

**ORANGE COUNTY WATER UTILITIES SYSTEM
STATEMENTS OF NET POSITION
JUNE 30 AND MAY 31, 2021**

	JUNE	MAY
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>		
Current assets:		
Cash and investments	\$ 129,563,141	\$ 123,636,941
Accrued interest receivable	309,951	309,951
Accounts receivable, net	22,419,455	22,274,977
Due from other governmental agencies	17,756	17,756
Inventories and prepaid costs	10,371,756	11,685,383
Total current assets	162,682,059	157,925,008
Restricted assets:		
Cash and investments	104,704,241	115,128,921
Capital assets:		
Land	103,115,230	103,112,787
Construction in progress	381,712,422	371,858,405
Buildings and improvements	2,452,527,527	2,448,728,647
Machinery and equipment	111,318,946	107,012,245
Intangible assets	178,218,656	178,218,656
Less accumulated depreciation and amortization	(1,501,227,279)	(1,494,234,218)
Total capital assets	1,725,665,502	1,714,696,522
Total noncurrent and restricted assets	1,830,369,743	1,829,825,443
Total assets	1,993,051,802	1,987,750,451
Deferred outflows of resources:		
Related to pensions and OPEB	16,906,667	16,906,667
Total assets and deferred outflows of resources	\$ 2,009,958,469	\$ 2,004,657,118
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 34,185,203	\$ 32,639,046
Due to other governmental agencies	678,604	626,604
Net pension liability	159,737	159,737
Total current liabilities	35,023,544	33,425,387
Liabilities payable from restricted assets:		
Accrued interest payable on bonds and loans	3,052,133	2,103,109
Revenue bonds payable (net of unamortized costs)	3,780,000	3,780,000
Customer deposits	10,642,888	10,572,376
Total liabilities payable from restricted assets	17,475,021	16,455,485
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)	259,000,855	259,343,685
Net pension and OPEB liability	58,228,010	58,228,010
Total noncurrent liabilities	409,564,648	409,907,478
Total liabilities	462,063,213	459,788,350
Deferred inflows of resources:		
Related to pensions and OPEB	1,718,526	1,718,526
Total liabilities and deferred inflows of resources	463,781,739	461,506,876
<u>NET POSITION</u>		
Net investment in capital assets	1,411,383,799	1,412,281,741
Restricted for debt service	52,109,047	51,343,511
Unrestricted	82,683,884	79,524,990
Total net position	1,546,176,730	1,543,150,242
Total liabilities and net position	\$ 2,009,958,469	\$ 2,004,657,118

**ORANGE COUNTY WATER UTILITIES SYSTEM
CASH AND INVESTMENTS DETAIL
JUNE 30 AND MAY 31, 2021**

	<u>JUNE</u>	<u>MAY</u>
Current:		
Reserve revenue	\$ 60,331,829	\$ 56,337,049
Water connection fees	11,243,607	10,742,116
Wastewater connection fees	57,981,605	56,551,676
Petty cash	6,100	6,100
Total current cash and investments	129,563,141	123,636,941
Restricted:		
Series 2020 account	38,900,173	51,109,925
Operation and maintenance reserve	31,901,978	31,891,815
Renewal and replacement	8,006,143	8,003,592
Bond reserve (1)	6,422,309	6,422,306
Bond principal	2,835,049	2,520,032
Bond interest	2,365,978	1,580,290
Loan debt service	2,868,999	2,268,104
Loan repayment reserve	760,724	760,481
Customer deposits	10,642,888	10,572,376
Total restricted cash and investments	104,704,241	115,128,921
Total cash and investments	\$ 234,267,382	\$ 238,765,862

