

**ORANGE COUNTY WATER UTILITIES SYSTEM
STATEMENTS OF NET POSITION
DECEMBER 31 AND NOVEMBER 30, 2020**

	DECEMBER	NOVEMBER
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current assets:		
Cash and investments	\$ 114,670,996	\$ 32,748,776
Accrued interest receivable	309,951	309,951
Accounts receivable, net	19,891,210	21,900,423
Due from other governmental agencies	17,756	17,756
Inventories and prepaid costs	10,817,170	10,728,963
Total current assets	145,707,083	65,705,869
Restricted assets:		
Cash and investments	153,377,146	61,395,265
Capital assets:		
Land	103,040,931	103,040,894
Construction in progress	319,271,273	303,422,018
Buildings and improvements	2,430,666,075	2,430,666,075
Machinery and equipment	108,467,420	107,219,855
Intangible assets	165,283,060	165,283,060
Less accumulated depreciation and amortization	(1,460,979,974)	(1,453,862,558)
Total capital assets	1,665,748,785	1,655,769,344
Total noncurrent and restricted assets	1,819,125,931	1,717,164,609
Total assets	1,964,833,014	1,782,870,478
Deferred outflows of resources:		
Related to pensions and OPEB	16,906,667	16,906,667
Total assets and deferred outflows of resources	\$ 1,981,739,681	\$ 1,799,777,145
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 39,580,117	\$ 44,009,182
Due to other governmental agencies	529,794	495,516
Net pension liability	159,737	159,737
Total current liabilities	40,269,648	44,664,435
Liabilities payable from restricted assets:		
Accrued interest payable on bonds and loans	1,315,087	947,775
Revenue bonds payable (net of unamortized costs)	3,780,000	3,780,000
Customer deposits	10,799,973	10,801,189
Total liabilities payable from restricted assets	15,895,060	15,528,964
Noncurrent liabilities:		
Compensated absences payable	1,934,762	1,934,762
Loans payable	90,401,021	90,401,021
Revenue bonds payable (net of unamortized costs)	261,936,553	76,343,371
Net pension and OPEB liability	58,228,010	58,228,010
Total noncurrent liabilities	412,500,346	226,907,164
Total liabilities	468,665,054	287,100,563
Deferred inflows of resources:		
Related to pensions and OPEB	1,718,526	1,718,526
Total liabilities and deferred inflows of resources	470,383,580	288,819,089
NET POSITION		
Net investment in capital assets	1,400,520,338	1,485,244,952
Restricted for debt service	50,372,959	49,646,301
Unrestricted	60,462,804	(23,933,197)
Total net position	1,511,356,101	1,510,958,056
Total liabilities and net position	\$ 1,981,739,681	\$ 1,799,777,145

**ORANGE COUNTY WATER UTILITIES SYSTEM
CASH AND INVESTMENTS DETAIL
DECEMBER 31 AND NOVEMBER 30, 2020**

	<u>DECEMBER</u>	<u>NOVEMBER</u>
Current:		
Reserve revenue	\$ 60,442,034	\$ 26,781,864
Water connection fees	7,444,539	1,227,019
Wastewater connection fees	46,778,323	4,733,793
Petty cash	<u>6,100</u>	<u>6,100</u>
Total current cash and investments	<u>114,670,996</u>	<u>32,748,776</u>
Restricted:		
Issuance Costs	20,768	-
Series 2020 account	90,889,127	-
Operation and maintenance reserve	31,903,406	31,933,379
Renewal and replacement	8,006,718	8,014,634
Bond reserve (1)	6,584,223	6,584,220
Bond principal	945,073	630,068
Bond interest	597,815	398,550
Loan debt service	2,869,265	2,271,695
Loan repayment reserve	760,778	761,530
Customer deposits	<u>10,799,973</u>	<u>10,801,189</u>
Total restricted cash and investments	<u>153,377,146</u>	<u>61,395,265</u>
Total cash and investments	<u>\$ 268,048,142</u>	<u>\$ 94,144,041</u>

