

**ORANGE COUNTY WATER UTILITIES SYSTEM
STATEMENTS OF NET POSITION
APRIL 30 AND MARCH 31, 2017**

	APRIL	MARCH
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>		
Current assets:		
Cash and investments	\$ 106,671,981	\$ 108,719,978
Accrued interest receivable	242,853	242,853
Accounts receivable, net	19,068,306	17,259,504
Due from other governmental agencies	16,085,729	14,765,892
Inventories and prepaid costs	<u>20,176,919</u>	<u>20,716,852</u>
Total current assets	<u>162,245,788</u>	<u>161,705,079</u>
Restricted assets:		
Cash and investments	<u>50,291,193</u>	<u>51,558,176</u>
Capital assets:		
Land	102,599,376	102,549,144
Construction in progress	181,509,977	173,062,882
Buildings and improvements	2,048,147,110	2,039,105,151
Machinery and equipment	100,606,564	100,324,607
Intangible assets	76,705,620	76,704,645
Less accumulated depreciation and amortization	<u>(1,183,306,960)</u>	<u>(1,176,950,031)</u>
Total capital assets	<u>1,326,261,687</u>	<u>1,314,796,398</u>
Total noncurrent and restricted assets	<u>1,376,552,880</u>	<u>1,366,354,574</u>
Total assets	<u>1,538,798,668</u>	<u>1,528,059,653</u>
Deferred outflows of resources:		
Related to pensions	<u>12,466,757</u>	<u>12,466,757</u>
Total assets and deferred outflows of resources	<u>\$ 1,551,265,425</u>	<u>\$ 1,540,526,410</u>
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 15,012,098	\$ 14,470,052
Due to other governmental agencies	538,592	478,611
Net pension liability	<u>390,296</u>	<u>390,296</u>
Total current liabilities	<u>15,940,986</u>	<u>15,338,959</u>
Liabilities payable from restricted assets:		
Accrued interest payable on bonds and loans	416,769	1,587,000
Customer deposits	<u>9,829,148</u>	<u>9,816,297</u>
Total liabilities payable from restricted assets	<u>10,245,917</u>	<u>11,403,297</u>
Noncurrent liabilities:		
Compensated absences payable	1,378,011	1,378,011
Loans payable	82,451,302	81,131,466
Revenue bonds payable (net of unamortized costs)	93,583,021	93,667,867
Net pension liability	<u>35,383,798</u>	<u>35,383,798</u>
Total noncurrent liabilities	<u>212,796,132</u>	<u>211,561,142</u>
Total liabilities	<u>238,983,035</u>	<u>238,303,398</u>
Deferred inflows of resources:		
Related to pensions	<u>632,180</u>	<u>632,180</u>
Total liabilities and deferred inflows of resources	<u>239,615,215</u>	<u>238,935,578</u>
<u>NET POSITION</u>		
Net investment in capital assets	1,150,228,714	1,139,997,065
Restricted for debt service	40,043,926	40,154,879
Unrestricted	<u>121,377,570</u>	<u>121,438,888</u>
Total net position	<u>1,311,650,210</u>	<u>1,301,590,832</u>
Total liabilities and net position	<u>\$ 1,551,265,425</u>	<u>\$ 1,540,526,410</u>

**ORANGE COUNTY WATER UTILITIES SYSTEM
CASH AND INVESTMENTS DETAIL
APRIL 30 AND MARCH 31, 2017**

	<u>APRIL</u>	<u>MARCH</u>
Current:		
Revenue	\$ -	\$ -
Operation and maintenance	15	23
Reserve revenue	65,251,465	66,235,855
Water connection fees	10,207,254	9,970,161
Wastewater connection fees	31,211,647	32,512,338
Petty cash	<u>1,600</u>	<u>1,600</u>
Total current cash and investments	<u>106,671,981</u>	<u>108,719,978</u>
Restricted:		
Operation and maintenance reserve	24,654,618	24,669,533
Renewal and replacement	8,002,981	8,007,913
Bond reserve (1)	6,204,570	6,204,490
Bond interest	242,158	1,452,947
Loan debt service	595,945	646,104
Loan repayment reserve	760,423	760,892
Series 2016 account	1,350	-
Customer deposits	<u>9,829,148</u>	<u>9,816,297</u>
Total restricted cash and investments	<u>50,291,193</u>	<u>51,558,176</u>
Total cash and investments	<u>\$ 156,963,174</u>	<u>\$ 160,278,154</u>

Note: (1) The Bond Reserve requirement is prescribed in the bond covenants as the maximum annual debt service for all bonds outstanding, \$6,173,644. The amount reflected in this statement represents the current market value of this account.

