

**ORANGE COUNTY WATER UTILITIES SYSTEM
STATEMENTS OF NET POSITION
MARCH 31 AND FEBRUARY 29, 2020**

	MARCH	FEBRUARY
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>		
Current assets:		
Cash and investments	\$ 73,754,459	\$ 78,330,875
Accrued interest receivable	533,815	533,815
Accounts receivable, net	20,582,329	20,849,309
Due from other governmental agencies	6,105,283	5,606,803
Inventories and prepaid costs	13,677,326	10,050,340
Total current assets	114,653,212	115,371,142
Restricted assets:		
Cash and investments	61,399,233	61,311,607
Capital assets:		
Land	102,950,141	102,948,980
Construction in progress	254,862,419	257,374,815
Buildings and improvements	2,354,348,952	2,343,193,084
Machinery and equipment	103,408,334	100,660,631
Intangible assets	152,054,394	147,366,194
Less accumulated depreciation and amortization	(1,398,257,940)	(1,391,616,822)
Total capital assets	1,569,366,300	1,559,926,882
Total noncurrent and restricted assets	1,630,765,533	1,621,238,489
Total assets	1,745,418,745	1,736,609,631
Deferred outflows of resources:		
Related to pensions and OPEB	16,034,954	16,034,954
Total assets and deferred outflows of resources	\$ 1,761,453,699	\$ 1,752,644,585
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 31,450,668	\$ 29,439,903
Due to other governmental agencies	530,944	501,434
Net pension liability	246,180	246,180
Total current liabilities	32,227,792	30,187,517
Liabilities payable from restricted assets:		
Accrued interest payable on bonds and loans	1,465,650	1,327,512
Revenue bonds payable (net of unamortized costs)	3,600,000	3,600,000
Customer deposits	11,057,517	11,054,195
Total liabilities payable from restricted assets	16,123,167	15,981,707
Noncurrent liabilities:		
Compensated absences payable	1,490,789	1,490,789
Loans payable	93,934,392	93,435,912
Revenue bonds payable (net of unamortized costs)	80,594,001	80,655,798
Net pension and OPEB liability	50,848,035	50,848,035
Total noncurrent liabilities	226,867,217	226,430,534
Total liabilities	275,218,176	272,599,758
Deferred inflows of resources:		
Related to pensions and OPEB	3,703,403	3,703,403
Total liabilities and deferred inflows of resources	278,921,579	276,303,161
<u>NET POSITION</u>		
Net investment in capital assets	1,391,237,907	1,382,235,172
Restricted for debt service	48,876,066	48,929,900
Unrestricted	42,418,147	45,176,352
Total net position	1,482,532,120	1,476,341,424
Total liabilities and net position	\$ 1,761,453,699	\$ 1,752,644,585

**ORANGE COUNTY WATER UTILITIES SYSTEM
CASH AND INVESTMENTS DETAIL
MARCH 31 AND FEBRUARY 29, 2020**

	<u>MARCH</u>	<u>FEBRUARY</u>
Current:		
Reserve revenue	\$ 43,679,637	\$ 48,289,267
Water connection fees	1,270,846	1,505,390
Wastewater connection fees	28,798,876	28,531,118
Petty cash	<u>5,100</u>	<u>5,100</u>
Total current cash and investments	<u>73,754,459</u>	<u>78,330,875</u>
Restricted:		
Operation and maintenance reserve	30,642,772	30,616,272
Renewal and replacement	8,014,679	8,007,620
Bond reserve (1)	6,538,442	6,477,187
Bond principal	1,800,000	1,508,305
Bond interest	1,285,572	1,289,939
Loan debt service	1,298,716	1,597,225
Loan repayment reserve	761,535	760,864
Customer deposits	<u>11,057,517</u>	<u>11,054,195</u>
Total restricted cash and investments	<u>61,399,233</u>	<u>61,311,607</u>
Total cash and investments	<u>\$ 135,153,692</u>	<u>\$ 139,642,482</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 MARCH 31, 2020**

