

**ORANGE COUNTY WATER UTILITIES SYSTEM  
STATEMENTS OF NET POSITION  
FEBRUARY 28 AND JANUARY 31, 2019**

	FEBRUARY	JANUARY
<b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Current assets:		
Cash and investments	\$ 123,760,411	\$ 127,708,389
Accrued interest receivable	524,334	524,334
Accounts receivable, net	20,139,705	21,574,722
Due from other governmental agencies	3,235,831	3,235,831
Inventories and prepaid costs	9,991,967	10,017,264
Total current assets	157,652,248	163,060,540
Restricted assets:		
Cash and investments	58,671,248	59,333,525
Capital assets:		
Land	102,904,710	102,870,720
Construction in progress	284,451,963	272,781,210
Buildings and improvements	2,159,948,110	2,159,948,110
Machinery and equipment	103,051,948	101,889,101
Intangible assets	117,841,176	117,841,176
Less accumulated depreciation and amortization	(1,315,401,579)	(1,309,544,610)
Total capital assets	1,452,796,328	1,445,785,707
Total noncurrent and restricted assets	1,511,467,576	1,505,119,232
Total assets	1,669,119,824	1,668,179,772
Deferred outflows of resources:		
Related to pensions and OPEB	15,887,628	15,887,628
Total assets and deferred outflows of resources	\$ 1,685,007,452	\$ 1,684,067,400
<b><u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u></b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 25,490,453	\$ 26,166,431
Due to other governmental agencies	457,967	518,985
Net pension liability	322,654	322,654
Total current liabilities	26,271,074	27,008,070
Liabilities payable from restricted assets:		
Accrued interest payable on bonds and loans	1,403,824	1,661,794
Revenue bonds payable (net of unamortized costs)	3,430,000	3,430,000
Customer deposits	10,748,826	10,750,764
Total liabilities payable from restricted assets	15,582,650	15,842,558
Noncurrent liabilities:		
Compensated absences payable	1,540,394	1,540,394
Loans payable	96,123,458	96,123,458
Revenue bonds payable (net of unamortized costs)	85,078,621	85,152,027
Net pension and OPEB liability	43,144,585	43,144,585
Total noncurrent liabilities	225,887,058	225,960,464
Total liabilities	267,740,782	268,811,092
Deferred inflows of resources:		
Related to pensions and OPEB	4,002,361	4,002,361
Total liabilities and deferred inflows of resources	271,743,143	272,813,453
<b><u>NET POSITION</u></b>		
Net investment in capital assets	1,268,164,249	1,261,080,222
Restricted for debt service	46,518,598	46,920,967
Unrestricted	98,581,462	103,252,758
Total net position	1,413,264,309	1,411,253,947
Total liabilities and net position	\$ 1,685,007,452	\$ 1,684,067,400

**ORANGE COUNTY WATER UTILITIES SYSTEM  
CASH AND INVESTMENTS DETAIL  
FEBRUARY 28 AND JANUARY 31, 2019**

	<u>FEBRUARY</u>	<u>JANUARY</u>
Current:		
Reserve revenue	\$ 76,499,299	\$ 77,042,139
Water connection fees	24,219,812	26,605,207
Wastewater connection fees	23,036,200	24,055,943
Petty cash	5,100	5,100
Total current cash and investments	123,760,411	127,708,389
Restricted:		
Operation and maintenance reserve	28,409,129	28,159,171
Renewal and replacement	8,015,087	8,012,865
Bond reserve (1)	6,315,800	6,315,791
Bond principal	1,442,970	1,155,074
Bond interest	1,376,971	918,224
Loan debt service	1,600,892	3,260,274
Loan repayment reserve	761,573	761,362
Customer deposits	10,748,826	10,750,764
Total restricted cash and investments	58,671,248	59,333,525
Total cash and investments	\$ 182,431,659	\$ 187,041,914

