

TRIUNFO SANITATION DISTRICT

COMBINING

SUPPLEMENTARY SCHEDULES

FISCAL YEAR ENDED JUNE 30, 2016



TYPES OF OPERATIONS

Wastewater Operations – The Triunfo Sanitation District owns, operates and maintains a wastewater collection system including piping; pump stations, force mains and pressure mains within its boundaries. The collection system delivers effluent to the Tapia Wastewater Reclamation Facility located in Los Angeles County. There is a joint partnership between the Triunfo Sanitation District and the Las Virgenes Municipal Water District for the ownership and operation of this facility.

Recycled Water Operations – The District provides recycled water from Tapia through two pipelines to the communities of Oak Park, Lake Sherwood and North Ranch. The recycled water from Tapia travels through 5.4 miles of District retail recycled water lines to irrigate 7 parks, 6 schools, a golf course, 15 acres of landscaping and medians, and 16 homeowners associations. In hot summer months, local irrigation consumes all of the recycled water Tapia produces.

Potable Water Operations – Through the Oak Park Water Service (OPWS), the District provides potable water service to households in the community of Oak Park. The Oak Park community is mostly residential and is located at the eastern edge of the county.

**TRIUNFO SANITATION DISTRICT
COMBINING SCHEDULE OF NET POSITION
JUNE 30, 2016**

<i>Assets</i>	Wastewater	Recycled Water	Potable Water	Total
Current assets:				
Cash and cash equivalents	\$ 7,558,039	\$ 1,720,126	\$ (541,642)	\$ 8,736,523
Accrued interest receivable	20,977	-	(10)	20,967
Accounts receivable – water sales and services, net	-	518,022	206,579	724,601
Accounts receivable – sanitation fees	200,526	-	-	200,526
Accounts receivable – other, net	36,725	-	779	37,504
Advance deposits – investment-in-joint venture LVMWD/TSD	2,256,294	-	-	2,256,294
Water-in-storage inventory	-	-	17,051	17,051
Prepaid and other	27,713	109	4,689	32,511
Total current assets – unrestricted	<u>10,100,274</u>	<u>2,238,257</u>	<u>(312,554)</u>	<u>12,025,977</u>
Restricted current assets:				
Cash and cash equivalents	666,373	-	649,345	1,315,718
Total current assets – restricted	<u>666,373</u>	<u>-</u>	<u>649,345</u>	<u>1,315,718</u>
Total current assets – unrestricted and restricted	<u>10,766,647</u>	<u>2,238,257</u>	<u>336,791</u>	<u>13,341,695</u>
Non-current assets – capital assets, net				
Capital assets, net	8,299,320	2,329,729	18,986,873	29,615,922
Investment-in-joint venture LVMWD/TSD	31,159,462	-	-	31,159,462
Total non-current assets	<u>39,458,782</u>	<u>2,329,729</u>	<u>18,986,873</u>	<u>60,775,384</u>
Total assets	<u>\$ 50,225,429</u>	<u>\$ 4,567,986</u>	<u>\$ 19,323,664</u>	<u>\$ 74,117,079</u>
<i>Liabilities and Net Position</i>				
Current liabilities:				
Payable from current assets:				
Accounts payable and accrued expenses	\$ 653,823	\$ 286,685	\$ 511,127	\$ 1,451,635
Accrued interest payable – loan	-	177	132,355	132,532
Loan payable – current portion	-	3,236	443,442	446,678
Developer refund agreements – current portion	-	-	27,254	27,254
Payable from current assets – unrestricted	<u>653,823</u>	<u>290,098</u>	<u>1,114,178</u>	<u>2,058,099</u>
Payable from restricted current assets:				
Customer deposits	-	-	47,345	47,345
Unearned Revenue	666,373	-	-	666,373
Payable from restricted current assets	<u>666,373</u>	<u>-</u>	<u>47,345</u>	<u>713,718</u>
Total current liabilities – unrestricted and restricted	<u>1,320,196</u>	<u>290,098</u>	<u>1,161,523</u>	<u>2,771,817</u>
Non-current liabilities:				
Loans payable	-	48,142	8,201,997	8,250,139
Developer refund agreements	-	-	415,601	415,601
Total non-current liabilities	<u>-</u>	<u>48,142</u>	<u>8,617,598</u>	<u>8,665,740</u>
Total liabilities	<u>1,320,196</u>	<u>338,240</u>	<u>9,779,121</u>	<u>11,437,557</u>
Net position:				
Net investment in capital assets	8,299,320	2,283,548	10,122,317	20,705,185
Restricted:				
Conifer loan reserve requirement	-	-	602,000	602,000
Unrestricted	40,605,913	1,946,198	(1,179,774)	41,372,337
Total net position	<u>48,905,233</u>	<u>4,229,746</u>	<u>9,544,543</u>	<u>62,679,522</u>
Total liabilities and net position	<u>\$ 50,225,429</u>	<u>\$ 4,567,986</u>	<u>\$ 19,323,664</u>	<u>\$ 74,117,079</u>

