

**ORANGE COUNTY WATER UTILITIES SYSTEM
STATEMENTS OF NET POSITION
FEBRUARY 28 AND JANUARY 31, 2021**

	FEBRUARY	JANUARY
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>		
Current assets:		
Cash and investments	\$ 118,937,204	\$ 117,980,775
Accrued interest receivable	309,951	309,951
Accounts receivable, net	20,528,126	21,747,834
Due from other governmental agencies	17,756	17,756
Inventories and prepaid costs	9,076,446	10,215,347
Total current assets	148,869,483	150,271,663
Restricted assets:		
Cash and investments	135,477,760	152,494,435
Capital assets:		
Land	103,041,381	103,040,931
Construction in progress	343,978,971	328,499,947 (1)
Buildings and improvements	2,430,666,075	2,430,666,075
Machinery and equipment	111,636,241	109,217,317
Intangible assets	165,283,060	165,283,060
Less accumulated depreciation and amortization	(1,475,214,808)	(1,468,097,390)
Total capital assets	1,679,390,920	1,668,609,940
Total noncurrent and restricted assets	1,814,868,680	1,821,104,375
Total assets	1,963,738,163	1,971,376,038
Deferred outflows of resources:		
Related to pensions and OPEB	16,906,667	16,906,667
Total assets and deferred outflows of resources	\$ 1,980,644,830	\$ 1,988,282,705
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 37,059,548	\$ 43,616,310
Due to other governmental agencies	477,409	552,978
Net pension liability	159,737	159,737
Total current liabilities	37,696,694	44,329,025
Liabilities payable from restricted assets:		
Accrued interest payable on bonds and loans	3,108,038	3,056,348
Revenue bonds payable (net of unamortized costs)	3,780,000	3,780,000
Customer deposits	10,667,403	10,701,752
Total liabilities payable from restricted assets	17,555,441	17,538,100
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)	260,372,174	260,715,004
Net pension and OPEB liability	58,228,010	58,228,010
Total noncurrent liabilities	410,935,967	411,278,797
Total liabilities	466,188,102	473,145,922
Deferred inflows of resources:		
Related to pensions and OPEB	1,718,526	1,718,526
Total liabilities and deferred inflows of resources	467,906,628	474,864,448
<u>NET POSITION</u>		
Net investment in capital assets	1,395,897,357	1,401,600,663 (1)
Restricted for debt service	50,642,687	50,849,587
Unrestricted	66,198,158	60,968,007
Total net position	1,512,738,202	1,513,418,257
Total liabilities and net position	\$ 1,980,644,830	\$ 1,988,282,705

(1) Information for January 2021 has been updated from that previously reported.

**ORANGE COUNTY WATER UTILITIES SYSTEM
CASH AND INVESTMENTS DETAIL
FEBRUARY 28 AND JANUARY 31, 2021**

	<u>FEBRUARY</u>	<u>JANUARY</u>
Current:		
Reserve revenue	\$ 61,252,137	\$ 60,476,019
Water connection fees	8,883,164	8,387,061
Wastewater connection fees	48,795,803	49,111,595
Petty cash	6,100	6,100
Total current cash and investments	118,937,204	117,980,775
Restricted:		
Issuance Costs	20,768	20,768
Series 2020 account	71,059,632	87,886,748
Operation and maintenance reserve	31,900,465	31,890,273
Renewal and replacement	8,005,890	8,003,286
Bond reserve (1)	6,584,231	6,584,227
Bond principal	1,575,089	1,260,080
Bond interest	3,365,360	2,243,576
Loan debt service	1,538,223	3,143,273
Loan repayment reserve	760,699	760,452
Customer deposits	10,667,403	10,701,752
Total restricted cash and investments	135,477,760	152,494,435
Total cash and investments	\$ 254,414,964	\$ 270,475,210

