

**ORANGE COUNTY WATER UTILITIES SYSTEM  
STATEMENTS OF NET POSITION  
OCTOBER 31, 2019**

OCTOBER

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

Current assets:	
Cash and investments	\$ 96,930,659
Accrued interest receivable	533,815
Accounts receivable, net	20,402,449
Due from other governmental agencies	5,486,389
Inventories and prepaid costs	<u>7,281,674</u>
Total current assets	<u>130,634,986</u>
Restricted assets:	
Cash and investments	<u>57,429,695</u>
Capital assets:	
Land	102,773,238
Construction in progress	214,060,760
Buildings and improvements	2,351,168,653
Machinery and equipment	103,940,166
Intangible assets	147,366,194
Less accumulated depreciation and amortization	<u>(1,367,336,687)</u>
Total capital assets	<u>1,551,972,324</u>
Total noncurrent and restricted assets	<u>1,609,402,019</u>
Total assets	<u>1,740,037,005</u>
Deferred outflows of resources:	
Related to pensions and OPEB	<u>16,034,954</u>
Total assets and deferred outflows of resources	<u>\$ 1,756,071,959</u>

**LIABILITIES AND DEFERRED INFLOWS OF RESOURCES**

Current liabilities:	
Accounts payable and accrued liabilities	\$ 41,245,941
Due to other governmental agencies	564,221
Net pension liability	<u>246,180</u>
Total current liabilities	<u>42,056,342</u>
Liabilities payable from restricted assets:	
Accrued interest payable on bonds and loans	575,564
Revenue bonds payable (net of unamortized costs)	3,600,000
Customer deposits	<u>11,256,294</u>
Total liabilities payable from restricted assets	<u>15,431,858</u>
Noncurrent liabilities:	
Compensated absences payable	1,490,789
Loans payable	93,308,570
Revenue bonds payable (net of unamortized costs)	80,902,986
Net pension and OPEB liability	<u>50,848,035</u>
Total noncurrent liabilities	<u>226,550,380</u>
Total liabilities	<u>284,038,580</u>
Deferred inflows of resources:	
Related to pensions and OPEB	<u>3,703,403</u>
Total liabilities and deferred inflows of resources	<u>287,741,983</u>

**NET POSITION**

Net investment in capital assets	1,374,160,768
Restricted for debt service	45,597,837
Unrestricted	<u>48,571,371</u>
Total net position	<u>1,468,329,976</u>
Total liabilities and net position	<u>\$ 1,756,071,959</u>

**ORANGE COUNTY WATER UTILITIES SYSTEM  
CASH AND INVESTMENTS DETAIL  
OCTOBER 31, 2019**

OCTOBER

Current:

Reserve revenue	\$	61,648,081
Water connection fees		6,731,104
Wastewater connection fees		28,546,374
Petty cash		5,100
		96,930,659
Total current cash and investments		96,930,659

Restricted:

Operation and maintenance reserve		28,687,422
Renewal and replacement		8,017,188
Bond reserve (1)		6,475,326
Bond principal		304,922
Bond interest		216,226
Loan debt service		1,710,545
Loan repayment reserve		761,772
Customer deposits		11,256,294
		57,429,695
Total restricted cash and investments		57,429,695
Total cash and investments	\$	154,360,354