Note: (1) The Bond Reserve requirement is prescribed in the 2016 Series bond covenants as the maximum annual debt service for the 2016 Series 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 DECEMBER 31, 2020**

	<u>DECEMBER</u>	<u>FISCAL YEAR TO DATE</u>
Operating revenues:		
Water service	\$ 4,610,940	\$ 13,422,996
Wastewater service	11,214,099	33,102,551
Reclaimed water service	901,514	2,642,925
Miscellaneous	<u>626,614</u>	<u>1,694,821</u>
Total operating revenues	<u>17,353,167</u>	<u>50,863,293</u>
Operating and maintenance expenses:		
Personal services	5,266,548	14,924,401
Contractual services	2,352,290	6,219,454
Materials and supplies	795,693	1,387,202
Utilities	1,069,916	4,070,239
Repairs and maintenance	1,735,920	3,333,319
Other administrative expenses	<u>580,573</u>	<u>5,032,963</u>
Total operating and maintenance expenses	<u>11,800,940</u>	<u>34,967,578</u>
Operating income before depreciation	5,552,227	15,895,715
Depreciation and amortization	<u>7,117,416</u>	<u>21,352,250</u>
Operating loss	<u>(1,565,189)</u>	<u>(5,456,535)</u>
Nonoperating revenues (expenses):		
Interest revenue	89,046	312,617
Interest expense and fiscal charges	(317,662)	(952,558)
Gain on disposal of assets	-	122,956
Bond issuance costs	(627,267)	(627,267)
Federal and state grants	<u>47,951</u>	<u>47,951</u>
Total net nonoperating revenues (expenses)	<u>(807,932)</u>	<u>(1,096,301)</u>
Loss before contributions and transfers	(2,373,121)	(6,552,836)
Capital contributions	2,771,166	7,559,277
Transfers out	<u>-</u>	<u>(9,700,000)</u>
Change in net position	398,045	(8,693,559)
Total net position, beginning of period	<u>1,510,958,056</u>	<u>1,520,049,660</u>
Total net position, end of period	<u>\$ 1,511,356,101</u>	<u>\$ 1,511,356,101</u>

See accompanying notes to financial statements

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

	DECEMBER BUDGET	DECEMBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 25%)
Water service:						
Residential	\$ 2,432,172	\$ 2,499,097	\$ 7,296,516	\$ 7,307,853	\$ 29,186,069	25%
Commercial	1,572,426	1,254,826	4,717,278	3,583,476	18,869,110	19%
Conservation surcharge	979,603	857,017	2,938,809	2,531,667	11,755,234	22%
Total water service	<u>4,984,201</u>	<u>4,610,940</u>	<u>14,952,603</u>	<u>13,422,996</u>	<u>59,810,413</u>	22%
Wastewater service:						
Residential	6,166,684	6,327,095	18,500,052	18,761,503	74,000,210	25%
Commercial	5,676,816	4,573,247	17,030,448	13,430,884	68,121,789	20%
Environmental surcharge	230,952	203,776	692,856	607,184	2,771,421	22%
Industrial	3,146	3,140	9,438	6,404	37,747	17%
Septic and portable	68,289	74,154	204,867	224,917	819,462	27%
Capacity maintenance fees	10,779	32,687	32,337	71,659	129,343	55%
Total wastewater service	<u>12,156,666</u>	<u>11,214,099</u>	<u>36,469,998</u>	<u>33,102,551</u>	<u>145,879,972</u>	23%
Reclaimed water service:						
Residential	490,050	446,615	1,470,150	1,281,409	5,880,602	22%
Commercial	512,684	420,785	1,538,052	1,298,076	6,152,210	21%
Reclaimed water-cooling tower	23,297	34,114	69,891	63,440	279,564	23%
Total reclaimed water service	<u>1,026,031</u>	<u>901,514</u>	<u>3,078,093</u>	<u>2,642,925</u>	<u>12,312,376</u>	21%
Miscellaneous:						
Initiate account service	42,953	42,720	128,859	121,170	515,440	24%
Turn off/on service	30,397	23,736	91,191	68,999	364,766	19%
Lien fee charges	510	240	1,530	260	6,114	4%
Meter removal/testing	3,103	3,456	9,309	8,744	37,241	23%
Meter/line damage	1,842	247	5,526	727	22,101	3%
NSF charges	6,910	6,492	20,730	16,097	82,917	19%
Plans and specifications	82,861	145,750	248,583	239,356	994,337	24%
Charges to other funds	1,115	1,009	3,345	4,312	13,383	32%
Developer reimb of plan review	49,114	70,449	147,342	160,219	589,362	27%
Cross Connection Control Program	229,840	238,933	689,520	709,103	2,758,076	26%
Miscellaneous	131,096	93,582	393,288	365,834	1,573,154	23%
Total miscellaneous	<u>579,741</u>	<u>626,614</u>	<u>1,739,223</u>	<u>1,694,821</u>	<u>6,956,891</u>	24%
Total operating revenues	<u>\$ 18,746,639</u>	<u>\$ 17,353,167</u>	<u>\$ 56,239,917</u>	<u>\$ 50,863,293</u>	<u>\$ 224,959,652</u>	23%