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 FEBRUARY 28, 2021**

	<u>FEBRUARY</u>	<u>FISCAL YEAR TO DATE</u>
Operating revenues:		
Water service	\$ 4,155,183	\$ 22,432,665
Wastewater service	10,613,570	55,185,659
Reclaimed water service	805,311	4,350,275
Miscellaneous	<u>1,544,071</u>	<u>4,214,674</u>
Total operating revenues	<u>17,118,135</u>	<u>86,183,273</u>
Operating and maintenance expenses:		
Personal services	4,716,888	24,308,623
Contractual services	2,966,635	12,049,906
Materials and supplies	825,495	2,805,401
Utilities	525,664	4,724,770
Repairs and maintenance	1,939,693	6,770,948
Other administrative expenses	<u>848,566</u>	<u>6,556,978</u>
Total operating and maintenance expenses	<u>11,822,941</u>	<u>57,216,626</u>
Operating income before depreciation	5,295,194	28,966,647
Depreciation and amortization	<u>7,117,418</u>	<u>35,587,084</u>
Operating loss	<u>(1,822,224)</u>	<u>(6,620,437)</u>
Nonoperating revenues (expenses):		
Interest revenue	115,135	483,214
Interest expense and fiscal charges	(383,145)	(1,927,640)
Gain on disposal of assets	60,791	183,747
Bond issuance costs	(2,935)	(634,202)
Federal and state grants	<u>-</u>	<u>47,951</u>
Total net nonoperating revenues (expenses)	<u>(210,154)</u>	<u>(1,846,930)</u>
Loss before contributions and transfers	(2,032,378)	(8,467,367)
Capital contributions	1,352,323	12,696,170
Transfers out	<u>-</u>	<u>(9,700,000)</u>
Change in net position	(680,055)	(5,471,197)
Total net position, beginning of period	<u>1,513,418,257</u>	<u>1,518,209,399</u> (1)
Total net position, end of period	<u>\$ 1,512,738,202</u>	<u>\$ 1,512,738,202</u>

See accompanying notes to financial statements

(1) Information for January 2021 has been updated from that previously reported.

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING REVENUE DETAIL
FOR THE MONTH ENDED FEBRUARY 28, 2021**

	FEBRUARY BUDGET	FEBRUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 42%)
Water service:						
Residential	\$ 2,432,172	\$ 2,413,217	\$ 12,160,860	\$ 12,295,715	\$ 29,186,069	42%
Commercial	1,572,426	1,114,402	7,862,130	5,948,348	18,869,110	32%
Conservation surcharge	979,603	627,564	4,898,015	4,188,602	11,755,234	36%
Total water service	<u>4,984,201</u>	<u>4,155,183</u>	<u>24,921,005</u>	<u>22,432,665</u>	<u>59,810,413</u>	38%
Wastewater service:						
Residential	6,166,684	6,216,951	30,833,420	31,631,361	74,000,210	43%
Commercial	5,676,816	4,114,731	28,384,080	22,080,265	68,121,789	32%
Environmental surcharge	230,952	187,396	1,154,760	985,428	2,771,421	36%
Industrial	3,146	2,922	15,730	12,003	37,747	32%
Septic and portable	68,289	81,495	341,445	388,775	819,462	47%
Capacity maintenance fees	10,779	10,075	53,895	87,827	129,343	68%
Total wastewater service	<u>12,156,666</u>	<u>10,613,570</u>	<u>60,783,330</u>	<u>55,185,659</u>	<u>145,879,972</u>	38%
Reclaimed water service:						
Residential	490,050	405,760	2,450,250	2,153,393	5,880,602	37%
Commercial	512,684	394,672	2,563,420	2,116,976	6,152,210	34%
Reclaimed water-cooling tower	23,297	4,879	116,485	79,906	279,564	29%
Total reclaimed water service	<u>1,026,031</u>	<u>805,311</u>	<u>5,130,155</u>	<u>4,350,275</u>	<u>12,312,376</u>	35%
Miscellaneous:						
Initiate account service	42,953	35,746	214,765	188,900	515,440	37%
Turn off/on service	30,397	15,013	151,985	102,716	364,766	28%
Lien fee charges	510	520	2,550	1,340	6,114	22%
Meter removal/testing	3,103	2,994	15,515	14,855	37,241	40%
Meter/line damage	1,842	545	9,210	1,355	22,101	6%
NSF charges	6,910	6,283	34,550	26,285	82,917	32%
Plans and specifications	82,861	92,773	414,305	556,574	994,337	56%
Charges to other funds	1,115	817	5,575	6,838	13,383	51%
Developer reimb of plan review	49,114	84,936	245,570	294,537	589,362	50%
Cross Connection Control Program	229,840	241,774	1,149,200	1,191,400	2,758,076	43%
Miscellaneous	131,096	1,062,670	655,480	1,829,874	1,573,154	116%
Total miscellaneous	<u>579,741</u>	<u>1,544,071</u>	<u>2,898,705</u>	<u>4,214,674</u>	<u>6,956,891</u>	61%
Total operating revenues	<u>\$ 18,746,639</u>	<u>\$ 17,118,135</u>	<u>\$ 93,733,195</u>	<u>\$ 86,183,273</u>	<u>\$ 224,959,652</u>	38%

