

Supplementary Section



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Triunfo Sanitation District

Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2019 and June 30, 2018



TRIUNFO SANITATION DISTRICT

COMBINING

SUPPLEMENTARY SCHEDULES

FISCAL YEAR ENDED JUNE 30, 2019



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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, 2019

ASSETS	Wastewater	Recycled Water	Potable Water	Total
Current assets:				
Cash and cash equivalents	\$ 5,869,259	\$ 2,848,577	\$ 2,653,261	\$ 11,371,097
Accrued interest receivable	79,320	-	4,259	83,579
Accounts receivable – water sales and services, net	-	505,444	322,081	827,525
Accounts receivable – sanitation fees	270,672	-	-	270,672
Accounts receivable – other, net	188,729	-	187,181	375,910
Advance deposits – investment-in-joint venture LVMWD/TSD	3,688,798	-	-	3,688,798
Water-in-storage inventory	-	-	18,806	18,806
Prepaid and other	29,556	22,370	19,398	71,324
Total current assets – unrestricted	<u>10,126,334</u>	<u>3,376,391</u>	<u>3,204,986</u>	<u>16,707,711</u>
Restricted current assets:				
Cash and cash equivalents	623,200	-	652,840	1,276,040
Total current assets – restricted	<u>623,200</u>	<u>-</u>	<u>652,840</u>	<u>1,276,040</u>
Total current assets – unrestricted and restricted	<u>10,749,534</u>	<u>3,376,391</u>	<u>3,857,826</u>	<u>17,983,751</u>
Non-current assets – capital assets, net				
Capital assets, net	7,527,786	13,044,763	16,691,691	37,264,240
Investment-in-joint venture LVMWD/TSD	31,306,909	-	-	31,306,909
Total non-current assets	<u>38,834,695</u>	<u>13,044,763</u>	<u>16,691,691</u>	<u>68,571,149</u>
Total assets	<u>49,584,229</u>	<u>16,421,154</u>	<u>20,549,517</u>	<u>86,554,900</u>
LIABILITIES				
Current liabilities:				
Payable from current assets:				
Accounts payable and accrued expenses	\$ 465,590	\$ 105,918	\$ 780,161	\$ 1,351,669
Accrued interest payable – loan	-	117,393	111,620	229,013
Loan payable – current portion	-	671,504	502,822	1,174,326
Developer refund agreements – current portion	-	-	27,254	27,254
Payable from current assets – unrestricted	<u>465,590</u>	<u>894,815</u>	<u>1,421,857</u>	<u>2,782,262</u>
Payable from restricted current assets:				
Customer deposits	20,000	-	50,840	70,840
Unearned revenue	603,200	-	-	603,200
Payable from restricted current assets	<u>623,200</u>	<u>-</u>	<u>50,840</u>	<u>674,040</u>
Total current liabilities – unrestricted and restricted	<u>1,088,790</u>	<u>894,815</u>	<u>1,472,697</u>	<u>3,456,302</u>
Non-current liabilities:				
Loans payable	-	9,816,864	6,754,609	16,571,473
Developer refund agreements	-	-	333,840	333,840
Total non-current liabilities	<u>-</u>	<u>9,816,864</u>	<u>7,088,449</u>	<u>16,905,313</u>
Total liabilities	<u>1,088,790</u>	<u>10,711,679</u>	<u>8,561,146</u>	<u>20,361,615</u>
NET POSITION				
Net investment in capital assets	7,527,786	2,556,395	9,073,166	19,157,347
Restricted:				
Conifer loan reserve requirement	-	-	602,000	602,000
Unrestricted	40,967,653	3,153,080	2,313,205	46,433,938
Total net position	<u>\$ 48,495,439</u>	<u>\$ 5,709,475</u>	<u>\$ 11,988,371</u>	<u>\$ 66,193,285</u>

