

**ORANGE COUNTY WATER UTILITIES SYSTEM
STATEMENTS OF NET POSITION
JANUARY 31, 2022 AND DECEMBER 31, 2021**

	JANUARY	DECEMBER
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>		
Current assets:		
Cash and investments	\$ 157,953,358	\$ 150,842,632
Accrued interest receivable	563,805	563,805
Accounts receivable, net	23,923,276	24,174,840
Due from other governmental agencies	788,026	828,765
Inventories and prepaid costs	8,766,961	9,341,019
Total current assets	191,995,426	185,751,061
Restricted assets:		
Cash and investments	74,570,115	76,853,685
Capital assets:		
Land	103,165,211	103,117,004
Construction in progress	340,473,571	336,486,584
Buildings and improvements	2,548,490,464	2,548,490,464
Machinery and equipment	113,813,327	113,133,366
Intangible assets	188,478,256	188,478,256
Less accumulated depreciation and amortization	(1,551,591,056)	(1,544,306,973)
Total capital assets	1,742,829,773	1,745,398,701
Total noncurrent and restricted assets	1,817,399,888	1,822,252,386
Total assets	2,009,395,314	2,008,003,447
Deferred outflows of resources:		
Related to pensions and OPEB	12,037,144	12,037,144
Total assets and deferred outflows of resources	\$ 2,021,432,458	\$ 2,020,040,591
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 38,437,997	\$ 39,232,030
Due to other governmental agencies	576,742	560,430
Net pension liability	76,191	76,191
Total current liabilities	39,090,930	39,868,651
Liabilities payable from restricted assets:		
Accrued interest payable on bonds and loans	3,849,134	2,987,070
Revenue bonds payable (net of unamortized costs)	8,575,000	8,575,000
Customer deposits	11,064,644	11,085,215
Total liabilities payable from restricted assets	23,488,778	22,647,285
Noncurrent liabilities:		
Compensated absences payable	2,343,590	2,343,590
Loans payable	85,090,653	85,131,367
Revenue bonds payable (net of unamortized costs)	247,796,376	248,196,623
Net pension and OPEB liability	23,035,043	23,035,043
Total noncurrent liabilities	358,265,662	358,706,623
Total liabilities	420,845,370	421,222,559
Deferred inflows of resources:		
Related to pensions and OPEB	27,699,090	27,699,090
Total liabilities and deferred inflows of resources	448,544,460	448,921,649
<u>NET POSITION</u>		
Net investment in capital assets	1,407,334,190	1,413,510,350
Restricted for debt service	53,689,891	52,766,761
Unrestricted	111,863,917	104,841,831
Total net position	1,572,887,998	1,571,118,942
Total liabilities and net position	\$ 2,021,432,458	\$ 2,020,040,591

Note: Due from other governmental agencies and unrestricted net position has been updated from that previously reported.

**ORANGE COUNTY WATER UTILITIES SYSTEM
CASH AND INVESTMENTS DETAIL
JANUARY 31, 2022 AND DECEMBER 31, 2021**

	<u>JANUARY</u>	<u>DECEMBER</u>
Current:		
Reserve revenue	\$ 60,718,378	\$ 55,110,584
Water connection fees	18,940,952	18,556,750
Wastewater connection fees	78,287,928	77,169,198
Petty cash	6,100	6,100
Total current cash and investments	157,953,358	150,842,632
Restricted:		
Series 2020 account	5,966,446	10,014,639
Operation and maintenance reserve	33,265,685	33,246,613
Renewal and replacement	8,005,400	8,000,706
Bond reserve (1)	6,425,300	6,425,299
Bond principal	2,858,388	2,143,793
Bond interest	3,079,778	2,309,836
Loan debt service	3,143,821	2,867,377
Loan repayment reserve	760,653	760,207
Customer deposits	11,064,644	11,085,215
Total restricted cash and investments	74,570,115	76,853,685
Total cash and investments	\$ 232,523,473	\$ 227,696,317

