

**ORANGE COUNTY WATER UTILITIES SYSTEM
STATEMENTS OF NET POSITION
JUNE 30 AND MAY 31, 2020**

	JUNE	MAY
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>		
Current assets:		
Cash and investments	\$ 63,766,753	\$ 54,363,217
Accrued interest receivable	533,815	533,815
Accounts receivable, net	22,001,137	26,514,817
Due from other governmental agencies	17,756	6,105,283
Inventories and prepaid costs	11,277,978	11,787,999
Total current assets	97,597,439	99,305,131
Restricted assets:		
Cash and investments	63,362,097	62,114,570
Capital assets:		
Land	103,039,969	102,983,684
Construction in progress	267,638,208	262,199,807
Buildings and improvements	2,385,261,526	2,379,552,308
Machinery and equipment	104,659,873	103,984,284
Intangible assets	152,057,660	152,057,660
Less accumulated depreciation and amortization	(1,418,565,676)	(1,411,798,726)
Total capital assets	1,594,091,560	1,588,979,017
Total noncurrent and restricted assets	1,657,453,657	1,651,093,587
Total assets	1,755,051,096	1,750,398,718
Deferred outflows of resources:		
Related to pensions and OPEB	16,034,954	16,034,954
Total assets and deferred outflows of resources	\$ 1,771,086,050	\$ 1,766,433,672
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 30,551,586	\$ 32,462,135
Due to other governmental agencies	569,660	609,067
Net pension liability	246,180	246,180
Total current liabilities	31,367,426	33,317,382
Liabilities payable from restricted assets:		
Accrued interest payable on bonds and loans	1,213,290	850,171
Revenue bonds payable (net of unamortized costs)	3,600,000	3,600,000
Customer deposits	11,102,999	11,038,927
Total liabilities payable from restricted assets	15,916,289	15,489,098
Noncurrent liabilities:		
Compensated absences payable	1,490,789	1,490,789
Loans payable	93,934,392	93,934,392
Revenue bonds payable (net of unamortized costs)	80,408,610	80,470,407
Net pension and OPEB liability	50,848,035	50,848,035
Total noncurrent liabilities	226,681,826	226,743,623
Total liabilities	273,965,541	275,550,103
Deferred inflows of resources:		
Related to pensions and OPEB	3,703,403	3,703,403
Total liabilities and deferred inflows of resources	277,668,944	279,253,506
<u>NET POSITION</u>		
Net investment in capital assets	1,416,148,558	1,410,974,218
Restricted for debt service	51,045,808	50,225,472
Unrestricted	26,222,740	25,980,476
Total net position	1,493,417,106	1,487,180,166
Total liabilities and net position	\$ 1,771,086,050	\$ 1,766,433,672

**ORANGE COUNTY WATER UTILITIES SYSTEM
CASH AND INVESTMENTS DETAIL
JUNE 30 AND MAY 31, 2020**

	<u>JUNE</u>	<u>MAY</u>
Current:		
Reserve revenue	\$ 49,405,579	\$ 40,715,337
Water connection fees	632,743	1,044,349
Wastewater connection fees	13,722,331	12,597,431
Petty cash	<u>6,100</u>	<u>6,100</u>
Total current cash and investments	<u>63,766,753</u>	<u>54,363,217</u>
Restricted:		
Operation and maintenance reserve	30,639,412	30,607,661
Renewal and replacement	8,013,629	8,005,298
Bond reserve (1)	6,539,017	6,538,977
Bond principal	2,701,744	2,401,506
Bond interest	643,537	429,239
Loan debt service	2,960,324	2,332,319
Loan repayment reserve	761,435	760,643
Customer deposits	<u>11,102,999</u>	<u>11,038,927</u>
Total restricted cash and investments	<u>63,362,097</u>	<u>62,114,570</u>
Total cash and investments	<u><u>\$ 127,128,850</u></u>	<u><u>\$ 116,477,787</u></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 JUNE 30, 2020**