**TRIUNFO SANITATION DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Wastewater</u>	<u>Recycled Water</u>	<u>Potable Water</u>	<u>Total</u>
Operating revenues:				
Sanitation fees	\$ 8,986,193	\$ -	\$ -	\$ 8,986,193
Potable water sales	-	-	5,790,358	5,790,358
Recycled water sales	-	2,176,845	-	2,176,845
Water meter service fees	-	215,724	1,895,181	2,110,905
Connection fees	118,833	-	-	118,833
Other charges for services	82,261	1,499	92,461	176,221
Total operating revenues	<u>9,187,287</u>	<u>2,394,068</u>	<u>7,778,000</u>	<u>19,359,355</u>
Operating expenses:				
Wastewater treatment	4,458,737	-	-	4,458,737
Potable water purchased	-	-	3,232,450	3,232,450
Recycled water purchased	-	564,870	-	564,870
Professional services	305,170	192,145	7,044	504,359
Operations, management and admin	3,191,103	506,680	2,537,113	6,234,896
Total operating expenses	<u>7,955,010</u>	<u>1,263,695</u>	<u>5,776,607</u>	<u>14,995,312</u>
Operating income before depreciation	1,232,277	1,130,373	2,001,393	4,364,043
Depreciation and amortization	(347,903)	(393,439)	(785,457)	(1,526,799)
Operating income(loss)	<u>884,374</u>	<u>736,934</u>	<u>1,215,936</u>	<u>2,837,244</u>
Non-operating revenue(expense)				
Change in investment-in-joint venture LVMWD/TSD	(1,610,974)	-	-	(1,610,974)
Rental revenue - cellular antennas	-	-	171,925	171,925
Interest and investment earnings	318,002	-	17,871	335,873
Interest expense	-	(323,151)	(322,450)	(645,601)
Other income(expenses), net	196,661	-	187,182	383,843
Central administration expense allocation	662,846	(173,839)	(489,007)	-
Total non-operating revenues, net	<u>(433,465)</u>	<u>(496,990)</u>	<u>(434,479)</u>	<u>(1,364,934)</u>
Change in net position	450,909	239,944	781,457	1,472,310
Net position, beginning of fiscal year	<u>48,044,530</u>	<u>5,469,531</u>	<u>11,206,914</u>	<u>64,720,975</u>
Net position, end of fiscal year	<u>\$ 48,495,439</u>	<u>\$ 5,709,475</u>	<u>\$ 11,988,371</u>	<u>\$ 66,193,285</u>

