

**ORANGE COUNTY WATER UTILITIES SYSTEM
STATEMENTS OF NET POSITION
NOVEMBER 30 AND OCTOBER 31, 2021**

	NOVEMBER	OCTOBER
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>		
Current assets:		
Cash and investments	\$ 148,334,478	\$ 154,958,375
Accrued interest receivable	563,805	563,805
Accounts receivable, net	24,156,572	25,004,401
Due from other governmental agencies	245,527	521,991
Inventories and prepaid costs	6,198,555	6,506,492
Total current assets	179,498,937	187,555,064
Restricted assets:		
Cash and investments	80,210,991	78,219,001
Capital assets:		
Land	103,117,004	103,117,004
Construction in progress	327,938,708	324,264,313
Buildings and improvements	2,548,490,464	2,548,972,301
Machinery and equipment	112,664,780	112,372,414
Intangible assets	188,478,256	188,478,256
Less accumulated depreciation and amortization	(1,537,022,890)	(1,529,738,806)
Total capital assets	1,743,666,322	1,747,465,482
Total noncurrent and restricted assets	1,823,877,313	1,825,684,483
Total assets	2,003,376,250	2,013,239,547
Deferred outflows of resources:		
Related to pensions and OPEB	12,037,144	12,037,144
Total assets and deferred outflows of resources	\$ 2,015,413,394	\$ 2,025,276,691
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 39,422,004	\$ 43,209,145
Due to other governmental agencies	543,329	560,487
Net pension liability	76,191	76,191
Total current liabilities	40,041,524	43,845,823
Liabilities payable from restricted assets:		
Accrued interest payable on bonds and loans	2,058,554	1,181,618
Revenue bonds payable (net of unamortized costs)	8,575,000	8,575,000
Customer deposits	11,022,702	10,992,640
Total liabilities payable from restricted assets	21,656,256	20,749,258
Noncurrent liabilities:		
Compensated absences payable	2,343,590	2,343,590
Loans payable	85,059,949	85,322,684
Revenue bonds payable (net of unamortized costs)	248,596,871	248,997,119
Net pension and OPEB liability	23,035,043	23,035,043
Total noncurrent liabilities	359,035,453	359,698,436
Total liabilities	420,733,233	424,293,517
Deferred inflows of resources:		
Related to pensions and OPEB	27,699,090	27,699,090
Total liabilities and deferred inflows of resources	448,432,323	451,992,607
<u>NET POSITION</u>		
Net investment in capital assets	1,416,922,569	1,421,721,734
Restricted for debt service	51,641,668	48,893,688
Unrestricted	98,416,834	102,668,662
Total net position	1,566,981,071	1,573,284,084
Total liabilities and net position	\$ 2,015,413,394	\$ 2,025,276,691

**ORANGE COUNTY WATER UTILITIES SYSTEM
CASH AND INVESTMENTS DETAIL
NOVEMBER 30 AND OCTOBER 31, 2021**

	<u>NOVEMBER</u>	<u>OCTOBER</u>
Current:		
Reserve revenue	\$ 58,007,837	\$ 67,794,896
Water connection fees	17,119,252	16,759,483
Wastewater connection fees	73,201,289	70,397,896
Petty cash	<u>6,100</u>	<u>6,100</u>
Total current cash and investments	<u>148,334,478</u>	<u>154,958,375</u>
Restricted:		
Series 2020 account	15,488,067	17,151,055
Operation and maintenance reserve	33,269,536	31,522,219
Renewal and replacement	8,006,475	8,002,083
Bond reserve (1)	6,425,298	6,425,298
Bond principal	1,429,204	714,618
Bond interest	1,539,902	769,971
Loan debt service	2,269,051	1,880,779
Loan repayment reserve	760,756	760,338
Customer deposits	<u>11,022,702</u>	<u>10,992,640</u>
Total restricted cash and investments	<u>80,210,991</u>	<u>78,219,001</u>
Total cash and investments	<u>\$ 228,545,469</u>	<u>\$ 233,177,376</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 NOVEMBER 30, 2021**

