

**ORANGE COUNTY WATER UTILITIES SYSTEM
STATEMENTS OF NET POSITION
MARCH 31 AND FEBRUARY 28, 2018**

| | MARCH | FEBRUARY |
|---|------------------|------------------|
| <u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u> | | |
| Current assets: | | |
| Cash and investments | \$ 112,091,343 | \$ 113,217,943 |
| Accrued interest receivable | 451,593 | 451,593 |
| Accounts receivable, net | 19,096,737 | 19,073,490 |
| Due from other governmental agencies | 11,533,005 | 11,433,290 |
| Inventories and prepaid costs | 14,406,706 | 13,397,476 |
| Total current assets | 157,579,384 | 157,573,792 |
| Restricted assets: | | |
| Cash and investments | 55,521,349 | 55,753,286 |
| Capital assets: | | |
| Land | 102,707,464 | 102,682,503 |
| Construction in progress | 238,850,122 | 231,686,483 |
| Buildings and improvements | 2,103,948,741 | 2,103,948,741 |
| Machinery and equipment | 101,226,925 | 101,955,508 |
| Intangible assets | 97,500,221 | 97,500,221 |
| Less accumulated depreciation and amortization | (1,264,268,421) | (1,258,089,826) |
| Total capital assets | 1,379,965,052 | 1,379,683,630 |
| Total noncurrent and restricted assets | 1,435,486,401 | 1,435,436,916 |
| Total assets | 1,593,065,785 | 1,593,010,708 |
| Deferred outflows of resources: | | |
| Related to pensions | 14,989,702 | 14,989,702 |
| Total assets and deferred outflows of resources | \$ 1,608,055,487 | \$ 1,608,000,410 |
| <u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u> | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 18,831,826 | \$ 21,859,411 |
| Due to other governmental agencies | 492,966 | 445,146 |
| Net pension liability | 343,702 | 343,702 |
| Total current liabilities | 19,668,494 | 22,648,259 |
| Liabilities payable from restricted assets: | | |
| Accrued interest payable on bonds and loans | 1,568,748 | 1,515,630 |
| Customer deposits | 10,557,512 | 10,645,291 |
| Total liabilities payable from restricted assets | 12,126,260 | 12,160,921 |
| Noncurrent liabilities: | | |
| Compensated absences payable | 1,535,030 | 1,535,030 |
| Loans payable | 94,493,704 | 94,393,989 |
| Revenue bonds payable (net of unamortized costs) | 92,649,722 | 92,734,568 |
| Net pension liability | 38,502,153 | 38,502,153 |
| Total noncurrent liabilities | 227,180,609 | 227,165,740 |
| Total liabilities | 258,975,363 | 261,974,920 |
| Deferred inflows of resources: | | |
| Related to pensions | 2,188,764 | 2,188,764 |
| Total liabilities and deferred inflows of resources | 261,164,127 | 264,163,684 |
| <u>NET POSITION</u> | | |
| Net investment in capital assets | 1,192,821,626 | 1,192,555,073 |
| Restricted for debt service | 43,395,089 | 43,592,365 |
| Unrestricted | 110,674,645 | 107,689,288 |
| Total net position | 1,346,891,360 | 1,343,836,726 |
| Total liabilities and net position | \$ 1,608,055,487 | \$ 1,608,000,410 |