**TRIUNFO SANITATION DISTRICT
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	\$ 85,086	\$ 2,508,430	\$ 7,733,725	\$ 10,327,241
Receipts from customers for sanitation services	8,959,725	-	-	8,959,725
Receipts for other services	92,009	1,499	156,678	250,186
Payments to vendors for materials and services	(8,533,817)	(1,742,246)	(5,070,029)	(15,346,092)
Advance deposits - investment-in-joint venture LVMWD/TSD facility	(3,540,297)	-	-	(3,540,297)
Net cash provided by operating activities	<u>(2,937,294)</u>	<u>767,683</u>	<u>2,820,374</u>	<u>650,763</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(148,907)	(49,810)	-	(198,717)
Proceeds from disposition of capital assets	26,722	177,454	-	204,176
Principal and interest paid on long-term debt	-	(982,272)	(838,813)	(1,821,085)
Net cash used in capital and related financing activities	<u>(122,185)</u>	<u>(854,628)</u>	<u>(838,813)</u>	<u>(1,815,626)</u>
Cash flows from non-capital financing activities:				
Transfers in (out)	662,846	(173,839)	(489,007)	-
Net cash provided by (used in) non-capital financing activities	<u>662,846</u>	<u>(173,839)</u>	<u>(489,007)</u>	<u>-</u>
Cash flows from investing activities:				
Proceeds from rental revenue - cellular antennas	-	-	171,925	171,925
Proceeds from interest and investment earnings	308,667	-	13,610	322,277
Net cash provided by investing activities	<u>308,667</u>	<u>-</u>	<u>185,535</u>	<u>494,202</u>
Net increase in cash and cash equivalents	<u>(2,087,966)</u>	<u>(260,784)</u>	<u>1,678,089</u>	<u>(670,661)</u>
Cash and cash equivalents (unrestricted and restricted), beginning of fiscal year	8,580,425	3,109,361	1,628,012	13,317,798
Cash and cash equivalents (unrestricted and restricted), end of fiscal year	<u>\$ 6,492,459</u>	<u>\$ 2,848,577</u>	<u>\$ 3,306,101</u>	<u>\$ 12,647,137</u>
Reconciliation of cash and cash equivalents to statement of net position:				
Cash and cash equivalents	\$ 5,869,259	\$ 2,848,577	\$ 2,653,261	\$ 11,371,097
Restricted cash and cash equivalents	623,200	-	652,840	1,276,040
Total cash and cash equivalents	<u>\$ 6,492,459</u>	<u>\$ 2,848,577</u>	<u>\$ 3,306,101</u>	<u>\$ 12,647,137</u>
Reconciliation of operating income(loss) to net cash provided by operating activities:				
Operating income(loss)	\$ 884,374	\$ 736,934	\$ 1,215,936	\$ 2,837,244
Adjustments to reconcile operating income(loss) to net cash provided by operating activities:				
Depreciation and amortization	347,903	393,439	785,457	1,526,799
Other non-operating income, net	196,661	-	187,182	383,843
Changes in assets and liabilities:				
(Increase)decrease in assets:				
Accounts receivable – water sales and services, net	-	115,861	45,036	160,897
Accounts receivable – sanitation fees	(26,468)	-	-	(26,468)
Accounts receivable – other, net	(186,915)	-	(122,963)	(309,878)
Water-in-storage inventory	-	-	3,232	3,232
Prepaid and other	(5,251)	(5,637)	(4,597)	(15,485)
Advance deposits - investment-in-joint venture LVMWD/TSD facility	(3,540,297)	-	-	(3,540,297)
Increase(decrease) in liabilities:				
Accounts payable and accrued expenses	(573,553)	(472,914)	707,941	(338,526)
Customer deposits	(33,748)	-	3,150	(30,598)
Total adjustments	<u>(3,821,668)</u>	<u>30,749</u>	<u>1,604,438</u>	<u>(2,186,481)</u>
Net cash provided by operating activities	<u>\$ (2,937,294)</u>	<u>\$ 767,683</u>	<u>\$ 2,820,374</u>	<u>\$ 650,763</u>

**TRIUNFO SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Operating revenues:			
Sanitation fees	\$ 9,006,272	\$ 8,986,193	\$ 20,079
Potable water sales	6,638,993	5,790,358	848,635
Recycled water sales	2,876,447	2,176,845	699,602
Water meter service fees	2,045,445	2,110,905	(65,460)
Connection fees	50,000	118,833	(68,833)
Other charges for services	100,900	176,221	(75,321)
Total operating revenues	<u>20,718,057</u>	<u>19,359,355</u>	<u>1,358,702</u>
Operating expenses:			
Wastewater treatment	4,776,489	4,458,737	317,752
Potable water purchased	3,634,804	3,232,450	402,354
Recycled water purchased	776,792	564,870	211,922
Professional services	433,950	504,359	(70,409)
Operations, management and admin	6,023,801	6,234,896	(211,095)
Total operating expenses	<u>15,645,836</u>	<u>14,995,312</u>	<u>650,524</u>
Operating income before depreciation	5,072,221	4,364,043	708,178
Depreciation and amortization	(1,611,873)	(1,526,799)	(85,074)
Operating income	<u>3,460,348</u>	<u>2,837,244</u>	<u>623,104</u>
Non-operating revenue(expense)			
Change in investment-in-joint venture LVMWD/TSD	(4,484,839)	(1,610,974)	(2,873,865)
Rental revenue - cellular antennas	142,389	171,925	(29,536)
Interest and investment earnings	60,000	335,873	(275,873)
Interest expense	(659,764)	(645,601)	(14,163)
Other income (expenses), net	-	383,843	(383,843)
Total non-operating expenses, net	<u>(4,942,214)</u>	<u>(1,364,934)</u>	<u>(3,577,280)</u>
Change in net position	(1,481,866)	1,472,310	<u>\$(2,954,176)</u>
Net position, beginning	<u>64,720,975</u>	<u>64,720,975</u>	
Net position, ending	<u>\$ 63,239,109</u>	<u>\$ 66,193,285</u>	

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