	<u>NOVEMBER</u>	<u>FISCAL YEAR TO DATE</u>
Operating revenues:		
Water service	\$ 4,682,671	\$ 9,495,394
Wastewater service	11,763,467	23,541,279
Reclaimed water service	1,099,434	2,105,198
Miscellaneous	<u>666,534</u>	<u>1,122,344</u>
Total operating revenues	<u>18,212,106</u>	<u>36,264,215</u>
Operating and maintenance expenses:		
Personal services	5,014,432	10,178,808
Contractual services	2,176,041	3,652,895
Materials and supplies	441,128	636,903
Utilities	627,522	2,387,908
Repairs and maintenance	1,326,865	1,978,695
Other administrative expenses	<u>773,900</u>	<u>5,232,874</u>
Total operating and maintenance expenses	<u>10,359,888</u>	<u>24,068,083</u>
Operating income before depreciation	7,852,218	12,196,132
Depreciation and amortization	<u>7,284,084</u>	<u>14,568,167</u>
Operating income (loss)	<u>568,134</u>	<u>(2,372,035)</u>
Nonoperating revenues (expenses):		
Interest revenue	177,722	234,534
Interest expense and fiscal charges	(528,365)	(1,056,633)
Federal and state grants	<u>-</u>	<u>191,317</u>
Total net nonoperating expenses	<u>(350,643)</u>	<u>(630,782)</u>
Income (loss) before contributions and transfers	217,491	(3,002,817)
Capital contributions	3,379,496	6,978,988
Transfers out	<u>(9,900,000)</u>	<u>(9,900,000)</u>
Change in net position	(6,303,013)	(5,923,829)
Total net position, beginning of period	<u>1,573,284,084</u>	<u>1,572,904,900</u>
Total net position, end of period	<u>\$ 1,566,981,071</u>	<u>\$ 1,566,981,071</u>

See accompanying notes to financial statements

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

	NOVEMBER BUDGET	NOVEMBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 17%)
Water service:						
Residential	\$ 2,652,246	\$ 2,521,375	\$ 5,304,492	\$ 4,998,163	\$ 31,826,947	16%
Commercial	1,263,803	1,279,334	2,527,606	2,600,292	15,165,640	17%
Conservation surcharge	1,018,881	881,962	2,037,762	1,896,939	12,226,567	16%
Total water service	<u>4,934,930</u>	<u>4,682,671</u>	<u>9,869,860</u>	<u>9,495,394</u>	<u>59,219,154</u>	16%
Wastewater service:						
Residential	6,900,327	6,524,112	13,800,654	13,017,553	82,803,918	16%
Commercial	4,343,187	4,911,325	8,686,374	9,865,032	52,118,245	19%
Environmental surcharge	200,479	221,035	400,958	474,435	2,405,742	20%
Industrial	2,558	2,954	5,116	5,588	30,694	18%
Septic and portable	76,212	63,522	152,424	135,785	914,538	15%
Capacity maintenance fees	10,731	40,519	21,462	42,886	128,767	33%
Total wastewater service	<u>11,533,494</u>	<u>11,763,467</u>	<u>23,066,988</u>	<u>23,541,279</u>	<u>138,401,904</u>	17%
Reclaimed water service:						
Residential	516,715	474,461	1,033,430	1,014,232	6,200,581	16%
Commercial	514,028	582,963	1,028,056	1,048,956	6,168,337	17%
Reclaimed water-cooling tower	32,986	42,010	65,972	42,010	395,835	11%
Total reclaimed water service	<u>1,063,729</u>	<u>1,099,434</u>	<u>2,127,458</u>	<u>2,105,198</u>	<u>12,764,753</u>	16%
Miscellaneous:						
Initiate account service	37,585	32,176	75,170	67,266	451,018	15%
Turn off/on service	18,616	11,584	37,232	28,042	223,387	13%
Lien fee charges	405	-	810	-	4,855	0%
Meter removal/testing	3,202	3,460	6,404	6,510	38,421	17%
Meter/line damage	1,412	6,038	2,824	5,599	16,949	33%
NSF charges	5,306	6,929	10,612	14,857	63,669	23%
Plans and specifications	80,611	28,030	161,222	58,552	967,328	6%
Charges to other funds	1,258	2,780	2,516	2,780	15,099	18%
Developer reimb of plan review	58,959	50,531	117,918	94,758	707,513	13%
Cross Connection Control Program	237,019	254,673	474,038	507,321	2,844,222	18%
Miscellaneous	183,411	270,333	366,822	336,659	2,200,935	15%
Total miscellaneous	<u>627,784</u>	<u>666,534</u>	<u>1,255,568</u>	<u>1,122,344</u>	<u>7,533,396</u>	15%
Total operating revenues	<u>\$ 18,159,937</u>	<u>\$ 18,212,106</u>	<u>\$ 36,319,874</u>	<u>\$ 36,264,215</u>	<u>\$ 217,919,207</u>	17%

