

# Supplementary Section



## Ventura Regional Sanitation District

Comprehensive Annual Financial Report  
For the Fiscal Year Ended  
June 30, 2014 and June 30, 2013



## **TYPES OF OPERATIONS**

**Water and Wastewater** The District is responsible for management, operation and maintenance of water and wastewater facilities and equipment throughout Ventura County. Included are facilities owned by the Triunfo Sanitation, Saticoy Sanitary and Camarillo Sanitary Districts; Cities of Fillmore, Oxnard, Thousand Oaks and Ventura; County of Ventura; California State University at Channel Islands; and several small water agencies. In total, the District operates and maintains three potable water systems and one recycled water system.

**Solid Waste** The District manages six municipal waste landfills, only one of which is active. The Toland Road landfill is located in a confined, V-shaped canyon four miles east of Santa Paula and four miles west of Fillmore. The 161-acre site has been operated as a landfill since 1970.

**Biosolids/Microturbine Electrical Generation** The District's Biosolids facility converts Biosolids from local wastewater treatment facilities into EPA Class A recyclable material, using landfill gas to heat two 80-ton-per-day batch dryers. The end product is applied as alternative daily cover for refuse deposited at the landfill. The nine low emission microturbines uses compressed landfill gas to generate 2.32 megawatts of electricity. Roughly one-third is used to power the Biosolids facility and the remainder is delivered to the local power grid.

**Administration** The Finance and Administration Department manages three public agency's finance and accounting functions through contracted services. The District provides finance and accounting functions to Saticoy Sanitary District (SSD), Triunfo Sanitation District (TSD) and Ventura County Regional Energy Alliance (VCREA).

**VENTURA REGIONAL SANITATION DISTRICT  
SCHEDULE OF NET POSITION  
JUNE 30, 2014**

<b>ASSETS</b>	<b>Water and Wastewater</b>	<b>Solid Waste</b>	<b>Biosolids</b>	<b>Administration</b>	<b>Total</b>
<b>Current assets:</b>					
Cash and cash equivalents	\$ (4,748,036)	\$ 19,389,585	\$ (11,952,601)	\$ (745,366)	\$ 1,943,582
Accrued interest receivable	-	72,954	-	7,205	80,159
Accounts receivable – disposal and sanitation fees, net	-	900,825	262,104	-	1,162,929
Accounts receivable – contract services, net	1,156,379	-	-	139,565	1,295,944
Prepaid and other	27,058	47,483	31,925	36,677	143,143
Total current assets – unrestricted	<u>(3,564,599)</u>	<u>20,410,847</u>	<u>(11,658,572)</u>	<u>(561,919)</u>	<u>4,625,757</u>
<b>Restricted current assets:</b>					
Cash and cash equivalents	-	147,497	-	-	147,497
Investments	-	6,401,107	-	-	6,401,107
Notes receivable	114,797	-	-	-	114,797
Accrued interest receivable	-	26,384	-	-	26,384
Total current assets – restricted	<u>114,797</u>	<u>6,574,988</u>	<u>-</u>	<u>-</u>	<u>6,689,785</u>
Total current assets – unrestricted and restricted	<u>(3,449,802)</u>	<u>26,985,835</u>	<u>(11,658,572)</u>	<u>(561,919)</u>	<u>11,315,542</u>
<b>Restricted non-current assets:</b>					
Investments	-	26,031,798	-	-	26,031,798
Notes receivable	1,884,675	-	-	-	1,884,675
Total non-current assets – restricted	<u>1,884,675</u>	<u>26,031,798</u>	<u>-</u>	<u>-</u>	<u>27,916,473</u>
<b>Non-current assets:</b>					
Investments - held-to-maturity	-	-	-	2,753,443	2,753,443
Capital assets, net	3,444,842	29,237,609	18,199,099	347,587	51,229,137
Net OPEB asset	214,578	183,577	3,816	236,810	638,781
Total non-current assets – unrestricted	<u>3,659,420</u>	<u>29,421,186</u>	<u>18,202,915</u>	<u>3,337,840</u>	<u>54,621,361</u>
Total non-current assets – unrestricted and restricted	<u>5,544,095</u>	<u>55,452,984</u>	<u>18,202,915</u>	<u>3,337,840</u>	<u>82,537,834</u>
<b>Total assets</b>	<u>\$ 2,094,293</u>	<u>\$ 82,438,819</u>	<u>\$ 6,544,343</u>	<u>\$ 2,775,921</u>	<u>\$ 93,853,376</u>

