

**ORANGE COUNTY WATER UTILITIES SYSTEM  
STATEMENTS OF NET POSITION  
APRIL 30 AND MARCH 31, 2019**

	APRIL	MARCH
<b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Current assets:		
Cash and investments	\$ 113,546,322	\$ 120,135,081
Accrued interest receivable	524,334	524,334
Accounts receivable, net	19,820,861	19,614,165
Due from other governmental agencies	4,255,248	3,589,096
Inventories and prepaid costs	8,485,909	8,922,059
Total current assets	146,632,674	152,784,735
Restricted assets:		
Cash and investments	58,356,211	58,689,913
Capital assets:		
Land	102,963,363	103,183,075
Construction in progress	311,829,661	298,347,464
Buildings and improvements	2,164,941,945	2,164,941,945
Machinery and equipment	103,295,565	102,278,433
Intangible assets	121,303,499	121,303,176
Less accumulated depreciation and amortization	(1,325,564,612)	(1,319,739,329)
Total capital assets	1,478,769,421	1,470,314,764
Total noncurrent and restricted assets	1,537,125,632	1,529,004,677
Total assets	1,683,758,306	1,681,789,412
Deferred outflows of resources:		
Related to pensions and OPEB	15,887,628	15,887,628
Total assets and deferred outflows of resources	\$ 1,699,645,934	\$ 1,697,677,040
<b><u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u></b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 28,263,836	\$ 29,785,862
Due to other governmental agencies	524,120	463,593
Net pension liability	322,654	322,654
Total current liabilities	29,110,610	30,572,109
Liabilities payable from restricted assets:		
Accrued interest payable on bonds and loans	491,055	1,541,925
Revenue bonds payable (net of unamortized costs)	3,430,000	3,430,000
Customer deposits	10,768,696	10,762,232
Total liabilities payable from restricted assets	14,689,751	15,734,157
Noncurrent liabilities:		
Compensated absences payable	1,540,394	1,540,394
Loans payable	97,142,875	96,476,722
Revenue bonds payable (net of unamortized costs)	84,931,811	85,005,216
Net pension and OPEB liability	43,144,585	43,144,585
Total noncurrent liabilities	226,759,665	226,166,917
Total liabilities	270,560,026	272,473,183
Deferred inflows of resources:		
Related to pensions and OPEB	4,002,361	4,002,361
Total liabilities and deferred inflows of resources	274,562,387	276,475,544
<b><u>NET POSITION</u></b>		
Net investment in capital assets	1,293,264,735	1,285,402,826
Restricted for debt service	47,096,460	46,385,756
Unrestricted	84,722,352	89,412,914
Total net position	1,425,083,547	1,421,201,496
Total liabilities and net position	\$ 1,699,645,934	\$ 1,697,677,040

**ORANGE COUNTY WATER UTILITIES SYSTEM  
CASH AND INVESTMENTS DETAIL  
APRIL 30 AND MARCH 31, 2019**

	<u>APRIL</u>	<u>MARCH</u>
<b>Current:</b>		
Reserve revenue	\$ 68,315,829	\$ 74,452,269
Water connection fees	23,928,809	23,910,554
Wastewater connection fees	21,296,584	21,767,158
Petty cash	<u>5,100</u>	<u>5,100</u>
Total current cash and investments	<u>113,546,322</u>	<u>120,135,081</u>
 <b>Restricted:</b>		
Operation and maintenance reserve	28,463,331	28,382,161
Renewal and replacement	8,019,973	8,007,195
Bond reserve (1)	6,392,549	6,392,497
Bond principal	2,003,820	1,715,000
Bond interest	231,074	1,371,322
Loan debt service	1,714,730	1,298,683
Loan repayment reserve	762,038	760,823
Customer deposits	<u>10,768,696</u>	<u>10,762,232</u>
Total restricted cash and investments	<u>58,356,211</u>	<u>58,689,913</u>
Total cash and investments	<u>\$ 171,902,533</u>	<u>\$ 178,824,994</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 APRIL 30, 2019**