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

	DECEMBER BUDGET	DECEMBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 25%)
Personal services:						
Salaries	\$ 3,747,682	\$ 3,426,023	\$ 11,243,046	\$ 11,148,848	\$ 44,972,183	25%
Fringe benefits	1,641,053	1,840,525	4,923,159	3,775,553	19,692,641	19%
Total personal services	5,388,735	5,266,548	16,166,205	14,924,401	64,664,824	23%
Contractual services:						
Research and studies	93,963	14,805	281,889	14,845	1,127,561	1%
Legal services	11,582	1,736	34,746	1,219	138,978	1%
Indirect costs	666,196	666,196	1,998,588	1,998,587	7,994,348	25%
Purchased water	133,687	2,870	401,061	157,568	1,604,249	10%
Effluent disposal	279,402	166,340	838,206	421,813	3,352,823	13%
Comptroller fees	171,401	171,401	514,203	514,204	2,056,816	25%
Officer fees	761	260	2,283	651	9,130	7%
Payments to other governments	322,097	(87,230)	966,291	586,084	3,865,166	15%
Janitorial	40,694	35,842	122,082	64,182	488,329	13%
Employment agency	120,824	118,229	362,472	199,891	1,449,889	14%
Training	21,628	3,330	64,884	5,931	259,534	2%
Paving	200,876	118,624	602,628	164,692	2,410,509	7%
Software licensing/support fee	225,050	244,196	675,150	778,539	2,700,601	29%
Other professional fees	245,916	47,367	737,748	53,474	2,950,993	2%
Contractual services	1,642,686	848,324	4,928,058	1,257,774	19,712,229	6%
Total contractual services	4,176,763	2,352,290	12,530,289	6,219,454	50,121,155	12%
Materials and supplies:						
Graphic reproduction services	5,482	-	16,446	-	65,785	0%
Office supplies	14,142	6,909	42,426	6,909	169,703	4%
Event/meal reimbursement	288	-	864	-	3,460	0%
Software <\$1000	12,579	48,194	37,737	52,233	150,948	35%
Computer equipment <\$500	6,879	5,289	20,637	17,381	82,545	21%
Equipment <\$1000	27,772	106,404	83,316	105,625	333,261	32%
Tools	15,364	18,515	46,092	46,761	184,372	25%
Medical	96	-	288	-	1,150	0%
Liquid oxygen	19,354	7,476	58,062	12,506	232,248	5%
Chemical and pesticides	8	-	24	-	100	0%
Solar salt	27,815	17,793	83,445	28,916	333,776	9%
Chlorine	192,844	130,554	578,532	281,651	2,314,130	12%
Fluoride	18,012	7,420	54,036	20,707	216,149	10%
Alum	9,389	5,054	28,167	12,634	112,670	11%
Polymer	183,086	139,536	549,258	290,791	2,197,029	13%
Sealing chemicals	208	-	624	-	2,500	0%
Corrosion control	68,763	75,672	206,289	124,370	825,158	15%
Carbon dioxide	70,409	74,201	211,227	148,187	844,906	18%
Sodium hydroxide	54,424	54,098	163,272	100,466	653,085	15%
Supplemental carbon	74,461	-	223,383	6,578	893,531	1%
Miscellaneous chemicals	32,454	10,607	97,362	15,896	389,446	4%
Material for construction	27,898	-	83,694	-	334,780	0%
Clothing	19,612	20,795	58,836	34,089	235,347	14%
Gas-oil-lube-brfl-ant	28,470	21,061	85,410	25,074	341,634	7%
Miscellaneous expenses	97,415	46,115	292,245	56,428	1,168,984	5%
Total materials & supplies	1,007,224	795,693	3,021,672	1,387,202	12,086,697	11%