	<u>MARCH</u>	<u>FISCAL YEAR TO DATE</u>
Operating revenues:		
Water service	\$ 4,676,767	\$ 27,990,043
Wastewater service	11,435,949	69,596,187
Reclaimed water service	898,673	5,246,392
Miscellaneous	723,690	3,950,516
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Total operating revenues	17,735,079	106,783,138
Operating and maintenance expenses:		
Personal services	5,033,713	29,225,152
Contractual services	3,197,696	14,761,225
Materials and supplies	833,405	3,808,899
Utilities	1,201,475	7,028,548
Repairs and maintenance	2,125,078	10,217,364
Other administrative expenses	649,838	6,888,653
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Total operating and maintenance expenses	13,041,205	71,929,841
Operating income before depreciation	4,693,874	34,853,297
Depreciation and amortization	7,128,417	41,361,621
Operating loss	<u>(2,434,543)</u>	<u>(6,508,324)</u>
Nonoperating revenues (expenses):		
Interest revenue	290,261	1,488,596
Interest expense and fiscal charges	(301,633)	(1,828,843)
Gain on disposal of assets	330,064	586,154
Federal and state grants	1,137	1,137
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Total net nonoperating revenues (expenses)	319,829	247,044
Loss before contributions and transfers	(2,114,714)	(6,261,280)
Capital contributions	8,305,410	28,928,044
Transfers out	-	(8,900,000)
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Change in net position	6,190,696	13,766,764
Total net position, beginning of period	<hr/> 1,476,341,424	<hr/> 1,468,765,356
Total net position, end of period	<u>\$ 1,482,532,120</u>	<u>\$ 1,482,532,120</u>

See accompanying notes to financial statements

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING REVENUE DETAIL
FOR THE MONTH ENDED MARCH 31, 2020**

	MARCH BUDGET	MARCH ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 50%)
Water service:						
Residential	\$ 2,304,038	\$ 2,381,237	\$ 13,824,228	\$ 14,090,661	\$ 27,648,456	51%
Commercial	1,523,887	1,397,728	9,143,322	8,708,028	18,286,649	48%
Conservation surcharge	849,121	897,802	5,094,726	5,191,354	10,189,452	51%
Total water service	<u>4,677,046</u>	<u>4,676,767</u>	<u>28,062,276</u>	<u>27,990,043</u>	<u>56,124,557</u>	50%
Wastewater service:						
Residential	5,904,933	6,024,692	35,429,598	35,859,687	70,859,190	51%
Commercial	5,528,375	5,222,239	33,170,250	32,125,966	66,340,505	48%
Environmental surcharge	241,219	123,354	1,447,314	1,181,943	2,894,633	41%
Industrial	16,383	1,959	98,298	16,255	196,599	8%
Septic and portable	58,936	59,564	353,616	351,940	707,232	50%
Capacity maintenance fees	11,876	4,141	71,256	60,396	142,512	42%
Total wastewater service	<u>11,761,722</u>	<u>11,435,949</u>	<u>70,570,332</u>	<u>69,596,187</u>	<u>141,140,671</u>	49%
Reclaimed water service:						
Residential	423,446	430,467	2,540,676	2,500,963	5,081,347	49%
Commercial	427,974	433,256	2,567,844	2,630,333	5,135,687	51%
Reclaimed water-cooling tower	25,745	34,950	154,470	115,096	308,943	37%
Total reclaimed water service	<u>877,165</u>	<u>898,673</u>	<u>5,262,990</u>	<u>5,246,392</u>	<u>10,525,977</u>	50%
Miscellaneous:						
Initiate account service	45,532	41,779	273,192	231,683	546,384	42%
Turn off/on service	32,829	15,486	196,974	168,862	393,946	43%
Lien fee charges	424	260	2,544	2,320	5,085	46%
Meter removal/testing	3,764	2,980	22,584	18,522	45,165	41%
Meter/line damage	14,804	1,020	88,824	11,285	177,646	6%
NSF charges	4,424	6,516	26,544	35,853	53,088	68%
Plans and specifications	69,365	119,872	416,190	666,671	832,381	80%
Charges to other funds	1,311	1,579	7,866	7,916	15,731	50%
Developer reimb of plan review	50,539	52,647	303,234	420,872	606,466	69%
Cross Connection Control Program	229,858	226,672	1,379,148	1,341,740	2,758,296	49%
Miscellaneous	145,942	254,879	875,652	1,044,792	1,751,304	60%
Total miscellaneous	<u>598,792</u>	<u>723,690</u>	<u>3,592,752</u>	<u>3,950,516</u>	<u>7,185,492</u>	55%
Total operating revenues	<u>\$ 17,914,725</u>	<u>\$ 17,735,079</u>	<u>\$ 107,488,350</u>	<u>\$ 106,783,138</u>	<u>\$ 214,976,697</u>	50%

