

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

	AUGUST	JULY
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>		
Current assets:		
Cash and investments	\$ 54,785,201	\$ 52,257,646
Accrued interest receivable	533,815	533,815
Accounts receivable, net	18,434,704	23,218,734
Due from other governmental agencies	17,756	17,756
Inventories and prepaid costs	9,050,501	9,720,756
Total current assets	82,821,977	85,748,707
Restricted assets:		
Cash and investments	63,540,909	64,156,205
Capital assets:		
Land	103,056,343	103,047,651
Construction in progress	292,340,299	288,395,769
Buildings and improvements	2,399,959,778	2,383,726,027
Machinery and equipment	105,550,083	104,707,963
Intangible assets	152,057,660	152,057,660
Less accumulated depreciation and amortization	(1,430,057,715)	(1,423,855,992)
Total capital assets	1,622,906,448	1,608,079,078
Total noncurrent and restricted assets	1,686,447,357	1,672,235,283
Total assets	1,769,269,334	1,757,983,990
Deferred outflows of resources:		
Related to pensions and OPEB	16,034,954	16,034,954
Total assets and deferred outflows of resources	\$ 1,785,304,288	\$ 1,774,018,944
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 31,410,947	\$ 28,822,063
Due to other governmental agencies	538,228	593,864
Net pension liability	246,180	246,180
Total current liabilities	32,195,355	29,662,107
Liabilities payable from restricted assets:		
Accrued interest payable on bonds and loans	1,221,704	1,500,872
Revenue bonds payable (net of unamortized costs)	3,600,000	3,600,000
Customer deposits	11,050,600	11,114,725
Total liabilities payable from restricted assets	15,872,304	16,215,597
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)	80,285,015	80,346,813
Net pension and OPEB liability	50,848,035	50,848,035
Total noncurrent liabilities	226,558,231	226,620,029
Total liabilities	274,625,890	272,497,733
Deferred inflows of resources:		
Related to pensions and OPEB	3,703,403	3,703,403
Total liabilities and deferred inflows of resources	278,329,293	276,201,136
<u>NET POSITION</u>		
Net investment in capital assets	1,445,087,041	1,430,197,873
Restricted for debt service	51,268,605	51,540,608
Unrestricted	10,619,349	16,079,327
Total net position	1,506,974,995	1,497,817,808
Total liabilities and net position	\$ 1,785,304,288	\$ 1,774,018,944

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

	<u>AUGUST</u>	<u>JULY</u>
Current:		
Reserve revenue	\$ 50,219,553	\$ 47,069,876
Water connection fees	1,259,157	955,478
Wastewater connection fees	3,300,391	4,226,192
Petty cash	<u>6,100</u>	<u>6,100</u>
Total current cash and investments	<u>54,785,201</u>	<u>52,257,646</u>
Restricted:		
Operation and maintenance reserve	30,618,419	30,615,721
Renewal and replacement	8,008,121	8,007,406
Bond reserve (1)	6,539,080	6,539,050
Bond principal	3,600,000	3,001,971
Bond interest	1,285,572	857,849
Loan debt service	1,678,205	3,258,639
Loan repayment reserve	760,912	760,844
Customer deposits	<u>11,050,600</u>	<u>11,114,725</u>
Total restricted cash and investments	<u>63,540,909</u>	<u>64,156,205</u>
Total cash and investments	<u>\$ 118,326,110</u>	<u>\$ 116,413,851</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 AUGUST 31, 2020**