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 OCTOBER 31, 2019**

	<u>OCTOBER</u>	<u>FISCAL YEAR TO DATE</u>
Operating revenues:		
Water service	\$ 4,884,591	\$ 4,884,591
Wastewater service	11,306,154	11,306,154
Reclaimed water service	1,079,796	1,079,796
Miscellaneous	533,200	533,200
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Total operating revenues	17,803,741	17,803,741
Operating and maintenance expenses:		
Personal services	5,295,135	5,295,135
Contractual services	1,401,106	1,401,106
Materials and supplies	57,998	57,998
Utilities	1,842,343	1,842,343
Repairs and maintenance	649,296	649,296
Other administrative expenses	3,491,679	3,491,679
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Total operating and maintenance expenses	12,737,557	12,737,557
Operating income before depreciation	5,066,184	5,066,184
Depreciation and amortization	7,111,113	7,111,113
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Operating loss	(2,044,929)	(2,044,929)
Nonoperating revenues (expenses):		
Interest revenue	295,474	295,474
Interest expense and fiscal charges	(306,105)	(306,105)
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Total net nonoperating expenses	(10,631)	(10,631)
Loss before contributions and transfers	(2,055,560)	(2,055,560)
Capital contributions	1,620,180	1,620,180
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Change in net position	(435,380)	(435,380)
Total net position, beginning of period (unaudited)	1,468,765,356	1,468,765,356
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Total net position, end of period	<u>\$ 1,468,329,976</u>	<u>\$ 1,468,329,976</u>

See accompanying notes to financial statements

**ORANGE COUNTY WATER UTILITIES SYSTEM  
OPERATING REVENUE DETAIL  
FOR THE MONTH ENDED OCTOBER 31, 2019**

	OCTOBER BUDGET	OCTOBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 8%)
<b>Water service:</b>						
Residential	\$ 2,304,038	\$ 2,315,362	\$ 2,304,038	\$ 2,315,362	\$ 27,648,456	8%
Commercial	1,523,887	1,406,680	1,523,887	1,406,680	18,286,649	8%
Conservation surcharge	849,121	1,162,549	849,121	1,162,549	10,189,452	11%
Total water service	<u>4,677,046</u>	<u>4,884,591</u>	<u>4,677,046</u>	<u>4,884,591</u>	<u>56,124,557</u>	9%
<b>Wastewater service:</b>						
Residential	5,904,933	5,761,635	5,904,933	5,761,635	70,859,190	8%
Commercial	5,528,375	5,221,548	5,528,375	5,221,548	66,340,505	8%
Environmental surcharge	241,219	263,815	241,219	263,815	2,894,633	9%
Industrial	16,383	3,446	16,383	3,446	196,599	2%
Septic and portable	58,936	54,330	58,936	54,330	707,232	8%
Capacity maintenance fees	11,876	1,380	11,876	1,380	142,512	1%
Total wastewater service	<u>11,761,722</u>	<u>11,306,154</u>	<u>11,761,722</u>	<u>11,306,154</u>	<u>141,140,671</u>	8%
<b>Reclaimed water service:</b>						
Residential	423,446	471,241	423,446	471,241	5,081,347	9%
Commercial	427,974	608,555	427,974	608,555	5,135,687	12%
Reclaimed water-cooling tower	25,745	-	25,745	-	308,943	0%
Total reclaimed water service	<u>877,165</u>	<u>1,079,796</u>	<u>877,165</u>	<u>1,079,796</u>	<u>10,525,977</u>	10%
<b>Miscellaneous:</b>						
Initiate account service	45,532	42,416	45,532	42,416	546,384	8%
Turn off/on service	32,829	36,135	32,829	36,135	393,946	9%
Lien fee charges	424	-	424	-	5,085	0%
Meter removal/testing	3,764	2,423	3,764	2,423	45,165	5%
Meter/line damage	14,804	2,247	14,804	2,247	177,646	1%
NSF charges	4,424	6,950	4,424	6,950	53,088	13%
Plans and specifications	69,365	12,227	69,365	12,227	832,381	1%
Charges to other funds	1,311	1,377	1,311	1,377	15,731	9%
Developer reimb of plan review	50,539	34,736	50,539	34,736	606,466	6%
Cross Connection Control Program	229,858	216,082	229,858	216,082	2,758,296	8%
Miscellaneous	145,942	178,607	145,942	178,607	1,751,304	10%
Total miscellaneous	<u>598,792</u>	<u>533,200</u>	<u>598,792</u>	<u>533,200</u>	<u>7,185,492</u>	7%
Total operating revenues	<u>\$ 17,914,725</u>	<u>\$ 17,803,741</u>	<u>\$ 17,914,725</u>	<u>\$ 17,803,741</u>	<u>\$ 214,976,697</u>	8%