	<u>JUNE</u>	<u>FISCAL YEAR TO DATE</u>
Operating revenues:		
Water service	\$ 4,874,547	\$ 43,578,829
Wastewater service	11,238,843	103,553,915
Reclaimed water service	1,016,970	8,530,523
Miscellaneous	596,692	5,691,760
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Total operating revenues	17,727,052	161,355,027
Operating and maintenance expenses:		
Personal services	4,782,481	43,407,363
Contractual services	3,486,126	23,498,660
Materials and supplies	699,959	5,829,752
Utilities	1,099,466	10,179,046
Repairs and maintenance	1,812,449	15,547,611
Other administrative expenses	626,980	8,515,144
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Total operating and maintenance expenses	12,507,461	106,977,576
Operating income before depreciation	5,219,591	54,377,451
Depreciation and amortization	6,606,892	61,712,297
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Operating loss	(1,387,301)	(7,334,846)
Nonoperating revenues (expenses):		
Interest revenue	206,338	1,946,546
Interest expense and fiscal charges	(302,870)	(2,734,920)
Gain (loss) on disposal of assets	(2,477)	381,766
Federal and state grants	15,931	635,492
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Total net nonoperating revenues (expenses)	(83,078)	228,884
Loss before contributions and transfers	(1,470,379)	(7,105,962)
Capital contributions	7,707,319	40,657,712
Transfers out	-	(8,900,000)
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Change in net position	6,236,940	24,651,750
Total net position, beginning of period	1,487,180,166	1,468,765,356
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Total net position, end of period	\$ 1,493,417,106	\$ 1,493,417,106
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See accompanying notes to financial statements

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING REVENUE DETAIL
FOR THE MONTH ENDED JUNE 30, 2020**

	JUNE BUDGET	JUNE ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 75%)
Water service:						
Residential	\$ 2,304,038	\$ 2,513,513	\$ 20,736,342	\$ 21,761,196	\$ 27,648,456	79%
Commercial	1,523,887	1,291,517	13,714,983	12,505,639	18,286,649	68%
Conservation surcharge	849,121	1,069,517	7,642,089	9,311,994	10,189,452	91%
Total water service	<u>4,677,046</u>	<u>4,874,547</u>	<u>42,093,414</u>	<u>43,578,829</u>	<u>56,124,557</u>	78%
Wastewater service:						
Residential	5,904,933	6,457,766	53,144,397	55,567,356	70,859,190	78%
Commercial	5,528,375	4,490,601	49,755,375	45,488,584	66,340,505	69%
Environmental surcharge	241,219	182,314	2,170,971	1,786,649	2,894,633	62%
Industrial	16,383	1,824	147,447	19,176	196,599	10%
Septic and portable	58,936	74,719	530,424	586,509	707,232	83%
Capacity maintenance fees	11,876	31,619	106,884	105,641	142,512	74%
Total wastewater service	<u>11,761,722</u>	<u>11,238,843</u>	<u>105,855,498</u>	<u>103,553,915</u>	<u>141,140,671</u>	73%
Reclaimed water service:						
Residential	423,446	440,126	3,811,014	3,930,162	5,081,347	77%
Commercial	427,974	541,614	3,851,766	4,374,620	5,135,687	85%
Reclaimed water-cooling tower	25,745	35,230	231,705	225,741	308,943	73%
Total reclaimed water service	<u>877,165</u>	<u>1,016,970</u>	<u>7,894,485</u>	<u>8,530,523</u>	<u>10,525,977</u>	81%
Miscellaneous:						
Initiate account service	45,532	42,544	409,788	343,587	546,384	63%
Turn off/on service	32,829	2,042	295,461	174,905	393,946	44%
Lien fee charges	424	800	3,816	3,480	5,085	68%
Meter removal/testing	3,764	2,668	33,876	26,794	45,165	59%
Meter/line damage	14,804	1,619	133,236	13,490	177,646	8%
NSF charges	4,424	2,079	39,816	45,880	53,088	86%
Plans and specifications	69,365	58,703	624,285	815,474	832,381	98%
Charges to other funds	1,311	1,062	11,799	12,378	15,731	79%
Developer reimb of plan review	50,539	62,475	454,851	567,471	606,466	94%
Cross Connection Control Program	229,858	230,718	2,068,722	2,028,377	2,758,296	74%
Miscellaneous	145,942	191,982	1,313,478	1,659,924	1,751,304	95%
Total miscellaneous	<u>598,792</u>	<u>596,692</u>	<u>5,389,128</u>	<u>5,691,760</u>	<u>7,185,492</u>	79%
Total operating revenues	<u>\$ 17,914,725</u>	<u>\$ 17,727,052</u>	<u>\$ 161,232,525</u>	<u>\$ 161,355,027</u>	<u>\$ 214,976,697</u>	75%