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

	NOVEMBER BUDGET	NOVEMBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 17%)
Personal services:						
Salaries	\$ 3,961,684	\$ 3,754,096	\$ 7,923,368	\$ 8,159,870	\$ 47,540,205	17%
Fringe benefits	1,831,893	1,260,336	3,663,786	2,018,938	21,982,714	9%
Total personal services	5,793,577	5,014,432	11,587,154	10,178,808	69,522,919	15%
Contractual services:						
Research and studies	116,245	8,574	232,490	20,409	1,394,943	1%
Legal services	15,354	-	30,708	-	184,253	0%
Indirect costs	710,539	710,540	1,421,078	1,421,079	8,526,473	17%
Purchased water	133,687	156,777	267,374	158,384	1,604,249	10%
Effluent disposal	291,556	143,831	583,112	242,870	3,498,666	7%
Comptroller fees	180,173	180,173	360,346	360,346	2,162,076	17%
Officer fees	761	340	1,522	340	9,130	4%
Payments to other governments	266,440	383,759	532,880	497,069	3,197,281	16%
Janitorial	51,350	47,068	102,700	47,068	616,196	8%
Employment agency	136,801	44,594	273,602	49,874	1,641,609	3%
Training	23,019	805	46,038	805	276,233	0%
Paving	211,885	42,660	423,770	58,498	2,542,621	2%
Software licensing/support fee	289,589	273,751	579,178	284,051	3,475,073	8%
Other professional fees	232,396	1,582	464,792	8,112	2,788,752	0%
Contractual services	1,448,334	181,587	2,896,668	503,990	17,380,010	3%
Total contractual services	4,108,129	2,176,041	8,216,258	3,652,895	49,297,565	7%
Materials and supplies:						
Graphic reproduction services	5,469	-	10,938	-	65,622	0%
Office supplies	13,475	1,403	26,950	1,403	161,703	1%
Event/meal reimbursement	276	-	552	-	3,310	0%
Software <\$1000	9,507	9,140	19,014	9,140	114,078	8%
Computer equipment <\$500	9,954	130	19,908	130	119,444	0%
Equipment <\$1000	31,664	-	63,328	-	379,973	0%
Tools	18,039	1,791	36,078	2,854	216,468	1%
Medical	513	-	1,026	-	6,150	0%
Liquid oxygen	19,297	6,582	38,594	11,537	231,558	5%
Chemical and pesticides	8	-	16	-	100	0%
Solar salt	29,004	(1,242)	58,008	-	348,052	0%
Chlorine	206,024	203,682	412,048	226,556	2,472,288	9%
Fluoride	17,362	(6,794)	34,724	-	208,345	0%
Alum	11,863	-	23,726	2,526	142,359	2%
Polymer	190,124	6,510	380,248	90,993	2,281,492	4%
Sealing chemicals	208	-	416	-	2,500	0%
Corrosion control	74,947	28,894	149,894	65,021	899,358	7%
Carbon dioxide	67,443	86,571	134,886	86,571	809,321	11%
Sodium hydroxide	53,425	38,146	106,850	53,605	641,105	8%
Supplemental carbon	69,480	-	138,960	13,213	833,756	2%
Miscellaneous chemicals	33,987	460	67,974	2,008	407,840	0%
Material for construction	32,757	29,049	65,514	29,049	393,081	7%
Clothing	22,764	9,685	45,528	13,971	273,166	5%
Gas-oil-lube-brfl-ant	33,842	4,303	67,684	5,335	406,099	1%
Miscellaneous expenses	98,956	22,818	197,912	22,991	1,187,471	2%
Total materials & supplies	1,050,388	441,128	2,100,776	636,903	12,604,639	5%