	<u>APRIL</u>	<u>FISCAL YEAR TO DATE</u>
Operating revenues:		
Water service	\$ 4,625,776	\$ 31,178,142
Wastewater service	11,358,984	77,986,333
Reclaimed water service	875,840	5,502,730
Miscellaneous	563,048	4,518,793
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Total operating revenues	17,423,648	119,185,998
Operating and maintenance expenses:		
Personal services	4,628,887	32,602,281
Contractual services	2,720,187	16,640,652
Materials and supplies	579,763	3,509,742
Utilities	1,374,014	7,925,033
Repairs and maintenance	1,954,775	9,119,995
Other administrative expenses	706,040	6,354,583
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Total operating and maintenance expenses	11,963,666	76,152,286
Operating income before depreciation	5,459,982	43,033,712
Depreciation and amortization	5,867,658	41,070,431
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Operating income (loss)	(407,676)	1,963,281
Nonoperating revenues (expenses):		
Interest revenue	442,020	2,231,336
Interest expense and fiscal charges	(306,378)	(2,166,615)
Gain on disposal of assets	203,141	349,905
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Total net nonoperating revenues (expenses)	338,783	414,626
Income (loss) before contributions and transfers	(68,893)	2,377,907
Capital contributions	3,950,944	36,629,036
Transfers out	-	(8,900,000)
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Change in net position	3,882,051	30,106,943
Total net position, beginning of period	1,421,201,496	1,394,976,604
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Total net position, end of period	\$ 1,425,083,547	\$ 1,425,083,547
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See accompanying notes to financial statements

**ORANGE COUNTY WATER UTILITIES SYSTEM  
OPERATING REVENUE DETAIL  
FOR THE MONTH ENDED APRIL 30, 2019**

	APRIL BUDGET	APRIL ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 58%)
<b>Water service:</b>						
Residential	\$ 2,232,982	\$ 2,287,505	\$ 15,630,874	\$ 15,637,454	\$ 26,795,779	58%
Commercial	1,399,494	1,409,475	9,796,458	9,808,899	16,793,930	58%
Conservation surcharge	1,007,319	928,796	7,051,233	5,731,789	12,087,826	47%
Total water service	<u>4,639,795</u>	<u>4,625,776</u>	<u>32,478,565</u>	<u>31,178,142</u>	<u>55,677,535</u>	56%
<b>Wastewater service:</b>						
Residential	5,617,464	5,815,790	39,322,248	39,671,543	67,409,567	59%
Commercial	5,046,569	5,211,118	35,325,983	36,120,268	60,558,832	60%
Environmental surcharge	213,867	256,326	1,497,069	1,660,326	2,566,401	65%
Industrial	7,306	4,395	51,142	75,361	87,667	86%
Septic and portable	55,917	61,922	391,419	391,949	671,007	58%
Capacity maintenance fees	9,442	9,433	66,094	66,886	113,304	59%
Total wastewater service	<u>10,950,565</u>	<u>11,358,984</u>	<u>76,653,955</u>	<u>77,986,333</u>	<u>131,406,778</u>	59%
<b>Reclaimed water service:</b>						
Reclaimed service	820,620	855,460	5,744,340	5,372,806	9,847,435	55%
Reclaimed water-cooling tower	20,424	20,380	142,968	129,924	245,089	53%
Total reclaimed water service	<u>841,044</u>	<u>875,840</u>	<u>5,887,308</u>	<u>5,502,730</u>	<u>10,092,524</u>	55%
<b>Miscellaneous:</b>						
Initiate account service	44,592	47,552	312,144	286,498	535,105	54%
Turn off/on service	32,894	33,038	230,258	237,287	394,731	60%
Lien fee charges	469	520	3,283	2,640	5,630	47%
Meter removal/testing	4,196	3,091	29,372	23,880	50,347	47%
Meter/line damage	19,934	1,786	139,538	30,254	239,211	13%
NSF charges	4,008	5,424	28,056	39,226	48,091	82%
Plans and specifications	75,006	188,052	525,042	640,264	900,076	71%
Charges to other funds	1,388	1,095	9,716	7,018	16,653	42%
Developer reimb of plan review	45,388	50,636	317,716	342,435	544,653	63%
Cross Connection Control Program	226,259	216,125	1,583,813	1,504,275	2,715,113	55%
Miscellaneous	135,922	15,729	951,454	1,405,016	1,631,058	86%
Total miscellaneous	<u>590,056</u>	<u>563,048</u>	<u>4,130,392</u>	<u>4,518,793</u>	<u>7,080,668</u>	64%
Total operating revenues	<u>\$ 17,021,460</u>	<u>\$ 17,423,648</u>	<u>\$ 119,150,220</u>	<u>\$ 119,185,998</u>	<u>\$ 204,257,505</u>	58%

