



Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2015 and June 30, 2014

Proudly Serving



Bell Canyon



Lake Sherwood



North Ranch



Oak Park



Westlake Village

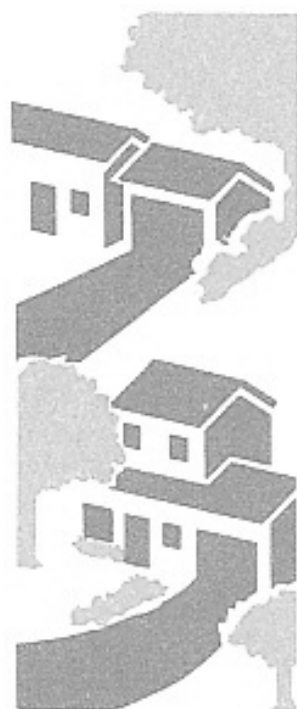
Mark Norris, District Manager

Ventura County, California

TRIUNFO SANITATION DISTRICT
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015

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Comprehensive Annual Financial Report
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December 23, 2015

Honorable Board of Directors
Triunfo Sanitation District
Ventura County, California

Members of the Board of Directors:

The Comprehensive Annual Financial Report of the Triunfo Sanitation District (District) for the fiscal years ended June 30, 2015 and 2014; is hereby submitted. State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Moss, Levy, Hartzheim, LLP, has issued an unmodified (“clean”) opinion on the District’s financial statements for the fiscal year ended June 30, 2015 and Macias Gini & O’Connell, LLP for fiscal year ended June 30, 2014. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

PROFILE OF TRIUNFO

A public agency, the Triunfo Sanitation District was organized November 12, 1963, as a special district under the County Sanitation District Act, California Health & Safety Code Section 4700 et seq., to provide sanitation services. The District covers approximately 50 square miles of the southeastern portion of Ventura County adjacent to the Los Angeles County line, and serves a population of approximately 33,000. The District receives no tax revenue and relies on fees and charges for services provided.

On October 12, 1964, the District and Las Virgenes Municipal Water District (LVMWD) entered into a joint powers agreement establishing a Joint Venture to construct, operate, maintain, and provide for a regional sewerage system to serve the area within the two districts' boundaries. The ancillary production and sale of recycled water as a byproduct of the wastewater treatment process has been welcomed by consumers and Districts.

The District expanded its service to the community in 1993 with the purchase of the Metropolitan Water Company located within the District's boundaries in Oak Park. The new venture became known as the Oak Park Water Service (OPWS).

The District's five-member Board of Directors (Board) is comprised of five residents of the District elected at-large by the registered voters of the District.

The District's Board of Directors meets on the fourth Monday of each month. Meetings are publicly noticed, and citizens are encouraged to attend and participate.

District staff is provided entirely by contract with the Ventura Regional Sanitation District (VRSD). In fiscal year 2015, this support consists of nearly fifteen (15.13) full-time equivalent positions made up of the part-time efforts of more than eighty-three (83.02) individuals in twenty-five (25) different areas of expertise.

Administration - The five directly elected Board members at-large are employees of the District. In addition, the District contracts with VRSD for all of its management, financial, engineering, maintenance, and operations functions. This arrangement, accomplished through a long-term reimbursable contract, allows the District to draw from a pool of sophisticated and technologically capable employees when needed and pay for only the services actually received. On June 4, 2015, a new ten-year contract agreement was entered into between TSD and VRSD.

Joint Venture - The bulk of the District's sanitation and recycled water activities occur in concert with those of its Joint Venture partner, LVMWD, located in western Los Angeles County. Joint Venture facilities include the Tapia Water Reclamation Facility (Tapia), Rancho Las Virgenes Composting Facility (Rancho), a pumping station and force main that conveys biosolids from Tapia to Rancho, and the portion of the recycled water distribution system which lies within Los Angeles County. A five-year capital improvement plan is in place, and updated at least annually, to maintain these facilities and protect the District's investment in them. Capital improvements are primarily funded through sewer connection fees of \$12,200 per Equivalent Residential Unit (ERU).

The District presently owns 33.5% of the Joint Venture wastewater treatment facilities, 46.8% of the land, and 60.6% of the trunk sewers. The District's right to use the facilities is commensurate with its ownership share (33.5%), while recycled water rights are based on actual sewage flows into Tapia. In addition, the District owns 29.4% of the Joint Venture recycled water distribution system.

Tapia Water Reclamation Facility

The Tapia Water Reclamation Facility applies state-of-the-art technology to transform wastewater into high-quality recycled water. It serves residents living across 120 square miles of southeastern Ventura and western Los Angeles Counties. While the current flow to Tapia averages 7.8 million gallons of wastewater per day (mgd), the District flow averages about 2.4 mgd, representing 38.5% of the total. Tapia is potentially capable of treating up to 16 mgd.

The wastewater treatment process at Tapia duplicates and accelerates natural biological methods of cleaning wastewater. Filtration and disinfection, the third phase in Tapia's tertiary treatment process, ensures the treated water meets stringent water reuse standards, and is environmentally safe for wildlife and vegetation. The beneficial reuse of this high-quality water has been an important Joint Venture focus since 1972, long before it became a common practice.

Tapia has been honored with numerous awards, including:

- American Water Resources Association (AWRA) Sandor C. Csallany Institutional Award for Exemplary Contributions to Water Resources Management (2004)
- Association of California Water Agencies Environmental Achievement Award (1990 and 1995)
- California Water Pollution Control Association Plant of the Year (1989)
- U.S. Environmental Protection Agency national & regional Award of Excellence (1988)
- Los Angeles Area Plant of the Year (6 times)
- National Environmental Awards Council Outstanding Operation, Maintenance and Total Reuse
- Water Reuse Association Certificate for Contributions to Water Reuse in California

A major challenge for the Tapia plant occurred late in fiscal year 1998 in the form of revised National Pollution Discharge Elimination System (NPDES) permit requirements. Despite significant ongoing efforts, the onerous standards of the revised permit have not been significantly reduced. Discharge of recycled water into Malibu Creek is now prohibited from April 15 through November 15 each year. With extensive water recycling, approximately 300 million gallons (900 acre-feet) of water must either be diverted from the creek to approved recycled water uses, or stored for later use. An alternative is to discharge during this period to the Los Angeles River Watershed, known as "005 discharge."

Triunfo Sanitation - The Bell Canyon portion of the District was served for many years by a pump station and force main transporting wastewater up over a hill to Tapia. With the pump station reaching the end of its life and increasing demands expected on Tapia's capacity, a gravity trunk sewer was constructed in 1985. This allowed the transport of Bell Canyon's wastewater to the Tillman Water Reclamation Plant operated by the City of Los Angeles within Los Angeles County.

Bond debt was issued for the sewer line construction by Bell Canyon Sewer Assessment District No. 85-1, formed for this purpose. Principal and interest payments were subsequently funded through property owner assessments, which were then paid in full two years earlier than originally scheduled.

In fiscal year 2015, the District paid \$73,021 in capacity and treatment costs to the City and County of Los Angeles. In addition, the District paid \$43,296 toward the Tillman plant expansion. Future capital improvements for this facility are primarily funded through sewer connection fees of \$2,650 per ERU in the assessment area.

Bell Canyon homeowners not included in the assessment district began approaching District contract staff in September 1997 with requests to extend the Bell Canyon force main to serve their properties. Working together, the homeowners and Triunfo staff determined a grinder pump could be used to transport sewage solids to an extended main trunk line, and an agreement was reached relative to costs. Triunfo agreed to finance these costs over a five-year period, and the extension was in use by the end of May 1998. All of these original loans have been fully repaid. Triunfo extended itself to serve these property owners, creating a true public/private partnership. Further, the District Board developed a policy to cover future connections to the force main extension, and equalize costs for all participating homeowners over time. As a result, sewer service has been extended to over 100

additional lots in Bell Canyon, and more are expected as increasing numbers of Bell Canyon homeowners see the advantage of sewer service over aging septic systems.

Triunfo Recycled Water - The District provides recycled water treated at Tapia via the Joint Venture through two pipelines to the communities of Oak Park, Lake Sherwood and North Ranch. District recycled water sales were \$1,994,508 and \$2,580,139 in fiscal year 2015 and fiscal year 2014, respectively. The recycled water from Tapia travels through 5.4 miles of District retail recycled water lines to irrigate 7 parks, 6 schools, 1 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.

The Lake Sherwood Golf Course, a major recycled water customer, was built in 1989 expecting to use 100% recycled water for irrigation. Sherwood experienced difficulty maintaining turf quality and, in 1996, convinced the Ventura County Planning Department to approve the use of as much as 40% potable water for golf course irrigation. The District appealed based on a California law that requires recycled water be used for irrigation wherever available.

A study of Sherwood's recycled water use was conducted, with the cost split equally by Lake Sherwood Ranch, the Calleguas Municipal Water District, and Triunfo. The study concluded the golf course requires deep drainage to remove salts from irrigation, regardless of whether recycled or potable water is used. Sherwood felt the deep drainage was both excessively disruptive and expensive, and proposed a field test, which was inconclusive. In June 2000, Triunfo proposed a compromise wherein Sherwood agreed to use 250 acre feet of recycled water per year, about 60% of its typical irrigation water requirement.

Triunfo Potable Water - Through 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. The 2010 United States Census Bureau data indicates Oak Park has a population of approximately 13,811 with a median household income of \$128,600.

OPWS potable water deliveries in fiscal year 2015 were 2,213 acre-feet compared to 2,560 acre-feet in fiscal year 2014. These deliveries provided income of \$4,622,483 and \$5,282,011 respectively. The District has a \$30 premise visit charge when a Delinquent Notice door hanger is required due to a customer's failure to pay their bill on time. Imposition of the charge provides an incentive to encourage more timely payments and to help cover the cost of providing this extra service.

OPWS water tank sites have proven useful to cellular communications companies. Eight leases were in place by the end of the fiscal year. Consolidation of cellular service companies provided income of \$120,147 for fiscal year 2015 and \$153,863 for fiscal year 2014.

Triunfo's Economic Condition

Local Economy

Ventura County – Located directly northwest of Los Angeles County, Ventura County covers 1,843 square miles and boasts 43 miles of Pacific Ocean coastline, 7.5 miles of shoreline in public beaches, and 411 acres in state beach parks. The majority of the County's 846,178 residents live in its southern half, while the Los Padres National Forest spans the northern half. An extensive network of roadways links the County's 10 incorporated cities, with rail, harbor, and airport facilities providing access to outside markets. With a projected 2020 population of over one million, Ventura County is expected to experience a steady increase in population over the next 7 years as people favor its mild Mediterranean climate, beautiful coastline, and scenic agricultural setting.

Agriculture - Ventura County farmers grow over 100 different crops and often harvest two or three crops from the same parcel of land during any given year. In 2014, the estimated gross value for all agriculture in Ventura County was \$2.137 billion. Strawberries, lemons, raspberries, nursery stock, and celery are among the five leading crops grown. The most recent data available from the U.S. Department of Agriculture ranks Ventura County 10th among all counties in the U.S. in total crop value.

Commercial Activity – Retail sales throughout Ventura County increased by 5.2% in 2015 compared to 2014. Taxable sales in 2014 were 13.5 billion, an increase from 2009 of 12.5 billion.

Income and Unemployment – The unemployment rate in Ventura County decreased from 6.4 percent in September 2014 to 5.3 percent in September 2015 according to the State of California Employment Development Department. Ventura County continues to see job declines in Manufacturing while Leisure and Hospitality, Professional and Business Services, and Agriculture have gained jobs. According to the U. S. Census Bureau, the median household income in Ventura County is \$76,544 and per capita income is \$32,930.

Real Estate – Ventura County's real estate market year to year change in sales is 11.6 percent. The median single-family-home price in Ventura County is \$604,610, a 3.6 percent increase compared to last year. Because of limited home construction, home price growth will remain steady slowly growing to 6.1 percent in 2017.

Long-term Financial Planning

KEH & Associates continues the development of a hydraulic model for the Oak Park Water System to assist the District in future Capital Improvement Program planning, and improve the operation and reliability of the existing system. Following the hydraulic model completions, a potable water rate study will follow.

The District Board approved a contract with Aqua Metric Sales Company for the purchase and installation of an automated meter reading (AMR) system. The potable and recycled water meters are at the end of their useful lives. These new meters will improve metering accuracy and allow remote meter reading capability. This project was finalized on December 2015. Customers are able to peruse their water consumption through the Sensus website.

On June 4, 2015, the District entered into a ten year contract agreement with Ventura Regional Sanitation District for wastewater and potable water facilities operation, maintenance, management and other closely related services.

The District Board increased the potable water rates based on the increased rates from Calleguas Municipal Water District. The pass through rates will be effective February 1, 2016.

The District Board adopted a new rate ordinance that increased the rate of reclaimed water in order to pass through the Calleguas Municipal Water District wholesale reclaimed water rate increase. The pass through rates will be effective February 1, 2016.

Relevant Financial Policies

Because District staff is provided entirely by contract with the Ventura Regional Sanitation District, the Board appointed one of the Board members to perform a monthly review of all invoices paid on their behalf. In addition, the Board also appointed two of the elected Board members to be on the

Finance Committee to perform review and oversight in regards to financial matters such as the annual audit, proposed budget, and any other financial issues that require review, analysis, and recommendation before going to the full Board.

The District's investment policy's primary objectives are safety of principal while maintaining liquidity to meet all operating requirements, and attaining a market rate of return on its portfolio. The District's investment policy is in accordance with provisions of the California Government Code. Currently, the District's investment funds are placed in either the Ventura County Pooled investment account or the Local Agency Investment Fund (LAIF) account managed by the State Treasurer as directed by the Board in fiscal year 2007.

The Board approved a Five-Year Capital Improvement Plan recommended by staff and KEH & Associates which includes evaluation of the current water and wastewater systems, prioritization for acquisition, maintenance, replacement and retirement of capital assets, and recommendation on improving the operation and reliability of the existing systems.

Major Initiatives

The District developed a water conservation ordinance and water shortage contingency plan in response to the statewide water supply conditions. The District's source for potable water is through the Metropolitan Water District. Metropolitan Water District has instituted potable water allocation requirements for all its customers in response to the water supply shortages being experienced throughout California.

In May 2015, the Board declared a Stage 2 water supply shortage following Governor Brown's directives and the State Water Resources Control Board's adopted Emergency Regulations. Based on the District's service area residential per capita water usage, the State Water Resources Board mandated the District to reduce water use by 32% as compared to base year 2013 water use data. Stage 2 is defined by landscape watering restrictions, response to leaks obligations, and water allocations.

Awards & Acknowledgements

Excellence in Financial Reporting - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Triunfo Sanitation District for its Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2014. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe this current report continues to meet the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements – The preparation of this report was possible because of the dedicated services of the contract Finance & Administration Department staff, each of whom has our sincere appreciation. We also express our appreciation to our independent auditors, Moss, Levy, Hartzheim, LLP, for their contribution and assistance in preparing this report. Finally, we thank the District Board of Directors for their interest and support in planning and conducting the financial operations of the District in a responsive and effective manner.

MARK NORRIS
District Manager

VICKIE DRAGAN
Director of Finance & Administration



Triunfo Sanitation District

Ventura County, California

2015 Board of Directors

James Wall	Chair
Mike Paule	Vice-Chair
Michael McReynolds	Member
Janna Orkney	Member
Steven Iceland	Member

District Staff

Mark Norris	District Manager	(805) 658-4621
Vickie Dragan	Finance & Administration	(805) 658-4646
Frank Kiesler	Operations	(805) 658-4675
Lisa McKinley	Acting Clerk of the Board	(805) 658-4642
John Mathews	Legal Counsel	(805) 988-9886



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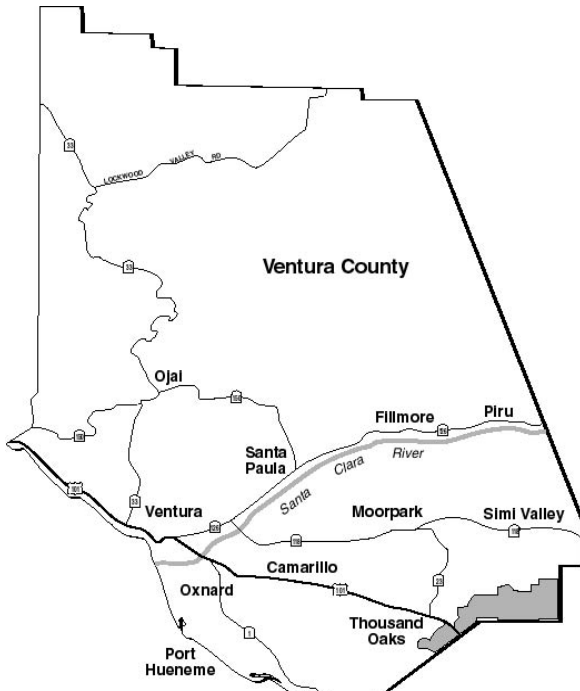
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is written in a cursive, flowing style.