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 JANUARY 31, 2022**

	<u>JANUARY</u>	<u>FISCAL YEAR TO DATE</u>
Operating revenues:		
Water service	\$ 4,971,303	\$ 19,271,284
Wastewater service	12,534,987	47,988,728
Reclaimed water service	1,013,328	4,262,297
Miscellaneous	<u>743,635</u>	<u>2,497,726</u>
Total operating revenues	<u>19,263,253</u>	<u>74,020,035</u>
Operating and maintenance expenses:		
Personal services	4,607,504	20,369,372
Contractual services	2,597,251	8,698,981
Materials and supplies	972,806	2,269,931
Utilities	800,980	5,053,042
Repairs and maintenance	2,139,793	5,734,560
Other administrative expenses	<u>576,829</u>	<u>6,370,349</u>
Total operating and maintenance expenses	<u>11,695,163</u>	<u>48,496,235</u>
Operating income before depreciation	7,568,090	25,523,800
Depreciation and amortization	<u>7,284,083</u>	<u>29,136,333</u>
Operating income (loss)	<u>284,007</u>	<u>(3,612,533)</u>
Nonoperating revenues (expenses):		
Interest revenue	146,497	400,329
Interest expense and fiscal charges	(527,813)	(2,112,820)
Federal and state grants	<u>-</u>	<u>191,317</u>
Total net nonoperating expenses	<u>(381,316)</u>	<u>(1,521,174)</u>
Loss before contributions and transfers	(97,309)	(5,133,707)
Capital contributions	1,866,365	14,433,567
Transfers out	<u>-</u>	<u>(9,900,000)</u>
Change in net position	1,769,056	(600,140)
Total net position, beginning of period	<u>1,571,118,942</u>	<u>1,573,488,138</u>
Total net position, end of period	<u>\$ 1,572,887,998</u>	<u>\$ 1,572,887,998</u>

See accompanying notes to financial statements

Note: Total net position, beginning of period, has been updated from that previously reported.

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING REVENUE DETAIL
FOR THE MONTH ENDED JANUARY 31, 2022**

	JANUARY BUDGET	JANUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 33%)
Water service:						
Residential	\$ 2,652,246	\$ 2,612,122	\$ 10,608,984	\$ 10,141,117	\$ 31,826,947	32%
Commercial	1,263,803	1,428,916	5,055,212	5,340,719	15,165,640	35%
Conservation surcharge	1,018,881	930,265	4,075,524	3,789,448	12,226,567	31%
Total water service	<u>4,934,930</u>	<u>4,971,303</u>	<u>19,739,720</u>	<u>19,271,284</u>	<u>59,219,154</u>	33%
Wastewater service:						
Residential	6,900,327	6,865,157	27,601,308	26,484,584	82,803,918	32%
Commercial	4,343,187	5,417,403	17,372,748	20,258,072	52,118,245	39%
Environmental surcharge	200,479	260,309	801,916	949,909	2,405,742	39%
Industrial	2,558	2,584	10,232	10,117	30,694	33%
Septic and portable	76,212	91,649	304,848	313,508	914,538	34%
Capacity maintenance fees	10,731	(102,115)	42,924	(27,462)	128,767	-21%
Total wastewater service	<u>11,533,494</u>	<u>12,534,987</u>	<u>46,133,976</u>	<u>47,988,728</u>	<u>138,401,904</u>	35%
Reclaimed water service:						
Residential	516,715	515,682	2,066,860	2,050,929	6,200,581	33%
Commercial	514,028	464,667	2,056,112	2,093,282	6,168,337	34%
Reclaimed water-cooling tower	32,986	32,979	131,944	118,086	395,835	30%
Total reclaimed water service	<u>1,063,729</u>	<u>1,013,328</u>	<u>4,254,916</u>	<u>4,262,297</u>	<u>12,764,753</u>	33%
Miscellaneous:						
Initiate account service	37,585	28,212	150,340	128,582	451,018	29%
Turn off/on service	18,616	11,249	74,464	54,181	223,387	24%
Lien fee charges	405	180	1,620	560	4,855	12%
Meter removal/testing	3,202	4,278	12,808	14,608	38,421	38%
Meter/line damage	1,412	4,439	5,648	16,523	16,949	97%
NSF charges	5,306	7,242	21,224	30,480	63,669	48%
Plans and specifications	80,611	111,784	322,444	223,514	967,328	23%
Charges to other funds	1,258	1,257	5,032	5,863	15,099	39%
Developer reimb of plan review	58,959	70,048	235,836	273,464	707,513	39%
Cross Connection Control Program	237,019	255,156	948,076	1,017,999	2,844,222	36%
Miscellaneous	183,411	249,790	733,644	731,952	2,200,935	33%
Total miscellaneous	<u>627,784</u>	<u>743,635</u>	<u>2,511,136</u>	<u>2,497,726</u>	<u>7,533,396</u>	33%
Total operating revenues	<u>\$ 18,159,937</u>	<u>\$ 19,263,253</u>	<u>\$ 72,639,748</u>	<u>\$ 74,020,035</u>	<u>\$ 217,919,207</u>	34%

