	\$ 250,000	2.30%
Negotiable CD	Capital One National Association	14042RHR5	9/1/2017	8/30/2021	\$ 250,000	\$ 255,955	\$ 250,000	2.20%
Negotiable CD	CF Bank Fairlawn Ohio	15721UDE6	8/15/2019	10/12/2021	\$ 250,000	\$ 254,722	\$ 250,000	1.65%
Negotiable CD	Pioneer Bank	723605AS0	4/17/2019	10/18/2021	\$ 250,000	\$ 257,215	\$ 250,000	2.40%
Negotiable CD	Wells Fargo Bank	949763NP7	2/14/2018	2/14/2022	\$ 250,000	\$ 259,740	\$ 250,000	2.60%
Negotiable CD	Merrick Bank	59013J7H6	4/18/2019	4/18/2022	\$ 250,000	\$ 260,090	\$ 250,000	2.45%
Negotiable CD	Ally Bank	02007GKC6	6/6/2019	6/6/2022	\$ 250,000	\$ 261,085	\$ 250,000	2.50%
Negotiable CD	TIAA Bank	87270LBY8	4/17/2019	10/17/2022	\$ 250,000	\$ 263,782	\$ 250,000	2.65%
Negotiable CD	Eaglebank	27002YEJ1	4/18/2019	10/18/2022	\$ 250,000	\$ 263,200	\$ 250,000	2.55%
Federal Agency	Federal Farms Agency	3133ELAKO	11/25/2019	11/25/2022	\$ 1,000,000	\$ 1,005,230	\$ 1,000,000	1.68%
Negotiable CD	Great Southern Bank	39120VSK1	6/28/2019	12/28/2022	\$ 250,000	\$ 246,312	\$ 250,000	2.38%
Negotiable CD	Sallie Mae Bank	795450K53	2/8/2018	2/8/2023	\$ 250,000	\$ 265,370	\$ 250,000	2.65%
Negotiable CD	Goldman Sachs	38148PXW2	2/14/2018	2/14/2023	\$ 250,000	\$ 265,782	\$ 250,000	2.70%
Negotiable CD	BMW Bank North America	05580AWA8	3/31/2020	3/31/2023	\$ 250,000	\$ 257,897	\$ 250,000	1.45%
Negotiable CD	Mainstreet Bank	56065GAE8	4/26/2019	4/26/2023	\$ 250,000	\$ 265,762	\$ 250,000	2.55%
Negotiable CD	Citibank National Association	17312QL98	5/23/2018	5/23/2023	\$ 250,000	\$ 270,850	\$ 250,000	3.20%
Negotiable CD	Medallion Bank	58404DEL1	6/11/2019	12/11/2023	\$ 250,000	\$ 267,245	\$ 250,000	2.40%
Negotiable CD	Morgan Stanley Private Bank	61760AYR4	4/11/2019	4/11/2024	\$ 250,000	\$ 272,235	\$ 250,000	2.80%
Negotiable CD	Comenity Capital Bank	20033AU38	4/15/2019	4/15/2024	\$ 250,000	\$ 272,275	\$ 250,000	2.80%
Negotiable CD	Celtic Bank	15118RUV7	4/17/2020	4/17/2024	\$ 250,000	\$ 259,120	\$ 250,000	2.80%
Negotiable CD	Suntrust Bank	86789VYH4	4/26/2019	4/26/2024	\$ 250,000	\$ 255,472	\$ 250,000	2.80%
Negotiable CD	Morgan Stanley NA Bank	61690UHB9	6/6/2019	6/6/2024	\$ 250,000	\$ 271,957	\$ 250,000	2.70%