**TRIUNFO SANITATION DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Wastewater</u>	<u>Recycled Water</u>	<u>Potable Water</u>	<u>Total</u>
Operating revenues:				
Sanitation fees	\$ 7,144,479	\$ -	\$ -	\$ 7,144,479
Potable water sales	-	-	3,725,085	3,725,085
Recycled water sales	-	2,295,803	-	2,295,803
Water meter service fees	-	158,896	1,220,181	1,379,077
Connection fees	107,975	-	-	107,975
Other charges for services	14,438	-	341,756	356,194
Total operating revenues	<u>7,266,892</u>	<u>2,454,699</u>	<u>5,287,022</u>	<u>15,008,613</u>
Operating expenses:				
Wastewater treatment	3,917,234	-	-	3,917,234
Potable water purchased	-	-	2,680,573	2,680,573
Recycled water purchased	-	1,871,720	-	1,871,720
Professional services	61,064	5,235	27,731	94,030
Management and administrative	2,349,961	74,690	1,913,954	4,338,605
Total operating expenses	<u>6,328,259</u>	<u>1,951,645</u>	<u>4,622,258</u>	<u>12,902,162</u>
Operating income before depreciation	938,633	503,054	664,764	2,106,451
Depreciation and amortization	(431,777)	(97,869)	(758,635)	(1,288,281)
Operating income(loss)	<u>506,856</u>	<u>405,185</u>	<u>(93,871)</u>	<u>818,170</u>
Non-operating revenue(expense)				
Change in investment-in-joint venture LVMWD/TSD	(1,827,859)	-	-	(1,827,859)
Rental revenue - cellular antennas	-	-	112,270	112,270
Interest and investment earnings	69,287	1	50	69,338
Interest expense	-	(1,382)	(366,068)	(367,450)
Other income(expenses), net	-	-	11,450	11,450
Central administration expense allocation	391,949	(127,284)	(264,665)	-
Total non-operating revenues, net	<u>(1,366,623)</u>	<u>(128,665)</u>	<u>(506,963)</u>	<u>(2,002,251)</u>
Net income(loss) before capital contributions	<u>(859,767)</u>	<u>276,520</u>	<u>(600,834)</u>	<u>(1,184,081)</u>
Change in net position	(859,767)	276,520	(600,834)	(1,184,081)
Net position, beginning of fiscal year	<u>49,765,000</u>	<u>3,953,226</u>	<u>10,145,377</u>	<u>63,863,603</u>
Net position, end of fiscal year	<u>\$ 48,905,233</u>	<u>\$ 4,229,746</u>	<u>\$ 9,544,543</u>	<u>\$ 62,679,522</u>

