

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

	JULY	JUNE
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>		
Current assets:		
Cash and investments	\$ 52,257,646	\$ 63,766,753
Accrued interest receivable	533,815	533,815
Accounts receivable, net	23,218,734	22,001,137
Due from other governmental agencies	17,756	17,756
Inventories and prepaid costs	9,720,756	11,277,978
Total current assets	85,748,707	97,597,439
Restricted assets:		
Cash and investments	64,156,205	63,362,097
Capital assets:		
Land	103,047,651	103,039,969
Construction in progress	288,395,769	267,638,208
Buildings and improvements	2,383,726,027	2,385,261,526
Machinery and equipment	104,707,963	104,659,873
Intangible assets	152,057,660	152,057,660
Less accumulated depreciation and amortization	(1,423,855,992)	(1,418,565,676)
Total capital assets	1,608,079,078	1,594,091,560
Total noncurrent and restricted assets	1,672,235,283	1,657,453,657
Total assets	1,757,983,990	1,755,051,096
Deferred outflows of resources:		
Related to pensions and OPEB	16,034,954	16,034,954
Total assets and deferred outflows of resources	\$ 1,774,018,944	\$ 1,771,086,050
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 28,822,063	\$ 30,551,586
Due to other governmental agencies	593,864	569,660
Net pension liability	246,180	246,180
Total current liabilities	29,662,107	31,367,426
Liabilities payable from restricted assets:		
Accrued interest payable on bonds and loans	1,500,872	1,213,290
Revenue bonds payable (net of unamortized costs)	3,600,000	3,600,000
Customer deposits	11,114,725	11,102,999
Total liabilities payable from restricted assets	16,215,597	15,916,289
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)	80,346,813	80,408,610
Net pension and OPEB liability	50,848,035	50,848,035
Total noncurrent liabilities	226,620,029	226,681,826
Total liabilities	272,497,733	273,965,541
Deferred inflows of resources:		
Related to pensions and OPEB	3,703,403	3,703,403
Total liabilities and deferred inflows of resources	276,201,136	277,668,944
<u>NET POSITION</u>		
Net investment in capital assets	1,430,197,873	1,416,148,558
Restricted for debt service	51,540,608	51,045,808
Unrestricted	16,079,327	26,222,740
Total net position	1,497,817,808	1,493,417,106
Total liabilities and net position	\$ 1,774,018,944	\$ 1,771,086,050

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

	<u>JULY</u>	<u>JUNE</u>
Current:		
Reserve revenue	\$ 47,069,876	\$ 49,405,579
Water connection fees	955,478	632,743
Wastewater connection fees	4,226,192	13,722,331
Petty cash	<u>6,100</u>	<u>6,100</u>
Total current cash and investments	<u>52,257,646</u>	<u>63,766,753</u>
Restricted:		
Operation and maintenance reserve	30,615,721	30,639,412
Renewal and replacement	8,007,406	8,013,629
Bond reserve (1)	6,539,050	6,539,017
Bond principal	3,001,971	2,701,744
Bond interest	857,849	643,537
Loan debt service	3,258,639	2,960,324
Loan repayment reserve	760,844	761,435
Customer deposits	<u>11,114,725</u>	<u>11,102,999</u>
Total restricted cash and investments	<u>64,156,205</u>	<u>63,362,097</u>
Total cash and investments	<u>\$ 116,413,851</u>	<u>\$ 127,128,850</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 JULY 31, 2020**