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING AND MAINTENANCE EXPENSES DETAIL
FOR THE MONTH ENDED JANUARY 31, 2022**

	JANUARY BUDGET	JANUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 33%)
Personal services:						
Salaries	\$ 3,961,684	\$ 3,356,427	\$ 15,846,736	\$ 14,595,469	\$ 47,540,205	31%
Fringe benefits	1,831,893	1,251,077	7,327,572	5,773,903	21,982,714	26%
Total personal services	5,793,577	4,607,504	23,174,308	20,369,372	69,522,919	29%
Contractual services:						
Research and studies	116,245	56,620	464,980	125,707	1,394,943	9%
Legal services	15,354	494	61,416	494	184,253	0%
Indirect costs	710,539	710,540	2,842,156	2,842,158	8,526,473	33%
Purchased water	133,687	150,248	534,748	344,155	1,604,249	21%
Effluent disposal	291,556	148,785	1,166,224	595,140	3,498,666	17%
Comptroller fees	180,173	180,173	720,692	720,692	2,162,076	33%
Officer fees	761	120	3,044	832	9,130	9%
Payments to other governments	266,440	279,245	1,065,760	1,124,606	3,197,281	35%
Janitorial	51,350	9,009	205,400	81,639	616,196	13%
Employment agency	136,801	54,810	547,204	151,714	1,641,609	9%
Training	23,019	16,086	92,076	30,201	276,233	11%
Paving	222,788	51,877	891,152	165,880	2,673,453	6%
Software licensing/support fee	289,756	75,404	1,159,024	835,339	3,477,073	24%
Other professional fees	234,259	68,020	937,036	82,810	2,811,104	3%
Contractual services	1,479,575	795,820	5,918,300	1,597,614	17,754,898	9%
Total contractual services	4,152,303	2,597,251	16,609,212	8,698,981	49,827,637	17%
Materials and supplies:						
Graphic reproduction services	5,469	585	21,876	7,819	65,622	12%
Office supplies	13,475	10,832	53,900	24,264	161,703	15%
Event/meal reimbursement	276	460	1,104	460	3,310	14%
Software <\$1000	9,673	-	38,692	13,870	116,078	12%
Computer equipment <\$500	3,653	18,160	14,612	18,934	43,838	43%
Equipment <\$1000	27,259	8,126	109,036	14,512	327,112	4%
Tools	18,039	18,872	72,156	34,267	216,468	16%
Medical	513	-	2,052	-	6,150	0%
Liquid oxygen	19,297	9,184	77,188	28,609	231,558	12%
Chemical and pesticides	8	-	32	-	100	0%
Solar salt	29,004	-	116,016	-	348,052	0%
Chlorine	206,024	337,409	824,096	723,778	2,472,288	29%
Fluoride	17,362	2,124	69,448	11,205	208,345	5%
Alum	11,863	-	47,452	5,164	142,359	4%
Polymer	190,124	197,691	760,496	288,684	2,281,492	13%
Sealing chemicals	208	-	832	-	2,500	0%
Corrosion control	74,947	50,584	299,788	193,809	899,358	22%
Carbon dioxide	67,443	72,444	269,772	241,798	809,321	30%
Sodium hydroxide	53,425	61,029	213,700	145,316	641,105	23%
Supplemental carbon	69,480	17,764	277,920	50,781	833,756	6%
Miscellaneous chemicals	33,987	25,493	135,948	38,891	407,840	10%
Material for construction	32,757	20,706	131,028	160,286	393,081	41%
Clothing	22,764	14,209	91,056	45,681	273,166	17%
Gas-oil-lube-brfl-ant	33,842	14,772	135,368	54,280	406,099	13%
Miscellaneous expenses	98,956	92,362	395,824	167,523	1,187,471	14%
Total materials & supplies	1,039,848	972,806	4,159,392	2,269,931	12,478,172	18%