Executive Director/CEO

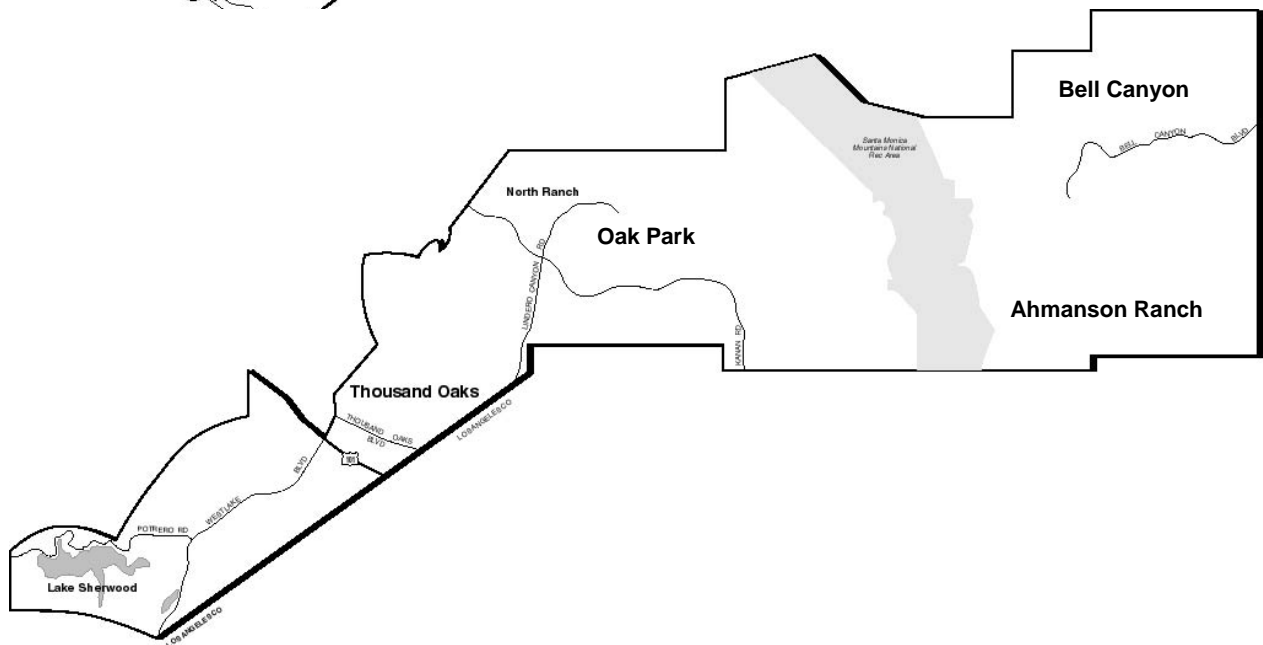
VENTURA COUNTY



CALIFORNIA



TRIUNFO SANITATION DISTRICT



MANAGEMENT'S DISCUSSION AND ANALYSIS

(For the fiscal year ended June 30, 2015)

This section of the Triunfo Sanitation District's (District) Comprehensive Annual Financial Report (CAFR) offers readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal years ended June 30, 2015 and 2014. This discussion and analysis should be read in conjunction with the transmittal letter at the front of this page and the District's basic financial statements following this section.

Financial Highlights for the fiscal year ended June 30, 2015

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$63.9 million (*net position*). Of the \$42.0 million (*unrestricted net position*), \$9.7 million may be used to meet the District's ongoing obligations to citizens and creditors (*net of investment-in-joint venture*).
- The District's total net position decreased by \$1,017,117, or 1.6%.
- The District's total revenues decreased by 7.6% to \$15.2 million and total expenses decreased by .3% to \$16.2 million.

Financial Highlights for the fiscal year ended June 30, 2014

- The assets of the District exceeded its liabilities at the close of the 2013-14 fiscal year by \$64.9 million (*net position*). Of the \$43.1 million (*unrestricted net position*), \$10 million may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position increased by \$178,270, or .3%.
- The District's total revenues increased by 7.2% to \$16.4 million and total expenses increased by 1.9% to \$16.3 million.

Overview of the Financial Statements

The Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements include two components: 1) enterprise fund financial statements; and 2) notes to the financial statements. In addition, required supplementary information, supplementary information, and statistical information are also included in the CAFR.

Basic Financial Statements The financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The basic financial statements can be found on pages 23-27 of this report.

The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Net Position* present information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The *Statement of Cash Flows* presents relevant information about the cash receipts and cash payments for the period categorized according to whether they stem from operating, non-capital financing, capital and related financing, and investing activities. It helps users assess the District's ability to generate future net cash flows, its ability to meet its obligations as they come due, and its needs for financing. It also helps assess the effects on the District's financial position of changes in its cash and non-cash investing, capital, and financing transactions during the period.

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements and are an integral part of the financial statements. The notes to the financial statements can be found on pages 28-49 of this report.

Financial Analysis of the District

The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position report information about the District's activities in a way that will help answer questions as to whether the District, as a whole, is better or worse off as a result of the year's activities. These two statements report the net position of the District and changes in them. You can think of the District's position as the difference between assets (what is owned) and liabilities (what is owed) and one way to measure its financial health or position.

Condensed Statements of Net Position

To begin our analysis, a Condensed Statement of Net Position is presented in the following table for our analysis.

Condensed Statements of Net Position

	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
Assets:				
Current assets	\$ 12,213,689	\$ 14,828,564	\$ (2,614,875)	-17.6%
Restricted current assets	1,307,403	1,306,458	945	0.1%
LVMWD/TSD-joint venture	32,295,953	33,136,526	(840,573)	-2.5%
Capital assets, net	30,498,739	28,726,744	1,771,995	6.2%
Total assets	<u>\$ 76,315,784</u>	<u>\$ 77,998,292</u>	<u>\$ (1,682,508)</u>	-2.2%
Liabilities:				
Liabilities payable from unrestricted current assets	\$ 2,607,106	\$ 2,817,768	\$ (210,662)	-7.5%
Liabilities payable from restricted current assets	705,403	704,458	945	0.1%
Non-current liabilities	9,139,672	9,595,346	(455,674)	-4.7%
Total liabilities	<u>12,452,181</u>	<u>13,117,572</u>	<u>(665,391)</u>	-5.1%
Net Position:				
Net investment in capital assets	21,277,799	21,228,218	49,581	0.2%
Restricted:				
Conifer loan reserve requirement	602,000	602,000	-	0.0%
Unrestricted	41,983,804	43,050,502	(1,066,698)	-2.5%
Total net position	<u>63,863,603</u>	<u>64,880,720</u>	<u>(1,017,117)</u>	-1.6%
Total liabilities and net position	<u>\$ 76,315,784</u>	<u>\$ 77,998,292</u>	<u>\$ (1,682,508)</u>	-2.2%

MANAGEMENT'S DISCUSSION AND ANALYSIS

(CONTINUED)

Net position includes three components: *Net investment in capital assets; restricted net position; and unrestricted net position.*

The largest component of the District's net position (\$42 million) is the District's unrestricted net position. \$32.3 million reflects the District's capital assets investment in a Joint Venture with the Las Virgenes Municipal Water District. The Joint Venture's capital assets investment is equivalent to property, plant, and equipment within the Joint Venture offset by operating costs. Additional information regarding the District's capital assets investment in the Joint Venture can be located in note B-5 on pages 41-43. The remaining \$9.7 million reflects unrestricted net position that may be used to meet the District's ongoing obligations to creditors and constituencies.

Another component of the District's net position (\$21.3 million) reflects capital assets net of accumulated depreciation less any outstanding debt used to acquire them (net investment in capital assets). The District uses these capital assets to provide services to its constituency; consequently, they are not available for future spending. Although the District's investment in its capital assets is reported net of related debt and other payables, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The third and final component of the District's net position is the restricted net position which represents resources that are subject to external restrictions of how they may be used. Loan agreements relating to long-term debt restrict certain amounts for debt service, as well as restricted funding received in advance of expenses. The restricted net position is not available for other uses by the District. At June 30, 2015 and 2014, the District had \$602,000 in restricted net position.

In fiscal year 2014, the District's capital assets investment in Joint Venture with the Las Virgenes Municipal Water District was \$33.1 million, 51.1% of total District net position, and 77% of the District's unrestricted assets. As seen in the table on page 17, total net position increased by \$178,270 to \$64.9 million in fiscal year 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Condensed Statements of Net Position

	<u>2014</u>	<u>2013*</u>	<u>Change</u>	<u>% Change</u>
Assets:				
Current assets	\$ 14,828,564	\$ 12,349,784	\$ 2,478,780	20.1%
Restricted current assets	1,306,458	1,299,958	6,500	0.5%
LVMWD/TSD-joint venture	33,136,526	33,238,210	(101,684)	-0.3%
Capital assets, net	28,726,744	28,717,302	9,442	0.0%
Total assets	<u>\$ 77,998,292</u>	<u>\$ 75,605,254</u>	<u>\$ 2,393,038</u>	3.2%
Liabilities:				
Liabilities payable from unrestricted current assets	\$ 2,817,768	\$ 2,706,320	\$ 111,448	4.1%
Liabilities payable from restricted current assets	704,458	697,958	6,500	0.9%
Non-current liabilities	9,595,346	7,498,526	2,096,820	28.0%
Total liabilities	<u>13,117,572</u>	<u>10,902,804</u>	<u>2,214,768</u>	20.3%
Net Position:				
Net investment in capital assets	21,228,218	21,726,237	(498,019)	-2.3%
Restricted:				
Conifer loan reserve requirement	602,000	602,000	-	0.0%
Unrestricted	43,050,502	42,374,213	676,289	1.6%
Total net position	<u>64,880,720</u>	<u>64,702,450</u>	<u>178,270</u>	0.3%
Total liabilities and net position	<u>\$ 77,998,292</u>	<u>\$ 75,605,254</u>	<u>\$ 2,393,038</u>	3.2%

* The presentation of certain prior fiscal year balances have been reclassified to conform to current fiscal year presentation.

Condensed Statements of Revenues, Expenses, and Changes in Net Position

A condensed Statement of Revenues, Expenses, and Changes in Net Position is presented in the following table for our analysis. While the Statement of Net Position shows the change in financial position of the District's net position, the Statement of Revenues, Expenses, and Changes in Net Position provides answers as to the nature and source of these changes. As previously mentioned, the decrease in total net position was \$1,017,117 in fiscal year 2015.

Total revenues decreased by approximately \$1,245,496 (7.6%) compared to fiscal year 2014. Recycled water and potable water both are highly cyclical in nature due to the weather and some conservation efforts; both showed increases in 2015. Recycled water sales decreased by \$585,631, potable water sales by \$659,528, and connection fees decreased by \$47,244.

Total expenses decreased by approximately \$50,109 (.3%) compared to fiscal year 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
Revenues:				
Operating revenues:				
Sanitation fees	\$ 6,644,859	\$ 6,590,649	\$ 54,210	0.8%
Potable water sales	4,622,483	5,282,011	(659,528)	-12.5%
Recycled water sales	1,994,508	2,580,139	(585,631)	-22.7%
Water meter service fees	1,385,771	1,385,935	(164)	0.0%
Other	361,940	423,435	(61,495)	-14.5%
Non-operating revenues:				
Rental revenue - cellular antennas	120,147	153,863	(33,716)	-21.9%
Interest and investment earnings	38,939	26,290	12,649	48.1%
Other	28,179	-	28,179	NA
Total revenues	<u>15,196,826</u>	<u>16,442,322</u>	<u>(1,245,496)</u>	-7.6%
Expenses:				
Operating expenses:				
Wastewater treatment	4,305,047	3,783,274	521,773	13.8%
Potable water purchased	3,223,673	3,731,891	(508,218)	-13.6%
Recycled water purchased	1,665,181	2,131,331	(466,150)	-21.9%
Professional services	127,670	95,968	31,702	33.0%
Management and administrative	4,051,345	3,718,916	332,429	8.9%
Depreciation and amortization	899,549	865,402	34,147	3.9%
Change in investment LVMWD/TSD	1,915,400	1,917,034	(1,634)	-0.1%
Non-operating expenses:				
Interest expense	26,078	236	25,842	10950.0%
Debt administration	-	20,000	(20,000)	NA
Total expenses	<u>16,213,943</u>	<u>16,264,052</u>	<u>(50,109)</u>	-0.3%
Change in net position	(1,017,117)	178,270	(1,195,387)	-670.5%
Net position, beginning of year, as restated	<u>64,880,720</u>	<u>64,702,450</u>	<u>178,270</u>	0.3%
Net position, end of year	<u>\$ 63,863,603</u>	<u>\$ 64,880,720</u>	<u>\$ (1,017,117)</u>	-1.6%

Total revenues increased by approximately \$1,105,427 (7.2%) compared to fiscal year 2013. Recycled water and potable water both are highly cyclical in nature due to the weather and some conservation efforts; both showed increases in 2014. Recycled water sales increased by \$369,109, potable water sales by \$502,472, and connection fees increased slightly by \$194,351. The increase in connection fees is due to higher number of commercial and residential developments in Lake Sherwood and Thousand Oaks.

Total expenses increased by approximately \$296,426 (1.9%) compared to fiscal year 2013. The majority of the increase was due to increases in potable water costs of \$344,944 and recycled water costs of \$292,806.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>% Change</u>
Revenues:				
Operating revenues:				
Sanitation fees	\$ 6,590,649	\$ 6,594,736	\$ (4,087)	-0.1%
Potable water sales	5,282,011	4,779,539	502,472	10.5%
Recycled water sales	2,580,139	2,211,030	369,109	16.7%
Water meter service fees	1,385,935	1,327,623	58,312	4.4%
Other	423,435	263,288	160,147	60.8%
Non-operating revenues:				
Rental revenue - cellular antennas	153,863	149,093	4,770	3.2%
Interest and investment earnings	26,290	11,586	14,704	126.9%
Total revenues	<u>16,442,322</u>	<u>15,336,895</u>	<u>1,105,427</u>	7.2%
Expenses:				
Operating expenses:				
Wastewater treatment	3,783,274	3,873,043	(89,769)	-2.3%
Potable water purchased	3,731,891	3,386,897	344,994	10.2%
Recycled water purchased	2,131,331	1,838,525	292,806	15.9%
Professional services	95,968	181,497	(85,529)	-47.1%
Management and administrative	3,718,916	3,755,051	(36,135)	-1.0%
Depreciation and amortization	865,402	904,630	(39,228)	-4.3%
Change in investment LVMWD/TSD	1,917,034	2,018,902	(101,868)	-5.0%
Non-operating expenses:				
Interest expense	236	9,081	(8,845)	-97.4%
Debt administration	20,000	-	20,000	NA
Total expenses	<u>16,264,052</u>	<u>15,967,626</u>	<u>296,426</u>	1.9%
Change in net position	178,270	(630,731)	809,001	-128.3%
Net position, beginning of year, as restated	64,702,450	65,333,181	(630,731)	-1.0%
Net position, end of year	<u>\$ 64,880,720</u>	<u>\$ 64,702,450</u>	<u>\$ 178,270</u>	0.3%

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets as of June 30, 2015, (at cost) amounted to \$49.7 million or \$30.5 million (net of accumulated depreciation). The District's capital assets include land and land improvements, structures and improvements, construction in progress, equipment, and infrastructure.

Changes in capital asset amounts for 2015 were:

	<u>Balance 2014</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2015</u>
Capital Assets:				
Non-depreciable assets	\$ 11,761,500	\$ 2,671,544	\$ (11,620,187)	\$ 2,812,857
Depreciable assets	35,259,198	11,620,187	-	46,879,385
Accumulated depreciation and amortization	<u>(18,293,954)</u>	<u>(899,549)</u>	<u>-</u>	<u>(19,193,503)</u>
Total capital assets, net	<u>\$ 28,726,744</u>	<u>\$ 13,392,182</u>	<u>\$ (11,620,187)</u>	<u>\$ 30,498,739</u>

Changes in capital asset amounts for 2014 were:

	<u>Balance 2013</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2014</u>
Capital Assets:				
Non-depreciable assets	\$ 10,934,868	\$ 826,632	\$ -	\$ 11,761,500
Depreciable assets	35,210,985	48,213	-	35,259,198
Accumulated depreciation and amortization	<u>(17,428,552)</u>	<u>(865,402)</u>	<u>-</u>	<u>(18,293,954)</u>
Total capital assets, net	<u>\$ 28,717,301</u>	<u>\$ 9,443</u>	<u>\$ -</u>	<u>\$ 28,726,744</u>

Major capital asset events during the fiscal year 2015 included the following:

Advanced Metering Infrastructure - \$2,270,169
Conifer Tank - \$11,620,187
Accumulated depreciation - \$899,549

Major capital asset events during the fiscal year 2014 included the following:

Conifer Tank - \$826,632
Accumulated depreciation - \$865,402

Additional information on the District's capital assets can be found in note B-4 pages 39-41 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Debt Administration

The District's long-term debt outstanding as of June 30, 2015, was \$9,125,237.