	<u>AUGUST</u>	<u>FISCAL YEAR TO DATE</u>
Operating revenues:		
Water service	\$ 4,689,094	\$ 53,370,389
Wastewater service	11,448,025	126,718,782
Reclaimed water service	971,072	10,577,311
Miscellaneous	1,133,481	7,436,830
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Total operating revenues	18,241,672	198,103,312
Operating and maintenance expenses:		
Personal services	4,536,356	52,919,113
Contractual services	2,945,565	29,550,895
Materials and supplies	848,486	7,670,945
Utilities	745,407	12,188,451
Repairs and maintenance	2,212,422	19,327,501
Other administrative expenses	943,871	9,828,031
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Total operating and maintenance expenses	12,232,107	131,484,936
Operating income before depreciation	6,009,565	66,618,376
Depreciation and amortization	6,872,072	75,451,869
Operating loss	<hr/> (862,507)	<hr/> (8,833,493)
Nonoperating revenues (expenses):		
Interest revenue	120,781	2,175,105
Interest expense and fiscal charges	(1,655,836)	(4,691,710)
Loss on disposal of assets	(613,840)	(187,585)
Federal and state grants	-	635,492
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Total net nonoperating revenues (expenses)	(2,148,895)	(2,068,698)
Loss before contributions and transfers	(3,011,402)	(10,902,191)
Capital contributions	12,168,589	58,011,830
Transfers out	<hr/> -	<hr/> (8,900,000)
Change in net position	9,157,187	38,209,639
Total net position, beginning of period	<hr/> 1,497,817,808	<hr/> 1,468,765,356
Total net position, end of period	<u>\$ 1,506,974,995</u>	<u>\$ 1,506,974,995</u>

See accompanying notes to financial statements

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

	AUGUST BUDGET	AUGUST ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 92%)
Water service:						
Residential	\$ 2,304,038	2,370,931	25,344,418	26,617,092	\$ 27,648,456	96%
Commercial	1,523,887	1,382,938	16,762,757	15,320,550	18,286,649	84%
Conservation surcharge	849,121	935,225	9,340,331	11,432,747	10,189,452	112%
Total water service	<u>4,677,046</u>	<u>4,689,094</u>	<u>51,447,506</u>	<u>53,370,389</u>	<u>56,124,557</u>	95%
Wastewater service:						
Residential	5,904,933	6,189,574	64,954,263	68,126,636	70,859,190	96%
Commercial	5,528,375	4,939,646	60,812,125	55,500,284	66,340,505	84%
Environmental surcharge	241,219	215,165	2,653,409	2,206,024	2,894,633	76%
Industrial	16,383	2,596	180,213	24,134	196,599	12%
Septic and portable	58,936	81,733	648,296	736,121	707,232	104%
Capacity maintenance fees	11,876	19,311	130,636	125,583	142,512	88%
Total wastewater service	<u>11,761,722</u>	<u>11,448,025</u>	<u>129,378,942</u>	<u>126,718,782</u>	<u>141,140,671</u>	90%
Reclaimed water service:						
Residential	423,446	424,370	4,657,906	4,821,072	5,081,347	95%
Commercial	427,974	504,416	4,707,714	5,450,511	5,135,687	106%
Reclaimed water-cooling tower	25,745	42,286	283,195	305,728	308,943	99%
Total reclaimed water service	<u>877,165</u>	<u>971,072</u>	<u>9,648,815</u>	<u>10,577,311</u>	<u>10,525,977</u>	100%
Miscellaneous:						
Initiate account service	45,532	44,272	500,852	439,539	546,384	80%
Turn off/on service	32,829	2,785	361,119	179,666	393,946	46%
Lien fee charges	424	180	4,664	4,100	5,085	81%
Meter removal/testing	3,764	2,878	41,404	33,058	45,165	73%
Meter/line damage	14,804	116	162,844	14,311	177,646	8%
NSF charges	4,424	633	48,664	52,595	53,088	99%
Plans and specifications	69,365	54,526	763,015	948,105	832,381	114%
Charges to other funds	1,311	777	14,421	14,190	15,731	90%
Developer reimb of plan review	50,539	37,087	555,929	657,764	606,466	108%
Cross Connection Control Program	229,858	234,684	2,528,438	2,496,058	2,758,296	90%
Miscellaneous	145,942	755,543	1,605,362	2,597,444	1,751,304	148%
Total miscellaneous	<u>598,792</u>	<u>1,133,481</u>	<u>6,586,712</u>	<u>7,436,830</u>	<u>7,185,492</u>	103%
Total operating revenues	<u>\$ 17,914,725</u>	<u>\$ 18,241,672</u>	<u>\$ 197,061,975</u>	<u>\$ 198,103,312</u>	<u>\$ 214,976,697</u>	92%