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING AND MAINTENANCE EXPENSES DETAIL, (continued)
FOR THE MONTH ENDED JANUARY 31, 2022**

	JANUARY BUDGET	JANUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 33%)
Utilities:						
Communications	\$ 92,535	\$ 61,748	\$ 370,140	\$ 358,883	\$ 1,110,414	32%
Water	10,079	8,560	40,316	66,235	120,944	55%
Solid waste tipping fees	41,609	-	166,436	121,198	499,308	24%
Garbage disposal	7,188	2,321	28,752	6,711	86,251	8%
Gas	19,378	13,666	77,512	32,326	232,539	14%
Electric	1,243,686	714,685	4,974,744	4,467,689	14,924,226	30%
Total utilities	1,414,475	800,980	5,657,900	5,053,042	16,973,682	30%
Repairs and maintenance:						
Building and grounds	713,708	556,350	2,854,832	1,477,810	8,564,501	17%
Equipment	937,704	849,056	3,750,816	1,953,822	11,252,442	17%
Vehicle maintenance	401,492	385,722	1,605,968	1,213,637	4,817,902	25%
Services	101,710	-	406,840	-	1,220,515	0%
Mains	585,403	348,665	2,341,612	937,472	7,024,841	13%
Water meters	17,048	-	68,192	17,632	204,581	9%
Fire lines	1,300	-	5,200	-	15,605	0%
Meter installations	42	-	168	-	500	0%
Valves	162,413	-	649,652	134,187	1,948,951	7%
Utility relocations	42	-	168	-	500	0%
Total repairs & maintenance	2,920,862	2,139,793	11,683,448	5,734,560	35,050,338	16%
Other administrative:						
Local travel	2,716	284	10,864	1,774	32,590	5%
Out of county travel	4,584	1,792	18,336	8,722	55,002	16%
Postage and messenger services	81,992	5,496	327,968	65,284	983,898	7%
Toll charges	21,733	18,563	86,932	59,148	260,790	23%
Rental of equipment	95,451	89,677	381,804	221,390	1,145,414	19%
Dues and memberships	14,145	41,826	56,580	73,487	169,744	43%
Subscriptions	2,243	598	8,972	983	26,919	4%
Training fees	25,433	9,982	101,732	29,653	305,196	10%
License and certification	3,494	262	13,976	2,062	41,929	5%
Advertising	1,600	150	6,400	150	19,200	1%
Promotional	10,342	7,494	41,368	12,301	124,106	10%
Educational assistance	2,775	1,662	11,100	1,662	33,300	5%
Scholarships, awards	697	-	2,788	1,171	8,361	14%
Improvements to non-county assets	28,616	-	114,464	-	343,397	0%
Bad debt expense	31,333	(3,997)	125,332	14,389	376,000	4%
Bank charges	127,861	112,294	511,444	133,103	1,534,336	9%
Self insurance	302,248	314,397	1,208,992	1,221,142	3,626,981	34%
Refunds of prior year revenue	66,667	1,053	266,668	117,103	800,000	15%
Operating permits	11,654	-	46,616	-	139,849	0%
Accrued expenses	-	(24,704)	-	4,406,825	-	0%
Total other administrative	835,584	576,829	3,342,336	6,370,349	10,027,012	64%
Total O&M expenses	\$ 16,156,649	\$ 11,695,163	\$ 64,626,596	\$ 48,496,235	\$ 193,879,760	25%

