

Orange Water and Sewer Authority

**Preliminary Financial Report
For the Twelve-month Period Ended
June 30, 2024**

Orange Water and Sewer Authority
Statement of Net Position
June 30, 2024
(unaudited)

Assets

Current Assets

Cash	\$31,261,253
Receivables	6,961,833
Inventory	2,139,890
Prepaid expenses	119,865
Restricted cash	9,342,493

Total Current Assets	49,825,334
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Noncurrent Assets

Leases receivable	860,037
Capital assets (net of depreciation)	349,958,464
Other noncurrent assets	37,911,301

Total Noncurrent Assets	388,729,802
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Total Assets	\$438,555,136
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Liabilities and Net Position

Current Liabilities

Accounts payable and deferred outflows	\$7,040,467
Leases and subscriptions payable	1,704,459
Other current liabilities	1,538,822

Total Current Liabilities	10,283,748
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Noncurrent Liabilities

Bonds payable	73,835,000
State revolving fund loans	22,864,451
Other noncurrent liabilities	24,811,797

Total Noncurrent Liabilities	121,511,248
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Net Position

Contributed capital	136,024,325
Net position at the beginning of the year	162,188,021
Year-to-date accrual basis net income	8,547,794

Total Liabilities and Net Position	\$438,555,136
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Net income reconciliation:

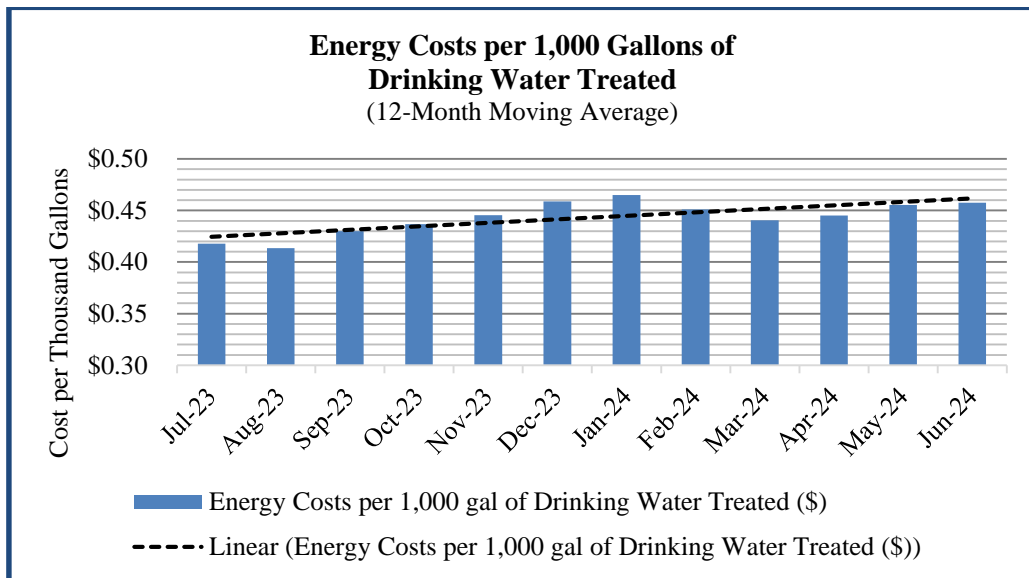
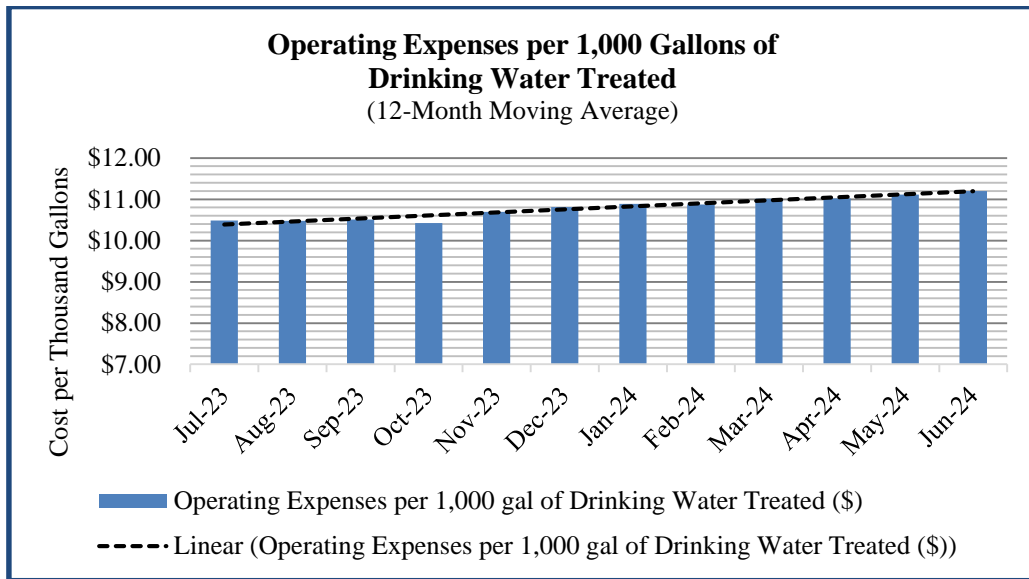
Accrual basis net income	\$8,547,794
Depreciation, interest, other post-employment benefits expenses	15,206,190