	<u>Balance at June 30, 2014</u>		<u>Additions</u>		<u>Payments/ Deletions</u>		<u>Balance at June 30, 2015</u>
Long-term debt:							
2014 AMR Loan	\$ 2,535,000	\$	-	\$	(133,659)	\$	2,401,341
2011 Construction Loan	<u>7,001,164</u>		<u>-</u>		<u>(277,268)</u>		<u>6,723,896</u>
Total long-term debt	9,536,164	\$	<u>-</u>	\$	<u>(410,927)</u>		9,125,237
Less current portion	<u>(410,927)</u>						<u>(428,420)</u>
Total long-term portion	<u>\$ 9,125,237</u>					\$	<u>8,696,817</u>

Additional information on the District's long-term liabilities can be found in note B-6 on pages 44-46 of this report.

The District's long-term debt outstanding as of June 30, 2014, was \$9,536,164.

	<u>Balance at July 1, 2013</u>		<u>Additions</u>		<u>Payments/ Deletions</u>		<u>Balance at June 30, 2014</u>
Long-term debt:							
2014 AMR Loan	\$ -	\$	2,535,000	\$	-	\$	2,535,000
2011 Construction Loan	<u>7,265,897</u>		<u>-</u>		<u>(264,733)</u>		<u>7,001,164</u>
Total long-term debt	7,265,897	\$	<u>2,535,000</u>	\$	<u>(264,733)</u>		9,536,164
Less current portion	<u>(264,733)</u>						<u>(410,927)</u>
Total long-term portion	<u>\$ 7,001,164</u>					\$	<u>9,125,237</u>

Economic Factors and Next Fiscal Year's Budget and Rates

- The District Board considered the factors mentioned above when setting the fiscal year 2016 budget, rates, and fees. The District's fiscal year 2015-16 adopted budget (expenses not including the change in investment-in-joint venture LVMWD/TSD) totaled \$15,020,300 or 3.8% decrease when compared to the prior year.
- Following the wastewater rate study, the District Board approved a 6.5% rate increase every fiscal year starting with Fiscal Year 2016 through Fiscal Year 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- Based on the recycled water rate study, the District Board approved a 4% rate increase with no planned increases for the next two fiscal years except for pass through rate adjustments.
- In response to the State Water Resource Control Board's mandate of reducing water usage by 32% as compared to the 2013 base year usage data, the District Board declared a Stage 2 Water Supply Shortage that included a customer water allocation and approved the water conservation rates included in the Water Shortage Contingency Plan. In addition, the District Board also approved penalty charges for excessive water use.
- Calleguas Municipal Water District (CMWD) wholesale supply rate will increase effective January 1, 2016. The CMWD rate increase is a pass through increase to the Oak Park Water Service (OPWS) customers. The equivalent increase in the potable water rates will be eleven cents per hundred cubic feet (\$.11/HCF) across all the tiers effective February 1, 2016.
- Calleguas Municipal Water District (CMWD) wholesale reclaimed rate will increase effective January 1, 2016. The CMWD rate increase is a pass through increase to the reclaimed water customers. The equivalent increase in the reclaimed water rates will be nine cents per hundred cubic feet (\$.09/HCF) effective January 1, 2015.
- District staff is provided entirely by contract with the Ventura Regional Sanitation District (VRSD). This support consists of approximately fifteen (15.13) full-time equivalent positions made up of the part-time efforts of approximately seventy-eight (83.02) people in twenty-five (25) different areas of expertise. The VRSD hourly billing rates increased on average by 1.3% effective July 1, 2015.
- The term of the TSD/VRSD contract is ending June 30, 2015. On June 4, 2015, a new ten-year contract agreement was entered into between TSD and VRSD.

The District Board held workshops to assess the available working capital, the operating, and capital needs of the District. Additional information is provided in the transmittal letter on Page 1 of this report and Note C of the Notes to the Financial Statements.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in them. Questions concerning any of the information provided should be addressed to the Director of Finance & Administration, Triunfo Sanitation District, 1001 Partridge Drive, Suite 150, Ventura, California, 93003-0704. Please visit the District's website at www.triunfosanitation.com

TRIUNFO SANITATION DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015
COMPARATIVE STATEMENT AS OF JUNE 30, 2014

Assets		2015	2014
Current assets:			
Cash and cash equivalents	(Note B1)	\$ 8,961,486	\$ 11,741,454
Accrued interest receivable		6,784	7,864
Accounts receivable – water sales and services, net	(Note B3)	674,356	865,430
Accounts receivable – sanitation fees	(Note B3)	30,677	189,924
Accounts receivable – other	(Note B3)	182,007	47,849
Advance deposits – investment-in-joint venture LVMWD/TSD	(Note B5)	2,301,720	1,886,011
Water-in-storage inventory		31,969	67,920
Prepaid and other		24,690	22,112
Total current assets – unrestricted		<u>12,213,689</u>	<u>14,828,564</u>
Restricted current assets:			
Cash and cash equivalents	(Note B2)	1,307,403	1,306,458
Total current assets – restricted		<u>1,307,403</u>	<u>1,306,458</u>
Total current assets – unrestricted and restricted		<u>13,521,092</u>	<u>16,135,022</u>
Non-current assets			
Capital assets, net	(Note B4)	30,498,739	28,726,744
Investment-in-joint venture LVMWD/TSD	(Note B5)	32,295,953	33,136,526
Total non-current assets		<u>62,794,692</u>	<u>61,863,270</u>
Total assets		<u><u>\$ 76,315,784</u></u>	<u><u>\$ 77,998,292</u></u>

(Continued on next page)

See accompanying notes to the financial statements.

TRIUNFO SANITATION DISTRICT
STATEMENT OF NET POSITION (continued)
JUNE 30, 2015
COMPARATIVE STATEMENT AS OF JUNE 30, 2014

Liabilities and Net Position		2015	2014
Current liabilities:			
Payable from current assets:			
Accounts payable and accrued expenses		\$ 2,013,664	\$ 2,236,665
Accrued interest payable – loan		137,768	142,922
Loans payable – current portion	(Note B6)	428,420	410,927
Developer refund agreements – current portion	(Note B6)	27,254	27,254
Payable from current assets – unrestricted		<u>2,607,106</u>	<u>2,817,768</u>
Payable from restricted current assets:			
Customer deposits		39,030	38,085
Unearned revenue		666,373	666,373
Payable from restricted current assets		<u>705,403</u>	<u>704,458</u>
Total current liabilities – unrestricted and restricted		<u>3,312,509</u>	<u>3,522,226</u>
Non-current liabilities:			
Loans payable	(Note B6)	8,696,817	9,125,237
Developer refund agreements	(Note B6)	442,855	470,109
Total non-current liabilities		<u>9,139,672</u>	<u>9,595,346</u>
Total liabilities		<u>12,452,181</u>	<u>13,117,572</u>
Net position:			
Net investment in capital assets	(Note B7)	21,277,799	21,228,218
Restricted:			
Conifer loan reserve requirement	(Note B7)	602,000	602,000
Unrestricted		41,983,804	43,050,502
Total net position		<u>63,863,603</u>	<u>64,880,720</u>
Total liabilities and net position		<u>\$ 76,315,784</u>	<u>\$ 77,998,292</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, 2015
COMPARATIVE STATEMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Sanitation fees	\$ 6,644,859	\$ 6,590,649
Potable water sales	4,622,483	5,282,011
Recycled water sales	1,994,508	2,580,139
Water meter service fees	1,385,771	1,385,935
Connection fees	262,406	309,650
Other charges for services	99,534	113,785
Total operating revenues	<u>15,009,561</u>	<u>16,262,169</u>
Operating expenses:		
Wastewater treatment	4,305,047	3,783,274
Potable water purchased	3,223,673	3,731,891
Recycled water purchased	1,665,181	2,131,331
Professional services	127,670	95,968
Management and administrative	4,051,345	3,718,916
Total operating expenses	<u>13,372,916</u>	<u>13,461,380</u>
Operating income before depreciation	1,636,645	2,800,789
Depreciation	<u>(899,549)</u>	<u>(865,402)</u>
Operating income	<u>737,096</u>	<u>1,935,387</u>
Non-operating revenues (expenses)		
Change in investment-in-joint venture LVMWD/TSD (Note B5)	(1,915,400)	(1,917,034)
Rental revenue - cellular antennas	120,147	153,863
Interest and investment earnings	38,939	26,290
Interest expense	(26,078)	(236)
Other income(expenses), net	<u>28,179</u>	<u>(20,000)</u>
Total non-operating revenues (expenses), net	<u>(1,754,213)</u>	<u>(1,757,117)</u>
Change in net position	(1,017,117)	178,270
Net position, beginning of year	<u>64,880,720</u>	<u>64,702,450</u>
Net position, end of year	<u>\$ 63,863,603</u>	<u>\$ 64,880,720</u>

See accompanying notes to the basic financial statements

TRIUNFO SANITATION DISTRICT
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
COMPARATIVE STATEMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Receipts from customers for water sales and services	\$ 8,457,188	\$ 9,563,396
Receipts from customers for sanitation services	6,670,844	6,612,755
Receipts for other services	98,638	93,212
Payments to vendors for materials and services	<u>(13,562,545)</u>	<u>(13,462,007)</u>
Net cash provided by operating activities	<u>1,664,125</u>	<u>2,807,356</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(2,671,544)	(874,845)
Proceeds from sale/disposition of capital assets	28,179	-
Principal and interest paid on long-term debt	<u>(469,413)</u>	<u>2,226,505</u>
Net cash provided (used) in capital and related financing activities	<u>(3,112,778)</u>	<u>1,351,660</u>
Cash flows from investing activities:		
Advance deposits – investment-in-joint venture LVMWD/TSD facility	(1,490,536)	(1,520,322)
Proceeds from rental revenue - cellular antennas	120,147	153,863
Proceeds from interest and investment earnings	52,612	60,560
Net change in fair value of investments	<u>(12,593)</u>	<u>(30,119)</u>
Net cash used by investing activities	<u>(1,330,370)</u>	<u>(1,336,018)</u>
Net increase(decrease) in cash and cash equivalents	(2,779,023)	2,822,998
Cash and cash equivalents (unrestricted and restricted), beginning of year	<u>13,047,912</u>	<u>10,224,914</u>
Cash and cash equivalents (unrestricted and restricted), end of year	<u>\$ 10,268,889</u>	<u>\$ 13,047,912</u>
Reconciliation of cash and cash equivalents to statement of net position:		
Cash and cash equivalents	\$ 8,961,486	\$ 11,741,454
Restricted cash and cash equivalents	<u>1,307,403</u>	<u>1,306,458</u>
Total cash and cash equivalents	<u>\$ 10,268,889</u>	<u>\$ 13,047,912</u>
Accrued capitalized interest, net	\$ 111,690	\$ 142,686

(Continued on next page)

See accompanying notes to the financial statements.

TRIUNFO SANITATION DISTRICT
STATEMENT OF CASH FLOWS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
COMPARATIVE STATEMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>2015</u>	<u>2014</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ <u>737,096</u>	\$ <u>1,935,387</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Deprecation and amortization	899,549	865,402
Changes in assets and liabilities:		
(Increase)decrease in assets:		
Accounts receivable – water sales and services, net	191,074	(839)
Accounts receivable – sanitation fees	159,247	22,106
Accounts receivable – other, net	(134,158)	(20,573)
Water-in-storage inventory	35,951	-
Prepaid and other	(2,578)	37,847
Increase(decrease) in liabilities:		
Accounts payable and accrued expenses	(223,001)	(38,474)
Customer deposits	<u>945</u>	<u>6,500</u>
Total adjustments	<u>927,029</u>	<u>871,969</u>
Net cash provided by operating activities	<u>\$ 1,664,125</u>	<u>\$ 2,807,356</u>

See accompanying notes to the financial statements.

TRIUNFO SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 and 2014

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

Triunfo Sanitation District (District) was organized on November 12, 1963, as a special district under the County Sanitation District Act, State of California Health & Safety Code Section 4700 et seq., to provide sanitation services for the southeastern portion of Ventura County, adjacent to the Los Angeles County line. The District Board is comprised of five directly-elected members-at-large. On October 12, 1964, the District and Las Virgenes Municipal Water District (LVMWD) entered into a joint powers agreement establishing a Joint Venture (LVMWD/TSD Joint Venture) to construct, operate, maintain and provide for a regional sewerage system to serve the area within the two districts. The two directly elected Board members-at-large are employees of the District. The District contracts with Ventura Regional Sanitation District for management, engineering, operations & maintenance, and financial services.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board (GASB) Statements No. 14, *The Financial Reporting Entity*, No. 39, *Determining Whether Certain Organizations Are Component Units* (an amendment of No. 14) and No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34*. The District is the primary governmental unit based on the foundation of a separately appointed governing board. Component units are legally separate organizations for which the governing board of the primary government is financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) The primary government and the component unit have a financial benefit or burden relationship; or 2) Management of the primary government have operational responsibility for the activities of the component unit.

The Triunfo Public Facilities Corporation (Corporation) was formed on June 30, 1987, to facilitate the issuance of certificates of participation for the acquisition, construction, operation and maintenance of facilities, equipment, or other property needed by the District and leasing or selling such property to the District and as such has no employees or other operations. Although the Corporation is legally separate, it is included as a blended component unit of the District, as it is in substance part of the District's operations and the District's Board is also the governing board of the Corporation. No separate financial statements are prepared for the Corporation.

2. Measurement Focus and Basis of Accounting

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water to its customers on a continuing basis be financed or recovered primarily through user charges (charges for services), capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

TRIUNFO SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 and 2014

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Triunfo Sanitation District of the potable, recycled, and wastewater services are charges to customers for sales and services. The District also recognizes the tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then, unrestricted resources, as they are needed.

Each year, District staff prepares an annual budget. This annual budget, as adopted by the District Board of Directors is used for planning, serves as a basis for monitoring financial progress, and determines future service charge rates. During the fiscal year, the budget may be amended as circumstances or levels of operations dictates.

3. Financial Reporting

The District's basic financial statements are presented in conformance with the provisions of GASB Statement No. 34, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.*" (GASB No. 34), as amended by GASB Statement No. 63, "*Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.*" This statement established revised financial reporting requirements for state and local governments throughout the United States for the purpose of enhancing the understandability and usefulness of financial reports.

GASB No. 34 and its related GASB pronouncements provide for a revised view of financial information and restructure the format of financial information provided prior to its adoption. A statement of net position replaces the balance sheet and reports assets, liabilities, and the difference between them as net position, not equity. A statement of revenues, expenses and changes in net position replaces both the income statement and the statement of changes in retained earnings and contributed capital. GASB No. 34 also requires that the statement of cash flows be prepared using the direct method. Under the direct method, cash flows from operating activities are presented by major categories.

4. Assets, Liabilities, and Net Position

Cash and Investments – The District's cash and investments are governed by the District's Investment Policy and in compliance with the California Government Code. For purposes of reporting cash flows, the District considers cash and funds invested in the State of California Local Agency Investment Fund (LAIF), the Ventura County Treasury Pool (VCTP) and money market funds to be cash equivalents. In addition, all investments with an original maturity of three months or less when purchased are considered cash equivalents.

TRIUNFO SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 and 2014

Investments are generally stated at fair value, which is based on quoted market prices as of the valuation date. The gain/loss resulting from valuation is reported in the revenue account “Interest and Investment Earnings” on the statements of revenues, expenses and changes in net position.

Restricted assets – Amounts shown as restricted assets have been restricted for customer deposits, prepaid sewer connection fees for the Lake Sherwood project and reserve fund for the Oak Canyon Reservoir Installment Purchase Financing.

Accounts receivable water sales and services – These receivables are comprised of services provided to water customers in the Oak Park service area.

Accounts receivable sanitation fees – These receivables are comprised of services provided to wastewater customers throughout the District and potable and reclaimed water customers of the District’s Oak Park Water Service.

Advance deposits - investment in LVMWD/TSD Joint Venture – Pursuant to the Joint Powers Agreement, each participant is required to maintain advance deposits with the LVMWD/TSD Joint Venture for the following purposes:

Operating Reserve Advance Account – Both participants are required to advance amounts estimated to provide for three months operating expenses. The District’s share of operating reserve advance balances at June 30, 2015 and 2014 were \$1,061,709 and \$1,061,709, respectively.

Construction Advance Account – Cash flow during construction is proportionately shared by both participants. Amounts are advanced to the LVMWD/TSD Joint Venture to meet construction cash flow requirements. The District’s share of construction advance balances at June 30, 2015 and 2014 were \$190,448 and \$19,083, respectively.

