

**ORANGE COUNTY WATER UTILITIES SYSTEM
STATEMENTS OF NET POSITION
NOVEMBER 30 AND OCTOBER 31, 2019**

	NOVEMBER	OCTOBER
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>		
Current assets:		
Cash and investments	\$ 85,023,984	\$ 96,930,659
Accrued interest receivable	533,815	533,815
Accounts receivable, net	24,856,016	20,402,449
Due from other governmental agencies	5,462,356	5,486,389
Inventories and prepaid costs	<u>9,579,747</u>	<u>7,281,674</u>
Total current assets	<u>125,455,918</u>	<u>130,634,986</u>
Restricted assets:		
Cash and investments	<u>60,416,008</u>	<u>57,429,695</u>
Capital assets:		
Land	102,815,149	102,773,238
Construction in progress	230,857,762	229,269,800 (1)
Buildings and improvements	2,335,959,613	2,335,959,613 (1)
Machinery and equipment	104,064,686	103,940,166
Intangible assets	147,366,194	147,366,194
Less accumulated depreciation and amortization	<u>(1,373,866,159)</u>	<u>(1,367,336,687)</u>
Total capital assets	<u>1,547,197,245</u>	<u>1,551,972,324</u>
Total noncurrent and restricted assets	<u>1,607,613,253</u>	<u>1,609,402,019</u>
Total assets	<u>1,733,069,171</u>	<u>1,740,037,005</u>
Deferred outflows of resources:		
Related to pensions and OPEB	<u>16,034,954</u>	<u>16,034,954</u>
Total assets and deferred outflows of resources	<u>\$ 1,749,104,125</u>	<u>\$ 1,756,071,959</u>
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 40,413,491	\$ 41,245,941
Due to other governmental agencies	534,569	564,221
Net pension liability	<u>246,180</u>	<u>246,180</u>
Total current liabilities	<u>41,194,240</u>	<u>42,056,342</u>
Liabilities payable from restricted assets:		
Accrued interest payable on bonds and loans	943,466	575,564
Revenue bonds payable (net of unamortized costs)	3,600,000	3,600,000
Customer deposits	<u>11,179,078</u>	<u>11,256,294</u>
Total liabilities payable from restricted assets	<u>15,722,544</u>	<u>15,431,858</u>
Noncurrent liabilities:		
Compensated absences payable	1,490,789	1,490,789
Loans payable	93,308,570	93,308,570
Revenue bonds payable (net of unamortized costs)	80,841,189	80,902,986
Net pension and OPEB liability	<u>50,848,035</u>	<u>50,848,035</u>
Total noncurrent liabilities	<u>226,488,583</u>	<u>226,550,380</u>
Total liabilities	<u>283,405,367</u>	<u>284,038,580</u>
Deferred inflows of resources:		
Related to pensions and OPEB	<u>3,703,403</u>	<u>3,703,403</u>
Total liabilities and deferred inflows of resources	<u>287,108,770</u>	<u>287,741,983</u>
<u>NET POSITION</u>		
Net investment in capital assets	1,369,447,486	1,374,160,768
Restricted for debt service	48,293,464	45,597,837
Unrestricted	<u>44,254,405</u>	<u>48,571,371</u>
Total net position	<u>1,461,995,355</u>	<u>1,468,329,976</u>
Total liabilities and net position	<u>\$ 1,749,104,125</u>	<u>\$ 1,756,071,959</u>

(1) Information for October 2019 has been updated from that previously reported.