Modified accrual basis net income	\$23,753,984
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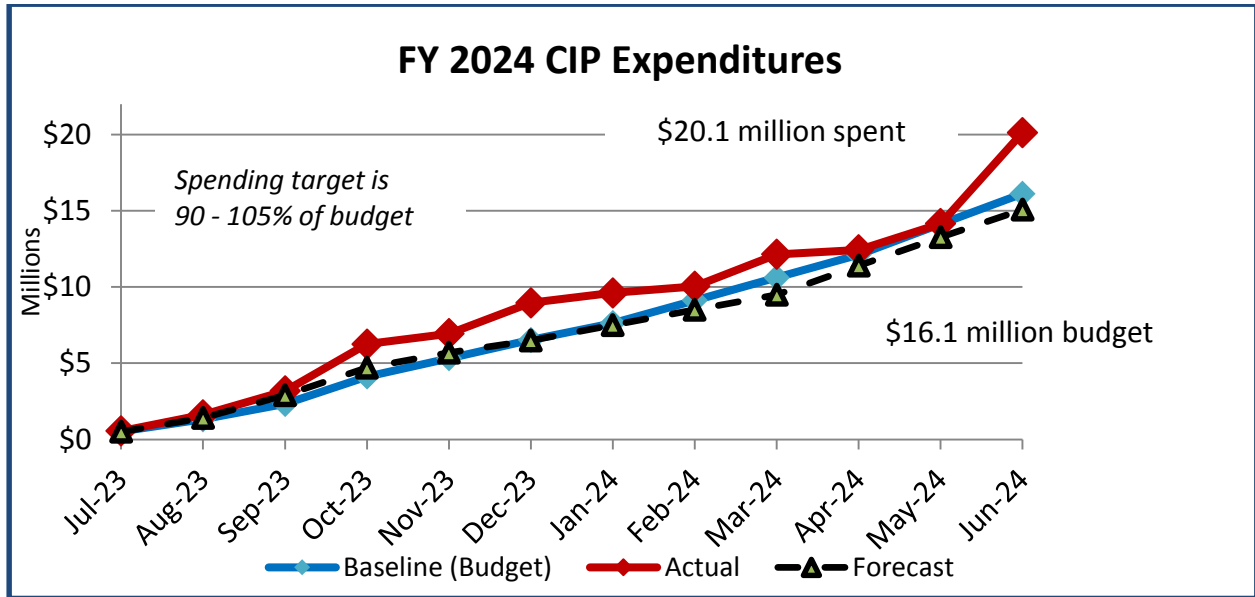
Orange Water and Sewer Authority
Income Statement
For the Twelve-month Period Ended June 30, 2024
(unaudited)