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 FEBRUARY 28, 2019**

	<u>FEBRUARY</u>	<u>FISCAL YEAR TO DATE</u>
Operating revenues:		
Water service	\$ 4,105,337	\$ 22,469,984
Wastewater service	10,866,640	55,955,958
Reclaimed water service	619,463	3,861,707
Miscellaneous	643,992	3,085,318
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Total operating revenues	16,235,432	85,372,967
Operating and maintenance expenses:		
Personal services	4,087,115	23,286,580
Contractual services	2,458,979	10,201,791
Materials and supplies	631,018	2,089,744
Utilities	881,097	5,405,607
Repairs and maintenance	1,385,345	5,127,757
Other administrative expenses	472,429	4,831,148
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Total operating and maintenance expenses	9,915,983	50,942,627
Operating income before depreciation	6,319,449	34,430,340
Depreciation and amortization	5,867,519	29,337,519
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Operating income	451,930	5,092,821
Nonoperating revenues (expenses):		
Interest revenue	323,070	1,537,194
Interest expense and fiscal charges	(310,411)	(1,553,773)
Gain on disposal of assets	86,276	157,556
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Total net nonoperating revenues (expenses)	98,935	140,977
Income before contributions and transfers	550,865	5,233,798
Capital contributions	1,459,497	21,953,907
Transfers out	-	(8,900,000)
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Change in net position	2,010,362	18,287,705
Total net position, beginning of period	1,411,253,947	1,394,976,604
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Total net position, end of period	\$ 1,413,264,309	\$ 1,413,264,309
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See accompanying notes to financial statements

**ORANGE COUNTY WATER UTILITIES SYSTEM  
OPERATING REVENUE DETAIL  
FOR THE MONTH ENDED FEBRUARY 28, 2019**

	FEBRUARY BUDGET	FEBRUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 42%)
<b>Water service:</b>						
Residential	\$ 2,232,982	\$ 2,176,535	\$ 11,164,910	\$ 11,206,213	\$ 26,795,779	42%
Commercial	1,399,494	1,352,908	6,997,470	7,072,459	16,793,930	42%
Conservation surcharge	1,007,319	575,894	5,036,595	4,191,312	12,087,826	35%
Total water service	<u>4,639,795</u>	<u>4,105,337</u>	<u>23,198,975</u>	<u>22,469,984</u>	<u>55,677,535</u>	40%
<b>Wastewater service:</b>						
Residential	5,617,464	5,593,321	28,087,320	28,414,541	67,409,567	42%
Commercial	5,046,569	4,921,320	25,232,845	26,003,258	60,558,832	43%
Environmental surcharge	213,867	280,027	1,069,335	1,153,338	2,566,401	45%
Industrial	7,306	9,128	36,530	61,870	87,667	71%
Septic and portable	55,917	59,791	279,585	277,422	671,007	41%
Capacity maintenance fees	9,442	3,053	47,210	45,529	113,304	40%
Total wastewater service	<u>10,950,565</u>	<u>10,866,640</u>	<u>54,752,825</u>	<u>55,955,958</u>	<u>131,406,778</u>	43%
<b>Reclaimed water service:</b>						
Reclaimed service	820,620	604,252	4,103,100	3,775,586	9,847,435	38%
Reclaimed water-cooling tower	20,424	15,211	102,120	86,121	245,089	35%
Total reclaimed water service	<u>841,044</u>	<u>619,463</u>	<u>4,205,220</u>	<u>3,861,707</u>	<u>10,092,524</u>	38%
<b>Miscellaneous:</b>						
Initiate account service	44,592	36,704	222,960	196,352	535,105	37%
Turn off/on service	32,894	33,125	164,470	174,345	394,731	44%
Lien fee charges	469	360	2,345	1,760	5,630	31%
Meter removal/testing	4,196	4,966	20,980	17,325	50,347	34%
Meter/line damage	19,934	1,020	99,670	26,564	239,211	11%
NSF charges	4,008	5,255	20,040	30,237	48,091	63%
Plans and specifications	75,006	105,883	375,030	409,787	900,076	46%
Charges to other funds	1,388	802	6,940	5,239	16,653	31%
Developer reimb of plan review	45,388	41,366	226,940	256,176	544,653	47%
Cross Connection Control Program	226,259	217,425	1,131,295	1,075,905	2,715,113	40%
Miscellaneous	135,922	197,086	679,610	891,628	1,631,058	55%
Total miscellaneous	<u>590,056</u>	<u>643,992</u>	<u>2,950,280</u>	<u>3,085,318</u>	<u>7,080,668</u>	44%
Total operating revenues	<u>\$ 17,021,460</u>	<u>\$ 16,235,432</u>	<u>\$ 85,107,300</u>	<u>\$ 85,372,967</u>	<u>\$ 204,257,505</u>	42%