Replacement Reserve Advance Account – Both participants are required to advance amounts for the cost to replace existing assets. The District’s share of replacement reserve advance balances at June 30, 2015 and 2014 were \$1,049,563 and \$805,219, respectively.

Water-in-storage inventory - Potable water available within the distribution pipelines and storage tanks is estimated and valued by the conversion of cubic feet to acre-feet and multiplied by current cost.

Prepaid and other - Certain payments to vendors reflects costs or deposits applicable to future accounting periods and are recorded as prepaid.

TRIUNFO SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 and 2014

Capital assets - Property and equipment with a cost of \$5,000 or more and a life greater than one year is capitalized and stated at cost, except for the portions acquired by contribution, which are reported at fair market value on the date received. Interest costs applicable to qualifying assets are capitalized as part of the cost of the assets. Interest earned on temporary investment of loan proceeds is offset against the interest costs capitalized. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation is computed using the straight-line method over estimated useful lives of the assets as shown below:

Equipment	5 to 25 years
Potable water system	40 years
Recycled water system	40 years
Wastewater collection system	50 years

Construction in progress - Costs associated with developmental stage projects are accumulated in an in-progress account until the project is fully developed. Once the project is complete, the entire cost of the project is transferred to a capital asset account and depreciated over the estimated useful life.

Accounts payable and accrued expenses – Short-term liability for amounts owed to suppliers, contractors and other organizations that have provided goods and services to the District by the end of the fiscal year for which payment had not been made. All properly documented payables and contract payments are processed within thirty days of invoice. In addition, an estimated loss is recorded in this category, net of insurance coverage and inclusive of an estimate for incurred but not reported claims, when it is probable that a claim liability has been incurred and the amount of the loss can be reasonably estimated.

Long-term obligations – Long-term debt is recognized as a liability of the enterprise fund when incurred, and is reported on the balance sheet as current and long-term portions.

Developer refund agreements – Long-term payables paid at the rate of one-fortieth of the total agreement amount with no interest accruing or paid.

Customer deposits – Deposits are required on all new customer accounts at start of service. The deposit shall be returned to the customer provided the customer's account has been in good standing for twelve consecutive months.

Unearned revenue – In October 2005, Sherwood Development Company, L.P. (Sherwood), paid the District \$666,373 in advance for the connection and inspection fees for Tract 4409, Phases 4 through 8 with an estimated total of sixty-five (65) lots. In 2006, the County of Ventura approved the tract map and Sherwood is expecting to start construction from between five to ten years, or sooner.

Net Position - Net position reported on the statement of net position is displayed in three components: net investment in capital assets; restricted net position; and unrestricted net position. These three components are defined as follows:

TRIUNFO SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 and 2014

Net investment in capital assets – This component of net assets consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding against the acquisition, construction or improvement of those assets.

Restricted net position – This component of net position consists of restricted assets reduced by liabilities related to those assets. Constraints on net position can be used through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This component of net position consists of net position that do not meet the definition of restricted or net investment in capital assets.

Use of estimates – The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

B. DETAILED NOTES

1. Cash and Investments

The District has adopted the provision of Statement No. 31 of the Governmental Accounting Standards Board, “*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*” (GASB 31), and Statement No. 40 of the Governmental Accounting Standards Board, “*Deposit and Investment Risk Disclosures*” (GASB 40), which require that certain investments and external investment pools be reported at fair market value and disclosure be made of certain deposit and investment risks.

The District’s investment policy is governed by and in compliance with the California Government Code. The investment policy’s objectives are to provide safety of principal, maintain liquidity, and earn a competitive yield. The District is authorized to invest funds in the California State Treasurer’s Local Agency Investment Fund (LAIF), Ventura County Treasurer’s Investment Pool (County Pool), and other qualified investments in accordance with the District’s investment policy.

Cash and Cash Equivalents

Cash and investments as of June 30 are classified in the accompanying financial statements as follows:

	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 8,961,486	\$ 11,741,454
Restricted cash and cash equivalents	<u>1,307,403</u>	<u>1,306,458</u>
Total Cash and Investments	<u>\$ 10,268,889</u>	<u>\$ 13,047,912</u>

TRIUNFO SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015 and 2014

Cash and cash equivalents as of June 30 consist of the following:

	<u>2015</u>	<u>2014</u>
Cash and cash equivalents		
Deutsch Bank	\$ 374,406	\$ 2,535,000
Local Agency Investment Fund (LAIF)	613,992	612,447
Ventura County Treasury Pool	8,236,921	9,498,673
Sweep account	<u>1,043,570</u>	<u>401,792</u>
Total Cash and Cash Equivalents	<u>\$ 10,268,889</u>	<u>\$ 13,047,912</u>

At June 30, 2015, and 2014, the carrying amount of cash in bank deposits was \$1,043,570 and \$401,792 respectively, and the corresponding bank balance was \$1,088,343 and \$488,584, respectively. The difference between the carrying amount of cash in banks and the corresponding bank balance is due to deposits in transit and outstanding checks. All deposits are insured or collateralized.

Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized by the District in accordance with the California Government Code (or District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and the concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

<u>Authorized Investment Types</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
LAIF	N/A	None	None
Ventura County Investment Pool	N/A	None	None
U.S. Agency Securities	5 years	None	None
U.S. Government Securities	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Banker's Acceptances	180 days	40%	30%
Mutual Funds that Invest in Allowable Securities	N/A	25%	10%

The District's Investment Policy is more restrictive than the California Government Code by prohibiting repurchase and reverse repurchase agreements. In addition, the maximum investment maturity is limited to five years.

TRIUNFO SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015 and 2014

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide requirements for cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investment by maturity date:

Investments at June 30, 2015:		Remaining Maturity (In Months)
<u>Investment Type</u>	<u>Fair Value Total</u>	<u>12 Month or Less</u>
Deutsch Bank	\$ 374,406	\$ 374,406
Local Agency Investment Fund (LAIF)	613,992	613,992
Ventura County Treasury Pool	8,236,921	8,236,921
Total	<u>\$ 9,225,319</u>	<u>\$ 9,225,319</u>

Investments at June 30, 2014:		Remaining Maturity (In Months)
<u>Investment Type</u>	<u>Fair Value Total</u>	<u>12 Month or Less</u>
Deutsch Bank	\$ 2,535,000	\$ 2,535,000
Local Agency Investment Fund (LAIF)	612,447	612,447
Ventura County Treasury Pool	9,498,673	9,498,673
Total	<u>\$ 12,646,120</u>	<u>\$ 12,646,120</u>

TRIUNFO SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 and 2014

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy and the actual rating as of year end for each investment type.

Credit ratings of investments and cash and cash equivalents as of year-end, were as follows:

Investment Type	Total as of June 30, 2015	Minimum Legal Rating	Not Rated
Deutsch Bank	\$ 374,406	N/A	\$ 374,406
Local Agency Investment Fund (LAIF)	613,992	N/A	613,992
Ventura County Treasury Pool	8,236,921	N/A	8,236,921
Total	<u>\$ 9,225,319</u>		<u>\$ 9,225,319</u>

Investment Type	Total as of June 30, 2014	Minimum Legal Rating	Not Rated
Deutsch Bank	\$ 2,535,000	N/A	\$ 2,535,000
Local Agency Investment Fund (LAIF)	612,447	N/A	612,447
Ventura County Treasury Pool	9,498,673	N/A	9,498,673
Total	<u>\$ 12,646,120</u>		<u>\$ 12,646,120</u>

Concentration of Credit Risk

The investment policy of the District contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Other than amounts invested in the Local Agency Investment Fund (LAIF) and the Ventura County Treasurer Investment Pool, there are no investments in any one issuer that represent 5% or more of total District investments as of June 30, 2015 and 2014.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Triunfo Sanitation District investment policy do not contain legal or policy requirements that limit the exposure to custodial credit risk for deposits, other than the following provisions: The California Government Code requires that financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The fair value of pledged securities must equal 110% of the District's deposits.

TRIUNFO SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 and 2014

California law allows financial institutions to secure District's deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits.

The custodial risk for investment is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. All securities held in the Ventura County Treasurer investment pool are deposited in trust for safekeeping with a custodial bank different from the County's primary bank. Securities are not held in broker accounts.

Investment in Ventura County Treasurer Investment Pool

The District is a voluntary participant in the Ventura County Treasurer's investment pool, which complies with the requirements of the California Government Code. Investments are stated at fair value. The fair value of the District's position in the pool is the same as the value of the pool shares. The District maintains a separate balance and investment income is allocated on a pro rata basis. Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments is required under generally accepted accounting principles. The District's deposits in the fund are considered highly liquid. Additional information about the Ventura County investment pool can be obtained from the County of Ventura, California – Treasurer-Tax Collector, 800 South Victoria Avenue, California 93009.

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF). LAIF is an external investment pool that is not registered with the Securities and Exchange Commission. It is, however, regulated by the California Government Code. The State of California's LAIF has oversight by the Local Agency Investment Advisory Board, which consists of the State Treasurer, two qualified members in the field of investment or finance, and two qualified government members of the state. Investments are stated at fair value and investment income is allocated on a pro rata basis. The fair value of the District's position in the pool is the same as the value of the pool shares. The District maintains a separate balance and investment income is allocated on a pro rata basis. Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments is required under generally accepted accounting principles. The share value of the District's investment in LAIF is \$613,992 and \$612,447 at June 30, 2015 and 2014, respectively. The deposits in the fund are considered highly liquid.

The total amount invested by all public agencies in LAIF at June 30, 2015 and 2014 is \$21.5 billion and \$21.1 billion, respectively. LAIF is a part of the California Pooled Money Investment Account (PMIA), which at June 30, 2015 and 2014 had a balance of \$69.6 billion and \$64.8 billion, respectively. Of those amounts, 2.08% and 1.11%, respectively, is invested in medium-term and short-term structured notes and asset-backed securities. The average maturity of PMIA investments is 239 days and 232 as of June 30, 2015 and 2014.

TRIUNFO SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015 and 2014

2. Restricted Assets

Detail of restricted assets as reported in the accompanying statement of net position is shown in the following table:

	<u>2015</u>	<u>2014</u>
Cash and cash equivalents restricted for:		
Customer deposits	\$ 39,030	\$ 38,085
Unearned revenue	666,373	666,373
Conifer loan reserve requirement	<u>602,000</u>	<u>602,000</u>
Total restricted cash and cash equivalents	<u>\$ 1,307,403</u>	<u>\$ 1,306,458</u>

3. Accounts Receivable

Water sales and services, net – These receivables are comprised of services provided to customers in the Oak Park service area and are shown net of an allowance for uncollectible accounts. The allowance totals \$9,870 and \$12,700 at June 30, 2015 and 2014, respectively.

Sanitation fees – The District annually submits a list of customers and service charge amounts to the County of Ventura (County) who, in accordance with the California Government Code, adds these amounts to the annual property tax billing; then collects and distributes the amounts received to the District. Unpaid property tax bills become a lien on the property and, ultimately are collected by the County and paid to the District. Sewer line mitigation consists of amounts billed to a developer to repair sewer lines placed in service, but not repaired in accordance with District inspection reports during the initial one-year warranty period. Receivable amounts are shown net without an allowance for uncollectible accounts because all are deemed collectable.

Other, net – These receivables result from miscellaneous activities such as prior year taxes, cellular antenna site rental and reimbursed State mandated costs and are shown net of an allowance for uncollectible accounts. Receivable amounts are shown net without an allowance for uncollectible accounts because all are deemed collectable.

TRIUNFO SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015 and 2014

Summary of accounts receivable as reported in the accompanying statement of net position are shown as follows:

June 30, 2015

<u>Accounts receivable - Trade</u>	<u>Gross</u>	<u>Allowance</u>	<u>Net</u>
Water sales and services	\$ 681,168	\$ (6,812)	\$ 674,356
Sanitation fees	33,735	(3,058)	30,677
Other receivables	182,007	-	182,007
Total accounts receivable	<u>\$ 896,910</u>	<u>\$ (9,870)</u>	<u>\$ 887,040</u>

June 30, 2014

<u>Accounts receivable - Trade</u>	<u>Gross</u>	<u>Allowance</u>	<u>Net</u>
Water sales and services	\$ 873,402	\$ (7,972)	\$ 865,430
Sanitation fees	194,652	(4,728)	189,924
Other receivables	47,849	-	47,849
Total accounts receivable	<u>\$ 1,115,903</u>	<u>\$ (12,700)</u>	<u>\$ 1,103,203</u>

TRIUNFO SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015 and 2014

4. Capital Assets

Changes to capital assets during fiscal years ended June 30, 2015 and 2014, were as follows:

Changes in capital assets for 2015 were as follows:

	Balance June 30, 2014	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2015
Non-depreciable assets:				
Land	\$ 71,370	\$ -	\$ -	\$ 71,370
Construction -in-progress	11,690,130	2,671,544	(11,620,187)	2,741,487
Total non-depreciable assets	11,761,500	2,671,544	(11,620,187)	2,812,857
Depreciable assets:				
Structures and improvements	720,834	-	-	720,834
Wastewater collection systems	16,535,876	-	-	16,535,876
Recycled water systems	3,913,923	-	-	3,913,923
Potable water systems	13,507,100	11,620,187	-	25,127,287
Other physical property	581,465	-	-	581,465
Total depreciable assets	35,259,198	11,620,187	-	46,879,385
Accumulated depreciation and amortization:				
Structures and improvements	(172,849)	(18,492)	-	(191,341)
Wastewater collection systems	(8,388,122)	(409,949)	-	(8,798,071)
Recycled water systems	(1,629,622)	(95,809)	-	(1,725,431)
Potable water systems	(7,904,193)	(330,514)	-	(8,234,707)
Other physical property	(199,168)	(44,785)	-	(243,953)
Total accum depr. and amort.	(18,293,954)	(899,549)	-	(19,193,503)
Total depreciable assets, net	16,965,244	10,720,638	-	27,685,882
Total capital assets, net	\$ 28,726,744	\$ 13,392,182	\$ (11,620,187)	\$ 30,498,739

TRIUNFO SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015 and 2014

Changes in capital assets for 2014 were as follows:

	Balance June 30, 2013	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2014
Non-depreciable assets:				
Land	\$ 71,370	\$ -	\$ -	\$ 71,370
Construction -in-progress	10,863,498	826,632	-	11,690,130
Total non-depreciable assets	10,934,868	826,632	-	11,761,500
Depreciable assets:				
Structures and improvements	720,834	-	-	720,834
Wastewater collection systems	16,535,876	-	-	16,535,876
Recycled water systems	3,913,923	-	-	3,913,923
Potable water systems	13,507,100	-	-	13,507,100
Other physical property	533,252	48,213	-	581,465
Total depreciable assets	35,210,985	48,213	-	35,259,198
Accumulated depreciation and amortization:				
Structures and improvements	(154,266)	(18,583)	-	(172,849)
Wastewater collection systems	(8,058,748)	(329,374)	-	(8,388,122)
Recycled water systems	(1,533,813)	(95,809)	-	(1,629,622)
Potable water systems	(7,522,923)	(381,270)	-	(7,904,193)
Other physical property	(158,802)	(40,366)	-	(199,168)
Total accum depr. and amort.	(17,428,552)	(865,402)	-	(18,293,954)
Total depreciable assets, net	17,782,433	(817,189)	-	16,965,244
Total capital assets, net	\$ 28,717,301	\$ 9,443	\$ -	\$ 28,726,744

TRIUNFO SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 and 2014

Construction in progress - The District has been involved in various construction projects throughout the year. The balances of the various construction projects that comprise the construction in progress balances at June 30 are as follows:

<u>Construction Projects</u>	<u>2015</u>	<u>2014</u>
Developer tracts in progress	\$ 374,543	\$ 374,543
Conifer Tank	-	11,306,787
Hydraulic Model-PW	28,680	-
Water Storage Study-RW	59,295	-
Automated Meter Read	2,278,969	8,800
Total	\$ 2,741,487	\$ 11,690,130

5. Joint Venture

The District and Las Virgenes Municipal Water District are parties to a joint exercise of powers agreement (LVMWD/TSD Joint Venture Agreement) to provide for construction, operation, maintenance and replacement of a joint sanitation system to serve the respective parties' needs. The LVMWD/TSD Joint Venture is governed by the individual Board of Directors of the two districts meeting in joint session and Pun & McGeady, LLP is the independent auditor. Equipment costs and contributions in aid of construction are shared in accordance with each district's capacity rights reserved in each component of the LVMWD/TSD Joint Venture system. While the districts own the system jointly, they each account for their share of its financing individually. Thus, the LVMWD/TSD Joint Venture itself has no long-term debt. Operating costs and local maintenance are prorated and billed to the districts in accordance with the average monthly flows contributed to the system. LVMWD is designated the Administering Agent for facilities located in Los Angeles County. The following is a condensed summary of audited financial information for the LVMWD/TSD Joint Venture as of and for the years ended June 30, 2015 and June 30, 2014:

TRIUNFO SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015 and 2014

TSD/LVMWD Joint Venture Condensed Statements of Net Position (In Thousands of Dollars)

	<u>2015</u>	<u>2014</u>	<u>Change</u>
Assets:			
Current assets	\$ 6,832	\$ 7,310	\$ (478)
Capital assets, net	<u>96,482</u>	<u>99,197</u>	<u>(2,715)</u>
Total assets	<u>103,314</u>	<u>106,507</u>	<u>(3,193)</u>
Liabilities:			
Current liabilities	880	776	104
Non-current liabilities	<u>5,952</u>	<u>6,534</u>	<u>(582)</u>
Total liabilities	<u>6,832</u>	<u>7,310</u>	<u>(478)</u>
Net position of participants net investment in capital assets:			
Las Virgenes Municipal Water District	64,186	66,060	(1,874)
Triunfo Sanitation District	<u>32,296</u>	<u>33,137</u>	<u>(841)</u>
Total net position	<u>96,482</u>	<u>99,197</u>	<u>(2,715)</u>
Total liabilities and net position	<u>\$ 103,314</u>	<u>\$ 106,507</u>	<u>\$ (3,193)</u>

TRIUNFO SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015 and 2014

TSD/LVMWD Joint Venture Condensed Statements of Revenues, Expenses, and Changes in Net Position (In Thousands of Dollars)

	<u>2015</u>	<u>2014</u>	<u>Change</u>
Revenues:			
Operating revenues	\$ 2,361	\$ 3,105	\$ (744)
Non-operating revenues	13	11	2
Total revenues	<u>2,374</u>	<u>3,116</u>	<u>(742)</u>
Expenses:			
Operating expenses	15,190	15,153	37
Non-operating expenses	167	84	83
Depreciation and amortization	6,319	6,280	39
Total expenses	<u>21,676</u>	<u>21,517</u>	<u>159</u>
Net loss before participant contributions	<u>(19,302)</u>	<u>(18,401)</u>	<u>(901)</u>
Billings to participants	12,930	12,037	893
Excess after billings to participants	(6,372)	(6,364)	(8)
Participants capital contributions	3,657	6,177	(2,520)
Change in Net Position	<u>(2,715)</u>	<u>(187)</u>	<u>(2,528)</u>
Beginning Net Position	<u>99,197</u>	<u>99,384</u>	<u>(187)</u>
Ending Net Position	<u>\$ 96,482</u>	<u>\$ 99,197</u>	<u>\$ (2,715)</u>

The Financial Statements of the LVMWD/TSD Joint Venture can be obtained from:

Las Virgenes Municipal Water District
4232 Las Virgenes Road
Calabasas, California 91302

Triunfo Sanitation District
1001 Partridge Drive, Suite 150
Ventura, California 93003

Advance deposits – Investment in Joint Venture - Pursuant to the LVMWD/TSD Joint Powers Agreement, each district is required to maintain advances with the LVMWD/TSD Joint Venture for the following purposes:

<u>TSD Joint Venture Advances</u>	<u>2015</u>	<u>2014</u>
Operating reserve advance	\$ 1,061,709	\$ 1,061,709
Construction advance	190,448	19,083
Replacement reserve advance	1,049,563	805,219
Total joint venture advances	<u>\$ 2,301,720</u>	<u>\$ 1,886,011</u>

TRIUNFO SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015 and 2014

6. Long Term Obligations

2011 Bank of America, N.A. – Installment Purchase Agreement

The District entered into an Installment Purchase Agreement with the Triunfo Public Facilities Corporation for \$7,760,000. The funds were received to provide financing for the acquisition and construction of a single 2.1 million gallon buried water storage tank located nearly due north of the intersection of Kanan Road and Churchwood Street on the northeast side of the ridge facing into Oak Canyon Community Park. The existing 1.0 million gallon water storage tank located southwest of the western terminus of Conifer Street will be demolished. Additionally, approximately four miles of existing water supply lines and a non-usable water tank and its pump station are being acquired through easement agreements and will be decommissioned. The Triunfo Public Facilities Corporation assigned all of its rights, title and interest in the Installment Purchase Agreement dated February 1, 2011 to Bank of America. Semiannual principal and interest payments of \$300,858 are due February 1 and August 1, commencing August 1, 2011 through February 1, 2031. Interest is at 4.68%. The District has pledged its Net Revenues for the repayment of the Installment Sale Agreement.

2014 Bank of America, N.A. – Master Equipment Lease/Purchase Agreement

The District entered into a Master Equipment Lease/Purchase Agreement with Bank of America, National Association. The funds were received to provide financing to replace all potable and recycled water meters with Automated Meters. This project will eliminate manually reading the meters and provide the District with timely and more accurate meter reading. Semiannual principal and interest payments of \$107,360 are due May 22 and November 22, commencing November 22, 2014 through May 22, 2029. Interest is at 3.24%. The District has pledged its Net Revenues for the repayment of the Master Equipment Lease/Purchase Agreement.

The following table summarizes the District's debt at June 30, 2015.

	Balance at June 30, 2014	Additions	Payments/ Deletions	Balance at June 30, 2015	Amounts Due in One Year
Loan Payable:					
2014 Automated Meter Read Loan	\$ 2,535,000	\$ -	\$ (133,659)	\$ 2,401,341	\$ (138,025)
2011 Construction loan	7,001,164	-	(277,268)	6,723,896	(290,395)
Total long-term debt	9,536,164	\$ -	\$ (410,927)	9,125,237	\$ (428,420)
Less current portion	(410,927)			(428,420)	
Total long-term portion	\$ 9,125,237			\$ 8,696,817	

TRIUNFO SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015 and 2014

The following table summarizes the District's debt at June 30, 2014.

	Balance at July 1, 2013	Additions	Payments/ Deletions	Balance at June 30, 2014	Amounts Due in One Year
Loan Payable:					
2014 Automated Meter Read Loan	\$ -	\$ 2,535,000	\$ -	\$ 2,535,000	\$ (133,659)
2011 Construction loan	7,265,897	-	(264,733)	7,001,164	(277,268)
Total long-term debt	7,265,897	<u>2,535,000</u>	<u>(264,733)</u>	9,536,164	<u>(410,927)</u>
Less current portion	(264,733)			(410,927)	
Total long-term portion	<u>\$ 7,001,164</u>			<u>\$ 9,125,237</u>	

The annual requirements to amortize the installment purchase agreement and master equipment lease loans are as follows:

Fiscal Year	2011 Construction Loan		2014 AMR Loan	
	Principal	Interest	Principal	Interest
2016	\$ 290,395	\$ 311,320	\$ 138,025	\$ 76,694
2017	304,145	297,570	142,533	72,186
2018	318,545	283,170	147,189	67,530
2019	333,628	268,087	151,996	62,723
2020	349,424	252,291	156,961	57,759
2021-2025	2,011,520	996,966	865,136	208,460
2026-2030	2,535,003	473,574	799,501	59,375
2031	581,236	20,480	-	-
Total	6,723,896	2,903,458	2,401,341	604,727
Less current portion	<u>(290,395)</u>	<u>(311,320)</u>	<u>(138,025)</u>	<u>(76,694)</u>
Total non-current	<u>\$ 6,433,501</u>	<u>\$ 2,592,138</u>	<u>\$ 2,263,316</u>	<u>\$ 528,033</u>

Developer Refund Agreements - Long-term payables consisting of Developer Refund Agreements acquired by the District with the purchase of the Metropolitan Water Company for the repayment of water system construction costs. Developer Refund Agreements are paid at the rate of one-fortieth of the total agreement amount annually in October with no interest accruing or paid.

TRIUNFO SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015 and 2014

The following summarizes the District's Developer Refund Agreement obligations at June 30, 2015:

Developer/Tract	Balance at June 30, 2014	Additions	Payments/ Deletions	Balance at June 30, 2015	Amounts Due in One Year
CalProp/4315	\$ 67,392	\$ -	\$ (3,744)	\$ 63,648	\$ (3,744)
Grupe/3984	56,698	-	(4,930)	51,768	(4,930)
Morrison/4071	224,893	-	(11,835)	213,058	(11,835)
Warmington/4474	148,380	-	(6,745)	141,635	(6,745)
Total developer refunds	497,363	\$ -	\$ (27,254)	470,109	\$ (27,254)
Less current portion	(27,254)			(27,254)	
Total long-term portion	\$ 470,109			\$ 442,855	

The following summarizes the District's Developer Refund Agreement obligations at June 30, 2014:

Developer/Tract	Balance at July 1, 2013	Additions	Payments/ Deletions	Balance at June 30, 2014	Amounts Due in One Year
CalProp/4315	\$ 71,136	\$ -	\$ (3,744)	\$ 67,392	\$ (3,744)
Grupe/3984	61,628	-	(4,930)	56,698	(4,930)
Morrison/4071	236,728	-	(11,835)	224,893	(11,835)
Warmington/4474	155,125	-	(6,745)	148,380	(6,745)
Total developer refunds	524,617	\$ -	\$ (27,254)	497,363	\$ (27,254)
Less current portion	(27,254)			(27,254)	
Total long-term portion	\$ 497,363			\$ 470,109	

The annual maturities of the Developer Refund Agreements are as follows:

Fiscal Year	Principal
2016	\$ 27,254
2017	27,254
2018	27,254
2019	27,254
2020	27,254
2021-2025	136,270
2026-2030	114,082
2031-2035	76,742
2036	6,745
Total	470,109
Less current portion	(27,254)
Total non-current	\$ 442,855

TRIUNFO SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015 and 2014

7. Net Positions

The following is the detail of net position:

The balance at June 30, consists of the following:		2015		2014
Capital assets, net	\$	30,498,739	\$	28,726,744
Portion of loans payable used to purchase capital assets		(8,750,831)		(7,001,164)
Developer refund agreements		(470,109)		(497,362)
Total net investment in capital assets	\$	<u>21,277,799</u>	\$	<u>21,228,218</u>
Restricted for debt service:				
Conifer loan reserve requirement	\$	<u>602,000</u>	\$	<u>602,000</u>
Total restricted	\$	<u>602,000</u>	\$	<u>602,000</u>

8. Management Agreement

The District has an agreement with the Ventura Regional Sanitation District (VRSD) for VRSD to provide staffing, management, operation and maintenance of facilities; to provide staffing for the administration and management of the District; and support services to the District Governing Board, as well as other closely-related services. The total cost of services paid by the District to VRSD in fiscal year 2015 was \$3,763,176 and \$3,279,609 in fiscal year 2014. The original agreement between the two agencies started back in September 1977. Since then, the two agencies have determined it would be to the mutual benefit of both parties to revise and/or amend the contract to reflect changes that have occurred during the past years. Under the agreement, the District has the right to evaluate the performance of VRSD's services under the agreement. The current contract expires on June 30, 2025. Both the District and VRSD may terminate this agreement for its convenience and without cause by giving the party one year prior written notice. In addition, both parties may also terminate this agreement in the event of a material default if such default remains uncured upon the expiration of sixty (60) days after receipt of written notice.

C. OTHER INFORMATION

1. Risk Management

Joint Powers Insurance Authority

California Sanitation Risk Management Authority (CSRMA) is a joint powers authority (JPA) created to provide a self-insurance program to sanitation agencies in the State of California. CSRMA provides liability, property and workers' compensation insurance for approximately 58 sanitation agencies for losses in excess of the members' specified self-insurance retention levels. Individual claims (and aggregate public liability and property claims) in excess of specified levels are covered by excess insurance policies purchased from commercial carriers. A Board of Directors composed of members from participating districts governs CSRMA. The Board controls the operations of CSRMA, including selection of management and approval of operating budgets, independent of any influence by the members beyond their representation on the Board. Each member of CSRMA shares surpluses and deficiencies proportionate to its participation in CSRMA.

TRIUNFO SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015 and 2014

The financial statements of CSRMA may be obtained from:

CSRMA
C/o Driver Alliant Insurance Services
100 Pine Street, 11th Floor
San Francisco, California 94111-5101

Joint Venture Insurance

The District is insured for a variety of potential exposures associated with the LVMWD/TSD Joint Venture. The LVMWD/TSD Joint Venture is a named insured in the liability and property insurance program of the LVMWD. LVMWD retained Argonaut Insurance Company, for general liability, property, inverse condemnation, auto and physical damage. In addition, reinsurance support for the program is provided by Swiss Reinsurance of America and Travelers Re. The coverage for the general liability provides \$11 million per occurrence and \$61 million in the aggregate with a \$50,000 deductible per occurrence. The coverage for the property provides \$61 million of coverage with a deductible of \$50,000 per occurrence.

Effective August 1, 2012, the LVMWD/TSD Joint Power's Authority retained ACWA/JPIA for its workers' compensation insurance coverage.

Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2015 and 2014.

2. Commitments and Contingencies

At June 30, 2015 and 2014, the District had no contractual commitments with outside firms for engineering, consulting, or other various supplies and services.

The District is involved in litigation encountered in the normal course of business. In certain of these matters, the defense costs and settlement costs, if any, are covered by the District's liability insurance policies. In the opinion of management, there is no pending litigation that would materially affect the District's liability insurance policies or financial position.

3. Subsequent events

In March 2015, the Board unanimously approved a 6.5% wastewater rate increase effective July 1, 2015.

In May 2015, the Board unanimously approved a 4% recycled water rate increase effective July 1, 2015.

TRIUNFO SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 and 2014

In June 2015, the Board declared and implemented Stage 2 of the Water Shortage Contingency Plan which includes water allocation to its customers effective immediately upon adoption on June 22, 2015.

In July 2015, the Board unanimously approved the Stage 2 potable water conservation rates included in the Water Shortage Contingency Plan including penalty charges for excessive water use effective September 2015 billing period.

In December 2015, the Board unanimously approved an \$0.11 per 100 cubic feet (HCF) as a pass through potable water fee increase to cover the Calleguas Municipal Water District's wholesale supply rate increase. The potable water rate increase is effective February 1, 2016.

In December 2015, the Board unanimously approved a \$0.09 per 100 cubic feet (HCF) as a pass through reclaimed water fee increase to cover the Calleguas Municipal Water District's wholesale reclaimed rate increase. The reclaimed water rate increase is effective February 1, 2016.

D. NEW ACCOUNTING PRONOUNCEMENTS

The Government Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2015, that have effective dates that may impact future presentations.

GASB Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements in this Statement improve financial reporting by 1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; 2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and 3) requiring the consideration consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature. This statement became effective for the periods beginning after June 15, 2015. The District intends to implement the new requirement for the fiscal year 2015-16 financial statements to the extent that they are applicable to the District.

GASB Statement 79, *Certain External Investment Pools and Pool Participants*. The requirements of this Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015. The District intends to implement the new requirement for the fiscal year 2015-16 financial statements to the extent that they are applicable to the District.