**ORANGE COUNTY WATER UTILITIES SYSTEM
NON-OPERATING REVENUE AND EXPENSE DETAIL
FOR THE MONTH ENDED JANUARY 31, 2022**

	JANUARY BUDGET	JANUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 33%)
Interest revenue:						
Net revenue	\$ 108,692	\$ 90,716	\$ 434,768	\$ 261,145	\$ 1,304,300	20%
Connection fees	-	55,864	-	139,503	-	0%
Bond reserve	-	1	-	(12)	-	0%
Less: Customer deposits expense	-	(84)	-	(307)	-	0%
Total interest revenue	<u>108,692</u>	<u>146,497</u>	<u>434,768</u>	<u>400,329</u>	<u>1,304,300</u>	31%
Interest expense:						
Bonds and revolving loans	(1,042,777)	(927,998)	(4,171,108)	(3,713,546)	(12,513,325)	30%
Capital lease	(96)	(62)	(384)	(265)	(1,146)	23%
Debt service fees	(41,667)	-	(166,668)	-	(500,000)	0%
Amortization of bond premium	-	400,247	-	1,600,991	-	(1)
Total interest expense	<u>(1,084,540)</u>	<u>(527,813)</u>	<u>(4,338,160)</u>	<u>(2,112,820)</u>	<u>(13,014,471)</u>	16%
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>\$ (381,316)</u>	<u>\$ (3,903,392)</u>	<u>\$ (1,521,174)</u>	<u>\$ (11,710,171)</u>	13%

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

**ORANGE COUNTY WATER UTILITIES SYSTEM
CAPITAL CONTRIBUTIONS DETAIL
FOR THE MONTH ENDED JANUARY 31, 2022**

	<u>JANUARY BUDGET</u>	<u>JANUARY ACTUAL</u>	<u>FISCAL YTD BUDGET</u>	<u>FISCAL YTD ACTUAL</u>	<u>ANNUAL BUDGET</u>	<u>FISCAL YTD (STD 33%)</u>
CONNECTION FEES COLLECTED:						
Water connection fees:						
Residential/Commercial	\$ 721,468	\$ 516,648	\$ 2,885,872	\$ 3,311,364	\$ 8,657,613	38%
Irrigation	<u>35,798</u>	<u>39,462</u>	<u>143,192</u>	<u>112,732</u>	<u>429,571</u>	26%
Total water connection fees	<u>757,266</u>	<u>556,110</u>	<u>3,029,064</u>	<u>3,424,096</u>	<u>9,087,184</u>	38%
Wastewater connection fees:						
Residential/Commercial	<u>1,899,153</u>	<u>1,283,746</u>	<u>7,596,612</u>	<u>10,960,151</u>	<u>22,789,841</u>	48%
Total wastewater connection fees	<u>1,899,153</u>	<u>1,283,746</u>	<u>7,596,612</u>	<u>10,960,151</u>	<u>22,789,841</u>	48%
Less reductions:						
Refunds of prior year collections	<u>(83,333)</u>	<u>(560)</u>	<u>(333,332)</u>	<u>(12,217)</u>	<u>(1,000,000)</u>	1%
Total reductions	<u>(83,333)</u>	<u>(560)</u>	<u>(333,332)</u>	<u>(12,217)</u>	<u>(1,000,000)</u>	1%
Net connection fees	<u>2,573,086</u>	<u>1,839,296</u>	<u>10,292,344</u>	<u>14,372,030</u>	<u>30,877,025</u>	47%
DONATED SYSTEMS:						
Developer fixed assets	-	17,422	-	26,133	-	0%
Developer reimbursements	-	1,887	-	6,839	-	0%
Line extensions	<u>-</u>	<u>7,760</u>	<u>-</u>	<u>28,565</u>	<u>-</u>	0%
Total donated systems	<u>-</u>	<u>27,069</u>	<u>-</u>	<u>61,537</u>	<u>-</u>	0%
Total capital contributions	<u>\$ 2,573,086</u>	<u>\$ 1,866,365</u>	<u>\$ 10,292,344</u>	<u>\$ 14,433,567</u>	<u>\$ 30,877,025</u>	47%