**ORANGE COUNTY WATER UTILITIES SYSTEM
STATEMENT OF REVENUES, EXPENSES
AND CHANGE IN NET POSITION
FOR THE MONTH ENDED APRIL 30, 2017**

	<u>APRIL</u>	<u>FISCAL YEAR TO DATE</u>
Operating revenues:		
Water service	\$ 4,779,053	\$ 29,812,932
Wastewater service	10,461,782	69,933,399
Reclaimed water service	826,259	4,843,117
Miscellaneous	498,852	3,150,781
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Total operating revenues	16,565,946	107,740,229
Operating and maintenance expenses:		
Personal services	4,020,981	28,245,267
Contractual services	3,616,378	16,810,280
Materials and supplies	438,995	2,827,419
Utilities	688,938	6,884,614
Repairs and maintenance	1,419,027	7,521,190
Other administrative expenses	524,948	5,686,291
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Total operating and maintenance expenses	10,709,267	67,975,061
Operating income before depreciation	5,856,679	39,765,168
Depreciation and amortization	6,368,431	44,578,431
Operating loss	(511,752)	(4,813,263)
Nonoperating revenues (expenses):		
Interest revenue	164,147	918,896
Interest expense and fiscal charges	(226,705)	(1,613,949)
Gain on the disposal of assets	-	171,861
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Total net nonoperating expenses	(62,558)	(523,192)
Loss before contributions and transfers	(574,310)	(5,336,455)
Capital contributions	10,633,688	28,667,005
Transfers out	-	(8,200,000)
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Change in net position	10,059,378	15,130,550
Total net position, beginning of period	1,301,590,832	1,296,519,660
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Total net position, end of period	\$ 1,311,650,210	\$ 1,311,650,210
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See accompanying notes to financial statements

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING REVENUE DETAIL
FOR THE MONTH ENDED APRIL 30, 2017**

	APRIL BUDGET	APRIL ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 58%)
Water service:						
Residential	\$ 1,991,599	\$ 2,101,756	\$ 13,941,193	\$ 14,438,462	\$ 23,899,193	60%
Commercial	1,251,177	1,298,801	8,758,239	8,788,643	15,014,120	59%
Conservation surcharge	888,092	1,378,496	6,216,644	6,585,827	10,657,107	62%
Total water service	<u>4,130,868</u>	<u>4,779,053</u>	<u>28,916,076</u>	<u>29,812,932</u>	<u>49,570,420</u>	60%
Wastewater service:						
Residential	5,045,574	5,417,273	35,319,018	36,283,518	60,546,889	60%
Commercial	4,677,267	4,772,697	32,740,869	31,818,678	56,127,207	57%
Environmental surcharge	230,664	191,481	1,614,648	1,319,699	2,767,962	48%
Industrial	3,991	11,729	27,937	70,012	47,886	146%
Septic and portable	58,069	54,596	406,483	360,854	696,827	52%
Capacity maintenance fees	13,262	14,006	92,834	80,638	159,148	51%
Total wastewater service	<u>10,028,827</u>	<u>10,461,782</u>	<u>70,201,789</u>	<u>69,933,399</u>	<u>120,345,919</u>	58%
Reclaimed water service:						
Reclaimed service	572,330	809,324	4,006,310	4,721,690	6,867,957	69%
Reclaimed water-cooling tower	20,371	16,935	142,597	121,427	244,448	50%
Total reclaimed water service	<u>592,701</u>	<u>826,259</u>	<u>4,148,907</u>	<u>4,843,117</u>	<u>7,112,405</u>	68%
Miscellaneous:						
Initiate account service	43,397	41,872	303,779	282,306	520,763	54%
Turn off/on service	22,276	30,122	155,932	243,817	267,311	91%
Lien fee charges	371	680	2,597	2,620	4,448	59%
Meter removal/testing	4,335	5,042	30,345	29,476	52,015	57%
Meter/line damage	2,082	37,388	14,574	329,012	24,988	1317%
NSF charges	3,849	3,163	26,943	22,244	46,185	48%
Plans and specifications	75,667	63,224	529,669	441,433	908,008	49%
Charges to other funds	881	1,253	6,167	8,323	10,567	79%
Developer reimb of plan review	24,987	70,261	174,909	292,966	299,840	98%
Miscellaneous	119,116	245,847	833,812	1,498,584	1,429,387	105%
Total miscellaneous	<u>296,961</u>	<u>498,852</u>	<u>2,078,727</u>	<u>3,150,781</u>	<u>3,563,512</u>	88%
Total operating revenues	<u>\$ 15,049,357</u>	<u>\$ 16,565,946</u>	<u>\$ 105,345,499</u>	<u>\$ 107,740,229</u>	<u>\$ 180,592,256</u>	60%

