

**ORANGE COUNTY WATER UTILITIES SYSTEM
STATEMENTS OF NET POSITION
OCTOBER 31, 2020**

OCTOBER

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current assets:	
Cash and investments	\$ 37,461,700
Accrued interest receivable	309,951
Accounts receivable, net	24,645,562
Due from other governmental agencies	28,411
Inventories and prepaid costs	11,401,259
Total current assets	<u>73,846,883</u>
Restricted assets:	
Cash and investments	<u>58,688,371</u>
Capital assets:	
Land	103,040,894
Construction in progress	301,013,903
Buildings and improvements	2,430,666,075
Machinery and equipment	107,353,845
Intangible assets	165,283,060
Less accumulated depreciation and amortization	(1,446,745,140)
Total capital assets	<u>1,660,612,637</u>
Total noncurrent and restricted assets	<u>1,719,301,008</u>
Total assets	<u>1,793,147,891</u>
Deferred outflows of resources:	
Related to pensions and OPEB	<u>16,906,667</u>
Total assets and deferred outflows of resources	<u>\$ 1,810,054,558</u>

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

Current liabilities:	
Accounts payable and accrued liabilities	\$ 44,405,452
Due to other governmental agencies	511,041
Net pension liability	159,737
Total current liabilities	<u>45,076,230</u>
Liabilities payable from restricted assets:	
Accrued interest payable on bonds and loans	580,462
Revenue bonds payable (net of unamortized costs)	3,780,000
Customer deposits	10,840,883
Total liabilities payable from restricted assets	<u>15,201,345</u>
Noncurrent liabilities:	
Compensated absences payable	1,934,762
Loans payable	90,401,021
Revenue bonds payable (net of unamortized costs)	76,393,295
Net pension and OPEB liability	58,228,010
Total noncurrent liabilities	<u>226,957,088</u>
Total liabilities	<u>287,234,663</u>
Deferred inflows of resources:	
Related to pensions and OPEB	<u>1,718,526</u>
Total liabilities and deferred inflows of resources	<u>288,953,189</u>

NET POSITION

Net investment in capital assets	1,490,038,321
Restricted for debt service	47,267,026
Unrestricted	(16,203,978)
Total net position	<u>1,521,101,369</u>
Total liabilities and net position	<u>\$ 1,810,054,558</u>

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

OCTOBER

Current:

Reserve revenue	\$	34,591,543
Water connection fees		546,553
Wastewater connection fees		2,317,504
Petty cash		<u>6,100</u>
Total current cash and investments		<u>37,461,700</u>

Restricted:

Operation and maintenance reserve		30,290,113
Renewal and replacement		8,003,907
Bond reserve (1)		6,584,215
Bond principal		315,068
Bond interest		199,287
Loan debt service		1,694,387
Loan repayment reserve		760,511
Customer deposits		<u>10,840,883</u>
Total restricted cash and investments		<u>58,688,371</u>
Total cash and investments	\$	<u><u>96,150,071</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 OCTOBER 31, 2020**

	<u>OCTOBER</u>	<u>FISCAL YEAR TO DATE</u>
Operating revenues:		
Water service	\$ 4,444,966	\$ 4,444,966
Wastewater service	10,965,549	10,965,549
Reclaimed water service	868,391	868,391
Miscellaneous	<u>2,397,656</u>	<u>2,397,656</u>
Total operating revenues	<u>18,676,562</u>	<u>18,676,562</u>
Operating and maintenance expenses:		
Personal services	5,155,518	5,155,518
Contractual services	1,314,412	1,314,412
Materials and supplies	131,063	131,063
Utilities	1,926,493	1,926,493
Repairs and maintenance	821,145	821,145
Other administrative expenses	<u>3,754,700</u>	<u>3,754,700</u>
Total operating and maintenance expenses	<u>13,103,331</u>	<u>13,103,331</u>
Operating income before depreciation	5,573,231	5,573,231
Depreciation and amortization	<u>7,117,416</u>	<u>7,117,416</u>
Operating loss	<u>(1,544,185)</u>	<u>(1,544,185)</u>
Nonoperating revenues (expenses):		
Interest revenue	45,340	45,340
Interest expense and fiscal charges	<u>(317,390)</u>	<u>(317,390)</u>
Total net nonoperating revenues (expenses)	<u>(272,050)</u>	<u>(272,050)</u>
Loss before contributions and transfers	(1,816,235)	(1,816,235)
Capital contributions	<u>2,867,944</u>	<u>2,867,944</u>
Change in net position	1,051,709	1,051,709
Total net position, beginning of period	<u>1,520,049,660</u>	<u>1,520,049,660</u>
Total net position, end of period	<u>\$ 1,521,101,369</u>	<u>\$ 1,521,101,369</u>