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 JUNE 30, 2021**

	<u>JUNE</u>	<u>FISCAL YEAR TO DATE</u>
Operating revenues:		
Water service	\$ 5,721,686	\$ 43,403,380
Wastewater service	12,084,590	102,328,650
Reclaimed water service	1,328,959	8,729,517
Miscellaneous	847,922	7,046,331
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Total operating revenues	19,983,157	161,507,878
Operating and maintenance expenses:		
Personal services	4,660,134	44,945,328
Contractual services	2,544,337	23,623,543
Materials and supplies	795,769	5,547,621
Utilities	1,411,574	10,250,281
Repairs and maintenance	2,092,849	15,024,663
Other administrative expenses	849,026	9,140,304
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Total operating and maintenance expenses	12,353,689	108,531,740
Operating income before depreciation	7,629,468	52,976,138
Depreciation and amortization	7,122,490	64,076,523
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Operating income (loss)	506,978	(11,100,385)
Nonoperating revenues (expenses):		
Interest revenue	175,452	1,082,547
Interest expense and fiscal charges	(607,808)	(4,129,953)
Gain on disposal of assets	-	1,510,679
Bond issuance costs	-	(634,202)
Federal and state grants	-	47,951
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Total net nonoperating revenues (expenses)	(432,356)	(2,122,978)
Income (loss) before contributions and transfers	74,622	(13,223,363)
Capital contributions	2,951,866	50,890,694
Transfers out	-	(9,700,000)
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Change in net position	3,026,488	27,967,331
Total net position, beginning of period	1,543,150,242	1,518,209,399
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Total net position, end of period	\$ 1,546,176,730	\$ 1,546,176,730

See accompanying notes to financial statements

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING REVENUE DETAIL
FOR THE MONTH ENDED JUNE 30, 2021**

	JUNE BUDGET	JUNE ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 75%)
Water service:						
Residential	\$ 2,400,194	\$ 2,659,751	\$ 21,601,746	\$ 22,452,965	\$ 28,802,327	78%
Commercial	1,572,426	1,372,938	14,151,834	11,239,365	18,869,110	60%
Conservation surcharge	979,603	1,688,997	8,816,427	9,711,050	11,755,234	83%
Total water service	<u>4,952,223</u>	<u>5,721,686</u>	<u>44,570,007</u>	<u>43,403,380</u>	<u>59,426,671</u>	73%
Wastewater service:						
Residential	6,166,684	6,825,980	55,500,156	58,231,579	74,000,210	79%
Commercial	5,676,816	4,927,794	51,091,344	41,498,721	68,121,789	61%
Environmental surcharge	230,952	225,291	2,078,568	1,776,532	2,771,421	64%
Industrial	3,146	2,703	28,314	21,183	37,747	56%
Septic and portable	68,289	62,544	614,601	690,530	819,462	84%
Capacity maintenance fees	10,779	40,278	97,011	110,105	129,343	85%
Total wastewater service	<u>12,156,666</u>	<u>12,084,590</u>	<u>109,409,994</u>	<u>102,328,650</u>	<u>145,879,972</u>	70%
Reclaimed water service:						
Residential	490,050	628,204	4,410,450	4,295,241	5,880,602	73%
Commercial	512,684	660,764	4,614,156	4,251,009	6,152,210	69%
Reclaimed water-cooling tower	23,297	39,991	209,673	183,267	279,564	66%
Total reclaimed water service	<u>1,026,031</u>	<u>1,328,959</u>	<u>9,234,279</u>	<u>8,729,517</u>	<u>12,312,376</u>	71%
Miscellaneous:						
Initiate account service	42,953	47,472	386,577	362,006	515,440	70%
Turn off/on service	30,397	15,199	273,573	154,714	364,766	42%
Lien fee charges	510	300	4,590	3,040	6,114	50%
Meter removal/testing	3,103	4,151	27,927	29,266	37,241	79%
Meter/line damage	1,842	997	16,578	14,940	22,101	68%
NSF charges	6,910	6,276	62,190	45,003	82,917	54%
Plans and specifications	82,861	185,973	745,749	933,342	994,337	94%
Charges to other funds	1,115	1,191	10,035	14,167	13,383	106%
Developer reimb of plan review	49,114	92,413	442,026	552,797	589,362	94%
Cross Connection Control Program	229,840	248,622	2,068,560	2,174,225	2,758,076	79%
Miscellaneous	163,075	245,328	1,467,675	2,762,831	1,956,896	141%
Total miscellaneous	<u>611,720</u>	<u>847,922</u>	<u>5,505,480</u>	<u>7,046,331</u>	<u>7,340,633</u>	96%
Total operating revenues	<u>\$ 18,746,640</u>	<u>\$ 19,983,157</u>	<u>\$ 168,719,760</u>	<u>\$ 161,507,878</u>	<u>\$ 224,959,652</u>	72%