**ORANGE COUNTY WATER UTILITIES SYSTEM
CASH AND INVESTMENTS DETAIL
MARCH 31 AND FEBRUARY 28, 2018**

| | <u>MARCH</u> | <u>FEBRUARY</u> |
|---------------------------------------|-----------------------|-----------------------|
| Current: | | |
| Reserve revenue | \$ 72,933,317 | \$ 75,521,857 |
| Water connection fees | 16,306,417 | 14,737,917 |
| Wastewater connection fees | 22,846,509 | 22,953,069 |
| Petty cash | <u>5,100</u> | <u>5,100</u> |
| Total current cash and investments | <u>112,091,343</u> | <u>113,217,943</u> |
| | | |
| Restricted: | | |
| Operation and maintenance reserve | 26,290,934 | 26,305,175 |
| Renewal and replacement | 8,005,983 | 8,010,494 |
| Bond reserve (1) | 6,268,154 | 6,230,363 |
| Bond principal | 1,632,500 | 1,362,491 |
| Bond interest | 1,452,947 | 1,213,614 |
| Loan debt service | 552,610 | 1,224,720 |
| Loan repayment reserve | 760,709 | 761,138 |
| Customer deposits | <u>10,557,512</u> | <u>10,645,291</u> |
| Total restricted cash and investments | <u>55,521,349</u> | <u>55,753,286</u> |
| Total cash and investments | <u>\$ 167,612,692</u> | <u>\$ 168,971,229</u> |

Note: (1) The Bond Reserve requirement is prescribed in the bond covenants as the maximum annual debt service for all bonds 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 MARCH 31, 2018**

| | <u>MARCH</u> | <u>FISCAL YEAR TO DATE</u> |
|--|------------------|--------------------------------|
| Operating revenues: | | |
| Water service | \$ 4,415,824 | \$ 26,187,566 |
| Wastewater service | 10,504,780 | 63,526,361 |
| Reclaimed water service | 730,471 | 4,529,195 |
| Miscellaneous | 473,811 | 3,025,917 |
| | <hr/> | <hr/> |
| Total operating revenues | 16,124,886 | 97,269,039 |
| Operating and maintenance expenses: | | |
| Personal services | 5,051,915 | 26,912,304 |
| Contractual services | 2,741,204 | 14,685,137 |
| Materials and supplies | 528,572 | 2,817,067 |
| Utilities | 922,600 | 6,451,734 |
| Repairs and maintenance | 1,613,798 | 7,327,454 |
| Other administrative expenses | 451,182 | 5,465,201 |
| | <hr/> | <hr/> |
| Total operating and maintenance expenses | 11,309,271 | 63,658,897 |
| Operating income before depreciation | 4,815,615 | 33,610,142 |
| Depreciation and amortization | 7,201,250 | 43,207,555 |
| | <hr/> | <hr/> |
| Operating loss | (2,385,635) | (9,597,413) |
| Nonoperating revenues (expenses): | | |
| Interest revenue | 184,639 | 2,042,004 |
| Interest expense and fiscal charges | (650,814) | (1,790,335) |
| Gain on disposal of assets | 149,800 | 42,401 |
| | <hr/> | <hr/> |
| Total net nonoperating expenses | (316,375) | 294,070 |
| Loss before contributions and transfers | (2,702,010) | (9,303,343) |
| Capital contributions | 5,756,644 | 21,107,386 |
| Transfers out | - | (9,100,000) |
| | <hr/> | <hr/> |
| Change in net position | 3,054,634 | 2,704,043 |
| Total net position, beginning of period | 1,343,836,726 | 1,344,187,317 |
| | <hr/> | <hr/> |
| Total net position, end of period | \$ 1,346,891,360 | \$ 1,346,891,360 |
| | <hr/> | <hr/> |