**ORANGE COUNTY WATER UTILITIES SYSTEM  
OPERATING AND MAINTENANCE EXPENSES DETAIL  
FOR THE MONTH ENDED OCTOBER 31, 2019**

	OCTOBER BUDGET	OCTOBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 8%)
<b>Personal services:</b>						
Salaries	\$ 3,654,880	\$ 4,472,188	\$ 3,654,880	\$ 4,472,188	\$ 43,858,564	10%
Fringe benefits	1,480,691	822,947	1,480,691	822,947	17,768,293	5%
<b>Total personal services</b>	<b>5,135,571</b>	<b>5,295,135</b>	<b>5,135,571</b>	<b>5,295,135</b>	<b>61,626,857</b>	<b>9%</b>
<b>Contractual services:</b>						
Research and studies	118,846	37,350	118,846	37,350	1,426,156	3%
Legal services	11,582	-	11,582	-	138,978	0%
Indirect costs	647,199	647,199	647,199	647,199	7,766,386	8%
Purchased water	103,754	1,188	103,754	1,188	1,245,049	0%
Effluent disposal	274,274	97,808	274,274	97,808	3,291,289	3%
Comptroller fees	144,293	144,293	144,293	144,293	1,731,521	8%
Officer fees	761	922	761	922	9,130	10%
Payments to other governments	320,557	109,261	320,557	109,261	3,846,679	3%
Janitorial	38,579	-	38,579	-	462,943	0%
Employment agency	115,089	18,555	115,089	18,555	1,381,062	1%
Training	25,421	2,930	25,421	2,930	305,052	1%
Paving	182,685	147,424	182,685	147,424	2,192,221	7%
Software licensing/support fee	199,726	26,066	199,726	26,066	2,396,712	1%
Other professional fees	284,545	89,776	284,545	89,776	3,414,545	3%
Contractual services	1,983,156	78,334	1,983,156	78,334	23,797,872	0%
<b>Total contractual services</b>	<b>4,450,467</b>	<b>1,401,106</b>	<b>4,450,467</b>	<b>1,401,106</b>	<b>53,405,595</b>	<b>3%</b>
<b>Materials and supplies:</b>						
Graphic reproduction services	5,286	-	5,286	-	63,433	0%
Office supplies	13,922	-	13,922	-	167,059	0%
Event/meal reimbursement	301	-	301	-	3,610	0%
Software <\$1000	17,294	-	17,294	-	207,527	0%
Computer equipment <\$500	5,508	-	5,508	-	66,092	0%
Equipment <\$1000	25,696	100	25,696	100	308,346	0%
Tools	11,529	767	11,529	767	138,352	1%
Medical	96	-	96	-	1,150	0%
Liquid oxygen	15,017	-	15,017	-	180,206	0%
Chemical and pesticides	8	-	8	-	100	0%
Solar salt	23,710	-	23,710	-	284,524	0%
Chlorine	184,123	21,166	184,123	21,166	2,209,479	1%
Fluoride	16,985	-	16,985	-	203,820	0%
Alum	4,218	-	4,218	-	50,614	0%
Polymer	93,873	-	93,873	-	1,126,480	0%
Sealing chemicals	417	-	417	-	5,000	0%
Corrosion control	67,667	26,993	67,667	26,993	812,007	3%
Carbon dioxide	52,485	-	52,485	-	629,824	0%
Sodium hydroxide	43,800	-	43,800	-	525,598	0%
Supplemental carbon	50,835	-	50,835	-	610,022	0%
Miscellaneous chemicals	32,520	927	32,520	927	390,245	0%
Material for construction	29,015	-	29,015	-	348,174	0%
Clothing	20,963	3,987	20,963	3,987	251,559	2%
Gas-oil-lube-brfl-ant	21,480	1,978	21,480	1,978	257,762	1%
Miscellaneous expenses	86,870	2,080	86,870	2,080	1,042,436	0%
<b>Total materials &amp; supplies</b>	<b>823,618</b>	<b>57,998</b>	<b>823,618</b>	<b>57,998</b>	<b>9,883,419</b>	<b>1%</b>

