

**TRIUNFO SANITATION DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015
COMPARATIVE STATEMENT AS OF JUNE 30, 2014**

<u>Assets</u>	<u>2015</u>	<u>2014</u>
Current assets:		
Cash and cash equivalents (Note B1)	\$ 8,961,486	\$ 11,741,454
Accrued interest receivable	6,784	7,864
Accounts receivable – water sales and services, net (Note B3)	674,356	865,430
Accounts receivable – sanitation fees (Note B3)	30,677	189,924
Accounts receivable – other (Note B3)	182,007	47,849
Advance deposits – investment-in-joint venture LVMWD/TSD (Note B5)	2,301,720	1,886,011
Water-in-storage inventory	31,969	67,920
Prepaid and other	24,690	22,112
Total current assets – unrestricted	<u>12,213,689</u>	<u>14,828,564</u>
Restricted current assets:		
Cash and cash equivalents (Note B2)	1,307,403	1,306,458
Total current assets – restricted	<u>1,307,403</u>	<u>1,306,458</u>
Total current assets – unrestricted and restricted	<u>13,521,092</u>	<u>16,135,022</u>
Non-current assets		
Capital assets, net (Note B4)	30,498,739	28,726,744
Investment-in-joint venture LVMWD/TSD (Note B5)	32,295,953	33,136,526
Total non-current assets	<u>62,794,692</u>	<u>61,863,270</u>
Total assets	\$ <u>76,315,784</u>	\$ <u>77,998,292</u>

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See accompanying notes to the financial statements.

TRIUNFO SANITATION DISTRICT
STATEMENT OF NET POSITION (continued)
JUNE 30, 2015
COMPARATIVE STATEMENT AS OF JUNE 30, 2014

Liabilities and Net Position	2015	2014
Current liabilities:		
Payable from current assets:		
Accounts payable and accrued expenses	\$ 2,013,664	\$ 2,236,665
Accrued interest payable – loan	137,768	142,922
Loans payable – current portion (Note B6)	428,420	410,927
Developer refund agreements – current portion (Note B6)	27,254	27,254
Payable from current assets – unrestricted	<u>2,607,106</u>	<u>2,817,768</u>
Payable from restricted current assets:		
Customer deposits	39,030	38,085
Unearned revenue	666,373	666,373
Payable from restricted current assets	<u>705,403</u>	<u>704,458</u>
Total current liabilities – unrestricted and restricted	<u>3,312,509</u>	<u>3,522,226</u>
Non-current liabilities:		
Loans payable (Note B6)	8,696,817	9,125,237
Developer refund agreements (Note B6)	442,855	470,109
Total non-current liabilities	<u>9,139,672</u>	<u>9,595,346</u>
Total liabilities	<u>12,452,181</u>	<u>13,117,572</u>
Net position:		
Net investment in capital assets (Note B7)	21,277,799	21,228,218
Restricted:		
Conifer loan reserve requirement (Note B7)	602,000	602,000
Unrestricted	41,983,804	43,050,502
Total net position	<u>63,863,603</u>	<u>64,880,720</u>
Total liabilities and net position	<u>\$ 76,315,784</u>	<u>\$ 77,998,292</u>

See accompanying notes to the financial statements.

