

Basic Financial Statements



**Comprehensive Annual Financial Report
For the Fiscal Years Ended
June 30, 2020 and June 30, 2019**



TRIUNFO WATER & SANITATION DISTRICT

Statements of Net Position

June 30, 2020 and June 30, 2019

(With comparative data for prior year)

		<u>2020</u>	<u>2019</u>
Assets			
Current assets:			
Cash and cash equivalents	(Note B1)	\$ 13,853,421	\$ 11,371,097
Accrued interest receivable		54,800	83,579
Accounts receivable - water sales and services, net	(Note B3)	1,136,576	827,525
Accounts receivable - sanitation fees	(Note B3)	294,081	270,672
Accounts receivable - other	(Note B3)	19,270	375,910
Advance deposits - investment-in-joint venture LVMWD/TSD	(Note B5)	5,016,554	3,688,798
Water-in-storage inventory		23,558	18,806
Prepaid and other		78,688	71,324
Total current assets - unrestricted		<u>20,476,948</u>	<u>16,707,711</u>
Restricted current assets:			
Cash and cash equivalents	(Note B2)	1,302,725	1,276,040
Total current assets - restricted		<u>1,302,725</u>	<u>1,276,040</u>
Total current assets - unrestricted and restricted		<u>21,779,673</u>	<u>17,983,751</u>
Non-current assets:			
Capital assets, net	(Note B4)	35,519,593	37,264,240
Investment-in-joint venture LVMWD/TSD	(Note B5)	32,295,857	31,306,909
Total non-current assets		<u>67,815,450</u>	<u>68,571,149</u>
Total assets		<u>89,595,123</u>	<u>86,554,900</u>
Liabilities			
Current liabilities:			
Payable from current assets:			
Accounts payable and accrued expenses		1,693,590	1,351,669
Accrued interest payable - loan		215,779	229,013
Loans payable - current portion	(Note B6)	1,216,102	1,174,326
Developer refund agreements - current portion	(Note B6)	27,254	27,254
Payable from current assets - unrestricted		<u>3,152,725</u>	<u>2,782,262</u>
Payable from unrestricted current assets:			
Customer deposits		92,835	70,840
Unearned revenue	(Note A4)	607,890	603,200
Payable from restricted current assets		<u>700,725</u>	<u>674,040</u>
Total current liabilities - unrestricted and restricted		<u>3,853,450</u>	<u>3,456,302</u>
Non-current liabilities:			
Loans payable	(Note B6)	15,355,371	16,571,473
Developer refund agreements	(Note B6)	306,586	333,840
Total non-current liabilities		<u>15,661,957</u>	<u>16,905,313</u>
Total liabilities		<u>19,515,407</u>	<u>20,361,615</u>
Net Position			
Net investment in capital assets	(Note B7)	18,614,280	19,157,347
Restricted:			
Conifer loan reserve requirement	(Note B7)	602,000	602,000
Unrestricted		50,863,436	46,433,938
Total net position		<u>\$ 70,079,716</u>	<u>\$ 66,193,285</u>

The accompanying notes are an integral part of these financial statements.

TRIUNFO WATER & SANITATION DISTRICT

Statements of Revenues, Expenses, and Changes in Net Position For the Fiscal Years Ended June 30, 2020 and June 30, 2019 (With comparative data for prior year)

	<u>2020</u>	<u>2019</u>
Operating revenues		
Sanitation fees	\$ 9,752,279	\$ 8,986,193
Potable water sales	6,395,205	5,790,358
Recycled water sales	2,208,635	2,176,845
Water meter service fees	2,177,628	2,110,905
Connection fees	166,166	118,833
Other charges for services	151,093	176,221
	<u>20,851,006</u>	<u>19,359,355</u>
Operating expenses		
Wastewater treatment	4,120,929	4,458,737
Potable water purchased	3,436,768	3,232,450
Recycled water purchased	597,313	564,870
Professional services	936,461	504,359
Operations, management and admin	5,213,936	6,234,896
	<u>14,305,407</u>	<u>14,995,312</u>
Operating income before depreciation	6,545,599	4,364,043
Depreciation and amortization	(1,505,341)	(1,526,799)
	<u>5,040,258</u>	<u>2,837,244</u>
Non-operating revenue (expense)		
Change in investment-in-joint venture LVMWD/TSD (Note B5)	(1,068,966)	(1,610,974)
Rental revenue - cellular antennas	181,379	171,925
Interest and investment earnings	313,269	335,873
Interest expense	(606,273)	(645,601)
Other income (expenses), net	26,764	383,843
	<u>(1,153,827)</u>	<u>(1,364,934)</u>
Total non-operating revenue (expenses), net	<u>(1,153,827)</u>	<u>(1,364,934)</u>
Change in net position	3,886,431	1,472,310
Net position, beginning of fiscal year	<u>66,193,285</u>	<u>64,720,975</u>
Net position, end of fiscal year	<u>\$ 70,079,716</u>	<u>\$ 66,193,285</u>