See accompanying notes to financial statements

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING REVENUE DETAIL
FOR THE MONTH ENDED MARCH 31, 2018**

| | MARCH BUDGET | MARCH ACTUAL | FISCAL YTD BUDGET | FISCAL YTD ACTUAL | ANNUAL BUDGET | FISCAL YTD (STD 50%) |
|---------------------------------|----------------------|----------------------|-------------------------|-------------------------|-----------------------|----------------------------|
| Water service: | | | | | | |
| Residential | \$ 2,102,419 | \$ 2,174,298 | \$ 12,614,514 | \$ 13,022,810 | \$ 25,229,032 | 52% |
| Commercial | 1,333,333 | 1,296,486 | 7,999,998 | 7,901,818 | 15,999,992 | 49% |
| Conservation surcharge | 903,676 | 945,040 | 5,422,056 | 5,262,938 | 10,844,115 | 49% |
| Total water service | <u>4,339,428</u> | <u>4,415,824</u> | <u>26,036,568</u> | <u>26,187,566</u> | <u>52,073,139</u> | 50% |
| Wastewater service: | | | | | | |
| Residential | 5,297,471 | 5,343,077 | 31,784,826 | 32,581,347 | 63,569,656 | 51% |
| Commercial | 4,914,026 | 4,884,148 | 29,484,156 | 29,164,407 | 58,968,311 | 49% |
| Environmental surcharge | 212,942 | 200,573 | 1,277,652 | 1,292,672 | 2,555,309 | 51% |
| Industrial | 6,145 | 16,863 | 36,870 | 83,188 | 73,738 | 113% |
| Septic and portable | 51,363 | 59,020 | 308,178 | 316,251 | 616,357 | 51% |
| Capacity maintenance fees | 10,069 | 1,099 | 60,414 | 88,496 | 120,832 | 73% |
| Total wastewater service | <u>10,492,016</u> | <u>10,504,780</u> | <u>62,952,096</u> | <u>63,526,361</u> | <u>125,904,203</u> | 50% |
| Reclaimed water service: | | | | | | |
| Reclaimed service | 702,341 | 709,410 | 4,214,046 | 4,442,366 | 8,428,093 | 53% |
| Reclaimed water-cooling tower | 18,686 | 21,061 | 112,116 | 86,829 | 224,236 | 39% |
| Total reclaimed water service | <u>721,027</u> | <u>730,471</u> | <u>4,326,162</u> | <u>4,529,195</u> | <u>8,652,329</u> | 52% |
| Miscellaneous: | | | | | | |
| Initiate account service | 44,922 | 42,992 | 269,532 | 236,306 | 539,065 | 44% |
| Turn off/on service | 30,953 | 32,206 | 185,718 | 201,069 | 371,440 | 54% |
| Lien fee charges | 398 | 580 | 2,388 | 2,460 | 4,775 | 52% |
| Meter removal/testing | 4,751 | 5,002 | 28,506 | 26,584 | 57,015 | 47% |
| Meter/line damage | 20,788 | (354) | 124,728 | 206,369 | 249,455 | 83% |
| NSF charges | 3,587 | 7,779 | 21,522 | 33,165 | 43,042 | 77% |
| Plans and specifications | 73,111 | 33,348 | 438,666 | 487,828 | 877,329 | 56% |
| Charges to other funds | 1,365 | - | 8,190 | 6,922 | 16,375 | 42% |
| Developer reimb of plan review | 29,543 | 40,691 | 177,258 | 311,154 | 354,510 | 88% |
| Miscellaneous | 567,706 | 311,567 | 3,406,236 | 1,514,060 | 6,812,475 | 22% |
| Total miscellaneous | <u>777,124</u> | <u>473,811</u> | <u>4,662,744</u> | <u>3,025,917</u> | <u>9,325,481</u> | 32% |
| Total operating revenues | <u>\$ 16,329,595</u> | <u>\$ 16,124,886</u> | <u>\$ 97,977,570</u> | <u>\$ 97,269,039</u> | <u>\$ 195,955,152</u> | 50% |

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING AND MAINTENANCE EXPENSES DETAIL
FOR THE MONTH ENDED MARCH 31, 2018**