**ORANGE COUNTY WATER UTILITIES SYSTEM  
OPERATING AND MAINTENANCE EXPENSES DETAIL  
FOR THE MONTH ENDED FEBRUARY 28, 2019**

	FEBRUARY BUDGET	FEBRUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 42%)
<b>Personal services:</b>						
Salaries	\$ 3,467,351	\$ 3,024,688	\$ 17,336,755	\$ 17,612,033	\$ 41,608,212	42%
Fringe benefits	1,359,355	1,062,427	6,796,775	5,674,547	16,312,262	35%
<b>Total personal services</b>	<b>4,826,706</b>	<b>4,087,115</b>	<b>24,133,530</b>	<b>23,286,580</b>	<b>57,920,474</b>	<b>40%</b>
<b>Contractual services:</b>						
Research and studies	115,978	27,883	579,890	87,666	1,391,733	6%
Legal services	11,582	-	57,910	-	138,978	0%
Indirect costs	620,092	620,092	3,100,460	3,100,458	7,441,099	42%
Purchased water	91,800	16,969	459,000	376,502	1,101,594	34%
Effluent disposal	264,173	156,271	1,320,865	817,765	3,170,072	26%
Comptroller fees	155,727	155,727	778,635	778,635	1,868,724	42%
Officer fees	761	420	3,805	1,754	9,130	19%
Payments to other governments	316,829	241,727	1,584,145	1,125,757	3,801,947	30%
Janitorial	42,885	7,020	214,425	93,202	514,615	18%
Employment agency	112,435	101,657	562,175	294,273	1,349,220	22%
Training	26,418	1,499	132,090	10,516	317,010	3%
Paving	139,904	254,554	699,520	534,678	1,678,852	32%
Software licensing/support fee	195,983	64,734	979,915	490,062	2,351,794	21%
Other professional fees	237,757	118,206	1,188,785	184,511	2,853,078	6%
Contractual services	1,904,709	692,220	9,523,545	2,306,012	22,856,513	10%
<b>Total contractual services</b>	<b>4,237,033</b>	<b>2,458,979</b>	<b>21,185,165</b>	<b>10,201,791</b>	<b>50,844,359</b>	<b>20%</b>
<b>Materials and supplies:</b>						
Graphic reproduction services	5,194	10,426	25,970	10,426	62,331	17%
Office supplies	13,517	14,484	67,585	39,426	162,201	24%
Event/meal reimbursement	309	375	1,545	1,334	3,710	36%
Software <\$1000	4,544	-	22,720	4,217	54,527	8%
Computer equipment <\$500	5,876	3,650	29,380	10,455	70,509	15%
Equipment <\$1000	26,678	34,197	133,390	92,826	320,131	29%
Tools	10,014	23,125	50,070	43,301	120,169	36%
Medical	133	-	665	-	1,600	0%
Liquid oxygen	16,834	-	84,170	23,205	202,004	11%
Chemical and pesticides	8	-	40	-	100	0%
Solar salt	23,336	-	116,680	27,241	280,027	10%
Chlorine	159,775	280,951	798,875	617,395	1,917,300	32%
Fluoride	15,480	4,410	77,400	22,340	185,760	12%
Alum	4,961	-	24,805	3,842	59,528	6%
Polymer	88,663	37,251	443,315	224,527	1,063,954	21%
Sealing chemicals	208	-	1,040	-	2,500	0%
Corrosion control	60,315	23,923	301,575	198,944	723,779	27%
Carbon dioxide	49,205	-	246,025	160,522	590,460	27%
Sodium hydroxide	42,271	46,031	211,355	146,050	507,248	29%
Supplemental carbon	33,409	56,475	167,045	108,989	400,907	27%
Miscellaneous chemicals	31,579	21,127	157,895	56,378	378,944	15%
Material for construction	28,957	-	144,785	23,793	347,483	7%
Clothing	20,417	18,041	102,085	66,811	244,998	27%
Gas-oil-lube-brfl-ant	26,324	5,658	131,620	32,913	315,885	10%
Miscellaneous expenses	70,562	50,894	352,810	174,809	846,746	21%
<b>Total materials &amp; supplies</b>	<b>738,569</b>	<b>631,018</b>	<b>3,692,845</b>	<b>2,089,744</b>	<b>8,862,801</b>	<b>24%</b>