**ORANGE COUNTY WATER UTILITIES SYSTEM
CASH AND INVESTMENTS DETAIL
NOVEMBER 30 AND OCTOBER 31, 2019**

	<u>NOVEMBER</u>	<u>OCTOBER</u>
Current:		
Reserve revenue	\$ 50,868,533	\$ 61,648,081
Water connection fees	4,424,040	6,731,104
Wastewater connection fees	29,726,311	28,546,374
Petty cash	<u>5,100</u>	<u>5,100</u>
Total current cash and investments	<u>85,023,984</u>	<u>96,930,659</u>
Restricted:		
Operation and maintenance reserve	30,621,330	28,687,422
Renewal and replacement	8,009,526	8,017,188
Bond reserve (1)	6,475,843	6,475,326
Bond principal	605,240	304,922
Bond interest	430,708	216,226
Loan debt service	2,333,239	1,710,545
Loan repayment reserve	761,044	761,772
Customer deposits	<u>11,179,078</u>	<u>11,256,294</u>
Total restricted cash and investments	<u>60,416,008</u>	<u>57,429,695</u>
Total cash and investments	<u>\$ 145,439,992</u>	<u>\$ 154,360,354</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 NOVEMBER 30, 2019**

	<u>NOVEMBER</u>	<u>FISCAL YEAR TO DATE</u>
Operating revenues:		
Water service	\$ 4,740,108	\$ 9,624,699
Wastewater service	11,632,763	22,938,917
Reclaimed water service	876,740	1,956,536
Miscellaneous	480,826	1,014,026
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Total operating revenues	17,730,437	35,534,178
Operating and maintenance expenses:		
Personal services	4,469,130	9,764,265
Contractual services	2,145,456	3,546,562
Materials and supplies	648,416	706,414
Utilities	1,360,622	3,202,965
Repairs and maintenance	1,522,374	2,171,670
Other administrative expenses	675,073	4,166,752
	<hr/>	<hr/>
Total operating and maintenance expenses	10,821,071	23,558,628
Operating income before depreciation	6,909,366	11,975,550
Depreciation and amortization	6,529,472	13,640,585
Operating income (loss)	<hr/>	<hr/>
	379,894	(1,665,035)
Nonoperating revenues (expenses):		
Interest revenue	156,752	452,226
Interest expense and fiscal charges	(306,183)	(612,288)
Gain on disposal of assets	77,495	77,495
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Total net nonoperating expenses	(71,936)	(82,567)
Income (loss) before contributions and transfers	307,958	(1,747,602)
Capital contributions	2,257,421	3,877,601
Transfers out	(8,900,000)	(8,900,000)
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Change in net position	(6,334,621)	(6,770,001)
Total net position, beginning of period (unaudited)	<hr/>	<hr/>
	1,468,329,976	1,468,765,356
Total net position, end of period	<u>\$ 1,461,995,355</u>	<u>\$ 1,461,995,355</u>