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING AND MAINTENANCE EXPENSES DETAIL
FOR THE MONTH ENDED FEBRUARY 28, 2021**

	FEBRUARY BUDGET	FEBRUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 42%)
Personal services:						
Salaries	\$ 3,747,682	\$ 3,350,926	\$ 18,738,410	\$ 17,840,940	\$ 44,972,183	40%
Fringe benefits	1,641,053	1,365,962	8,205,265	6,467,683	19,692,641	33%
Total personal services	5,388,735	4,716,888	26,943,675	24,308,623	64,664,824	38%
Contractual services:						
Research and studies	93,963	13,000	469,815	58,326	1,127,561	5%
Legal services	11,582	5,193	57,910	7,102	138,978	5%
Indirect costs	666,196	666,195	3,330,980	3,330,978	7,994,348	42%
Purchased water	133,687	95,772	668,435	566,416	1,604,249	35%
Effluent disposal	279,402	245,693	1,397,010	807,557	3,352,823	24%
Comptroller fees	171,401	171,402	857,005	857,007	2,056,816	42%
Officer fees	761	20	3,805	1,051	9,130	12%
Payments to other governments	322,097	306,562	1,610,485	1,447,215	3,865,166	37%
Janitorial	40,694	76,101	203,470	152,382	488,329	31%
Employment agency	120,824	104,061	604,120	376,084	1,449,889	26%
Training	21,628	3,720	108,140	9,791	259,534	4%
Paving	200,876	105,986	1,004,380	353,712	2,410,509	15%
Software licensing/support fee	225,050	56,227	1,125,250	989,582	2,700,601	37%
Other professional fees	245,916	76,851	1,229,580	227,787	2,950,993	8%
Contractual services	1,642,686	1,039,852	8,213,430	2,864,916	19,712,229	15%
Total contractual services	4,176,763	2,966,635	20,883,815	12,049,906	50,121,155	24%
Materials and supplies:						
Graphic reproduction services	5,482	-	27,410	-	65,785	0%
Office supplies	14,142	4,305	70,710	12,513	169,703	7%
Event/meal reimbursement	288	-	1,440	-	3,460	0%
Software <\$1000	12,579	306	62,895	52,539	150,948	35%
Computer equipment <\$500	6,879	3,715	34,395	49,282	82,545	60%
Equipment <\$1000	27,772	101,674	138,860	311,292	333,261	93%
Tools	15,364	26,222	76,820	91,705	184,372	50%
Medical	96	-	480	-	1,150	0%
Liquid oxygen	19,354	12,852	96,770	27,954	232,248	12%
Chemical and pesticides	8	-	40	-	100	0%
Solar salt	27,815	11,206	139,075	40,122	333,776	12%
Chlorine	192,844	160,584	964,220	542,586	2,314,130	23%
Fluoride	18,012	3,920	90,060	29,670	216,149	14%
Alum	9,389	-	46,945	12,634	112,670	11%
Polymer	183,086	162,064	915,430	497,375	2,197,029	23%
Sealing chemicals	208	-	1,040	-	2,500	0%
Corrosion control	68,763	75,351	343,815	241,505	825,158	29%
Carbon dioxide	70,409	43,661	352,045	250,914	844,906	30%
Sodium hydroxide	54,424	61,510	272,120	192,895	653,085	30%
Supplemental carbon	74,461	26,239	372,305	78,897	893,531	9%
Miscellaneous chemicals	32,454	5,919	162,270	34,891	389,446	9%
Material for construction	27,898	49,860	139,490	81,032	334,780	24%
Clothing	19,612	12,473	98,060	54,984	235,347	23%
Gas-oil-lube-brfl-ant	28,470	2,052	142,350	48,058	341,634	14%
Miscellaneous expenses	97,415	61,582	487,075	154,553	1,168,984	13%
Total materials & supplies	1,007,224	825,495	5,036,120	2,805,401	12,086,697	23%