	Actual through June 30, 2024	Budget through June 30, 2024	Variance (effect on net change in Fund Balance)	Percent Variance
Operating Revenue				
Water	\$24,438,082	\$24,345,351	\$92,731	0.4%
Wastewater	23,044,025	22,822,446	221,579	1.0
Reclaimed water	452,641	441,300	11,341	2.6
Service initiation fees	14,040	14,720	(680)	(4.6)
Other	219,596	230,010	(10,414)	(4.5)
Refunds and allowances	(211,137)	(134,012)	(77,125)	(57.6)
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Total Operating Revenue	47,957,247	47,719,815	237,432	0.5
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Non-Operating Income (Expense)				
System development fees	2,776,005	1,031,306	1,744,699	169.2
Interest and other non-operating income	1,616,374	700,411	915,963	130.8
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Total Non-Operating Income	4,392,379	1,731,717	2,660,662	153.6
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Total Income	52,349,626	49,451,532	2,898,094	5.9
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Operating Expense				
General and administrative	10,028,707	10,281,853	253,146	2.5
Water supply and treatment	7,192,146	7,235,800	43,654	0.6
Water distribution	3,416,488	4,108,239	691,751	16.8
Wastewater treatment and biosolids recycling	6,191,983	6,753,406	561,423	8.3
Wastewater collection	1,766,318	1,820,552	54,234	3.0
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Total Operating Expense	28,595,642	30,199,850	1,604,208	5.3
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Net Income (modified accrual)	23,753,984	19,251,682	4,502,302	23.4
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Debt service	9,627,554	10,626,764	999,210	9.4
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Net income less debt service	14,126,430	8,624,918	5,501,512	63.8
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CIP expenditures	20,135,402	16,124,000	(4,011,402)	(24.9)
Capital equipment expenditures	799,863	1,706,635	906,772	53.1
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Net Change in Fund Balance	(\$6,808,835)	(\$9,205,717)	\$2,396,882	
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Orange Water and Sewer Authority
Select Financial Data
For the Twelve-month Period Ended June 30, 2024