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

	AUGUST BUDGET	AUGUST ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 92%)
Personal services:						
Salaries	\$ 3,641,547	\$ 3,341,697	\$ 40,057,017	\$ 38,976,916	\$ 43,698,564	89%
Fringe benefits	1,480,691	1,194,659	16,287,601	13,942,197	17,768,293	78%
Total personal services	5,122,238	4,536,356	56,344,618	52,919,113	61,466,857	86%
Contractual services:						
Research and studies	93,846	40,272	1,032,306	252,511	1,126,156	22%
Legal services	11,665	-	128,315	4,274	139,978	3%
Indirect costs	647,199	647,199	7,119,189	7,119,187	7,766,386	92%
Purchased water	101,637	122,918	1,118,007	1,026,302	1,219,649	84%
Effluent disposal	274,274	196,616	3,017,014	2,109,440	3,291,289	64%
Comptroller fees	144,293	144,294	1,587,223	1,587,507	1,731,521	92%
Officer fees	761	342	8,371	5,426	9,130	59%
Payments to other governments	312,473	240,517	3,437,203	3,080,951	3,749,679	82%
Janitorial	38,579	29,538	424,369	323,542	462,943	70%
Employment agency	115,089	129,045	1,265,979	936,275	1,381,062	68%
Training	25,421	6,080	279,631	75,224	305,052	25%
Paving	182,685	93,799	2,009,535	1,204,503	2,192,221	55%
Software licensing/support fee	199,045	27,090	2,189,495	1,548,544	2,388,543	65%
Other professional fees	281,883	31,642	3,100,713	675,438	3,382,597	20%
Contractual services	1,851,373	1,236,213	20,365,103	9,601,771	22,216,474	43%
Total contractual services	4,280,223	2,945,565	47,082,453	29,550,895	51,362,680	58%
Materials and supplies:						
Graphic reproduction services	5,286	6,576	58,146	34,752	63,433	55%
Office supplies	13,922	12,929	153,142	88,815	167,059	53%
Event/meal reimbursement	301	-	3,311	1,509	3,610	42%
Software <\$1000	10,382	140	114,202	66,380	124,579	53%
Computer equipment <\$500	4,480	3,318	49,280	36,733	53,760	68%
Equipment <\$1000	25,279	21,719	278,069	362,992	303,346	120%
Tools	11,529	8,432	126,819	148,634	138,352	107%
Medical	96	-	1,056	-	1,150	0%
Liquid oxygen	15,017	10,212	165,187	76,837	180,206	43%
Chemical and pesticides	8	-	88	-	100	0%
Solar salt	23,710	25,363	260,810	221,935	284,524	78%
Chlorine	196,623	80,715	2,162,853	1,571,816	2,359,479	67%
Fluoride	16,985	8,657	186,835	60,815	203,820	30%
Alum	4,218	2,526	46,398	42,026	50,614	83%
Polymer	118,873	236,559	1,307,603	1,465,405	1,426,480	103%
Sealing chemicals	417	-	4,587	-	5,000	0%
Corrosion control	67,667	90,480	744,337	620,185	812,007	76%
Carbon dioxide	52,485	59,114	577,335	559,690	629,824	89%
Sodium hydroxide	43,800	76,507	481,800	442,277	525,598	84%
Supplemental carbon	50,835	-	559,185	378,224	610,022	62%
Miscellaneous chemicals	32,471	20,221	357,181	186,727	389,646	48%
Material for construction	29,015	19,214	319,165	221,568	348,174	64%
Clothing	20,963	23,818	230,593	190,357	251,559	76%
Gas-oil-lube-brfl-ant	21,530	23,477	236,830	133,584	258,361	52%
Miscellaneous expenses	82,736	118,509	910,096	759,684	992,836	77%
Total materials & supplies	848,628	848,486	9,334,908	7,670,945	10,183,539	75%