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING AND MAINTENANCE EXPENSES DETAIL, (continued)
FOR THE MONTH ENDED FEBRUARY 28, 2021**

	FEBRUARY BUDGET	FEBRUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 42%)
Utilities:						
Communications	\$ 70,288	\$ 80,637	\$ 351,440	\$ 364,855	\$ 843,451	43%
Water	9,927	6,712	49,635	40,050	119,124	34%
Solid waste tipping fees	44,093	-	220,465	-	529,117	0%
Garbage disposal	6,471	6,414	32,355	13,246	77,656	17%
Gas	18,511	8,702	92,555	32,480	222,127	15%
Electric	1,223,875	423,199	6,119,375	4,274,139	14,686,494	29%
Total utilities	1,373,165	525,664	6,865,825	4,724,770	16,477,969	29%
Repairs and maintenance:						
Building and grounds	672,443	623,663	3,362,215	2,165,178	8,069,312	27%
Equipment	852,543	725,383	4,262,715	2,662,575	10,230,513	26%
Vehicle maintenance	384,513	342,862	1,922,565	1,546,197	4,614,151	34%
Services	101,710	29,537	508,550	30,011	1,220,515	2%
Mains	441,484	140,545	2,207,420	210,609	5,297,806	4%
Water meters	20,642	32,367	103,210	44,052	247,703	18%
Fire lines	1,300	450	6,500	450	15,605	3%
Meter installations	42	-	210	-	500	0%
Valves	196,079	44,886	980,395	111,876	2,352,951	5%
Utility relocations	42	-	210	-	500	0%
Total repairs & maintenance	2,670,798	1,939,693	13,353,990	6,770,948	32,049,556	21%
Other administrative:						
Local travel	2,716	541	13,580	2,241	32,590	7%
Out of county travel	4,625	-	23,125	-	55,505	0%
Postage and messenger services	78,565	253,134	392,825	263,177	942,775	28%
Toll charges	19,934	25,982	99,670	90,685	239,210	38%
Rental of equipment	84,944	96,030	424,720	243,206	1,019,326	24%
Dues and memberships	14,109	2,891	70,545	79,348	169,308	47%
Subscriptions	2,353	-	11,765	1,931	28,239	7%
Training fees	26,811	3,513	134,055	8,550	321,727	3%
License and certification	3,821	1,429	19,105	4,090	45,854	9%
Advertising	1,410	-	7,050	1,240	16,920	7%
Promotional	12,364	2,341	61,820	8,936	148,371	6%
Educational assistance	2,775	-	13,875	1,054	33,300	3%
Scholarships, awards	651	-	3,255	-	7,810	0%
Improvements to non-county assets	36,950	-	184,750	-	443,397	0%
Bad debt expense	32,000	58,486	160,000	215,594	384,000	56%
Bank charges	137,988	79,270	689,940	209,516	1,655,853	13%
Self insurance	310,347	310,345	1,551,735	1,551,723	3,724,164	42%
Refunds of prior year revenue	66,667	1,891	333,335	123,639	800,000	15%
Operating permits	11,654	-	58,270	-	139,849	0%
Accrued expenses	-	12,713	-	3,752,048	-	0%
Total other administrative	850,684	848,566	4,253,420	6,556,978	10,208,198	64%
Total O&M expenses	\$ 15,467,369	\$ 11,822,941	\$ 77,336,845	\$ 57,216,626	\$ 185,608,399	31%