See accompanying notes to financial statements

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

	NOVEMBER BUDGET	NOVEMBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 17%)
Water service:						
Residential	\$ 2,304,038	\$ 2,318,332	\$ 4,608,076	\$ 4,633,694	\$ 27,648,456	17%
Commercial	1,523,887	1,499,502	3,047,774	2,906,182	18,286,649	16%
Conservation surcharge	849,121	922,274	1,698,242	2,084,823	10,189,452	20%
Total water service	<u>4,677,046</u>	<u>4,740,108</u>	<u>9,354,092</u>	<u>9,624,699</u>	<u>56,124,557</u>	17%
Wastewater service:						
Residential	5,904,933	5,944,356	11,809,866	11,705,991	70,859,190	17%
Commercial	5,528,375	5,461,991	11,056,750	10,683,539	66,340,505	16%
Environmental surcharge	241,219	122,988	482,438	386,803	2,894,633	13%
Industrial	16,383	6,358	32,766	9,804	196,599	5%
Septic and portable	58,936	62,585	117,872	116,915	707,232	17%
Capacity maintenance fees	11,876	34,485	23,752	35,865	142,512	25%
Total wastewater service	<u>11,761,722</u>	<u>11,632,763</u>	<u>23,523,444</u>	<u>22,938,917</u>	<u>141,140,671</u>	16%
Reclaimed water service:						
Residential	423,446	422,125	846,892	893,366	5,081,347	18%
Commercial	427,974	433,926	855,948	1,042,481	5,135,687	20%
Reclaimed water-cooling tower	25,745	20,689	51,490	20,689	308,943	7%
Total reclaimed water service	<u>877,165</u>	<u>876,740</u>	<u>1,754,330</u>	<u>1,956,536</u>	<u>10,525,977</u>	19%
Miscellaneous:						
Initiate account service	45,532	38,000	91,064	80,416	546,384	15%
Turn off/on service	32,829	27,401	65,658	63,536	393,946	16%
Lien fee charges	424	-	848	-	5,085	0%
Meter removal/testing	3,764	3,633	7,528	6,056	45,165	13%
Meter/line damage	14,804	492	29,608	2,739	177,646	2%
NSF charges	4,424	4,864	8,848	11,814	53,088	22%
Plans and specifications	69,365	15,698	138,730	27,925	832,381	3%
Charges to other funds	1,311	1,865	2,622	3,242	15,731	21%
Developer reimb of plan review	50,539	45,848	101,078	80,584	606,466	13%
Cross Connection Control Program	229,858	222,349	459,716	438,431	2,758,296	16%
Miscellaneous	145,942	120,676	291,884	299,283	1,751,304	17%
Total miscellaneous	<u>598,792</u>	<u>480,826</u>	<u>1,197,584</u>	<u>1,014,026</u>	<u>7,185,492</u>	14%
Total operating revenues	<u>\$ 17,914,725</u>	<u>\$ 17,730,437</u>	<u>\$ 35,829,450</u>	<u>\$ 35,534,178</u>	<u>\$ 214,976,697</u>	17%

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

	NOVEMBER BUDGET	NOVEMBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 17%)
Personal services:						
Salaries	\$ 3,654,880	\$ 3,391,758	\$ 7,309,760	\$ 7,863,946	\$ 43,858,564	18%
Fringe benefits	1,480,691	1,077,372	2,961,382	1,900,319	17,768,293	11%
Total personal services	5,135,571	4,469,130	10,271,142	9,764,265	61,626,857	16%
Contractual services:						
Research and studies	118,846	(29,786)	237,692	7,564	1,426,156	1%
Legal services	11,582	53	23,164	53	138,978	0%
Indirect costs	647,199	647,199	1,294,398	1,294,398	7,766,386	17%
Purchased water	103,754	118,167	207,508	119,355	1,245,049	10%
Effluent disposal	274,274	191,590	548,548	289,398	3,291,289	9%
Comptroller fees	144,293	144,294	288,586	288,587	1,731,521	17%
Officer fees	761	(1,374)	1,522	(452)	9,130	-5%
Payments to other governments	320,557	260,672	641,114	369,933	3,846,679	10%
Janitorial	38,579	2,778	77,158	2,778	462,943	1%
Employment agency	115,089	77,859	230,178	96,414	1,381,062	7%
Training	25,421	11,740	50,842	14,670	305,052	5%
Paving	182,685	45,802	365,370	193,226	2,192,221	9%
Software licensing/support fee	199,045	241,996	398,090	268,062	2,388,543	11%
Other professional fees	281,883	(57,976)	563,766	31,800	3,382,597	1%
Contractual services	1,882,623	492,442	3,765,246	570,776	22,591,474	3%
Total contractual services	4,346,591	2,145,456	8,693,182	3,546,562	52,159,080	7%
Materials and supplies:						
Graphic reproduction services	5,286	-	10,572	-	63,433	0%
Office supplies	13,922	-	27,844	-	167,059	0%
Event/meal reimbursement	301	-	602	-	3,610	0%
Software <\$1000	10,382	-	20,764	-	124,579	0%
Computer equipment <\$500	4,480	7,547	8,960	7,547	53,760	14%
Equipment <\$1000	25,279	13,738	50,558	13,838	303,346	5%
Tools	11,529	7,856	23,058	8,623	138,352	6%
Medical	96	-	192	-	1,150	0%
Liquid oxygen	15,017	9,660	30,034	9,660	180,206	5%
Chemical and pesticides	8	-	16	-	100	0%
Solar salt	23,710	16,601	47,420	16,601	284,524	6%
Chlorine	184,123	178,275	368,246	199,441	2,209,479	9%
Fluoride	16,985	-	33,970	-	203,820	0%
Alum	4,218	8,268	8,436	8,268	50,614	16%
Polymer	93,873	170,826	187,746	170,826	1,126,480	15%
Sealing chemicals	417	-	834	-	5,000	0%
Corrosion control	67,667	48,765	135,334	75,758	812,007	9%
Carbon dioxide	52,485	51,127	104,970	51,127	629,824	8%
Sodium hydroxide	43,800	38,310	87,600	38,310	525,598	7%
Supplemental carbon	50,835	56,659	101,670	56,659	610,022	9%
Miscellaneous chemicals	32,520	13,167	65,040	14,094	390,245	4%
Material for construction	29,015	-	58,030	-	348,174	0%
Clothing	20,963	16,769	41,926	20,756	251,559	8%
Gas-oil-lube-brfl-ant	21,480	1,622	42,960	3,600	257,762	1%
Miscellaneous expenses	86,870	9,226	173,740	11,306	1,042,436	1%
Total materials & supplies	815,261	648,416	1,630,522	706,414	9,783,139	7%

