

TYPES OF OPERATIONS

Wastewater Operations – The Triunfo Sanitation District owns, operates and maintains a wastewater collection system including piping; pump stations, force mains and pressure mains within its boundaries. The collection system delivers effluent to the Tapia Wastewater Reclamation Facility located in Los Angeles County. There is a joint partnership between the Triunfo Sanitation District and the Las Virgenes Municipal Water District for the ownership and operation of this facility.

Recycled Water Operations – The District provides recycled water from Tapia through two pipelines to the communities of Oak Park, Lake Sherwood and North Ranch. The recycled water from Tapia travels through 5.4 miles of District retail recycled water lines to irrigate 7 parks, 6 schools, a golf course, 15 acres of landscaping and medians, and 16 homeowners associations. In hot summer months, local irrigation consumes all of the recycled water Tapia produces.

Potable Water Operations – Through the Oak Park Water Service (OPWS), the District provides potable water service to households in the community of Oak Park. The Oak Park community is mostly residential and is located at the eastern edge of the county.

**TRIUNFO SANITATION DISTRICT
COMBINING SCHEDULE OF NET ASSETS
JUNE 30, 2010**

<i>Assets</i>	Wastewater	Recycled Water	Potable Water	Total
Current assets:				
Cash and cash equivalents	\$ 4,831,386	\$ 1,037,011	\$ 2,031,394	\$ 7,899,791
Accrued interest receivable	29,457	-	-	29,457
Accounts receivable – water sales and services, net	-	341,292	369,133	710,425
Accounts receivable – sanitation fees	320,152	-	-	320,152
Accounts receivable – other, net	38,161	-	100	38,261
Advances due – investment-in-joint venture LVMWD/TSD	3,095,137	-	-	3,095,137
Water-in-storage inventory	-	1,887	66,034	67,921
Prepaid and other	17,510	-	47,924	65,434
Total current assets – unrestricted	<u>8,331,803</u>	<u>1,380,190</u>	<u>2,514,585</u>	<u>12,226,578</u>
Restricted current assets:				
Cash and cash equivalents	<u>666,373</u>	-	1,300	<u>667,673</u>
Total current assets – restricted	<u>666,373</u>	-	1,300	<u>667,673</u>
Total current assets – unrestricted and restricted	<u>8,998,176</u>	<u>1,380,190</u>	<u>2,515,885</u>	<u>12,894,251</u>
Non-current assets – capital assets, net				
Capital assets, net	11,389,879	1,982,289	9,255,207	22,627,375
Investment-in-joint venture LVMWD/TSD	36,068,833	-	-	36,068,833
Deferred charges, net	-	-	54,808	54,808
Total non-current assets	<u>47,458,712</u>	<u>1,982,289</u>	<u>9,310,015</u>	<u>58,751,016</u>
Total assets	<u>\$ 56,456,888</u>	<u>\$ 3,362,479</u>	<u>\$ 11,825,900</u>	<u>\$ 71,645,267</u>
<i>Liabilities and Net Assets</i>				
Current liabilities:				
Payable from current assets:				
Accounts payable and accrued expenses	\$ 991,506	\$ 162,750	\$ 559,404	\$ 1,713,660
Accrued interest payable – loan	-	-	6,814	6,814
Loan payable – current portion	-	-	710,000	710,000
Developer refund agreements – current portion	-	-	27,254	27,254
Payable from current assets – unrestricted	<u>991,506</u>	<u>162,750</u>	<u>1,303,472</u>	<u>2,457,728</u>
Payable from restricted current assets:				
Customer deposits	-	-	1,300	1,300
Unearned Revenue	<u>666,373</u>	-	-	<u>666,373</u>
Payable from restricted current assets	<u>666,373</u>	-	1,300	<u>667,673</u>
Total current liabilities – unrestricted and restricted	<u>1,657,879</u>	<u>162,750</u>	<u>1,304,772</u>	<u>3,125,401</u>
Non-current liabilities:				
Loans payable	-	-	1,070,000	1,070,000
Developer refund agreements	-	-	579,124	579,124
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>1,649,124</u>	<u>1,649,124</u>
Total liabilities	<u>1,657,879</u>	<u>162,750</u>	<u>2,953,896</u>	<u>4,774,525</u>
Net assets:				
Net investment in capital assets	11,389,879	1,982,289	6,868,829	20,240,997
Unrestricted	<u>43,409,130</u>	<u>1,217,440</u>	<u>2,003,175</u>	<u>46,629,745</u>
Total net assets	<u>54,799,009</u>	<u>3,199,729</u>	<u>8,872,004</u>	<u>66,870,742</u>
Total liabilities and net assets	<u>\$ 56,456,888</u>	<u>\$ 3,362,479</u>	<u>\$ 11,825,900</u>	<u>\$ 71,645,267</u>