The accompanying notes are an integral part of these financial statements.

TRIUNFO WATER & SANITATION DISTRICT

Statements of Cash Flows

For the Fiscal Years Ended June 30, 2020 and June 30, 2019

(With comparative data for prior year)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Receipts from customers for water sales and services	\$ 10,784,479	\$ 10,327,241
Receipts from customers for sanitation services	10,156,702	8,959,725
Receipts for other services	317,259	250,186
Payments to vendors for materials and services	(14,066,103)	(15,346,092)
Advance deposits - investment-in-joint venture LVMWD/TSD facility	<u>(3,385,670)</u>	<u>(3,540,297)</u>
Net cash provided by operating activities	<u>3,806,667</u>	<u>650,763</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	-	(198,717)
Proceeds from disposition of capital assets	-	204,176
Principal paid on long-term debt	(1,201,580)	(1,161,322)
Interest paid on long-term debt	<u>(619,507)</u>	<u>(659,763)</u>
Net cash provided by (used in) capital and related financing activities	<u>(1,821,087)</u>	<u>(1,815,626)</u>
Cash flows from investing activities		
Proceeds from rental revenue - cellular antennas	181,379	171,925
Proceeds from interest and investment earnings	<u>342,050</u>	<u>322,277</u>
Net cash provided by investing activities	<u>523,429</u>	<u>494,202</u>
Net increase (decrease) in cash and cash equivalents	2,509,009	(670,661)
Cash and cash equivalents (unrestricted and restricted), beginning of fiscal year	<u>12,647,137</u>	<u>13,317,798</u>
Cash and cash equivalents (unrestricted and restricted), end of fiscal year	<u>\$ 15,156,146</u>	<u>\$ 12,647,137</u>
Reconciliation of cash and cash equivalents to statement of net position:		
Cash and cash equivalents	\$ 13,853,421	\$ 11,371,097
Restricted cash and cash equivalents	<u>1,302,725</u>	<u>1,276,040</u>
Total cash and cash equivalents	<u>\$ 15,156,146</u>	<u>\$ 12,647,137</u>

The accompanying notes are an integral part of these financial statements.

TRIUNFO WATER & SANITATION DISTRICT

Statements of Cash Flows (Continued) For the Fiscal Years Ended June 30, 2020 and June 30, 2019 (With comparative data for prior year)

	<u>2020</u>	<u>2019</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 5,040,258	\$ 2,837,244
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	1,505,341	1,526,799
Other non-operating income, net	31,454	383,843
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable - water sales and services, net	(309,051)	160,897
Accounts receivable - sanitation fees	(23,409)	(26,468)
Accounts receivable - other, net	356,640	(309,878)
Water-in-storage inventory	(4,752)	3,232
Prepaid and other	(7,364)	(15,485)
Advance deposits - investment-in-joint venture LMWWD/TSD facility	(3,385,670)	(3,540,297)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	341,921	(338,526)
Customer deposits	21,995	(30,598)
Total adjustments	<u>(1,472,895)</u>	<u>(2,186,481)</u>
Net cash provided by operating activities	<u>\$ 3,567,363</u>	<u>\$ 650,763</u>
Schedule of noncash transactions:		
Accrued capitalized interest, net	\$ -	\$ (455,909)
Change in investment-in-joint venture LVMWD/TSD	(1,068,966)	(1,610,974)
Abandoned construction in progress	(239,303)	-

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