| | MARCH BUDGET | MARCH ACTUAL | FISCAL YTD BUDGET | FISCAL YTD ACTUAL | ANNUAL BUDGET | FISCAL YTD (STD 50%) |
|---------------------------------------|------------------|------------------|-------------------------|-------------------------|-------------------|----------------------------|
| Personal services: | | | | | | |
| Salaries | \$ 3,284,124 | \$ 3,595,713 | \$ 19,704,744 | \$ 20,261,736 | \$ 39,409,483 | 51% |
| Fringe benefits | 1,249,013 | 1,456,202 | 7,494,078 | 6,650,568 | 14,988,155 | 44% |
| Total personal services | 4,533,137 | 5,051,915 | 27,198,822 | 26,912,304 | 54,397,638 | 49% |
| Contractual services: | | | | | | |
| Research and studies | 76,416 | 47,381 | 458,496 | 128,077 | 916,989 | 14% |
| Legal services | 12,116 | - | 72,696 | 9,066 | 145,392 | 6% |
| Indirect costs | 552,539 | 552,538 | 3,315,234 | 3,315,231 | 6,630,462 | 50% |
| Purchased water | 65,150 | 64,428 | 390,900 | 343,704 | 781,794 | 44% |
| Effluent disposal | 270,510 | 313,766 | 1,623,060 | 1,077,733 | 3,246,122 | 33% |
| Comptroller fees | 166,495 | 166,495 | 998,970 | 998,972 | 1,997,944 | 50% |
| Officer fees | 1,050 | 1,026 | 6,300 | 3,049 | 12,600 | 24% |
| Payments to other governments | 275,898 | 278,029 | 1,655,388 | 1,527,888 | 3,310,776 | 46% |
| Janitorial | 38,420 | 29,440 | 230,520 | 159,187 | 461,038 | 35% |
| Employment agency | 107,930 | 64,160 | 647,580 | 277,971 | 1,295,160 | 21% |
| Training | 17,164 | 1,730 | 102,984 | 8,650 | 205,973 | 4% |
| Paving | 160,103 | 110,686 | 960,618 | 913,209 | 1,921,236 | 48% |
| Software licensing/support fee | 184,328 | 109,329 | 1,105,968 | 904,986 | 2,211,933 | 41% |
| Other professional fees | 194,816 | 51,041 | 1,168,896 | 206,108 | 2,337,790 | 9% |
| Contractual services | 1,837,976 | 951,155 | 11,027,856 | 4,811,306 | 22,055,711 | 22% |
| Total contractual services | 3,960,911 | 2,741,204 | 23,765,466 | 14,685,137 | 47,530,920 | 31% |
| Materials and supplies: | | | | | | |
| Graphic reproduction services | 3,834 | 7,668 | 23,004 | 20,985 | 46,008 | 46% |
| Office supplies | 13,428 | 15,206 | 80,568 | 51,040 | 161,136 | 32% |
| Event/meal reimbursement | 405 | - | 2,430 | 400 | 4,860 | 8% |
| Software <\$1000 | 12,947 | 302 | 77,682 | 302 | 155,367 | 0% |
| Computer equipment <\$500 | 5,595 | 2,246 | 33,570 | 16,946 | 67,139 | 25% |
| Equipment <\$1000 | 21,372 | 48,806 | 128,232 | 113,113 | 256,461 | 44% |
| Tools | 10,026 | 13,238 | 60,156 | 59,373 | 120,309 | 49% |
| Medical | 133 | - | 798 | - | 1,600 | 0% |
| Liquid oxygen | 14,996 | 7,814 | 89,976 | 40,522 | 179,953 | 23% |
| Chemical and pesticides | 8 | - | 48 | 4,560 | 100 | 4560% |
| Solar salt | 16,391 | 20,069 | 98,346 | 110,309 | 196,686 | 56% |
| Chlorine | 116,346 | 106,216 | 698,076 | 717,192 | 1,396,149 | 51% |
| Fluoride | 15,050 | - | 90,300 | 35,762 | 180,600 | 20% |
| Alum | 891 | 3,842 | 5,346 | 19,059 | 10,692 | 178% |
| Polymer | 57,942 | 41,510 | 347,652 | 359,555 | 695,309 | 52% |
| Sealing chemicals | 208 | 7,149 | 1,248 | 8,649 | 2,500 | 346% |
| Corrosion control | 55,568 | 52,693 | 333,408 | 293,252 | 666,817 | 44% |
| Carbon dioxide | 47,313 | - | 283,878 | 149,127 | 567,750 | 26% |
| Sodium hydroxide | 43,934 | 23,738 | 263,604 | 142,627 | 527,205 | 27% |
| Supplemental carbon | 33,238 | 18,844 | 199,428 | 56,539 | 398,850 | 14% |
| Miscellaneous chemicals | 29,084 | 17,675 | 174,504 | 103,391 | 349,007 | 30% |
| Material for construction | 28,875 | 12,264 | 173,250 | 92,824 | 346,504 | 27% |
| Clothing | 16,311 | 17,146 | 97,866 | 81,629 | 195,731 | 42% |
| Gas-oil-lube-brfl-ant | 18,115 | 11,779 | 108,690 | 31,588 | 217,381 | 15% |
| Miscellaneous expenses | 64,900 | 100,367 | 389,400 | 308,323 | 778,803 | 40% |
| Total materials & supplies | 626,910 | 528,572 | 3,761,460 | 2,817,067 | 7,522,917 | 37% |