**TRIUNFO SANITATION DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Wastewater</u>	<u>Recycled Water</u>	<u>Potable Water</u>	<u>Total</u>
Operating revenues:				
Sanitation fees	\$ 6,550,564	\$ -	\$ -	\$ 6,550,564
Potable water sales	-	-	3,321,834	3,321,834
Recycled water sales	-	1,346,428	-	1,346,428
Water meter service fees	-	148,078	1,060,334	1,208,412
Connection fees	52,650	-	1,335	53,985
Other charges for services	31,281	-	38,339	69,620
Total operating revenues	<u>6,634,495</u>	<u>1,494,506</u>	<u>4,421,842</u>	<u>12,550,843</u>
Operating expenses:				
Wastewater treatment	4,300,816	-	-	4,300,816
Potable water purchased	-	-	2,624,592	2,624,592
Recycled water purchased	-	1,057,027	-	1,057,027
Professional services	128,942	-	191,326	320,268
Management and administrative	1,922,249	70,546	1,138,348	3,131,143
Total operating expenses	<u>6,352,007</u>	<u>1,127,573</u>	<u>3,954,266</u>	<u>11,433,846</u>
Operating income before depreciation	282,488	366,933	467,576	1,116,997
Depreciation and amortization	<u>(337,397)</u>	<u>(99,797)</u>	<u>(442,152)</u>	<u>(879,346)</u>
Operating income(loss)	<u>(54,909)</u>	<u>267,136</u>	<u>25,424</u>	<u>237,651</u>
Non-operating revenue(expense)				
Change in investment-in-joint venture LVMWD/TSD	(1,689,237)	-	-	(1,689,237)
Rental revenue - cellular antennas	450	-	147,000	147,450
Interest and investment earnings	11,554	2,172	4,258	17,984
Interest expense	(10,262)	-	(93,862)	(104,124)
Debt administration and amortization of deferred charges	(197,042)	-	(20,863)	(217,905)
Other, net	-	-	19,616	19,616
Total non-operating revenues, net	<u>(1,884,537)</u>	<u>2,172</u>	<u>56,149</u>	<u>(1,826,216)</u>
Net income(loss) before capital contributions	<u>(1,939,446)</u>	<u>269,308</u>	<u>81,573</u>	<u>(1,588,565)</u>
Capital contributions				
State capital grants	<u>1,181</u>	<u>-</u>	<u>-</u>	<u>1,181</u>
Total capital contributions	<u>1,181</u>	<u>-</u>	<u>-</u>	<u>1,181</u>
Change in net assets	<u>(1,938,265)</u>	<u>269,308</u>	<u>81,573</u>	<u>(1,587,384)</u>
Net assets, beginning of year	<u>56,737,274</u>	<u>2,930,421</u>	<u>8,790,431</u>	<u>68,458,126</u>
Net assets, end of year	<u>\$ 54,799,009</u>	<u>\$ 3,199,729</u>	<u>\$ 8,872,004</u>	<u>\$ 66,870,742</u>