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

	NOVEMBER BUDGET	NOVEMBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 17%)
Utilities:						
Communications	\$ 72,512	\$ 60,676	\$ 145,024	\$ 161,085	\$ 870,139	19%
Water	9,952	17,448	19,904	34,259	119,424	29%
Solid waste tipping fees	41,398	-	82,796	-	496,780	0%
Garbage disposal	6,756	1,420	13,512	1,420	81,076	2%
Gas	17,073	4,535	34,146	9,147	204,877	4%
Electric	1,175,617	1,276,543	2,351,234	2,997,054	14,107,409	21%
Total utilities	1,323,308	1,360,622	2,646,616	3,202,965	15,879,705	20%
Repairs and maintenance:						
Building and grounds	653,869	812,967	1,307,738	1,155,984	7,846,424	15%
Equipment	761,819	233,555	1,523,638	330,824	9,141,830	4%
Vehicle maintenance	378,426	289,802	756,852	492,334	4,541,113	11%
Services	101,710	-	203,420	-	1,220,515	0%
Mains	138,612	186,050	277,224	186,050	1,663,345	11%
Water meters	19,747	-	39,494	-	236,965	0%
Fire lines	16,552	-	33,104	6,478	198,628	3%
Meter installations	42	-	84	-	500	0%
Valves	153,060	-	306,120	-	1,836,720	0%
Utility relocations	42	-	84	-	500	0%
Total repairs & maintenance	2,223,879	1,522,374	4,447,758	2,171,670	26,686,540	8%
Other administrative:						
Local travel	2,563	1,863	5,126	1,903	30,756	6%
Out of county travel	3,650	570	7,300	1,631	43,800	4%
Postage and messenger services	80,252	4,339	160,504	4,531	963,023	0%
Toll charges	19,773	19,940	39,546	19,969	237,279	8%
Rental of equipment	96,366	104,736	192,732	108,640	1,156,390	9%
Dues and memberships	13,753	77,118	27,506	130,301	165,032	79%
Subscriptions	2,524	-	5,048	820	30,293	3%
Training fees	15,209	57	30,418	107	182,511	0%
License and certification	2,186	392	4,372	792	26,229	3%
Leases-bldgs	600	-	1,200	-	7,194	0%
Advertising	1,138	-	2,276	-	13,660	0%
Promotional	10,285	-	20,570	3,973	123,416	3%
Educational assistance	2,979	-	5,958	-	35,750	0%
Scholarships, awards	633	-	1,266	-	7,590	0%
Improvements to non-county assets	1,054	-	2,108	-	12,644	0%
Bad debt expense	37,333	30,180	74,666	54,574	448,000	12%
Bank charges	146,908	(5,832)	293,816	(5,832)	1,762,894	0%
Self insurance	270,032	270,033	540,064	540,065	3,240,389	17%
Refunds of prior year revenue	66,667	32	133,334	32	800,000	0%
Operating permits	11,654	-	23,308	-	139,849	0%
Accrued expenses	-	171,645	-	3,305,246	-	0%
Total other administrative	785,559	675,073	1,571,118	4,166,752	9,426,699	44%
Total O&M expenses	\$ 14,630,169	\$ 10,821,071	\$ 29,260,338	\$ 23,558,628	\$ 175,562,020	13%