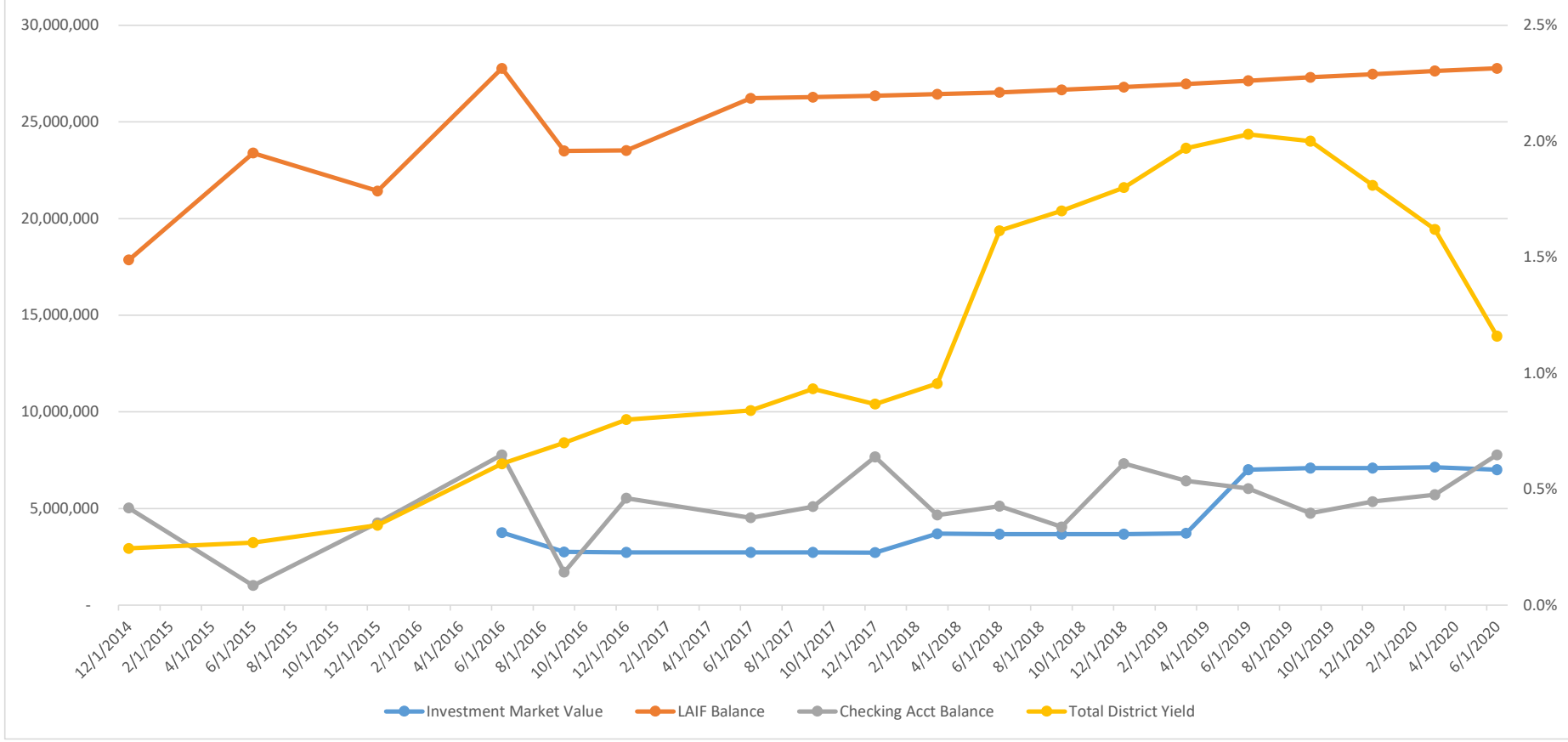
## Lake Arrowhead Community Services District Investment Policy Compliance Report

as of June 30, 2020

Investment Type	Book Value	Market Value	LACSD Policy Limit	Description of Limit
Checking	7,783,170	7,783,170	None	None
LAIF	27,766,291	27,766,291	42,549,461	Up to 100% of portfolio
Negotiable CDs	6,000,000	6,257,042	12,764,838	Up to 30% of portfolio
Federal Agencies	1,000,000	1,005,230	42,549,461	Up to 100% of portfolio
<b>Total Portfolio</b>	<b>42,549,461</b>	<b>42,811,733</b>		



5 Year Balance and Yield History



Market Rates