**TRIUNFO SANITATION DISTRICT
COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Wastewater</u>	<u>Recycled Water</u>	<u>Potable Water</u>	<u>Total</u>
Cash flows from operating activities:				
Receipts from customers for water sales and services	\$ 53,104	\$ 1,304,123	\$ 4,354,720	\$ 5,711,947
Return of customer deposits	(162,724)			(162,724)
Receipts from customers for sanitation services	6,614,851	-	-	6,614,851
Receipts for other services	12,254	-	58,438	70,692
Payments to vendors for materials and services	<u>(6,015,407)</u>	<u>(1,070,397)</u>	<u>(3,781,713)</u>	<u>(10,867,517)</u>
Net cash provided by operating activities	<u>502,078</u>	<u>233,726</u>	<u>631,445</u>	<u>1,367,249</u>
Cash flows from non-capital financing activities:				
Advances due – investment-in-joint venture LVMWD/TSD facility	<u>(2,203,159)</u>	<u>-</u>	<u>-</u>	<u>(2,203,159)</u>
Net cash used in non-capital financing activities	<u>(2,203,159)</u>	<u>-</u>	<u>-</u>	<u>(2,203,159)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(539,741)	-	60,389	(479,352)
Principal and interest paid on long-term debt	<u>(5,210,262)</u>	<u>-</u>	<u>(821,593)</u>	<u>(6,031,855)</u>
Net cash used in capital and related financing activities	<u>(5,750,003)</u>	<u>-</u>	<u>(761,204)</u>	<u>(6,511,207)</u>
Cash flows from investing activities:				
Principal received(issued) on notes, net – sewer line extention	8,387	-	-	8,387
Proceeds from rental revenue - cellular antennas	450	-	147,000	147,450
Proceeds from interest and investment earnings	277,051	2,172	4,258	283,481
Proceeds from sales and maturities of investments	<u>3,195,338</u>	<u>-</u>	<u>-</u>	<u>3,195,338</u>
Net cash provided by investing activities	<u>3,481,226</u>	<u>2,172</u>	<u>151,258</u>	<u>3,634,656</u>
Net increase(decrease) in cash and cash equivalents	(3,969,858)	235,898	21,499	(3,712,461)
Cash and cash equivalents (unrestricted and restricted), beginning of year	<u>9,467,617</u>	<u>801,113</u>	<u>2,011,195</u>	<u>12,279,925</u>
Cash and cash equivalents (unrestricted and restricted), end of year	<u>\$ 5,497,759</u>	<u>\$ 1,037,011</u>	<u>\$ 2,032,694</u>	<u>\$ 8,567,464</u>
Reconciliation of cash and cash equivalents to statement of net assets:				
Cash and cash equivalents	\$ 4,831,386	\$ 1,037,011	\$ 2,031,394	\$ 7,899,791
Restricted cash and cash equivalents	<u>666,373</u>	<u>-</u>	<u>1,300</u>	<u>667,673</u>
Total cash and cash equivalents	<u>\$ 5,497,759</u>	<u>\$ 1,037,011</u>	<u>\$ 2,032,694</u>	<u>\$ 8,567,464</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ (54,909)	\$ 267,136	\$ 25,424	\$ 237,651
Adjustments to reconcile operating income to net cash provided by operating activities:				
Deprecation and amortization	337,397	99,797	442,152	879,346
Other non-operating income, net	-	-	19,616	19,616
Changes in assets and liabilities:				
(Increase)decrease in assets:				
Accounts receivable – water sales and services, net	454	(190,383)	(29,175)	(219,104)
Accounts receivable – sanitation fees	64,287	-	-	64,287
Accounts receivable – other, net	(19,027)	-	483	(18,544)
Prepaid and other	(2,825)	-	(835)	(3,660)
Increase(decrease) in liabilities:				
Accounts payable and accrued expenses	339,425	57,176	173,388	569,989
Customer deposits	<u>(162,724)</u>	<u>-</u>	<u>392</u>	<u>(162,332)</u>
Total adjustments	<u>556,987</u>	<u>(33,410)</u>	<u>606,021</u>	<u>1,129,598</u>
Net cash provided by operating activities	<u>\$ 502,078</u>	<u>\$ 233,726</u>	<u>\$ 631,445</u>	<u>\$ 1,367,249</u>
Noncash investing, capital, and financing activities:				
Capital assets donated	1,181	-	-	1,181

TRIUNFO SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Operating revenues:			
Sanitation fees	\$ 6,343,844	\$ 6,550,564	\$ (206,720)
Potable water sales	3,672,195	3,321,834	350,361
Recycled water sales	1,577,820	1,346,428	231,392
Water meter service fees	1,247,193	1,208,412	38,781
Connection fees	53,833	53,985	(152)
Other charges for services	195,191	69,620	125,571
Total operating revenues	<u>13,090,076</u>	<u>12,550,843</u>	<u>539,233</u>
Operating expenses:			
Wastewater treatment	4,108,105	4,300,816	(192,711)
Potable water purchased	2,651,955	2,624,592	27,363
Recycled water purchased	1,247,051	1,057,027	190,024
Professional services	122,344	320,268	(197,924)
Management and administrative	3,420,675	3,131,143	289,532
Total operating expenses	<u>11,550,130</u>	<u>11,433,846</u>	<u>116,284</u>
Operating income before depreciation	1,539,946	1,116,997	422,949
Depreciation and amortization	(881,634)	(879,346)	(2,288)
Operating income	<u>658,312</u>	<u>237,651</u>	<u>420,661</u>
Non-operating revenue(expense)			
Change in investment-in-joint venture LVMWD/TSD	(2,915,417)	(1,689,237)	(1,226,180)
Rental revenue - cellular antennas	-	147,450	(147,450)
Interest and investment earnings	421,543	17,984	403,559
Interest expense	(229,039)	(104,124)	(124,915)
Debt administration and amortization of deferred charges	-	(217,905)	217,905
Other, net	-	19,616	(19,616)
Total non-operating expenses, net	<u>(2,722,913)</u>	<u>(1,826,216)</u>	<u>(896,697)</u>
Net loss before capital contributions	<u>(2,064,601)</u>	<u>(1,588,565)</u>	<u>(476,036)</u>
Capital contributions			
Donated assets	-	1,181	(1,181)
Total capital contributions	<u>-</u>	<u>1,181</u>	<u>(1,181)</u>
Change in net assets	<u>\$ (2,064,601)</u>	<u>\$ (1,587,384)</u>	<u>\$ (477,217)</u>

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