



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED
JUNE 30, 2024 AND JUNE 30, 2023



MARK NORRIS, GENERAL MANAGER
VENTURA COUNTY, CALIFORNIA



Previous page:

Top row: Giovanni Malagon and Abe Miguel, Triunfo Water & Sanitation District operations team members, conduct weekly water testing; Oak Park, California

Bottom row: Oak Park residents learn about drip irrigation at a TWSD water smart class; Lake Sherwood, CA

TRIUNFO WATER & SANITATION DISTRICT

**Annual Comprehensive Financial Report
For the Fiscal Years Ended June 30, 2024 and 2023**

Table of Contents

	<u>Page</u>
<i>Introductory Section</i>	
Transmittal Letter	1
Organization Chart	9
List of Principal Officials	10
Certificate of Achievement for Excellence in Financial Reporting	11
Map of Area	12
<i>Financial Section</i>	
Independent Auditor’s Report	13
Management’s Discussion and Analysis (Unaudited)	17
Basic Financial Statements:	
Statements of Net Position	26
Statements of Revenues, Expenses, and Changes in Net Position	27
Statements of Cash Flows	28
Notes to the Financial Statements	30
Supplementary Information:	
Combining Schedule of Net Position	53
Combining Schedule of Revenues, Expenses, and Changes in Net Position	54
Combining Schedule of Cash Flows	55
Budgetary Comparison Schedule	56
<i>Statistical Section (Unaudited)</i>	
Changes in Net Position and Net Position by Component - Last Ten Fiscal Years ..	58
Operating Revenue by Source – Last Ten Fiscal Years	60

TRIUNFO WATER & SANITATION DISTRICT

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024 and 2023**

Table of Contents (Continued)

	<u>Page</u>
<i>Statistical Section (Unaudited) (Continued)</i>	
Operating Expenses by Activity – Last Ten Fiscal Years	61
Revenue Base – Last Ten Fiscal Years	62
Revenue Rates – Last Ten Fiscal Years	63
Water Customers by Type at Fiscal Year-End – Last Ten Fiscal Years	64
Principal Customers – Current Fiscal Year and Nine Years Ago	65
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	66
Pledged Revenue Coverage – Installment Purchase Agreement – Fiscal Years 2022 and 2021	67
Demographics and Economic Statistics – Last Ten Fiscal Years	68
Principal Employers – Ventura County – Current Fiscal Year and Ten Years Ago	69
Building Permits – County of Ventura – Last Ten Fiscal Years	70
Housing Stock Estimates – County of Ventura – Last Ten Fiscal Years	71
Operating and Capacity Indicators – Last Ten Fiscal Years	72

INTRODUCTORY SECTION



Previous page:

In 2022, TWSD moved to its new headquarters, located within its service district, and now is able to offer in-person assistance during customer service hours. This provides more opportunities for customers to connect with TWSD and receive the help they need.

TWSD's boardroom, in addition to hosting TWSD and JPA board meetings, also serves as a community classroom and meeting area.



Board of Directors

James Wall, Chair

Raymond Tjulander, Vice Chair

Carl Jarecky, Director

Jane Nye, Director

Leon Shapiro, Director

Providing Outstanding Service Since 1963

December 18, 2024

To the Citizens of Triunfo Water & Sanitation District and Board of Directors:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Triunfo Water & Sanitation District (District) as of and for the fiscal years ended June 30, 2024 and June 30, 2023.

Management assumes full responsibility for the completeness, reliability, and fairness of the financial data contained in this report, including disclosures. The data presented in this report, to the best of our knowledge and belief, is accurate in all material aspects, and presented in a manner designed to fairly present the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain the maximum understanding of the District's financial activities have been included.

We have prepared the financial statements in accordance with generally accepted accounting principles (GAAP) applicable to state and local governments, as promulgated by the Government Accounting Standards Board (GASB). The District also follows the recommendations of the Government Finance Officers Association of the United States and Canada (GFOA) for the contents of government financial reports and participates in the GFOA's review program for the Certificate of Achievement for Excellence in Financial Reporting.

The District is responsible for establishing and maintaining internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure sufficient and reliable accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. However, the cost of internal accounting control should not exceed anticipated benefit, instead it is designed to provide reasonable, but not absolute, assurance that the financial statements are free of any material misstatements.

Rogers, Anderson, Malody & Scott, LLP, has issued an unmodified ("clean") opinion on the District's financial statements for the fiscal years ended June 30, 2024 and June 30, 2023. The independent auditor's report is located at the front of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the Basic Financial Statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it. The MD&A immediately follows the Independent Auditor's Report.

PROFILE OF TRIUNFO

A public agency, the Triunfo Water & 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 the District's water customers.

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), owned and operated by Triunfo Sanitation District (TWSD). On July 1, 2019, the District changed its name from Triunfo Sanitation District to Triunfo Water & Sanitation District (TWSD). The District fully transitioned to having its own staff in Administration and Operations and the District's main office is located in Westlake Village.

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 meets on the fourth Monday of each month. Meetings are publicly noticed, and citizens are encouraged to attend and participate.

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 ten-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 \$16,100 per Dwelling Unit.

The District presently owns 29.4% of the Joint Venture wastewater treatment facilities, 44.2% of the land, and 58.3% of the trunk sewers. The District's right to use the facilities is commensurate with its ownership share (29.4%), 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 7.7 million gallons of wastewater per day (mgd), the District flow averages about 2.2 mgd, representing 34.3% 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.

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."

In Fiscal 2017-18, in an effort to comply with stringent regulatory requirements for discharging to Malibu Creek, balance seasonal variation in recycled water demand, and create a valuable resource to supplement the region's water supplies, the JPA Board approved the indirect potable reuse project, now known as the Pure Water Project Las Virgenes-Triunfo (Pure Water Project). It is anticipated to start construction in calendar 2026.

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 useful 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 2024, the District paid \$142,227 in capacity and treatment costs to the City and County of Los Angeles. In addition, the District paid \$67,138 toward the Tillman plant expansion. Future capital improvements for this facility are primarily funded through sewer connection fees ranging from \$3,500 to \$16,100 based on parcel identification in the Bell Canyon Sewer Assessment District No. 85-1 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. The District serves both wholesale and retail customers. District recycled water sales were \$1,889,282 and \$2,269,662 in fiscal year 2024 and fiscal year 2023, respectively. The recycled water from Tapia travels through 5.4 miles of District recycled water lines to serve a variety of retail customers which includes: 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.

In 2017, Triunfo purchased the Calleguas Municipal Water District's (Calleguas) wholesale recycled water (RW) system. The purchase of the RW system (at a cost of approximately \$12 million dollars) terminated the recycled water purchase agreement between Triunfo and Calleguas which allowed Triunfo to wholesale the RW to Hidden Valley and CalWater. The RW system includes 10 miles of pipeline (ranging from 4-18 inches), a 1.8 million gallon storage reservoir (Oak Park Reservoir), and a 5 million gallon per day pump station (Oak Park Pump Station). The RW combined system serves the communities of Oak Park, North Ranch, Lake Sherwood, and portions of Thousand Oaks.

The District also supported the Las Virgenes–Triunfo Joint Powers Authority in an extensive stakeholder-driven process to identify the best means to maximize the beneficial reuse of treated effluent from the Tapia Water Reclamation Facility. Following two years of study and community stakeholder input that focused on how to best manage discharge from the Tapia Water Reclamation Facility to Malibu Creek, the Pure Water Project Las Virgenes-Triunfo emerged as a preferred alternative to meet the goal, while also providing a local source of potable water. The Pure Water Project will take surplus recycled water from the Tapia Water Reclamation Facility and further treat it to better than drinking water standards. The treated water will be mixed with imported water stored in Las Virgenes Reservoir until needed. At that time, the water will be treated again prior to use in the potable water system.

Triunfo Potable Water – The District provides potable water service to the community of Oak Park which is mostly residential and is located at the eastern edge of Ventura County. The District is 100% dependent on imported water.

The District receives its potable water supply from the Metropolitan Water District of Southern California which is imported from the Sacramento Delta through Calleguas Municipal Water District, the regional water wholesale agency. The District's policy is to increase the potable water and recycled water rates based on increases in the cost of providing service as well as the increased rates from Calleguas Municipal Water District. The latest pass-through rate increase will be effective January 1, 2025.

Residential customers make up approximately 94% (number of metered connections) of the District's customer base and consumed approximately 91% of the potable water provided annually by the District. The remaining 9% was consumed by commercial customers.

Potable water deliveries in fiscal year 2024 were 1,552 acre-feet compared to 1,345 acre-feet in fiscal year 2023. These deliveries provided income of \$6,289,654 and \$5,060,090 respectively. The drought emergency restrictions that started in June 2022 ended in February 2023 as a result of statewide precipitation. Since then the District has experienced an increase in customer water consumption.

The District's water tank sites have proven useful to cellular communication companies. Five leases were in place at the end of the fiscal year. Collectively, cellular service companies provided income of \$200,309 for fiscal year 2024 and \$200,309 for fiscal year 2023.

ECONOMIC CONDITION AND OUTLOOK

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 829,590 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.

Agriculture – Ventura County agriculture remains a thriving industry in Ventura County generating \$2.2 billion in 2023, a 2% increase compared to 2022. Strawberries, nursery stock, lemons, celery, and raspberries are among the five leading crops grown according to the County of Ventura Department of Agriculture. The California Department of Food and Agriculture's most recent data ranks Ventura County 10th among all counties in California in gross value of agricultural production including timber.

Income and Unemployment – The California Economic Forecast reports that the unemployment rate for California is at 5.3% while Ventura County remains extraordinarily low at 4.2% as of April 2024. Unfilled job openings have steadily decreased in California, and have effectively normalized. Ventura County lag of job growth is attributable to both the lack of labor force growth due to declining population, and the lack of new business formation. However, the employment in the healthcare sector, local public sector, and professional business services in Ventura County has rebounded.

The 2023 Census Bureau ACS 1-year survey reports that the median household income (in 2022 dollars) for Ventura County was \$102,141, while California was \$91,905 and United States (US) at \$75,149. The per capita income in the past twelve (12) months (in 2022 dollars) for Ventura County was \$45,846, California is slightly lower at \$45,591, and US at \$41,261. The percent of persons in poverty in Ventura County was 9.5%, California at 12.0%, and US at 11.1%.

Real Estate –The Ventura County housing market remains weak and for-sale inventory of existing homes is low. This is due to high mortgage rates and home prices rising to unreachable levels. The median selling price for a single family home in Ventura County was \$940,000. Apartment utilization rose and average monthly rents significantly increased. Most of the home productions currently underway are legacy projects in Ventura, Oxnard, and Simi Valley, after having been in planning for years, are finally being built.

OTHER INFORMATION

Budget Process and Budgetary Control

The District's budget is a detailed operating plan that identifies estimated costs and results in relation to estimated revenues. Although not required by law, the District Board adopts a budget plan at the beginning of each fiscal year that includes an annual operating and capital budget prior to July 1 of each year. The adopted budget serves as the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the District Board.

The District maintains budgetary controls to ensure compliance with legal provisions contained in the annual appropriated budget approved by the District Board. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is at the department and object level (Salaries & Employee Benefits, Operating Expenses, and Capital Projects). The District's actual financial activity in relationship with the adopted budget is reviewed and approved by the District Board monthly. An encumbrance system is also used to account for purchase orders, contracts and other commitments. Encumbered balances of appropriations at year-end are carried forward and are not re-appropriated in the following year's budget.

Internal Control

Finance is responsible for establishing and maintaining an appropriate internal control structure. The internal control is designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefits likely derived, and the valuation of costs and benefits requires estimates and judgments by management.

Long-term Financial Planning

Staff continues to review and update the Twenty-Year Capital Improvement Plan (CIP). The projects are prioritized based on various criteria such as life, compliance with regulatory

requirements, safety, and preservation of existing asset. The CIP is reviewed every year during the budget process to determine if the prioritized project can be delayed or if there are unanticipated capital projects that need to be added or moved up to be included in the upcoming fiscal year budget.

The District Board increased the potable water and recycled water rates based on the increased rates from Calleguas Municipal Water District. The pass through rates will be effective January 1, 2025.

Relevant Financial Policies

The District has adopted a comprehensive financial policy to provide guidance in making financial and resource allocation decisions. Some of the major financial policies the District has adopted include the Debt Management Policy, Investment Policy, Reserve Level Policy, and Purchasing Policy.

Debt Management Policy: The District's Debt Management Policy includes general guidelines and parameters for issuing and refunding debt and to guide current and future decisions to ensure adequate financial resources are available to support the District's long-term capital needs.

Investment Policy: The District's Investment Policy's 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. The policy is reviewed, updated if needed, and adopted by the Board annually.

Reserve Level Policy: The District's Reserve Level Policy designates all funds held in reserve to specific uses, and to take into consideration the minimum level necessary to maintain the District's credit worthiness and adequately provide for operating reserves, future debt or capital obligations, cash flow requirements, and legal requirements. The policy is reviewed, updated if needed, and adopted by the Board.

Major Initiatives

The Pure Water Project Las Virgenes-Triunfo (Pure Water Project) will create a new, local, sustainable and drought-proof drinking water supply through the purification of the Las Virgenes – Triunfo Joint Powers Authority (JPA) surplus recycled water. The recycled water will undergo advance treatment, after which it will be stored at the Las Virgenes Reservoir for later use as drinking water. The project would eliminate the need to discharge excess recycled water to Malibu Creek and is intended to diversify the region's water supply and reduce dependence on imported water by generating up to 6 million gallons per day of drinking water. The current estimated cost for the project is \$466 million.

In Fiscal Year 2023-24, JPA staff began negotiating terms with the Environmental Protection Agency for the WIFIA loan with an anticipated closing date of the loan by January 2025, and with the State Water Resource Control Board for the Clean Water State Revolving Fund (SRF) loan with an anticipated closing date of the loan by March 2025. The construction phase is slated to start in calendar 2026.

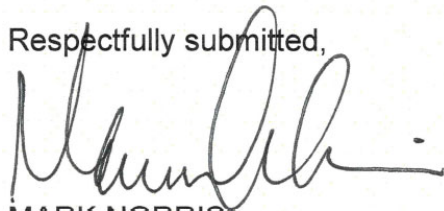
Awards & Acknowledgements

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 Water & Sanitation District for its annual comprehensive financial report for the fiscal year ended June 30, 2024. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. 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 that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgements – The preparation of this report could not have been accomplished without the professional and dedicated services of the Finance staff, and the District's independent auditors, Rogers, Anderson, Malody & Scott, LLP. We would like to express our appreciation to the District staff who assisted and contributed to the preparation of this report. Finally, we thank the District Board of Director's direction and policy oversight on the various fiscal and budget issues addressed during the fiscal year; and for their interest and support in planning and conducting the financial operations of the District in a responsible and effective manner.

Respectfully submitted,



MARK NORRIS
General Manager



VICKIE DRAGAN
Director of Finance

TRIUNFO WATER & SANITATION DISTRICT

Organizational Chart



James Wall
Chair



Raymond Tjulander
Vice Chair



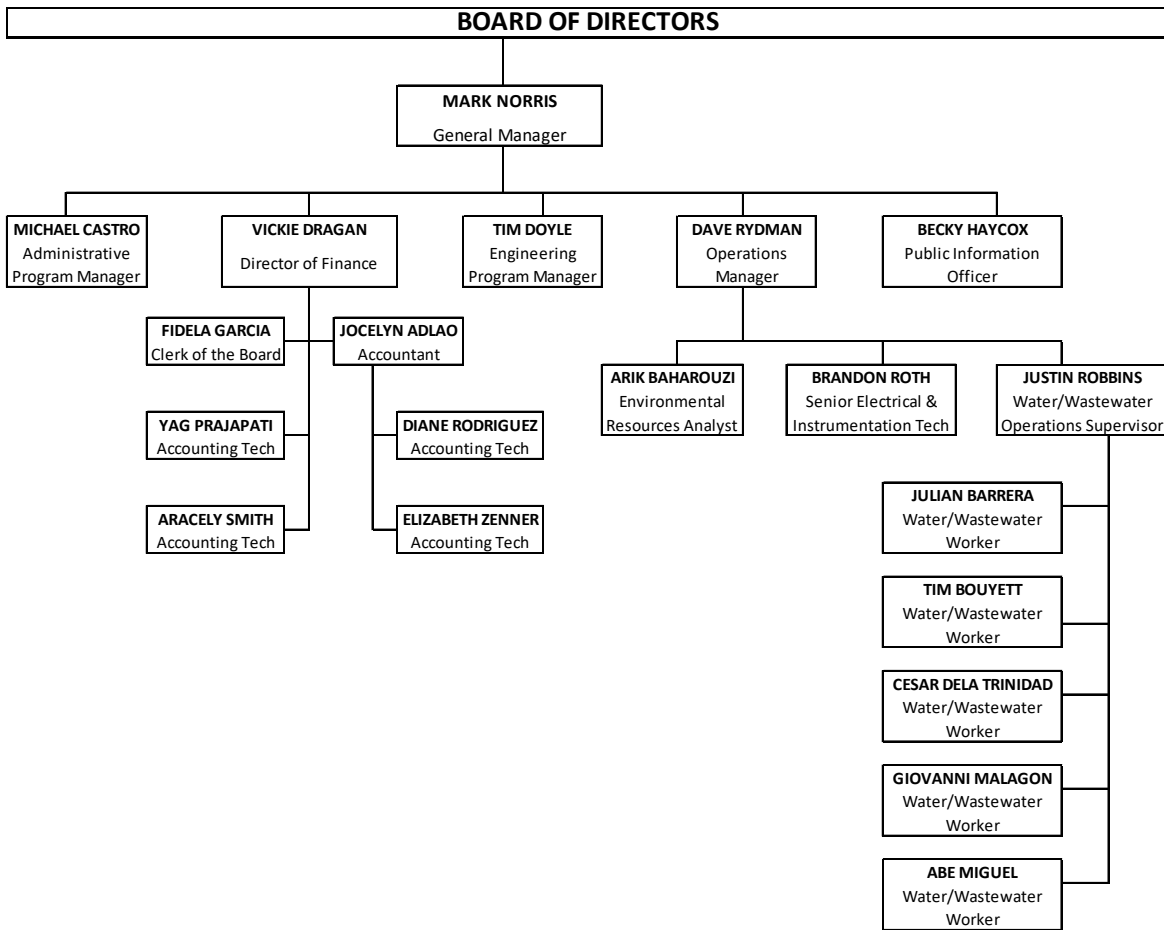
Carl Jarecky
Director



Jane Nye
Director



Leon Shapiro
Director





Ventura County, California

2024 Board of Directors

James Wall	Chair
Raymond Tjulander	Vice-Chair
Carl Jarecky	Member
Jane Nye	Member
Leon Shapiro	Member

Staff

Mark Norris	General Manager	(805) 658-4621
Vickie Dragan	Director of Finance	(805) 658-4649
Fidela Garcia	Clerk of the Board	(805) 658-4602

Contract Staff

Dennis McNulty	Legal Counsel	(805) 988-9886
----------------	---------------	----------------



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Triunfo Water & Sanitation District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO



FINANCIAL SECTION



Previous page:

An aerial view of Oak Park Community Garden.