**ORANGE COUNTY WATER UTILITIES SYSTEM  
OPERATING AND MAINTENANCE EXPENSES DETAIL  
FOR THE MONTH ENDED APRIL 30, 2019**

	APRIL BUDGET	APRIL ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 58%)
<b>Personal services:</b>						
Salaries	\$ 3,467,351	\$ 3,547,168	\$ 24,271,457	\$ 24,331,447	\$ 41,608,212	58%
Fringe benefits	1,359,355	1,081,719	9,515,485	8,270,834	16,312,262	51%
<b>Total personal services</b>	<b>4,826,706</b>	<b>4,628,887</b>	<b>33,786,942</b>	<b>32,602,281</b>	<b>57,920,474</b>	<b>56%</b>
<b>Contractual services:</b>						
Research and studies	115,978	71,306	811,846	192,175	1,391,733	14%
Legal services	11,582	4,066	81,074	4,066	138,978	3%
Indirect costs	620,092	620,091	4,340,644	4,340,641	7,441,099	58%
Purchased water	91,800	46,753	642,600	548,443	1,101,594	50%
Effluent disposal	264,173	236,152	1,849,211	1,252,321	3,170,072	40%
Comptroller fees	155,727	156,174	1,090,089	1,090,536	1,868,724	58%
Officer fees	761	727	5,327	3,301	9,130	36%
Payments to other governments	317,037	284,363	2,219,259	1,692,185	3,804,447	44%
Janitorial	42,885	51,416	300,195	174,497	514,615	34%
Employment agency	112,435	90,466	787,045	497,438	1,349,220	37%
Training	26,418	2,400	184,926	14,716	317,010	5%
Paving	139,904	68,653	979,328	758,047	1,678,852	45%
Software licensing/support fee	195,983	57,865	1,371,881	1,054,015	2,351,794	45%
Other professional fees	237,757	213,881	1,664,299	502,355	2,853,078	18%
Contractual services	1,904,709	815,874	13,332,963	4,515,916	22,856,513	20%
<b>Total contractual services</b>	<b>4,237,241</b>	<b>2,720,187</b>	<b>29,660,687</b>	<b>16,640,652</b>	<b>50,846,859</b>	<b>33%</b>
<b>Materials and supplies:</b>						
Graphic reproduction services	5,194	509	36,358	14,210	62,331	23%
Office supplies	13,517	11,851	94,619	57,260	162,201	35%
Event/meal reimbursement	309	-	2,163	1,334	3,710	36%
Software <\$1000	4,544	202	31,808	4,419	54,527	8%
Computer equipment <\$500	5,876	5,855	41,132	30,715	70,509	44%
Equipment <\$1000	26,678	27,323	186,746	129,014	320,131	40%
Tools	10,014	21,918	70,098	76,954	120,169	64%
Medical	133	-	931	-	1,600	0%
Liquid oxygen	16,834	6,492	117,838	44,166	202,004	22%
Chemical and pesticides	8	-	56	-	100	0%
Solar salt	23,336	66,382	163,352	116,465	280,027	42%
Chlorine	159,775	88,171	1,118,425	850,543	1,917,300	44%
Fluoride	15,480	7,001	108,360	38,100	185,760	21%
Alum	4,961	1,859	34,727	5,701	59,528	10%
Polymer	88,663	39,226	620,641	416,482	1,063,954	39%
Sealing chemicals	208	-	1,456	-	2,500	0%
Corrosion control	60,315	34,085	422,205	300,751	723,779	42%
Carbon dioxide	49,205	55,301	344,435	328,900	590,460	56%
Sodium hydroxide	42,271	47,656	295,897	247,335	507,248	49%
Supplemental carbon	33,409	28,221	233,863	212,278	400,907	53%
Miscellaneous chemicals	31,579	25,399	221,053	112,100	378,944	30%
Material for construction	28,957	35,517	202,699	73,882	347,483	21%
Clothing	20,417	20,807	142,919	102,223	244,998	42%
Gas-oil-lube-brfl-ant	26,324	2,484	184,268	49,412	315,885	16%
Miscellaneous expenses	70,562	53,504	493,934	297,498	846,746	35%
<b>Total materials &amp; supplies</b>	<b>738,569</b>	<b>579,763</b>	<b>5,169,983</b>	<b>3,509,742</b>	<b>8,862,801</b>	<b>40%</b>