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

	AUGUST BUDGET	AUGUST ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 92%)
Utilities:						
Communications	\$ 72,512	\$ 110,429	\$ 797,632	\$ 801,077	\$ 870,139	92%
Water	9,952	11,275	109,472	119,977	119,424	100%
Solid waste tipping fees	41,398	-	455,378	212,405	496,780	43%
Garbage disposal	6,756	6,950	74,316	42,757	81,076	53%
Gas	17,073	4,434	187,803	69,473	204,877	34%
Electric	1,175,617	612,319	12,931,787	10,942,762	14,107,409	78%
Total utilities	1,323,308	745,407	14,556,388	12,188,451	15,879,705	77%
Repairs and maintenance:						
Building and grounds	706,369	873,485	7,770,059	7,575,476	8,476,424	89%
Equipment	769,315	836,918	8,462,465	6,622,401	9,231,782	72%
Vehicle maintenance	378,513	339,329	4,163,643	3,251,218	4,542,161	72%
Services	101,710	16	1,118,810	539,599	1,220,515	44%
Mains	138,612	13,341	1,524,732	968,104	1,663,345	58%
Water meters	19,747	14,664	217,217	90,684	236,965	38%
Fire lines	16,969	18,750	186,659	42,144	203,628	21%
Meter installations	42	-	462	444	500	89%
Valves	153,893	115,919	1,692,823	237,431	1,846,720	13%
Utility relocations	42	-	462	-	500	0%
Total repairs & maintenance	2,285,212	2,212,422	25,137,332	19,327,501	27,422,540	70%
Other administrative:						
Local travel	2,563	484	28,193	11,793	30,756	38%
Out of county travel	3,650	-	40,150	6,066	43,800	14%
Postage and messenger services	80,252	254,501	882,772	765,344	963,023	79%
Toll charges	19,773	24,639	217,503	208,664	237,279	88%
Rental of equipment	95,333	154,901	1,048,663	774,124	1,143,990	68%
Dues and memberships	13,753	22,145	151,283	177,948	165,032	108%
Subscriptions	2,524	676	27,764	13,361	30,293	44%
Training fees	15,209	(338)	167,299	88,775	182,511	49%
License and certification	2,186	779	24,046	5,479	26,229	21%
Leases-bldgs	600	-	6,600	-	7,194	0%
Advertising	1,138	-	12,518	4,675	13,660	34%
Promotional	10,285	-	113,135	42,548	123,416	34%
Educational assistance	2,979	721	32,769	7,067	35,750	20%
Scholarships, awards	633	-	6,963	199	7,590	3%
Improvements to non-county assets	1,054	5,344	11,594	11,680	12,644	92%
Bad debt expense	37,333	30,879	410,663	279,146	448,000	62%
Bank charges	146,908	186,004	1,615,988	877,782	1,762,894	50%
Self insurance	270,032	268,553	2,970,352	2,954,081	3,240,389	91%
Refunds of prior year revenue	66,667	-	733,337	126,337	800,000	16%
Operating permits	11,654	-	128,194	-	139,849	0%
Accrued expenses	-	(5,417)	-	3,472,962	-	0%
Total other administrative	784,526	943,871	8,629,786	9,828,031	9,414,299	104%
Total O&M expenses	\$ 14,644,135	\$ 12,232,107	\$ 161,085,485	\$ 131,484,936	\$ 175,729,620	75%