735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

Independent Auditor's Report

To the Honorable Board of Directors
Triunfo Water & Sanitation District
Westlake Village, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Triunfo Water & Sanitation District (the District) as of and for the fiscal years ended June 30, 2024 and June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above, present fairly, in all material respects, the respective financial position of the District, as of June 30, 2024 and June 30, 2023, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America and the State Controller's *Minimum Audit Requirements for California Special Districts*.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the State Controller's *Minimum Audit Requirements for California Special Districts*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PARTNERS

Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)
Terry P. Shea, CPA (Partner Emeritus)

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA
Monica Wysocki, CPA
Jacob Weatherbie, CPA, MSA
Bolim Han, CPA, MAcc
Anny Gonzalez, CPA

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants



Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The combining schedules and the budgetary comparison schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules and the budgetary comparison schedule are the responsibility of management and were derived from and directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the identified supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
December 18, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The *Management's Discussion and Analysis* (MD&A) of the Triunfo Water & Sanitation District's (District) Annual Comprehensive Financial Report (ACFR) presents an overview and analysis of the financial activities of the District for the fiscal years ended June 30, 2024 and 2023. It should be read in conjunction with the transmittal letter beginning at page 1 and the District's basic financial statements, including the notes to the financial statements, which are an integral part of the statements that follow this narrative.

Financial Highlights

- The District's net position increased by \$12.3 million or 14.2% from \$86.5 million to \$98.8 million mainly due to the increase in unrestricted assets for the fiscal year ended June 30, 2024.
- The District's total revenues increased by \$4.4 million or 16.9% from \$25.8 million to \$30.2 million primarily due to increases in sanitation fees, water meter service fees, and interest and investment earnings.
- Total expenses decreased by \$1.5 million or 7.5% from \$19.3 million to \$17.9 million mainly due to a decrease of \$2.7 million in LVMWD/TWSD change in investment, offset by increases in potable water purchased (.6 million), professional services and operations, management and administration expenses (.6 million) for the fiscal year ended June 30, 2024.

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, which are included in the District's annual report and include the Statement of Net Position; Statement of Revenues, Expenses and Changes in Net Position; Statement of Cash Flows; and notes to the financial statements. The notes to the financial statements provide additional information that is essential to a complete understanding of the data provided in the financial statements. This report includes supplementary information and statistical section.

Basic Financial Statements The District's basic financial statements, prepared in accordance with generally accepted accounting principles (GAAP), offer key, high-level financial information about the District activities during the reporting periods. The financial statements of the District consist of three interrelated statements designed to provide the reader with relevant information of the District's financial condition and operating results. These statements offer short-term and long-term financial information about the District's activities utilizing the full accrual basis of accounting. The basic financial statements can be found on pages 26-29 of this report.

The *Statements of Net Position* present 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 *Statements 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.

The *Statements of Cash Flows* present relevant information about the cash receipts and cash

MANAGEMENT'S DISCUSSION AND ANALYSIS

payments for the period categorized according to whether they result 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 30-51 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 net 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 - as of June, 30				
	2024	2023	Change	% Change
Assets:				
Current assets	\$44,730,228	\$ 37,142,168	\$ 7,588,060	20.4%
Restricted current assets	744,865	754,122	(9,257)	-1.2%
LVMWD/TWSD-joint venture	35,965,665	33,257,584	2,708,081	8.1%
Capital assets, net	34,034,232	33,962,989	71,243	0.2%
Lease receivable	2,725,851	2,860,380	(134,529)	-4.7%
Total assets	118,200,841	107,977,243	10,223,598	9.5%
Liabilities:				
Liabilities payable from unrestricted current assets	4,159,175	4,592,978	(433,803)	-9.4%
Liabilities payable from restricted current assets	744,865	754,122	(9,257)	-1.2%
Non-current liabilities	11,881,478	13,277,248	(1,395,770)	-10.5%
Total liabilities	16,785,518	18,624,348	(1,838,830)	-9.9%
Deferred inflows:				
Lease related	2,618,186	2,818,495	(200,309)	-7.1%
Total deferred inflows	2,618,186	2,818,495	(200,309)	-7.1%
Net Position:				
Net investment in capital assets	20,426,236	19,106,745	1,319,491	6.9%
Unrestricted	78,370,901	67,427,655	10,943,246	16.2%
Total net position	\$98,797,137	\$ 86,534,400	\$ 12,262,737	14.2%

Total assets experienced an increase of \$10.2 million due to increases in current assets and the LVMWD/TWSD-joint venture. Total liabilities experienced a decrease of \$1.8 million or 9.9% mainly due to the decrease in non-current liabilities (\$1.3 million) and liabilities from unrestricted current assets (\$0.4 million), resulting in an overall increase of \$12.3 million or 14.2% in net position in fiscal year 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The investment in capital asset component of the District's net position is \$20.4 million and is reflected net of accumulated depreciation and related debt, which represents capital assets used by the District to provide services to its constituency. 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.

Another 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. The District does not have any legal restrictions on its net position for fiscal year 2024.

The largest and final component of the District's net position (\$78.4 million) is the unrestricted net position. \$36.0 million reflects the District's capital asset investment in a Joint Venture with the Las Virgenes Municipal Water District. The Joint Venture's capital assets investment includes land and land rights; sewer and treatment plant; compost plant and farm; water systems; and equipment, offset by operating costs. Additional information regarding the District's investment in the Joint Venture can be found in Note B5. The remaining \$42.4 million may be used to meet the District's ongoing obligations to creditors and constituencies.

In fiscal year 2023, the District's net investment in capital assets was \$19.1 million and the unrestricted net position totaled \$67.4 million. The District's unrestricted net position of \$67.4 million includes capital assets investment in TWSD Joint Venture partnership with the Las Virgenes Municipal Water District of \$33.3 million which reflects 49.5% of the District's unrestricted assets. As seen in the table below, total net position increased by \$6.5 million to \$86.5 million in fiscal year 2023.

Condensed Statements of Net Position - as of June, 30				
	2023	2022	Change	% Change
Assets:				
Current assets	\$37,142,168	\$ 33,157,496	\$ 3,984,672	12.0%
Restricted current assets	754,122	741,935	12,187	1.6%
LVMWD/TWSD-joint venture	33,257,584	33,397,378	(139,794)	-0.4%
Capital assets, net	33,962,989	33,261,800	701,189	2.1%
Lease receivable	2,860,380	3,210,315	(349,935)	-10.9%
Total assets	<u>107,977,243</u>	<u>103,768,924</u>	<u>4,208,319</u>	4.1%
Liabilities:				
Liabilities payable from unrestricted current assets	4,592,978	6,643,776	(2,050,798)	-30.9%
Liabilities payable from restricted current assets	754,122	741,935	12,187	1.6%
Non-current liabilities	13,277,248	13,121,078	156,170	1.2%
Total liabilities	<u>18,624,348</u>	<u>20,506,789</u>	<u>(1,882,441)</u>	-9.2%
Deferred inflows:				
Lease related	2,818,495	3,184,591	(366,096)	-11.5%
Total deferred inflows	<u>2,818,495</u>	<u>3,184,591</u>	<u>(366,096)</u>	-11.5%
Net Position:				
Net investment in capital assets	19,106,745	18,740,468	366,277	2.0%
Unrestricted	67,427,655	61,337,076	6,090,579	9.9%
Total net position	<u>\$86,534,400</u>	<u>\$ 80,077,544</u>	<u>\$ 6,456,856</u>	8.1%

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 total increase in net position was \$12,262,737 in fiscal year 2024.

Total revenues increased by \$4,350,469 (16.9%), compared to fiscal year 2023, comprised of an increase of \$1,294,706 in non-operating revenues and an increase of \$3,055,763 in operating revenues.

The \$3,055,763 increase in operating revenues resulted from the following activities:

- Sanitation fees rate increase of 15% resulted in a revenue increase of \$2,144,897 or 14.6%.
- Potable water rate increase of 6% plus a pass through increase of 2.2% in January, revenue increased by \$1,229,565 or 24.3%.
- Recycled water saw a revenue decrease of \$380,376 or 16.8% in spite of the rate increase of 2% and a pass through increase of 4.5% in January due to a decrease in the amount of units sold.
- A 6% rate increase in Water meter service fees resulted in \$107,362 or 4.2% increase in revenue.
- Other revenues decreased by \$45,685 or 14.3% as a result of decrease in permits, penalties, and violation fees.

The \$1,294,706 increase in non-operating revenues is comprised of:

- \$1,274,309 or 192.6% increase in interest and investment earnings.
- Other revenue, mainly from property damage claims increased by \$20,397 or 617.1%.

Total expenses decreased by \$1,455,412 or 7.5% compared to fiscal year 2023 due to the following:

- Wastewater treatment increased by \$41,159 or 0.7%, while operation & maintenance contributions to the JPA decreased by \$766,584 or 217.2%, and capital contributions to the JPA decreased by \$1,893,337 or 100%.
- Potable water purchase increased by \$592,673 (21.4%) while recycled water purchase decreased by \$161,361 (23.5%). Potable and recycled water revenues are based in the amount of units purchased.
- The increased cost in operations, management, and administration of \$512,338 or 10.2%, is mainly due to increases in wages and benefits (\$265,164) and District's liability insurance (\$253,338).

MANAGEMENT'S DISCUSSION AND ANALYSIS

Condensed Statements of Revenues, Expenses, and Changes in Net Position for the years ended June 30,

	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>% Change</u>
Revenues:				
Operating revenues:				
Sanitation fees	\$ 16,859,831	\$ 14,714,934	\$ 2,144,897	14.6%
Potable water sales	6,289,654	5,060,089	1,229,565	24.3%
Recycled water sales	1,889,286	2,269,662	(380,376)	-16.8%
Water meter service fees	2,687,930	2,580,568	107,362	4.2%
Other	274,748	320,433	(45,685)	-14.3%
Non-operating revenues:				
Rental revenue - cellular antennas	200,309	200,309	-	0.0%
Interest and investment earnings	1,935,913	661,604	1,274,309	392.6%
Other revenue/(expense)	17,092	(3,305)	20,397	417.2%
Total revenues	<u>30,154,763</u>	<u>25,804,294</u>	<u>4,350,469</u>	<u>16.9%</u>
Operating expenses:				
Wastewater treatment	6,086,163	6,045,004	41,159	0.7%
Potable water purchased	3,363,343	2,770,670	592,673	21.4%
Recycled water purchased	525,550	686,911	(161,361)	-23.5%
Professional services	685,688	562,939	122,749	21.8%
Operations, management and admin	5,540,931	5,028,593	512,338	10.2%
Depreciation and amortization	1,734,806	1,625,929	108,877	6.7%
Non-operating expenses:				
O&M contributions to joint venture	(413,677)	352,907	(766,584)	217.2%
Capital contributions to joint venture	-	1,893,337	(1,893,337)	-100.0%
Interest expense	369,222	381,148	(11,926)	-3.1%
Total expenses	<u>17,892,026</u>	<u>19,347,438</u>	<u>(1,455,412)</u>	<u>-7.5%</u>
Change in net position	12,262,737	6,456,856	5,805,881	89.9%
Net position, beginning of fiscal year	<u>86,534,400</u>	<u>80,077,544</u>	<u>6,456,856</u>	
Net position, end of fiscal year	<u>\$ 98,797,137</u>	<u>\$ 86,534,400</u>	<u>\$ 12,262,737</u>	

In fiscal year 2023, total revenues increased by \$674,748 or 2.7% compared to fiscal year 2022. Potable water and recycled water sales decreased by \$2,028,079 and \$241,838 respectively. Sanitation fees increased by \$2,056,218, water meter service fees by \$127,340, and investment and earnings by \$852,585, offset by a decrease in other revenues of \$91,478.

Total expenses increased by \$3,857,939 or 24.9% compared to fiscal year 2022. The increase was attributable to an increase in costs in wastewater treatment, recycled water purchase, professional services, and investment in LVMWD/TWSD joint venture while decrease in costs were experienced in operations, management, and administration. Finally, potable water purchased also decreased due to the ongoing drought emergency restrictions followed by statewide precipitation.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Condensed Statements of Revenues, Expenses, and Changes in Net Position for the years ended June 30,

	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>% Change</u>
Revenues:				
Operating revenues:				
Sanitation fees	\$ 14,714,934	\$ 12,658,716	\$ 2,056,218	16.2%
Potable water sales	5,060,089	7,088,168	(2,028,079)	-28.6%
Recycled water sales	2,269,662	2,511,500	(241,838)	-9.6%
Water meter service fees	2,580,568	2,453,228	127,340	5.2%
Other	320,433	331,196	(10,763)	-3.2%
Non-operating revenues:				
Rental revenue - cellular antennas	200,309	211,497	(11,188)	-5.3%
Interest and investment earnings	661,604	(190,981)	852,585	-446.4%
Other	(3,305)	66,222	(69,527)	-105.0%
Total revenues	<u>25,804,294</u>	<u>25,129,546</u>	<u>674,748</u>	<u>2.7%</u>
Expenses:				
Operating expenses:				
Wastewater treatment	6,045,004	4,983,447	1,061,557	21.3%
Potable water purchased	2,770,670	3,558,070	(787,400)	-22.1%
Recycled water purchased	686,911	592,939	93,972	15.8%
Professional services	562,939	472,055	90,884	19.3%
Operations, management and admin	5,028,593	5,402,028	(373,435)	-6.9%
Depreciation and amortization	1,625,929	1,408,590	217,339	15.4%
Non-operating expenses:				
Change in investment LVMWD/TWSD	352,907	(1,545,948)	1,898,855	-122.8%
Capital contributions to joint venture	1,893,337	-	1,893,337	100.0%
Debt issuance costs	-	201,317	(201,317)	-100.0%
Interest expense	381,148	417,001	(35,853)	-8.6%
Total expenses	<u>19,347,438</u>	<u>15,489,499</u>	<u>3,857,939</u>	<u>24.9%</u>
Change in net position	6,456,856	9,640,047	(3,183,191)	-33.0%
Net position, beginning of fiscal year, as restated	<u>80,077,544</u>	<u>70,437,497</u>	<u>9,640,047</u>	
Net position, end of fiscal year	<u>\$ 86,534,400</u>	<u>\$ 80,077,544</u>	<u>\$ 6,456,856</u>	

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets as of June 30, 2024, (at cost) amounted to \$66.4 million or \$34.0 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 2024 were:

	<u>Balance at June 30, 2023</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance at June 30, 2024</u>
Capital Assets:				
Non-depreciable assets	\$ 315,262	\$ 1,384,732	\$ (1,597,863)	\$ 102,131
Depreciable assets	64,254,086	421,317	1,597,863	66,273,266
Accumulated depreciation and amortization	<u>(30,606,359)</u>	<u>(1,734,806)</u>	<u>-</u>	<u>(32,341,165)</u>
Total capital assets, net	<u>\$ 33,962,989</u>	<u>\$ 71,243</u>	<u>\$ -</u>	<u>\$ 34,034,232</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in capital asset amounts for 2023 were:

	<u>Balance at June 30, 2022</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance at June 30, 2023</u>
Capital Assets:				
Non-depreciable assets	\$ 360,717	\$ 522,669	\$ (568,124)	\$ 315,262
Depreciable assets	62,069,291	1,804,448	380,347	64,254,086
Accumulated depreciation and amortization	<u>(29,168,208)</u>	<u>(1,625,928)</u>	<u>187,777</u>	<u>(30,606,359)</u>
Total capital assets, net	<u>\$ 33,261,800</u>	<u>\$ 701,189</u>	<u>\$ -</u>	<u>\$ 33,962,989</u>

Major capital asset activity during the fiscal year 2024 included the following:

- Bell Canyon Sewer Main - \$177,155
- Lake Sherwood Sewer Main - \$30,760
- Potrero Creek RW Repair - \$326,245
- Machinery and Equipment - \$748,331
- Furniture & Fixtures/Leasehold Improvements - \$102,240
- Intangible right to use assets - \$421,317
- Accumulated depreciation and amortization - \$1,734,806

Major capital asset activity during the fiscal year 2023 included the following:

- Computer/Software - \$20,644
- Bell Canyon Sewer Main - \$111,016
- Machinery and Equipment - \$137,891
- Furniture & Fixtures/Leasehold Improvements - \$253,118
- Intangible right to use assets - \$1,804,448
- Accumulated depreciation and amortization - \$1,625,928

Additional information on the District's capital and intangible assets can be found in Note B4 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Debt Administration

The District's long-term debt outstanding as of June 30, 2024 was \$13,383,171

<u>Description</u>	<u>Balance at June 30, 2023</u>	<u>Additions</u>	<u>Payments/ Deletions</u>	<u>Balance at June 30, 2024</u>
Direct Borrowings:				
2021 Potable Water loan	\$ 5,145,000	\$ -	\$ (649,000)	\$ 4,496,000
2021 Recycled Water loan	7,724,000	-	(759,000)	6,965,000
Lease liability	1,702,472	-	(129,487)	1,572,985
Subscription liability	32,693	421,317	(104,824)	349,186
Total long-term debt	<u>14,604,165</u>	<u>\$ 421,317</u>	<u>\$ (1,642,311)</u>	<u>13,383,171</u>
Less current portion	(1,551,742)			(1,699,264)
Total long-term portion	<u>\$ 13,052,423</u>			<u>\$ 11,683,907</u>

The District's long-term debt outstanding as of June 30, 2023 was \$14,604,165.