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING AND MAINTENANCE EXPENSES DETAIL
FOR THE MONTH ENDED APRIL 30, 2017**

	APRIL BUDGET	APRIL ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 58%)
Personal services:						
Salaries	\$ 3,174,296	\$ 3,046,419	\$ 22,220,072	\$ 21,445,168	\$ 38,091,548	56%
Fringe benefits	1,167,682	974,562	8,173,774	6,800,099	14,012,186	49%
Total personal services	4,341,978	4,020,981	30,393,846	28,245,267	52,103,734	54%
Contractual services:						
Research and studies	83,044	873	581,308	49,576	996,525	5%
Legal services	21,563	56,232	150,941	141,873	258,753	55%
Indirect costs	483,753	526,143	3,386,271	3,683,070	5,805,040	63%
Purchased water	44,789	71,468	313,523	293,003	537,464	55%
Effluent disposal	167,989	213,119	1,175,923	1,148,289	2,015,865	57%
Comptroller fees	143,937	144,863	1,007,559	1,007,978	1,727,240	58%
Officer fees	1,398	754	9,786	4,014	16,774	24%
Payments to other governments	197,568	208,197	1,382,976	1,238,345	2,370,819	52%
Janitorial	37,621	32,393	263,347	200,774	451,446	44%
Employment agency	111,761	51,252	782,327	404,359	1,341,133	30%
Training	16,956	13,336	118,692	26,295	203,466	13%
Paving	161,965	326,846	1,133,755	932,439	1,943,575	48%
Software licensing/support fee	154,634	110,214	1,082,438	1,118,360	1,855,610	60%
Other professional fees	182,973	163,033	1,280,811	380,299	2,195,673	17%
Contractual services	1,644,553	1,697,655	11,511,871	6,181,606	19,734,630	31%
Total contractual services	3,454,504	3,616,378	24,181,528	16,810,280	41,454,013	41%
Materials and supplies:						
Graphic reproduction services	4,056	-	28,392	4,235	48,669	9%
Office supplies	12,987	11,755	90,909	53,712	155,844	34%
Event/meal reimbursement	443	250	3,101	2,021	5,310	38%
Software <\$1000	12,462	-	87,234	11,936	149,547	8%
Computer equipment <\$500	7,330	11,148	51,310	25,368	87,960	29%
Equipment <\$1000	22,287	17,921	156,009	132,146	267,443	49%
Tools	7,198	12,012	50,386	46,675	86,380	54%
Medical	153	-	1,071	593	1,840	32%
Liquid oxygen	14,996	10,731	104,972	53,885	179,954	30%
Chemical and pesticides	8	-	56	-	100	0%
Solar salt	15,050	20,866	105,350	126,526	180,600	70%
Chlorine	108,505	104,987	759,535	651,630	1,302,060	50%
Fluoride	15,058	-	105,406	50,066	180,700	28%
Alum	931	-	6,517	679	11,167	6%
Polymer	58,325	-	408,275	279,103	699,900	40%
Sealing chemicals	208	-	1,456	-	2,500	0%
Corrosion control	55,432	58,912	388,024	337,392	665,180	51%
Carbon dioxide	45,670	67,557	319,690	257,337	548,036	47%
Sodium hydroxide	42,277	31,786	295,939	142,779	507,323	28%
Supplemental carbon	26,163	-	183,141	-	313,956	0%
Miscellaneous chemicals	29,416	24,929	205,912	152,931	352,996	43%
Material for construction	26,218	6,099	183,526	27,851	314,613	9%
Clothing	14,790	16,506	103,530	80,581	177,478	45%
Gas-oil-lube-brfl-ant	14,495	834	101,465	80,292	173,936	46%
Miscellaneous expenses	56,837	42,702	397,859	309,681	682,043	45%
Total materials & supplies	591,295	438,995	4,139,065	2,827,419	7,095,535	40%