**ORANGE COUNTY WATER UTILITIES SYSTEM  
OPERATING AND MAINTENANCE EXPENSES DETAIL, (continued)  
FOR THE MONTH ENDED APRIL 30, 2019**

	APRIL BUDGET	APRIL ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 58%)
<b>Utilities:</b>						
Communications	\$ 69,232	\$ 54,643	\$ 484,624	\$ 371,306	\$ 830,784	45%
Water	9,878	5,849	69,146	53,207	118,536	45%
Solid waste tipping fees	41,398	18,970	289,786	128,881	496,780	26%
Garbage disposal	5,664	2,750	39,648	13,693	67,968	20%
Gas	14,678	7,262	102,746	53,124	176,132	30%
Electric	1,110,325	1,284,540	7,772,275	7,304,822	13,323,899	55%
<b>Total utilities</b>	<b>1,251,175</b>	<b>1,374,014</b>	<b>8,758,225</b>	<b>7,925,033</b>	<b>15,014,099</b>	<b>53%</b>
<b>Repairs and maintenance:</b>						
Building and grounds	591,246	476,672	4,138,722	3,064,894	7,094,948	43%
Equipment	706,482	1,092,745	4,945,374	3,627,158	8,477,789	43%
Vehicle maintenance	366,762	278,082	2,567,334	1,863,416	4,401,146	42%
Services	101,710	33,767	711,970	225,031	1,220,515	18%
Mains	75,973	73,509	531,811	273,295	911,671	30%
Water meters	13,497	-	94,479	-	161,965	0%
Fire lines	30,269	-	211,883	58,601	363,230	16%
Meter installations	42	-	294	-	500	0%
Valves	95,978	-	671,846	7,600	1,151,730	1%
Utility relocations	42	-	294	-	500	0%
<b>Total repairs &amp; maintenance</b>	<b>1,982,001</b>	<b>1,954,775</b>	<b>13,874,007</b>	<b>9,119,995</b>	<b>23,783,994</b>	<b>38%</b>
<b>Other administrative:</b>						
Local travel	2,371	1,335	16,597	9,094	28,456	32%
Out of county travel	3,365	3,770	23,555	6,978	40,375	17%
Postage and messenger services	71,820	224,462	502,740	515,263	861,845	60%
Toll charges	19,128	21,783	133,896	117,473	229,532	51%
Rental of equipment	79,664	39,758	557,648	358,200	955,969	37%
Dues and memberships	13,872	2,686	97,104	68,819	166,462	41%
Subscriptions	2,306	706	16,142	7,211	27,672	26%
Training fees	13,484	15,748	94,388	72,420	161,808	45%
License and certification	3,540	5,036	24,780	13,566	42,474	32%
Advertising	1,243	760	8,701	1,520	14,920	10%
Promotional	9,803	9,333	68,621	33,266	117,635	28%
Educational assistance	2,875	-	20,125	7,986	34,500	23%
Scholarships, awards	638	-	4,466	180	7,655	2%
Improvements to non-county assets	34,934	25,266	244,538	299,142	419,209	71%
Bad debt expense	41,817	11,837	292,719	64,102	501,800	13%
Bank charges	92,319	104,957	646,233	534,229	1,107,822	48%
Self insurance	257,647	257,646	1,803,529	1,803,525	3,091,758	58%
Refunds of prior year revenue	25,000	258	175,000	124,623	300,000	42%
Operating permits	11,654	-	81,578	-	139,849	0%
Accrued expenses	-	(19,301)	-	2,316,986	-	0%
<b>Total other administrative</b>	<b>687,480</b>	<b>706,040</b>	<b>4,812,360</b>	<b>6,354,583</b>	<b>8,249,741</b>	<b>77%</b>
<b>Total O&amp;M expenses</b>	<b>\$ 13,723,172</b>	<b>\$ 11,963,666</b>	<b>\$ 96,062,204</b>	<b>\$ 76,152,286</b>	<b>\$ 164,677,968</b>	<b>46%</b>

