

**TRIUNFO SANITATION DISTRICT
STATEMENTS OF NET ASSETS
JUNE 30, 2009 and 2008**

<u>Assets</u>		<u>2009</u>	<u>2008</u>
Current assets:			
Cash and cash equivalents	(Note B1)	\$ 11,357,021	\$ 10,438,491
Accrued interest receivable		125,161	150,711
Accounts receivable – water sales and services, net	(Note B3)	491,321	702,329
Accounts receivable – sanitation fees	(Note B3)	384,439	203,996
Accounts receivable – other, net	(Note B3)	19,717	13,837
Notes receivable – sewer extension line	(Note B4)	8,387	12,027
Advances due – investment-in-joint venture LVMWD/TSD	(Note B6)	1,587,637	1,951,651
Water-in-storage inventory		67,921	67,921
Prepaid and other		61,774	14,088
Total current assets – unrestricted		<u>14,103,378</u>	<u>13,555,051</u>
Restricted current assets:			
Cash and cash equivalents	(Note B2)	922,904	920,243
Investments	(Note B2)	920,000	920,000
Accrued interest receivable		-	1,150
Total current assets – restricted		<u>1,842,904</u>	<u>1,841,393</u>
Total current assets – unrestricted and restricted		<u>15,946,282</u>	<u>15,396,444</u>
Non-current assets – capital assets, net			
Investments	(Note B2)	2,445,130	4,751,997
Capital assets, net	(Note B5)	23,026,188	23,234,527
Investment-in-joint venture LVMWD/TSD	(Note B6)	37,062,411	37,320,667
Deferred charges, net	(Note B7)	270,641	309,137
Total non-current assets		<u>62,804,370</u>	<u>65,616,328</u>
Total assets		<u>\$ 78,750,652</u>	<u>\$ 81,012,772</u>

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TRIUNFO SANITATION DISTRICT
STATEMENTS OF NET ASSETS (continued)
JUNE 30, 2009 and 2008

Liabilities and Net Assets	2009	2008
Current liabilities:		
Payable from current assets:		
Accounts payable and accrued expenses	\$ 1,143,670	\$ 1,073,727
Accrued interest payable – loan	10,219	10,219
Loan payable – current portion (Note B8)	695,000	680,000
Developer refund agreements – current portion (Note B8)	27,254	27,281
Payable from current assets – unrestricted	<u>\$ 1,876,143</u>	<u>\$ 1,791,227</u>
Payable from restricted current assets:		
Customer deposits	163,632	162,974
Unearned Revenue	666,373	666,373
Bonds payable – current portion (Note B8)	400,000	400,000
Payable from restricted current assets	<u>\$ 1,230,005</u>	<u>\$ 1,229,347</u>
Total current liabilities – unrestricted and restricted	<u>\$ 3,106,148</u>	<u>\$ 3,020,574</u>
Non-current liabilities:		
Bonds payable (Note B8)	4,800,000	5,200,000
Loans payable (Note B8)	1,780,000	2,475,000
Developer refund agreements (Note B8)	606,378	633,632
Total non-current liabilities	<u>\$ 7,186,378</u>	<u>\$ 8,308,632</u>
Total liabilities	<u>\$ 10,292,526</u>	<u>\$ 11,329,206</u>
Net assets:		
Invested in capital assets, net of related debt (Note B9)	14,717,556	13,818,614
Restricted – debt service (Note B9)	1,012,899	1,012,046
Unrestricted	52,727,671	54,852,906
Total net assets	<u>\$ 68,458,126</u>	<u>\$ 69,683,566</u>
Total liabilities and net assets	<u>\$ 78,750,652</u>	<u>\$ 81,012,772</u>

See accompanying notes to the financial statements.