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

	AUGUST BUDGET	AUGUST ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 92%)
Interest revenue:						
Net revenue	\$ 219,202	\$ 105,686	\$ 2,411,222	\$ 1,697,289	\$ 2,630,427	65%
Connection fees	-	16,055	-	536,944	-	0%
Bond reserve	-	31	-	60,224	-	0%
Less: Customer deposits expense	-	(991)	-	(119,352)	-	0%
Total interest revenue	<u>219,202</u>	<u>120,781</u>	<u>2,411,222</u>	<u>2,175,105</u>	<u>2,630,427</u>	83%
Interest expense:						
Bonds and revolving loans	(500,800)	(359,956)	(5,508,800)	(4,011,186)	(6,009,605)	67%
Capital lease	(225)	(164)	(2,475)	(1,278)	(2,702)	47%
Debt service fees	(113,500)	(1,357,513)	(1,248,500)	(1,359,013)	(1,362,000)	100%
Amortization of bond premium	-	61,797	-	679,767	-	(1)
Total interest expense	<u>(614,525)</u>	<u>(1,655,836)</u>	<u>(6,759,775)</u>	<u>(4,691,710)</u>	<u>(7,374,307)</u>	64%
Gain (loss) on disposal of assets:						
Proceeds from sale	-	(37,656)	-	163,151	-	0%
Gain on disposal of fixed assets	-	32,313	-	430,400	-	(1)
Loss on abandoned projects	-	(608,497)	-	(781,136)	-	(1)
Total loss on disposal of assets	<u>-</u>	<u>(613,840)</u>	<u>-</u>	<u>(187,585)</u>	<u>-</u>	(1)
Hurricane related reimbursements	-	-	-	635,492	-	0%
Total revenue related to hurricanes	<u>-</u>	<u>-</u>	<u>-</u>	<u>635,492</u>	<u>-</u>	
Total non-operating revenues (expenses)	<u>\$ (395,323)</u>	<u>\$ (2,148,895)</u>	<u>\$ (4,348,553)</u>	<u>\$ (2,068,698)</u>	<u>\$ (4,743,880)</u>	44%

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

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

	AUGUST BUDGET	AUGUST ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 92%)
CONNECTION FEES COLLECTED:						
Water connection fees:						
Residential/Commercial	\$ 851,769	\$ 1,186,584	\$ 9,369,459	\$ 9,289,986	\$ 10,221,231	91%
Irrigation	49,935	44,855	549,285	426,073	599,217	71%
Total water connection fees	<u>901,704</u>	<u>1,231,439</u>	<u>9,918,744</u>	<u>9,716,059</u>	<u>10,820,448</u>	90%
Wastewater connection fees:						
Residential/Commercial	<u>1,965,943</u>	<u>3,279,644</u>	<u>21,625,373</u>	<u>23,677,562</u>	<u>23,591,312</u>	100%
Total wastewater connection fees	<u>1,965,943</u>	<u>3,279,644</u>	<u>21,625,373</u>	<u>23,677,562</u>	<u>23,591,312</u>	100%
Less reductions:						
Refunds of prior year collections	<u>(125,000)</u>	<u>(55)</u>	<u>(1,375,000)</u>	<u>(1,283,666)</u>	<u>(1,500,000)</u>	86%
Total reductions	<u>(125,000)</u>	<u>(55)</u>	<u>(1,375,000)</u>	<u>(1,283,666)</u>	<u>(1,500,000)</u>	86%
Net connection fees	<u>2,742,647</u>	<u>4,511,028</u>	<u>30,169,117</u>	<u>32,109,955</u>	<u>32,911,760</u>	98%
DONATED SYSTEMS:						
Donated easements	-	-	-	4,688,200	-	0%
Developer fixed assets	-	7,654,459	-	20,930,310	-	0%
Developer reimbursements	-	152	-	205,960	-	0%
Line extensions	<u>-</u>	<u>2,950</u>	<u>-</u>	<u>77,405</u>	<u>-</u>	0%
Total donated systems	<u>-</u>	<u>7,657,561</u>	<u>-</u>	<u>25,901,875</u>	<u>-</u>	0%
Total capital contributions	<u>\$ 2,742,647</u>	<u>\$ 12,168,589</u>	<u>\$ 30,169,117</u>	<u>\$ 58,011,830</u>	<u>\$ 32,911,760</u>	176%