	<u>JULY</u>	<u>FISCAL YEAR TO DATE</u>
Operating revenues:		
Water service	\$ 5,102,466	\$ 48,681,295
Wastewater service	11,716,842	115,270,757
Reclaimed water service	1,075,716	9,606,239
Miscellaneous	611,589	6,303,349
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Total operating revenues	18,506,613	179,861,640
Operating and maintenance expenses:		
Personal services	4,975,394	48,382,757
Contractual services	3,106,670	26,605,330
Materials and supplies	992,707	6,822,459
Utilities	1,263,998	11,443,044
Repairs and maintenance	1,567,468	17,115,079
Other administrative expenses	369,016	8,884,160
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Total operating and maintenance expenses	12,275,253	119,252,829
Operating income before depreciation	6,231,360	60,608,811
Depreciation and amortization	6,867,500	68,579,797
Operating loss	(636,140)	(7,970,986)
Nonoperating revenues (expenses):		
Interest revenue	107,778	2,054,324
Interest expense and fiscal charges	(300,954)	(3,035,874)
Gain on disposal of assets	44,489	426,255
Federal and state grants	-	635,492
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Total net nonoperating revenues (expenses)	(148,687)	80,197
Loss before contributions and transfers	(784,827)	(7,890,789)
Capital contributions	5,185,529	45,843,241
Transfers out	-	(8,900,000)
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Change in net position	4,400,702	29,052,452
Total net position, beginning of period	1,493,417,106	1,468,765,356
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Total net position, end of period	<u>\$ 1,497,817,808</u>	<u>\$ 1,497,817,808</u>

See accompanying notes to financial statements

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

	JULY BUDGET	JULY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 83%)
Water service:						
Residential	\$ 2,304,038	\$ 2,484,965	\$ 23,040,380	\$ 24,246,161	\$ 27,648,456	88%
Commercial	1,523,887	1,431,973	15,238,870	13,937,612	18,286,649	76%
Conservation surcharge	849,121	1,185,528	8,491,210	10,497,522	10,189,452	103%
Total water service	<u>4,677,046</u>	<u>5,102,466</u>	<u>46,770,460</u>	<u>48,681,295</u>	<u>56,124,557</u>	87%
Wastewater service:						
Residential	5,904,933	6,369,706	59,049,330	61,937,062	70,859,190	87%
Commercial	5,528,375	5,072,054	55,283,750	50,560,638	66,340,505	76%
Environmental surcharge	241,219	204,210	2,412,190	1,990,859	2,894,633	69%
Industrial	16,383	2,362	163,830	21,538	196,599	11%
Septic and portable	58,936	67,879	589,360	654,388	707,232	93%
Capacity maintenance fees	11,876	631	118,760	106,272	142,512	75%
Total wastewater service	<u>11,761,722</u>	<u>11,716,842</u>	<u>117,617,220</u>	<u>115,270,757</u>	<u>141,140,671</u>	82%
Reclaimed water service:						
Residential	423,446	466,540	4,234,460	4,396,702	5,081,347	87%
Commercial	427,974	571,475	4,279,740	4,946,095	5,135,687	96%
Reclaimed water-cooling tower	25,745	37,701	257,450	263,442	308,943	85%
Total reclaimed water service	<u>877,165</u>	<u>1,075,716</u>	<u>8,771,650</u>	<u>9,606,239</u>	<u>10,525,977</u>	91%
Miscellaneous:						
Initiate account service	45,532	51,680	455,320	395,267	546,384	72%
Turn off/on service	32,829	1,976	328,290	176,881	393,946	45%
Lien fee charges	424	440	4,240	3,920	5,085	77%
Meter removal/testing	3,764	3,386	37,640	30,180	45,165	67%
Meter/line damage	14,804	705	148,040	14,195	177,646	8%
NSF charges	4,424	6,082	44,240	51,962	53,088	98%
Plans and specifications	69,365	78,105	693,650	893,579	832,381	107%
Charges to other funds	1,311	1,035	13,110	13,413	15,731	85%
Developer reimb of plan review	50,539	53,206	505,390	620,677	606,466	102%
Cross Connection Control Program	229,858	232,997	2,298,580	2,261,374	2,758,296	82%
Miscellaneous	145,942	181,977	1,459,420	1,841,901	1,751,304	105%
Total miscellaneous	<u>598,792</u>	<u>611,589</u>	<u>5,987,920</u>	<u>6,303,349</u>	<u>7,185,492</u>	88%
Total operating revenues	<u>\$ 17,914,725</u>	<u>\$ 18,506,613</u>	<u>\$ 179,147,250</u>	<u>\$ 179,861,640</u>	<u>\$ 214,976,697</u>	84%