<u>Description</u>	<u>Balance at June 30, 2022</u>	<u>Additions</u>	<u>Payments/ Deletions</u>	<u>Balance at June 30, 2023</u>
Debt from Direct Borrowings:				
2021 Potable Water loan	\$ 5,783,000	\$ -	\$ (638,000)	\$ 5,145,000
2021 Recycled Water loan	8,459,000	-	(735,000)	7,724,000
Lease liability	-	1,758,652	(56,180)	1,702,472
Subscription liability	-	45,796	(13,103)	32,693
Total long-term debt	<u>14,242,000</u>	<u>\$ 1,804,448</u>	<u>\$ (1,442,283)</u>	<u>14,604,165</u>
Less current portion	(1,373,000)			(1,551,742)
Total long-term portion	<u>\$ 12,869,000</u>			<u>\$ 13,052,423</u>

Additional information on the District's long-term liabilities can be found in Note B6 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Fiscal Year's Budget and Rates

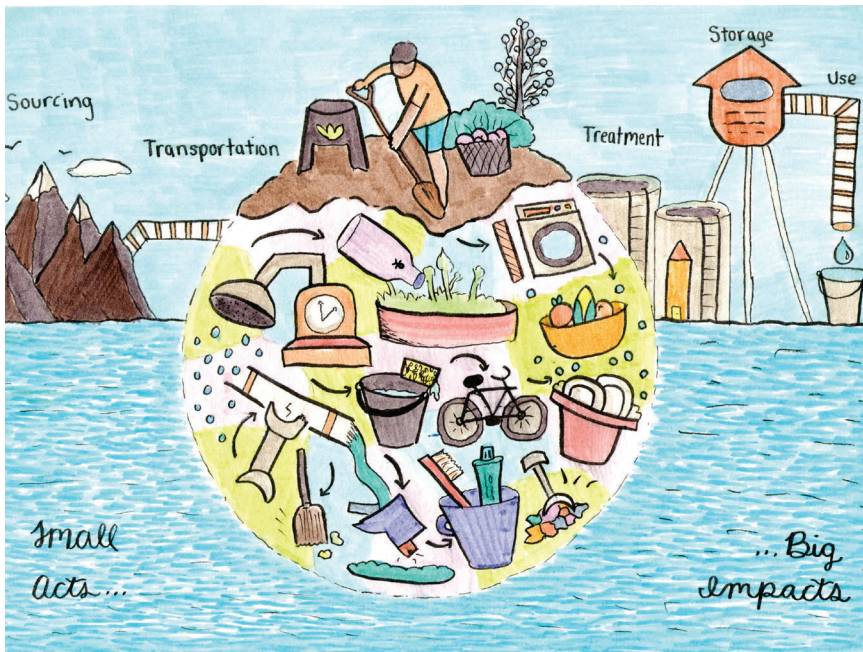
- The District Board considered the factors mentioned above when setting the fiscal year 2025 budget, rates, and fees. Fiscal year 2024-25 Adopted Budget (expenses not including the change in investment-in-joint venture LVMWD/TWSD) totaled \$20,156,988, a minimal increase of \$132,198 when compared to the prior year.
- In May 2020, based on the wastewater rate study, the Board approved a five-year programmed rate that will increase sewer service fees by 15% for fiscal years 2021-2024 and 7% for fiscal year 2025. Fiscal year 2024-25 is the fifth and final year of the five-year programmed rate. The 7% rate is estimated to generate approximately \$16.8 million of total revenue. In addition, sewer connection fee will also increase by 4% based on the Construction Cost Index (CCI) for the Los Angeles area. Revenues derived from the sewer charges were calculated to provide sufficient funding for implementing mandated treatment standards, funding reserves, and the Joint Powers Authority (JPA) capital needs including the Pure Water Project (PWP).
- In May 2020, based on the potable water rate study, the Board approved a five-year programmed rate that will increase quantity rates and monthly service charges by 6% for fiscal years 2021-2023 and 4% for fiscal year 2024-2025. Fiscal year 2024-25 is the fifth and final year of the five-year programmed rate increase. The 4% annual increase is estimated to generate total revenue of approximately \$6.7 million. The water service connection fee will also increase by 4% based on the Construction Cost Index (CCI) for the Los Angeles area. Revenues derived from the water charges will provide sufficient revenue to meet operating and capital expenses, and to build and maintain adequate reserves.
- In May 2020, based on the recycled water rate study, the Board approved a five-year programmed rate that will increase quantity rates and monthly service charges by 2% for fiscal years 2021-2025. Fiscal year 2024-25 is the fifth and final year of the 2% annual increase and is estimated to generate approximately \$2.4 million of total revenue. Revenues derived from the water charges will provide sufficient revenue to meet operating and capital expenses, and to build and maintain adequate reserves.
- Calleguas Municipal Water District (CMWD) wholesale supply rate will increase effective January 1, 2025. The pass-through increase for potable water is \$0.38 per hundred cubic feet (HCF) and the pass-through increase for recycled water is \$0.64 HCF, while the recycled water wholesale supply rate is \$1,516.00 per acre-foot. The CMWD rate increase is a pass-through increase to the water customers of the District.

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, Triunfo Water & Sanitation District, 370 N. Westlake Boulevard, Suite 100, Westlake Village, California, 91362. Please visit the District's website at www.triunfowsd.com.

This page intentionally left blank

BASIC FINANCIAL STATEMENTS



Previous page:

Left: Artwork by 7th Grader Aarush Mane of Oak Park. His work was selected by the Metropolitan Water District of Southern California (MWD) to appear in its 2025 print calendar and digital library. In 2024, TWSD received a record number of submissions from Oak Park young people.

Artwork from other young artists who live within the Triunfo service area:

Right, top: Artwork by Emmelin Tsai, 12th Grade

Center: Artwork by Kaushal Vyas, 2nd Grade

Right: Arathi Anil, 2nd Grade

TRIUNFO WATER & SANITATION DISTRICT

Statements of Net Position June 30, 2024 and June 30, 2023

		<u>2024</u>	<u>2023</u>
Assets			
Current assets:			
Cash and cash equivalents	(Note B1)	\$ 39,265,278	\$ 29,960,910
Accrued interest receivable		571,245	257,356
Accounts receivable	(Note B3)	1,693,031	1,473,536
Lease receivable	(Note B10)	134,484	152,136
Advance deposits - investment-in-joint venture LVMWD/TWSD	(Note B5)	2,651,148	4,944,398
Water-in-storage inventory		9,537	24,894
Prepaid and other		405,505	328,938
Total current assets - unrestricted		<u>44,730,228</u>	<u>37,142,168</u>
Restricted current assets:			
Cash and cash equivalents	(Note B2)	744,865	754,122
Total current assets - restricted		<u>744,865</u>	<u>754,122</u>
Total current assets - unrestricted and restricted		<u>45,475,093</u>	<u>37,896,290</u>
Non-current assets:			
Capital assets, net	(Note B4)	34,034,232	33,962,989
Investment-in-joint venture LVMWD/TWSD	(Note B5)	35,965,665	33,257,584
Lease receivable	(Note B10)	2,725,851	2,860,380
Total non-current assets		<u>72,725,748</u>	<u>70,080,953</u>
Total assets		<u>118,200,841</u>	<u>107,977,243</u>
Liabilities			
Current liabilities:			
Payable from current assets:			
Accounts payable and accrued expenses		2,333,041	2,907,896
Accrued interest payable - loans		99,616	106,086
Long-term debt - current portion	(Note B6)	1,699,264	1,551,742
Developer refund agreements - current portion	(Note B6)	27,254	27,254
Payable from current assets - unrestricted		<u>4,159,175</u>	<u>4,592,978</u>
Payable from unrestricted current assets:			
Customer deposits		139,865	137,155
Unearned revenue	(Note A4)	605,000	616,967
Payable from restricted current assets		744,865	754,122
Total current liabilities - unrestricted and restricted		<u>4,904,040</u>	<u>5,347,100</u>
Non-current liabilities:			
Long-term debt	(Note B6)	11,683,907	13,052,423
Developer refund agreements	(Note B6)	197,571	224,825
Total non-current liabilities		<u>11,881,478</u>	<u>13,277,248</u>
Total liabilities		<u>16,785,518</u>	<u>18,624,348</u>
Deferred Inflows			
Lease related	(Note B10)	2,618,186	2,818,495
Total deferred inflows		<u>2,618,186</u>	<u>2,818,495</u>
Net Position			
Net investment in capital assets	(Note B8)	20,426,236	19,106,745
Unrestricted		78,370,901	67,427,655
Total net position		<u>\$ 98,797,137</u>	<u>\$ 86,534,400</u>

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

TRIUNFO WATER & SANITATION DISTRICT

Statements of Revenues, Expenses, and Changes in Net Position For the Fiscal Years Ended June 30, 2024 and June 30 2023

	<u>2024</u>	<u>2023</u>
Operating revenues		
Sanitation fees	\$ 16,859,831	\$ 14,714,934
Potable water sales	6,289,654	5,060,089
Recycled water sales	1,889,286	2,269,662
Water meter service fees	2,687,930	2,580,568
Connection fees	121,748	91,769
Other charges for services	153,000	228,664
	<u>28,001,449</u>	<u>24,945,686</u>
Operating expenses		
Wastewater treatment	6,086,163	6,045,004
Potable water purchased	3,363,343	2,770,670
Recycled water purchased	525,550	686,911
Professional services	685,688	562,939
Operations, management and admin	5,540,931	5,028,593
	<u>16,201,675</u>	<u>15,094,117</u>
Operating income before depreciation	11,799,774	9,851,569
Depreciation and amortization	<u>(1,734,806)</u>	<u>(1,625,929)</u>
	<u>10,064,968</u>	<u>8,225,640</u>
Non-operating revenue (expense)		
O&M contributions to joint venture (Note B5)	413,677	(352,907)
Capital contributions to joint venture (Note B5)	-	(1,893,337)
Rental revenue - cellular antennas	200,309	200,309
Interest and investment earnings	1,935,913	661,604
Interest expense	(369,222)	(381,148)
Other income (expenses), net	17,092	(3,305)
	<u>2,197,769</u>	<u>(1,768,784)</u>
Total non-operating revenue (expenses), net	<u>2,197,769</u>	<u>(1,768,784)</u>
Change in net position	12,262,737	6,456,856
Net position		
Beginning of fiscal year	<u>86,534,400</u>	<u>80,077,544</u>
End of fiscal year	<u>\$ 98,797,137</u>	<u>\$ 86,534,400</u>

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

TRIUNFO WATER & SANITATION DISTRICT

Statements of Cash Flows

For the Fiscal Years Ended June 30, 2024 and June 30, 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Receipts from customers for water sales and services	\$ 10,647,234	\$ 9,834,359
Receipts from customers for sanitation services	16,114,147	12,470,201
Receipts for other services	344,214	320,433
Payments to vendors for materials and services	(16,174,183)	(15,094,117)
Advance deposits - investment-in-joint venture LVMWD/TWSD facility	(1,154)	(1,449,036)
Net cash provided by operating activities	<u>10,930,258</u>	<u>6,081,840</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(1,432,139)	(2,327,119)
Proceeds from long-term debt	-	1,804,448
Principal paid on long-term debt	(1,622,395)	(1,442,282)
Principal paid on long-term developer agreements	(27,254)	(27,254)
Interest paid on long-term debt	(375,692)	(400,398)
Net cash (used in) capital and related financing activities	<u>(3,457,480)</u>	<u>(2,392,605)</u>
Cash flows from investing activities		
Proceeds from rental revenue - cellular antennas	200,309	200,309
Proceeds from interest and investment earnings	1,622,024	456,867
Net cash provided by investing activities	<u>1,822,333</u>	<u>657,176</u>
Net increase in cash and cash equivalents	9,295,111	4,346,411
Cash and cash equivalents (unrestricted and restricted), beginning of fiscal year	<u>30,715,032</u>	<u>26,368,621</u>
Cash and cash equivalents (unrestricted and restricted), end of fiscal year	<u>\$ 40,010,143</u>	<u>\$ 30,715,032</u>
Reconciliation of cash and cash equivalents to statement of net position:		
Cash and cash equivalents	\$ 39,265,278	\$ 29,960,910
Restricted cash and cash equivalents	744,865	754,122
Total cash and cash equivalents	<u>\$ 40,010,143</u>	<u>\$ 30,715,032</u>

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

TRIUNFO WATER & SANITATION DISTRICT

Statements of Cash Flows (Continued)

For the Fiscal Years Ended June 30, 2024 and June 30, 2023

	<u>2024</u>	<u>2023</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 10,064,968	\$ 8,225,640
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	1,734,806	1,625,929
Other non-operating income, net	5,125	5,487
Abandoned construction in progress	27,492	-
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable - water sales and services, net	(120,841)	145,729
Accounts receivable - sanitation fees	(98,654)	(72,356)
Water-in-storage inventory	15,357	(2,641)
Prepaid and other	(76,567)	(161,680)
Lease receivable	152,181	337,758
Advance deposits - investment-in-joint venture LMWWD/TWSD facility	(1,154)	(1,449,036)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(574,856)	(2,210,289)
Customer deposits	2,710	3,395
Deferred inflows	(200,309)	(366,096)
Total adjustments	<u>865,290</u>	<u>(2,143,800)</u>
Net cash provided by operating activities	<u>\$ 10,930,258</u>	<u>\$ 6,081,840</u>
Schedule of noncash transactions:		
Change in investment-in-joint venture LVMWD/TWSD	\$ 413,677	\$ (652,907)
Lease/subscription acquisition	401,401	-

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

TRIUNFO WATER & SANITATION DISTRICT

Notes to the Financial Statements

For the Fiscal Years Ended June 30, 2024 and June 30, 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

Triunfo Water & 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/TWSD Joint Venture) to construct, operate, maintain and provide for a regional sewerage system to serve the area within the two districts.

The criteria used in determining the scope of the financial reporting entity is based on generally accepted accounting principles. 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 potable water, recycled water, sewer service 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.

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 Water & Sanitation District of the potable, recycled, and wastewater services are charges to customers for sales and services.

TRIUNFO WATER & SANITATION DISTRICT

Notes to the Financial Statements

For the Fiscal Years Ended June 30, 2024 and June 30, 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Measurement Focus and Basis of Accounting (Continued)

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 generally accepted accounting principles (GAAP). These statements 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.

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. 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 and prepaid sewer connection fees for the Lake Sherwood project.

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 as well as potable and reclaimed water customers of the District.

TRIUNFO WATER & SANITATION DISTRICT

Notes to the Financial Statements

For the Fiscal Years Ended June 30, 2024 and June 30, 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Assets, Liabilities, and Net Position (Continued)

Advance deposits – investment-in-joint venture LVMWD/TWSD – Pursuant to the Joint Powers Agreement, each participant is required to maintain advance deposits with the LVMWD/TWSD 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 as of June 30, 2024 and 2023 were \$864,975 and \$893,720, respectively.