**ORANGE COUNTY WATER UTILITIES SYSTEM  
OPERATING AND MAINTENANCE EXPENSES DETAIL, (continued)  
FOR THE MONTH ENDED OCTOBER 31, 2019**

	OCTOBER BUDGET	OCTOBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 8%)
<b>Utilities:</b>						
Communications	\$ 72,512	\$ 100,409	\$ 72,512	\$ 100,409	\$ 870,139	12%
Water	9,952	16,811	9,952	16,811	119,424	14%
Solid waste tipping fees	41,398	-	41,398	-	496,780	0%
Garbage disposal	6,756	-	6,756	-	81,076	0%
Gas	17,073	4,612	17,073	4,612	204,877	2%
Electric	1,175,617	1,720,511	1,175,617	1,720,511	14,107,409	12%
<b>Total utilities</b>	<b>1,323,308</b>	<b>1,842,343</b>	<b>1,323,308</b>	<b>1,842,343</b>	<b>15,879,705</b>	<b>12%</b>
<b>Repairs and maintenance:</b>						
Building and grounds	704,646	343,017	704,646	343,017	8,455,748	4%
Equipment	776,004	97,269	776,004	97,269	9,312,048	1%
Vehicle maintenance	381,925	202,532	381,925	202,532	4,583,104	4%
Services	101,710	-	101,710	-	1,220,515	0%
Mains	138,862	-	138,862	-	1,666,345	0%
Water meters	19,747	-	19,747	-	236,965	0%
Fire lines	16,552	6,478	16,552	6,478	198,628	3%
Meter installations	42	-	42	-	500	0%
Valves	153,060	-	153,060	-	1,836,720	0%
Utility relocations	42	-	42	-	500	0%
<b>Total repairs &amp; maintenance</b>	<b>2,292,590</b>	<b>649,296</b>	<b>2,292,590</b>	<b>649,296</b>	<b>27,511,073</b>	<b>2%</b>
<b>Other administrative:</b>						
Local travel	2,563	40	2,563	40	30,756	0%
Out of county travel	3,650	1,061	3,650	1,061	43,800	2%
Postage and messenger services	80,252	192	80,252	192	963,023	0%
Toll charges	19,773	29	19,773	29	237,279	0%
Rental of equipment	96,366	3,904	96,366	3,904	1,156,390	0%
Dues and memberships	13,753	53,183	13,753	53,183	165,032	32%
Subscriptions	2,524	820	2,524	820	30,293	3%
Training fees	15,209	50	15,209	50	182,511	0%
License and certification	2,186	400	2,186	400	26,229	2%
Leases-bldgs	600	-	600	-	7,194	0%
Advertising	1,138	-	1,138	-	13,660	0%
Promotional	10,285	3,973	10,285	3,973	123,416	3%
Educational assistance	2,979	-	2,979	-	35,750	0%
Scholarships, awards	633	-	633	-	7,590	0%
Improvements to non-county assets	1,054	-	1,054	-	12,643	0%
Bad debt expense	37,333	24,394	37,333	24,394	448,000	5%
Bank charges	146,908	-	146,908	-	1,762,894	0%
Self insurance	270,032	270,032	270,032	270,032	3,240,389	8%
Refunds of prior year revenue	66,667	-	66,667	-	800,000	0%
Operating permits	11,654	-	11,654	-	139,849	0%
Accrued expenses	-	3,133,601	-	3,133,601	-	0%
<b>Total other administrative</b>	<b>785,559</b>	<b>3,491,679</b>	<b>785,559</b>	<b>3,491,679</b>	<b>9,426,698</b>	<b>37%</b>
<b>Total O&amp;M expenses</b>	<b>\$ 14,811,113</b>	<b>\$ 12,737,557</b>	<b>\$ 14,811,113</b>	<b>\$ 12,737,557</b>	<b>\$ 177,733,347</b>	<b>7%</b>