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

	NOVEMBER BUDGET	NOVEMBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 17%)
Interest revenue:						
Net revenue	\$ 219,202	\$ 128,709	\$ 438,404	\$ 342,427	\$ 2,630,427	13%
Connection fees	-	45,463	-	149,513	-	0%
Bond reserve	-	518	-	(3,013)	-	0%
Less: Customer deposits expense	-	(17,938)	-	(36,701)	-	0%
Total interest revenue	219,202	156,752	438,404	452,226	2,630,427	17%
Interest expense:						
Bonds and revolving loans	(500,800)	(367,902)	(1,001,600)	(735,804)	(6,009,605)	12%
Capital lease	(51)	(78)	(102)	(78)	(617)	13%
Debt service fees	(100,167)	-	(200,334)	-	(1,202,000)	0%
Amortization of bond premium	-	61,797	-	123,594	-	(1)
Total interest expense	(601,018)	(306,183)	(1,202,036)	(612,288)	(7,212,222)	8%
Gain (loss) on disposal of assets:						
Proceeds from sale	-	77,495	-	77,495	-	0%
Total gain on disposal of assets	-	77,495	-	77,495	-	(1)
Total non-operating revenues (expenses)	\$ (381,816)	\$ (71,936)	\$ (763,632)	\$ (82,567)	\$ (4,581,795)	2%

(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, 2019**

	<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	\$ 851,769	\$ 632,798	\$ 1,703,538	\$ 1,249,586	\$ 10,221,231	12%
Irrigation	<u>49,935</u>	<u>22,395</u>	<u>99,870</u>	<u>53,650</u>	<u>599,217</u>	9%
Total water connection fees	<u>901,704</u>	<u>655,193</u>	<u>1,803,408</u>	<u>1,303,236</u>	<u>10,820,448</u>	12%
Wastewater connection fees:						
Residential/Commercial	<u>1,965,943</u>	<u>2,127,208</u>	<u>3,931,886</u>	<u>3,091,800</u>	<u>23,591,312</u>	13%
Total wastewater connection fees	<u>1,965,943</u>	<u>2,127,208</u>	<u>3,931,886</u>	<u>3,091,800</u>	<u>23,591,312</u>	13%
Less reductions:						
Refunds of prior year collections	<u>(83,333)</u>	<u>(542,480)</u>	<u>(166,666)</u>	<u>(542,480)</u>	<u>(1,000,000)</u>	54%
Total reductions	<u>(83,333)</u>	<u>(542,480)</u>	<u>(166,666)</u>	<u>(542,480)</u>	<u>(1,000,000)</u>	54%
Net connection fees	<u>2,784,314</u>	<u>2,239,921</u>	<u>5,568,628</u>	<u>3,852,556</u>	<u>33,411,760</u>	12%
DONATED SYSTEMS:						
Line extensions	<u>-</u>	<u>17,500</u>	<u>-</u>	<u>25,045</u>	<u>-</u>	0%
Total donated systems	<u>-</u>	<u>17,500</u>	<u>-</u>	<u>25,045</u>	<u>-</u>	0%
Total capital contributions	<u>\$ 2,784,314</u>	<u>\$ 2,257,421</u>	<u>\$ 5,568,628</u>	<u>\$ 3,877,601</u>	<u>\$ 33,411,760</u>	12%

