

TRIUNFO SANITATION DISTRICT

COMBINING

SUPPLEMENTARY SCHEDULES

FISCAL YEAR ENDED JUNE 30, 2017



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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, 2017**

| ASSETS | Waste water | Recycled Water | Potable Water | Total |
|--|----------------------|---------------------------|--------------------------|----------------------|
| Current assets: | | | | |
| Cash and cash equivalents | \$ 6,086,036 | \$ 2,403,053 | \$ 376,007 | \$ 8,865,096 |
| Accrued interest receivable | 25,557 | - | - | 25,557 |
| Accounts receivable – water sales and services, net | - | 779,473 | 149,041 | 928,514 |
| Accounts receivable – sanitation fees | 278,472 | - | - | 278,472 |
| Accounts receivable – other, net | 5,429 | - | 1,649 | 7,078 |
| Advance deposits – investment-in-joint venture LVMWD/TSD | 3,324,675 | - | - | 3,324,675 |
| Water-in-storage inventory | - | - | 19,870 | 19,870 |
| Prepaid and other | 27,577 | 35,657 | 36,192 | 99,426 |
| Total current assets – unrestricted | <u>9,747,746</u> | <u>3,218,183</u> | <u>582,759</u> | <u>13,548,688</u> |
| Restricted current assets: | | | | |
| Cash and cash equivalents | 666,373 | 66,328 | 644,105 | 1,376,806 |
| Total current assets – restricted | <u>666,373</u> | <u>66,328</u> | <u>644,105</u> | <u>1,376,806</u> |
| Total current assets – unrestricted and restricted | <u>10,414,119</u> | <u>3,284,511</u> | <u>1,226,864</u> | <u>14,925,494</u> |
| Non-current assets – capital assets, net | | | | |
| Capital assets, net | 7,991,880 | 13,938,930 | 18,260,655 | 40,191,465 |
| Investment-in-joint venture LVMWD/TSD | 30,603,461 | - | - | 30,603,461 |
| Total non-current assets | <u>38,595,341</u> | <u>13,938,930</u> | <u>18,260,655</u> | <u>70,794,926</u> |
| Total assets | <u>49,009,460</u> | <u>17,223,441</u> | <u>19,487,519</u> | <u>\$ 85,720,420</u> |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Payable from current assets: | | | | |
| Accounts payable and accrued expenses | 812,856 | 124,825 | 710,343 | 1,648,024 |
| Accrued interest payable – loan | - | 131,628 | 125,186 | 256,814 |
| Loan payable – current portion | - | 632,879 | 462,393 | 1,095,272 |
| Developer refund agreements – current portion | - | - | 27,254 | 27,254 |
| Payable from current assets – unrestricted | <u>812,856</u> | <u>889,332</u> | <u>1,325,176</u> | <u>3,027,364</u> |
| Payable from restricted current assets: | | | | |
| Customer deposits | - | 16 | 42,105 | 42,121 |
| Unearned Revenue | 666,373 | - | - | 666,373 |
| Payable from restricted current assets | <u>666,373</u> | <u>16</u> | <u>42,105</u> | <u>708,494</u> |
| Total current liabilities – unrestricted and restricted | <u>1,479,229</u> | <u>889,348</u> | <u>1,367,281</u> | <u>3,735,858</u> |
| Non-current liabilities: | | | | |
| Loans payable | - | 11,140,263 | 7,739,604 | 18,879,867 |
| Developer refund agreements | - | - | 388,347 | 388,347 |
| Total non-current liabilities | <u>-</u> | <u>11,140,263</u> | <u>8,127,951</u> | <u>19,268,214</u> |
| Total liabilities | <u>1,479,229</u> | <u>12,029,611</u> | <u>9,495,232</u> | <u>23,004,072</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 7,991,880 | 2,232,099 | 9,643,058 | 19,867,037 |
| Restricted: | | | | |
| Conifer loan reserve requirement | - | - | 602,000 | 602,000 |
| Unrestricted | 39,538,351 | 2,961,731 | (252,771) | 42,247,311 |
| Total net position | <u>\$ 47,530,231</u> | <u>\$ 5,193,830</u> | <u>\$ 9,992,287</u> | <u>\$ 62,716,348</u> |