Construction Advance Account – Cash flow during construction is proportionately shared by both participants. Amounts are advanced to the LVMWD/TWSD Joint Venture to meet construction cash flow requirements. The District's share of construction advance balances as of June 30, 2024 and 2023 were \$81,885 and \$48,833, 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 as of June 30, 2024 and 2023 were \$1,704,288 and \$4,001,845, 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 reflect costs or deposits applicable to future accounting periods and are recorded as prepaid.

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 acquisition value on the date received. 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

TRIUNFO WATER & SANITATION DISTRICT

Notes to the Financial Statements

For the Fiscal Years Ended June 30, 2024 and June 30, 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Assets, Liabilities, and Net Position (Continued)

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 (1/40) of the total agreement amount with no interest accruing or paid.

Customer deposits – Deposits are required on all new water 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. A Project Completion Deposit (PCD) is required for sewer connection and tenant improvement projects that need a final audit or inspection by District staff. The PCD shall be refunded upon final completion and final inspection of the project, less any applicable charges.

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 more. In March 2014, one lot was connected to the sewer decreasing unearned revenue by 1.42% to \$656,948. The TWSD Board accepted the completed sewer laterals and improvements as part of the District's sewer system. As of June 30, 2024 and 2023, the balance related to the connections was \$603,200. An additional, unrelated amount of \$1,800 and \$13,767 for prepayment of cell site lease is included in the statement of net position at June 30, 2024 and 2023.

TRIUNFO WATER & SANITATION DISTRICT

Notes to the Financial Statements

For the Fiscal Years Ended June 30, 2024 and June 30, 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Assets, Liabilities, and Net Position (Continued)

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:

Net investment in capital assets – This component of net position 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 accounting principles generally accepted in the United States of America 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

Generally accepted accounting principles adopted by the District require that certain investments and external investment pools be reported at fair 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.

TRIUNFO WATER & SANITATION DISTRICT

**Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2024 and June 30, 2023**

B. DETAILED NOTES (Continued)

1. Cash and Investments (Continued)

Cash and Cash Equivalents

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

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 39,265,278	\$ 29,960,910
Restricted cash and cash equivalents	<u>744,865</u>	<u>754,122</u>
Total Cash and Investments	<u>\$ 40,010,143</u>	<u>\$ 30,715,032</u>

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

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents		
Local Agency Investment Fund (LAIF)	\$ 6,547,218	\$ 19,219,498
Ventura County Treasury Pool	33,180,736	11,101,658
US Bank	<u>282,189</u>	<u>393,876</u>
Total Cash and Cash Equivalents	<u>\$ 40,010,143</u>	<u>\$ 30,715,032</u>

As of June 30, 2024 and 2023, the carrying amount of cash in bank deposits was \$282,189 and \$393,876. 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>Percentage of Portfolio</u>	<u>Investment in One Issuer</u>
LAIF	N/A	None	\$75 million
Ventura County Investment Pool	N/A	None	None

TRIUNFO WATER & SANITATION DISTRICT

Notes to the Financial Statements For the Fiscal Years Ended June 30, 2024 and June 30, 2023

B. DETAILED NOTES (Continued)

1. Cash and Investments (Continued)

The District's Investment Policy is more restrictive than the California Government Code by prohibiting repurchase and reverse repurchase agreements.

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. LAIF and the Ventura County Pool are both not rated by a rating agency. In addition, neither has a minimum legal rating.

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 tables that show the distribution of the District's investment by maturity date:

Investments at June 30, 2024:	Fair Value Total	Remaining Maturity (In Months)
		12 Month or Less
Investment Type		
Local Agency Investment Fund (LAIF)	\$ 6,547,218	\$ 6,547,218
Ventura County Treasury Pool	33,180,736	33,180,736
Total	<u>\$ 39,727,954</u>	<u>\$ 39,727,954</u>

TRIUNFO WATER & SANITATION DISTRICT

Notes to the Financial Statements For the Fiscal Years Ended June 30, 2024 and June 30, 2023

B. DETAILED NOTES (Continued)

1. Cash and Investments (Continued)

Investments at June 30, 2023: <u>Investment Type</u>	Fair Value	Remaining Maturity (In Months)
	Total	12 Month or Less
Local Agency Investment Fund (LAIF)	\$ 19,219,498	\$ 19,219,498
Ventura County Treasury Pool	11,101,658	11,101,658
Total	<u>\$ 30,321,156</u>	<u>\$ 30,321,156</u>

Fair Value Measurement

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered active; and
- Level 3: Investments reflect prices based upon unobservable sources.

The District does not have any investments subject to the fair value hierarchy as of June 30, 2024 and 2023.

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, 2024 and 2023.

TRIUNFO WATER & SANITATION DISTRICT

Notes to the Financial Statements

For the Fiscal Years Ended June 30, 2024 and June 30, 2023

B. DETAILED NOTES (Continued)

1. Cash and Investments (Continued)

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 Water & 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. 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. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). As of June 30, 2024 and 2023, all of the District's deposits with financial institutions in excess of federal depository insurance limits were collateralized by an interest in an undivided collateral pool as required by State law.

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 as of June 30, 2024 and 2023 was \$33,180,736 and \$11,101,658, respectively. 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.

TRIUNFO WATER & SANITATION DISTRICT

Notes to the Financial Statements For the Fiscal Years Ended June 30, 2024 and June 30, 2023

B. DETAILED NOTES (Continued)

1. Cash and Investments (Continued)

All wire transfer requests must be delivered to the Auditor's office for transmission the following banking day as follows:

- Wire transfers less than \$200,000 by 1:00 p.m. the previous day.
- Wire transfers \$200,000-\$1,000,000 require a minimum of 2 days' advance notice.
- Transfers greater than \$1,000,000 require a minimum of 7 days' advance notice.
- Transfers greater than \$10,000,000 require a minimum of 14 days' advance notice.
- Deviations from the above schedule or estimated dollar values requires advance approval.

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 deposits in the fund are considered highly liquid.

The Agency's deposit and withdrawal restrictions and limitations are as follows:

- Same day transaction processing occurs for orders received before 10:00 a.m.
- Next day transactions processing occurs for orders received after 10:00 a.m.
- Maximum limit of 15 transactions (combination of deposits and withdrawals) per month.
- Minimum transaction amount requirement of \$5,000, in increments of \$1,000.
- Withdrawals of \$10,000,000 or more require 24 hours' advance notice.

The amounts invested in the California LAIF are not subject to categorization as they do not represent specifically identifiable investment securities. The share value of the District's investment in LAIF was \$6,547,218 and \$19,219,498 as of June 30, 2024 and 2023, respectively.

TRIUNFO WATER & SANITATION DISTRICT

Notes to the Financial Statements For the Fiscal Years Ended June 30, 2024 and June 30, 2023

B. DETAILED NOTES (Continued)

2. Restricted Assets

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

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents restricted for:		
Customer deposits	\$ 139,865	\$ 137,155
Unearned revenue	605,000	616,967
	<u>\$ 744,865</u>	<u>\$ 754,122</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 \$1,984 and \$1,189 at June 30, 2024 and 2023, 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. Receivable amounts are shown net without an allowance for uncollectible accounts because all are deemed collectable.

Other receivables of \$1,200 are also included.

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

June 30, 2024

<u>Accounts receivable - Trade</u>	<u>Gross</u>	<u>Allowance</u>	<u>Net</u>
Water sales and services	\$ 1,043,178	\$ (1,984)	\$ 1,041,194
Sanitation fees	650,637	-	650,637
Other receivables	1,200	-	1,200
Total accounts receivable	<u>\$ 1,695,015</u>	<u>\$ (1,984)</u>	<u>\$ 1,693,031</u>

June 30, 2023

<u>Accounts receivable - Trade</u>	<u>Gross</u>	<u>Allowance</u>	<u>Net</u>
Water sales and services	\$ 915,170	\$ (1,189)	\$ 913,981
Sanitation fees	496,866	-	496,866
Other receivables	62,689	-	62,689
Total accounts receivable	<u>\$ 1,474,725</u>	<u>\$ (1,189)</u>	<u>\$ 1,473,536</u>

TRIUNFO WATER & SANITATION DISTRICT

Notes to the Financial Statements For the Fiscal Years Ended June 30, 2024 and June 30, 2023

B. DETAILED NOTES (Continued)

4. Capital Assets

Changes to capital assets during the fiscal years ended June 30, 2024 and 2023, were as follows:

	Balance June 30, 2023	Additions	Deletions/ Transfers	Balance June 30, 2024
Non-depreciable assets:				
Land	\$ 71,370	\$ -	\$ -	\$ 71,370
Construction-in-progress	243,892	1,384,732	(1,597,863)	30,761
Total non-depreciation assets	<u>315,262</u>	<u>1,384,732</u>	<u>(1,597,863)</u>	<u>102,131</u>
Depreciable assets:				
Structures and improvements	962,707	-	6,190	968,897
Wastewater collection systems	16,869,661	-	332,364	17,202,025
Recycled water systems	15,794,331	-	326,245	16,120,576
Potable water systems	27,509,593	-	-	27,509,593
Other physical property	1,313,346	-	933,064	2,246,410
Right to use lease asset - building	1,758,652	-	-	1,758,652
Right to use subscription assets	45,796	421,317	-	467,113
Total depreciable assets	<u>64,254,086</u>	<u>421,317</u>	<u>1,597,863</u>	<u>66,273,266</u>
Accumulated depreciation/amortization:				
Structures and improvements	(344,464)	(30,012)	-	(374,476)
Wastewater collection systems	(11,140,490)	(302,716)	-	(11,443,206)
Recycled water systems	(4,332,914)	(400,316)	-	(4,733,230)
Potable water systems	(13,872,720)	(649,291)	-	(14,522,011)
Other physical property	(762,854)	(80,115)	-	(842,969)
Right to use lease asset - building	(146,554)	(175,866)	-	(322,420)
Right to use subscription assets	(6,363)	(96,490)	-	(102,853)
Total accumulated depreciation	<u>(30,606,359)</u>	<u>(1,734,806)</u>	<u>-</u>	<u>(32,341,165)</u>
Total depreciable assets, net	<u>33,647,727</u>	<u>(1,313,489)</u>	<u>1,597,863</u>	<u>33,932,101</u>
Total capital & intangible assets, net	<u>\$ 33,962,989</u>	<u>\$ 71,243</u>	<u>\$ -</u>	<u>\$ 34,034,232</u>
	Balance June 30, 2022	Additions	Deletions/ Transfers	Balance June 30, 2023
Non-depreciable assets:				
Land	\$ 71,370	\$ -	\$ -	\$ 71,370
Construction-in-progress	289,347	522,669	(568,124)	243,892
Total non-depreciation assets	<u>360,717</u>	<u>522,669</u>	<u>(568,124)</u>	<u>315,262</u>
Depreciable assets:				
Structures and improvements	889,188	-	73,519	962,707
Wastewater collection systems	17,053,820	-	(184,159)	16,869,661
Recycled water systems	15,794,331	-	-	15,794,331
Potable water systems	27,513,211	-	(3,618)	27,509,593
Other physical property	818,741	-	494,605	1,313,346
Right to use lease asset - building	-	1,758,652	-	1,758,652
Right to use subscription assets	-	45,796	-	45,796
Total depreciable assets	<u>62,069,291</u>	<u>1,804,448</u>	<u>380,347</u>	<u>64,254,086</u>
Accumulated depreciation:				
Structures and improvements	(320,181)	(24,283)	-	(344,464)
Wastewater collection systems	(11,023,147)	(301,502)	184,159	(11,140,490)
Recycled water systems	(3,938,715)	(394,199)	-	(4,332,914)
Potable water systems	(13,234,788)	(641,550)	3,618	(13,872,720)
Other physical property	(651,377)	(111,477)	-	(762,854)
Right to use lease asset - building	-	(146,554)	-	(146,554)
Right to use subscription assets	-	(6,363)	-	(6,363)
Total accumulated depreciation	<u>(29,168,208)</u>	<u>(1,625,928)</u>	<u>187,777</u>	<u>(30,606,359)</u>
Total depreciation assets, net	<u>32,901,083</u>	<u>178,520</u>	<u>568,124</u>	<u>33,647,727</u>
Total capital assets, net	<u>\$ 33,261,800</u>	<u>\$ 701,189</u>	<u>\$ -</u>	<u>\$ 33,962,989</u>

TRIUNFO WATER & SANITATION DISTRICT

Notes to the Financial Statements For the Fiscal Years Ended June 30, 2024 and June 30, 2023

B. DETAILED NOTES (Continued)

4. Capital Assets (Continued)

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

<u>Construction Projects</u>	<u>2024</u>	<u>2023</u>
Sewage Systems	\$ 30,761	\$ 155,209
Machinery & Equipment	-	88,683
Total	<u>\$ 30,761</u>	<u>\$ 243,892</u>

5. Joint Venture

The District and Las Virgenes Municipal Water District are parties to a joint exercise of powers agreement (LVMWD/TWSD Joint Venture Agreement) to provide for construction, operation, maintenance, and replacement of a joint sanitation system to serve the respective parties' needs. The LVMWD/TWSD Joint Venture is governed by the individual Board of Directors of the two districts meeting in joint session. Equipment costs and contributions for construction are shared in accordance with each district's capacity rights reserved in each component of the LVMWD/TWSD Joint Venture system. While the districts own the system jointly, they each account for their share of its financing individually. Thus, the LVMWD/TWSD 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 as the Administering Agent for facilities located in Los Angeles County. The following is a condensed summary of audited financial information for the LVMWD/TWSD Joint Venture as of and for the fiscal years ended June 30, 2024 and June 30, 2023:

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

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Assets:			
Current assets	\$ 10,931	\$ 12,476	\$ (1,545)
Capital assets, net	105,811	100,333	5,478
Total assets	<u>116,742</u>	<u>112,809</u>	<u>3,933</u>
Liabilities:			
Current liabilities	10,931	12,476	(1,545)
Total liabilities	<u>10,931</u>	<u>12,476</u>	<u>(1,545)</u>
Net position of participants net investment in capital assets:			
Las Virgenes Municipal Water District	69,845	67,075	2,770
Triunfo Water & Sanitation District	35,965	33,258	2,707
Net position	<u>\$ 105,810</u>	<u>\$ 100,333</u>	<u>\$ 5,477</u>

TRIUNFO WATER & SANITATION DISTRICT

Notes to the Financial Statements For the Fiscal Years Ended June 30, 2024 and June 30, 2023

B. DETAILED NOTES (Continued)

5. Joint Venture (Continued)

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

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Revenues:			
Operating revenues	\$ 2,397	\$ 2,996	\$ (599)
Non-operating revenues	827	915	(88)
Total revenues	<u>3,224</u>	<u>3,911</u>	<u>(687)</u>
Expenses:			
Operating expenses	24,400	23,863	537
Depreciation and amortization	5,579	5,703	(124)
Total expenses	<u>29,979</u>	<u>29,566</u>	<u>413</u>
Net loss before participant contributions	(26,755)	(25,655)	(1,100)
Billings to participants	21,175	19,952	1,223
Excess after billings to participants	(5,580)	(5,703)	123
Participants capital contributions	11,057	4,903	6,154
Change in Net Position	5,477	(800)	6,277
Beginning Net Position	<u>100,333</u>	<u>101,133</u>	<u>(800)</u>
Ending Net Position	<u>\$ 105,810</u>	<u>\$ 100,333</u>	<u>\$ 5,477</u>

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

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

Triunfo Water & Sanitation District
370 N. Westlake Boulevard, Suite 100
Westlake Village, California 91362

TRIUNFO WATER & SANITATION DISTRICT

Notes to the Financial Statements For the Fiscal Years Ended June 30, 2024 and June 30, 2023

B. DETAILED NOTES (Continued)

5. Joint Venture (Continued)

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

<u>TWSD Joint Venture Advances</u>	<u>2024</u>	<u>2023</u>
Operating reserve advance	\$ 864,975	\$ 893,720
Construction advance	81,885	48,833
Replacement reserve advance	1,704,288	4,001,845
Total joint venture advances	\$ 2,651,148	\$ 4,944,398

6. Long Term Obligations

The following tables summarize the District's debt as of June 30, 2024 and 2023:

<u>Description</u>	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Payments/ Deletions</u>	<u>Balance June 30, 2024</u>	<u>Due in One Year</u>	<u>Due in More Than One Year</u>
Direct Borrowings:						
2021 Potable Water loan	\$ 5,145,000	\$ -	\$ (649,000)	\$ 4,496,000	\$ 663,000	\$ 3,833,000
2021 Recycled Water loan	7,724,000	-	(759,000)	6,965,000	782,000	6,183,000
Lease liability	1,702,472	-	(129,487)	1,572,985	155,604	1,417,381
Subscription liability	32,693	421,317	(104,824)	349,186	98,660	250,526
Total long-term debt	<u>\$ 14,604,165</u>	<u>\$ 421,317</u>	<u>\$ (1,642,311)</u>	<u>\$ 13,383,171</u>	<u>\$ 1,699,264</u>	<u>\$ 11,683,907</u>

<u>Description</u>	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Payments/ Deletions</u>	<u>Balance June 30, 2023</u>	<u>Due in One Year</u>	<u>Due in More Than One Year</u>
Direct Borrowings:						
2021 Potable Water loan	\$ 5,783,000	\$ -	\$ (638,000)	\$ 5,145,000	\$ 649,000	\$ 4,496,000
2021 Recycled Water loan	8,459,000	-	(735,000)	7,724,000	759,000	6,965,000
Lease liability	-	1,758,652	(56,180)	1,702,472	129,487	1,572,985
Subscription liability	-	45,796	(13,103)	32,693	14,255	18,438
Total long-term debt	<u>\$ 14,242,000</u>	<u>\$ 1,804,448</u>	<u>\$ (1,442,283)</u>	<u>\$ 14,604,165</u>	<u>\$ 1,551,742</u>	<u>\$ 13,052,423</u>

2021 Bank of America Public Capital Corp. – Potable Water Loan Agreement

The District entered into a Loan Agreement with Bank of America Public Capital Corp. for \$6,453,000. The funds were received for the refinancing of the 2011 Installment Purchase Agreement and 2014 Master Equipment Lease/Purchase Agreement previously entered into with Bank of America, N.A. Semiannual principal and interest payments are due November 15 and May 15, commencing November 15, 2021, through November 15, 2030. The interest rate for the Series A component of \$4,925,000 is 1.960% and the Series B component of \$1,528,000 is 1.700%. Series A maturities range from \$210,000 to \$535,000 and Series B maturities range from \$2,066 to \$98,707. Both components are tax-exempt. In the event of default, the Lender may declare all components of the unpaid loan repayments, together with accrued interest thereon, to be immediately due and payable.