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

	JULY BUDGET	JULY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 83%)
Personal services:						
Salaries	\$ 3,654,880	\$ 3,770,247	\$ 36,548,800	\$ 35,635,219	\$ 43,858,564	81%
Fringe benefits	1,480,691	1,205,147	14,806,910	12,747,538	17,768,293	72%
Total personal services	5,135,571	4,975,394	51,355,710	48,382,757	61,626,857	79%
Contractual services:						
Research and studies	93,846	65,972	938,460	212,239	1,126,156	19%
Legal services	11,665	188	116,650	4,274	139,978	3%
Indirect costs	647,199	647,199	6,471,990	6,471,988	7,766,386	83%
Purchased water	103,754	147,929	1,037,540	903,384	1,245,049	73%
Effluent disposal	274,274	386,997	2,742,740	1,912,824	3,291,289	58%
Comptroller fees	144,293	144,293	1,442,930	1,443,213	1,731,521	83%
Officer fees	761	810	7,610	5,084	9,130	56%
Payments to other governments	320,807	328,043	3,208,070	2,840,434	3,849,679	74%
Janitorial	38,579	36,479	385,790	294,004	462,943	64%
Employment agency	115,089	102,667	1,150,890	807,230	1,381,062	58%
Training	25,421	10,030	254,210	69,144	305,052	23%
Paving	182,685	195,362	1,826,850	1,110,704	2,192,221	51%
Software licensing/support fee	199,045	72,646	1,990,450	1,521,454	2,388,543	64%
Other professional fees	281,883	65,736	2,818,830	643,796	3,382,597	19%
Contractual services	1,824,290	902,319	18,242,900	8,365,558	21,891,474	38%
Total contractual services	4,263,591	3,106,670	42,635,910	26,605,330	51,163,080	52%
Materials and supplies:						
Graphic reproduction services	5,286	5,547	52,860	28,176	63,433	44%
Office supplies	13,922	4,114	139,220	75,886	167,059	45%
Event/meal reimbursement	301	-	3,010	1,509	3,610	42%
Software <\$1000	10,382	63,570	103,820	66,240	124,579	53%
Computer equipment <\$500	5,313	381	53,130	33,415	63,760	52%
Equipment <\$1000	25,279	111,975	252,790	341,273	303,346	113%
Tools	11,529	13,381	115,290	140,202	138,352	101%
Medical	96	-	960	-	1,150	0%
Liquid oxygen	15,017	5,012	150,170	66,625	180,206	37%
Chemical and pesticides	8	-	80	-	100	0%
Solar salt	23,710	38,682	237,100	196,572	284,524	69%
Chlorine	196,623	204,867	1,966,230	1,491,101	2,359,479	63%
Fluoride	16,985	7,309	169,850	52,158	203,820	26%
Alum	4,218	2,525	42,180	39,500	50,614	78%
Polymer	118,873	250,778	1,188,730	1,228,846	1,426,480	86%
Sealing chemicals	417	-	4,170	-	5,000	0%
Corrosion control	67,667	34,839	676,670	529,705	812,007	65%
Carbon dioxide	52,485	72,921	524,850	500,576	629,824	79%
Sodium hydroxide	43,800	45,724	438,000	365,770	525,598	70%
Supplemental carbon	50,835	-	508,350	378,224	610,022	62%
Miscellaneous chemicals	32,471	33,189	324,710	166,506	389,646	43%
Material for construction	29,015	16,357	290,150	202,354	348,174	58%
Clothing	20,963	14,156	209,630	166,539	251,559	66%
Gas-oil-lube-brfl-ant	21,530	12,663	215,300	110,107	258,361	43%
Miscellaneous expenses	88,536	54,717	885,360	641,175	1,062,436	60%
Total materials & supplies	855,261	992,707	8,552,610	6,822,459	10,263,139	66%