TRIUNFO SANITATION DISTRICT

COMBINING

SUPPLEMENTARY SCHEDULES

FISCAL YEAR ENDED JUNE 30, 2015



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, 2015

<i>Assets</i>	<i>Wastewater</i>	<i>Recycled Water</i>	<i>Potable Water</i>	<i>Total</i>
Current assets:				
Cash and cash equivalents	\$ 7,334,932	\$ 1,512,203	\$ 114,351	\$ 8,961,486
Accrued interest receivable	6,779	-	5	6,784
Accounts receivable – water sales and services, net	-	349,291	325,065	674,356
Accounts receivable – sanitation fees	30,677	-	-	30,677
Accounts receivable – other, net	181,111	-	896	182,007
Advance deposits – investment-in-joint venture LVMWD/TSD	2,301,720	-	-	2,301,720
Water-in-storage inventory	-	-	31,969	31,969
Prepaid and other	24,690	-	-	24,690
Total current assets – unrestricted	9,879,909	1,861,494	472,286	12,213,689
Restricted current assets:				
Cash and cash equivalents	666,373	-	641,030	1,307,403
Total current assets – restricted	666,373	-	641,030	1,307,403
Total current assets – unrestricted and restricted	10,546,282	1,861,494	1,113,316	13,521,092
Non-current assets – capital assets, net				
Capital assets, net	8,683,183	2,306,069	19,509,487	30,498,739
Investment-in-joint venture LVMWD/TSD	32,295,953	-	-	32,295,953
Total non-current assets	40,979,136	2,306,069	19,509,487	62,794,692
Total assets	\$ 51,525,418	\$ 4,167,563	\$ 20,622,803	\$ 76,315,784
<i>Liabilities and Net Position</i>				
Current liabilities:				
Payable from current assets:				
Accounts payable and accrued expenses	\$ 1,094,045	\$ 159,639	\$ 759,980	\$ 2,013,664
Accrued interest payable – loan	-	187	137,581	137,768
Loan payable – current portion	-	3,133	425,287	428,420
Developer refund agreements – current portion	-	-	27,254	27,254
Payable from current assets – unrestricted	1,094,045	162,959	1,350,102	2,607,106
Payable from restricted current assets:				
Customer deposits	-	-	39,030	39,030
Unearned revenue	666,373	-	-	666,373
Payable from restricted current assets	666,373	-	39,030	705,403
Total current liabilities – unrestricted and restricted	1,760,418	162,959	1,389,132	3,312,509
Non-current liabilities:				
Loans payable	-	51,378	8,645,439	8,696,817
Developer refund agreements	-	-	442,855	442,855
Total non-current liabilities	-	51,378	9,088,294	9,139,672
Total liabilities	1,760,418	214,337	10,477,426	12,452,181
Net position:				
Net investment in capital assets	8,683,183	2,253,795	10,340,821	21,277,799
Restricted:				
Conifer loan reserve requirement	-	-	602,000	602,000
Unrestricted	41,081,817	1,699,431	(797,444)	41,983,804
Total net position	49,765,000	3,953,226	10,145,377	63,863,603
Total liabilities and net position	\$ 51,525,418	\$ 4,167,563	\$ 20,622,803	\$ 76,315,784

TRIUNFO SANITATION DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Wastewater	Recycled Water	Potable Water	Total
Operating revenues:				
Sanitation fees	\$ 6,644,859	\$ -	\$ -	\$ 6,644,859
Potable water sales	-	-	4,622,483	4,622,483
Recycled water sales	-	1,994,508	-	1,994,508
Water meter service fees	-	161,923	1,223,848	1,385,771
Connection fees	262,406	-	-	262,406
Other charges for services	23,690	93	75,751	99,534
Total operating revenues	6,930,955	2,156,524	5,922,082	15,009,561
Operating expenses:				
Wastewater treatment	4,305,047	-	-	4,305,047
Potable water purchased	-	-	3,223,673	3,223,673
Recycled water purchased	-	1,665,181	-	1,665,181
Professional services	94,780	32,890	-	127,670
Management and administrative	2,141,429	71,448	1,838,468	4,051,345
Total operating expenses	6,541,256	1,769,519	5,062,141	13,372,916
Operating income before depreciation	389,699	387,005	859,941	1,636,645
Depreciation	(450,112)	(95,810)	(353,627)	(899,549)
Operating income(loss)	(60,413)	291,195	506,314	737,096
Non-operating revenues (expenses)				
Change in investment-in-joint venture LVMWD/TSD	(1,915,400)	-	-	(1,915,400)
Rental revenue - cellular antennas	-	-	120,147	120,147
Interest and investment earnings	38,707	5	227	38,939
Interest expense	-	-	(26,078)	(26,078)
Other income(expenses), net	-	-	28,179	28,179
Central administration expense allocation	386,045	(102,826)	(283,219)	-
Total non-operating revenues (expenses), net	(1,490,648)	(102,821)	(160,744)	(1,754,213)
Change in net position	(1,551,061)	188,374	345,570	(1,017,117)
Net position, beginning of fiscal year	51,316,061	3,764,852	9,799,807	64,880,720
Net position, end of fiscal year	\$ 49,765,000	\$ 3,953,226	\$ 10,145,377	\$ 63,863,603

TRIUNFO SANITATION DISTRICT
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Wastewater	Recycled Water	Potable Water	Total
Cash flows from operating activities:				
Receipts from customers for water sales and services	\$ 262,406	\$ 2,275,228	\$ 5,919,554	\$ 8,457,188
Receipts from customers for sanitation services	6,670,844	-	-	6,670,844
Receipts for other services	23,690	93	74,855	98,638
Payments to vendors for materials and services	(6,576,420)	(1,873,173)	(5,112,952)	(13,562,545)
Net cash provided by operating activities	380,520	402,148	881,457	1,664,125
Cash flows from capital and related financing activities:				
Acquisition/transfer and construction of capital assets	-	(110,829)	(2,560,715)	(2,671,544)
Proceeds from sale/disposition of capital assets	-	-	28,179	28,179
Principal and interest paid on long-term debt	-	(3,046)	(466,367)	(469,413)
Net cash used in capital and related financing activities	-	(113,875)	(2,998,903)	(3,112,778)
Cash flows from non-capital and related financing activities:				
Central administration expense allocation	386,045	(102,826)	(283,219)	-
Net cash provided (used) in capital and related financing activities	386,045	(102,826)	(283,219)	-
Cash flows from investing activities:				
Advance deposits - investment-in-joint venture LVMWD/TSD facility	(1,490,536)	-	-	(1,490,536)
Proceeds from rental revenue - cellular antennas	-	-	120,147	120,147
Proceeds from interest and investment earnings	52,385	5	222	52,612
Net change in fair value of investments	(12,593)	-	-	(12,593)
Net cash provided (used) by investing activities	(1,450,744)	5	120,369	(1,330,370)
Net increase(decrease) in cash and cash equivalents	(684,179)	185,452	(2,280,296)	(2,779,023)
Cash and cash equivalents (unrestricted and restricted), beginning of year	8,685,484	1,326,751	3,035,677	13,047,912
Cash and cash equivalents (unrestricted and restricted), end of year	\$ 8,001,305	\$ 1,512,203	\$ 755,381	\$ 10,268,889
Reconciliation of cash and cash equivalents to statement of net position:				
Cash and cash equivalents	\$ 7,334,932	\$ 1,512,203	\$ 114,351	\$ 8,961,486
Restricted cash and cash equivalents	666,373	-	641,030	1,307,403
Total cash and cash equivalents	\$ 8,001,305	\$ 1,512,203	\$ 755,381	\$ 10,268,889
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (60,413)	\$ 291,195	\$ 506,314	\$ 737,096
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Deprecation	450,112	95,810	353,627	899,549
Changes in assets and liabilities:				
(Increase)decrease in assets:				
Accounts receivable – water sales and services, net	-	118,797	72,277	191,074
Accounts receivable – sanitation fees	159,247	-	-	159,247
Accounts receivable – other, net	(133,262)	-	(896)	(134,158)
Water-in-storage inventory	-	1,887	34,064	35,951
Prepaid and other	(2,578)	-	-	(2,578)
Increase(decrease) in liabilities:				
Accounts payable and accrued expenses	(32,586)	(105,541)	(84,874)	(223,001)
Customer deposits	-	-	945	945
Total adjustments	440,933	110,953	375,143	927,029
Net cash provided by operating activities	\$ 380,520	\$ 402,148	\$ 881,457	\$ 1,664,125

**TRIUNFO SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Operating revenues:			
Sanitation fees	\$ 6,646,635	\$ 6,644,859	\$ 1,776
Potable water sales	5,407,526	4,622,483	785,043
Recycled water sales	2,302,405	1,994,508	307,897
Water meter service fees	1,379,103	1,385,771	(6,668)
Connection fees	100,000	262,406	(162,406)
Other charges for services	233,260	99,534	133,726
Total operating revenues	<u>16,068,929</u>	<u>15,009,561</u>	<u>1,059,368</u>
Operating expenses:			
Wastewater treatment	3,972,403	4,305,047	(332,644)
Potable water purchased	3,772,185	3,223,673	548,512
Recycled water purchased	1,860,542	1,665,181	195,361
Professional services	162,535	127,670	34,865
Management and administrative	4,383,866	4,051,345	332,521
Total operating expenses	<u>14,151,531</u>	<u>13,372,916</u>	<u>778,615</u>
Operating income before depreciation	1,917,398	1,636,645	280,753
Depreciation	<u>(1,139,671)</u>	<u>(899,549)</u>	<u>(240,122)</u>
Operating income	<u>777,727</u>	<u>737,096</u>	<u>40,631</u>
Non-operating revenues (expenses)			
Change in investment-in-joint venture LVMWD/TSD	(2,278,562)	(1,915,400)	(363,162)
Rental revenue - cellular antennas	-	120,147	(120,147)
Interest and investment earnings	25,000	38,939	(13,939)
Interest expense	(406,059)	(26,078)	(379,981)
Other income (expenses), net	<u>-</u>	<u>28,179</u>	<u>(28,179)</u>
Total non-operating revenues (expenses), net	<u>(2,659,621)</u>	<u>(1,754,213)</u>	<u>(905,408)</u>
Change in net position	<u>\$ (1,881,894)</u>	<u>\$ (1,017,117)</u>	<u>\$ (864,777)</u>

**Triunfo Sanitation District
Statistical Section**

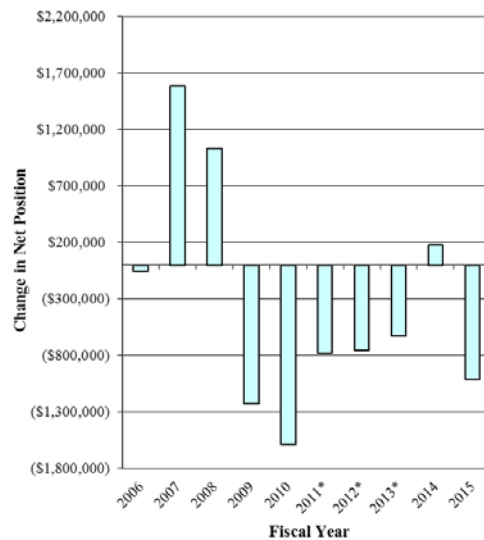
This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

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Financial Trends These schedules contain information to help the reader understand how the District's financial performance and well-being have changed over time.	56-59
Revenue Capacity These schedules contain information to help the reader assess the District's most significant own-source revenues, wastewater service, potable water sales, and recycled water sales.	60-63
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	64-65
Demographic Information These schedules offer demographic indicators to help the reader understand the environment within which the District's financial activities take place.	66-69
Operating Information This schedule contains service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides.	70

Triunfo Sanitation District
Changes in Net Position and Net Position by Component
Last Ten Fiscal Years

	Fiscal Year				
	2006	2007	2008	2009	2010
Changes in net position:					
Operating revenues (see Schedule 2)	\$ 11,767,496	\$ 12,714,950	\$ 13,050,918	\$ 12,372,603	\$ 12,550,843
Operating expenses (see Schedule 3)	(9,331,807)	(9,341,138)	(10,214,979)	(10,799,380)	(11,433,846)
Depreciation and amortization	(852,168)	(853,881)	(860,827)	(881,982)	(879,346)
Operating income(loss)	1,583,521	2,519,931	1,975,112	691,241	237,651
Non-operating revenues(expenses)					
Investment income/(loss)	362,606	871,606	875,522	524,115	17,984
Rental income - cellular antennas	120,368	110,741	148,485	121,381	147,450
Change in investment in LVMWD/TSD Joint Venture	(1,760,136)	(1,820,166)	(1,720,850)	(2,315,646)	(1,689,237)
Gain/(loss) on sale of assets	415	2,090	-	-	-
Interest expense	(472,825)	(463,812)	(403,784)	(230,414)	(104,124)
Bond administration expense	(56,304)	(84,680)	(59,779)	(71,794)	(217,905)
Other revenue/(expense), net	49,789	34,612	85,949	12,559	19,616
Total non-operating revenues(expenses), net	(1,756,087)	(1,349,609)	(1,074,457)	(1,959,799)	(1,826,216)
Net income before capital contributions	(172,566)	1,170,322	900,655	(1,268,558)	(1,588,565)
Capital contributions	115,547	412,070	128,348	43,118	1,181
Changes in net position	\$ (57,019)	\$ 1,582,392	\$ 1,029,003	\$ (1,225,440)	\$ (1,587,384)
Net position by component:					
Net investment in capital assets	\$ 11,373,962	\$ 12,599,089	\$ 13,818,614	\$ 15,637,556	\$ 20,240,997
Restricted	373,535	301,632	1,012,406	92,899	-
Unrestricted	55,324,717	55,753,885	54,852,906	52,727,671	46,629,745
Total net position	\$ 67,072,214	\$ 68,654,606	\$ 69,683,926	\$ 68,458,126	\$ 66,870,742

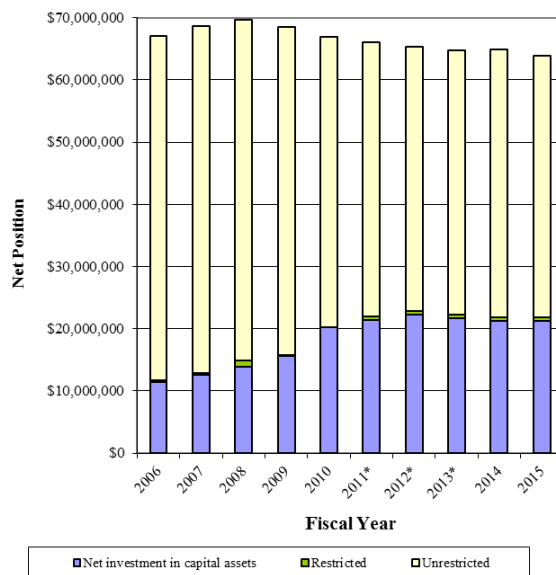


* The presentation of certain prior year balances have been reclassified to conform to current year presentation.

Source: Ventura Regional Sanitation District Finance Department

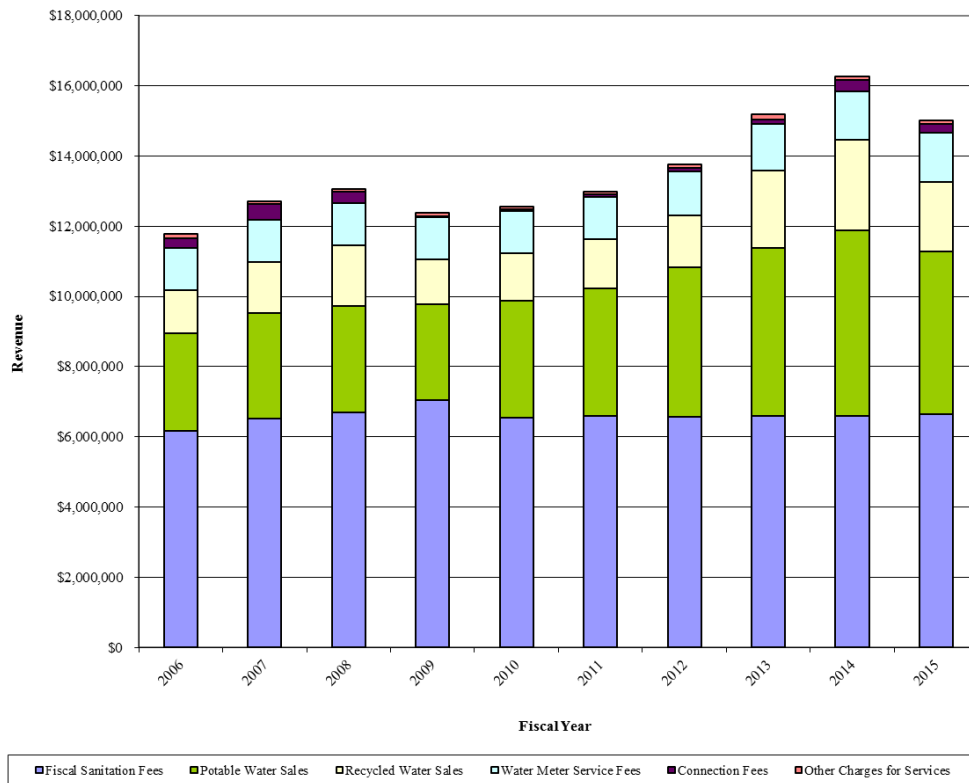
Triunfo Sanitation District
Changes in Net Position and Net Position by Component (Continued)
Last Ten Fiscal Years

Fiscal Year				
2011*	2012*	2013*	2014	2015
\$12,986,803	\$13,744,712	\$15,176,216	\$ 16,262,169	\$ 15,009,561
(11,273,168)	(12,026,778)	(13,035,013)	(13,461,380)	(13,372,916)
(822,844)	(905,549)	(904,630)	(865,402)	(899,549)
890,791	812,385	1,236,573	1,935,387	737,096
131,781	51,006	11,586	26,290	38,939
159,874	169,416	149,093	153,863	120,147
(1,634,383)	(1,920,297)	(2,018,902)	(1,917,034)	(1,915,400)
-	-	-	-	-
(223,304)	(23,281)	(9,081)	(236)	(26,078)
(104,808)	-	-	(20,000)	-
-	153,259	-	-	28,179
(1,670,840)	(1,569,897)	(1,867,304)	(1,757,117)	(1,754,213)
(780,049)	(757,512)	(630,731)	178,270	(1,017,117)
-	-	-	-	-
<u>\$ (780,049)</u>	<u>\$ (757,512)</u>	<u>\$ (630,731)</u>	<u>\$ 178,270</u>	<u>\$ (1,017,117)</u>
\$21,366,364	\$22,233,510	\$21,726,237	\$ 21,228,218	\$ 21,277,799
602,000	602,000	602,000	602,000	602,000
44,122,329	42,497,671	42,374,213	43,050,502	41,983,804
<u>\$66,090,693</u>	<u>\$65,333,181</u>	<u>\$64,702,450</u>	<u>\$ 64,880,720</u>	<u>\$ 63,863,603</u>