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING AND MAINTENANCE EXPENSES DETAIL
FOR THE MONTH ENDED JUNE 30, 2020**

	JUNE BUDGET	JUNE ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 75%)
Personal services:						
Salaries	\$ 3,654,880	\$ 2,990,425	\$ 32,893,920	\$ 31,864,972	\$ 43,858,564	73%
Fringe benefits	1,480,691	1,792,056	13,326,219	11,542,391	17,768,293	65%
Total personal services	5,135,571	4,782,481	46,220,139	43,407,363	61,626,857	70%
Contractual services:						
Research and studies	93,846	51,135	844,614	146,267	1,126,156	13%
Legal services	11,665	1,010	104,985	4,086	139,978	3%
Indirect costs	647,199	647,198	5,824,791	5,824,789	7,766,386	75%
Purchased water	103,754	214,781	933,786	755,455	1,245,049	61%
Effluent disposal	274,274	44,366	2,468,466	1,525,827	3,291,289	46%
Comptroller fees	144,293	144,293	1,298,637	1,298,920	1,731,521	75%
Officer fees	761	630	6,849	4,274	9,130	47%
Payments to other governments	320,807	331,497	2,887,263	2,512,391	3,849,679	65%
Janitorial	38,579	68,250	347,211	257,525	462,943	56%
Employment agency	115,089	86,629	1,035,801	704,563	1,381,062	51%
Training	25,421	4,250	228,789	59,114	305,052	19%
Paving	182,685	187,024	1,644,165	915,342	2,192,221	42%
Software licensing/support fee	199,045	153,255	1,791,405	1,448,808	2,388,543	61%
Other professional fees	281,883	187,467	2,536,947	578,060	3,382,597	17%
Contractual services	1,882,623	1,364,341	16,943,607	7,463,239	22,591,474	33%
Total contractual services	4,321,924	3,486,126	38,897,316	23,498,660	51,863,080	45%
Materials and supplies:						
Graphic reproduction services	5,286	-	47,574	22,629	63,433	36%
Office supplies	13,922	686	125,298	71,772	167,059	43%
Event/meal reimbursement	301	-	2,709	1,509	3,610	42%
Software <\$1000	10,382	2,430	93,438	2,670	124,579	2%
Computer equipment <\$500	5,313	-	47,817	33,034	63,760	52%
Equipment <\$1000	25,279	4,700	227,511	229,298	303,346	76%
Tools	11,529	20,753	103,761	126,821	138,352	92%
Medical	96	-	864	-	1,150	0%
Liquid oxygen	15,017	7,307	135,153	61,613	180,206	34%
Chemical and pesticides	8	-	72	-	100	0%
Solar salt	23,710	17,993	213,390	157,890	284,524	55%
Chlorine	184,123	141,419	1,657,107	1,286,234	2,209,479	58%
Fluoride	16,985	8,451	152,865	44,849	203,820	22%
Alum	4,218	5,054	37,962	36,975	50,614	73%
Polymer	93,873	191,982	844,857	978,068	1,126,480	87%
Sealing chemicals	417	-	3,753	-	5,000	0%
Corrosion control	67,667	94,972	609,003	494,866	812,007	61%
Carbon dioxide	52,485	63,205	472,365	427,655	629,824	68%
Sodium hydroxide	43,800	45,729	394,200	320,046	525,598	61%
Supplemental carbon	50,835	-	457,515	378,224	610,022	62%
Miscellaneous chemicals	32,471	21,550	292,239	133,317	389,646	34%
Material for construction	29,015	182	261,135	185,997	348,174	53%
Clothing	20,963	27,629	188,667	152,383	251,559	61%
Gas-oil-lube-brfl-ant	21,530	9,744	193,770	97,444	258,361	38%
Miscellaneous expenses	88,536	36,173	796,824	586,458	1,062,436	55%
Total materials & supplies	817,761	699,959	7,359,849	5,829,752	9,813,139	59%