**ORANGE COUNTY WATER UTILITIES SYSTEM  
NON-OPERATING REVENUE AND EXPENSE DETAIL  
FOR THE MONTH ENDED OCTOBER 31, 2019**

	OCTOBER BUDGET	OCTOBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 8%)
<b>Interest revenue:</b>						
Net revenue	\$ 219,202	\$ 213,718	\$ 219,202	\$ 213,718	\$ 2,630,427	8%
Connection fees	-	104,050	-	104,050	-	0%
Bond reserve	-	(3,531)	-	(3,531)	-	0%
Less: Customer deposits expense	-	(18,763)	-	(18,763)	-	0%
<b>Total interest revenue</b>	<u>219,202</u>	<u>295,474</u>	<u>219,202</u>	<u>295,474</u>	<u>2,630,427</u>	11%
<b>Interest expense:</b>						
Bonds and revolving loans	(500,800)	(367,902)	(500,800)	(367,902)	(6,009,605)	6%
Capital lease	(51)	-	(51)	-	(617)	0%
Debt service fees	(100,167)	-	(100,167)	-	(1,202,000)	0%
Amortization of bond premium	-	61,797	-	61,797	-	(1)
<b>Total interest expense</b>	<u>(601,018)</u>	<u>(306,105)</u>	<u>(601,018)</u>	<u>(306,105)</u>	<u>(7,212,222)</u>	4%
<b>Total non-operating revenues (expenses)</b>	<u>\$ (381,816)</u>	<u>\$ (10,631)</u>	<u>\$ (381,816)</u>	<u>\$ (10,631)</u>	<u>\$ (4,581,795)</u>	0%

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

**ORANGE COUNTY WATER UTILITIES SYSTEM  
CAPITAL CONTRIBUTIONS DETAIL  
FOR THE MONTH ENDED OCTOBER 31, 2019**

	<u>OCTOBER BUDGET</u>	<u>OCTOBER ACTUAL</u>	<u>FISCAL YTD BUDGET</u>	<u>FISCAL YTD ACTUAL</u>	<u>ANNUAL BUDGET</u>	<u>FISCAL YTD (STD 8%)</u>
<b>CONNECTION FEES COLLECTED:</b>						
Water connection fees:						
Residential/Commercial	\$ 851,769	\$ 616,788	\$ 851,769	\$ 616,788	\$ 10,221,231	6%
Irrigation	49,935	31,255	49,935	31,255	599,217	5%
Total water connection fees	<u>901,704</u>	<u>648,043</u>	<u>901,704</u>	<u>648,043</u>	<u>10,820,448</u>	6%
Wastewater connection fees:						
Residential/Commercial	<u>1,965,943</u>	<u>964,592</u>	<u>1,965,943</u>	<u>964,592</u>	<u>23,591,312</u>	4%
Total wastewater connection fees	<u>1,965,943</u>	<u>964,592</u>	<u>1,965,943</u>	<u>964,592</u>	<u>23,591,312</u>	4%
Less reductions:						
Refunds of prior year collections	<u>(83,333)</u>	<u>-</u>	<u>(83,333)</u>	<u>-</u>	<u>(1,000,000)</u>	0%
Total reductions	<u>(83,333)</u>	<u>-</u>	<u>(83,333)</u>	<u>-</u>	<u>(1,000,000)</u>	0%
Net connection fees	<u>2,784,314</u>	<u>1,612,635</u>	<u>2,784,314</u>	<u>1,612,635</u>	<u>33,411,760</u>	5%
<b>DONATED SYSTEMS:</b>						
Line extensions	<u>-</u>	<u>7,545</u>	<u>-</u>	<u>7,545</u>	<u>-</u>	0%
Total donated systems	<u>-</u>	<u>7,545</u>	<u>-</u>	<u>7,545</u>	<u>-</u>	0%
Total capital contributions	<u>\$ 2,784,314</u>	<u>\$ 1,620,180</u>	<u>\$ 2,784,314</u>	<u>\$ 1,620,180</u>	<u>\$ 33,411,760</u>	5%