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

	DECEMBER BUDGET	DECEMBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 25%)
Utilities:						
Communications	\$ 70,288	\$ 95,700	\$ 210,864	\$ 237,822	\$ 843,451	28%
Water	9,927	1,832	29,781	23,285	119,124	20%
Solid waste tipping fees	44,093	-	132,279	-	529,117	0%
Garbage disposal	6,471	4,539	19,413	4,981	77,656	6%
Gas	18,511	11,387	55,533	18,023	222,127	8%
Electric	1,224,958	956,458	3,674,874	3,786,128	14,699,494	26%
Total utilities	1,374,248	1,069,916	4,122,744	4,070,239	16,490,969	25%
Repairs and maintenance:						
Building and grounds	672,443	548,914	2,017,329	1,116,017	8,069,312	14%
Equipment	852,543	795,181	2,557,629	1,236,782	10,230,513	12%
Vehicle maintenance	384,513	321,452	1,153,539	877,419	4,614,151	19%
Services	101,710	474	305,130	474	1,220,515	0%
Mains	441,484	6,047	1,324,452	59,078	5,297,806	1%
Water meters	20,642	(3,161)	61,926	10,591	247,703	4%
Fire lines	1,300	-	3,900	-	15,605	0%
Meter installations	42	-	126	-	500	0%
Valves	196,079	67,013	588,237	32,958	2,352,951	1%
Utility relocations	42	-	126	-	500	0%
Total repairs & maintenance	2,670,798	1,735,920	8,012,394	3,333,319	32,049,556	10%
Other administrative:						
Local travel	2,716	574	8,148	1,214	32,590	4%
Out of county travel	4,625	-	13,875	-	55,505	0%
Postage and messenger services	78,565	9,127	235,695	9,819	942,775	1%
Toll charges	19,934	21,283	59,802	50,466	239,210	21%
Rental of equipment	84,944	72,468	254,832	107,789	1,019,326	11%
Dues and memberships	14,109	15,621	42,327	72,082	169,308	43%
Subscriptions	2,353	265	7,059	265	28,239	1%
Training fees	26,811	4,247	80,433	4,412	321,727	1%
License and certification	3,821	533	11,463	2,352	45,854	5%
Advertising	1,410	500	4,230	1,240	16,920	7%
Promotional	12,364	4,840	37,092	6,095	148,371	4%
Educational assistance	2,775	1,054	8,325	1,054	33,300	3%
Scholarships, awards	651	-	1,953	-	7,810	0%
Improvements to non-county assets	36,950	-	110,850	-	443,397	0%
Bad debt expense	32,000	50,779	96,000	132,971	384,000	35%
Bank charges	137,988	552	413,964	10,713	1,655,853	1%
Self insurance	310,347	310,345	931,041	931,034	3,724,164	25%
Refunds of prior year revenue	66,667	25,304	200,001	119,311	800,000	15%
Operating permits	11,654	-	34,962	-	139,849	0%
Accrued expenses	-	63,081	-	3,582,146	-	0%
Total other administrative	850,684	580,573	2,552,052	5,032,963	10,208,198	49%
Total O&M expenses	\$ 15,468,452	\$ 11,800,940	\$ 46,405,356	\$ 34,967,578	\$ 185,621,399	19%