**Triunfo Sanitation District
Operating Revenue By Source
Last Ten Fiscal Years**

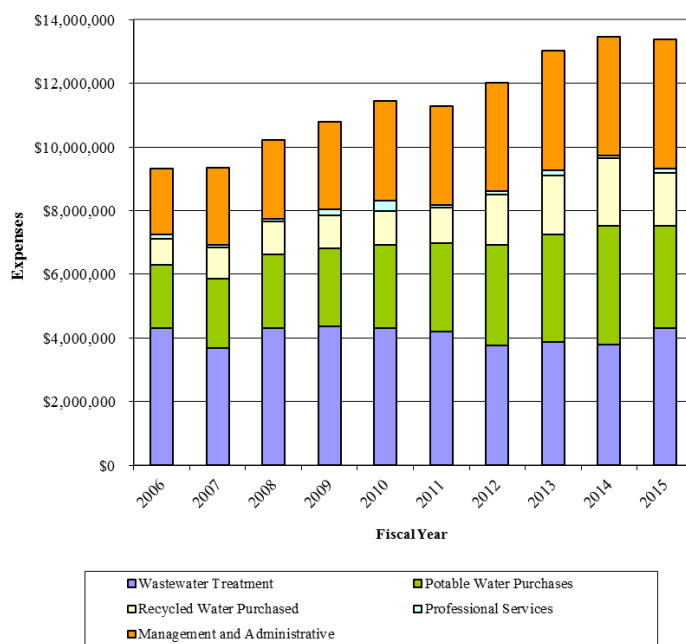
Fiscal Year	Sanitation Fees	Potable Water Sales	Recycled Water Sales	Water Meter Service Fees	Connection Fees	Other Charges for Services	Total Operating Revenue
2006	\$ 6,174,855	\$ 2,785,514	\$ 1,210,920	\$ 1,208,472	\$ 270,682	\$ 117,053	\$ 11,767,496
2007	6,529,166	3,007,255	1,446,667	1,204,963	436,189	90,710	12,714,950
2008	6,684,841	3,031,324	1,725,802	1,210,679	332,565	65,707	13,050,918
2009	7,033,630	2,751,363	1,261,914	1,215,791	26,308	83,597	12,372,603
2010	6,550,564	3,321,834	1,346,428	1,208,412	53,985	69,620	12,550,843
2011	6,592,768	3,635,156	1,393,523	1,215,722	61,437	88,197	12,986,803
2012	6,573,309	4,245,741	1,481,830	1,263,052	80,960	99,820	13,744,712
2013	6,594,736	4,779,539	2,211,030	1,327,623	115,299	147,989	15,176,216
2014	6,590,649	5,282,011	2,580,139	1,385,935	309,650	113,785	16,262,169
2015	6,644,859	4,622,483	1,994,508	1,385,771	262,406	99,534	15,009,561



Source: Ventura Regional Sanitation District Finance Department

**Triunfo Sanitation District
Operating Expenses by Activity
Last Ten Fiscal Years**

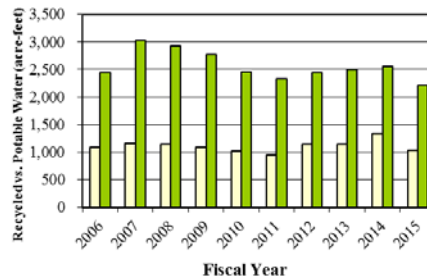
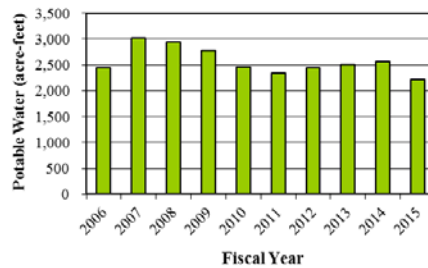
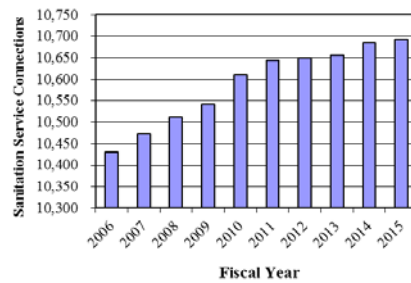
Fiscal Year	Wastewater Treatment	Potable Water Purchases	Recycled Water Purchased	Professional Services	Management and Administrative	Total Operating Expenses
2006	\$ 4,300,908	\$ 1,985,871	\$ 819,355	\$ 131,989	\$ 2,093,684	\$ 9,331,807
2007	3,678,149	2,185,652	987,621	85,407	2,404,309	9,341,138
2008	4,319,960	2,315,739	1,027,229	65,468	2,486,583	10,214,979
2009	4,368,737	2,451,137	1,026,030	187,501	2,765,975	10,799,380
2010	4,300,816	2,624,592	1,057,027	320,268	3,131,143	11,433,846
2011	4,202,269	2,784,699	1,118,921	77,491	3,089,788	11,273,168
2012	3,766,205	3,148,276	1,583,652	106,839	3,421,806	12,026,778
2013	3,873,043	3,386,897	1,838,525	181,497	3,755,051	13,035,013
2014	3,783,274	3,731,891	2,131,331	95,968	3,718,916	13,461,380
2015	4,305,047	3,223,673	1,665,181	127,670	4,051,345	13,372,916



Source: Ventura Regional Sanitation District Finance Department

**Triunfo Sanitation District
Revenue Base
Last Ten Fiscal Years**

Fiscal Year	Sanitation Service Connections	Potable Water Sales (Acre Feet)	Recycled Water Sales (Acre Feet)
2006	10,431	2,447	1,089
2007	10,473	3,019	1,155
2008	10,512	2,934	1,142
2009	10,542	2,772	1,093
2010	10,611	2,461	1,026
2011	10,644	2,338	951
2012	10,650	2,444	1,138
2013	10,656	2,503	1,140
2014	10,685	2,560	1,343
2015	10,693	2,213	1,028



Note: See Schedule 2 "Operating Revenue by Source" for information regarding sanitation revenues.

Sources: Ventura Regional Sanitation District Finance Department

**Triunfo Sanitation District
Revenue Rates⁽¹⁾
Last Ten Fiscal Years**

Sanitation Fees										
Connection Type⁽²⁾	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Single/Multi Residential	40.00	40.00	44.00	44.00	41.80	41.80	41.80	41.80	41.80	41.80
Apartment Units	32.00	32.00	35.20	35.20	33.44	33.44	33.44	33.44	33.44	33.44
Commercial/Hotels	40.00	40.00	44.00	44.00	41.80	41.80	41.80	41.80	41.80	41.80
Shopping Centers	71.03	71.03	78.13	78.13	74.22	74.22	74.22	74.22	74.22	74.22
Restaurants & Markets	92.00	101.20	101.20	101.20	96.14	96.14	96.14	96.14	96.14	96.14

Potable Water Consumption Fees						
Water Consumed⁽³⁾	2006	2007	2008	2009	2010	2011
0 - 3 HCF	1.715	1.715	1.883	1.883	1.883	1.883
Over 3 HCF	2.14375	2.14375	2.35384	2.35384	2.35384	2.35384
Water Consumed⁽³⁾	2010	2011	2012	2013	2014	2015
0 - 6 HCF	2.85	2.95	3.33	3.67	3.93	4.01
7 - 28 HCF	3.57	3.67	4.07	4.49	4.75	4.83
Over 28 HCF	4.53	4.63	5.19	5.73	5.99	6.07

Recycled Water Consumption Fees										
Water Consumed⁽³⁾	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
0 - 3 HCF	1.89	1.89	1.89	1.89	2.21	2.60	2.60	2.86	2.96	3.03
Over 3 HCF	1.89	1.89	1.89	1.89	2.21	2.60	2.60	2.86	2.96	3.03

Potable Water Meter Service Fees										
Meter Size	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
5/8 inch	13.16	13.16	13.16	13.16	13.16	13.16	13.75	14.51	15.23	15.23
3/4 inch	19.74	19.74	19.74	19.74	19.74	19.74	20.63	21.76	22.85	22.85
1 inch	32.91	32.91	32.91	32.91	32.91	32.91	34.39	36.28	38.10	38.10
1 1/2 inch	65.81	65.81	65.81	65.81	65.81	65.81	68.77	72.55	76.18	76.18
2 inch	105.30	105.30	105.30	105.30	105.30	105.30	110.04	116.09	121.90	121.90
3 inch	197.43	197.43	197.43	197.43	197.43	197.43	206.31	217.66	228.54	228.54
4 inch	329.06	329.06	329.06	329.06	329.06	329.06	343.87	362.78	380.92	380.92
6 inch	658.07	658.07	658.07	658.07	658.07	658.07	687.68	725.51	761.78	761.78

Recycled Water Meter Service Fees										
Meter Size	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
5/8 inch	13.16	13.16	13.16	13.16	13.16	13.16	13.16	13.16	13.16	13.16
3/4 inch	19.74	19.74	19.74	19.74	19.74	19.74	19.74	19.74	19.74	19.74
1 inch	32.91	32.91	32.91	32.91	32.91	32.91	32.91	32.91	32.91	32.91
1 1/2 inch	65.81	65.81	65.81	65.81	65.81	65.81	65.81	65.81	65.81	65.81
2 inch	105.30	105.30	105.30	105.30	105.30	105.30	105.30	105.30	105.30	105.30
3 inch	197.43	197.43	197.43	197.43	197.43	197.43	197.43	197.43	197.43	197.43
4 inch	329.06	329.06	329.06	329.06	329.06	329.06	329.06	329.06	329.06	329.06
6 inch	658.07	658.07	658.07	658.07	658.07	658.07	658.07	658.07	658.07	658.07

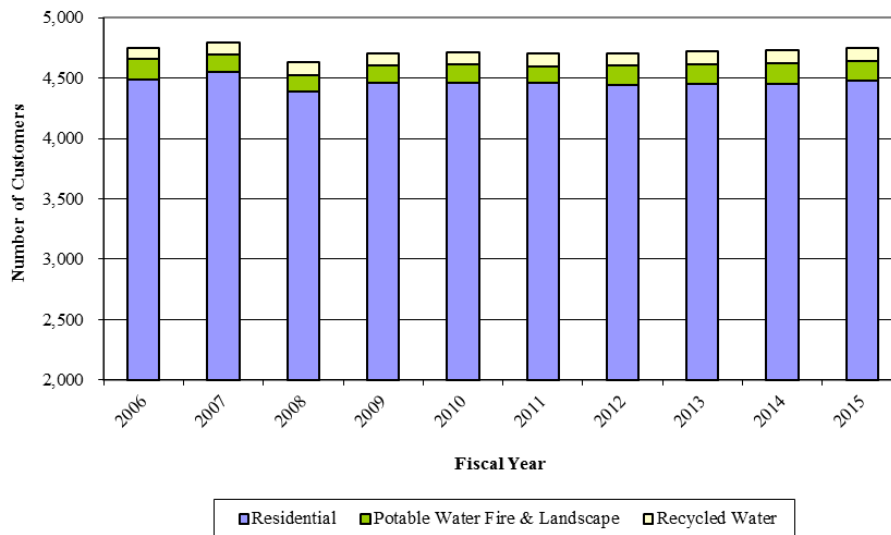
Notes:

- (1) Rates as of June 30 of each fiscal year.
- (2) Per Equivalent Residential Unit (ERU)
- (3) Per Hundred Cubic Feet (HCF)
- (4) Meter services fees are the same for both potable water and recycled water connections

Source: Triunfo Sanitation District Board of Directors approved rate ordinances and resolutions

**Triunfo Sanitation District
Water Customers by Type at Fiscal Year-End
Last Ten Fiscal Years**

Fiscal Year	Customer Type			Total
	Potable Water Residential	Potable Water Fire & Landscape	Recycled Water	
2006	4,486	169	97	4,752
2007	4,554	138	104	4,796
2008	4,392	133	104	4,629
2009	4,456	146	104	4,706
2010	4,456	155	104	4,715
2011	4,459	137	105	4,701
2012	4,443	157	107	4,707
2013	4,449	165	110	4,724
2014	4,452	169	110	4,731
2015	4,475	167	107	4,749



Note: Number of customers as of June 30 of fiscal year.

Source: Ventura Regional Sanitation District Finance Department

**Triunfo Sanitation District
Principal Customers
Current Fiscal Year and Ten Years Ago**

Customer	Potable Water			
	2015		2005	
	Water Consumed	Percentage of Total	Water Consumed	Percentage of Total
ERP Operating, LLP	38,875	4.03%	N/A	0.00%
Shadow Ridge HOA	20,543	2.13%	N/A	0.00%
Capri	9,354	0.97%	N/A	0.00%
Concord Consulting	5,932	0.62%	N/A	0.00%
Oak Park Shopping Center	7,611	0.79%	N/A	0.00%
Morrison Estates HOA	8,817	0.91%	N/A	0.00%
Regency Hills HOA	6,811	0.71%	N/A	0.00%
County of Ventura	8,518	0.88%	N/A	0.00%
Rancho Simi Recreation & Park	4,084	0.42%	N/A	0.00%
Shadow Oaks	5,667	0.59%	N/A	0.00%
Total	116,212	12.05%	-	0.00%
Total Potable Water Consumed	964,284	100.00%	N/A	0.00%

Customer	Recycled Water			
	2015		2005	
	Water Consumed	Percentage of Total	Water Consumed	Percentage of Total
Sherwood County Club	125,574	28.04%	N/A	0.00%
Rancho Simi Recreation & Park	49,056	10.95%	N/A	0.00%
Oak Park Unified School District	43,544	9.72%	N/A	0.00%
Regency Hill Neighborhood	30,997	6.92%	N/A	0.00%
Tract 3141 HOA	25,759	5.75%	N/A	0.00%
County of Ventura	27,850	6.22%	N/A	0.00%
Country Glenn	21,066	4.70%	N/A	0.00%
Shadow Ridge HOA	14,404	3.22%	N/A	0.00%
Country Vista III Owners	16,145	3.61%	N/A	0.00%
Rancho Simi Park District	11,266	2.52%	N/A	0.00%
Total	365,661	81.66%	-	0.00%
Total Recycled Water Consumed	447,809	100.00%	N/A	0.00%

Note:

Per Hundred Cubic Feet (HCF)

Source: Ventura Regional Sanitation District Finance Department

Triunfo Sanitation District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Revenue Bonds [1]	Business-Type Activities				Total	Per Capita	As a Share of Personal Income
		MFC Loans [2]	Developer Refund Agreements [3]	Installment Purchase Agreement [4]	Lease Purchase Agreement [5]			
2006	\$ 6,300,000	\$ 5,240,000	\$ 715,393	\$ -	\$ -	\$ 12,255,393	\$ 392.01	0.90%
2007	6,000,000	4,210,000	688,139	-	-	10,898,139	348.60	0.77%
2008	5,600,000	3,155,000	660,913	-	-	9,415,913	301.18	0.67%
2009	5,200,000	2,475,000	633,632	-	-	8,308,632	265.77	0.60%
2010	-	1,780,000	606,378	-	-	2,386,378	72.84	0.16%
2011	-	-	579,124	7,760,000	-	8,339,124	254.55	0.55%
2012	-	-	551,870	7,518,662	-	8,070,532	246.35	0.49%
2013	-	-	524,616	7,265,897	-	7,790,513	237.81	0.47%
2014	-	-	497,363	7,001,164	2,535,000	10,033,526	306.27	-
2015	-	-	470,109	6,723,896	2,401,341	9,595,346	286.81	-

[1] 1994 Refunding Revenue Bonds - issue amount of \$9,200,000 in variable rate demand refunding revenue bonds with an interest rate not to exceed 12% to advance refund the outstanding 1998 and 1989 COPs for the Tapia Wastewater Reclamation Facility expansion costs.

[2] Two refunding loans from Municipal Finance Corporation (MFC):

- a) 2002 MFC Refunding Loan- the loan amount of \$1,880,000 was issued to refinance the 1992 Certificate of Participation.
- b) 2003 MFC Refunding Loan- the loan amount of \$6,655,000 was issued to advance refund the all outstanding 1993 Water Installment Certificates.

[3] Developer Refund Agreements acquired by the District with the purchase of the Metropolitan Water Company for the repayment of water system construction costs in the amount of \$1,419,961.

[4] 2011 Bank of America Installment Purchase Agreement - loan in the amount of \$7,760,000 for the acquisition and construction of a single 2.1 million gallon buried water storage tank.

[5] 2014 Bank of America Lease/Purchase Agreement - loan in the amount of \$2,535,000 for the acquisition and implementation of a new potable water automated meter read for the Oak Park service area.

Source: Ventura Regional Sanitation District Finance Department

Note: Personal income and per capita data not available for 2014 and 2015.