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

	NOVEMBER BUDGET	NOVEMBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 17%)
Utilities:						
Communications	\$ 92,535	\$ 85,581	\$ 185,070	\$ 176,516	\$ 1,110,414	16%
Water	10,079	2,756	20,158	27,711	120,944	23%
Solid waste tipping fees	41,609	104,789	83,218	104,789	499,308	21%
Garbage disposal	7,188	444	14,376	1,266	86,251	1%
Gas	19,378	1,385	38,756	10,730	232,539	5%
Electric	1,243,686	432,567	2,487,372	2,066,896	14,924,226	14%
Total utilities	1,414,475	627,522	2,828,950	2,387,908	16,973,682	14%
Repairs and maintenance:						
Building and grounds	719,373	246,522	1,438,746	385,039	8,632,478	4%
Equipment	953,065	462,074	1,906,130	604,980	11,436,785	5%
Vehicle maintenance	401,274	260,816	802,548	511,396	4,815,285	11%
Services	101,710	-	203,420	-	1,220,515	0%
Mains	585,403	347,080	1,170,806	462,647	7,024,841	7%
Water meters	17,048	10,373	34,096	14,633	204,581	7%
Fire lines	1,300	-	2,600	-	15,605	0%
Meter installations	42	-	84	-	500	0%
Valves	161,996	-	323,992	-	1,943,951	0%
Utility relocations	42	-	84	-	500	0%
Total repairs & maintenance	2,941,253	1,326,865	5,882,506	1,978,695	35,295,041	6%
Other administrative:						
Local travel	2,716	377	5,432	420	32,590	1%
Out of county travel	4,584	834	9,168	1,861	55,002	3%
Postage and messenger services	81,992	35,612	163,984	35,689	983,898	4%
Toll charges	21,733	18,347	43,466	20,003	260,790	8%
Rental of equipment	95,451	49,926	190,902	60,355	1,145,414	5%
Dues and memberships	14,145	1,033	28,290	2,279	169,744	1%
Subscriptions	2,243	-	4,486	-	26,919	0%
Training fees	25,433	50	50,866	50	305,196	0%
License and certification	3,494	496	6,988	1,325	41,929	3%
Advertising	1,600	-	3,200	-	19,200	0%
Promotional	10,342	998	20,684	998	124,106	1%
Educational assistance	2,775	-	5,550	-	33,300	0%
Scholarships, awards	697	-	1,394	-	8,361	0%
Improvements to non-county assets	12,500	-	25,000	-	150,000	0%
Bad debt expense	31,333	13,197	62,666	(11,435)	376,000	-3%
Bank charges	127,861	10,717	255,722	10,717	1,534,336	1%
Self insurance	302,248	302,249	604,496	604,497	3,626,981	17%
Refunds of prior year revenue	66,667	107,617	133,334	107,617	800,000	13%
Operating permits	11,654	-	23,308	-	139,849	0%
Accrued expenses	-	232,447	-	4,398,498	-	0%
Total other administrative	819,468	773,900	1,638,936	5,232,874	9,833,615	53%
Total O&M expenses	\$ 16,127,290	\$ 10,359,888	\$ 32,254,580	\$ 24,068,083	\$ 193,527,461	12%