See accompanying notes to financial statements

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

	OCTOBER BUDGET	OCTOBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 8%)
Water service:						
Residential	\$ 2,432,172	\$ 2,393,872	\$ 2,432,172	\$ 2,393,872	\$ 29,186,069	8%
Commercial	1,572,426	1,215,492	1,572,426	1,215,492	18,869,110	6%
Conservation surcharge	979,603	835,602	979,603	835,602	11,755,234	7%
Total water service	<u>4,984,201</u>	<u>4,444,966</u>	<u>4,984,201</u>	<u>4,444,966</u>	<u>59,810,413</u>	7%
Wastewater service:						
Residential	6,166,684	6,160,086	6,166,684	6,160,086	74,000,210	8%
Commercial	5,676,816	4,528,773	5,676,816	4,528,773	68,121,789	7%
Environmental surcharge	230,952	201,382	230,952	201,382	2,771,421	7%
Industrial	3,146	1,393	3,146	1,393	37,747	4%
Septic and portable	68,289	73,482	68,289	73,482	819,462	9%
Capacity maintenance fees	10,779	433	10,779	433	129,343	0%
Total wastewater service	<u>12,156,666</u>	<u>10,965,549</u>	<u>12,156,666</u>	<u>10,965,549</u>	<u>145,879,972</u>	8%
Reclaimed water service:						
Residential	490,050	432,539	490,050	432,539	5,880,602	7%
Commercial	512,684	435,852	512,684	435,852	6,152,210	7%
Reclaimed water-cooling tower	23,297	-	23,297	-	279,564	0%
Total reclaimed water service	<u>1,026,031</u>	<u>868,391</u>	<u>1,026,031</u>	<u>868,391</u>	<u>12,312,376</u>	7%
Miscellaneous:						
Initiate account service	42,953	43,522	42,953	43,522	515,440	8%
Turn off/on service	30,397	21,557	30,397	21,557	364,766	6%
Lien fee charges	510	-	510	-	6,114	0%
Meter removal/testing	3,103	2,080	3,103	2,080	37,241	6%
Meter/line damage	1,842	242	1,842	242	22,101	1%
NSF charges	6,910	5,643	6,910	5,643	82,917	7%
Plans and specifications	82,861	31,992	82,861	31,992	994,337	3%
Charges to other funds	1,115	1,671	1,115	1,671	13,383	12%
Developer reimb of plan review	3,685	34,976	3,685	34,976	44,215	79%
Cross Connection Control Program	229,840	236,313	229,840	236,313	2,758,076	9%
Miscellaneous	176,525	2,019,660	176,525	2,019,660	2,118,301	95%
Total miscellaneous	<u>579,741</u>	<u>2,397,656</u>	<u>579,741</u>	<u>2,397,656</u>	<u>6,956,891</u>	34%
Total operating revenues	<u>\$ 18,746,639</u>	<u>\$ 18,676,562</u>	<u>\$ 18,746,639</u>	<u>\$ 18,676,562</u>	<u>\$ 224,959,652</u>	8%