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING AND MAINTENANCE EXPENSES DETAIL
FOR THE MONTH ENDED MARCH 31, 2020**

	MARCH BUDGET	MARCH ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 50%)
Personal services:						
Salaries	\$ 3,654,880	\$ 3,504,064	\$ 21,929,280	\$ 21,748,551	\$ 43,858,564	50%
Fringe benefits	1,480,691	1,529,649	8,884,146	7,476,601	17,768,293	42%
Total personal services	5,135,571	5,033,713	30,813,426	29,225,152	61,626,857	47%
Contractual services:						
Research and studies	118,846	17,148	713,076	72,010	1,426,156	5%
Legal services	11,582	235	69,492	1,888	138,978	1%
Indirect costs	647,199	647,199	3,883,194	3,883,193	7,766,386	50%
Purchased water	103,754	85,530	622,524	440,178	1,245,049	35%
Effluent disposal	274,274	165,029	1,645,644	929,303	3,291,289	28%
Comptroller fees	144,293	144,293	865,758	865,761	1,731,521	50%
Officer fees	761	261	4,566	2,556	9,130	28%
Payments to other governments	320,807	511,828	1,924,842	1,765,880	3,849,679	46%
Janitorial	38,579	33,843	231,474	161,117	462,943	35%
Employment agency	115,089	104,596	690,534	443,921	1,381,062	32%
Training	25,421	3,260	152,526	35,904	305,052	12%
Paving	182,685	32,186	1,096,110	610,762	2,192,221	28%
Software licensing/support fee	199,045	238,580	1,194,270	1,147,467	2,388,543	48%
Other professional fees	281,883	102,068	1,691,298	293,568	3,382,597	9%
Contractual services	1,882,623	1,111,640	11,295,738	4,107,717	22,591,474	18%
Total contractual services	4,346,841	3,197,696	26,081,046	14,761,225	52,162,080	28%
Materials and supplies:						
Graphic reproduction services	5,286	6,645	31,716	11,639	63,433	18%
Office supplies	13,922	21,798	83,532	49,586	167,059	30%
Event/meal reimbursement	301	321	1,806	1,174	3,610	33%
Software <\$1000	10,382	-	62,292	-	124,579	0%
Computer equipment <\$500	4,480	1,075	26,880	17,327	53,760	32%
Equipment <\$1000	25,279	19,539	151,674	77,466	303,346	26%
Tools	11,529	25,545	69,174	72,328	138,352	52%
Medical	96	-	576	-	1,150	0%
Liquid oxygen	15,017	7,021	90,102	40,475	180,206	22%
Chemical and pesticides	8	-	48	-	100	0%
Solar salt	23,710	16,828	142,260	91,800	284,524	32%
Chlorine	184,123	164,714	1,104,738	918,252	2,209,479	42%
Fluoride	16,985	3,143	101,910	19,687	203,820	10%
Alum	4,218	2,452	25,308	31,921	50,614	63%
Polymer	93,873	166,133	563,238	686,910	1,126,480	61%
Sealing chemicals	417	-	2,502	-	5,000	0%
Corrosion control	67,667	48,717	406,002	302,955	812,007	37%
Carbon dioxide	52,485	36,984	314,910	246,321	629,824	39%
Sodium hydroxide	43,800	22,951	262,800	190,454	525,598	36%
Supplemental carbon	50,835	105,643	305,010	332,040	610,022	54%
Miscellaneous chemicals	32,520	36,133	195,120	72,859	390,245	19%
Material for construction	29,015	8,175	174,090	139,106	348,174	40%
Clothing	20,963	17,987	125,778	100,717	251,559	40%
Gas-oil-lube-brfl-ant	21,480	18,299	128,880	50,242	257,762	19%
Miscellaneous expenses	86,870	103,302	521,220	355,640	1,042,436	34%
Total materials & supplies	815,261	833,405	4,891,566	3,808,899	9,783,139	39%