**ORANGE COUNTY WATER UTILITIES SYSTEM  
NON-OPERATING REVENUE AND EXPENSE DETAIL  
FOR THE MONTH ENDED APRIL 30, 2019**

	APRIL BUDGET	APRIL ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 58%)
<b>Interest revenue:</b>						
Net revenue	\$ 171,741	\$ 362,105	\$ 1,202,187	\$ 1,820,135	\$ 2,060,889	88%
Connection fees	-	100,994	-	467,636	-	0%
Bond reserve	-	51	-	74,582	-	0%
Less: Customer deposits expense	-	(21,130)	-	(131,017)	-	0%
<b>Total interest revenue</b>	<b>171,741</b>	<b>442,020</b>	<b>1,202,187</b>	<b>2,231,336</b>	<b>2,060,889</b>	<b>108%</b>
<b>Interest expense:</b>						
Bonds and revolving loans	(424,121)	(379,567)	(2,968,847)	(2,679,902)	(5,089,453)	53%
Capital lease	(128)	(217)	(896)	(552)	(1,541)	36%
Debt service fees	(201,474)	-	(1,410,318)	-	(2,417,689)	0%
Amortization of bond premium	-	73,406	-	513,839	-	(1)
<b>Total interest expense</b>	<b>(625,723)</b>	<b>(306,378)</b>	<b>(4,380,061)</b>	<b>(2,166,615)</b>	<b>(7,508,683)</b>	<b>29%</b>
<b>Gain (loss) on disposal of assets:</b>						
Proceeds from sale	-	203,310	-	224,161	-	0%
Gain (loss) on disposal of fixed assets	-	(169)	-	125,744	-	(1)
<b>Total gain (loss) on disposal of assets</b>	<b>-</b>	<b>203,141</b>	<b>-</b>	<b>349,905</b>	<b>-</b>	<b>(1)</b>
<b>Total non-operating revenues (expenses)</b>	<b>\$ (453,982)</b>	<b>\$ 338,783</b>	<b>\$ (3,177,874)</b>	<b>\$ 414,626</b>	<b>\$ (5,447,794)</b>	<b>-8%</b>

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

**ORANGE COUNTY WATER UTILITIES SYSTEM  
CAPITAL CONTRIBUTIONS DETAIL  
FOR THE MONTH ENDED APRIL 30, 2019**

	APRIL BUDGET	APRIL ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 58%)
<b>CONNECTION FEES COLLECTED:</b>						
Water connection fees:						
Residential/Commercial	\$ 862,460	\$ 1,292,117	\$ 6,037,220	\$ 8,931,862	\$ 10,349,514	86%
Irrigation	49,789	55,167	348,523	313,150	597,468	52%
Total water connection fees	912,249	1,347,284	6,385,743	9,245,012	10,946,982	84%
Wastewater connection fees:						
Residential/Commercial	1,524,177	2,602,736	10,669,239	18,858,855	18,290,123	103%
Total wastewater connection fees	1,524,177	2,602,736	10,669,239	18,858,855	18,290,123	103%
Less reductions:						
Refunds of prior year collections	(83,333)	(5,121)	(583,331)	(14,567)	(1,000,000)	1%
Total reductions	(83,333)	(5,121)	(583,331)	(14,567)	(1,000,000)	1%
Net connection fees	2,353,093	3,944,899	16,471,651	28,089,300	28,237,105	99%
<b>DONATED SYSTEMS:</b>						
Donated easements	-	-	-	3,462,000	-	0%
Developer fixed assets	-	-	-	5,020,008	-	0%
Developer reimbursements	-	-	-	136	-	0%
Line extensions	-	6,045	-	57,592	-	0%
Total donated systems	-	6,045	-	8,539,736	-	0%
Total capital contributions	\$ 2,353,093	\$ 3,950,944	\$ 16,471,651	\$ 36,629,036	\$ 28,237,105	130%