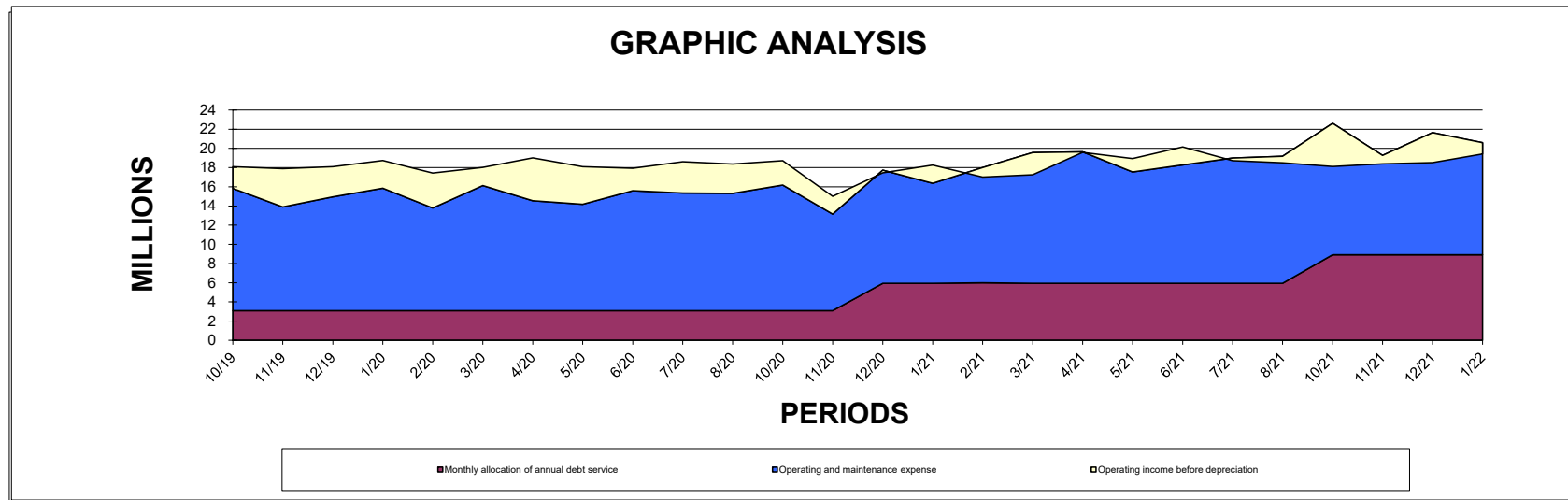
**ORANGE COUNTY WATER UTILITIES SYSTEM
OTHER DISBURSEMENTS DETAIL
FOR THE MONTH ENDED JANUARY 31, 2022**

	JANUARY BUDGET	JANUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 33%)
Capital outlay:						
Land	\$ 64,452	\$ 48,207	\$ 257,808	\$ 48,295	\$ 773,427	6%
Buildings	84,037	275	336,148	595	1,008,446	0%
Structures	15,207,339	4,170,545	60,829,356	16,811,365	182,488,064	9%
Equipment	1,182,207	679,961	4,728,828	1,449,869	14,186,486	10%
Total capital outlay	16,538,035	4,898,988	66,152,140	18,310,124	198,456,423	9%
Debt service principal	1,175,165	1,156,611	4,700,660	4,624,890	14,101,981	33%
Total other disbursements	<u>\$ 17,713,200</u>	<u>\$ 6,055,599</u>	<u>\$ 70,852,800</u>	<u>\$ 22,935,014</u>	<u>\$ 212,558,404</u>	11%

**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	0.69	0.61							
Water	0.91	1.07	0.81	0.96	0.80							
Wastewater	0.53	0.61	0.45	0.55	0.50							
Bond Coverage Ratios*	4.30	2.93	5.29	3.88	5.10							

*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 JANUARY 31, 2022**

Pursuant to Section 37-304 of Orange County Ordinance No. 92-10, water and wastewater capacity has been sold net of \$10.8 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 \$16.1 million.