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING AND MAINTENANCE EXPENSES DETAIL, (continued)
FOR THE MONTH ENDED APRIL 30, 2017**

	APRIL BUDGET	APRIL ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 58%)
Utilities:						
Communications	\$ 65,148	\$ 56,905	\$ 456,036	\$ 410,007	\$ 781,774	52%
Water	9,468	6,188	66,276	63,916	113,613	56%
Solid waste tipping fees	41,115	40,010	287,805	317,824	493,384	64%
Garbage disposal	8,891	9,241	62,237	28,454	106,696	27%
Gas	14,021	8,024	98,147	63,190	168,254	38%
Electric	1,073,396	568,570	7,513,772	6,001,223	12,880,752	47%
Total utilities	1,212,039	688,938	8,484,273	6,884,614	14,544,473	47%
Repairs and maintenance:						
Building and grounds	577,922	516,681	4,045,454	2,587,480	6,935,061	37%
Roadway Systems	100	-	700	-	1,200	0%
Equipment	621,836	545,198	4,352,852	2,790,107	7,462,029	37%
Vehicle maintenance	373,977	327,758	2,617,839	2,072,326	4,487,728	46%
Services	42	-	294	-	500	0%
Mains	14,758	23,863	103,306	57,506	177,101	32%
Water meters	3,070	57	21,490	3,341	36,845	9%
Fire lines	17,940	-	125,580	824	215,281	0%
Meter installations	42	-	294	-	500	0%
Valves	5,652	5,470	39,564	9,606	67,821	14%
Utility relocations	42	-	294	-	500	0%
Total repairs & maintenance	1,615,381	1,419,027	11,307,667	7,521,190	19,384,566	39%
Other administrative:						
Local travel	2,229	1,490	15,603	8,647	26,748	32%
Out of county travel	2,387	2,980	16,709	7,935	28,645	28%
Postage and messenger services	64,808	5,798	453,656	466,932	777,693	60%
Toll charges	18,892	16,489	132,244	94,975	226,698	42%
Rental of equipment	46,317	53,423	324,219	282,166	555,800	51%
Dues and memberships	13,896	1,318	97,272	150,445	166,746	90%
Subscriptions	3,973	3,634	27,811	16,109	47,678	34%
Training fees	11,002	3,113	77,014	14,903	132,019	11%
License and certification	3,205	2,347	22,435	11,393	38,456	30%
Advertising	807	-	5,649	-	9,680	0%
Promotional	9,304	1,499	65,128	12,333	111,647	11%
Educational assistance	3,146	-	22,022	1,308	37,750	3%
Scholarships, awards	628	40	4,396	40	7,540	1%
Bad debt expense	40,135	40,898	280,945	362,350	481,619	75%
Bank charges	81,206	88,663	568,442	438,715	974,476	45%
Self insurance	245,254	245,254	1,716,778	1,716,777	2,943,046	58%
Refunds of prior year revenue	24,953	143	174,671	126,689	299,441	42%
Operating permits	11,654	-	81,578	-	139,849	0%
Accrued expenses	-	57,859	-	1,974,574	-	0%
Total other administrative	583,796	524,948	4,086,572	5,686,291	7,005,531	81%
Total O&M expenses	\$ 11,798,993	\$ 10,709,267	\$ 82,592,951	\$ 67,975,061	\$ 141,587,852	48%