**ORANGE COUNTY WATER UTILITIES SYSTEM  
OPERATING AND MAINTENANCE EXPENSES DETAIL, (continued)  
FOR THE MONTH ENDED FEBRUARY 28, 2019**

	FEBRUARY BUDGET	FEBRUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 42%)
<b>Utilities:</b>						
Communications	\$ 69,232	\$ 40,185	\$ 346,160	\$ 228,913	\$ 830,784	28%
Water	9,878	15,502	49,390	35,090	118,536	30%
Solid waste tipping fees	41,398	32,963	206,990	86,255	496,780	17%
Garbage disposal	5,664	3,742	28,320	7,876	67,968	12%
Gas	14,678	18,325	73,390	40,797	176,132	23%
Electric	1,110,325	770,380	5,551,625	5,006,676	13,323,899	38%
<b>Total utilities</b>	<b>1,251,175</b>	<b>881,097</b>	<b>6,255,875</b>	<b>5,405,607</b>	<b>15,014,099</b>	<b>36%</b>
<b>Repairs and maintenance:</b>						
Building and grounds	592,179	397,395	2,960,895	1,936,993	7,106,148	27%
Equipment	706,482	639,454	3,532,410	1,577,366	8,477,789	19%
Vehicle maintenance	366,762	301,774	1,833,810	1,309,895	4,401,146	30%
Services	101,710	362	508,550	117,110	1,220,515	10%
Mains	75,973	14,159	379,865	120,192	911,671	13%
Water meters	13,497	-	67,485	-	161,965	0%
Fire lines	30,269	31,401	151,345	58,601	363,230	16%
Meter installations	42	-	210	-	500	0%
Valves	95,978	800	479,890	7,600	1,151,730	1%
Utility relocations	42	-	210	-	500	0%
<b>Total repairs &amp; maintenance</b>	<b>1,982,934</b>	<b>1,385,345</b>	<b>9,914,670</b>	<b>5,127,757</b>	<b>23,795,194</b>	<b>22%</b>
<b>Other administrative:</b>						
Local travel	2,371	1,237	11,855	5,884	28,456	21%
Out of county travel	3,365	522	16,825	2,091	40,375	5%
Postage and messenger services	71,820	7,354	359,100	278,978	861,845	32%
Toll charges	19,128	21,105	95,640	81,299	229,532	35%
Rental of equipment	79,664	92,303	398,320	215,832	955,969	23%
Dues and memberships	13,872	5,538	69,360	64,092	166,462	39%
Subscriptions	2,306	102	11,530	5,840	27,672	21%
Training fees	13,484	10,207	67,420	51,874	161,808	32%
License and certification	3,540	705	17,700	4,967	42,474	12%
Advertising	1,243	760	6,215	760	14,920	5%
Promotional	9,803	-	49,015	15,701	117,635	13%
Educational assistance	2,875	2,348	14,375	7,986	34,500	23%
Scholarships, awards	638	180	3,190	180	7,655	2%
Improvements to non-county assets	15,934	-	79,670	37,900	191,209	20%
Bad debt expense	41,817	(63,907)	209,085	47,821	501,800	10%
Bank charges	92,319	101,934	461,595	311,055	1,107,822	28%
Self insurance	257,647	257,647	1,288,235	1,288,233	3,091,758	42%
Refunds of prior year revenue	25,000	759	125,000	123,516	300,000	41%
Operating permits	11,654	-	58,270	-	139,849	0%
Accrued expenses	-	33,635	-	2,287,139	-	0%
<b>Total other administrative</b>	<b>668,480</b>	<b>472,429</b>	<b>3,342,400</b>	<b>4,831,148</b>	<b>8,021,741</b>	<b>60%</b>
<b>Total O&amp;M expenses</b>	<b>\$ 13,704,897</b>	<b>\$ 9,915,983</b>	<b>\$ 68,524,485</b>	<b>\$ 50,942,627</b>	<b>\$ 164,458,668</b>	<b>31%</b>

**ORANGE COUNTY WATER UTILITIES SYSTEM  
NON-OPERATING REVENUE AND EXPENSE DETAIL  
FOR THE MONTH ENDED FEBRUARY 28, 2019**