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

	OCTOBER BUDGET	OCTOBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 8%)
Personal services:						
Salaries	\$ 3,747,682	\$ 4,386,308	\$ 3,747,682	\$ 4,386,308	\$ 44,972,183	10%
Fringe benefits	1,641,053	769,210	1,641,053	769,210	19,692,641	4%
Total personal services	5,388,735	5,155,518	5,388,735	5,155,518	64,664,824	8%
Contractual services:						
Research and studies	93,130	-	93,130	-	1,117,561	0%
Legal services	11,582	3,180	11,582	3,180	138,978	2%
Indirect costs	666,196	666,195	666,196	666,195	7,994,348	8%
Purchased water	133,687	4,772	133,687	4,772	1,604,249	0%
Effluent disposal	279,402	104,099	279,402	104,099	3,352,823	3%
Comptroller fees	171,401	171,401	171,401	171,401	2,056,816	8%
Officer fees	761	50	761	50	9,130	1%
Payments to other governments	322,097	116,302	322,097	116,302	3,865,166	3%
Janitorial	40,694	-	40,694	-	488,329	0%
Employment agency	120,824	21,247	120,824	21,247	1,449,889	1%
Training	21,628	2,571	21,628	2,571	259,534	1%
Paving	194,723	47,557	194,723	47,557	2,336,677	2%
Software licensing/support fee	225,510	23,021	225,510	23,021	2,706,120	1%
Other professional fees	246,070	32,060	246,070	32,060	2,952,837	1%
Contractual services	1,583,137	121,957	1,583,137	121,957	18,997,638	1%
Total contractual services	4,110,842	1,314,412	4,110,842	1,314,412	49,330,095	3%
Materials and supplies:						
Graphic reproduction services	5,482	-	5,482	-	65,785	0%
Office supplies	14,142	-	14,142	-	169,703	0%
Event/meal reimbursement	288	-	288	-	3,460	0%
Software <\$1000	11,126	-	11,126	-	133,517	0%
Computer equipment <\$500	12,182	-	12,182	-	146,185	0%
Equipment <\$1000	28,100	716	28,100	716	337,194	0%
Tools	15,364	20,356	15,364	20,356	184,372	11%
Medical	96	-	96	-	1,150	0%
Liquid oxygen	19,354	-	19,354	-	232,248	0%
Chemical and pesticides	8	-	8	-	100	0%
Solar salt	27,815	-	27,815	-	333,776	0%
Chlorine	192,844	29,789	192,844	29,789	2,314,130	1%
Fluoride	18,012	4,463	18,012	4,463	216,149	2%
Alum	9,389	2,527	9,389	2,527	112,670	2%
Polymer	183,086	-	183,086	-	2,197,029	0%
Sealing chemicals	208	-	208	-	2,500	0%
Corrosion control	68,763	6,907	68,763	6,907	825,158	1%
Carbon dioxide	70,409	16,362	70,409	16,362	844,906	2%
Sodium hydroxide	54,424	30,885	54,424	30,885	653,085	5%
Supplemental carbon	74,461	6,578	74,461	6,578	893,531	1%
Miscellaneous chemicals	32,454	1,217	32,454	1,217	389,446	0%
Material for construction	27,898	-	27,898	-	334,780	0%
Clothing	19,612	4,238	19,612	4,238	235,347	2%
Gas-oil-lube-brfl-ant	28,470	3,661	28,470	3,661	341,634	1%
Miscellaneous expenses	97,415	3,364	97,415	3,364	1,168,984	0%
Total materials & supplies	1,011,402	131,063	1,011,402	131,063	12,136,839	1%

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

	OCTOBER BUDGET	OCTOBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 8%)
Utilities:						
Communications	\$ 70,288	\$ 91,287	\$ 70,288	\$ 91,287	\$ 843,451	11%
Water	9,927	19,247	9,927	19,247	119,124	16%
Solid waste tipping fees	44,093	-	44,093	-	529,117	0%
Garbage disposal	6,471	1,293	6,471	1,293	77,656	2%
Gas	18,511	3,256	18,511	3,256	222,127	1%
Electric	1,224,958	1,811,410	1,224,958	1,811,410	14,699,494	12%
Total utilities	1,374,248	1,926,493	1,374,248	1,926,493	16,490,969	12%
Repairs and maintenance:						
Building and grounds	672,974	290,421	672,974	290,421	8,075,689	4%
Equipment	864,584	133,296	864,584	133,296	10,375,007	1%
Vehicle maintenance	389,540	278,820	389,540	278,820	4,674,484	6%
Services	101,710	-	101,710	-	1,220,515	0%
Mains	441,484	84,553	441,484	84,553	5,297,806	2%
Water meters	20,642	-	20,642	-	247,703	0%
Fire lines	1,300	-	1,300	-	15,605	0%
Meter installations	42	-	42	-	500	0%
Valves	195,663	34,055	195,663	34,055	2,347,951	1%
Utility relocations	42	-	42	-	500	0%
Total repairs & maintenance	2,687,981	821,145	2,687,981	821,145	32,255,760	3%
Other administrative:						
Local travel	2,716	368	2,716	368	32,590	1%
Out of county travel	4,625	-	4,625	-	55,505	0%
Postage and messenger services	78,565	3,969	78,565	3,969	942,775	0%
Toll charges	19,934	13,782	19,934	13,782	239,210	6%
Rental of equipment	84,944	27,997	84,944	27,997	1,019,326	3%
Dues and memberships	14,109	21,408	14,109	21,408	169,308	13%
Subscriptions	2,353	-	2,353	-	28,239	0%
Training fees	26,811	-	26,811	-	321,727	0%
License and certification	3,821	577	3,821	577	45,854	1%
Advertising	1,410	740	1,410	740	16,920	4%
Promotional	12,364	1,255	12,364	1,255	148,371	1%
Educational assistance	2,775	-	2,775	-	33,300	0%
Scholarships, awards	651	-	651	-	7,810	0%
Improvements to non-county assets	37,500	-	37,500	-	450,000	0%
Bad debt expense	32,000	16,487	32,000	16,487	384,000	4%
Bank charges	137,988	290	137,988	290	1,655,853	0%
Self insurance	310,347	310,345	310,347	310,345	3,724,164	8%
Refunds of prior year revenue	66,667	143	66,667	143	800,000	0%
Operating permits	11,654	-	11,654	-	139,849	0%
Accrued expenses	-	3,357,339	-	3,357,339	-	0%
Total other administrative	851,234	3,754,700	851,234	3,754,700	10,214,801	37%
Total O&M expenses	\$ 15,424,442	\$ 13,103,331	\$ 15,424,442	\$ 13,103,331	\$ 185,093,288	7%