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

	JULY BUDGET	JULY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 83%)
Utilities:						
Communications	\$ 72,512	\$ 47,663	\$ 725,120	\$ 690,648	\$ 870,139	79%
Water	9,952	17,114	99,520	108,702	119,424	91%
Solid waste tipping fees	41,398	-	413,980	212,405	496,780	43%
Garbage disposal	6,756	7,930	67,560	35,807	81,076	44%
Gas	17,073	10,049	170,730	65,039	204,877	32%
Electric	1,175,617	1,181,242	11,756,170	10,330,443	14,107,409	73%
Total utilities	1,323,308	1,263,998	13,233,080	11,443,044	15,879,705	72%
Repairs and maintenance:						
Building and grounds	697,619	534,236	6,976,190	6,701,991	8,371,424	80%
Equipment	769,315	597,593	7,693,150	5,785,483	9,231,782	63%
Vehicle maintenance	378,513	288,250	3,785,130	2,911,889	4,542,161	64%
Services	101,710	80,673	1,017,100	539,583	1,220,515	44%
Mains	138,612	46,663	1,386,120	954,763	1,663,345	57%
Water meters	19,747	29,075	197,470	76,020	236,965	32%
Fire lines	16,969	(10,044)	169,690	23,394	203,628	11%
Meter installations	42	-	420	444	500	89%
Valves	153,893	1,022	1,538,930	121,512	1,846,720	7%
Utility relocations	42	-	420	-	500	0%
Total repairs & maintenance	2,276,462	1,567,468	22,764,620	17,115,079	27,317,540	63%
Other administrative:						
Local travel	2,563	184	25,630	11,309	30,756	37%
Out of county travel	3,650	-	36,500	6,066	43,800	14%
Postage and messenger services	80,252	84	802,520	510,843	963,023	53%
Toll charges	19,773	22,700	197,730	184,025	237,279	78%
Rental of equipment	95,808	68,830	958,080	619,223	1,149,690	54%
Dues and memberships	13,753	534	137,530	155,803	165,032	94%
Subscriptions	2,524	3,194	25,240	12,685	30,293	42%
Training fees	15,209	(237)	152,090	89,113	182,511	49%
License and certification	2,186	100	21,860	4,700	26,229	18%
Leases-bldgs	600	-	6,000	-	7,194	0%
Advertising	1,138	-	11,380	4,675	13,660	34%
Promotional	10,285	5,938	102,850	42,548	123,416	34%
Educational assistance	2,979	-	29,790	6,346	35,750	18%
Scholarships, awards	633	-	6,330	199	7,590	3%
Improvements to non-county assets	1,054	-	10,540	6,336	12,644	50%
Bad debt expense	37,333	24,928	373,330	248,267	448,000	55%
Bank charges	146,908	15,877	1,469,080	691,778	1,762,894	39%
Self insurance	270,032	268,552	2,700,320	2,685,528	3,240,389	83%
Refunds of prior year revenue	66,667	-	666,670	126,337	800,000	16%
Operating permits	11,654	-	116,540	-	139,849	0%
Accrued expenses	-	(41,668)	-	3,478,379	-	0%
Total other administrative	785,001	369,016	7,850,010	8,884,160	9,419,999	94%
Total O&M expenses	\$ 14,639,194	\$ 12,275,253	\$ 146,391,940	\$ 119,252,829	\$ 175,670,320	68%