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

	DECEMBER BUDGET	DECEMBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 25%)
Interest revenue:						
Net revenue	\$ 139,667	\$ 84,700	\$ 419,001	\$ 298,779	\$ 1,676,004	18%
Connection fees	-	4,414	-	19,890	-	0%
Bond reserve	-	3	-	(5,263)	-	0%
Less: Customer deposits expense	-	(71)	-	(789)	-	0%
Total interest revenue	<u>139,667</u>	<u>89,046</u>	<u>419,001</u>	<u>312,617</u>	<u>1,676,004</u>	19%
Interest expense:						
Bonds and revolving loans	(869,600)	(367,312)	(2,608,800)	(1,101,938)	(10,435,197)	11%
Capital lease	(207)	(273)	(621)	(390)	(2,485)	16%
Debt service fees	(184,083)	-	(552,249)	-	(2,209,000)	0%
Amortization of bond premium	-	49,923	-	149,770	-	(1)
Total interest expense	<u>(1,053,890)</u>	<u>(317,662)</u>	<u>(3,161,670)</u>	<u>(952,558)</u>	<u>(12,646,682)</u>	8%
Gain (loss) on disposal of assets:						
Proceeds from sale	-	-	-	122,956	-	0%
Total gain on disposal of assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,956</u>	<u>-</u>	(1)
Bond issuance costs	<u>(58,333)</u>	<u>(627,267)</u>	<u>(174,999)</u>	<u>(627,267)</u>	<u>(700,000)</u>	90%
Hurricane related reimbursements	-	47,951	-	47,951	-	0%
Total revenue related to hurricanes	<u>-</u>	<u>47,951</u>	<u>-</u>	<u>47,951</u>	<u>-</u>	
Total non-operating revenues (expenses)	<u>\$ (972,556)</u>	<u>\$ (807,932)</u>	<u>\$ (2,917,668)</u>	<u>\$ (1,096,301)</u>	<u>\$ (11,670,678)</u>	9%

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

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

	<u>DECEMBER BUDGET</u>	<u>DECEMBER ACTUAL</u>	<u>FISCAL YTD BUDGET</u>	<u>FISCAL YTD ACTUAL</u>	<u>ANNUAL BUDGET</u>	<u>FISCAL YTD (STD 25%)</u>
CONNECTION FEES COLLECTED:						
Water connection fees:						
Residential/Commercial	\$ 791,738	\$ 798,621	\$ 2,375,214	\$ 1,916,924	\$ 9,500,853	20%
Irrigation	46,554	34,475	139,662	91,190	558,649	16%
Total water connection fees	<u>838,292</u>	<u>833,096</u>	<u>2,514,876</u>	<u>2,008,114</u>	<u>10,059,502</u>	20%
Wastewater connection fees:						
Residential/Commercial	<u>1,848,729</u>	<u>1,925,297</u>	<u>5,546,187</u>	<u>5,529,896</u>	<u>22,184,743</u>	25%
Total wastewater connection fees	<u>1,848,729</u>	<u>1,925,297</u>	<u>5,546,187</u>	<u>5,529,896</u>	<u>22,184,743</u>	25%
Less reductions:						
Refunds of prior year collections	<u>(83,333)</u>	<u>(4,760)</u>	<u>(249,999)</u>	<u>(9,746)</u>	<u>(1,000,000)</u>	1%
Total reductions	<u>(83,333)</u>	<u>(4,760)</u>	<u>(249,999)</u>	<u>(9,746)</u>	<u>(1,000,000)</u>	1%
Net connection fees	<u>2,603,688</u>	<u>2,753,633</u>	<u>7,811,064</u>	<u>7,528,264</u>	<u>31,244,245</u>	24%
DONATED SYSTEMS:						
Developer fixed assets	-	8,711	-	17,422	-	0%
Developer reimbursements	-	152	-	871	-	0%
Line extensions	-	8,670	-	12,720	-	0%
Total donated systems	<u>-</u>	<u>17,533</u>	<u>-</u>	<u>31,013</u>	<u>-</u>	0%
Total capital contributions	<u>\$ 2,603,688</u>	<u>\$ 2,771,166</u>	<u>\$ 7,811,064</u>	<u>\$ 7,559,277</u>	<u>\$ 31,244,245</u>	24%