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING AND MAINTENANCE EXPENSES DETAIL, (continued)
FOR THE MONTH ENDED MARCH 31, 2020**

	MARCH BUDGET	MARCH ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 50%)
Utilities:						
Communications	\$ 72,512	\$ 68,221	\$ 435,072	\$ 428,135	\$ 870,139	49%
Water	9,952	8,290	59,712	64,611	119,424	54%
Solid waste tipping fees	41,398	-	248,388	114,022	496,780	23%
Garbage disposal	6,756	1,821	40,536	17,253	81,076	21%
Gas	17,073	1,875	102,438	35,333	204,877	17%
Electric	1,175,617	1,121,268	7,053,702	6,369,194	14,107,409	45%
Total utilities	1,323,308	1,201,475	7,939,848	7,028,548	15,879,705	44%
Repairs and maintenance:						
Building and grounds	654,285	772,589	3,925,710	4,223,064	7,851,424	54%
Equipment	761,819	763,608	4,570,914	3,342,753	9,141,830	37%
Vehicle maintenance	378,426	338,022	2,270,556	1,668,914	4,541,113	37%
Services	101,710	168,595	610,260	169,027	1,220,515	14%
Mains	138,612	76,254	831,672	752,841	1,663,345	45%
Water meters	19,747	4,997	118,482	24,981	236,965	11%
Fire lines	16,969	-	101,814	30,950	203,628	15%
Meter installations	42	-	252	-	500	0%
Valves	153,893	1,013	923,358	4,834	1,846,720	0%
Utility relocations	42	-	252	-	500	0%
Total repairs & maintenance	2,225,545	2,125,078	13,353,270	10,217,364	26,706,540	38%
Other administrative:						
Local travel	2,563	1,831	15,378	9,811	30,756	32%
Out of county travel	3,650	1,534	21,900	5,346	43,800	12%
Postage and messenger services	80,252	220,523	481,512	458,450	963,023	48%
Toll charges	19,773	20,659	118,638	98,882	237,279	42%
Rental of equipment	95,808	71,489	574,848	366,093	1,149,690	32%
Dues and memberships	13,753	5,713	82,518	151,673	165,032	92%
Subscriptions	2,524	1,694	15,144	4,048	30,293	13%
Training fees	15,209	26,308	91,254	72,257	182,511	40%
License and certification	2,186	643	13,116	4,370	26,229	17%
Leases-bldgs	600	-	3,600	-	7,194	0%
Advertising	1,138	-	6,828	3,535	13,660	26%
Promotional	10,285	7,364	61,710	27,457	123,416	22%
Educational assistance	2,979	-	17,874	3,972	35,750	11%
Scholarships, awards	633	-	3,798	199	7,590	3%
Improvements to non-county assets	1,054	4,664	6,324	4,664	12,644	37%
Bad debt expense	37,333	16,539	223,998	127,547	448,000	28%
Bank charges	146,908	120,963	881,448	454,420	1,762,894	26%
Self insurance	270,032	268,553	1,620,192	1,611,317	3,240,389	50%
Refunds of prior year revenue	66,667	171	400,002	126,232	800,000	16%
Operating permits	11,654	-	69,924	-	139,849	0%
Accrued expenses	-	(118,810)	-	3,358,380	-	0%
Total other administrative	785,001	649,838	4,710,006	6,888,653	9,419,999	73%
Total O&M expenses	\$ 14,631,527	\$ 13,041,205	\$ 87,789,162	\$ 71,929,841	\$ 175,578,320	41%