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING AND MAINTENANCE EXPENSES DETAIL, (continued)
FOR THE MONTH ENDED JUNE 30, 2020**

	JUNE BUDGET	JUNE ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 75%)
Utilities:						
Communications	\$ 72,512	\$ 84,330	\$ 652,608	\$ 642,985	\$ 870,139	74%
Water	9,952	8,674	89,568	91,588	119,424	77%
Solid waste tipping fees	41,398	98,383	372,582	212,405	496,780	43%
Garbage disposal	6,756	4,339	60,804	27,877	81,076	34%
Gas	17,073	5,797	153,657	54,990	204,877	27%
Electric	1,175,617	897,943	10,580,553	9,149,201	14,107,409	65%
Total utilities	1,323,308	1,099,466	11,909,772	10,179,046	15,879,705	64%
Repairs and maintenance:						
Building and grounds	664,285	692,092	5,978,565	6,167,755	7,971,424	77%
Equipment	756,815	491,009	6,811,335	5,187,890	9,081,782	57%
Vehicle maintenance	378,513	357,346	3,406,617	2,623,639	4,542,161	58%
Services	101,710	99,108	915,390	458,910	1,220,515	38%
Mains	138,612	42,940	1,247,508	908,100	1,663,345	55%
Water meters	19,747	14,861	177,723	46,945	236,965	20%
Fire lines	16,969	-	152,721	33,438	203,628	16%
Meter installations	42	-	378	444	500	89%
Valves	153,893	115,093	1,385,037	120,490	1,846,720	7%
Utility relocations	42	-	378	-	500	0%
Total repairs & maintenance	2,230,628	1,812,449	20,075,652	15,547,611	26,767,540	58%
Other administrative:						
Local travel	2,563	281	23,067	11,125	30,756	36%
Out of county travel	3,650	-	32,850	6,066	43,800	14%
Postage and messenger services	80,252	8,631	722,268	510,759	963,023	53%
Toll charges	19,773	22,381	177,957	161,325	237,279	68%
Rental of equipment	95,808	88,201	862,272	550,393	1,149,690	48%
Dues and memberships	13,753	1,024	123,777	155,269	165,032	94%
Subscriptions	2,524	-	22,716	9,491	30,293	31%
Training fees	15,209	(133)	136,881	89,350	182,511	49%
License and certification	2,186	-	19,674	4,600	26,229	18%
Leases-bldgs	600	-	5,400	-	7,194	0%
Advertising	1,138	-	10,242	4,675	13,660	34%
Promotional	10,285	1,497	92,565	36,610	123,416	30%
Educational assistance	2,979	1,707	26,811	6,346	35,750	18%
Scholarships, awards	633	-	5,697	199	7,590	3%
Improvements to non-county assets	1,054	1,672	9,486	6,336	12,644	50%
Bad debt expense	37,333	(14,280)	335,997	223,339	448,000	50%
Bank charges	146,908	114,744	1,322,172	675,901	1,762,894	38%
Self insurance	270,032	268,553	2,430,288	2,416,976	3,240,389	75%
Refunds of prior year revenue	66,667	24	600,003	126,337	800,000	16%
Operating permits	11,654	-	104,886	-	139,849	0%
Accrued expenses	-	132,678	-	3,520,047	-	0%
Total other administrative	785,001	626,980	7,065,009	8,515,144	9,419,999	90%
Total O&M expenses	\$ 14,614,193	\$ 12,507,461	\$ 131,527,737	\$ 106,977,576	\$ 175,370,320	61%