**ORANGE COUNTY WATER UTILITIES SYSTEM
NON-OPERATING REVENUE AND EXPENSE DETAIL
FOR THE MONTH ENDED FEBRUARY 28, 2021**

	FEBRUARY BUDGET	FEBRUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 42%)
Interest revenue:						
Net revenue	\$ 139,667	\$ 100,963	\$ 698,335	\$ 450,153	\$ 1,676,004	27%
Connection fees	-	14,244	-	39,216	-	0%
Bond reserve	-	3	-	(5,256)	-	0%
Less: Customer deposits expense	-	(75)	-	(899)	-	0%
Total interest revenue	139,667	115,135	698,335	483,214	1,676,004	29%
Interest expense:						
Bonds and revolving loans	(869,600)	(725,804)	(4,348,000)	(3,641,043)	(10,435,197)	35%
Capital lease	(207)	(171)	(1,035)	(746)	(2,485)	30%
Debt service fees	(184,083)	-	(920,415)	-	(2,209,000)	0%
Amortization of bond premium	-	342,830	-	1,714,149	-	(1)
Total interest expense	(1,053,890)	(383,145)	(5,269,450)	(1,927,640)	(12,646,682)	15%
Gain (loss) on disposal of assets:						
Proceeds from sale	-	87,310	-	210,266	-	0%
Loss on abandoned projects	-	(26,519)	-	(26,519)	-	(1)
Total gain on disposal of assets	-	60,791	-	183,747	-	(1)
Bond issuance costs	(58,333)	(2,935)	(291,665)	(634,202)	(700,000)	91%
Hurricane related reimbursements	-	-	-	47,951	-	0%
Total revenue related to hurricanes	-	-	-	47,951	-	
Total non-operating revenues (expenses)	\$ (972,556)	\$ (210,154)	\$ (4,862,780)	\$ (1,846,930)	\$ (11,670,678)	16%

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

**ORANGE COUNTY WATER UTILITIES SYSTEM
CAPITAL CONTRIBUTIONS DETAIL
FOR THE MONTH ENDED FEBRUARY 28, 2021**

	<u>FEBRUARY BUDGET</u>	<u>FEBRUARY ACTUAL</u>	<u>FISCAL YTD BUDGET</u>	<u>FISCAL YTD ACTUAL</u>	<u>ANNUAL BUDGET</u>	<u>FISCAL YTD (STD 42%)</u>
CONNECTION FEES COLLECTED:						
Water connection fees:						
Residential/Commercial	\$ 791,738	\$ 459,174	\$ 3,958,690	\$ 3,379,117	\$ 9,500,853	36%
Irrigation	<u>46,554</u>	<u>31,745</u>	<u>232,770</u>	<u>175,975</u>	<u>558,649</u>	32%
Total water connection fees	<u>838,292</u>	<u>490,919</u>	<u>4,191,460</u>	<u>3,555,092</u>	<u>10,059,502</u>	35%
Wastewater connection fees:						
Residential/Commercial	<u>1,848,729</u>	<u>848,042</u>	<u>9,243,645</u>	<u>9,066,585</u>	<u>22,184,743</u>	41%
Total wastewater connection fees	<u>1,848,729</u>	<u>848,042</u>	<u>9,243,645</u>	<u>9,066,585</u>	<u>22,184,743</u>	41%
Less reductions:						
Refunds of prior year collections	<u>(83,333)</u>	<u>(6,812)</u>	<u>(416,665)</u>	<u>(16,763)</u>	<u>(1,000,000)</u>	2%
Total reductions	<u>(83,333)</u>	<u>(6,812)</u>	<u>(416,665)</u>	<u>(16,763)</u>	<u>(1,000,000)</u>	2%
Net connection fees	<u>2,603,688</u>	<u>1,332,149</u>	<u>13,018,440</u>	<u>12,604,914</u>	<u>31,244,245</u>	40%
DONATED SYSTEMS:						
Developer fixed assets	-	17,422	-	69,688	-	0%
Developer reimbursements	-	212	-	1,083	-	0%
Line extensions	<u>-</u>	<u>2,540</u>	<u>-</u>	<u>20,485</u>	<u>-</u>	0%
Total donated systems	<u>-</u>	<u>20,174</u>	<u>-</u>	<u>91,256</u>	<u>-</u>	0%
Total capital contributions	<u>\$ 2,603,688</u>	<u>\$ 1,352,323</u>	<u>\$ 13,018,440</u>	<u>\$ 12,696,170</u>	<u>\$ 31,244,245</u>	41%