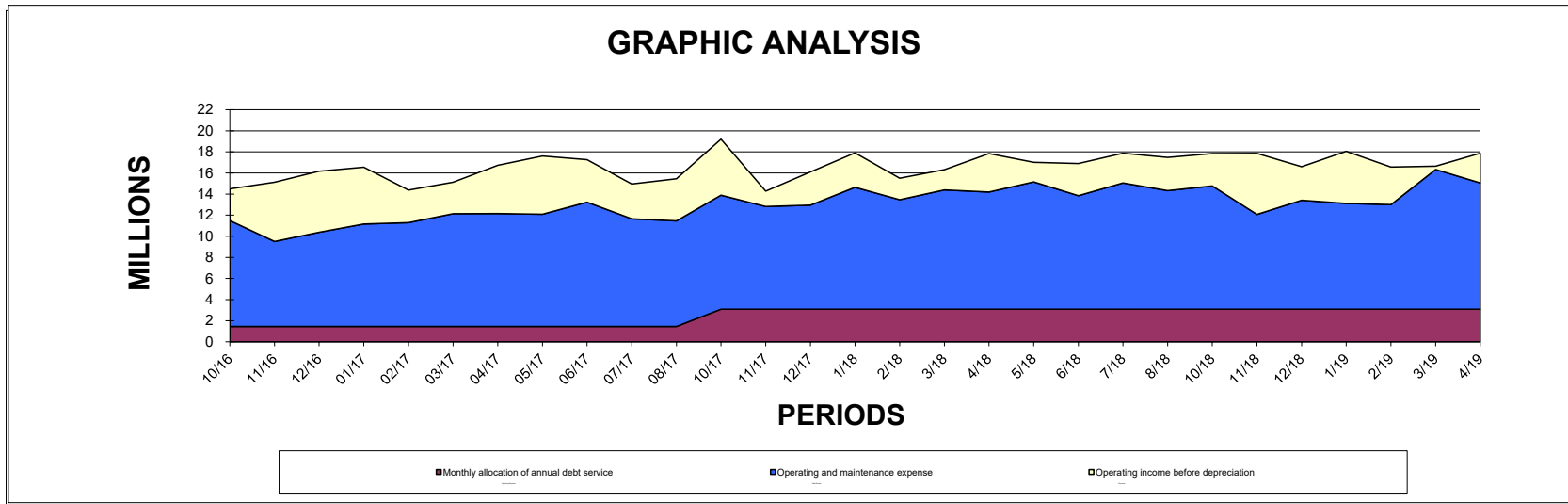
**ORANGE COUNTY WATER UTILITIES SYSTEM  
OTHER DISBURSEMENTS DETAIL  
FOR THE MONTH ENDED APRIL 30, 2019**

	APRIL BUDGET	APRIL ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 58%)
Capital outlay:						
Land	\$ 41,775	\$ (221,986)	\$ 292,425	\$ 51,654	\$ 501,297	10%
Buildings	179,514	-	1,256,598	85,698	2,154,169	4%
Structures	12,965,441	13,482,197	90,758,087	55,976,662	155,585,289	36%
Equipment	973,234	1,062,277	6,812,638	4,534,433	11,678,802	39%
Total capital outlay	14,159,964	14,322,488	99,119,748	60,648,447	169,919,557	36%
Debt service principal	634,951	761,222	4,444,657	5,305,625	7,619,417	70%
Total other disbursements	<u>\$ 14,794,915</u>	<u>\$ 15,083,710</u>	<u>\$ 103,564,405</u>	<u>\$ 65,954,072</u>	<u>\$ 177,538,974</u>	37%

**ORANGE COUNTY WATER UTILITIES SYSTEM  
ANALYTICAL DATA  
FISCAL YEAR 2019**

	<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	0.64	0.67	0.51	0.63	0.56	0.61	0.81	0.69				
Water	0.86	0.90	0.78	0.86	0.73	0.71	1.10	0.97				
Wastewater	0.51	0.55	0.40	0.48	0.47	0.53	0.64	0.53				
Bond Coverage Ratios*	11.95	11.28	16.66	11.60	15.11	12.29	6.11	10.61				

\*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 APRIL 30, 2019**

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 \$12.7 million.