

**TRIUNFO SANITATION DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016
COMPARATIVE STATEMENT AS OF JUNE 30, 2015**

<u>Assets</u>		<u>2016</u>	<u>2015</u>
Current assets:			
Cash and cash equivalents	(Note B1)	\$ 8,736,523	\$ 8,961,486
Accrued interest receivable		20,967	6,784
Accounts receivable – water sales and services, net	(Note B3)	728,628	674,356
Accounts receivable – sanitation fees	(Note B3)	196,499	182,007
Accounts receivable – other	(Note B3)	37,504	30,677
Advance deposits – investment-in-joint venture LVMWD/TSD	(Note B5)	2,256,294	2,301,720
Water-in-storage inventory		17,051	31,969
Prepaid and other		32,511	24,690
Total current assets – unrestricted		<u>12,025,977</u>	<u>12,213,689</u>
Restricted current assets:			
Cash and cash equivalents	(Note B2)	1,315,718	1,307,403
Total current assets – restricted		<u>1,315,718</u>	<u>1,307,403</u>
Total current assets – unrestricted and restricted		<u>13,341,695</u>	<u>13,521,092</u>
Non-current assets			
Capital assets, net	(Note B4)	29,615,922	30,498,739
Investment-in-joint venture LVMWD/TSD	(Note B5)	31,159,462	32,295,953
Total non-current assets		<u>60,775,384</u>	<u>62,794,692</u>
Total assets		<u>\$ 74,117,079</u>	<u>\$ 76,315,784</u>

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See accompanying notes to the financial statements.

TRIUNFO SANITATION DISTRICT
STATEMENT OF NET POSITION (continued)
JUNE 30, 2016
COMPARATIVE STATEMENT AS OF JUNE 30, 2015

Liabilities and Net Position	2016	2015
Current liabilities:		
Payable from current assets:		
Accounts payable and accrued expenses	\$ 1,451,635	\$ 2,013,664
Accrued interest payable – loan	132,532	137,768
Loan payable – current portion (Note B6)	446,678	428,420
Developer refund agreements – current portion (Note B6)	27,254	27,254
Payable from current assets – unrestricted	<u>2,058,099</u>	<u>2,607,106</u>
Payable from restricted current assets:		
Customer deposits	47,345	39,030
Unearned revenue	666,373	666,373
Payable from restricted current assets	<u>713,718</u>	<u>705,403</u>
Total current liabilities – unrestricted and restricted	<u>2,771,817</u>	<u>3,312,509</u>
Non-current liabilities:		
Loans payable (Note B6)	8,250,139	8,696,817
Developer refund agreements (Note B6)	415,601	442,855
Total non-current liabilities	<u>8,665,740</u>	<u>9,139,672</u>
Total liabilities	<u>11,437,557</u>	<u>12,452,181</u>
Net position:		
Net investment in capital assets (Note B7)	20,705,185	21,277,799
Restricted:		
Conifer loan reserve requirement (Note B7)	602,000	602,000
Unrestricted	41,372,337	41,983,804
Total net position	<u>62,679,522</u>	<u>63,863,603</u>
Total liabilities and net position	<u>\$ 74,117,079</u>	<u>\$ 76,315,784</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, 2016
COMPARATIVE STATEMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	2016	2015
Operating revenues:		
Sanitation fees	\$ 7,144,479	\$ 6,644,859
Potable water sales	3,725,085	4,622,483
Recycled water sales	2,295,803	1,994,508
Water meter service fees	1,379,077	1,385,771
Connection fees	107,975	262,406
Other charges for services	356,194	99,534
Total operating revenues	15,008,613	15,009,561
Operating expenses:		
Wastewater treatment	3,917,234	4,305,047
Potable water purchased	2,680,573	3,223,673
Recycled water purchased	1,871,720	1,665,181
Professional services	94,030	127,670
Management and administrative	4,338,605	4,051,345
Total operating expenses	12,902,162	13,372,916
Operating income before depreciation	2,106,451	1,636,645
Depreciation and amortization	(1,288,281)	(899,549)
Operating income	818,170	737,096
Non-operating revenue(expense)		
Change in investment-in-joint venture LVMWD/TSD (Note B5)	(1,827,859)	(1,915,400)
Rental revenue - cellular antennas	112,270	120,147
Interest and investment earnings	69,338	38,939
Interest expense	(367,450)	(26,078)
Gain from sale/disposition of capital assets	-	28,179
Other income(expenses), net	11,450	-
Total non-operating revenue(expenses), net	(2,002,251)	(1,754,213)
Change in net position	(1,184,081)	(1,017,117)
Net position, beginning of fiscal year	63,863,603	64,880,720
Net position, end of fiscal year	\$ 62,679,522	\$ 63,863,603