**VENTURA REGIONAL SANITATION DISTRICT  
SCHEDULE OF NET POSITION (CONTINUED)  
JUNE 30, 2014**

<i><b>LIABILITIES</b></i>	<u>Water and Wastewater</u>	<u>Solid Waste</u>	<u>Biosolids</u>	<u>Administration</u>	<u>Total</u>
Current liabilities:					
Payable from current assets:					
Accounts payable and accrued expenses	\$ 143,326	\$ 898,740	\$ 289,789	\$ 61,452	\$ 1,393,307
Accrued wages and compensated absences	237,606	206,840	47,695	192,263	684,404
Payable from current assets – unrestricted	<u>380,932</u>	<u>1,105,580</u>	<u>337,484</u>	<u>253,715</u>	<u>2,077,711</u>
Payable from restricted current assets:					
Customer deposits	-	38,899	-	-	38,899
Landfill closure/postclosure costs – expected within one year	-	2,783,284	-	-	2,783,284
Accrued interest payable - purchase and sales agreements	22,785	16,393	44,147	-	83,325
Installment purchase contract – current portion	113,145	-	-	-	113,145
Installment sale agreement – current portion	-	751,504	987,663	-	1,739,167
Payable from current assets – restricted	<u>135,930</u>	<u>3,590,080</u>	<u>1,031,810</u>	<u>-</u>	<u>4,757,820</u>
Total current liabilities – unrestricted and restricted	<u>516,862</u>	<u>4,695,660</u>	<u>1,369,294</u>	<u>253,715</u>	<u>6,835,531</u>
Payable from restricted non-current assets:					
Tierra Rejada consortium reserve	-	293,088	-	-	293,088
Landfill closure/postclosure costs	-	24,753,555	-	-	24,753,555
Installment purchase contract	1,872,942	-	-	-	1,872,942
Installment sale agreement	-	7,422,847	10,165,749	-	17,588,596
Payable from non-current assets – restricted	<u>1,872,942</u>	<u>32,469,490</u>	<u>10,165,749</u>	<u>-</u>	<u>44,508,181</u>
<b>Total liabilities</b>	<u>2,389,804</u>	<u>37,165,150</u>	<u>11,535,043</u>	<u>253,715</u>	<u>51,343,712</u>
<i><b>NET POSITION</b></i>					
Net investment in capital assets	1,458,755	21,063,258	7,045,687	347,587	29,915,287
Restricted for:					
Debt service	1,999,472	-	-	-	1,999,472
Landfill closure and post-closure costs	-	4,737,960	-	-	4,737,960
Unrestricted amounts (deficit)	<u>(3,753,738)</u>	<u>19,472,451</u>	<u>(12,036,387)</u>	<u>2,174,619</u>	<u>5,856,945</u>
<b>Total net position(deficit)</b>	<u>(295,511)</u>	<u>45,273,669</u>	<u>(4,990,700)</u>	<u>2,522,206</u>	<u>42,509,664</u>
<b>Total liabilities and net position(deficit)</b>	<u>\$ 2,094,293</u>	<u>\$ 82,438,819</u>	<u>\$ 6,544,343</u>	<u>\$ 2,775,921</u>	<u>\$ 93,853,376</u>