TRIUNFO WATER & SANITATION DISTRICT

**Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2024 and June 30, 2023**

B. DETAILED NOTES (Continued)

6. Long Term Obligations (Continued)

2021 Pacific Premier Bank – Recycled Water Loan Agreement

The District entered into a Loan Agreement with Pacific Premier Bank for \$8,818,000. The funds were received for the refinancing of the 2017 Lease Purchase Agreement previously entered into with Bank of America, N.A. Semiannual principal and interest payments are due February 15 and August 15, commencing February 15, 2022, through February 15, 2032. The interest rate for the Series A tax-exempt component of \$5,569,000 is 2.550% and the Series B taxable component of \$3,249,000 is 3.950%. Series A maturities range from \$234,000 to \$304,000 and Series B maturities range from \$55,000 to \$183,000. In the event of default, the Lender may declare all components of the unpaid loan repayments, together with accrued interest thereon, to be immediately due and payable.

The annual debt service requirements for direct borrowings as of June 30, 2024, are as follows:

Fiscal Years Ending June 30,	Principal	Interest	Total
2025	\$ 1,445,000	\$ 291,155	\$ 1,736,155
2026	1,482,000	254,392	1,736,392
2027	1,518,000	216,617	1,734,617
2028	1,557,000	177,842	1,734,842
2029	1,597,000	137,953	1,734,953
2030-2034	3,862,000	176,377	4,038,377
Total	<u>\$ 11,461,000</u>	<u>\$ 1,254,336</u>	<u>\$ 12,715,336</u>

Lease Liability

The District entered a lease agreement as lessee for the use of office space at 370 N Westlake Blvd. for a term of 120 months commencing September 1, 2022. An initial lease liability was recorded in the amount of \$1,758,652. As of June 30, 2024, the value of the lease liability is \$1,572,985. The District is required to make fixed monthly payments of \$15,754. The interest rate is 2.927%. The value of the right to use asset as of June 30, 2024 is \$1,758,652 with accumulated amortization of \$322,420.

The annual debt service requirements for the lease liability as of June 30, 2024, are as follows:

Fiscal Years Ending June 30,	Principal	Interest	Total
2025	\$ 155,605	\$ 43,977	\$ 199,582
2026	148,690	39,662	188,352
2027	176,952	34,786	211,738
2028	170,473	29,888	200,361
2029	200,331	24,305	224,636
2030-2033	720,934	35,321	756,255
Total	<u>\$ 1,572,985</u>	<u>\$ 207,939</u>	<u>\$ 1,780,924</u>

TRIUNFO WATER & SANITATION DISTRICT

**Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2024 and June 30, 2023**

B. DETAILED NOTES (Continued)

6. Long Term Obligations (Continued)

Subscription Liability

The District has entered into several subscriptions ranging from 29 to 60 months. As of June 30, 2024, the amount of the subscription liability is \$349,186. The subscriptions have payments ranging from \$600 to \$84,213 with interest rates ranging from 2.194% to 2.503%. The value of the right to use asset as of June 30, 2024, is \$467,113 with accumulated amortization of \$102,853.

The annual debt service requirements for the subscription liability as of June 30, 2024 is as follows:

Fiscal Years			
Ending June 30,	Principal	Interest	Total
2025	\$ 98,660	\$ 8,504	\$ 107,164
2026	88,095	6,095	94,190
2027	80,233	3,980	84,213
2028	82,198	2,014	84,212
Total	<u>\$ 349,186</u>	<u>\$ 20,593</u>	<u>\$ 369,779</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.

The following summarizes the District's Developer Refund Agreement obligations as of June 30, 2024:

Developer/Tract	Balance June 30, 2023	Additions	Payments/ Deletions	Balance June 30, 2024	Amounts Due in One Year
CalProp/4315	\$ 33,696	\$ -	\$ (3,744)	\$ 29,952	\$ 3,744
Grupe/3984	12,328	-	(4,930)	7,398	4,930
Morrison/4071	118,379	-	(11,835)	106,544	11,835
Warmington/4474	87,676	-	(6,745)	80,931	6,745
Total developer refunds	252,079	<u>\$ -</u>	<u>\$ (27,254)</u>	224,825	<u>\$ 27,254</u>
Less current portion	(27,254)			(27,254)	
Total long-term portion	<u>\$ 224,825</u>			<u>\$ 197,571</u>	

TRIUNFO WATER & SANITATION DISTRICT

**Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2024 and June 30, 2023**

B. DETAILED NOTES (Continued)

6. Long Term Obligations (Continued)

The following summarizes the District's Developer Refund Agreement obligations as of June 30, 2023:

Developer/Tract	Balance June 30, 2022	Additions	Payments/ Deletions	Balance June 30, 2023	Amounts Due in One Year
CalProp/4315	\$ 37,440	\$ -	\$ (3,744)	\$ 33,696	\$ 3,744
Grupe/3984	17,258	-	(4,930)	12,328	4,930
Morrison/4071	130,213	-	(11,834)	118,379	11,835
Warmington/4474	94,421	-	(6,745)	87,676	6,745
Total developer refunds	279,332	\$ -	\$ (27,253)	252,079	\$ 27,254
Less current portion	(27,254)			(27,254)	
Total long-term portion	<u>\$ 252,078</u>			<u>\$ 224,825</u>	

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

Fiscal Years Ending June 30,	Principal
2025	\$ 27,254
2026	24,788
2027	22,324
2028	22,324
2029	22,324
2030-2034	85,578
2035-2037	20,233
Total	224,825
Less current portion	(27,254)
Total non-current	<u>\$ 197,571</u>

7. Employees' Retirement Plan – Defined Contribution and Deferred Compensation Plan

- a. *Defined Contribution Plan* – All permanent employees are covered under the Triunfo Water & Sanitation District's Pension Plan (the Plan) 401(a) administered by the District through Lincoln Financial Group acting as trustee. The Plan is fully funded by a contribution rate of 16.5% of eligible salaries and wages made entirely by the District. The Board of Directors of the District has the authority, in its sole discretion, to amend, reduce contributions or terminate the plan at any time.

The District's contributions to the employees' retirement plans for the year ended June 30, 2024 were \$247,302.

TRIUNFO WATER & SANITATION DISTRICT

Notes to the Financial Statements For the Fiscal Years Ended June 30, 2024 and June 30, 2023

B. DETAILED NOTES (Continued)

7. Employees' Retirement Plan – Defined Contribution and Deferred Compensation Plan

- b. *Deferred Compensation – Employee Contribution Deferred Compensation Plan* – The District offer to its employees a deferred compensation plan created in accordance with Section 457(b) of the Internal Revenue Code. The plan is available to all District employees and allows a portion of an employee's compensation to be deferred to provide funds upon retirement, termination, unforeseeable emergencies, reaching seventy-two (72), or upon death. The annual plan contribution limit for 2024 was \$23,000. Furthermore, the contribution limit for 2025 will be \$23,500.

The plan is administered by Lincoln Financial Group. While the District has fiduciary duties under California law, it does not perform investing functions and has no fiduciary accountability for the plan. The plan's assets and any related liability to plan participants have been excluded from the accompanying basic financial statements.

8. Net Position

The following is the detail of net position:

Net investment in capital assets as of June 30, 2024 and 2023, consisted of the following:

	<u>2024</u>	<u>2023</u>
Capital assets, net	\$ 34,034,232	\$ 33,962,989
Portion of loans payable used to purchase capital assets	(11,461,000)	(12,869,000)
Lease/subscription liabilities	(1,922,171)	(1,735,165)
Developer refund agreements	(224,825)	(252,079)
Total net investment in capital assets	<u>\$ 20,426,236</u>	<u>\$ 19,106,745</u>

9. Management Agreement

The original agreement between Ventura Regional Sanitation District (VRSD) and Triunfo Water & Sanitation District (District) started 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. The District has the right to evaluate the performance of VRSD's services under the agreement. Both the District and VRSD may terminate this agreement for its convenience and without cause by giving the party 120 days 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. The current contract was amended for VRSD to only provide operation and maintenance services. The current contract was amended for VRSD to only provide operation and maintenance services and expires on June 30, 2027.

TRIUNFO WATER & SANITATION DISTRICT

Notes to the Financial Statements

For the Fiscal Years Ended June 30, 2024 and June 30, 2023

B. DETAILED NOTES (Continued)

10. Leases Receivable

The District has entered into several leases ranging from 52 to 274 months as lessor. As of June 30, 2024, the value of the lease receivable is \$2,860,335. Lessees are required to make payments ranging from \$22,038 to \$61,647. The leases have interest rates ranging from 0.672% to 1.998%. The value of the deferred inflow of resources as of June 30, 2024 is \$2,618,186 and the District recognized lease revenues ranging of \$200,009 during the fiscal year.

Future payment requirements are as follows:

Fiscal Years			
Ending June 30,	Principal	Interest	Total
2025	\$ 134,484	\$ 54,008	\$ 188,492
2026	122,589	52,695	175,284
2027	129,457	50,422	179,879
2028	136,596	48,015	184,611
2029	144,016	45,469	189,485
2030-2034	764,793	185,401	950,194
2035-2039	956,916	103,950	1,060,866
2040-2043	471,484	18,827	490,311
Total	<u>\$ 2,860,335</u>	<u>\$ 558,787</u>	<u>\$ 3,419,122</u>

C. OTHER INFORMATION

1. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The following is how these risks are addressed.

Liability Insurance

The District's liability insurance is provided through California Sanitation Risk Management Authority (CSRMA). CSRMA is a joint powers authority (JPA) created to provide 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 WATER & SANITATION DISTRICT

Notes to the Financial Statements For the Fiscal Years Ended June 30, 2024 and June 30, 2023

C. OTHER INFORMATION (Continued)

1. Risk Management (Continued)

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

Workers' Compensation Insurance

The District's workers' compensation coverage is provided through the State Compensation Insurance Fund (SCIF). SCIF was established in 1914 by the state legislature with approximately 112,000 policyholders, more than \$1 billion in premiums, nearly \$21 billion in assets, and completely self-supporting. SCIF workers' compensation premium cost to the District is based on gross pay including holiday, sick, vacation pay, commissions, overtime, and other pretax amounts. Payroll audit is conducted annually, and payroll reporting is required every six months.

Property Insurance

The District has property insurance coverage with Hanover Insurance Group through Tolman & Wiker Insurance Service LLC, for the following properties located within the unincorporated areas of Oak Park and Lake Sherwood in the City of Thousand Oaks, California:

• Pump Station (4 pump)	\$777,242
• Sherwood RW System (pipeline/meters)	\$2,232,227
• 1.8 MG Reservoir	\$2,057,417
• Oak Park/North Ranch RW System	\$6,553,114
• SCADA System	\$105,000
• 2 Base Station mounted on pole	\$131,000
• Water Meters	\$2,468,000

TRIUNFO WATER & SANITATION DISTRICT

Notes to the Financial Statements For the Fiscal Years Ended June 30, 2024 and June 30, 2023

C. OTHER INFORMATION (Continued)

1. Risk Management (Continued)

Joint Venture Insurance

The District is insured for a variety of potential exposures associated with the LVMWD/TWSD Joint Venture. The LVMWD/TWSD Joint Venture is a named insured in the liability and property insurance program of the LVMWD. LVMWD retained Allied World Assurance Company/Joint Powers Risk and Insurance Management Authority, for general liability, property, inverse condemnation, auto and physical damage. The coverage for the general liability provides \$11 million per occurrence and \$20 million in the aggregate with a \$100,000 deductible per occurrence. The coverage for the property provides \$61 million of coverage with a deductible of \$100,000 per occurrence.

Effective August 1, 2012, the LVMWD/TWSD 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, 2024.

2. Commitments and Contingencies

The District had contractual commitments with outside firms for engineering, consulting, or other various supplies and services totaling approximately \$528,406 in fiscal year 2024.

Liability and Worker's Compensation Insurance

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.

Remainder of this page intentionally left blank

SUPPLEMENTARY SECTION



Previous page:

The Las Virgenes - Triunfo Joint Powers Authority (JPA), formed in 1965, manages three projects: the Pure Water Project, Tapia Wastewater Treatment Facility, and Rancho Composting Facility.

TYPES OF OPERATIONS

Wastewater Operations – The Triunfo Water & 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 Water & 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 – 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 WATER & SANITATION DISTRICT

Combining Schedule of Net Position June 30, 2024

	Administration	Wastewater	Recycled Water	Potable Water	Eliminations	Total
Assets						
Current assets:						
Cash and cash equivalents	\$ -	\$ 20,089,795	\$ 4,952,114	\$ 14,223,369	\$ -	\$ 39,265,278
Accrued interest receivable	-	561,388	-	9,857	-	571,245
Accounts receivable, net	-	651,837	844,610	196,584	-	1,693,031
Lease receivable	-	-	-	134,484	-	134,484
Advance deposits - investment-in-joint venture LVMWD/TWSD	-	2,651,148	-	-	-	2,651,148
Due from other funds	-	281,406	-	-	(281,406)	-
Water-in-storage inventory	-	-	-	9,537	-	9,537
Prepaid and other	99,444	23,184	47,254	235,623	-	405,505
Total current assets - unrestricted	99,444	24,258,758	5,843,978	14,809,454	(281,406)	44,730,228
Restricted current assets:						
Cash and cash equivalents	-	692,550	-	52,315	-	744,865
Total current assets - restricted	-	692,550	-	52,315	-	744,865
Total current assets - unrestricted and restricted	99,444	24,951,308	5,843,978	14,861,769	(281,406)	45,475,093
Non-current assets - capital assets, net						
Capital assets, net	2,137,443	6,769,032	11,411,836	13,715,921	-	34,034,232
Investment-in-joint venture LVMWD/TWSD	-	35,965,665	-	-	-	35,965,665
Lease receivable	-	-	-	2,725,851	-	2,725,851
Total non-current assets	2,137,443	42,734,697	11,411,836	16,441,772	-	72,725,748
Total assets	2,236,887	67,686,005	17,255,814	31,303,541	(281,406)	118,200,841
Liabilities						
Current liabilities:						
Payable from current assets:						
Accounts payable and accrued expenses	358,582	1,190,921	353,157	430,381	-	2,333,041
Accrued interest payable - loan	110	-	81,029	18,477	-	99,616
Long-term debt - current portion	172,309	-	788,025	738,930	-	1,699,264
Due to other funds	281,406	-	-	-	(281,406)	-
Developer refund agreements - current portion	-	-	-	27,254	-	27,254
Payable from current assets - unrestricted	812,407	1,190,921	1,222,211	1,215,042	(281,406)	4,159,175
Payable from restricted current assets:						
Customer deposits	-	89,350	-	50,515	-	139,865
Unearned revenue	-	603,200	-	1,800	-	605,000
Payable from restricted current assets	-	692,550	-	52,315	-	744,865
Total current liabilities - unrestricted and restricted	812,407	1,883,471	1,222,211	1,267,357	(281,406)	4,904,040
Non-current liabilities:						
Long-term debt	1,424,480	-	6,206,330	4,053,097	-	11,683,907
Developer refund agreements	-	-	-	197,571	-	197,571
Total non-current liabilities	1,424,480	-	6,206,330	4,250,668	-	11,881,478
Total liabilities	2,236,887	1,883,471	7,428,541	5,518,025	(281,406)	16,785,518
Deferred Inflows						
Lease related	-	-	-	2,618,186	-	2,618,186
Total deferred inflows	-	-	-	2,618,186	-	2,618,186
Net Position						
Net investment in capital assets	540,654	6,769,032	4,417,481	8,699,069	-	20,426,236
Restricted:						
Debt service	-	-	-	-	-	-
Unrestricted	(540,654)	59,033,502	5,409,792	14,468,261	-	78,370,901
Total net position	\$ -	\$ 65,802,534	\$ 9,827,273	\$ 23,167,330	\$ -	\$ 98,797,137

TRIUNFO WATER & SANITATION DISTRICT

Combining Schedule of Revenues, Expenses, and Changes in Net Position For the Fiscal Year Ended June 30, 2024