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING AND MAINTENANCE EXPENSES DETAIL, (continued)
FOR THE MONTH ENDED MARCH 31, 2018**

| | MARCH BUDGET | MARCH ACTUAL | FISCAL YTD BUDGET | FISCAL YTD ACTUAL | ANNUAL BUDGET | FISCAL YTD (STD 50%) |
|--|----------------------|----------------------|-------------------------|-------------------------|-----------------------|----------------------------|
| Utilities: | | | | | | |
| Communications | \$ 66,620 | \$ 43,964 | \$ 399,720 | \$ 279,603 | \$ 799,439 | 35% |
| Water | 9,848 | 4,933 | 59,088 | 48,388 | 118,176 | 41% |
| Solid waste tipping fees | 41,398 | - | 248,388 | 148,279 | 496,780 | 30% |
| Garbage disposal | 5,061 | 3,110 | 30,366 | 18,455 | 60,728 | 30% |
| Gas | 14,142 | 4,415 | 84,852 | 76,100 | 169,707 | 45% |
| Electric | 1,066,972 | 866,178 | 6,401,832 | 5,880,909 | 12,803,662 | 46% |
| Total utilities | 1,204,041 | 922,600 | 7,224,246 | 6,451,734 | 14,448,492 | 45% |
| Repairs and maintenance: | | | | | | |
| Building and grounds | 538,789 | 801,704 | 3,232,734 | 2,924,304 | 6,465,465 | 45% |
| Equipment | 629,532 | 429,800 | 3,777,192 | 2,387,292 | 7,554,384 | 32% |
| Vehicle maintenance | 369,243 | 360,120 | 2,215,458 | 1,785,195 | 4,430,918 | 40% |
| Services | 150,759 | 21,505 | 904,554 | 49,047 | 1,809,113 | 3% |
| Mains | 25,864 | 669 | 155,184 | 93,186 | 310,364 | 30% |
| Water meters | 3,070 | - | 18,420 | - | 36,845 | 0% |
| Fire lines | 21,435 | - | 128,610 | 88,230 | 257,225 | 34% |
| Meter installations | 42 | - | 252 | - | 500 | 0% |
| Valves | 5,135 | - | 30,810 | 200 | 61,620 | 0% |
| Utility relocations | 42 | - | 252 | - | 500 | 0% |
| Total repairs & maintenance | 1,743,911 | 1,613,798 | 10,463,466 | 7,327,454 | 20,926,934 | 35% |
| Other administrative: | | | | | | |
| Local travel | 2,404 | 1,397 | 14,424 | 6,701 | 28,845 | 23% |
| Out of county travel | 2,820 | 1,458 | 16,920 | 9,133 | 33,841 | 27% |
| Postage and messenger services | 69,852 | 9,388 | 419,112 | 432,933 | 838,223 | 52% |
| Toll charges | 19,063 | 16,291 | 114,378 | 79,568 | 228,757 | 35% |
| Rental of equipment | 62,027 | 68,648 | 372,162 | 271,241 | 744,319 | 36% |
| Dues and memberships | 14,107 | 1,513 | 84,642 | 97,486 | 169,287 | 58% |
| Subscriptions | 2,726 | 4,238 | 16,356 | 7,512 | 32,709 | 23% |
| Training fees | 12,072 | 27,511 | 72,432 | 71,994 | 144,858 | 50% |
| License and certification | 2,820 | 394 | 16,920 | 2,314 | 33,839 | 7% |
| Leases-bldgs | 617 | - | 3,702 | - | 7,404 | 0% |
| Advertising | 963 | - | 5,778 | 780 | 11,560 | 7% |
| Promotional | 13,305 | 2,293 | 79,830 | 9,156 | 159,658 | 6% |
| Educational assistance | 2,792 | 1,250 | 16,752 | 6,247 | 33,500 | 19% |
| Scholarships, awards | 624 | - | 3,744 | - | 7,485 | 0% |
| Bad debt expense | 35,750 | (8,661) | 214,500 | 400,342 | 429,000 | 93% |
| Bank charges | 80,679 | 100,500 | 484,074 | 419,229 | 968,150 | 43% |
| Self insurance | 267,306 | 267,306 | 1,603,836 | 1,603,837 | 3,207,674 | 50% |
| Refunds of prior year revenue | 25,000 | 2,503 | 150,000 | 130,666 | 300,000 | 44% |
| Operating permits | 11,654 | - | 69,924 | - | 139,849 | 0% |
| Accrued expenses | - | (44,847) | - | 1,916,062 | - | 0% |
| Total other administrative | 626,581 | 451,182 | 3,759,486 | 5,465,201 | 7,518,958 | 73% |
| Total O&M expenses | \$ 12,695,491 | \$ 11,309,271 | \$ 76,172,946 | \$ 63,658,897 | \$ 152,345,859 | 42% |