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING AND MAINTENANCE EXPENSES DETAIL
FOR THE MONTH ENDED JUNE 30, 2021**

	JUNE BUDGET	JUNE ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 75%)
Personal services:						
Salaries	\$ 3,747,682	\$ 2,778,039	\$ 33,729,138	\$ 32,085,517	\$ 44,972,183	71%
Fringe benefits	1,641,053	1,882,095	14,769,477	12,859,811	19,692,641	65%
Total personal services	5,388,735	4,660,134	48,498,615	44,945,328	64,664,824	70%
Contractual services:						
Research and studies	87,963	13,682	791,667	143,672	1,055,561	14%
Legal services	11,582	2,963	104,238	28,989	138,978	21%
Indirect costs	666,196	666,196	5,995,764	5,995,761	7,994,348	75%
Purchased water	133,687	27,881	1,203,183	909,878	1,604,249	57%
Effluent disposal	279,402	195,639	2,514,618	1,760,450	3,352,823	53%
Comptroller fees	171,401	171,401	1,542,609	1,542,638	2,056,816	75%
Officer fees	761	651	6,849	3,816	9,130	42%
Payments to other governments	322,097	293,544	2,898,873	2,719,497	3,865,166	70%
Janitorial	40,694	33,417	366,246	303,945	488,329	62%
Employment agency	120,824	82,042	1,087,416	776,930	1,449,889	54%
Training	21,628	10,615	194,652	33,566	259,534	13%
Paving	200,876	81,857	1,807,884	750,320	2,410,509	31%
Software licensing/support fee	227,842	139,239	2,050,578	1,566,886	2,734,101	57%
Other professional fees	245,916	41,183	2,213,244	516,421	2,950,993	17%
Contractual services	1,642,686	784,027	14,784,174	6,570,774	19,712,229	33%
Total contractual services	4,173,555	2,544,337	37,561,995	23,623,543	50,082,655	47%
Materials and supplies:						
Graphic reproduction services	5,482	1,623	49,338	13,204	65,785	20%
Office supplies	14,142	7,442	127,278	53,952	169,703	32%
Event/meal reimbursement	288	-	2,592	-	3,460	0%
Software <\$1000	12,579	4,929	113,211	58,008	150,948	38%
Computer equipment <\$500	6,854	2,052	61,686	59,478	82,245	72%
Equipment <\$1000	27,772	17,273	249,948	457,651	333,261	137%
Tools	15,364	21,371	138,276	156,581	184,372	85%
Medical	96	-	864	10	1,150	1%
Liquid oxygen	19,354	-	174,186	42,923	232,248	18%
Chemical and pesticides	8	-	72	-	100	0%
Solar salt	27,815	27,480	250,335	153,432	333,776	46%
Chlorine	192,844	149,480	1,735,596	1,015,449	2,314,130	44%
Fluoride	18,012	12,732	162,108	67,864	216,149	31%
Alum	9,389	5,166	84,501	42,339	112,670	38%
Polymer	183,086	140,829	1,647,774	910,833	2,197,029	41%
Sealing chemicals	208	-	1,872	-	2,500	0%
Corrosion control	68,763	91,104	618,867	519,034	825,158	63%
Carbon dioxide	70,409	65,027	633,681	485,948	844,906	58%
Sodium hydroxide	54,424	45,398	489,816	351,433	653,085	54%
Supplemental carbon	74,461	70,995	670,149	242,269	893,531	27%
Miscellaneous chemicals	32,454	11,322	292,086	101,622	389,446	26%
Material for construction	27,898	730	251,082	151,180	334,780	45%
Clothing	19,612	12,422	176,508	116,476	235,347	49%
Gas-oil-lube-brfl-ant	28,470	11,891	256,230	76,930	341,634	23%
Miscellaneous expenses	97,290	96,503	875,610	471,005	1,167,484	40%
Total materials & supplies	1,007,074	795,769	9,063,666	5,547,621	12,084,897	46%