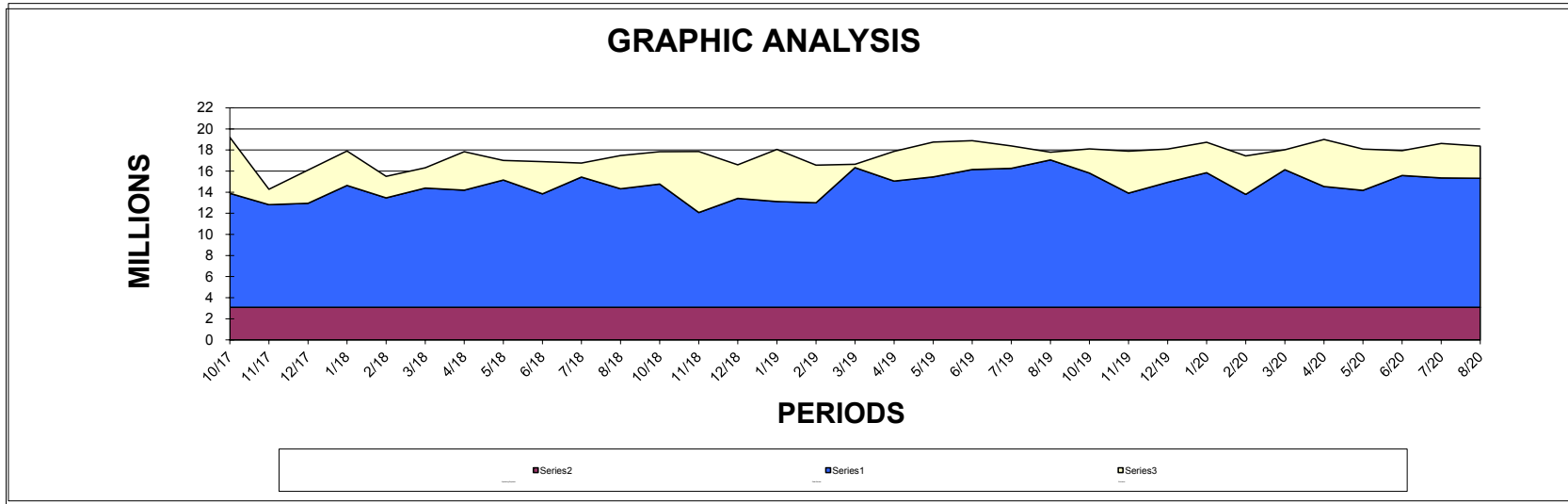
**ORANGE COUNTY WATER UTILITIES SYSTEM
OTHER DISBURSEMENTS DETAIL
FOR THE MONTH ENDED AUGUST 31, 2020**

	AUGUST BUDGET	AUGUST ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 92%)
Capital outlay:						
Land	\$ 43,758	\$ 4,378	\$ 481,338	\$ 142,159	\$ 525,101	27%
Buildings	113,520	4,090	1,248,720	966,917	1,362,245	71%
Structures	15,572,602	13,148,983	171,298,622	109,865,874	186,871,221	59%
Equipment	811,176	1,501,370	8,922,936	5,050,676	9,734,111	52%
Total capital outlay	16,541,056	14,658,821	181,951,616	116,025,626	198,492,678	58%
Debt service principal	789,864	779,533	8,688,504	8,523,191	9,478,370	90%
Total other disbursements	<u>\$ 17,330,920</u>	<u>\$ 15,438,354</u>	<u>\$ 190,640,120</u>	<u>\$ 124,548,817</u>	<u>\$ 207,971,048</u>	60%

**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	0.67
Water	0.86	0.96	0.78	0.94	0.89	0.82	0.94	0.78	0.68	0.95	0.86	0.91
Wastewater	0.54	0.59	0.52	0.51	0.56	0.51	0.60	0.49	0.54	0.55	0.54	0.52
Bond Coverage Ratios*	11.78	9.85	13.44	11.39	11.14	12.83	9.13	14.34	13.48	10.15	12.12	11.69

*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 AUGUST 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 \$14.8 million.