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

	JULY BUDGET	JULY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 83%)
Interest revenue:						
Net revenue	\$ 219,202	\$ 90,633	\$ 2,192,020	\$ 1,591,603	\$ 2,630,427	61%
Connection fees	-	18,171	-	520,889	-	0%
Bond reserve	-	33	-	60,193	-	0%
Less: Customer deposits expense	-	(1,059)	-	(118,361)	-	0%
Total interest revenue	219,202	107,778	2,192,020	2,054,324	2,630,427	78%
Interest expense:						
Bonds and revolving loans	(500,800)	(362,619)	(5,008,000)	(3,651,230)	(6,009,605)	61%
Capital lease	(117)	(132)	(1,170)	(1,114)	(1,402)	79%
Debt service fees	(100,167)	-	(1,001,670)	(1,500)	(1,202,000)	0%
Amortization of bond premium	-	61,797	-	617,970	-	(1)
Total interest expense	(601,084)	(300,954)	(6,010,840)	(3,035,874)	(7,213,007)	42%
Gain (loss) on disposal of assets:						
Proceeds from sale	-	43,962	-	200,807	-	0%
Gain on disposal of fixed assets	-	527	-	398,087	-	(1)
Loss on abandoned projects	-	-	-	(172,639)	-	(1)
Total gain on disposal of assets	-	44,489	-	426,255	-	(1)
Hurricane related reimbursements						
	-	-	-	635,492	-	0%
Total revenue related to hurricanes	-	-	-	635,492	-	
Total non-operating revenues (expenses)	\$ (381,882)	\$ (148,687)	\$ (3,818,820)	\$ 80,197	\$ (4,582,580)	-2%

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

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

	JULY BUDGET	JULY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 83%)
CONNECTION FEES COLLECTED:						
Water connection fees:						
Residential/Commercial	\$ 851,769	\$ 1,099,539	\$ 8,517,690	\$ 8,103,402	\$ 10,221,231	79%
Irrigation	49,935	61,120	499,350	381,218	599,217	64%
Total water connection fees	<u>901,704</u>	<u>1,160,659</u>	<u>9,017,040</u>	<u>8,484,620</u>	<u>10,820,448</u>	78%
Wastewater connection fees:						
Residential/Commercial	<u>1,965,943</u>	<u>4,292,689</u>	<u>19,659,430</u>	<u>20,397,918</u>	<u>23,591,312</u>	86%
Total wastewater connection fees	<u>1,965,943</u>	<u>4,292,689</u>	<u>19,659,430</u>	<u>20,397,918</u>	<u>23,591,312</u>	86%
Less reductions:						
Refunds of prior year collections	<u>(125,000)</u>	<u>(296,842)</u>	<u>(1,250,000)</u>	<u>(1,283,611)</u>	<u>(1,500,000)</u>	86%
Total reductions	<u>(125,000)</u>	<u>(296,842)</u>	<u>(1,250,000)</u>	<u>(1,283,611)</u>	<u>(1,500,000)</u>	86%
Net connection fees	<u>2,742,647</u>	<u>5,156,506</u>	<u>27,426,470</u>	<u>27,598,927</u>	<u>32,911,760</u>	84%
DONATED SYSTEMS:						
Donated easements	-	-	-	4,688,200	-	0%
Developer fixed assets	-	17,422	-	13,275,851	-	0%
Developer reimbursements	-	456	-	205,808	-	0%
Line extensions	<u>-</u>	<u>11,145</u>	<u>-</u>	<u>74,455</u>	<u>-</u>	0%
Total donated systems	<u>-</u>	<u>29,023</u>	<u>-</u>	<u>18,244,314</u>	<u>-</u>	0%
Total capital contributions	<u>\$ 2,742,647</u>	<u>\$ 5,185,529</u>	<u>\$ 27,426,470</u>	<u>\$ 45,843,241</u>	<u>\$ 32,911,760</u>	139%