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING AND MAINTENANCE EXPENSES DETAIL, (continued)
FOR THE MONTH ENDED JUNE 30, 2021**

	JUNE BUDGET	JUNE ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 75%)
Utilities:						
Communications	\$ 70,288	\$ 107,390	\$ 632,592	\$ 792,621	\$ 843,451	94%
Water	9,927	14,223	89,343	74,755	119,124	63%
Solid waste tipping fees	44,093	-	396,837	188,733	529,117	36%
Garbage disposal	6,471	2,662	58,239	28,720	77,656	37%
Gas	18,511	8,104	166,599	68,245	222,127	31%
Electric	1,223,875	1,279,195	11,014,875	9,097,207	14,686,494	62%
Total utilities	1,373,165	1,411,574	12,358,485	10,250,281	16,477,969	62%
Repairs and maintenance:						
Building and grounds	672,443	625,466	6,051,987	4,731,418	8,069,312	59%
Equipment	852,568	639,904	7,673,112	5,610,415	10,230,813	55%
Vehicle maintenance	384,513	371,265	3,460,617	2,995,585	4,614,151	65%
Services	101,710	32,237	915,390	300,177	1,220,515	25%
Mains	441,484	380,213	3,973,356	1,041,323	5,297,806	20%
Water meters	20,642	7,557	185,778	52,670	247,703	21%
Fire lines	1,300	702	11,700	1,152	15,605	7%
Meter installations	42	-	378	-	500	0%
Valves	196,079	35,505	1,764,711	291,923	2,352,951	12%
Utility relocations	42	-	378	-	500	0%
Total repairs & maintenance	2,670,823	2,092,849	24,037,407	15,024,663	32,049,856	47%
Other administrative:						
Local travel	2,716	586	24,444	4,157	32,590	13%
Out of county travel	4,625	-	41,625	-	55,505	0%
Postage and messenger services	78,565	4,395	707,085	289,107	942,775	31%
Moving expenses	125	1,424	1,125	1,424	1,500	0%
Toll charges	19,934	20,506	179,406	176,341	239,210	74%
Rental of equipment	84,944	109,106	764,496	594,604	1,019,326	58%
Dues and memberships	14,109	789	126,981	128,958	169,308	76%
Subscriptions	2,353	132	21,177	7,662	28,239	27%
Training fees	26,811	349	241,299	22,381	321,727	7%
License and certification	3,821	1,672	34,389	12,459	45,854	27%
Advertising	1,410	-	12,690	1,540	16,920	9%
Promotional	12,364	22,203	111,276	45,100	148,371	30%
Educational assistance	2,775	1,778	24,975	3,667	33,300	11%
Scholarships, awards	651	100	5,859	100	7,810	1%
Improvements to non-county assets	36,950	-	332,550	-	443,397	0%
Bad debt expense	32,000	268,618	288,000	536,417	384,000	140%
Bank charges	137,988	93,525	1,241,892	611,868	1,655,853	37%
Self insurance	310,347	310,344	2,793,123	2,793,101	3,724,164	75%
Refunds of prior year revenue	66,667	-	600,003	132,408	800,000	17%
Operating permits	11,654	-	104,886	-	139,849	0%
Accrued expenses	-	13,499	-	3,779,010	-	0%
Total other administrative	850,809	849,026	7,657,281	9,140,304	10,209,698	90%
Total O&M expenses	\$ 15,464,161	\$ 12,353,689	\$ 139,177,449	\$ 108,531,740	\$ 185,569,899	58%