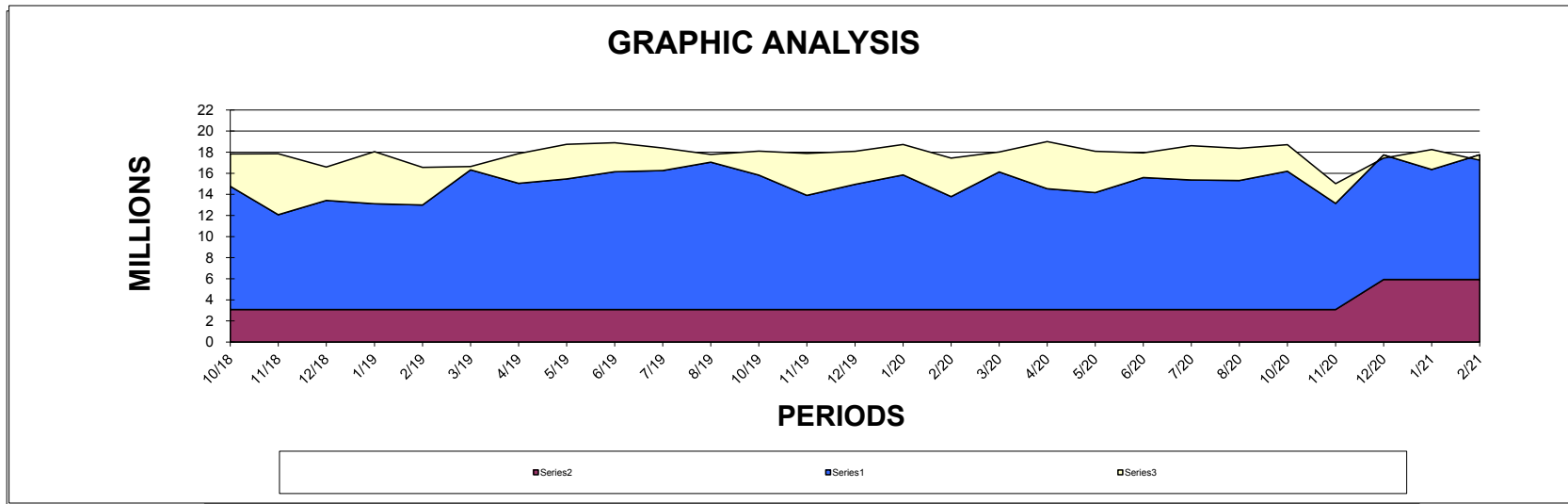
**ORANGE COUNTY WATER UTILITIES SYSTEM
OTHER DISBURSEMENTS DETAIL
FOR THE MONTH ENDED FEBRUARY 28, 2021**

	FEBRUARY BUDGET	FEBRUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 42%)
Capital outlay:						
Land	\$ 68,590	\$ 450	\$ 342,950	\$ 487	\$ 823,083	0%
Buildings	78,228	24,831	391,140	424,977	938,732	45%
Structures	17,332,725	15,480,713	86,663,625	45,359,998	207,992,696	22%
Equipment	1,114,442	2,418,924	5,572,210	4,610,618	13,373,300	34%
Total capital outlay	18,593,985	17,924,918	92,969,925	50,396,080	223,127,811	23%
Debt service principal	803,222	750,178	4,016,110	3,738,869	9,638,668	39%
Total other disbursements	<u>\$ 19,397,207</u>	<u>\$ 18,675,096</u>	<u>\$ 96,986,035</u>	<u>\$ 54,134,949</u>	<u>\$ 232,766,479</u>	23%

**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	0.66	0.70	0.68	0.68	0.57	0.69						
Water	0.89	0.92	1.10	0.93	0.63	0.93						
Wastewater	0.53	0.57	0.52	0.52	0.50	0.55						
Bond Coverage Ratios*	5.86	10.84	9.28	5.62	7.87	5.36						

*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 FEBRUARY 28, 2021**

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 \$15.4 million.