**ORANGE COUNTY WATER UTILITIES SYSTEM
NON-OPERATING REVENUE AND EXPENSE DETAIL
FOR THE MONTH ENDED JUNE 30, 2020**

	JUNE BUDGET	JUNE ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 75%)
Interest revenue:						
Net revenue	\$ 219,202	\$ 165,062	\$ 1,972,818	\$ 1,500,970	\$ 2,630,427	57%
Connection fees	-	43,117	-	502,718	-	0%
Bond reserve	-	40	-	60,160	-	0%
Less: Customer deposits expense	-	(1,881)	-	(117,302)	-	0%
Total interest revenue	219,202	206,338	1,972,818	1,946,546	2,630,427	74%
Interest expense:						
Bonds and revolving loans	(500,800)	(363,119)	(4,507,200)	(3,288,611)	(6,009,605)	55%
Capital lease	(117)	(48)	(1,053)	(982)	(1,402)	70%
Debt service fees	(100,167)	(1,500)	(901,503)	(1,500)	(1,202,000)	0%
Amortization of bond premium	-	61,797	-	556,173	-	(1)
Total interest expense	(601,084)	(302,870)	(5,409,756)	(2,734,920)	(7,213,007)	38%
Gain (loss) on disposal of assets:						
Proceeds from sale	-	-	-	156,845	-	0%
Gain (loss) on disposal of fixed assets	-	(2,477)	-	397,560	-	(1)
Loss on abandoned projects	-	-	-	(172,639)	-	(1)
Total gain (loss) on disposal of assets	-	(2,477)	-	381,766	-	(1)
Hurricane related reimbursements						
	-	15,931	-	635,492	-	0%
Total revenue related to hurricanes	-	15,931	-	635,492	-	
Total non-operating revenues (expenses)	\$ (381,882)	\$ (83,078)	\$ (3,436,938)	\$ 228,884	\$ (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 JUNE 30, 2020**

	<u>JUNE BUDGET</u>	<u>JUNE ACTUAL</u>	<u>FISCAL YTD BUDGET</u>	<u>FISCAL YTD ACTUAL</u>	<u>ANNUAL BUDGET</u>	<u>FISCAL YTD (STD 75%)</u>
CONNECTION FEES COLLECTED:						
Water connection fees:						
Residential/Commercial	\$ 851,769	\$ 374,633	\$ 7,665,921	\$ 7,003,863	\$ 10,221,231	69%
Irrigation	<u>49,935</u>	<u>34,280</u>	<u>449,415</u>	<u>320,098</u>	<u>599,217</u>	53%
Total water connection fees	<u>901,704</u>	<u>408,913</u>	<u>8,115,336</u>	<u>7,323,961</u>	<u>10,820,448</u>	68%
Wastewater connection fees:						
Residential/Commercial	<u>1,965,943</u>	<u>1,508,475</u>	<u>17,693,487</u>	<u>16,105,229</u>	<u>23,591,312</u>	68%
Total wastewater connection fees	<u>1,965,943</u>	<u>1,508,475</u>	<u>17,693,487</u>	<u>16,105,229</u>	<u>23,591,312</u>	68%
Less reductions:						
Refunds of prior year collections	<u>(125,000)</u>	<u>(68)</u>	<u>(1,125,000)</u>	<u>(986,769)</u>	<u>(1,500,000)</u>	66%
Total reductions	<u>(125,000)</u>	<u>(68)</u>	<u>(1,125,000)</u>	<u>(986,769)</u>	<u>(1,500,000)</u>	66%
Net connection fees	<u>2,742,647</u>	<u>1,917,320</u>	<u>24,683,823</u>	<u>22,442,421</u>	<u>32,911,760</u>	68%
DONATED SYSTEMS:						
Donated easements	-	-	-	4,688,200	-	0%
Developer fixed assets	-	5,783,014	-	13,258,429	-	0%
Developer reimbursements	-	440	-	205,352	-	0%
Line extensions	<u>-</u>	<u>6,545</u>	<u>-</u>	<u>63,310</u>	<u>-</u>	0%
Total donated systems	<u>-</u>	<u>5,789,999</u>	<u>-</u>	<u>18,215,291</u>	<u>-</u>	0%
Total capital contributions	<u>\$ 2,742,647</u>	<u>\$ 7,707,319</u>	<u>\$ 24,683,823</u>	<u>\$ 40,657,712</u>	<u>\$ 32,911,760</u>	124%