**ORANGE COUNTY WATER UTILITIES SYSTEM
NON-OPERATING REVENUE AND EXPENSE DETAIL
FOR THE MONTH ENDED MARCH 31, 2018**

| | MARCH BUDGET | MARCH ACTUAL | FISCAL YTD BUDGET | FISCAL YTD ACTUAL | ANNUAL BUDGET | FISCAL YTD (STD 50%) |
|--|---------------------|---------------------|-------------------------|-------------------------|-----------------------|----------------------------|
| Interest revenue: | | | | | | |
| Net revenue | \$ 162,591 | \$ 133,165 | \$ 975,546 | \$ 1,822,432 | \$ 1,951,090 | 93% |
| Connection fees | - | 23,050 | - | 232,673 | - | 0% |
| Bond reserve | - | 37,791 | - | 36,179 | - | 0% |
| Less: Customer deposits expense | - | (9,367) | - | (49,280) | - | 0% |
| Total interest revenue | <u>162,591</u> | <u>184,639</u> | <u>975,546</u> | <u>2,042,004</u> | <u>1,951,090</u> | 105% |
| Interest expense: | | | | | | |
| Bonds and revolving loans | (707,717) | (964,695) | (4,246,302) | (2,527,695) | (8,492,603) | 30% |
| Capital lease | (110) | (33) | (660) | (780) | (1,318) | 59% |
| Debt service fees | (61,373) | - | (368,238) | - | (736,480) | 0% |
| Amortization of bond premium | - | 313,914 | - | 738,140 | - | (1) |
| Total interest expense | <u>(769,200)</u> | <u>(650,814)</u> | <u>(4,615,200)</u> | <u>(1,790,335)</u> | <u>(9,230,401)</u> | 19% |
| Loss on disposal of assets: | | | | | | |
| Gain on disposal of fixed assets | - | 149,800 | - | 149,595 | - | (1) |
| Loss on abandoned projects | - | - | - | (107,194) | - | (1) |
| Total Loss on disposal of assets | <u>-</u> | <u>149,800</u> | <u>-</u> | <u>42,401</u> | <u>-</u> | (1) |
| Total non-operating revenues (expenses) | <u>\$ (606,609)</u> | <u>\$ (316,375)</u> | <u>\$ (3,639,654)</u> | <u>\$ 294,070</u> | <u>\$ (7,279,311)</u> | -4% |

