

Basic Financial Statements



Triunfo Sanitation District

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2008

**TRIUNFO SANITATION DISTRICT
STATEMENTS OF NET ASSETS
JUNE 30, 2008 and 2007**

<u>Assets</u>		<u>2008</u>	<u>2007</u>
Current assets:			
Cash and cash equivalents	(Note B1)	\$ 10,438,491	\$ 8,093,530
Accrued interest receivable		150,711	207,161
Accounts receivable – water sales and services, net	(Note B3)	702,329	479,017
Accounts receivable – sanitation fees	(Note B3)	203,996	279,501
Accounts receivable – other, net	(Note B3)	13,837	8,250
Notes receivable – sewer extension line	(Note B4)	12,027	31,270
Advances due – investment in LVMWD/TSD Joint Venture	(Note B6)	1,951,651	1,573,489
Water-in-storage inventory		67,921	67,920
Prepaid and other		14,088	19,020
Total current assets – unrestricted		<u>13,555,051</u>	<u>10,759,158</u>
Restricted current assets:			
Cash and cash equivalents	(Note B2)	920,243	1,158,977
Investments	(Note B2)	920,000	920,000
Accrued interest receivable		1,150	4,760
Total current assets – restricted		<u>1,841,393</u>	<u>2,083,737</u>
Total current assets – unrestricted and restricted		<u>15,396,444</u>	<u>12,842,895</u>
Non-current assets:			
Investments	(Note B2)	4,751,997	7,138,982
Capital assets, net	(Note B5)	23,234,527	23,497,228
Investment in LVMWD/TSD Joint Venture	(Note B6)	37,320,667	37,789,118
Deferred charges, net	(Note B7)	309,137	366,484
Total non-current assets		<u>65,616,328</u>	<u>68,791,812</u>
Total assets		<u>\$ 81,012,772</u>	<u>\$ 81,634,707</u>

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**TRIUNFO SANITATION DISTRICT
STATEMENTS OF NET ASSETS (continued)
JUNE 30, 2008 and 2007**

<u>Liabilities and Net Assets</u>	<u>2008</u>	<u>2007</u>
Current liabilities:		
Payable from current assets:		
Accounts payable and accrued expenses	\$ 1,073,727	\$ 1,097,592
Accrued interest payable – loan	10,219	12,308
Loan payable – current portion (Note B8)	680,000	645,000
Developer refund agreements – current portion (Note B8)	27,281	27,254
Payable from current assets – unrestricted	<u>1,791,227</u>	<u>1,782,154</u>
Payable from restricted current assets:		
Customer deposits	162,974	302,974
Accrued interest payable – bonds and loans	-	2,758
Unearned revenue	666,373	666,373
Bonds payable – current portion (Note B8)	400,000	400,000
Loan payable – current portion (Note B8)	-	410,000
Payable from restricted current assets	<u>1,229,347</u>	<u>1,782,105</u>
Total current liabilities – unrestricted and restricted	<u>3,020,574</u>	<u>3,564,259</u>
Non-current liabilities:		
Bonds payable (Note B8)	5,200,000	5,600,000
Loans payable (Note B8)	2,475,000	3,155,000
Developer refund agreements (Note B8)	633,632	660,885
Total non-current liabilities	<u>8,308,632</u>	<u>9,415,885</u>
Total liabilities	<u>11,329,206</u>	<u>12,980,144</u>
Net assets:		
Invested in capital assets, net of related debt (Note B9)	13,818,614	12,599,089
Restricted (Note B9)	1,012,046	1,111,632
Unrestricted	54,852,906	54,943,842
Total net assets	<u>69,683,566</u>	<u>68,654,563</u>
Total liabilities and net assets	<u>\$ 81,012,772</u>	<u>\$ 81,634,707</u>

See accompanying notes to basic financial statements.