**VENTURA REGIONAL SANITATION DISTRICT  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Water and Wastewater</u>	<u>Solid Waste</u>	<u>Biosolids</u>	<u>Administration</u>	<u>Total</u>
<b>Operating revenues:</b>					
Disposal and sanitation fees	\$ -	\$ 10,618,088	\$ -	\$ -	\$ 10,618,088
Contract services	4,576,494	-	3,255,181	978,881	8,810,556
Utility electricity sales	-	-	281,678	-	281,678
Other revenue	18,053	276,111	25,372	4,043	323,579
Total operating revenues	<u>4,594,547</u>	<u>10,894,199</u>	<u>3,562,231</u>	<u>982,924</u>	<u>20,033,901</u>
<b>Operating expenses:</b>					
Salaries and benefits	2,825,586	2,511,343	501,540	1,999,755	7,838,224
Management and administrative	69,743	79,066	64,315	200,749	413,873
Operating materials and supplies	668,340	890,334	646,340	43,311	2,248,325
Contract services – labor	946	180,573	1,246	-	182,765
Contract services – materials and supplies	218,367	274,368	842,210	812	1,335,757
Professional services	96,311	350,948	134,827	787,795	1,369,881
Facility maintenance	156,250	673,615	152,856	170,563	1,153,284
Provision for landfill closure/postclosure	-	1,055,618	-	-	1,055,618
Permits, licences and fees	37,241	992,306	286,235	33,259	1,349,041
Total operating expenses	<u>4,072,784</u>	<u>7,008,171</u>	<u>2,629,569</u>	<u>3,236,244</u>	<u>16,946,768</u>
Operating income (loss) before depreciation	521,763	3,886,028	932,662	(2,253,320)	3,087,133
Depreciation and amortization	<u>(254,550)</u>	<u>(2,271,109)</u>	<u>(915,817)</u>	<u>(87,895)</u>	<u>(3,529,371)</u>
Operating income (loss)	<u>267,213</u>	<u>1,614,919</u>	<u>16,845</u>	<u>(2,341,215)</u>	<u>(442,238)</u>
<b>Non-operating revenues(expenses):</b>					
Interest and investment earnings	8,199	344,357	6,006	1,498	360,060
Gain on sales and/or disposals of capital assets, net	1,000	3,832	-	-	4,832
Interest expense	(97,995)	(378,924)	(525,606)	-	(1,002,525)
Other, net	99,254	7,580	1,040	388	108,262
Total non-operating revenues(expenses)	<u>10,458</u>	<u>(23,155)</u>	<u>(518,560)</u>	<u>1,886</u>	<u>(529,371)</u>
Income (loss) before transfers	<u>277,671</u>	<u>1,591,764</u>	<u>(501,715)</u>	<u>(2,339,329)</u>	<u>(971,609)</u>
Transfers in	753,737	2,002,830	129,517	2,447,016	5,333,100
Transfers out	<u>(1,145,643)</u>	<u>(3,284,192)</u>	<u>(874,460)</u>	<u>(28,805)</u>	<u>(5,333,100)</u>
Change in net position	(114,235)	310,402	(1,246,658)	78,882	(971,609)
Net position (deficit), beginning of year, as restated	<u>(181,276)</u>	<u>44,963,267</u>	<u>(3,744,042)</u>	<u>2,443,324</u>	<u>43,481,273</u>
Net position (deficit), end of year	<u>\$ (295,511)</u>	<u>\$ 45,273,669</u>	<u>\$ (4,990,700)</u>	<u>\$ 2,522,206</u>	<u>\$ 42,509,664</u>