**TRIUNFO SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
COMPARATIVE STATEMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	2015	2014
Operating revenues:		
Sanitation fees	\$ 6,644,859	\$ 6,590,649
Potable water sales	4,622,483	5,282,011
Recycled water sales	1,994,508	2,580,139
Water meter service fees	1,385,771	1,385,935
Connection fees	262,406	309,650
Other charges for services	99,534	113,785
Total operating revenues	15,009,561	16,262,169
Operating expenses:		
Wastewater treatment	4,305,047	3,783,274
Potable water purchased	3,223,673	3,731,891
Recycled water purchased	1,665,181	2,131,331
Professional services	127,670	95,968
Management and administrative	4,051,345	3,718,916
Total operating expenses	13,372,916	13,461,380
Operating income before depreciation	1,636,645	2,800,789
Depreciation	(899,549)	(865,402)
Operating income	737,096	1,935,387
Non-operating revenues (expenses)		
Change in investment-in-joint venture LVMWD/TSD (Note B5)	(1,915,400)	(1,917,034)
Rental revenue - cellular antennas	120,147	153,863
Interest and investment earnings	38,939	26,290
Interest expense	(26,078)	(236)
Other income(expenses), net	28,179	(20,000)
Total non-operating revenues (expenses), net	(1,754,213)	(1,757,117)
Change in net position	(1,017,117)	178,270
Net position, beginning of year	64,880,720	64,702,450
Net position, end of year	\$ 63,863,603	\$ 64,880,720

See accompanying notes to the basic financial statements

**TRIUNFO SANITATION DISTRICT
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
COMPARATIVE STATEMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Receipts from customers for water sales and services	\$ 8,457,188	\$ 9,563,396
Receipts from customers for sanitation services	6,670,844	6,612,755
Receipts for other services	98,638	93,212
Payments to vendors for materials and services	<u>(13,562,545)</u>	<u>(13,462,007)</u>
Net cash provided by operating activities	<u>1,664,125</u>	<u>2,807,356</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(2,671,544)	(874,845)
Proceeds from sale/disposition of capital assets	28,179	-
Principal and interest paid on long-term debt	<u>(469,413)</u>	<u>2,226,505</u>
Net cash provided (used) in capital and related financing activities	<u>(3,112,778)</u>	<u>1,351,660</u>
Cash flows from investing activities:		
Advance deposits – investment-in-joint venture LVMWD/TSD facility	(1,490,536)	(1,520,322)
Proceeds from rental revenue - cellular antennas	120,147	153,863
Proceeds from interest and investment earnings	52,612	60,560
Net change in fair value of investments	<u>(12,593)</u>	<u>(30,119)</u>
Net cash used by investing activities	<u>(1,330,370)</u>	<u>(1,336,018)</u>
Net increase(decrease) in cash and cash equivalents	(2,779,023)	2,822,998
Cash and cash equivalents (unrestricted and restricted), beginning of year	<u>13,047,912</u>	<u>10,224,914</u>
Cash and cash equivalents (unrestricted and restricted), end of year	<u>\$ 10,268,889</u>	<u>\$ 13,047,912</u>
Reconciliation of cash and cash equivalents to statement of net position:		
Cash and cash equivalents	\$ 8,961,486	\$ 11,741,454
Restricted cash and cash equivalents	<u>1,307,403</u>	<u>1,306,458</u>
Total cash and cash equivalents	<u>\$ 10,268,889</u>	<u>\$ 13,047,912</u>
Accrued capitalized interest, net	\$ 111,690	\$ 142,686

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See accompanying notes to the financial statements.

TRIUNFO SANITATION DISTRICT
STATEMENT OF CASH FLOWS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
COMPARATIVE STATEMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>2015</u>	<u>2014</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ <u>737,096</u>	\$ <u>1,935,387</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	899,549	865,402
Changes in assets and liabilities:		
(Increase)decrease in assets:		
Accounts receivable – water sales and services, net	191,074	(839)
Accounts receivable – sanitation fees	159,247	22,106
Accounts receivable – other, net	(134,158)	(20,573)
Water-in-storage inventory	35,951	-
Prepaid and other	(2,578)	37,847
Increase(decrease) in liabilities:		
Accounts payable and accrued expenses	(223,001)	(38,474)
Customer deposits	<u>945</u>	<u>6,500</u>
Total adjustments	<u>927,029</u>	<u>871,969</u>
Net cash provided by operating activities	<u>\$ 1,664,125</u>	<u>\$ 2,807,356</u>

See accompanying notes to the financial statements.