**ORANGE COUNTY WATER UTILITIES SYSTEM
NON-OPERATING REVENUE AND EXPENSE DETAIL
FOR THE MONTH ENDED JUNE 30, 2021**

	JUNE BUDGET	JUNE ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 75%)
Interest revenue:						
Net revenue	\$ 139,667	\$ 132,579	\$ 1,257,003	\$ 920,034	\$ 1,676,004	55%
Connection fees	-	42,945	-	162,878	-	0%
Bond reserve	-	3	-	824	-	0%
Less: Customer deposits expense	-	(75)	-	(1,189)	-	0%
Total interest revenue	139,667	175,452	1,257,003	1,082,547	1,676,004	65%
Interest expense:						
Bonds and revolving loans	(869,600)	(949,024)	(7,826,400)	(7,212,602)	(10,435,197)	69%
Capital lease	(207)	(114)	(1,863)	(1,319)	(2,485)	53%
Debt service fees	(184,083)	(1,500)	(1,656,747)	(1,500)	(2,209,000)	0%
Amortization of bond premium	-	342,830	-	3,085,468	-	(1)
Total interest expense	(1,053,890)	(607,808)	(9,485,010)	(4,129,953)	(12,646,682)	33%
Gain (loss) on disposal of assets:						
Proceeds from sale	-	(24,915)	-	(24,952)	-	0%
Gain on disposal of fixed assets	-	24,915	-	264,649	-	(1)
Gain (loss) on abandoned projects	-	-	-	1,270,982	-	(1)
Total gain (loss) on disposal of assets	-	-	-	1,510,679	-	(1)
Bond issuance costs	(58,333)	-	(524,997)	(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)	\$ (432,356)	\$ (8,753,004)	\$ (2,122,978)	\$ (11,670,678)	18%

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

**ORANGE COUNTY WATER UTILITIES SYSTEM
CAPITAL CONTRIBUTIONS DETAIL
FOR THE MONTH ENDED JUNE 30, 2021**

	JUNE BUDGET	JUNE ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 75%)
CONNECTION FEES COLLECTED:						
Water connection fees:						
Residential/Commercial	\$ 791,738	\$ 964,057	\$ 7,125,642	\$ 7,239,150	\$ 9,500,853	76%
Irrigation	46,554	42,420	418,986	329,840	558,649	59%
Total water connection fees	838,292	1,006,477	7,544,628	7,568,990	10,059,502	75%
Wastewater connection fees:						
Residential/Commercial	1,848,729	1,900,600	16,638,561	19,262,966	22,184,743	87%
Total wastewater connection fees	1,848,729	1,900,600	16,638,561	19,262,966	22,184,743	87%
Less reductions:						
Refunds of prior year collections	(83,333)	(2,476)	(749,997)	(37,106)	(1,000,000)	4%
Total reductions	(83,333)	(2,476)	(749,997)	(37,106)	(1,000,000)	4%
Net connection fees	2,603,688	2,904,601	23,433,192	26,794,850	31,244,245	86%
DONATED SYSTEMS:						
Donated easements	-	-	-	12,925,900	-	0%
Developer fixed assets	-	34,844	-	11,115,072	-	0%
Developer reimbursements	-	2,686	-	5,317	-	0%
Line extensions	-	9,735	-	49,555	-	0%
Total donated systems	-	47,265	-	24,095,844	-	0%
Total capital contributions	\$ 2,603,688	\$ 2,951,866	\$ 23,433,192	\$ 50,890,694	\$ 31,244,245	163%