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

	OCTOBER BUDGET	OCTOBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 8%)
Interest revenue:						
Net revenue	\$ 139,667	\$ 47,035	\$ 139,667	\$ 47,035	\$ 1,676,004	3%
Connection fees	-	4,142	-	4,142	-	0%
Bond reserve	-	(5,270)	-	(5,270)	-	0%
Less: Customer deposits expense	-	(567)	-	(567)	-	0%
Total interest revenue	139,667	45,340	139,667	45,340	1,676,004	3%
Interest expense:						
Bonds and revolving loans	(869,600)	(367,313)	(869,600)	(367,313)	(10,435,197)	4%
Capital lease	(207)	-	(207)	-	(2,485)	0%
Debt service fees	(184,083)	-	(184,083)	-	(2,209,000)	0%
Amortization of bond premium	-	49,923	-	49,923	-	(1)
Total interest expense	(1,053,890)	(317,390)	(1,053,890)	(317,390)	(12,646,682)	3%
Bond issuance costs	(58,333)	-	(58,333)	-	(700,000)	0%
Total non-operating revenues (expenses)	\$ (972,556)	\$ (272,050)	\$ (972,556)	\$ (272,050)	\$ (11,670,678)	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 OCTOBER 31, 2020**

	<u>OCTOBER BUDGET</u>	<u>OCTOBER ACTUAL</u>	<u>FISCAL YTD BUDGET</u>	<u>FISCAL YTD ACTUAL</u>	<u>ANNUAL BUDGET</u>	<u>FISCAL YTD (STD 8%)</u>
CONNECTION FEES COLLECTED:						
Water connection fees:						
Residential/Commercial	\$ 791,738	\$ 517,181	\$ 791,738	\$ 517,181	\$ 9,500,853	5%
Irrigation	46,554	29,155	46,554	29,155	558,649	5%
Total water connection fees	<u>838,292</u>	<u>546,336</u>	<u>838,292</u>	<u>546,336</u>	<u>10,059,502</u>	5%
Wastewater connection fees:						
Residential/Commercial	<u>1,848,729</u>	<u>2,311,353</u>	<u>1,848,729</u>	<u>2,311,353</u>	<u>22,184,743</u>	10%
Total wastewater connection fees	<u>1,848,729</u>	<u>2,311,353</u>	<u>1,848,729</u>	<u>2,311,353</u>	<u>22,184,743</u>	10%
Less reductions:						
Refunds of prior year collections	<u>(83,333)</u>	-	<u>(83,333)</u>	-	<u>(1,000,000)</u>	0%
Total reductions	<u>(83,333)</u>	-	<u>(83,333)</u>	-	<u>(1,000,000)</u>	0%
Net connection fees	<u>2,603,688</u>	<u>2,857,689</u>	<u>2,603,688</u>	<u>2,857,689</u>	<u>31,244,245</u>	9%
DONATED SYSTEMS:						
Developer fixed assets	-	8,711	-	8,711	-	0%
Developer reimbursements	-	719	-	719	-	0%
Line extensions	<u>-</u>	<u>825</u>	<u>-</u>	<u>825</u>	<u>-</u>	0%
Total donated systems	<u>-</u>	<u>10,255</u>	<u>-</u>	<u>10,255</u>	<u>-</u>	0%
Total capital contributions	<u>\$ 2,603,688</u>	<u>\$ 2,867,944</u>	<u>\$ 2,603,688</u>	<u>\$ 2,867,944</u>	<u>\$ 31,244,245</u>	9%