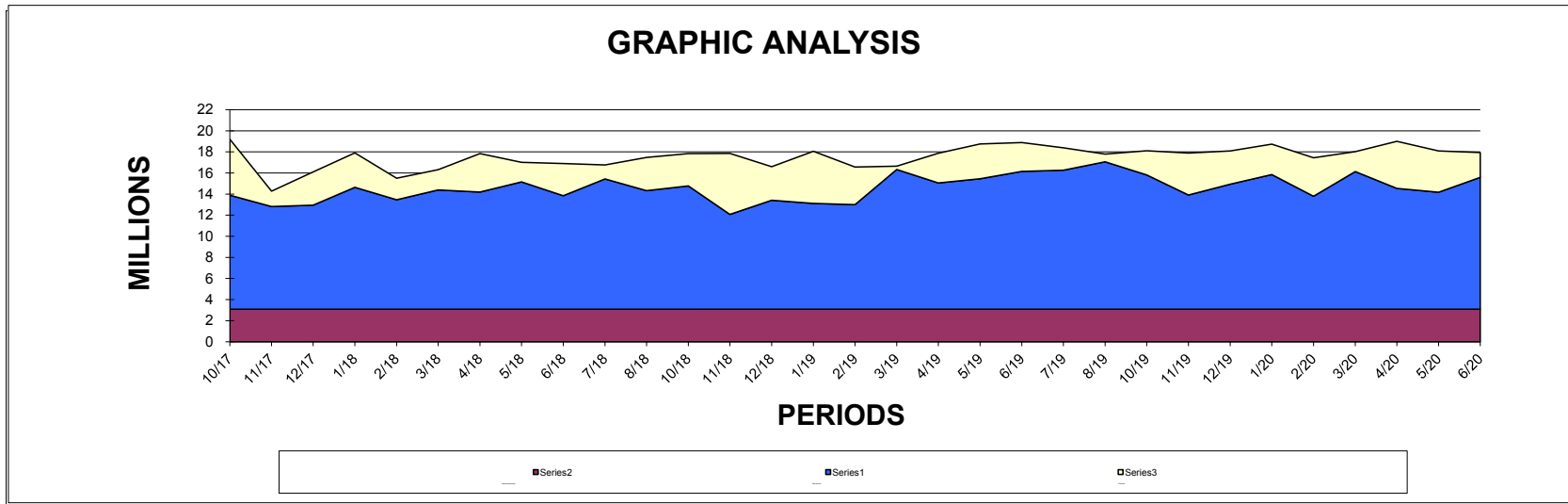
**ORANGE COUNTY WATER UTILITIES SYSTEM
OTHER DISBURSEMENTS DETAIL
FOR THE MONTH ENDED JUNE 30, 2020**

	JUNE BUDGET	JUNE ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 75%)
Capital outlay:						
Land	\$ 43,758	\$ 20,753	\$ 393,822	\$ 137,781	\$ 525,101	26%
Buildings	113,520	18,971	1,021,680	729,016	1,362,245	54%
Structures	15,572,602	5,457,683	140,153,418	76,193,141	186,871,221	41%
Equipment	854,926	450,203	7,694,334	3,451,850	10,259,111	34%
Total capital outlay	16,584,806	5,947,610	149,263,254	80,511,788	199,017,678	40%
Debt service principal	789,864	776,370	7,108,776	6,966,788	9,478,370	74%
Total other disbursements	<u>\$ 17,374,670</u>	<u>\$ 6,723,980</u>	<u>\$ 156,372,030</u>	<u>\$ 87,478,576</u>	<u>\$ 208,496,048</u>	42%

**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	0.66	0.72	0.61	0.67	0.69	0.62	0.74	0.61	0.62	0.71		
Water	0.86	0.96	0.78	0.94	0.89	0.82	0.94	0.78	0.68	0.95		
Wastewater	0.54	0.59	0.52	0.51	0.56	0.51	0.60	0.49	0.54	0.55		
Bond Coverage Ratios*	11.75	9.85	13.44	11.39	11.14	12.83	9.13	14.34	13.48	10.15		

*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 JUNE 30, 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 \$14.6 million.