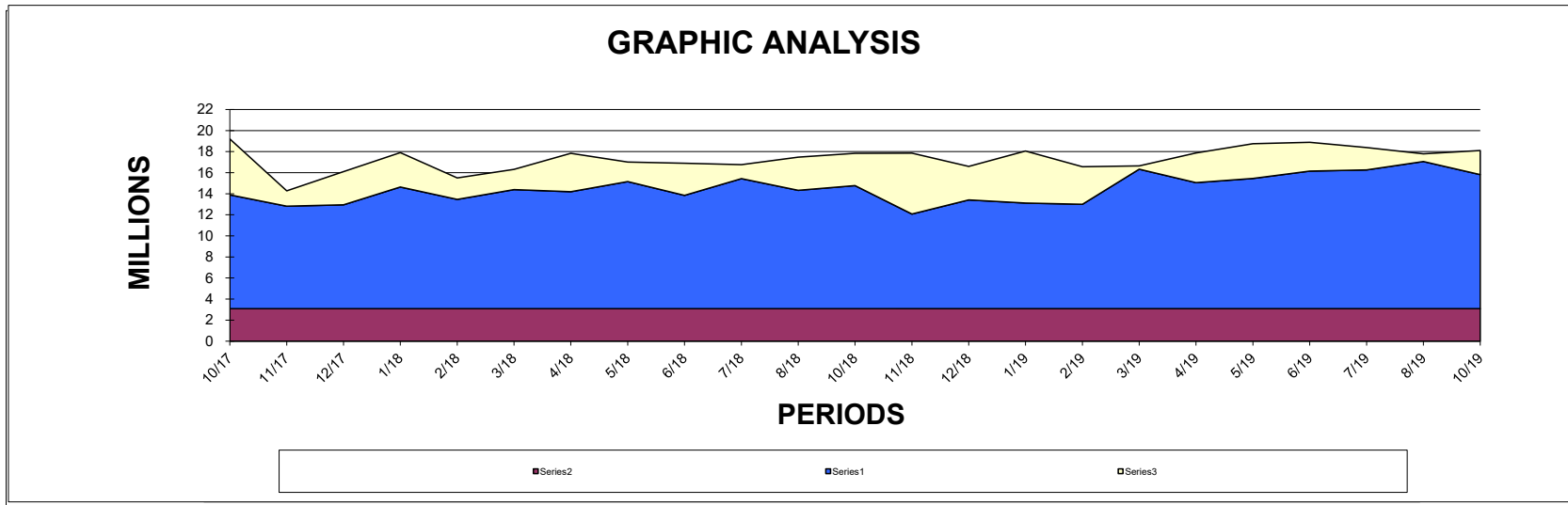
**ORANGE COUNTY WATER UTILITIES SYSTEM  
OTHER DISBURSEMENTS DETAIL  
FOR THE MONTH ENDED OCTOBER 31, 2019**

	OCTOBER BUDGET	OCTOBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 8%)
Capital outlay:						
Land	\$ 49,236	\$ -	\$ 49,236	\$ -	\$ 590,837	0%
Buildings	130,696	-	130,696	-	1,568,346	0%
Structures	14,707,656	1,760,551	14,707,656	1,760,551	176,491,868	1%
Equipment	999,827	182,136	999,827	182,136	11,997,928	2%
Total capital outlay	15,887,415	1,942,687	15,887,415	1,942,687	190,648,979	1%
Debt service principal	789,864	771,587	789,864	771,587	9,478,370	8%
Total other disbursements	<u>\$ 16,677,279</u>	<u>\$ 2,714,274</u>	<u>\$ 16,677,279</u>	<u>\$ 2,714,274</u>	<u>\$ 200,127,349</u>	1%

**ORANGE COUNTY WATER UTILITIES SYSTEM  
ANALYTICAL DATA  
FISCAL YEAR 2020**

	<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	0.72	0.72										
Water	0.96	0.96										
Wastewater	0.59	0.59										
Bond Coverage Ratios*	9.85	9.85										

\*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 OCTOBER 31, 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 \$13.9 million.