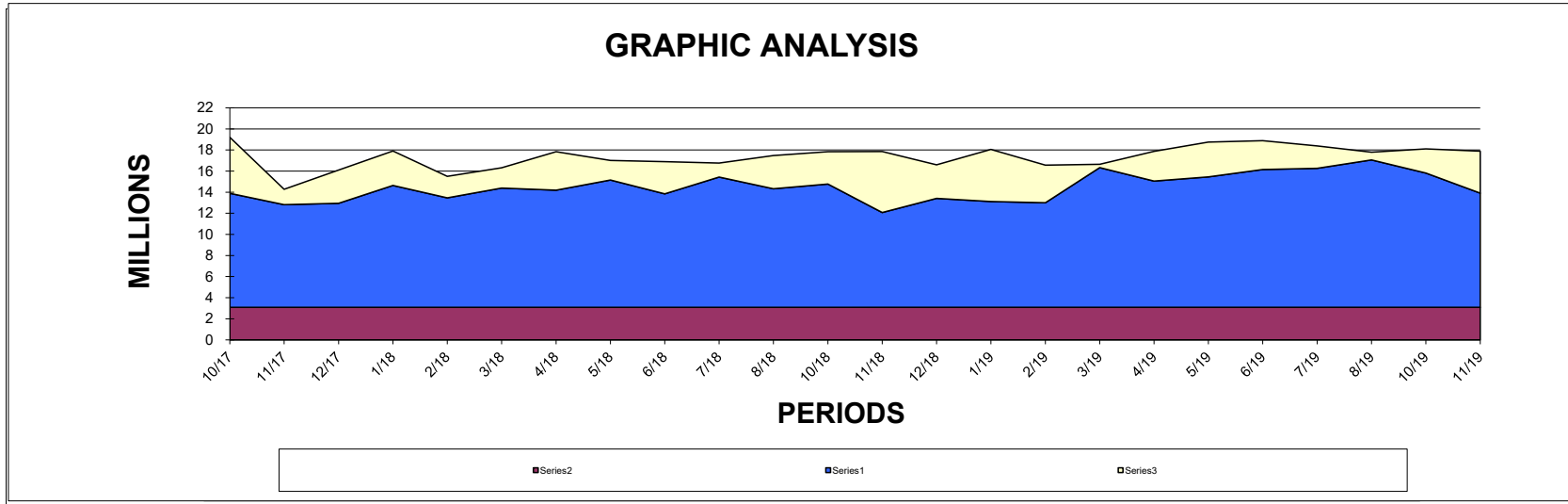
**ORANGE COUNTY WATER UTILITIES SYSTEM
OTHER DISBURSEMENTS DETAIL
FOR THE MONTH ENDED NOVEMBER 30, 2019**

	NOVEMBER BUDGET	NOVEMBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 17%)
Capital outlay:						
Land	\$ 43,758	\$ 41,911	\$ 87,516	\$ 41,911	\$ 525,101	8%
Buildings	113,854	-	227,708	-	1,366,245	0%
Structures	15,573,810	1,587,962	31,147,620	3,348,513	186,885,721	2%
Equipment	879,634	124,520	1,759,268	306,656	10,555,611	3%
Total capital outlay	16,611,056	1,754,393	33,222,112	3,697,080	199,332,678	2%
Debt service principal	789,864	771,587	1,579,728	1,543,174	9,478,370	16%
Total other disbursements	<u>\$ 17,400,920</u>	<u>\$ 2,525,980</u>	<u>\$ 34,801,840</u>	<u>\$ 5,240,254</u>	<u>\$ 208,811,048</u>	3%

**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	0.66	0.72	0.61									
Water	0.87	0.96	0.78									
Wastewater	0.55	0.59	0.52									
Bond Coverage Ratios*	11.64	9.85	13.44									

*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, 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.