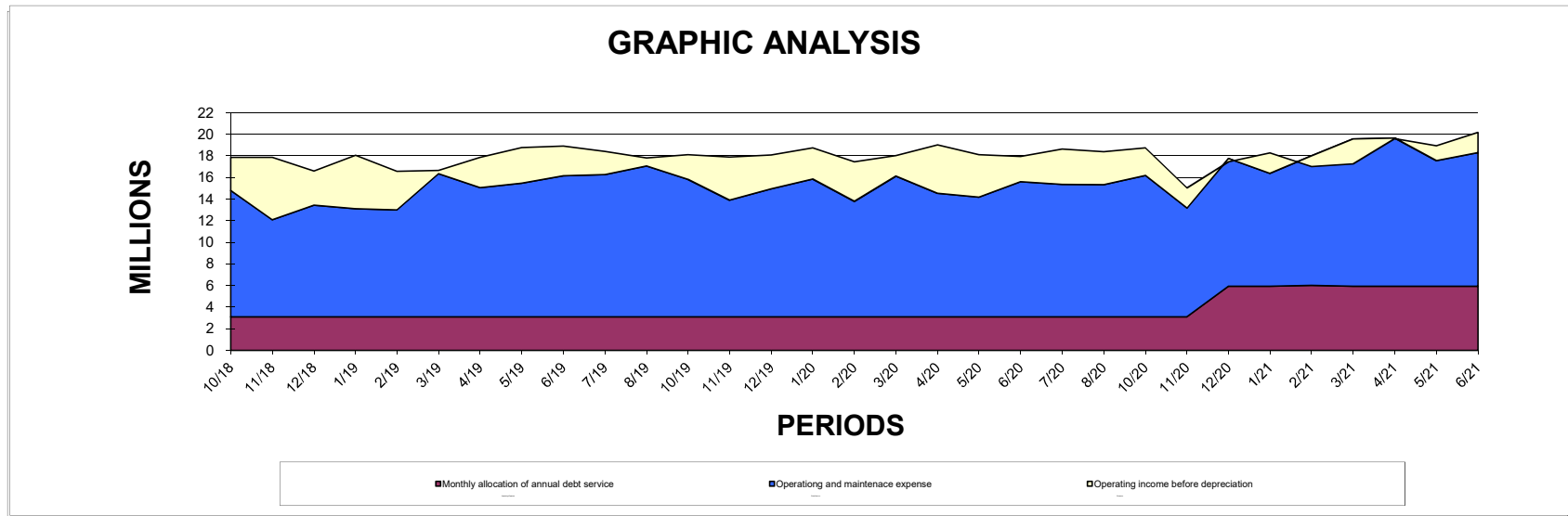
**ORANGE COUNTY WATER UTILITIES SYSTEM
OTHER DISBURSEMENTS DETAIL
FOR THE MONTH ENDED JUNE 30, 2021**

	<u>JUNE BUDGET</u>	<u>JUNE ACTUAL</u>	<u>FISCAL YTD BUDGET</u>	<u>FISCAL YTD ACTUAL</u>	<u>ANNUAL BUDGET</u>	<u>FISCAL YTD (STD 75%)</u>
Capital outlay:						
Land	\$ 67,757	\$ 2,443	\$ 609,813	\$ 35,444	\$ 813,083	4%
Buildings	78,228	-	704,052	523,283	938,732	56%
Structures	17,334,225	17,316,162	156,008,025	92,522,439	208,010,696	44%
Equipment	1,116,983	772,863	10,052,847	6,909,896	13,403,800	52%
Total capital outlay	18,597,193	18,091,468	167,374,737	99,991,062	223,166,311	45%
Debt service principal	803,222	751,752	7,228,998	6,745,620	9,638,668	70%
Total other disbursements	<u>\$ 19,400,415</u>	<u>\$ 18,843,220</u>	<u>\$ 174,603,735</u>	<u>\$ 106,736,682</u>	<u>\$ 232,804,979</u>	46%

**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	0.67	0.70	0.68	0.68	0.57	0.69	0.80	0.71	0.62	0.62		
Water	0.88	0.92	1.10	0.93	0.63	0.93	1.09	0.91	0.72	0.77		
Wastewater	0.54	0.57	0.52	0.52	0.50	0.55	0.63	0.56	0.53	0.52		
Bond Coverage Ratios*	5.96	10.84	9.28	5.62	7.87	5.36	3.47	5.80	7.31	7.72		

*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 JUNE 30, 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 \$15.7 million.