	<u>Administration</u>	<u>Wastewater</u>	<u>Recycled Water</u>	<u>Potable Water</u>	<u>Total</u>
Operating revenues					
Sanitation fees	\$ -	\$ 16,859,831	\$ -	\$ -	\$ 16,859,831
Potable water sales	-	-	-	6,289,654	6,289,654
Recycled water sales	-	-	1,889,286	-	1,889,286
Water meter service fees	-	-	271,081	2,416,849	2,687,930
Connection fees	-	121,748	-	-	121,748
Other charges for services	-	40,655	1,183	111,162	153,000
Total operating revenues	<u>-</u>	<u>17,022,234</u>	<u>2,161,550</u>	<u>8,817,665</u>	<u>28,001,449</u>
Operating expenses					
Wastewater treatment	-	6,086,163	-	-	6,086,163
Potable water purchased	-	-	-	3,363,343	3,363,343
Recycled water purchased	-	-	525,550	-	525,550
Professional services	265,707	164,006	24,830	231,145	685,688
Operations, management and admin	<u>2,533,584</u>	<u>1,497,754</u>	<u>245,531</u>	<u>1,264,062</u>	<u>5,540,931</u>
Total operating expenses	<u>2,799,291</u>	<u>7,747,923</u>	<u>795,911</u>	<u>4,858,550</u>	<u>16,201,675</u>
Operating income before depreciation	(2,799,291)	9,274,311	1,365,639	3,959,115	11,799,774
Depreciation and amortization	<u>(186,393)</u>	<u>(363,596)</u>	<u>(410,261)</u>	<u>(774,556)</u>	<u>(1,734,806)</u>
Operating income	<u>(2,985,684)</u>	<u>8,910,715</u>	<u>955,378</u>	<u>3,184,559</u>	<u>10,064,968</u>
Non-operating revenue (expense)					
O&M contributions to joint venture	-	413,677	-	-	413,677
Capital contributions to joint venture	-	-	-	-	-
Rental revenue - cellular antennas	-	-	-	200,309	200,309
Interest and investment earnings (loss)	-	984,969	232,018	718,926	1,935,913
Interest expense	(44,448)	-	(224,133)	(100,641)	(369,222)
Other income (expense), net	(752)	21,075	118	(3,349)	17,092
Central administration expense allocation	<u>3,032,038</u>	<u>(1,725,971)</u>	<u>(295,773)</u>	<u>(1,010,294)</u>	<u>-</u>
Total non-operating revenues, net	<u>2,986,838</u>	<u>(306,250)</u>	<u>(287,770)</u>	<u>(195,049)</u>	<u>2,197,769</u>
Change in net position	1,154	8,604,465	667,608	2,989,510	12,262,737
Net position					
Beginning of fiscal year	<u>(1,154)</u>	<u>57,198,069</u>	<u>9,159,665</u>	<u>20,177,820</u>	<u>86,534,400</u>
End of fiscal year	<u>\$ -</u>	<u>\$ 65,802,534</u>	<u>\$ 9,827,273</u>	<u>\$ 23,167,330</u>	<u>\$ 98,797,137</u>

TRIUNFO WATER & SANITATION DISTRICT

Combining Schedule of Cash Flows For the Fiscal Year Ended June 30, 2024

	Administration	Wastewater	Recycled Water	Potable Water	Total
Cash flows from operating activities					
Receipts from customers for water sales and services	\$ -	\$ -	\$ 2,059,365	\$ 8,587,869	\$ 10,647,234
Receipts from customers for sanitation services	-	16,114,147	-	-	16,114,147
Receipts for other services	69,348	162,403	1,301	111,162	344,214
Payments to vendors for materials and services	(2,799,291)	(7,747,923)	(795,911)	(4,831,058)	(16,174,183)
Advance deposits - investment-in-joint venture LVMWD/TWSD facility	-	(1,154)	-	-	(1,154)
Net cash provided by (used in) operating activities	<u>(2,729,943)</u>	<u>8,527,473</u>	<u>1,264,755</u>	<u>3,867,973</u>	<u>10,930,258</u>
Cash flows from capital and related financing activities					
Acquisition and construction of capital assets	(250,093)	(840,630)	(320,925)	(20,491)	(1,432,139)
Principal paid on long-term debt	(124,457)	-	(765,112)	(732,826)	(1,622,395)
Principal paid on long-term developer agreements	-	-	-	(27,254)	(27,254)
Interest paid on long-term debt	(48,526)	-	(232,553)	(94,613)	(375,692)
Net cash provided by (used in) capital and related financing activities	<u>(423,076)</u>	<u>(840,630)</u>	<u>(1,318,590)</u>	<u>(875,184)</u>	<u>(3,457,480)</u>
Cash flows from non-capital financing activities					
Transfers in (out)	3,153,019	(1,846,952)	(295,773)	(1,010,294)	-
Net cash provided by (used in) non-capital financing activities	<u>3,153,019</u>	<u>(1,846,952)</u>	<u>(295,773)</u>	<u>(1,010,294)</u>	<u>-</u>
Cash flows from investing activities					
Proceeds from rental revenue - cellular antennas	-	-	-	200,309	200,309
Proceeds from interest and investment earnings	-	670,769	232,018	719,237	1,622,024
Net cash provided by (used in) investing activities	<u>-</u>	<u>670,769</u>	<u>232,018</u>	<u>919,546</u>	<u>1,822,333</u>
Net increase in cash and cash equivalents	-	6,510,660	(117,590)	2,902,041	9,295,111
Cash and cash equivalents (unrestricted and restricted), beginning of year	-	14,271,685	5,069,704	11,373,643	30,715,032
Cash and cash equivalents (unrestricted and restricted), end of year	<u>\$ -</u>	<u>\$ 20,782,345</u>	<u>\$ 4,952,114</u>	<u>\$ 14,275,684</u>	<u>\$ 40,010,143</u>
Reconciliation of cash and cash equivalents to statement of net position:					
Cash and cash equivalents	\$ -	\$ 20,089,795	\$ 4,952,114	\$ 14,223,369	\$ 39,265,278
Restricted cash and cash equivalents	-	692,550	-	52,315	744,865
Total cash and cash equivalents	<u>\$ -</u>	<u>\$ 20,782,345</u>	<u>\$ 4,952,114</u>	<u>\$ 14,275,684</u>	<u>\$ 40,010,143</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	<u>\$ (2,985,684)</u>	<u>\$ 8,910,715</u>	<u>\$ 955,378</u>	<u>\$ 3,184,559</u>	<u>\$ 10,064,968</u>
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	186,393	363,596	410,261	774,556	1,734,806
Other non-operating income (expense), net	(752)	21,075	118	(15,316)	5,125
Abandoned CIP projects	-	-	-	27,492	27,492
Changes in assets and liabilities:					
(Increase) decrease in net assets:					
Accounts receivable - water sales and services, net	-	-	(48,238)	(72,603)	(120,841)
Accounts receivable - sanitation fees	-	(98,654)	-	-	(98,654)
Water in-storage inventory	-	-	-	15,357	15,357
Prepaid and other	17,488	(3,392)	(15,156)	(75,507)	(76,567)
Lease receivable	-	-	-	152,181	152,181
Advance deposits - investment-in-joint venture LVMWD/TWSD facility	-	(1,154)	-	-	(1,154)
Increase (decrease) in liabilities					
Accounts payable and accrued expenses	52,612	(678,313)	(37,608)	88,453	(574,856)
Customer deposits	-	13,600	-	(10,890)	2,710
Deferred inflows	-	-	-	(200,309)	(200,309)
Total adjustments	<u>255,741</u>	<u>(383,242)</u>	<u>309,377</u>	<u>683,414</u>	<u>865,290</u>
Net cash provided by (used in) operating activities	<u>\$ (2,729,943)</u>	<u>\$ 8,527,473</u>	<u>\$ 1,264,755</u>	<u>\$ 3,867,973</u>	<u>\$ 10,930,258</u>
Schedule of noncash transactions:					
Change in investment-in-joint venture LVMWD/TSD	\$ -	\$ 413,677	\$ -	\$ -	\$ 413,677
Lease/subscription acquisition	-	-	9,112	392,289	401,401

TRIUNFO WATER & SANITATION DISTRICT

**Budgetary Comparison Schedule – All Funds
For the Fiscal Year Ended June 30, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Operating revenues			
Sanitation fees	\$ 16,838,654	\$ 16,859,831	\$ 21,177
Potable water sales	7,471,673	6,289,654	(1,182,019)
Recycled water sales	2,708,802	1,889,286	(819,516)
Water meter service fees	2,691,964	2,687,930	(4,034)
Connection fees	85,000	121,748	36,748
Other charges for services	189,859	153,000	(36,859)
Total operating revenues	<u>29,985,952</u>	<u>28,001,449</u>	<u>(1,984,503)</u>
Operating expenses			
Wastewater treatment	6,917,341	6,086,163	831,178
Potable water purchased	3,709,420	3,363,343	346,077
Recycled water purchased	752,395	525,550	226,845
Professional services	1,095,227	685,688	409,539
Operations, management and admin	14,331,560	5,540,931	8,790,629
Total operating expenses	<u>26,805,943</u>	<u>16,201,675</u>	<u>10,604,268</u>
Operating income before depreciation	3,180,009	11,799,774	8,619,765
Depreciation and amortization	<u>(1,439,167)</u>	<u>(1,734,806)</u>	<u>(295,639)</u>
Operating income	<u>1,740,842</u>	<u>10,064,968</u>	<u>8,324,126</u>
Non-operating revenue (expense)			
O&M contributions to joint venture	(31,046)	413,677	444,723
Rental revenue - cellular antennas	207,581	200,309	(7,272)
Interest and investment earnings	445,000	1,935,913	1,490,913
Interest expense	(326,890)	(369,222)	(42,332)
Other income (expenses), net	<u>(15,000)</u>	<u>17,092</u>	<u>32,092</u>
Total non-operating expenses, net	<u>279,645</u>	<u>2,197,769</u>	<u>1,918,124</u>
Change in net position	2,020,487	12,262,737	<u>\$ 10,242,250</u>
Net position			
Beginning of fiscal year	<u>86,534,400</u>	<u>86,534,400</u>	
End of fiscal year	<u>\$ 88,554,887</u>	<u>\$ 98,797,137</u>	

This page intentionally left blank

STATISTICAL SECTION



Previous page:

Oak Canyon Duck Pond, Oak Park, CA

**Triunfo Water & Sanitation District
Statistical Section**

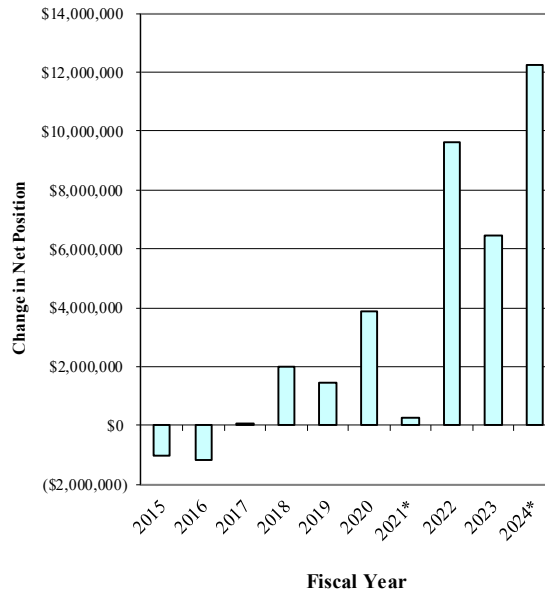
This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Table of Contents

	<u>Page No.</u>
Financial Trends These schedules contain information to help the reader understand how the District's financial performance and well-being have changed over time.	58-61
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.	62-65
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.	66-67
Demographic Information These schedules offer demographic indicators to help the reader understand the environment within which the District's financial activities take place.	68-69
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 Water & Sanitation District
Changes in Net Position and Net Position by Component
Last Ten Fiscal Years

	Fiscal Year				
	2015	2016	2017	2018	2019
Changes in net position:					
Operating revenues (see Schedule 2)	\$15,009,561	\$15,008,613	\$16,586,688	\$19,227,754	\$19,359,355
Operating expenses (see Schedule 3)	(13,372,916)	(12,902,162)	(13,129,632)	(13,568,268)	(14,995,312)
Depreciation and amortization	(899,549)	(1,288,281)	(1,271,388)	(1,563,459)	(1,526,799)
Operating income(loss)	737,096	818,170	2,185,668	4,096,027	2,837,244
Non-operating revenues(expenses)					
Investment income/(loss)	38,939	69,338	50,628	160,050	335,873
Rental income - cellular antennas	120,147	112,270	111,672	175,394	171,925
Change in investment in LVMWD/TSD Joint Vent	(1,915,400)	(1,827,859)	(1,874,056)	(1,744,428)	(1,610,974)
Gain/(loss) on sale of assets	28,179	-	-	-	-
Interest expense	(26,078)	(367,450)	(444,335)	(684,922)	(645,601)
Bond administration expense	-	-	-	-	-
Other revenue/(expense), net	-	11,450	7,249	2,506	383,843
Total non-operating revenues(expenses), net	(1,754,213)	(2,002,251)	(2,148,842)	(2,091,400)	(1,364,934)
Net income before capital contributions	(1,017,117)	(1,184,081)	36,826	2,004,627	1,472,310
Capital contributions	-	-	-	-	-
Changes in net position	\$ (1,017,117)	\$ (1,184,081)	\$ 36,826	\$ 2,004,627	\$ 1,472,310
Net position by component:					
Net investment in capital assets	\$21,277,799	\$20,705,185	\$19,800,725	\$19,528,285	\$19,157,347
Restricted	602,000	602,000	668,312	644,392	602,000
Unrestricted	41,983,804	41,372,337	42,247,311	44,548,298	46,433,938
Total net position	\$63,863,603	\$62,679,522	\$62,716,348	\$64,720,975	\$66,193,285



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

Source: Triunfo Water & Sanitation District

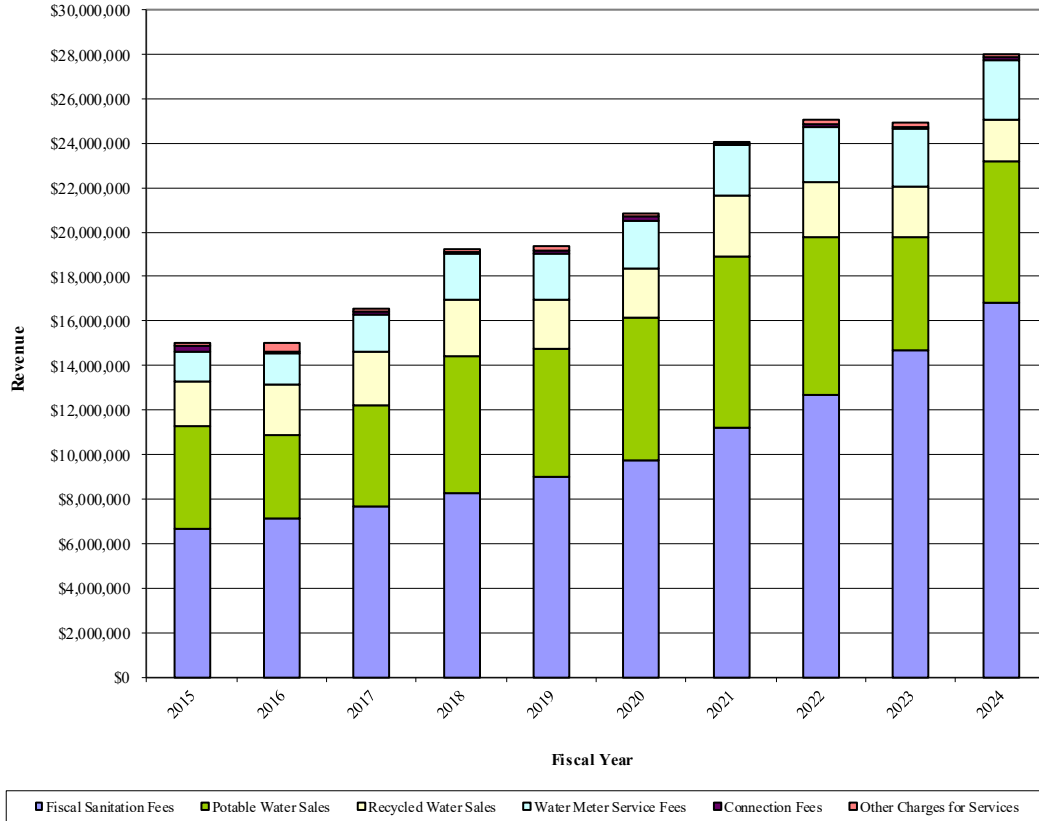
Triunfo Water & Sanitation District
Changes in Net Position and Net Position by Component (Continued)
Last Ten Fiscal Years