See accompanying notes to the financial statements.

**TRIUNFO SANITATION DISTRICT
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
COMPARATIVE STATEMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Receipts from customers for water sales and services	\$ 7,461,982	\$ 8,457,188
Receipts from customers for sanitation services	7,125,254	6,670,844
Receipts for other services	354,100	98,638
Payments to vendors for materials and services	(13,457,094)	(13,562,545)
Net cash provided by operating activities	<u>1,484,242</u>	<u>1,664,125</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(405,464)	(2,671,544)
Gain from sale/disposition of capital assets	-	28,179
Principal and interest paid on long-term debt	(828,360)	(469,413)
Net cash used in capital and related financing activities	<u>(1,233,824)</u>	<u>(3,112,778)</u>
Cash flows from non-capital financing activities:		
Insurance claim reimbursement	9,497	-
Sales proceeds from inventory	1,953	-
Net cash provided by non-capital financing activities	<u>11,450</u>	<u>-</u>
Cash flows from investing activities:		
Advance deposits – investment-in-joint venture LVMWD/TSD facility	(645,942)	(1,490,536)
Proceeds from rental revenue - cellular antennas	112,270	120,147
Proceeds from interest and investment earnings	55,156	40,019
Net cash used in investing activities	<u>(478,516)</u>	<u>(1,330,370)</u>
Net increase(decrease) in cash and cash equivalents	(216,648)	(2,779,023)
Cash and cash equivalents (unrestricted and restricted), beginning of fiscal year	<u>10,268,889</u>	<u>13,047,912</u>
Cash and cash equivalents (unrestricted and restricted), end of fiscal year	<u>\$ 10,052,241</u>	<u>\$ 10,268,889</u>
Reconciliation of cash and cash equivalents to statement of net position:		
Cash and cash equivalents	\$ 8,736,523	\$ 8,961,486
Restricted cash and cash equivalents	<u>1,315,718</u>	<u>1,307,403</u>
Total cash and cash equivalents	<u>\$ 10,052,241</u>	<u>\$ 10,268,889</u>

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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, 2016
COMPARATIVE STATEMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>2016</u>	<u>2015</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ <u>818,170</u>	\$ <u>737,096</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Deprecation and amortization	1,288,281	899,549
Changes in assets and liabilities:		
(Increase)decrease in assets:		
Accounts receivable – water sales and services, net	(54,272)	191,074
Accounts receivable – sanitation fees	(14,492)	7,917
Accounts receivable – other, net	(6,827)	17,172
Water-in-storage inventory	14,917	35,951
Prepaid and other	(7,821)	(2,578)
Increase(decrease) in liabilities:		
Accounts payable and accrued expenses	(562,029)	(223,001)
Customer deposits	<u>8,315</u>	<u>945</u>
Total adjustments	<u>666,072</u>	<u>927,029</u>
Net cash provided by operating activities	<u>\$ 1,484,242</u>	<u>\$ 1,664,125</u>
Schedule of noncash transactions:		
Accrued capitalized interest, net	\$ (234,918)	\$ 111,690

See accompanying notes to the financial statements.