**TRIUNFO SANITATION DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

| | <u>Wastewater</u> | <u>Recycled Water</u> | <u>Potable Water</u> | <u>Total</u> |
|---|----------------------|---------------------------|--------------------------|----------------------|
| Operating revenues: | | | | |
| Sanitation fees | \$ 7,657,139 | \$ - | \$ - | \$ 7,657,139 |
| Potable water sales | - | - | 4,575,323 | 4,575,323 |
| Recycled water sales | - | 2,406,038 | - | 2,406,038 |
| Water meter service fees | - | 180,429 | 1,498,622 | 1,679,051 |
| Connection fees | 138,650 | - | - | 138,650 |
| Other charges for services | 41,466 | 1,088 | 87,933 | 130,487 |
| Total operating revenues | <u>7,837,255</u> | <u>2,587,555</u> | <u>6,161,878</u> | <u>16,586,688</u> |
| Operating expenses: | | | | |
| Wastewater treatment | 4,058,695 | - | - | 4,058,695 |
| Potable water purchased | - | - | 2,961,082 | 2,961,082 |
| Recycled water purchased | - | 1,629,682 | - | 1,629,682 |
| Professional services | 131,217 | 6,220 | 92,986 | 230,423 |
| Management and administrative | 2,474,719 | 128,413 | 1,646,618 | 4,249,750 |
| Total operating expenses | <u>6,664,631</u> | <u>1,764,315</u> | <u>4,700,686</u> | <u>13,129,632</u> |
| Operating income before depreciation | 1,172,624 | 823,240 | 1,461,192 | 3,457,056 |
| Depreciation and amortization | <u>(336,235)</u> | <u>(147,460)</u> | <u>(787,693)</u> | <u>(1,271,388)</u> |
| Operating income(loss) | <u>836,389</u> | <u>675,780</u> | <u>673,499</u> | <u>2,185,668</u> |
| Non-operating revenue(expense) | | | | |
| Change in investment-in-joint venture LVMWD/TSD | (1,874,056) | - | - | (1,874,056) |
| Rental revenue - cellular antennas | - | - | 111,672 | 111,672 |
| Interest and investment earnings | 50,587 | 1 | 40 | 50,628 |
| Interest expense | - | (83,386) | (360,949) | (444,335) |
| Other income(expenses), net | - | - | 7,249 | 7,249 |
| Central administration expense allocation | 477,231 | (117,457) | (359,774) | - |
| Total non-operating revenues, net | <u>(1,346,238)</u> | <u>(200,842)</u> | <u>(601,762)</u> | <u>(2,148,842)</u> |
| Net income(loss) before capital contributions | <u>(509,849)</u> | <u>474,938</u> | <u>71,737</u> | <u>36,826</u> |
| Change in net position | <u>(509,849)</u> | <u>474,938</u> | <u>71,737</u> | <u>36,826</u> |
| Net position, beginning of fiscal year | <u>48,040,080</u> | <u>4,718,892</u> | <u>9,920,550</u> | <u>62,679,522</u> |
| Net position, end of fiscal year | <u>\$ 47,530,231</u> | <u>\$ 5,193,830</u> | <u>\$ 9,992,287</u> | <u>\$ 62,716,348</u> |

**TRIUNFO SANITATION DISTRICT
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

| | <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 | \$ 138,649 | \$ 2,569,434 | \$ 5,881,842 | \$ 8,589,925 |
| Receipts from customers for sanitation services | 7,579,192 | - | - | 7,579,192 |
| Receipts for other services | 72,759 | 1,088 | 87,065 | 160,912 |
| Payments to vendors for materials and services | <u>(6,505,459)</u> | <u>(1,961,723)</u> | <u>(4,535,795)</u> | <u>(13,002,977)</u> |
| Net cash provided by operating activities | <u>1,285,141</u> | <u>608,799</u> | <u>1,433,112</u> | <u>3,327,052</u> |
| Cash flows from capital and related financing activities: | | | | |
| Acquisition/transfer and construction of capital assets | (28,794) | (11,756,661) | (61,476) | (11,846,931) |
| Capital contributions | - | 11,725,000 | - | 11,725,000 |
| Proceeds from capital debt | - | 11,814,661 | (1,677,626) | 10,137,035 |
| Principal and interest paid on long-term debt | <u>-</u> | <u>(11,769,831)</u> | <u>838,813</u> | <u>(10,931,018)</u> |
| Net cash used in capital and related financing activities | <u>(28,794)</u> | <u>13,169</u> | <u>(900,289)</u> | <u>(915,914)</u> |
| Cash flows from non-capital financing activities: | | | | |
| Insurance claim reimbursement | - | - | 7,249 | 7,249 |
| Net cash provided by non-capital financing activities | <u>-</u> | <u>-</u> | <u>7,249</u> | <u>7,249</u> |
| Cash flows from investing activities: | | | | |
| Advance deposits - investment-in-joint venture LVMWD/TSD facility | (2,386,436) | - | - | (2,386,436) |
| Proceeds from rental revenue - cellular antennas | - | - | 111,672 | 111,672 |
| Proceeds from interest and investment earnings | <u>46,008</u> | <u>1</u> | <u>29</u> | <u>46,038</u> |
| Net cash provided by (used in) investing activities | <u>(2,340,428)</u> | <u>1</u> | <u>111,701</u> | <u>(2,228,726)</u> |
| Net increase(decrease) in cash and cash equivalents | <u>(1,084,081)</u> | <u>621,969</u> | <u>651,773</u> | <u>189,661</u> |
| Cash and cash equivalents (unrestricted and restricted), beginning of fiscal year | 7,836,490 | 1,847,412 | 368,339 | 10,052,241 |
| Cash and cash equivalents (unrestricted and restricted), end of fiscal year | <u>\$ 6,752,409</u> | <u>\$ 2,469,381</u> | <u>\$ 1,020,112</u> | <u>\$ 10,241,902</u> |
| Reconciliation of cash and cash equivalents to statement of net position: | | | | |
| Cash and cash equivalents | \$ 6,086,036 | \$ 2,403,053 | \$ 376,007 | \$ 8,865,096 |
| Restricted cash and cash equivalents | <u>666,373</u> | <u>66,328</u> | <u>644,105</u> | <u>1,376,806</u> |
| Total cash and cash equivalents | <u>\$ 6,752,409</u> | <u>\$ 2,469,381</u> | <u>\$ 1,020,112</u> | <u>\$ 10,241,902</u> |
| Reconciliation of operating income(loss) to net cash provided by operating activities: | | | | |
| Operating income(loss) | \$ 836,389 | \$ 675,780 | \$ 673,499 | \$ 2,185,668 |
| Adjustments to reconcile operating income(loss) to net cash provided by operating activities: | | | | |
| Deprecation and amortization | 336,235 | 147,460 | 787,693 | 1,271,388 |
| Changes in assets and liabilities: | | | | |
| (Increase)decrease in assets: | | | | |
| Accounts receivable – water sales and services, net | - | (17,049) | (186,864) | (203,913) |
| Accounts receivable – sanitation fees | (77,946) | - | - | (77,946) |
| Accounts receivable – other, net | 31,295 | - | (870) | 30,425 |
| Water-in-storage inventory | - | - | (2,818) | (2,818) |
| Prepaid and other | 137 | (35,548) | (31,503) | (66,914) |
| Increase(decrease) in liabilities: | | | | |
| Accounts payable and accrued expenses | 159,031 | (161,860) | 199,215 | 196,386 |
| Retentions payable | - | - | - | - |
| Customer deposits | <u>-</u> | <u>16</u> | <u>(5,240)</u> | <u>(5,224)</u> |
| Total adjustments | <u>448,752</u> | <u>(66,981)</u> | <u>759,613</u> | <u>1,141,384</u> |
| Net cash provided by operating activities | <u>\$ 1,285,141</u> | <u>\$ 608,799</u> | <u>\$ 1,433,112</u> | <u>\$ 3,327,052</u> |