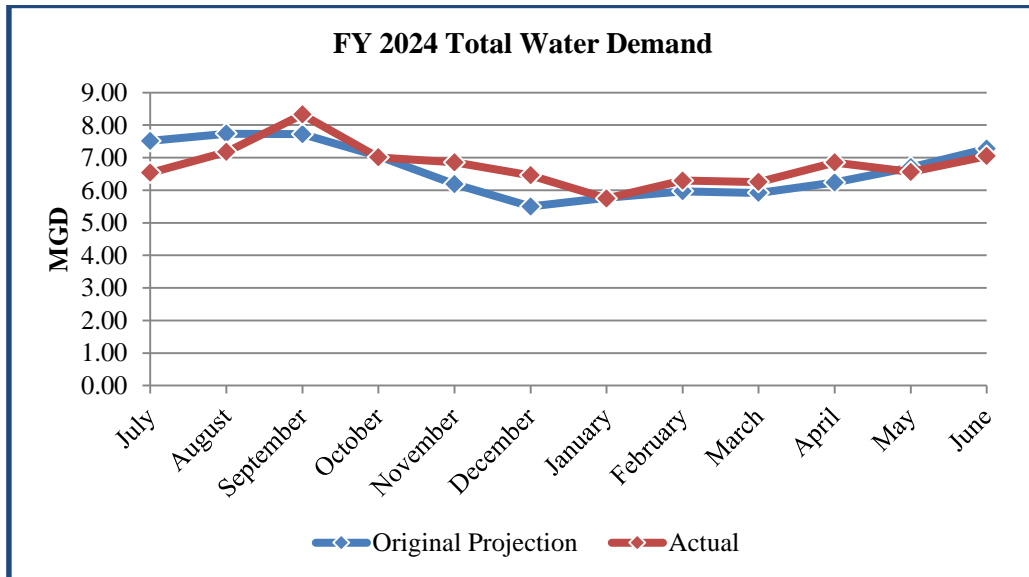


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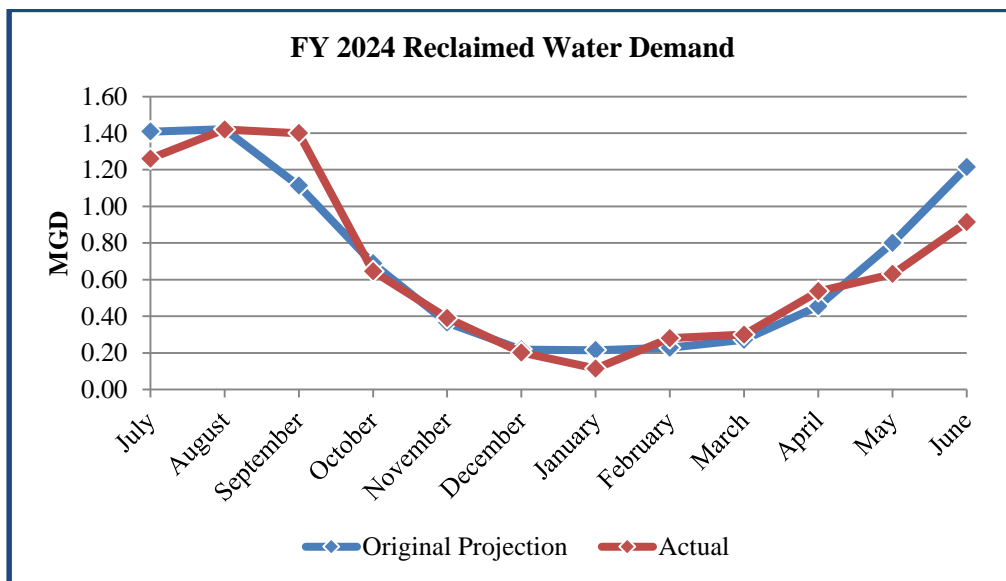
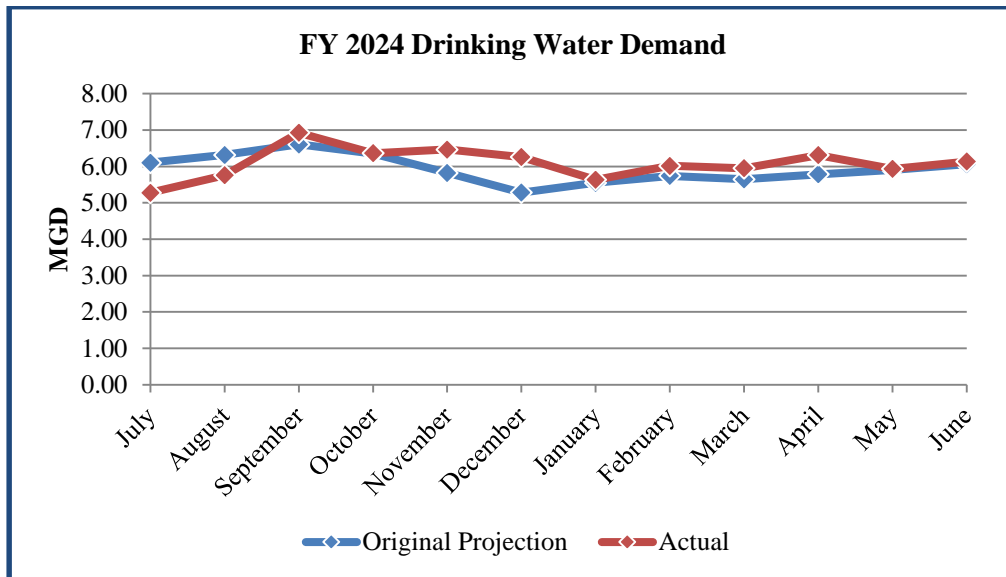