**TRIUNFO SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
Operating revenues:		
Sanitation fees	\$ 6,684,841	\$ 6,529,166
Potable water sales	3,031,324	3,007,255
Recycled water sales	1,725,802	1,446,667
Water meter service fees	1,210,679	1,204,963
Connection fees	332,565	436,189
Other charges for services	65,707	90,710
Total operating revenues	<u>13,050,918</u>	<u>12,714,950</u>
Operating expenses:		
Wastewater treatment	4,319,960	3,678,149
Potable water purchased	2,315,739	2,185,652
Recycled water purchased	1,027,229	987,621
Professional services	65,468	85,407
Management and administrative	2,486,583	2,404,309
Total operating expenses	<u>10,214,979</u>	<u>9,341,138</u>
Operating income before depreciation	2,835,939	3,373,812
Depreciation	(860,827)	(853,881)
Operating income	<u>1,975,112</u>	<u>2,519,931</u>
Non-operating revenue (expense)		
Change in investment-in-joint venture LVMWD/TSD (Note B6)	(1,720,850)	(1,820,210)
Rental revenue - cellular antennas	148,485	110,741
Interest and investment earnings	875,522	871,606
Interest expense	(403,784)	(463,811)
Debt administration and amortization of deferred charges	(59,779)	(84,680)
Gain(loss) on sales/disposals of capital assets, net	-	2,090
Other, net	85,949	34,612
Total non-operating expenses	<u>(1,074,457)</u>	<u>(1,349,652)</u>
Income before capital contributions	<u>900,655</u>	<u>1,170,279</u>
Capital contributions		
Donated assets	128,348	412,070
Total capital contributions	<u>128,348</u>	<u>412,070</u>
Change in net assets	1,029,003	1,582,349
Net assets, beginning of year	<u>68,654,563</u>	<u>67,072,214</u>
Net assets, end of year	<u>\$ 69,683,566</u>	<u>\$ 68,654,563</u>

See accompanying notes to basic financial statements.

**TRIUNFO SANITATION DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Receipts from customers for water sales and services	\$ 5,937,058	\$ 6,320,400
Receipts from customers for sanitation services	6,760,346	6,561,814
Receipts for other services	146,069	125,032
Payments to vendors for materials and services	<u>(10,233,913)</u>	<u>(9,633,862)</u>
Net cash provided by operating activities	<u>2,609,560</u>	<u>3,373,384</u>
Cash flows from non-capital financing activities:		
Advances due – investment in LVMWD/TSD Joint Venture	<u>(1,630,561)</u>	<u>(932,005)</u>
Net cash used in non-capital financing activities	<u>(1,630,561)</u>	<u>(932,005)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(469,778)	(409,422)
Capital contributions	-	99,736
Proceeds from sale/disposition of capital assets	-	2,090
Principal paid on long-term debt	(1,455,000)	(1,330,000)
Interest paid on long-term debt	<u>(438,289)</u>	<u>(519,362)</u>
Net cash used in capital and related financing activities	<u>(2,363,067)</u>	<u>(2,156,958)</u>
Cash flows from investing activities:		
Principal received (issued) on notes, net – sewer line extension	19,243	42,102
Proceeds from rental revenue - cellular antennas	148,485	110,741
Proceeds from interest and investment earnings	935,582	640,226
Proceeds from sales and maturities of investments	4,659,064	14,480,126
Purchases of investments	<u>(2,272,079)</u>	<u>(13,908,657)</u>
Net cash provided by investing activities	<u>3,490,295</u>	<u>1,364,538</u>
Net increase in cash and cash equivalents	2,106,227	1,648,959
Cash and cash equivalents (unrestricted and restricted), beginning of year	<u>9,252,507</u>	<u>7,603,548</u>
Cash and cash equivalents (unrestricted and restricted), end of year	\$ <u><u>11,358,734</u></u>	\$ <u><u>9,252,507</u></u>
Reconciliation of cash and cash equivalents to statement of net assets:		
Cash and cash equivalents	\$ 10,438,491	\$ 8,093,530
Restricted cash and cash equivalents	<u>920,243</u>	<u>1,158,977</u>
Total cash and cash equivalents	<u>\$ 11,358,734</u>	<u>\$ 9,252,507</u>

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See accompanying notes to basic financial statements.

**TRIUNFO SANITATION DISTRICT
STATEMENT OF CASH FLOWS (continued)
FOR THE YEARS ENDED JUNE 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 1,975,112	\$ 2,519,931
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	860,827	853,881
Other non-operating income, net	85,949	34,612
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable – water sales and services, net	(223,312)	(77,399)
Accounts receivable – sanitation fees	75,505	32,648
Accounts receivable – other, net	(5,587)	(289)
Water in storage inventory	(1)	-
Prepaid and other	4,932	3,432
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(23,865)	(296,156)
Customer deposits	(140,000)	302,724
Total adjustments	<u>634,448</u>	<u>853,453</u>
Net cash provided by operating activities	\$ <u>2,609,560</u>	\$ <u>3,373,384</u>
Noncash investing, capital, and financing activities:		
Capital assets donated	\$ 128,348	\$ 312,334

See accompanying notes to basic financial statements.