**Triunfo Sanitation District
Pledged-Revenue Coverage
Installment Purchase Agreement
Fiscal Year 2015 - 2014**

	Fiscal Year 2015			
	Wastewater	Recycled	Potable Water	Total
Revenue sources				
Operating revenues	\$6,930,955	\$2,156,524	\$5,922,082	\$ 15,009,561
Non-operating revenues	424,752	5	148,553	573,310
Total revenue sources	<u>7,355,707</u>	<u>2,156,529</u>	<u>6,070,635</u>	<u>15,582,871</u>
Expenses				
Operating expenses	\$6,541,256	\$1,769,519	\$5,062,141	13,372,916
Non-operating expenses	-	102,826	283,219	386,045
Total expenses	<u>6,541,256</u>	<u>1,872,345</u>	<u>5,345,360</u>	<u>13,758,961</u>
Net Revenues (Expenses)	814,451	284,184	725,275	1,823,910
Installment payments				
Principal	-	-	410,927	410,927
Interest	-	-	405,508	405,508
Total installment payments	-	-	816,435	816,435
Debt Service Coverage (min 1.25x)	n/a	n/a	n/a	2.23

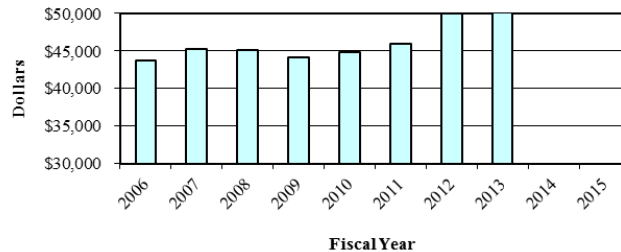
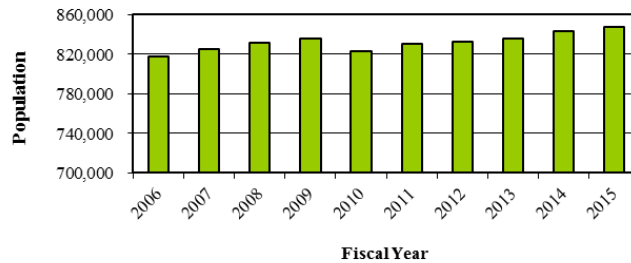
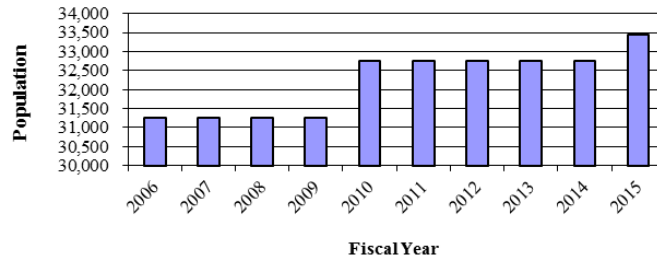
	Fiscal Year 2014			
	Wastewater	Recycled	Potable Water	Total
Revenue sources				
Operating revenues	\$6,924,448	\$2,745,454	\$6,592,267	\$ 16,262,169
Non-operating revenues	462,342	-	153,881	616,223
Total revenue sources	<u>7,386,790</u>	<u>2,745,454</u>	<u>6,746,148</u>	<u>16,878,392</u>
Expenses				
Operating expenses	\$5,837,070	\$2,233,203	\$5,391,107	13,461,380
Non-operating expenses	-	118,929	317,141	436,070
Total expenses	<u>5,837,070</u>	<u>2,352,132</u>	<u>5,708,248</u>	<u>13,897,450</u>
Net Revenues (Expenses)	1,549,720	393,322	1,037,900	2,980,942
Installment payments				
Principal	-	-	264,733	264,733
Interest	-	-	336,982	336,982
Total installment payments	-	-	601,715	601,715
Debt Service Coverage (min 1.25x)	n/a	n/a	n/a	4.95

Notes: Change in investment-in-joint venture-LVMWD/TSD non-operating expense is not included in the report. This expense is for the JPA TSD share of the capital construction & replacement fund.

Source: Triunfo Sanitation District

Triunfo Sanitation District
Demographics and Economic Statistics
Last Ten Calendar Years

County of Ventura ⁽¹⁾					
Year	Population within District	Unemployment Rate	Population	Personal Income (thousands of dollars)	Personal Income per Capita
2006	31,263	4.4%	817,346	\$ 35,706,411	\$ 43,686
2007	31,263	4.7%	825,512	37,308,816	45,195
2008	31,263	6.1%	831,587	37,458,000	45,044
2009	31,263	10.3%	836,080	36,863,041	44,090
2010	32,760	10.6%	823,318	36,858,409	44,768
2011	32,760	10.3%	830,215	38,141,164	45,941
2012	32,760	10.3%	832,970	41,704,934	49,982
2013	32,760	7.8%	835,436	42,406,474	50,507
2014	32,760	6.2%	842,967	-	- (2)
2015	33,455	5.3%	848,073	-	- (2)



Sources: Ventura County General Plan Public Facilities & Services Appendix; CA EDD Labor Market Information: Mo. Labor Force Data for Counties June 2015; CA Dept of Finance Demographic Research Unit: E-1 Population Estimates for Cities, Counties, & State January 2015; EDD Labor Market Information: Historical Data for Measures of Income in Ventura County; Ventura County Statistical Abstract 2006-2013 and US Bureau of Economic Analysis.

Notes:

- (1) Only County data is updated annually. Therefore, the District has chosen to use its data since the District believes that the County data is representative of the conditions and experience of the District.
- (2) Personal income and per capita data not available for 2014 and 2015.

**Triunfo Sanitation District
Principal Employers - Ventura County
Current Fiscal Year and Ten Years Ago**

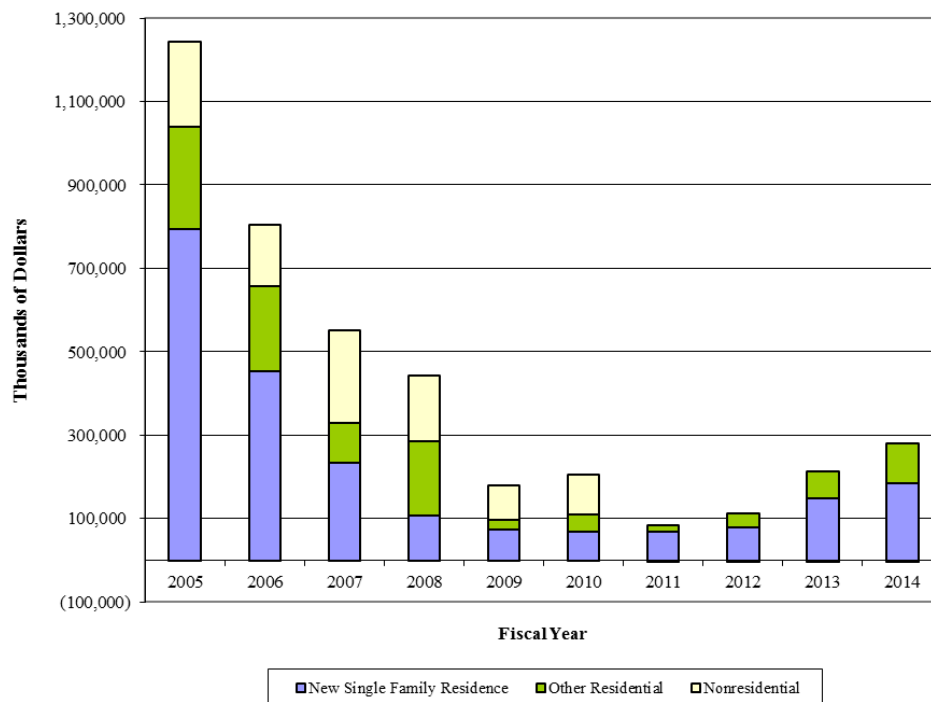
Employer	2015		2005	
	Number of Employees	Percentage of Total Employed	Number of Employees	Percentage of Total Employed
Air National Guard	1,000 - 4,999	1.2%	-	n/a
Amgen	5,000 - 9,999	2.4%	3,523	0.9%
Anthem Blue Cross	1,000 - 4,999	1.2%	-	n/a
Bankers Capital Financial Inc	500 - 999	0.2%	-	n/a
Baxter Healthcare	1,000 - 4,999	1.2%	-	n/a
Boskovich Farms	1,000 - 4,999	1.2%	-	n/a
California State University	500 - 999	0.2%	-	n/a
City of Oxnard	-	n/a	1,000	0.3%
Coleman Welding	1,000 - 4,999	1.2%	-	n/a
Community Memorial Health System	1,000 - 4,999	1.2%	-	n/a
Community Memorial Hospital	1,000 - 4,999	1.2%	1,300	0.3%
Conejo Unified School District	-	n/a	2,523	0.6%
Countrywide Home Loans Headquarters	-	n/a	2,450	0.6%
County of Ventura - Government Center	-	n/a	7,100	1.8%
Farmer's Insurance Group	-	n/a	860	0.2%
GTE	-	n/a	3,200	0.8%
Haas Automation, Inc.	500 - 999	0.2%	-	n/a
Harbor Freight Tools USA Inc	1,000 - 4,999	1.2%	1,600	0.4%
I Yogi Technical Support	5,000 - 9,999	2.4%	-	n/a
Kavlico Corporation	-	n/a	1,500	0.4%
Kinko's Inc. HQ	-	n/a	1,248	0.3%
Los Robles Hospital & Medical Center	1,000 - 4,999	1.2%	1,255	0.3%
Moorpark College	500 - 999	0.2%	-	n/a
Moorpark Unified School District	-	n/a	761	0.2%
Nancy Reagan Breast Center	500 - 999	0.2%	-	n/a
Naval Air Warfare Ctr Weapons, Pt. Mugu	5,000 - 9,999	2.4%	7,985	2.0%
Naval Base Ventura County	1,000 - 4,999	1.2%	-	n/a
Naval Construction Battalion, Port Hueneme	5,000 - 9,999	2.4%	9,184	2.3%
Ojai Valley Inn & Spa	500 - 999	0.2%	-	n/a
Oxnard College	500 - 999	0.2%	-	n/a
Oxnard Unified School District	-	n/a	1,126	0.3%
Simi Valley Hospital & Health Care Services	500 - 999	0.2%	1,024	0.3%
Simi Valley Unified School District	-	n/a	2,373	0.6%
St John's Regional Medical Center	1,000 - 4,999	1.2%	1,344	0.3%
Technicolor Video Services	-	n/a	2,500	0.6%
Ventura County Health Care Agency	-	n/a	2,000	0.5%
Ventura County Ofc of Education	500 - 999	0.2%	-	n/a
Ventura Unified School District	-	n/a	2,228	0.6%
Wellpoint Health Network, Inc.	-	n/a	3,442	0.9%
Total Employed in County	<u>408,600</u>		<u>397,800</u>	

Sources: America's Labor Market Information System, Major Employers in Ventura County & California EDD Labor Market Info June 2015

Notes: Exact number of employees by employer not available for current year. Therefore, employer's percentage of total employment based on maximum number of employees by employer.

Triunfo Sanitation District
Building Permits - County of Ventura
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year	New Single Family Residence	Other Residential	Total Residential	Nonresidential	Total All Building
2005	794,437	244,646	1,039,083	205,075	1,244,158
2006	454,260	202,459	656,719	148,594	805,313
2007	234,027	95,036	329,063	221,365	550,428
2008	106,055	178,096	284,151	157,623	441,774
2009	74,364	21,892	96,256	82,195	178,451
2010	69,738	41,306	111,044	93,470	204,514
2011	68,257	16,690	84,947	(1)	84,947
2012	80,035	32,669	112,704	(1)	112,704
2013	147,853	65,525	213,378	(1)	213,378
2014	184,973	94,558	279,531	(1)	279,531



Note:

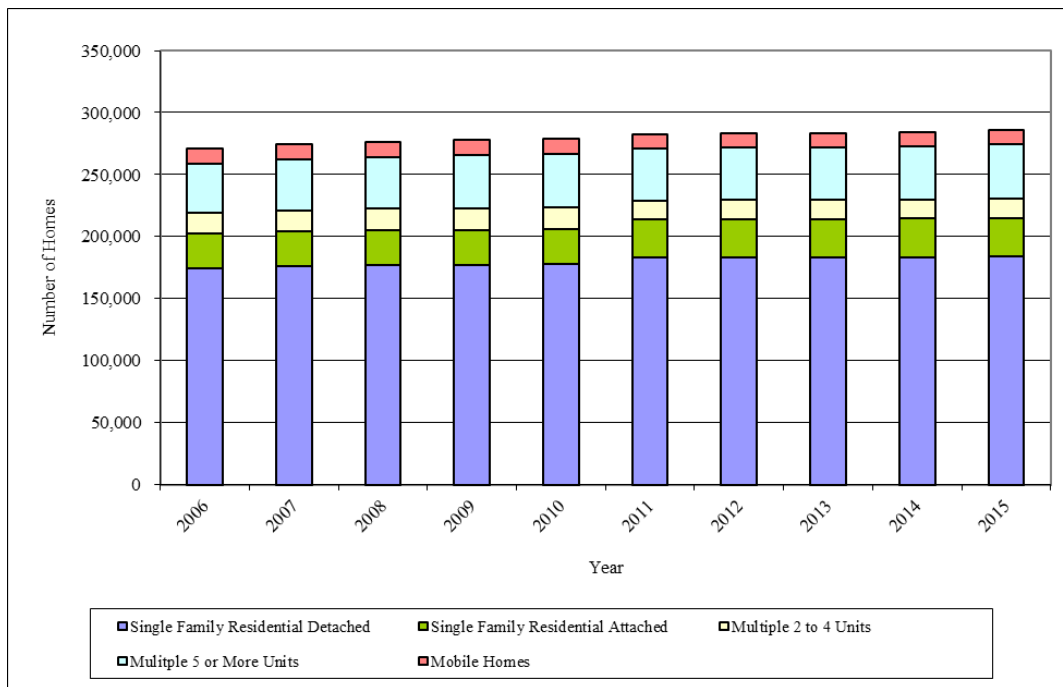
No information available for 2015 as of the date of this report

(1) No longer able to track non-residential permits

Sources: US Census, Business & Industry, Construction Building Permits by County and Ventura County Statistical Abstract 2005-2012

**Triunfo Sanitation District
Housing Stock Estimates - County of Ventura
Last Ten Calendar Years**

Fiscal Year	Single Family Residential Detached	Single Family Residential Attached	Multiple 2 to 4 Units	Multiple 5 or More Units	Mobile Homes	Total All Housing
2006	174,228	27,918	16,748	39,387	12,306	270,587
2007	175,906	28,088	16,963	40,933	12,334	274,224
2008	176,979	28,131	17,181	41,698	12,331	276,320
2009	177,354	28,156	17,433	42,603	12,349	277,895
2010	177,564	28,185	17,591	43,049	12,362	278,751
2011	182,857	30,922	15,286	41,879	11,324	282,268
2012	183,011	30,906	15,406	42,271	11,329	282,923
2013	183,151	30,966	15,560	42,561	11,337	283,575
2014	183,389	31,018	15,641	43,100	11,341	284,489
2015	183,775	31,038	15,759	43,890	11,346	285,808



Source: CA Dept. of Finance Demographic Research Unit, E-5 Population & Housing Estimates

**Triunfo Sanitation District
Operating and Capacity Indicators
Last Ten Fiscal Years**

Sanitation Services				
Fiscal Year	District Area (Square Miles)	Collection System (Miles)	Treatment Capacity (MGD)	Average Dry Weather Flow (MGD)
2006	50	120	4.70	3.30
2007	50	120	4.70	3.30
2008	50	120	4.70	3.30
2009	50	120	4.70	3.30
2010	50	120	4.70	3.30
2011	50	120	4.70	3.30
2012	50	120	4.70	3.30
2013	50	120	4.70	3.30
2014	50	120	4.70	3.30
2015	50	120	4.70	3.30

Potable Water Sales			
Fiscal Year	District Area (Square Miles)	Potable Water Capacity (MGM)	Potable Water System (Miles)
2006	50	82.72	50
2007	50	82.72	50
2008	50	82.72	50
2009	50	82.72	50
2010	50	82.72	50
2011	50	82.72	50
2012	50	82.72	50
2013	50	82.72	50
2014	50	82.72	50
2015	50	82.72	50

Recycled Water Sales			
Fiscal Year	District Area (Square Miles)	Recycled Water Capacity (MGM)	Recycled Water System (Miles)
2006	50	40.73	5
2007	50	40.73	5
2008	50	40.73	5
2009	50	40.73	5
2010	50	40.73	5
2011	50	40.73	5
2012	50	40.73	5
2013	50	40.73	5
2014	50	40.73	5
2015	50	40.73	5

MGD - Millions of Gallons per Day

MGM - Millions of Gallons per Month

Note: The District contracts with Ventura Regional Sanitation District for all administration, management and operation services.

Sources: Ventura Regional Sanitation District Finance Department