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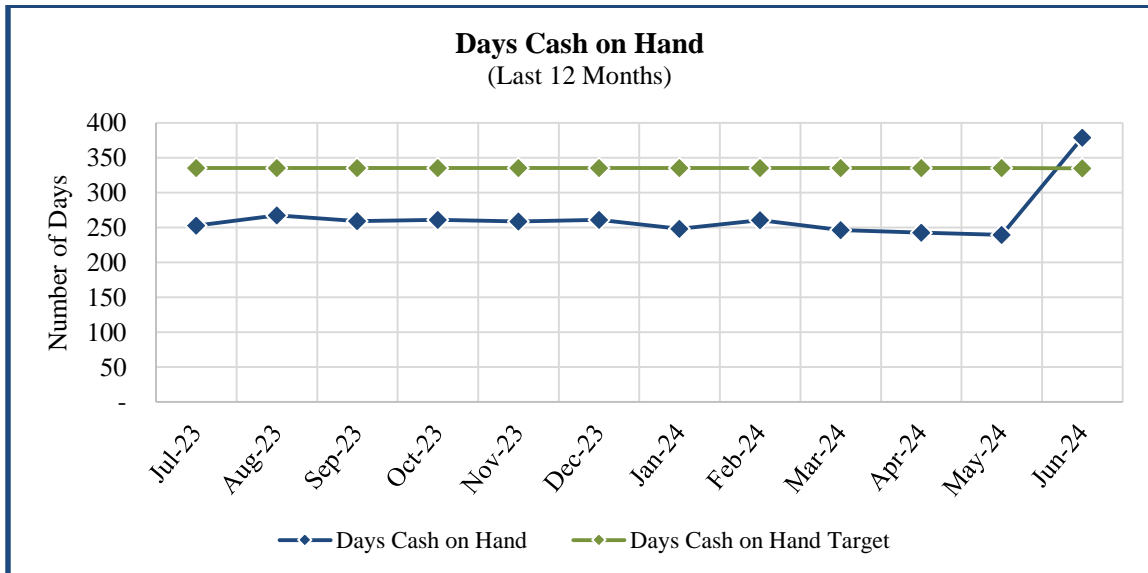
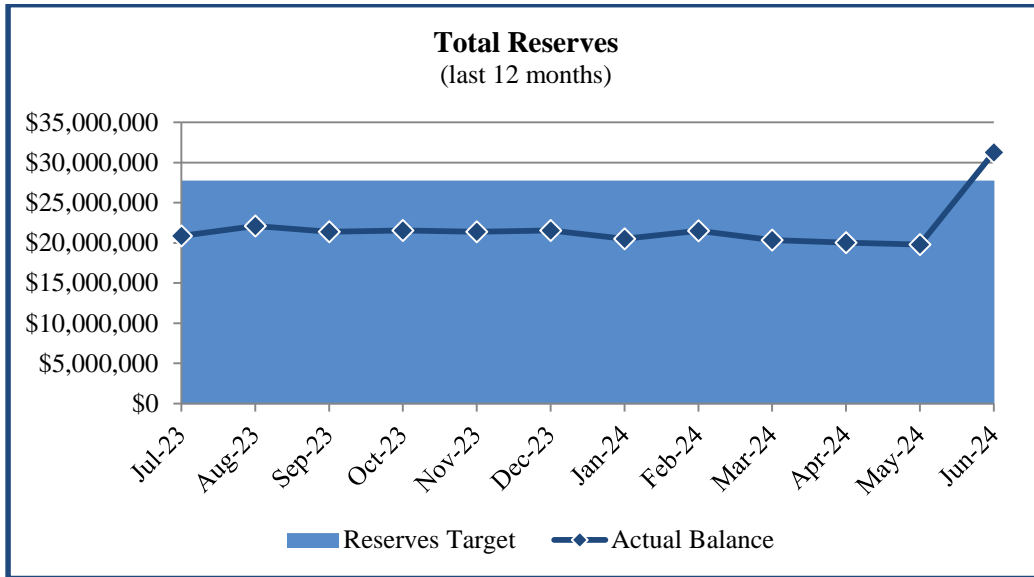
<u>FY 2024 Water Sales Projection (Average Million Gallons Per Day)</u>							
	Original Projections		Actual Water Sales		Revised Projections		
	DW	RCW	DW	RCW	DW	RCW	
July	6.10	1.41	5.28	1.26	5.28	1.26	
August	6.32	1.42	5.75	1.42	5.75	1.42	
September	6.61	1.11	6.93	1.40	6.93	1.40	
October	6.36	0.69	6.36	0.65	6.36	0.65	
November	5.82	0.37	6.47	0.39	6.47	0.39	
December	5.28	0.22	6.26	0.20	6.26	0.20	
January	5.55	0.21	5.63	0.11	5.63	0.11	
February	5.74	0.23	6.02	0.28	6.02	0.28	
March	5.65	0.27	5.95	0.30	5.95	0.30	
April	5.78	0.46	6.31	0.54	6.31	0.54	
May	5.90	0.80	5.93	0.63	5.93	0.63	
June	6.06	1.21	6.13	0.91	6.06	0.91	
Average	5.93	0.70	6.08	0.67	6.08	0.67	
DW = Drinking Water							
RCW = Reclaimed Water							