**TRIUNFO SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**TRIUNFO SANITATION DISTRICT
Budgetary Comparison Schedule
For the Year Ending June 30, 2017**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|----------------------|----------------------|-----------------------|
| Operating revenues: | | | |
| Sanitation fees | \$ 7,608,811 | \$ 7,657,139 | \$ (48,328) |
| Potable water sales | 5,837,866 | 4,575,323 | 1,262,543 |
| Recycled water sales | 2,227,402 | 2,406,038 | (178,636) |
| Water meter service fees | 1,365,688 | 1,679,051 | (313,363) |
| Connection fees | 60,000 | 138,650 | (78,650) |
| Other charges for services | 140,000 | 130,487 | 9,513 |
| Total operating revenues | <u>17,239,767</u> | <u>16,586,688</u> | <u>653,079</u> |
| Operating expenses: | | | |
| Wastewater treatment | 4,503,373 | 4,058,695 | 444,678 |
| Potable water purchased | 3,882,678 | 2,961,082 | 921,596 |
| Recycled water purchased | 1,725,100 | 1,629,682 | 95,418 |
| Professional services | 270,961 | 230,423 | 40,538 |
| Management and administrative | 5,063,575 | 4,249,750 | 813,825 |
| Total operating expenses | <u>15,445,687</u> | <u>13,129,632</u> | <u>2,316,055</u> |
| Operating income before depreciation | 1,794,080 | 3,457,056 | (1,662,976) |
| Depreciation and amortization | <u>(1,318,521)</u> | <u>(1,271,388)</u> | <u>(47,133)</u> |
| Operating income | <u>475,559</u> | <u>2,185,668</u> | <u>(1,710,109)</u> |
| Non-operating revenue(expense) | | | |
| Change in investment-in-joint venture LVMWD/TSD | (3,810,402) | (1,874,056) | (1,936,346) |
| Rental revenue - cellular antennas | 105,767 | 111,672 | (5,905) |
| Interest and investment earnings | 25,000 | 50,628 | (25,628) |
| Interest expense | (451,757) | (444,335) | (7,422) |
| Other income (expenses), net | - | 7,249 | (7,249) |
| Total non-operating expenses, net | <u>(4,131,392)</u> | <u>(2,148,842)</u> | <u>(1,982,550)</u> |
| Change in net position | (3,655,833) | 36,826 | <u>\$ (3,692,659)</u> |
| Net position, beginning | <u>62,679,522</u> | <u>62,679,522</u> | |
| Net position, ending | <u>\$ 59,023,689</u> | <u>\$ 62,716,348</u> | |