**TRIUNFO SANITATION DISTRICT
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Wastewater</u>	<u>Recycled Water</u>	<u>Potable Water</u>	<u>Total</u>
Cash flows from operating activities:				
Receipts from customers for water sales and services	\$ 107,975	\$ 2,285,967	\$ 5,068,040	\$ 7,461,982
Receipts from customers for sanitation services	7,125,254	-	-	7,125,254
Receipts for other services	12,227	-	341,873	354,100
Payments to vendors for materials and services	<u>(6,771,504)</u>	<u>(1,824,707)</u>	<u>(4,860,883)</u>	<u>(13,457,094)</u>
Net cash provided by operating activities	<u>473,952</u>	<u>461,260</u>	<u>549,030</u>	<u>1,484,242</u>
Cash flows from capital and related financing activities:				
Acquisition/transfer and construction of capital assets	(47,915)	(121,528)	(236,021)	(405,464)
Principal and interest paid on long-term debt	<u>-</u>	<u>(4,524)</u>	<u>(823,836)</u>	<u>(828,360)</u>
Net cash used in capital and related financing activities	<u>(47,915)</u>	<u>(126,052)</u>	<u>(1,059,857)</u>	<u>(1,233,824)</u>
Cash flows from non-capital financing activities:				
Insurance claim reimbursement	-	-	9,497	9,497
Sales proceeds from inventory	<u>-</u>	<u>-</u>	<u>1,953</u>	<u>1,953</u>
Net cash provided by non-capital financing activities	<u>-</u>	<u>-</u>	<u>11,450</u>	<u>11,450</u>
Cash flows from investing activities:				
Advance deposits - investment-in-joint venture LVMWD/TSD facility	(645,942)	-	-	(645,942)
Proceeds from rental revenue - cellular antennas	-	-	112,270	112,270
Proceeds from interest and investment earnings	<u>55,090</u>	<u>1</u>	<u>65</u>	<u>55,156</u>
Net cash provided by (used in) investing activities	<u>(590,852)</u>	<u>1</u>	<u>112,335</u>	<u>(478,516)</u>
Net increase(decrease) in cash and cash equivalents	(164,815)	335,209	(387,042)	(216,648)
Cash and cash equivalents (unrestricted and restricted), beginning of fiscal year	8,001,305	1,512,203	755,381	10,268,889
Cash and cash equivalents (unrestricted and restricted), end of fiscal year	<u>\$ 7,836,490</u>	<u>\$ 1,847,412</u>	<u>\$ 368,339</u>	<u>\$ 10,052,241</u>
Reconciliation of cash and cash equivalents to statement of net position:				
Cash and cash equivalents	\$ 7,558,039	\$ 1,720,126	\$ (541,642)	\$ 8,736,523
Restricted cash and cash equivalents	<u>666,373</u>	<u>-</u>	<u>649,345</u>	<u>1,315,718</u>
Total cash and cash equivalents	<u>\$ 8,224,412</u>	<u>\$ 1,720,126</u>	<u>\$ 107,703</u>	<u>\$ 10,052,241</u>
Reconciliation of operating income(loss) to net cash provided by operating activities:				
Operating income(loss)	<u>\$ 506,856</u>	<u>\$ 405,185</u>	<u>\$ (93,871)</u>	<u>\$ 818,170</u>
Adjustments to reconcile operating income(loss) to net cash provided by operating activities:				
Deprecation and amortization	431,777	97,869	758,635	1,288,281
Changes in assets and liabilities:				
(Increase)decrease in assets:				
Accounts receivable – water sales and services, net	-	(168,731)	114,459	(54,272)
Accounts receivable – sanitation fees	(14,492)	-	-	(14,492)
Accounts receivable – other, net	(6,944)	-	117	(6,827)
Water-in-storage inventory	-	-	14,917	14,917
Prepaid and other	(3,023)	(109)	(4,689)	(7,821)
Increase(decrease) in liabilities:				
Accounts payable and accrued expenses	(440,222)	127,046	(248,853)	(562,029)
Retentions payable	-	-	-	-
Customer deposits	<u>-</u>	<u>-</u>	<u>8,315</u>	<u>8,315</u>
Total adjustments	<u>(32,904)</u>	<u>56,075</u>	<u>642,901</u>	<u>666,072</u>
Net cash provided by operating activities	<u>\$ 473,952</u>	<u>\$ 461,260</u>	<u>\$ 549,030</u>	<u>\$ 1,484,242</u>

**TRIUNFO SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Operating revenues:			
Sanitation fees	\$ 7,068,124	\$ 7,144,479	\$ (76,355)
Potable water sales	3,992,118	3,725,085	267,033
Recycled water sales	2,490,681	2,295,803	194,878
Water meter service fees	1,478,597	1,379,077	99,520
Connection fees	100,000	107,975	(7,975)
Other charges for services	93,000	356,194	(263,194)
Total operating revenues	<u>15,222,520</u>	<u>15,008,613</u>	<u>213,907</u>
Operating expenses:			
Wastewater treatment	4,306,286	3,917,234	389,052
Potable water purchased	2,816,592	2,680,573	136,019
Recycled water purchased	1,999,922	1,871,720	128,202
Professional services	148,620	94,030	54,590
Management and administrative	4,369,782	4,338,605	31,177
Total operating expenses	<u>13,641,202</u>	<u>12,902,162</u>	<u>739,040</u>
Operating income before depreciation	1,581,318	2,106,451	(525,133)
Depreciation and amortization	<u>(1,143,490)</u>	<u>(1,288,281)</u>	<u>144,791</u>
Operating income	<u>437,828</u>	<u>818,170</u>	<u>(380,342)</u>
Non-operating revenue(expense)			
Change in investment-in-joint venture LVMWD/TSD	(2,172,585)	(1,827,859)	(344,726)
Rental revenue - cellular antennas	101,390	112,270	(10,880)
Interest and investment earnings	25,000	69,338	(44,338)
Interest expense	(388,014)	(367,450)	(20,564)
Gain(loss) on sales/disposals of capital assets, net	-	9,497	(9,497)
Other income (expenses), net	<u>-</u>	<u>1,953</u>	<u>(1,953)</u>
Total non-operating expenses, net	<u>(2,434,209)</u>	<u>(2,002,251)</u>	<u>(431,958)</u>
Change in net position	<u>\$ (1,996,381)</u>	<u>\$ (1,184,081)</u>	<u>\$ (812,300)</u>