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

	NOVEMBER BUDGET	NOVEMBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 17%)
Interest revenue:						
Net revenue	\$ 108,692	\$ 118,929	\$ 217,384	\$ 157,737	\$ 1,304,300	12%
Connection fees	-	58,871	-	76,958	-	0%
Bond reserve	-	1	-	(13)	-	0%
Less: Customer deposits expense	-	(79)	-	(148)	-	0%
Total interest revenue	<u>108,692</u>	<u>177,722</u>	<u>217,384</u>	<u>234,534</u>	<u>1,304,300</u>	18%
Interest expense:						
Bonds and revolving loans	(1,042,777)	(928,515)	(2,085,554)	(1,857,031)	(12,513,325)	15%
Capital lease	(96)	(98)	(192)	(98)	(1,146)	9%
Debt service fees	(41,667)	-	(83,334)	-	(500,000)	0%
Amortization of bond premium	-	400,248	-	800,496	-	(1)
Total interest expense	<u>(1,084,540)</u>	<u>(528,365)</u>	<u>(2,169,080)</u>	<u>(1,056,633)</u>	<u>(13,014,471)</u>	8%
Federal and state grants	-	-	-	191,317	-	0%
Total revenue related to federal and state grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>191,317</u>	<u>-</u>	
Total non-operating revenues (expenses)	<u>\$ (975,848)</u>	<u>\$ (350,643)</u>	<u>\$ (1,951,696)</u>	<u>\$ (630,782)</u>	<u>\$ (11,710,171)</u>	5%

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

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

	<u>NOVEMBER BUDGET</u>	<u>NOVEMBER ACTUAL</u>	<u>FISCAL YTD BUDGET</u>	<u>FISCAL YTD ACTUAL</u>	<u>ANNUAL BUDGET</u>	<u>FISCAL YTD (STD 17%)</u>
CONNECTION FEES COLLECTED:						
Water connection fees:						
Residential/Commercial	\$ 721,468	\$ 427,170	\$ 1,442,936	\$ 1,370,964	\$ 8,657,613	16%
Irrigation	<u>35,798</u>	<u>21,630</u>	<u>71,596</u>	<u>43,930</u>	<u>429,571</u>	10%
Total water connection fees	<u>757,266</u>	<u>448,800</u>	<u>1,514,532</u>	<u>1,414,894</u>	<u>9,087,184</u>	16%
Wastewater connection fees:						
Residential/Commercial	<u>1,899,153</u>	<u>2,921,607</u>	<u>3,798,306</u>	<u>5,544,654</u>	<u>22,789,841</u>	24%
Total wastewater connection fees	<u>1,899,153</u>	<u>2,921,607</u>	<u>3,798,306</u>	<u>5,544,654</u>	<u>22,789,841</u>	24%
Less reductions:						
Refunds of prior year collections	<u>(83,333)</u>	<u>-</u>	<u>(166,666)</u>	<u>-</u>	<u>(1,000,000)</u>	0%
Total reductions	<u>(83,333)</u>	<u>-</u>	<u>(166,666)</u>	<u>-</u>	<u>(1,000,000)</u>	0%
Net connection fees	<u>2,573,086</u>	<u>3,370,407</u>	<u>5,146,172</u>	<u>6,959,548</u>	<u>30,877,025</u>	23%
DONATED SYSTEMS:						
Developer reimbursements	-	2,709	-	3,840	-	0%
Line extensions	<u>-</u>	<u>6,380</u>	<u>-</u>	<u>15,600</u>	<u>-</u>	0%
Total donated systems	<u>-</u>	<u>9,089</u>	<u>-</u>	<u>19,440</u>	<u>-</u>	0%
Total capital contributions	<u>\$ 2,573,086</u>	<u>\$ 3,379,496</u>	<u>\$ 5,146,172</u>	<u>\$ 6,978,988</u>	<u>\$ 30,877,025</u>	23%