**VENTURA REGIONAL SANITATION DISTRICT  
SCHEDULE OF CASH FLOWS  
FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Water and Wastewater</u>	<u>Solid Waste</u>	<u>Biosolids</u>	<u>Administration</u>	<u>Total</u>
Cash flows from operating activities:					
Receipts from customers for disposal and sanitation services	\$ -	\$ 10,607,827	\$ 28,433	\$ -	\$ 10,636,260
Receipts from customers for contract services	4,282,849	-	3,255,181	979,518	8,517,548
Receipts from customers for utility electricity sales	-	-	281,678	-	281,678
Receipts for other services	117,306	283,691	26,413	4,431	431,841
Payments to vendors for materials and services	(1,219,889)	(3,825,954)	(2,043,037)	(1,223,230)	(8,312,110)
Payments for salaries, benefits and contract labor	(2,685,646)	(2,592,528)	(481,317)	(2,267,364)	(8,026,855)
Net cash provided by (used for) operating activities	<u>494,620</u>	<u>4,473,036</u>	<u>1,067,351</u>	<u>(2,506,645)</u>	<u>3,528,362</u>
Cash flows from non-capital financing activities:					
Transfers in (out)	(391,906)	(1,281,362)	(744,943)	2,418,211	-
Net cash provided by (used for) non-capital financing activities	<u>(391,906)</u>	<u>(1,281,362)</u>	<u>(744,943)</u>	<u>2,418,211</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(74,472)	(862,913)	(372,540)	(36,885)	(1,346,810)
Principal received on notes receivable	108,108	-	-	-	108,108
Proceeds from the sale of capital assets	2,171	4,933	-	-	7,104
Principal paid on capital debt	(107,903)	(719,546)	(945,069)	-	(1,772,518)
Interest paid on capital debt	(99,233)	(380,579)	(529,123)	-	(1,008,935)
Net cash provided by (used for) capital and related financing activities	<u>(171,329)</u>	<u>(1,958,105)</u>	<u>(1,846,732)</u>	<u>(36,885)</u>	<u>(4,013,051)</u>
Cash flows from investing activities:					
Interest on cash and cash equivalents	1,091	3,636	852	235	5,814
Interest and dividends from investments	7,108	343,863	5,154	6,343	362,468
Proceeds from sales and maturities of investments	-	12,957,979	-	1,396,961	14,354,940
Purchases of investments	-	(13,360,369)	-	(1,490,012)	(14,850,381)
Net cash provided by (used for) investing activities	<u>8,199</u>	<u>(54,891)</u>	<u>6,006</u>	<u>(86,473)</u>	<u>(127,159)</u>
Net increase (decrease) in cash and cash equivalents	(60,416)	1,178,678	(1,518,318)	(211,792)	(611,848)
Cash and cash equivalents (unrestricted and restricted), beginning of year	<u>(4,687,620)</u>	<u>18,358,404</u>	<u>(10,434,283)</u>	<u>(533,574)</u>	<u>2,702,927</u>
Cash and cash equivalents (unrestricted and restricted), end of year	<u>\$ (4,748,036)</u>	<u>\$ 19,537,082</u>	<u>\$ (11,952,601)</u>	<u>\$ (745,366)</u>	<u>\$ 2,091,079</u>
Reconciliation of cash and cash equivalents to statement of net position:					
Cash and cash equivalents	\$ (4,748,036)	\$ 19,389,585	\$ (11,952,601)	\$ (745,366)	\$ 1,943,582
Restricted cash and cash equivalents	-	147,497	-	-	147,497
Total cash and cash equivalents	<u>\$ (4,748,036)</u>	<u>\$ 19,537,082</u>	<u>\$ (11,952,601)</u>	<u>\$ (745,366)</u>	<u>\$ 2,091,079</u>

**VENTURA REGIONAL SANITATION DISTRICT  
SCHEDULE OF CASH FLOWS (CONTINUED)  
FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Water and Wastewater</u>	<u>Solid Waste</u>	<u>Biosolids</u>	<u>Administration</u>	<u>Total</u>
Reconciliation of operating income(loss) to net cash provided by (used for)					
operating activities:					
Operating income(loss)	\$ 267,213	\$ 1,614,919	\$ 16,845	\$ (2,341,215)	\$ (442,238)
Adjustments to reconcile operating income(loss) to net cash provided by					
(used for) operating activities:					
Deprecation and amortization	254,550	2,271,109	915,817	87,895	3,529,371
Other non-operating revenues and expenses, net	99,254	7,580	1,040	388	108,262
Changes in assets and liabilities:					
(Increase)decrease in assets:					
Accounts receivable – disposal and sanitation fees, net	-	(12,261)	28,433	-	16,172
Accounts receivable – contract services, net	(293,645)	-	-	637	(293,008)
Net OPEB asset	(21,606)	(18,544)	(3,816)	(15,344)	(59,310)
Prepaid and other	5,674	(11,070)	149	(2,031)	(7,278)
Increase (decrease) in liabilities:					
Accounts payable and accrued expenses	20,688	223,204	83,597	15,291	342,780
Accrued wages and compensated absences	162,492	117,932	25,286	(252,266)	53,444
Customer deposits	-	2,000	-	-	2,000
Tierra Rejada consortium reserve	-	(28,360)	-	-	(28,360)
Landfill closure/postclosure costs	-	306,527	-	-	306,527
Total adjustments	<u>227,407</u>	<u>2,858,117</u>	<u>1,050,506</u>	<u>(165,430)</u>	<u>3,970,600</u>
Net cash provided by (used for) operating activities	<u>\$ 494,620</u>	<u>\$ 4,473,036</u>	<u>\$ 1,067,351</u>	<u>\$ (2,506,645)</u>	<u>\$ 3,528,362</u>