**ORANGE COUNTY WATER UTILITIES SYSTEM
NON-OPERATING REVENUE AND EXPENSE DETAIL
FOR THE MONTH ENDED APRIL 30, 2017**

	APRIL BUDGET	APRIL ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 58%)
Interest revenue:						
Net revenue	\$ 92,472	\$ 153,994	\$ 647,304	\$ 770,759	\$ 1,109,666	69%
Connection fees	-	13,429	-	145,428	-	0%
Bond reserve	-	79	-	17,686	-	0%
Less: Customer deposits expense	-	(3,355)	-	(14,977)	-	0%
Total interest revenue	<u>92,472</u>	<u>164,147</u>	<u>647,304</u>	<u>918,896</u>	<u>1,109,666</u>	83%
Interest expense:						
Bonds and revolving loans	(503,086)	(311,487)	(3,521,602)	(2,206,938)	(6,037,026)	37%
Capital lease	(154)	(64)	(1,078)	(929)	(1,844)	50%
Debt service fees	(37,500)	-	(262,500)	-	(450,000)	0%
Amortization of bond premium	-	84,846	-	593,918	-	(1)
Total interest expense	<u>(540,740)</u>	<u>(226,705)</u>	<u>(3,785,180)</u>	<u>(1,613,949)</u>	<u>(6,488,870)</u>	25%
Gain on disposal of assets:						
Proceeds from sale	-	-	-	171,861	-	0%
Total gain on disposal of assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,861</u>	<u>-</u>	(1)
Total non-operating revenues (expenses)	<u>\$ (448,268)</u>	<u>\$ (62,558)</u>	<u>\$ (3,137,876)</u>	<u>\$ (523,192)</u>	<u>\$ (5,379,204)</u>	10%

(1) These are noncash items, and therefore not included in adopted budget.

**ORANGE COUNTY WATER UTILITIES SYSTEM
CAPITAL CONTRIBUTIONS DETAIL
FOR THE MONTH ENDED APRIL 30, 2017**

	APRIL BUDGET	APRIL ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 58%)
CONNECTION FEES COLLECTED:						
Water connection fees:						
Residential/Commercial	\$ 547,594	\$ 527,209	\$ 3,833,158	\$ 6,036,013	\$ 6,571,129	92%
Irrigation	28,207	48,395	197,449	342,335	338,486	101%
Total water connection fees	<u>575,801</u>	<u>575,604</u>	<u>4,030,607</u>	<u>6,378,348</u>	<u>6,909,615</u>	92%
Wastewater connection fees:						
Residential/Commercial	<u>1,206,025</u>	<u>1,054,559</u>	<u>8,442,175</u>	<u>13,165,921</u>	<u>14,472,301</u>	91%
Total wastewater connection fees	<u>1,206,025</u>	<u>1,054,559</u>	<u>8,442,175</u>	<u>13,165,921</u>	<u>14,472,301</u>	91%
Less reductions:						
Refunds of prior year collections	<u>(83,333)</u>	<u>(26,368)</u>	<u>(583,331)</u>	<u>(38,800)</u>	<u>(1,000,000)</u>	4%
Total reductions	<u>(83,333)</u>	<u>(26,368)</u>	<u>(583,331)</u>	<u>(38,800)</u>	<u>(1,000,000)</u>	4%
Net connection fees	<u>1,698,493</u>	<u>1,603,795</u>	<u>11,889,451</u>	<u>19,505,469</u>	<u>20,381,916</u>	96%
DONATED SYSTEMS:						
Developer fixed assets	-	9,017,952	-	9,097,451	-	0%
Developer reimbursements	-	136	-	17,880	-	0%
Line extensions	<u>-</u>	<u>11,805</u>	<u>-</u>	<u>46,205</u>	<u>-</u>	0%
Total donated systems	<u>-</u>	<u>9,029,893</u>	<u>-</u>	<u>9,161,536</u>	<u>-</u>	0%
Total capital contributions	<u>\$ 1,698,493</u>	<u>\$ 10,633,688</u>	<u>\$ 11,889,451</u>	<u>\$ 28,667,005</u>	<u>\$ 20,381,916</u>	141%