	FEBRUARY BUDGET	FEBRUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 42%)
<b>Interest revenue:</b>						
Net revenue	\$ 171,741	\$ 274,599	\$ 858,705	\$ 1,298,520	\$ 2,060,889	63%
Connection fees	-	68,319	-	332,160	-	0%
Bond reserve	-	10	-	(2,166)	-	0%
Less: Customer deposits expense	-	(19,858)	-	(91,320)	-	0%
<b>Total interest revenue</b>	<b>171,741</b>	<b>323,070</b>	<b>858,705</b>	<b>1,537,194</b>	<b>2,060,889</b>	<b>75%</b>
<b>Interest expense:</b>						
Bonds and revolving loans	(424,121)	(383,754)	(2,120,605)	(1,920,521)	(5,089,453)	38%
Capital lease	(128)	(63)	(640)	(280)	(1,541)	18%
Debt service fees	(201,474)	-	(1,007,370)	-	(2,417,689)	0%
Amortization of bond premium	-	73,406	-	367,028	-	(1)
<b>Total interest expense</b>	<b>(625,723)</b>	<b>(310,411)</b>	<b>(3,128,615)</b>	<b>(1,553,773)</b>	<b>(7,508,683)</b>	<b>21%</b>
<b>Gain on disposal of assets:</b>						
Proceeds from sale	-	86,421	-	156,001	-	0%
Gain (loss) on disposal of fixed assets	-	(145)	-	1,555	-	(1)
<b>Total gain on disposal of assets</b>	<b>-</b>	<b>86,276</b>	<b>-</b>	<b>157,556</b>	<b>-</b>	<b>(1)</b>
<b>Total non-operating revenues (expenses)</b>	<b>\$ (453,982)</b>	<b>\$ 98,935</b>	<b>\$ (2,269,910)</b>	<b>\$ 140,977</b>	<b>\$ (5,447,794)</b>	<b>-3%</b>

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

**ORANGE COUNTY WATER UTILITIES SYSTEM  
CAPITAL CONTRIBUTIONS DETAIL  
FOR THE MONTH ENDED FEBRUARY 28, 2019**

	<u>FEBRUARY BUDGET</u>	<u>FEBRUARY ACTUAL</u>	<u>FISCAL YTD BUDGET</u>	<u>FISCAL YTD ACTUAL</u>	<u>ANNUAL BUDGET</u>	<u>FISCAL YTD (STD 42%)</u>
<b>CONNECTION FEES COLLECTED:</b>						
Water connection fees:						
Residential/Commercial	\$ 862,460	\$ 496,844	\$ 4,312,300	\$ 7,114,386	\$ 10,349,514	69%
Irrigation	49,789	44,818	248,945	228,458	597,468	38%
Total water connection fees	<u>912,249</u>	<u>541,662</u>	<u>4,561,245</u>	<u>7,342,844</u>	<u>10,946,982</u>	67%
Wastewater connection fees:						
Residential/Commercial	<u>1,524,177</u>	<u>901,199</u>	<u>7,620,885</u>	<u>14,540,558</u>	<u>18,290,123</u>	79%
Total wastewater connection fees	<u>1,524,177</u>	<u>901,199</u>	<u>7,620,885</u>	<u>14,540,558</u>	<u>18,290,123</u>	79%
Less reductions:						
Refunds of prior year collections	<u>(83,333)</u>	<u>-</u>	<u>(416,665)</u>	<u>(9,446)</u>	<u>(1,000,000)</u>	1%
Total reductions	<u>(83,333)</u>	<u>-</u>	<u>(416,665)</u>	<u>(9,446)</u>	<u>(1,000,000)</u>	1%
Net connection fees	<u>2,353,093</u>	<u>1,442,861</u>	<u>11,765,465</u>	<u>21,873,956</u>	<u>28,237,105</u>	77%
<b>DONATED SYSTEMS:</b>						
Developer fixed assets	-	8,711	-	43,555	-	0%
Developer reimbursements	-	-	-	136	-	0%
Line extensions	<u>-</u>	<u>7,925</u>	<u>-</u>	<u>36,260</u>	<u>-</u>	0%
Total donated systems	<u>-</u>	<u>16,636</u>	<u>-</u>	<u>79,951</u>	<u>-</u>	0%
Total capital contributions	<u>\$ 2,353,093</u>	<u>\$ 1,459,497</u>	<u>\$ 11,765,465</u>	<u>\$ 21,953,907</u>	<u>\$ 28,237,105</u>	78%