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

**ORANGE COUNTY WATER UTILITIES SYSTEM
CAPITAL CONTRIBUTIONS DETAIL
FOR THE MONTH ENDED MARCH 31, 2018**

| | <u>MARCH BUDGET</u> | <u>MARCH ACTUAL</u> | <u>FISCAL YTD BUDGET</u> | <u>FISCAL YTD ACTUAL</u> | <u>ANNUAL BUDGET</u> | <u>FISCAL YTD (STD 50%)</u> |
|-----------------------------------|-------------------------|-------------------------|----------------------------------|----------------------------------|--------------------------|-------------------------------------|
| CONNECTION FEES COLLECTED: | | | | | | |
| Water connection fees: | | | | | | |
| Residential/Commercial | \$ 891,099 | \$ 1,558,792 | \$ 5,346,594 | \$ 6,601,229 | \$ 10,693,183 | 62% |
| Irrigation | <u>47,268</u> | <u>64,890</u> | <u>283,608</u> | <u>313,227</u> | <u>567,216</u> | 55% |
| Total water connection fees | <u>938,367</u> | <u>1,623,682</u> | <u>5,630,202</u> | <u>6,914,456</u> | <u>11,260,399</u> | 61% |
| Wastewater connection fees: | | | | | | |
| Residential/Commercial | <u>1,608,882</u> | <u>4,116,239</u> | <u>9,653,292</u> | <u>14,050,168</u> | <u>19,306,589</u> | 73% |
| Total wastewater connection fees | <u>1,608,882</u> | <u>4,116,239</u> | <u>9,653,292</u> | <u>14,050,168</u> | <u>19,306,589</u> | 73% |
| Less reductions: | | | | | | |
| Refunds of prior year collections | <u>(83,333)</u> | <u>(79)</u> | <u>(499,998)</u> | <u>(4,995)</u> | <u>(1,000,000)</u> | 0% |
| Total reductions | <u>(83,333)</u> | <u>(79)</u> | <u>(499,998)</u> | <u>(4,995)</u> | <u>(1,000,000)</u> | 0% |
| Net connection fees | <u>2,463,916</u> | <u>5,739,842</u> | <u>14,783,496</u> | <u>20,959,629</u> | <u>29,566,988</u> | 71% |
| DONATED SYSTEMS: | | | | | | |
| Developer fixed assets | - | 8,711 | - | 71,917 | - | 0% |
| Developer reimbursements | - | 136 | - | 16,560 | - | 0% |
| Line extensions | <u>-</u> | <u>7,955</u> | <u>-</u> | <u>59,280</u> | <u>-</u> | 0% |
| Total donated systems | <u>-</u> | <u>16,802</u> | <u>-</u> | <u>147,757</u> | <u>-</u> | 0% |
| Total capital contributions | <u>\$ 2,463,916</u> | <u>\$ 5,756,644</u> | <u>\$ 14,783,496</u> | <u>\$ 21,107,386</u> | <u>\$ 29,566,988</u> | 71% |