Fiscal Year				
2020	2021*	2022	2023	2024*
\$20,851,006	\$24,041,771	\$25,042,808	\$ 24,945,686	\$ 28,001,449
(14,305,407)	(17,280,775)	(15,008,539)	(15,094,117)	(16,201,675)
(1,505,341)	(1,410,847)	(1,408,590)	(1,625,929)	(1,734,806)
5,040,258	5,350,149	8,625,679	8,225,640	10,064,968
313,269	93,119	(190,981)	661,604	1,935,913
181,379	126,223	211,497	200,309	200,309
(1,068,966)	(4,737,936)	1,545,948	(2,246,244)	413,677
-	-	-	-	-
(606,272)	(560,975)	(417,001)	(381,148)	(369,222)
-	-	(201,317)	-	-
26,764	2,468	66,222	(3,305)	17,092
(1,153,827)	(5,077,101)	1,014,368	(1,768,784)	2,197,769
3,886,431	273,048	9,640,047	6,456,856	12,262,737
-	-	-	-	-
\$ 3,886,431	\$ 273,048	\$ 9,640,047	\$ 6,456,856	\$ 12,262,737
\$ 18,614,280	\$ 18,548,037	\$ 18,740,468	\$ 19,706,745	\$ 20,426,236
602,000	602,000	-	-	-
50,863,436	51,287,460	61,337,076	66,827,655	78,370,901
\$ 70,079,716	\$ 70,437,497	\$ 80,077,544	\$ 86,534,400	\$ 98,797,137



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

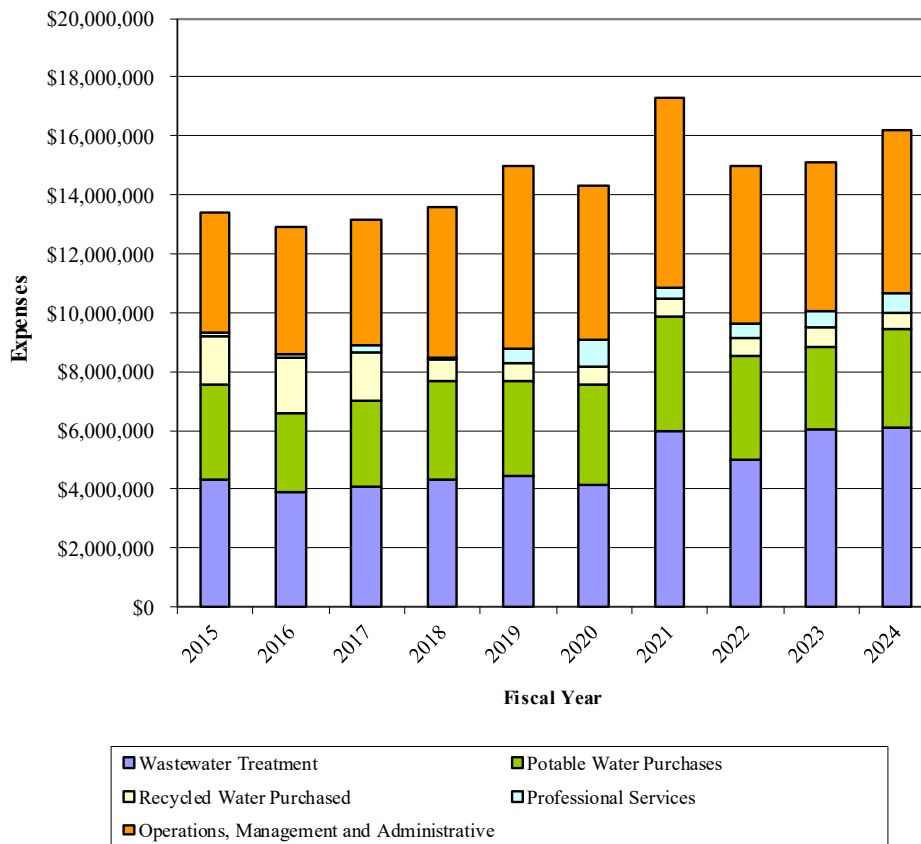
Fiscal Year	Sanitation Fees	Potable Water Sales	Recycled Water Sales	Water Meter Service Fees	Connection Fees	Other Charges for Services	Total Operating Revenue
2015	\$ 6,644,859	\$ 4,622,483	\$ 1,994,508	\$ 1,385,771	\$ 262,406	\$ 99,534	\$ 15,009,561
2016	7,144,479	3,725,085	2,295,803	1,379,077	107,975	356,194	15,008,613
2017	7,657,139	4,575,323	2,406,038	1,679,051	138,650	130,487	16,586,688
2018	8,253,307	6,149,583	2,575,319	2,034,687	91,279	123,579	19,227,754
2019	8,986,193	5,790,358	2,176,845	2,110,905	118,833	176,221	19,359,355
2020	9,752,279	6,395,205	2,208,635	2,177,628	166,166	151,093	20,851,006
2021	11,204,741	7,668,684	2,745,232	2,296,422	59,892	66,800	24,041,771
2022	12,658,716	7,088,168	2,511,500	2,453,228	149,771	181,425	25,042,808
2023	14,714,934	5,060,089	2,269,662	2,580,568	91,769	228,664	24,945,686
2024	16,859,831	6,289,654	1,889,286	2,687,930	121,748	153,000	28,001,449



Source: Triunfo Water & Sanitation District

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

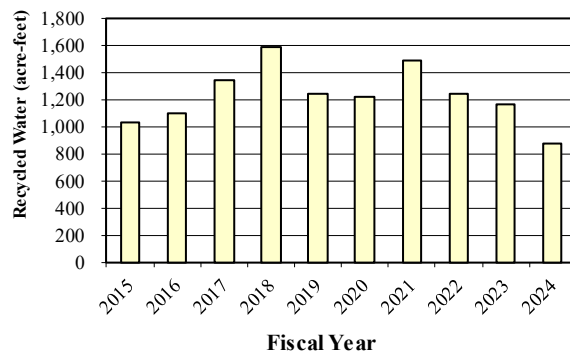
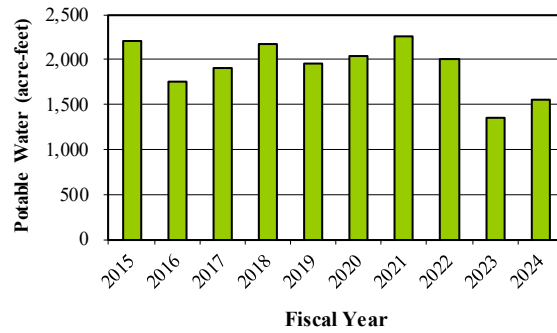
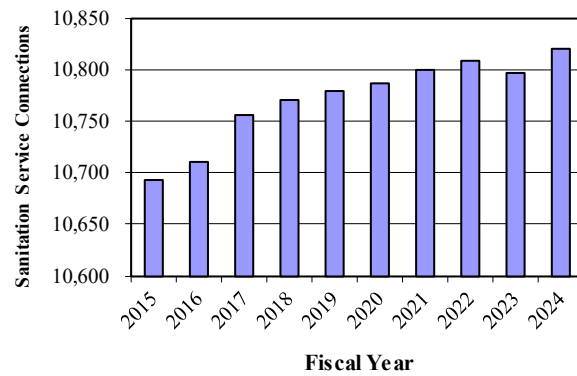
Fiscal Year	Wastewater Treatment	Potable Water Purchases	Recycled Water Purchased	Professional Services	Operations, Management and Administrative	Total Operating Expenses
2015	\$ 4,305,047	\$ 3,223,673	\$ 1,665,181	\$ 127,670	\$ 4,051,345	\$ 13,372,916
2016	3,917,234	2,680,573	1,871,720	94,030	4,338,605	12,902,162
2017	4,058,695	2,961,082	1,629,682	230,423	4,249,750	13,129,632
2018	4,309,990	3,366,431	716,702	103,494	5,071,651	13,568,268
2019	4,458,737	3,232,450	564,870	504,359	6,234,896	14,995,312
2020	4,120,929	3,436,768	597,313	936,461	5,213,936	14,305,407
2021	5,995,456	3,864,442	646,629	360,666	6,413,582	17,280,775
2022	4,983,447	3,558,070	592,939	472,055	5,402,028	15,008,539
2023	6,045,004	2,770,670	686,911	562,939	5,028,593	15,094,117
2024	6,086,163	3,363,343	525,550	685,688	5,540,931	16,201,675



Source: Triunfo Water & Sanitation District

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

Fiscal Year	Sanitation Service Connections	Potable Water Sales (Acre Feet)	Recycled Water Sales (Acre Feet)
2015	10,693	2,213	1,028
2016	10,711	1,746	1,099
2017	10,755	1,912	1,334
2018	10,771	2,167	1,583
2019	10,779	1,959	1,240
2020	10,787	2,035	1,212
2021	10,799	2,257	1,482
2022	10,808	2,010	1,242
2023	10,796	1,345	1,165
2024	10,820	1,552	872



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

Source: Triunfo Water & Sanitation District

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

Sanitation Fees

Connection Type⁽²⁾	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Single/Multi Residential	\$ 41.80	\$ 44.52	\$ 47.41	\$ 50.49	\$ 55.03	\$ 59.98	\$ 68.98	\$ 79.32	\$ 91.22	\$ 104.91
Apartment Units	33.44	35.61	37.92	40.38	44.01	47.97	55.17	63.44	72.96	83.90
Commercial/Hotels	41.80	44.52	47.41	50.49	55.03	59.98	68.98	79.32	91.22	104.91
Shopping Centers	74.22	79.04	84.18	89.65	97.72	106.51	122.49	140.86	161.99	186.29
Restaurants & Markets	96.14	102.39	109.05	116.14	126.59	137.96	158.68	182.48	209.85	241.33

Potable Water Consumption Fees

Water Consumed⁽³⁾	2015	2016	2017							
0 - 6 HCF	\$ 4.01	\$ 4.24	\$ 5.06							
6 - 28 HCF	4.83	5.33	5.78							
Over 28 HCF	6.07	6.79	7.14							
Water Consumed⁽³⁾	2018	2019	2020	2021	2022	2023	2024			
0 - 7 HCF	\$ 5.88	\$ 6.16	\$ 6.45	\$ 6.92	\$ 7.46	\$ 8.07	\$ 8.60			
>7 - 28 HCF	6.69	7.00	7.31	7.83	8.42	9.09	9.66			
Over 28 HCF	8.23	8.58	8.94	9.56	10.25	11.03	11.68			

Recycled Water Consumption Fees

Water Consumed⁽³⁾	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
All Units (HCF)	\$ 3.03	\$ 3.25	\$ 3.82	\$ 4.63	\$ 4.93	\$ 5.23	\$ 5.39	\$ 5.70	\$ 6.07	\$ 6.55

Potable Water Meter Service Fees

Meter Size	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
5/8 inch	\$ 15.23	\$ 15.23	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
3/4 inch	22.85	22.85	24.79	28.02	28.87	29.74	31.53	33.43	35.44	36.86
1 inch	38.10	38.10	39.15	44.24	45.57	46.94	49.76	52.75	55.92	58.16
1 1/2 inch	76.18	76.18	75.05	84.81	87.36	89.99	94.72	100.41	106.44	110.70
2 inch	121.90	121.90	118.14	133.50	137.51	141.64	148.02	156.91	166.33	172.99
3 inch	228.54	228.54	254.57	287.67	296.31	305.20	316.78	335.79	355.94	370.18
4 inch	380.92	380.92	455.63	514.87	530.32	546.23	565.49	599.42	635.39	660.81
6 inch	761.78	761.78	1,008.55	1,139.67	1,173.87	1,209.09	1,249.44	1,324.41	1,403.88	1,460.04

Recycled Water Meter Service Fees

Meter Size	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
5/8 inch	\$ 13.16	\$ 13.71	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
3/4 inch	19.74	20.53	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1 inch	32.91	34.23	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1 1/2 inch	65.81	68.45	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2 inch	105.30	109.52	125.95	144.84	149.19	153.66	154.37	157.46	160.61	163.83
3 inch	197.43	205.33	236.13	271.55	279.70	288.09	289.43	295.22	301.13	307.16
4 inch	329.06	342.23	393.56	452.60	466.18	480.16	482.38	492.03	501.88	511.92
6 inch	658.07	684.40	787.06	905.12	932.27	960.24	964.68	983.98	1,003.66	1,023.74
8 inch	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,721.09	1,755.51	1,790.62
10 inch	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,580.93	2,632.55	2,685.20

(1) Rates as of June 30 of each fiscal year.

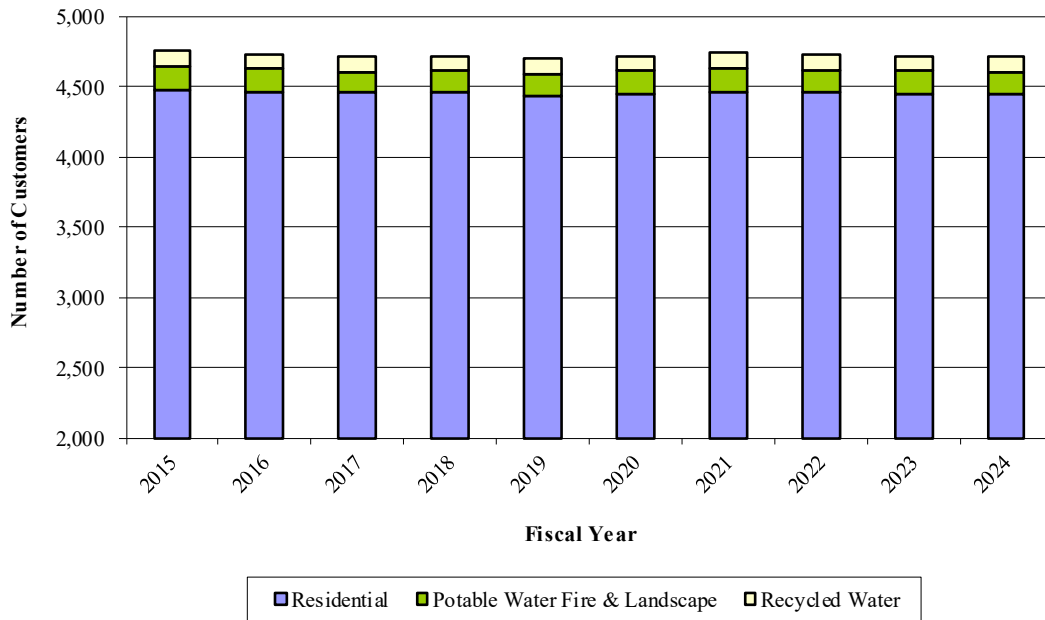
(2) Per Equivalent Residential Unit (ERU)

(3) Per Hundred Cubic Feet (HCF)

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

**Triunfo Water & 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	
2015	4,475	167	107	4,749
2016	4,457	165	106	4,728
2017	4,459	144	108	4,711
2018	4,451	155	108	4,714
2019	4,429	159	108	4,696
2020	4,442	168	108	4,718
2021	4,458	170	108	4,736
2022	4,451	165	108	4,724
2023	4,444	164	108	4,716
2024	4,439	164	108	4,711



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

Source: Triunfo Water & Sanitation District

**Triunfo Water & Sanitation District
Principal Customers
Current Fiscal Year and Nine Years Ago**

Customer	Potable Water - Retail			
	2024		2015	
	Water Consumed	Percentage of Total	Water Consumed	Percentage of Total
ERP Operating, LLP	34,164	5.05%	38,875	4.01%
Shadow Ridge HOA	18,599	2.75%	20,543	2.12%
Morrison Estates HOA	4,985	0.74%	8,817	0.91%
Capri	6,118	0.00%	9,354	0.96%
Concord Consulting	4,676	0.69%	5,932	0.61%
Oak Park First Plaza (Shopping Center)	2,696	0.40%	7,611	0.78%
Rancho Simi Recreation & Park	3,883	0.00%	4,084	0.42%
County of Ventura	4,435	0.66%	8,518	0.88%
Regency Hills Neighborhood	5,002	0.74%	6,811	0.70%
Shadow Oaks	4,304	0.64%	5,667	0.58%
Total	88,861	13.14%	116,213	11.98%
Total Potable Water Consumed	676,178	100.00%	969,754	100.00%

Customer	Recycled Water - Retail and Wholesale			
	2024		2015	
	Water Consumed	Percentage of Total	Water Consumed	Percentage of Total
California Water Service Company	127,624	34.72%	N/A(1)	N/A ⁽¹⁾
Sherwood County Club	33,661	9.16%	125,574	28.04%
Rancho Simi Recreation & Park	36,904	10.04%	49,056	10.95%
Oak Park Unified School District	24,676	6.71%	43,544	9.72%
Tract 3141 HOA	15,301	4.16%	25,759	5.75%
Country Glenn	13,784	3.75%	21,066	4.70%
County of Ventura	13,348	3.63%	27,850	6.22%
Regency Hill Neighborhood	14,260	3.88%	30,997	6.92%
Shadow Ridge HOA	13,420	3.65%	14,404	3.22%
Hidden Valley	14,015	3.81%	N/A(1)	N/A ⁽¹⁾
Total	306,993	83.53%	338,250	75.53%
Total Recycled Water Consumed	367,538	100.00%	447,809	100%