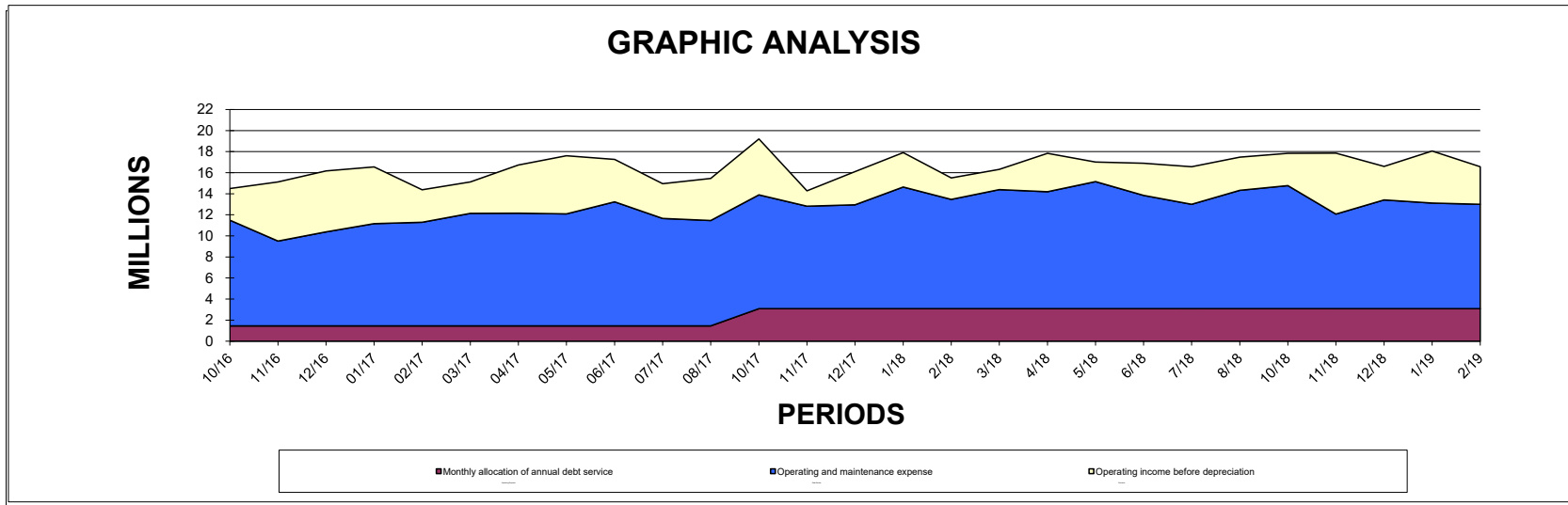
**ORANGE COUNTY WATER UTILITIES SYSTEM  
OTHER DISBURSEMENTS DETAIL  
FOR THE MONTH ENDED FEBRUARY 28, 2019**

	FEBRUARY BUDGET	FEBRUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 42%)
Capital outlay:						
Land	\$ 40,941	\$ 33,990	\$ 204,705	\$ 268,915	\$ 491,297	55%
Buildings	179,514	30,155	897,570	69,087	2,154,169	3%
Structures	12,984,649	11,640,598	64,923,245	28,442,995	155,815,789	18%
Equipment	973,134	1,173,544	4,865,670	2,433,736	11,677,602	21%
Total capital outlay	14,178,238	12,878,287	70,891,190	31,214,733	170,138,857	18%
Debt service principal	634,951	757,035	3,174,755	3,783,426	7,619,417	50%
Total other disbursements	<u>\$ 14,813,189</u>	<u>\$ 13,635,322</u>	<u>\$ 74,065,945</u>	<u>\$ 34,998,159</u>	<u>\$ 177,758,274</u>	20%

**ORANGE COUNTY WATER UTILITIES SYSTEM  
ANALYTICAL DATA  
FISCAL YEAR 2019**

	<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	0.60	0.67	0.51	0.63	0.56	0.61						
Water	0.80	0.90	0.78	0.86	0.73	0.71						
Wastewater	0.49	0.55	0.40	0.48	0.47	0.53						
Bond Coverage Ratios*	13.39	11.28	16.66	11.60	15.11	12.29						

\*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 FEBRUARY 28, 2019**

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 \$12.6 million.