**ORANGE COUNTY WATER UTILITIES SYSTEM
NON-OPERATING REVENUE AND EXPENSE DETAIL
FOR THE MONTH ENDED MARCH 31, 2020**

	MARCH BUDGET	MARCH ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 50%)
Interest revenue:						
Net revenue	\$ 219,202	\$ 183,923	\$ 1,315,212	\$ 1,124,084	\$ 2,630,427	43%
Connection fees	-	58,004	-	399,437	-	0%
Bond reserve	-	61,256	-	59,586	-	0%
Less: Customer deposits expense	-	(12,922)	-	(94,511)	-	0%
Total interest revenue	219,202	290,261	1,315,212	1,488,596	2,630,427	57%
Interest expense:						
Bonds and revolving loans	(500,800)	(363,370)	(3,004,800)	(2,199,254)	(6,009,605)	37%
Capital lease	(117)	(60)	(702)	(371)	(1,402)	26%
Debt service fees	(100,167)	-	(601,002)	-	(1,202,000)	0%
Amortization of bond premium	-	61,797	-	370,782	-	(1)
Total interest expense	(601,084)	(301,633)	(3,606,504)	(1,828,843)	(7,213,007)	25%
Gain (loss) on disposal of assets:						
Proceeds from sale	-	308,028	-	341,145	-	0%
Gain on disposal of fixed assets	-	22,036	-	352,888	-	(1)
Loss on abandoned projects	-	-	-	(107,879)	-	(1)
Total gain on disposal of assets	-	330,064	-	586,154	-	(1)
Hurricane related reimbursements	-	1,137	-	1,137	-	0%
Total revenue related to hurricanes	-	1,137	-	1,137	-	
Total non-operating revenues (expenses)	\$ (381,882)	\$ 319,829	\$ (2,291,292)	\$ 247,044	\$ (4,582,580)	-5%

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

**ORANGE COUNTY WATER UTILITIES SYSTEM
CAPITAL CONTRIBUTIONS DETAIL
FOR THE MONTH ENDED MARCH 31, 2020**

	<u>MARCH BUDGET</u>	<u>MARCH ACTUAL</u>	<u>FISCAL YTD BUDGET</u>	<u>FISCAL YTD ACTUAL</u>	<u>ANNUAL BUDGET</u>	<u>FISCAL YTD (STD 50%)</u>
CONNECTION FEES COLLECTED:						
Water connection fees:						
Residential/Commercial	\$ 851,769	\$ 1,221,440	\$ 5,110,614	\$ 5,317,418	\$ 10,221,231	52%
Irrigation	49,935	44,941	299,610	202,013	599,217	34%
Total water connection fees	<u>901,704</u>	<u>1,266,381</u>	<u>5,410,224</u>	<u>5,519,431</u>	<u>10,820,448</u>	51%
Wastewater connection fees:						
Residential/Commercial	<u>1,965,943</u>	<u>2,340,618</u>	<u>11,795,658</u>	<u>11,680,893</u>	<u>23,591,312</u>	50%
Total wastewater connection fees	<u>1,965,943</u>	<u>2,340,618</u>	<u>11,795,658</u>	<u>11,680,893</u>	<u>23,591,312</u>	50%
Less reductions:						
Refunds of prior year collections	<u>(83,333)</u>	-	<u>(499,998)</u>	<u>(671,433)</u>	<u>(1,000,000)</u>	67%
Total reductions	<u>(83,333)</u>	-	<u>(499,998)</u>	<u>(671,433)</u>	<u>(1,000,000)</u>	67%
Net connection fees	<u>2,784,314</u>	<u>3,606,999</u>	<u>16,705,884</u>	<u>16,528,891</u>	<u>33,411,760</u>	49%
DONATED SYSTEMS:						
Donated easements	-	4,688,200	-	4,688,200	-	0%
Developer fixed assets	-	8,711	-	7,457,993	-	0%
Developer reimbursements	-	-	-	204,760	-	0%
Line extensions	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>48,200</u>	<u>-</u>	0%
Total donated systems	<u>-</u>	<u>4,698,411</u>	<u>-</u>	<u>12,399,153</u>	<u>-</u>	0%
Total capital contributions	<u>\$ 2,784,314</u>	<u>\$ 8,305,410</u>	<u>\$ 16,705,884</u>	<u>\$ 28,928,044</u>	<u>\$ 33,411,760</u>	87%