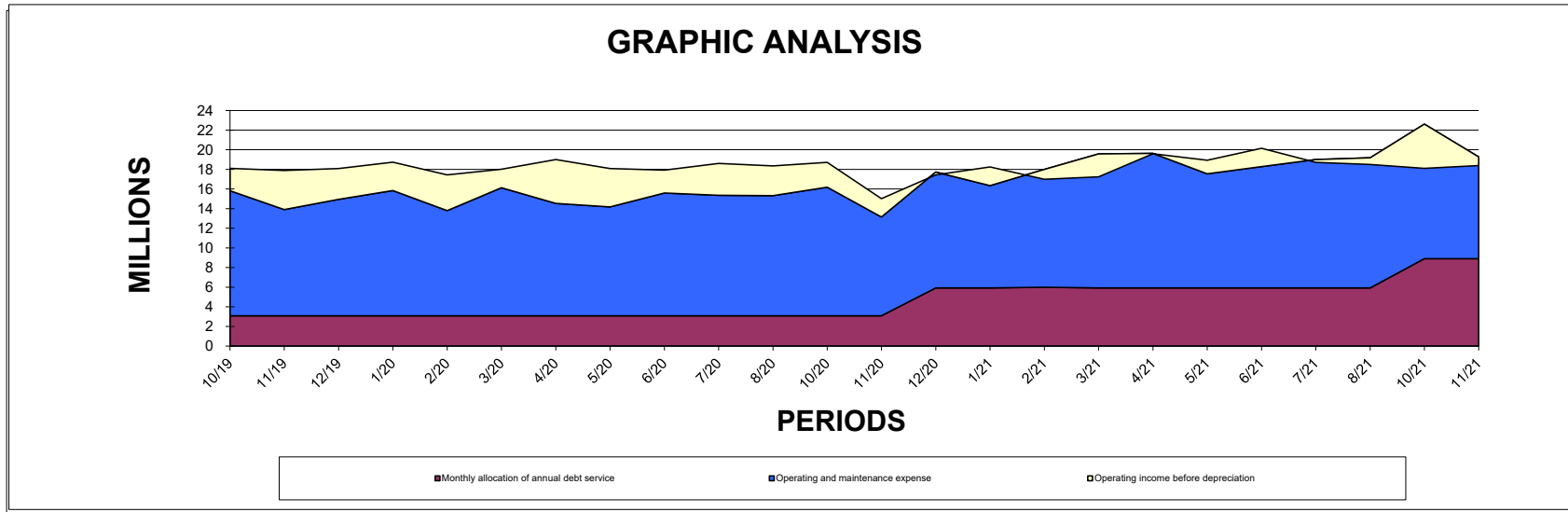
**ORANGE COUNTY WATER UTILITIES SYSTEM
OTHER DISBURSEMENTS DETAIL
FOR THE MONTH ENDED NOVEMBER 30, 2021**

	NOVEMBER BUDGET	NOVEMBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 17%)
Capital outlay:						
Land	\$ 46,329	\$ -	\$ 92,658	\$ 88	\$ 555,945	0%
Buildings	663,679	-	1,327,358	-	7,964,151	0%
Structures	16,747,889	3,192,558	33,495,778	4,093,264	200,974,671	2%
Equipment	1,553,115	292,366	3,106,230	301,322	18,637,377	2%
Total capital outlay	19,011,012	3,484,924	38,022,024	4,394,674	228,132,144	2%
Debt service principal	1,175,165	1,156,094	2,350,330	2,312,187	14,101,981	16%
Total other disbursements	<u>\$ 20,186,177</u>	<u>\$ 4,641,018</u>	<u>\$ 40,372,354</u>	<u>\$ 6,706,861</u>	<u>\$ 242,234,125</u>	3%

**ORANGE COUNTY WATER UTILITIES SYSTEM
ANALYTICAL DATA
FISCAL YEAR 2022**

	<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	0.76	0.57									
Water	0.94	1.07	0.81									
Wastewater	0.53	0.61	0.45									
Bond Coverage Ratios*	4.11	2.93	5.29									

*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 NOVEMBER 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 \$16.0 million.