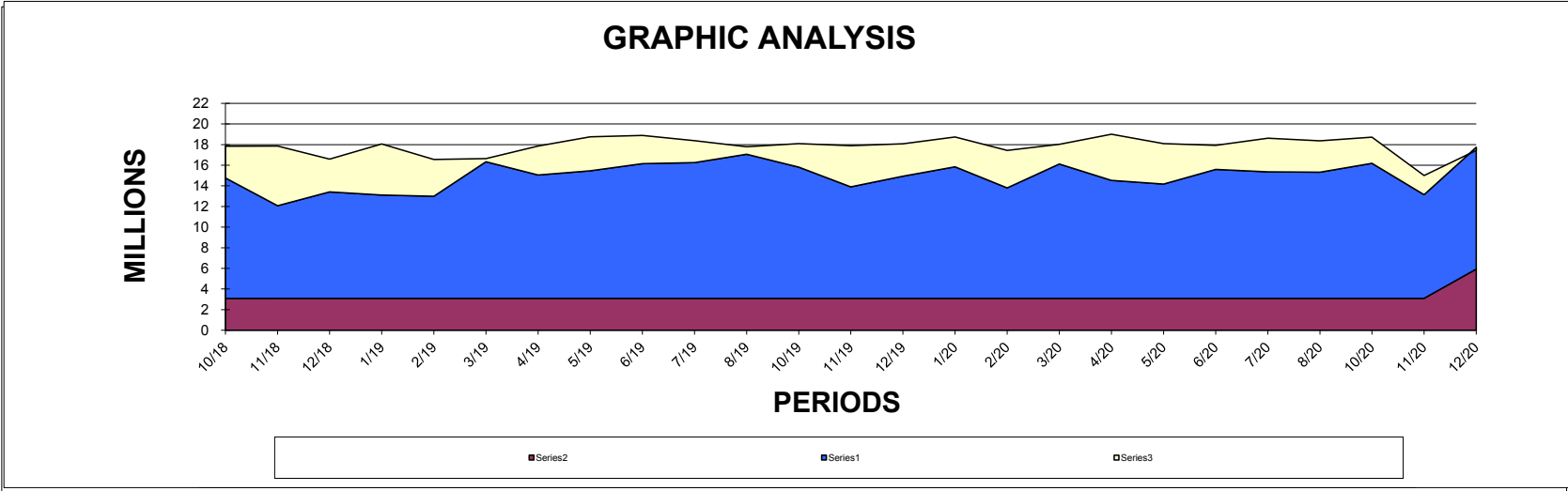
**ORANGE COUNTY WATER UTILITIES SYSTEM
OTHER DISBURSEMENTS DETAIL
FOR THE MONTH ENDED DECEMBER 31, 2020**

	DECEMBER BUDGET	DECEMBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 25%)
Capital outlay:						
Land	\$ 68,590	\$ 37	\$ 205,770	\$ 37	\$ 823,083	0%
Buildings	78,228	287,219	234,684	287,219	938,732	31%
Structures	17,332,725	15,562,036	51,998,175	18,915,239	207,992,696	9%
Equipment	1,113,358	1,247,565	3,340,074	1,441,797	13,360,300	11%
Total capital outlay	18,592,901	17,096,857	55,778,703	20,644,292	223,114,811	9%
Debt service principal	803,222	747,047	2,409,666	2,241,139	9,638,668	23%
Total other disbursements	<u>\$ 19,396,123</u>	<u>\$ 17,843,904</u>	<u>\$ 58,188,369</u>	<u>\$ 22,885,431</u>	<u>\$ 232,753,479</u>	10%

**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	0.69	0.70	0.68	0.68								
Water	0.97	0.92	1.10	0.93								
Wastewater	0.54	0.57	0.52	0.52								
Bond Coverage Ratios*	5.36	10.84	9.28	5.62								

*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 DECEMBER 31, 2020**

Pursuant to Section 37-304 of Orange County Ordinance No. 92-10, water and wastewater capacity has been sold net of \$10.7 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 \$15.3 million.