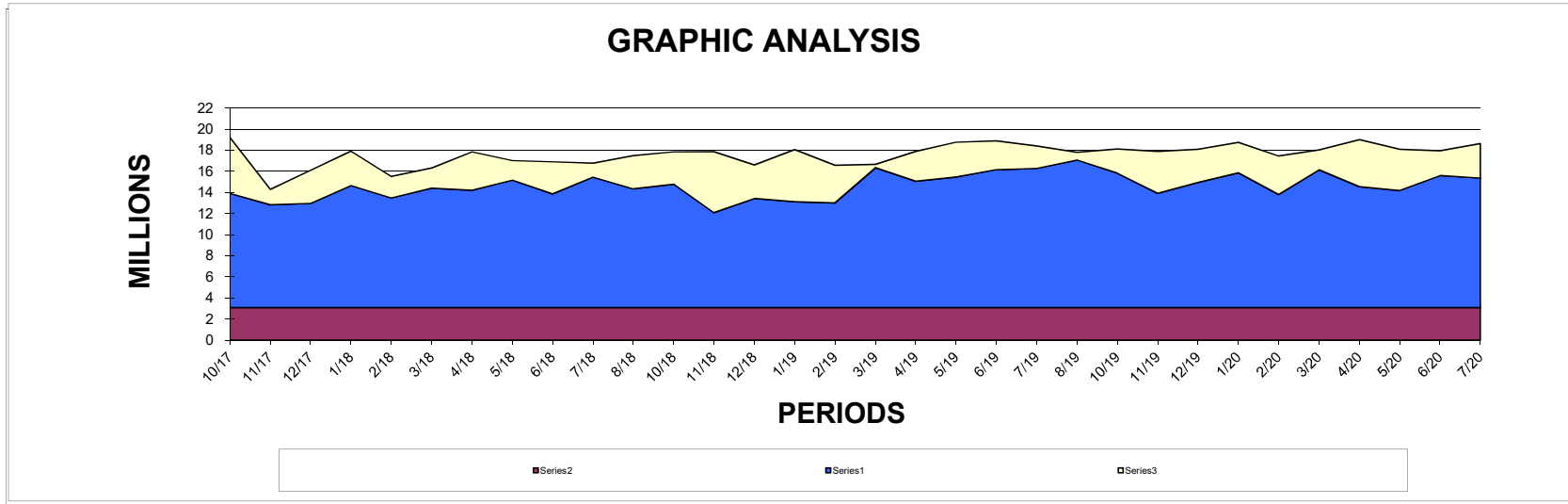
**ORANGE COUNTY WATER UTILITIES SYSTEM
OTHER DISBURSEMENTS DETAIL
FOR THE MONTH ENDED JULY 31, 2020**

	JULY BUDGET	JULY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 83%)
Capital outlay:						
Land	\$ 43,758	\$ -	\$ 437,580	\$ 137,781	\$ 525,101	26%
Buildings	113,520	233,811	1,135,200	962,827	1,362,245	71%
Structures	15,572,602	20,523,750	155,726,020	96,716,891	186,871,221	52%
Equipment	829,926	97,456	8,299,260	3,549,306	9,959,111	36%
Total capital outlay	16,559,806	20,855,017	165,598,060	101,366,805	198,717,678	51%
Debt service principal	789,864	776,870	7,898,640	7,743,658	9,478,370	82%
Total other disbursements	<u>\$ 17,349,670</u>	<u>\$ 21,631,887</u>	<u>\$ 173,496,700</u>	<u>\$ 109,110,463</u>	<u>\$ 208,196,048</u>	52%

**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	0.66	
Water	0.86	0.96	0.78	0.94	0.89	0.82	0.94	0.78	0.68	0.95	0.86	
Wastewater	0.54	0.59	0.52	0.51	0.56	0.51	0.60	0.49	0.54	0.55	0.54	
Bond Coverage Ratios*	11.79	9.85	13.44	11.39	11.14	12.83	9.13	14.34	13.48	10.15	12.12	

*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 JULY 31, 2020**

Pursuant to Section 37-304 of Orange County Ordinance No. 92-10, water and wastewater capacity has been sold net of \$10.6 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 \$14.7 million.