Customer	Wastewater			
	2024		2015	
	ERU	Percentage of Total	ERU	Percentage of Total
Woodlake Meadows LLC	253	1.90%	253	1.92%
Wilshire Equities	247	1.86%	247	1.87%
EQR Oak Park LP	225	1.69%	225	1.71%
EQR Oak Park LP	221	1.66%	221	1.68%
Oak Park Unified School Dist	179	1.34%	187	1.42%
575 Hampshire Rd Property Co	143	1.07%	143	1.08%
Teachers Ins-Annuity Assoc	127	0.96%	127	0.96%
SWVP Westlake LLC	126	0.95%	100	0.76%
Conejo Valley Unif Sch Dist	62	0.47%	62	0.47%
Regency Centers	50	0.38%	32	0.24%
Total	1,634	12.28%	1,598	12.10%
Total ERU	13,309	100.00%	13,200	100%

Notes:

Per Hundred Cubic Feet (HCF)
Equivalent Residential Unit (ERU)

(1) Recycled Water - Wholesale data for 2014 and 2015 is not available

Source: Triunfo Water & Sanitation District

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

Fiscal Year	Developer Refund Agreements [1]	Installment Purchase Agreement [2]	Lease Purchase Agreement [3]	Lease Purchase Agreement [4]	Total	Per Capita	As a Share of Personal Income
2015	\$ 470,109	\$ 6,723,896	\$ 2,401,341	\$ -	\$ 9,595,346	286.81	0.53%
2016	442,855	6,433,501	2,263,316	-	9,139,672	273.19	0.49%
2017	415,601	6,129,356	2,120,783	11,725,000	20,390,740	609.50	0.99%
2018	388,348	5,810,811	1,973,594	11,095,462	19,268,215	575.94	0.93%
2019	361,094	5,477,183	1,821,598	10,447,018	18,106,893	541.23	0.86%
2020	333,840	5,127,759	1,664,637	9,779,077	16,905,313	503.22	0.80%
2021	306,586	4,761,790	1,502,550	9,091,031	15,661,957	466.21	0.74%

Refinanced Outstanding Debt by Type

Fiscal Year	Developer Refund Agreements [1]	Potable Water [2] [3]	Recycled Water [4]	Central Admin [5]	Total	Per Capita	As a Share of Personal Income
2022	\$ 279,332	\$ 5,752,514	\$ 8,489,487	\$ -	\$ 14,521,332	432.26	0.64%
2023	252,079	5,118,645	7,750,355	1,735,165	14,856,244	442.23	0.60%
2024	224,825	4,792,027	6,994,355	1,596,789	13,607,996	405.07	0.55%

- [1] 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.
- [2] 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.
This loan was refinanced on 8/2021.
- [3] 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.
This loan was refinanced on 8/2021.
- [4] 2017 Bank of America Lease/Purchase Agreement - loan in the amount of \$11,725,000 for the purchase of the recycled water system (pipelines) from Calleguas Municipal Water District.
This loan was refinanced on 8/2021.
- [5] Implementation of GASB87 (Leases) and GASB96 (Subscriptions).

Source: Triunfo Water & Sanitation District

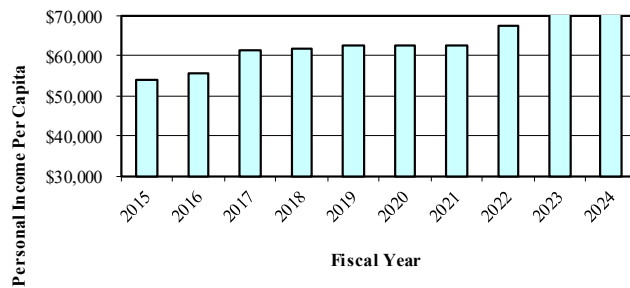
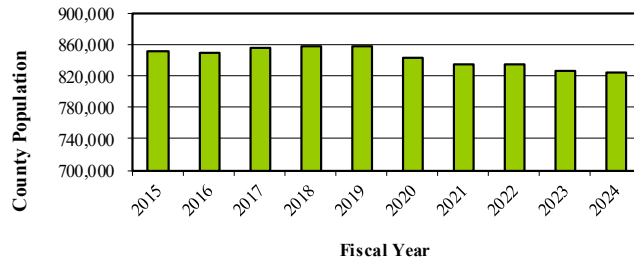
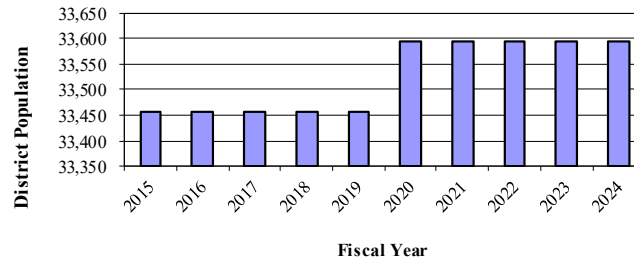
Triunfo Water & Sanitation District
Pledged-Revenue Coverage
Installment Purchase Agreement
Fiscal Years 2024 and 2023

	Fiscal Year 2024			
	Wastewater	Recycled	Potable Water	Total
Revenue sources				
Operating revenues	\$ 17,022,230	\$ 2,161,546	\$ 8,817,665	\$ 28,001,441
Non-operating revenues	1,006,044	232,136	919,235	2,157,415
Total revenue sources	<u>18,028,274</u>	<u>2,393,682</u>	<u>9,736,900</u>	<u>30,158,856</u>
Expenses				
Operating expenses	\$ 7,747,923	\$ 795,911	\$ 4,858,550	\$ 13,402,384
Non-operating expenses	1,736,584	295,773	1,013,643	3,046,000
Total expenses	<u>9,484,507</u>	<u>1,091,684</u>	<u>5,872,193</u>	<u>16,448,384</u>
Net Revenues (Expenses)	8,543,767	1,301,998	3,864,707	13,710,472
Installment payments				
Principal	-	\$ 763,200	\$ 644,801	\$ 1,408,000
Interest	-	223,956	92,783	316,739
Total installment payments	-	<u>987,156</u>	<u>737,584</u>	<u>1,724,739</u>
Debt Service Coverage (min 1.10x)	n/a	1.3	5.2	7.9

	Fiscal Year 2023			
	Wastewater	Recycled	Potable Water	Total
Revenue sources				
Operating revenues	\$ 14,901,909	\$ 2,547,851	\$ 7,495,926	\$ 24,945,686
Non-operating revenues	255,550	111,214	495,325	862,089
Total revenue sources	<u>15,157,459</u>	<u>2,659,065</u>	<u>7,991,251</u>	<u>25,807,775</u>
Expenses				
Operating expenses	\$ 7,456,943	\$ 932,661	\$ 4,116,863	\$ 12,506,467
Non-operating expenses	1,907,614	360,914	864,122	3,132,650
Total expenses	<u>9,364,557</u>	<u>1,293,575</u>	<u>4,980,985</u>	<u>15,639,117</u>
Net Revenues (Expenses)	5,792,902	1,365,490	3,010,266	10,168,658
Installment payments				
Principal	-	\$ 739,131	\$ 633,869	\$ 1,373,000
Interest	-	237,570	100,721	338,291
Total installment payments	-	<u>976,701</u>	<u>734,590</u>	<u>1,711,291</u>
Debt Service Coverage (min 1.25x)	n/a	1.4	4.1	5.94

**Triunfo Water & Sanitation District
Demographics and Economic Statistics
Last Ten Calendar Years**

Year	Population within District(1)	Unemployment Rate(4)	Population (persons)(1)	Personal Income(2,3)	Personal Income per Capita(2,3)
2015	33,455	5.3%	850,536	\$ 46,060,353	\$ 54,155
2016	33,455	5.8%	849,738	47,397,620	55,779
2017	33,455	4.5%	855,973 (1)	50,600,000 (3)	61,405 (3)
2018	33,455	3.6%	857,415 (1)	52,900,000 (3)	61,804 (3)
2019	33,455	3.6%	856,598 (1)	55,500,000 (3)	62,738 (3)
2020	33,594	8.4%	842,886 (1)	55,500,000 (5)	62,738 (5)
2021	33,594	6.5%	835,223 (1)	55,500,000 (5)	62,738 (5)
2022	33,594	3.3%	833,652 (1)	56,728,142 (3)	67,422 (3)
2023	33,594	4.6%	825,653 (1)	61,619,080 (2)	73,375 (2)
2024	33,594	4.8%	823,863 (1)	61,619,080 (2)	73,375 (2)



Sources: (1) Population data obtained from California Department of Finance, prior years are actual; current year is forecasted.
(2) US Bureau of Economic Analysis CA1 Personal Income Summary: 2021 and prior data
(3) Personal Income and Personal Income per Capita for 2021 forward was obtained from the California County-Level Economic Forecast
(4) State of California, Employment Development Department, Labor Market Information Division
(5) Income information for 2022 - 2023 has not been published. 2021 data is used.

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

Employer	2024 ⁽¹⁾		2015 ⁽¹⁾	
	Number of Employees	Percentage of Total Employed	Number of Employees	Percentage of Total Employed
Naval Base of Ventura	5,000 - 19,999	n/a	5,000 - 19,999	n/a
Naval Air Warfare Ctr Weapons	5,000 - 9,999	n/a	5,000 - 9,999	n/a
County of Ventura - Government Center	5,000 - 9,999	n/a	5,000 - 9,999	n/a
Amgen	5,000 - 9,999	n/a	5,000 - 9,999	n/a
Community Memorial Hospital of San Buenaver	1,000 - 4,999	n/a	1,000 - 4,999	n/a
Baxter Healthcare	1,000 - 4,999	n/a	1,000 - 4,999	n/a
Simi Valley Unified School District	1,000 - 4,999	n/a	1,000 - 4,999	n/a
Ventura County Sherriff's Ofc	1,000 - 4,999	n/a	1,000 - 4,999	n/a
Ventura Unified School District	1,000 - 4,999	n/a	1,000 - 4,999	n/a
Harbor Freight Tools	1,000 - 4,999	n/a	-	n/a
Dignity Health	1,000 - 4,999	n/a	-	n/a
St John's Regional Medical Center	1,000 - 4,999	n/a	1,000 - 4,999	n/a
Los Robles Regional Med Ctr	1,000 - 4,999	n/a	1,000 - 4,999	n/a
Ventura County Health Care Agency	1,000 - 4,999	n/a	1,000 - 4,999	n/a
National Guard	1,000 - 4,999	n/a	1,000 - 4,999	n/a
Top Ten Employers Total	-	0.00%	-	n/a
Total Employed in County	392,300	100.00%	395,900	100.00%

Notes: Exact number of employees by employer not available. Therefore, no percentage of total employed available.

Sources:

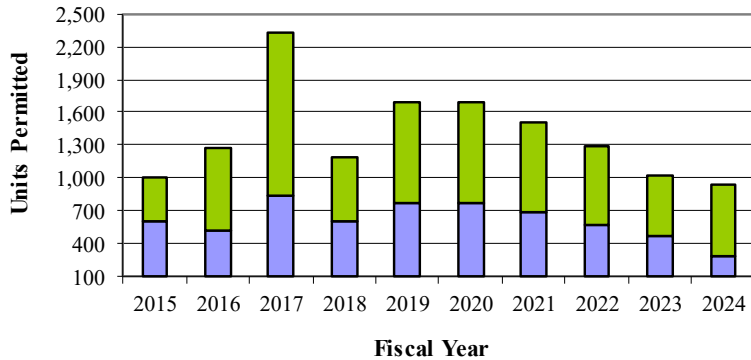
(a) Ventura County Economy and Employment & California EDD Labor Market Info

(1) Represents most recent available data at time of reporting.

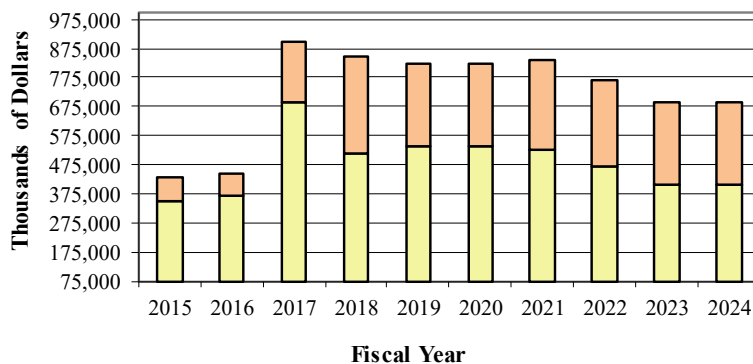
**Triunfo Water & Sanitation District
Building Permits - County of Ventura
Last Ten Fiscal Years**

Fiscal Year	New Single Family Units	New Multiple Family Units	Total New Residential Units	Total New Residential Investment (000's)	Non-residential Investment (000's)	Total New Structure Investment (000's)
2015	615	394	1,009	\$ 350,485	\$ 77,805	\$ 428,290
2016	528	744	1,272	367,000	74,537	441,537
2017	847	1,479	2,326	690,000	205,000	895,000
2018	608	585	1,193	512,000	335,000	847,000
2019	776	914	1,690	538,000	284,000	822,000
2020	776	914	1,690	538,000	284,000	822,000
2021	698	802	1,500	524,000	309,000	833,000
2022	574	715	1,289	469,000	295,000	764,000
2023	469	556	1,025	404,000	286,000	690,000
2024	288	651	939	404,000	286,000	690,000

New Residential Building Units Permitted



Investment in New Structures

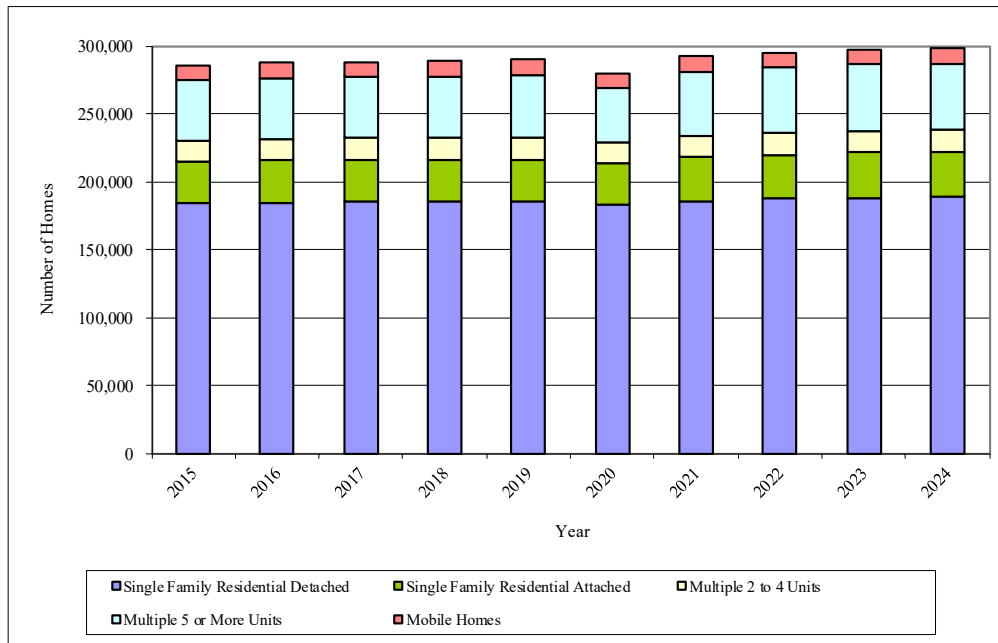


Note: Building Permit statistic updated 2023 to include number of permits, and total investment in residential and non-residential units; as more detailed breakdown is no longer accessible. Prior years are actual, current year forecasted.

Sources: State of California, Employment Development Department, Labor Market Information Division

**Triunfo Water & 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
2015	183,775	31,038	15,759	43,890	11,346	285,808
2016	184,141	31,259	15,886	44,444	11,350	287,080
2017	184,761	31,270	15,953	44,738	11,352	288,074
2018	185,053	31,281	15,947	44,949	11,349	288,579
2019	184,929	31,539	15,981	45,848	11,350	289,647
2020	182,703	30,893	15,000	40,081	11,320	279,997
2021	185,739	31,954	16,067	46,986	11,354	292,100
2022	187,124	32,164	16,439	47,839	11,418	294,984
2023	187,968	33,413	16,086	48,546	10,879	296,892
2024	188,404	33,693	16,114	48,831	10,879	297,921



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

**Triunfo Water & 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)
2015	50	120	4.70	3.30
2016	50	120	4.70	3.30
2017	50	120	4.70	3.30
2018	50	120	4.70	3.30
2019	50	120	4.70	3.30
2020	50	120	4.70	3.30
2021	50	120	4.70	3.30
2022	50	120	4.70	3.30
2023	50	120	4.70	3.30
2024	50	120	4.70	3.30

Potable Water Sales			
Fiscal Year	District Area (Square Miles)	Potable Water Capacity (MGM)	Potable Water System (Miles)
2015	50	82.72	50
2016	50	82.72	50
2017	50	82.72	50
2018	50	82.72	50
2019	50	82.72	50
2020	50	82.72	50
2021	50	82.72	50
2022	50	82.72	50
2023	50	82.72	50
2024	50	82.72	50

Recycled Water Sales			
Fiscal Year	District Area (Square Miles)	Recycled Water Capacity (MGM)	Recycled Water System (Miles)
2015	50	40.73	5
2016	50	40.73	5
2017	50	40.73	5
2018	50	40.73	5
2019	50	40.73	5
2020	50	40.73	5
2021	50	40.73	5
2022	50	40.73	5
2023	50	40.73	5
2024	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.

Source: Triunfo Water & Sanitation District