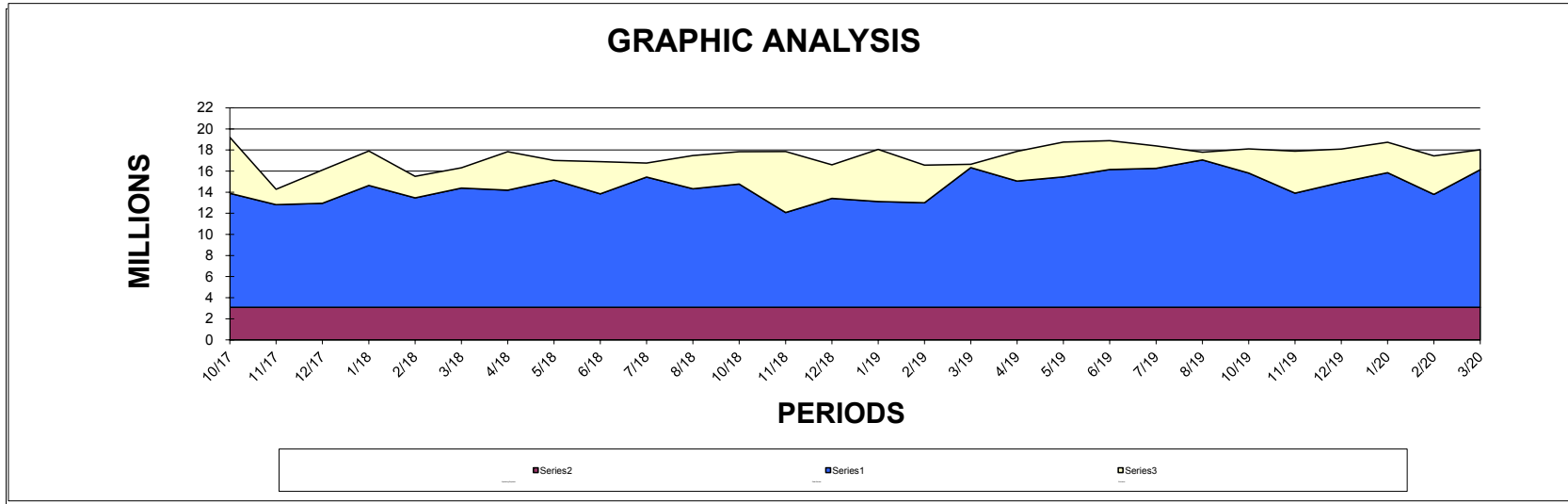
**ORANGE COUNTY WATER UTILITIES SYSTEM
OTHER DISBURSEMENTS DETAIL
FOR THE MONTH ENDED MARCH 31, 2020**

	MARCH BUDGET	MARCH ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 50%)
Capital outlay:						
Land	\$ 43,758	\$ 1,161	\$ 262,548	\$ 87,973	\$ 525,101	17%
Buildings	113,854	40,172	683,124	278,510	1,366,245	20%
Structures	15,571,893	10,449,851	93,431,358	38,425,747	186,862,721	21%
Equipment	879,634	1,058,702	5,277,804	2,213,535	10,555,611	21%
Total capital outlay	16,609,139	11,549,886	99,654,834	41,005,765	199,309,678	21%
Debt service principal	789,864	776,119	4,739,184	4,637,679	9,478,370	49%
Total other disbursements	<u>\$ 17,399,003</u>	<u>\$ 12,326,005</u>	<u>\$ 104,394,018</u>	<u>\$ 45,643,444</u>	<u>\$ 208,788,048</u>	22%

**ORANGE COUNTY WATER UTILITIES SYSTEM
ANALYTICAL DATA
FISCAL YEAR 2020**

	<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	0.67	0.72	0.61	0.67	0.69	0.62	0.74					
Water	0.89	0.96	0.78	0.94	0.89	0.82	0.94					
Wastewater	0.55	0.59	0.52	0.51	0.56	0.51	0.60					
Bond Coverage Ratios*	11.30	9.85	13.44	11.39	11.14	12.83	9.13					

*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 MARCH 31, 2020**

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 \$14.3 million.