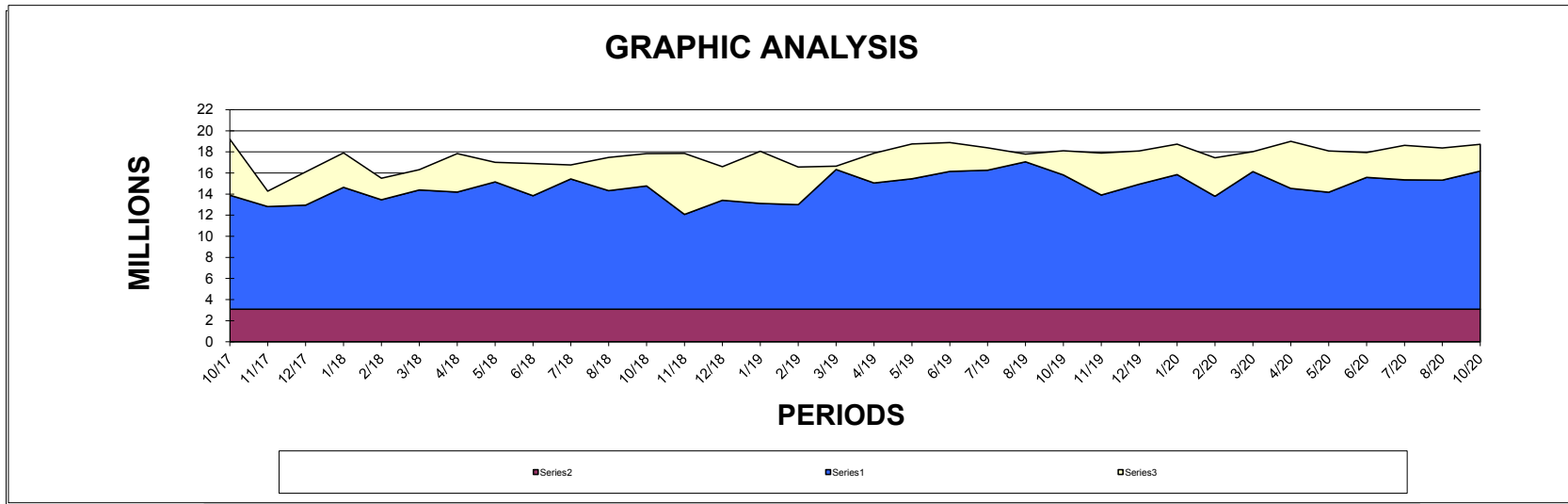
**ORANGE COUNTY WATER UTILITIES SYSTEM
OTHER DISBURSEMENTS DETAIL
FOR THE MONTH ENDED OCTOBER 31, 2020**

	OCTOBER BUDGET	OCTOBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 8%)
Capital outlay:						
Land	\$ 75,821	\$ -	\$ 75,821	\$ -	\$ 909,846	0%
Buildings	133,480	-	133,480	-	1,601,754	0%
Structures	17,714,200	945,088	17,714,200	945,088	212,570,398	0%
Equipment	1,214,728	328,222	1,214,728	328,222	14,576,732	2%
Total capital outlay	19,138,229	1,273,310	19,138,229	1,273,310	229,658,730	1%
Debt service principal	803,222	747,046	803,222	747,046	9,638,668	8%
Total other disbursements	<u>\$ 19,941,451</u>	<u>\$ 2,020,356</u>	<u>\$ 19,941,451</u>	<u>\$ 2,020,356</u>	<u>\$ 239,297,398</u>	1%

**ORANGE COUNTY WATER UTILITIES SYSTEM
ANALYTICAL DATA
FISCAL YEAR 2021**

	<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	0.70	0.70										
Water	0.92	0.92										
Wastewater	0.57	0.57										
Bond Coverage Ratios*	10.84	10.84										

*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 OCTOBER 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 \$15.1 million.