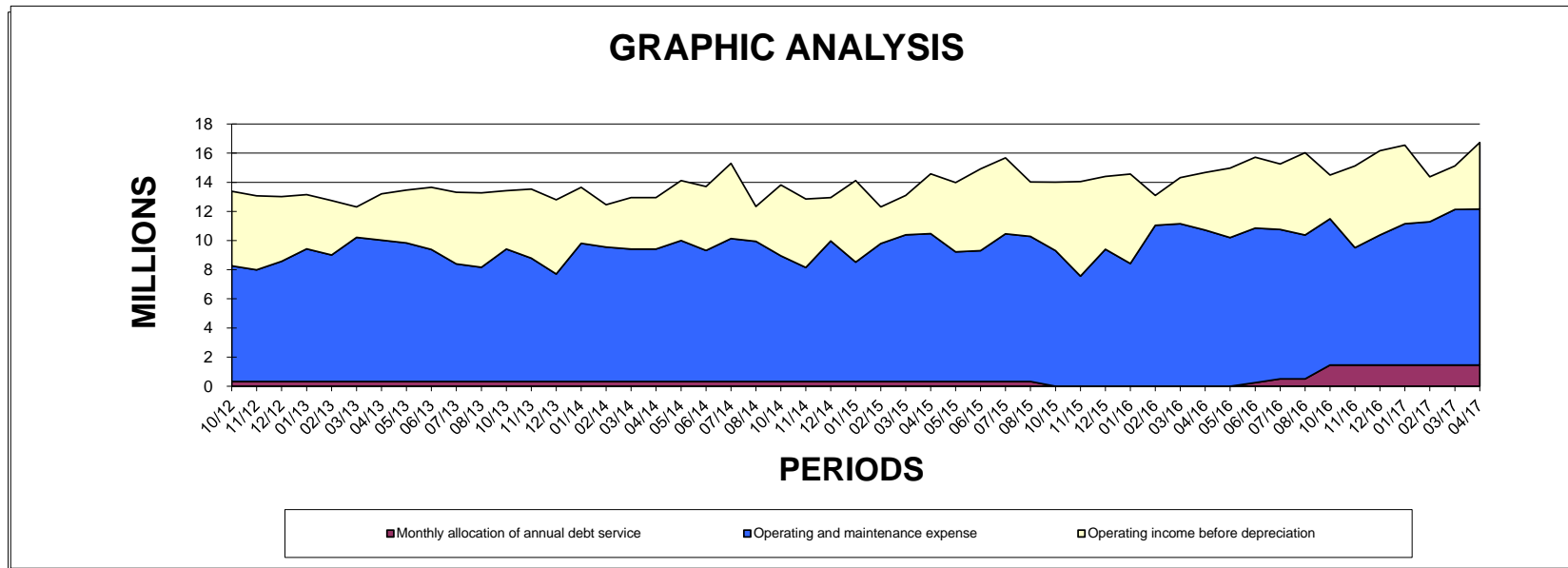
**ORANGE COUNTY WATER UTILITIES SYSTEM
OTHER DISBURSEMENTS DETAIL
FOR THE MONTH ENDED APRIL 30, 2017**

	APRIL BUDGET	APRIL ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 58%)
Capital outlay:						
Land	\$ 38,263	\$ 25,684	\$ 267,841	\$ 284,945	\$ 459,161	62%
Buildings	65,294	3,618	457,058	30,213	783,531	4%
Structures	13,817,856	8,450,897	96,724,992	41,872,451	165,814,271	25%
Equipment	672,982	335,570	4,710,874	2,087,068	8,075,787	26%
Total capital outlay	14,594,395	8,815,769	102,160,765	44,274,677	175,132,750	25%
Debt service principal	178,568	187,613	1,249,976	1,353,288	2,142,811	63%
Total other disbursements	<u>\$ 14,772,963</u>	<u>\$ 9,003,382</u>	<u>\$ 103,410,741</u>	<u>\$ 45,627,965</u>	<u>\$ 177,275,561</u>	26%

**ORANGE COUNTY WATER UTILITIES SYSTEM
ANALYTICAL DATA
FISCAL YEAR 2017**

	<u>Year to Date</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>
Operating Ratios												
Overall	0.63	0.69	0.54	0.55	0.59	0.69	0.71	0.65				
Water	0.82	1.00	0.69	0.74	0.75	1.04	0.84	0.75				
Wastewater	0.50	0.53	0.44	0.44	0.47	0.51	0.60	0.54				
Bond Coverage Ratios*	23.46	18.44	28.62	29.78	27.70	17.91	17.65	24.19				

*Net operating income (excluding connection fees) divided by the annual debt service payments. The bond resolution requires coverage of 1.10.



**ORANGE COUNTY WATER UTILITIES SYSTEM
NOTES TO FINANCIAL STATEMENTS
FOR THE MONTH ENDED APRIL 30, 2017**

Pursuant to Section 37-304 of Orange County Ordinance No. 92-10, water and wastewater capacity has been sold net of \$10.5 million in affordable multi-family housing discounts, since inception of the program. Pursuant to Orange County ordinance No. 94-21, the County also offers a discount on water & wastewater connection fees for each residential lot that receives service from a Reclaimed Water Distribution System. Since inception of this program water & wastewater capacity has been sold net of \$10.1 million.