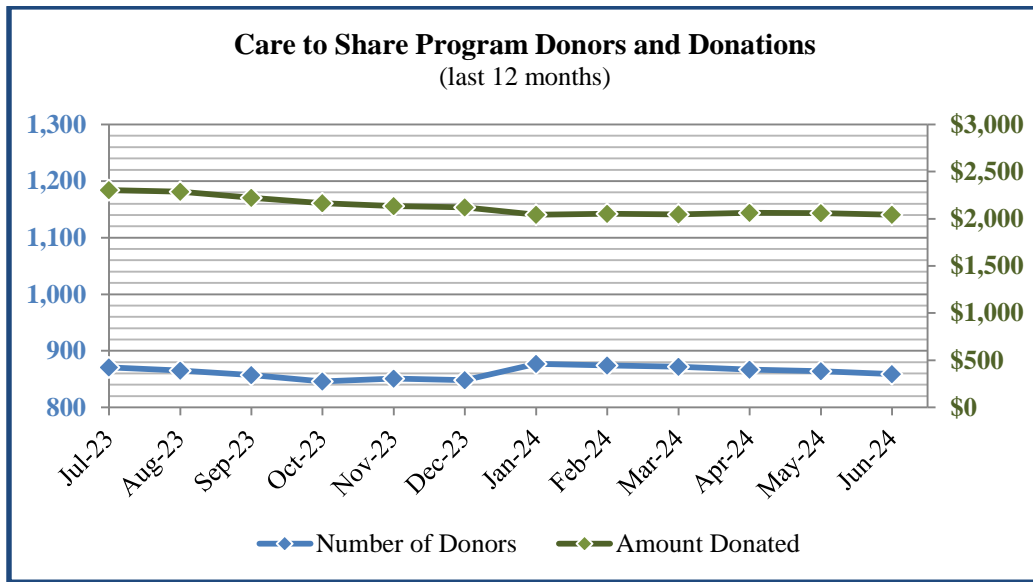
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Select Financial Data
For the Twelve-month Period Ended June 30, 2024**



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For the Twelve-month Period Ended June 30, 2024



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For the Twelve-month Period Ended June 30, 2024



Orange Water and Sewer Authority
Financial Management Policy Report Card
For the Twelve-month Period Ended June 30, 2024

Measurement	Objective	FY23 Results	FY24 Goal	FY24 Results
Working Capital Reserves	Greater of four months Operating Expenses or 20% of succeeding three years CIP	\$13.1M	\$19.7M	\$23.3M
Capital Improvements Reserve	2% of Net Capital Assets (Funding \$400,000 per year until reach goal of approximately \$6M)	\$5.6M	\$5.8M	\$5.8M
Rate/Revenue Stabilization Reserve	5% of annual Water and Sewer Revenue	\$2.0M	\$2.1M	\$2.1M
Debt Burden to Asset Value	Total Debt not more than 50% of Total Assets	28%	≤ 50%	30%
Sufficiency of Revenues above Debt Requirements ³	Annual Debt Service no more than 35% of Gross Revenue	21%	≤ 35%	18%
Cash Financing of Capital ¹	Annual revenues and reserves provide at least 30% of CIP funding	30%	≥ 30%	49%
Debt Service Coverage Ratio	Annual Net Income not less than two times Annual Debt Service	2.1	1.8	2.5
Service Affordability Ratio ²	Average annual OWASA bill not more than 1.5% of area median household income	1.38%	1.50%	1.47%

M = million

¹ Cash Financing of Capital based on 5-Year CIP Budget and potential borrowing during the same period.

² FY 2024 calculation based on median household income of \$81,752 (weighted average of 2022 median household income of Carrboro and Chapel Hill) and average monthly household water use of 4,000 gallons.