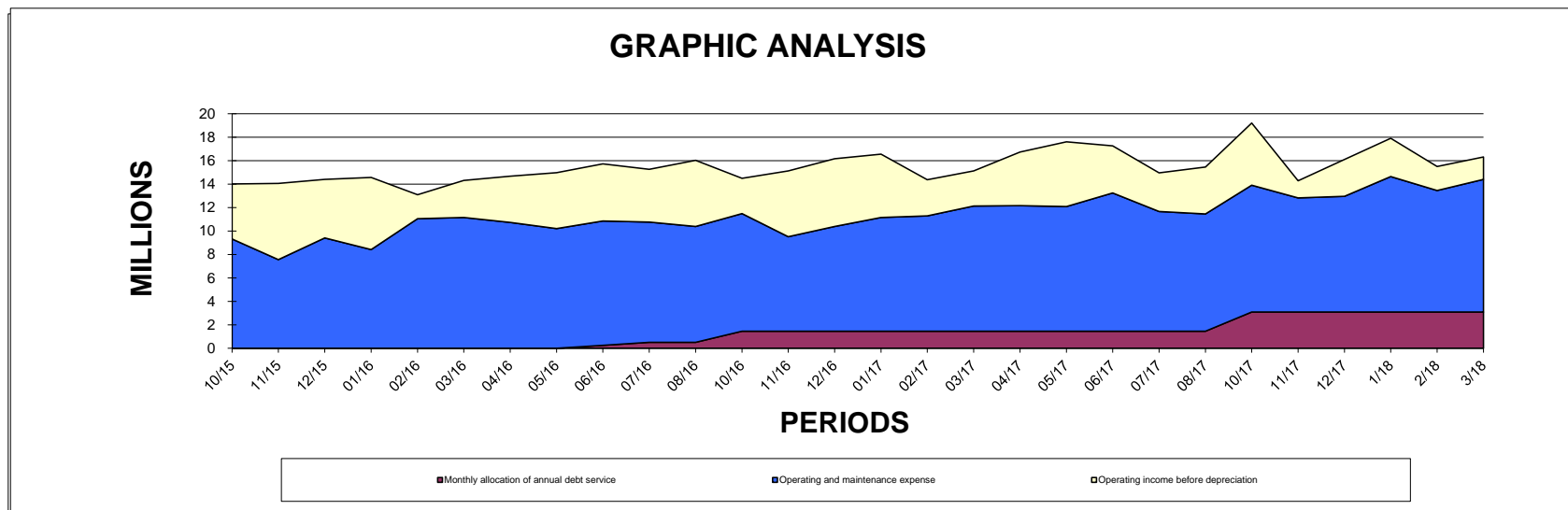
**ORANGE COUNTY WATER UTILITIES SYSTEM
OTHER DISBURSEMENTS DETAIL
FOR THE MONTH ENDED MARCH 31, 2018**

| | MARCH BUDGET | MARCH ACTUAL | FISCAL YTD BUDGET | FISCAL YTD ACTUAL | ANNUAL BUDGET | FISCAL YTD (STD 50%) |
|---------------------------|----------------------|---------------------|-------------------------|-------------------------|-----------------------|----------------------------|
| Capital outlay: | | | | | | |
| Land | \$ 259,072 | \$ 17,383 | \$ 1,554,432 | \$ 146,935 | \$ 3,108,859 | 5% |
| Buildings | 85,051 | 22,011 | 510,306 | 22,011 | 1,020,613 | 2% |
| Structures | 12,566,328 | 7,566,342 | 75,397,968 | 33,829,060 | 150,795,936 | 22% |
| Equipment | 912,091 | 151,850 | 5,472,546 | 1,307,751 | 10,945,096 | 12% |
| Total capital outlay | 13,822,542 | 7,757,586 | 82,935,252 | 35,305,757 | 165,870,504 | 21% |
| Debt service principal | 478,925 | 457,653 | 2,873,550 | 2,737,480 | 5,747,104 | 48% |
| Total other disbursements | <u>\$ 14,301,467</u> | <u>\$ 8,215,239</u> | <u>\$ 85,808,802</u> | <u>\$ 38,043,237</u> | <u>\$ 171,617,608</u> | 22% |

**ORANGE COUNTY WATER UTILITIES SYSTEM
ANALYTICAL DATA
FISCAL YEAR 2018**

| | <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 | 0.65 | 0.57 | 0.75 | 0.62 | 0.65 | 0.68 | 0.70 | | | | | |
| Water | 0.84 | 0.95 | 0.87 | 0.73 | 0.83 | 0.71 | 0.97 | | | | | |
| Wastewater | 0.53 | 0.42 | 0.60 | 0.51 | 0.54 | 0.61 | 0.55 | | | | | |
| Bond Coverage Ratios* | 10.89 | 16.07 | 6.47 | 12.02 | 11.84 | 9.60 | 9.36 | | | | | |

*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 MARCH 31, 2018**

Pursuant to Section 37-304 of Orange County Ordinance No. 92-10, water and wastewater capacity has been sold net of \$10.5 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 \$11.4 million.