**TRIUNFO SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Operating revenues:		
Sanitation fees	\$ 7,033,630	\$ 6,684,841
Potable water sales	2,751,363	3,031,324
Recycled water sales	1,261,914	1,725,802
Water meter service fees	1,215,791	1,210,679
Connection fees	26,308	332,565
Other charges for services	<u>83,597</u>	<u>65,707</u>
Total operating revenues	<u>12,372,603</u>	<u>13,050,918</u>
Operating expenses:		
Wastewater treatment	4,368,737	4,319,960
Potable water purchased	2,451,137	2,315,739
Recycled water purchased	1,026,030	1,027,229
Professional services	187,501	65,468
Management and administrative	<u>2,765,975</u>	<u>2,486,583</u>
Total operating expenses	<u>10,799,380</u>	<u>10,214,979</u>
Operating income before depreciation and amortization	1,573,223	2,835,939
Depreciation and amortization	<u>(881,982)</u>	<u>(860,827)</u>
Operating income	<u>691,241</u>	<u>1,975,112</u>
Non-operating revenue (expense)		
Change in investment-in-joint venture LVMWD/TSD (Note B6)	(2,315,646)	(1,720,850)
Rental revenue - cellular antennas	121,381	148,485
Interest and investment earnings	524,115	875,522
Interest expense	(230,414)	(403,784)
Debt administration and amortization of deferred charges	(71,794)	(59,779)
Other, net	<u>12,559</u>	<u>85,949</u>
Total non-operating revenues, net	<u>(1,959,799)</u>	<u>(1,074,457)</u>
Net income (loss) before capital contributions	<u>(1,268,558)</u>	<u>900,655</u>
Capital contributions		
Donated assets	<u>43,118</u>	<u>128,348</u>
Total capital contributions	<u>43,118</u>	<u>128,348</u>
Change in net assets	(1,225,440)	1,029,003
Net assets, beginning of year	<u>69,683,566</u>	<u>68,654,563</u>
Net assets, end of year	<u>\$ 68,458,126</u>	<u>\$ 69,683,566</u>

See accompanying notes to the financial statements.

**TRIUNFO SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Receipts from customers for water sales and services	\$ 5,467,044	\$ 5,937,058
Receipts from customers for sanitation services	6,853,187	6,760,346
Receipts for other services	90,276	146,069
Payments to vendors for materials and services	<u>(10,777,123)</u>	<u>(10,233,913)</u>
Net cash provided by operating activities	<u>1,633,384</u>	<u>2,609,560</u>
Cash flows from non-capital financing activities:		
Advances due – investment-in-joint venture LVMWD/TSD facility	<u>(1,693,376)</u>	<u>(1,630,561)</u>
Net cash used in non-capital financing activities	<u>(1,693,376)</u>	<u>(1,630,561)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(630,525)	(469,778)
Principal and interest paid on long-term debt	<u>(1,370,994)</u>	<u>(1,893,289)</u>
Net cash used in capital and related financing activities	<u>(2,001,519)</u>	<u>(2,363,067)</u>
Cash flows from investing activities:		
Principal received (issued) on notes, net – sewer line extention	3,640	19,243
Proceeds from rental revenue - cellular antennas	121,381	148,485
Proceeds from interest and investment earnings	619,681	935,582
Proceeds from sales and maturities of investments	2,238,000	4,659,064
Purchases of investments	<u>-</u>	<u>(2,272,079)</u>
Net cash provided by investing activities	<u>2,982,702</u>	<u>3,490,295</u>
Net increase in cash and cash equivalents	921,191	2,106,227
Cash and cash equivalents (unrestricted and restricted), beginning of year	<u>11,358,734</u>	<u>9,252,507</u>
Cash and cash equivalents (unrestricted and restricted), end of year	<u>\$ 12,279,925</u>	<u>\$ 11,358,734</u>
Reconciliation of cash and cash equivalents to statement of net assets:		
Cash and cash equivalents	\$ 11,357,021	\$ 10,438,491
Restricted cash and cash equivalents	<u>922,904</u>	<u>920,243</u>
Total cash and cash equivalents	<u>\$ 12,279,925</u>	<u>\$ 11,358,734</u>

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See accompanying notes to the financial statements.

**TRIUNFO SANITATION DISTRICT
STATEMENTS OF CASH FLOWS (continued)
FOR THE YEARS ENDED JUNE 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ <u>691,241</u>	\$ <u>1,975,112</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	881,982	860,827
Other non-operating income, net	12,559	85,949
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable – water sales and services, net	211,008	(223,312)
Accounts receivable – sanitation fees	(180,443)	75,505
Accounts receivable – other, net	(5,880)	(5,587)
Water-in-storage inventory	-	(1)
Prepaid and other	(47,686)	4,932
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	69,945	(23,865)
Customer deposits	<u>658</u>	<u>(140,000)</u>
Total adjustments	<u>942,143</u>	<u>634,448</u>
Net cash provided by operating activities	\$ <u><u>1,633,384</u></u>	\$ <u><u>2,609,560</u></u>
Noncash investing, capital, and financing activities:		
Capital assets donated	\$ 43,118	\$ 128,348

See accompanying notes to the financial statements.