

## South Orange County Wastewater Authority FY 2020-21 Total Budget vs Actual

	FY 2020-21 Budget	Budget Amendment	FY 2020-21 Adjusted Budget	FY 2020-21 Actual	Over/Under Budget	% Expended	
O&M	\$ 14,752,667	\$ 100,000 <sup>1</sup>	\$ 14,852,667	\$ 14,495,114	\$ 357,553	97.6%	
Environmental	2,967,188	211,000 <sup>2</sup>	3,178,188	3,043,302	134,886	95.8%	
Engineering	377,267		377,267	294,768	82,499	78.1%	
Admin	2,128,909		2,128,909	2,171,013	(42,104)	102.0%	Legal
IT	724,407		724,407	723,741	666	99.9%	Time Worked
IT Out to Dpts	(724,407)		(724,407)	(723,741)	(666)	-99.9%	
<b>Total</b>	<b>\$ 20,226,031</b>	<b>\$ 311,000</b>	<b>\$ 20,537,031</b>	<b>\$ 20,004,197</b>	<b>\$ 221,835</b>	<b>97.41%</b>	
UAL & OPEB	1,495,046		1,495,046	1,457,381	37,665	97.48%	
<b>Total Budget</b>	<b>21,721,077</b>	<b>311,000</b>	<b>22,032,077</b>	<b>21,461,578</b>	<b>259,499</b>	<b>98.81%</b>	
Total Budget FY 20-21	<b>\$ 21,721,077</b>	<b>\$ 311,000</b>	<b>\$ 22,032,077</b>	<b>\$ 21,461,578</b>	<b>\$ 259,499</b>	<b>98.81%</b>	<b>1.18%</b>

<sup>1</sup> 05/06/2021 Board Meeting - PC 02 Budget Amendment

<sup>2</sup> 11/05/2020 Board Meeting - PC 12 Budget Amendment

# Cash Roll Forward as of June 30, 2021

The Authority is on a Full Accrual Basis of Accounting, which requires recording all transactions in the accounting period when the liability is incurred. Therefore, at fiscal yearend, there are significant accruals for capital work completed but not yet paid.

As a result of yearend accruals and a large amount of work completed in Q4, PC 15-Coastal Treatment Plant, Cash Roll Forward reports cash usage in excess of collections, \$650k. The additional cash requirements were invoiced in Q1 fiscal year 2021-22 and should be received in time to pay the Contractors.

PC 5-San Juan Creek Outfall, accruals and Q4 work completed reports cash usage in excess of collections, \$27k; the projects are completed and will be settled in the Use Audit.

**South Orange County Wastewater Authority**

**Cash Reconciliation**

**Fiscal Year End 2017, 2018, 2019, 2020, and 2021 Preliminary**

	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	YTD Change	
(1) <b>Cash on Hand</b>	12,949,694	13,557,237	20,857,094	22,361,420	15,189,748	(7,171,673)	32.1%
Accounts Payable	(2,682,688)	(2,314,106)	(1,981,080)	(3,531,550)	(5,896,271)		
Accrued Payroll	(102,661)	(127,396)	(100,221)	(160,049)	(213,337)		
Accounts Receivable	1,069,282	1,660,444	14,179	49,286	58,278		
(2) PTO Reserves	(653,282)	(620,032)	(683,536)	(734,477)	(879,349)		
Due to Mbr Agency	(1,358,841)	(3,910,599)	(2,475,322)	(1,656,822)			
Due From Mbr Agency	1,069,819	2,433,322	856,669	870,004			
Mbr Agency Refund held for FY 19-20 Audit Adjustment			(1,068,028)				
Prepaid	65,082	204,867	211,725	155,939	161,192		
Deposits	19,500						
(3) <b>Available Cash</b>	10,375,905	10,883,737	15,631,481	17,353,752	8,420,260		
(4) <b>Large Capital Cash as of June 30th 2017, 2018, 2019, 2020 &amp; 2021</b>	9,168,439	8,793,369	15,067,539	15,616,950	6,751,108	(8,865,841)	56.8%
Non Capital Engineering Cash Balance	295,062	(81,041)					
Moulton Niguel Non Capital Engineering Accounts Receivable	(21,831)	(22,416)					
Moulton Niguel Large Capital Accounts Receivable	649,490	1,382,368					
Add Use Audit Settlement FY 17-18		216,467					
Add Use Audit Settlement FY 16-17	(49,931)	(49,931)					
(5) <b>Total Large Capital Cash</b>	10,041,229	10,238,817	15,067,539	15,616,950	6,751,108		
(6) Small Capital Carryover	(129,000)		172,996	565,000	178,789	(386,211)	68.4%
Non-Capital Carryover				369,508	203,442	(166,066)	44.9%
Non-Capital Misc. Carryover				252,298	131,237	(121,060)	48.0%
Mbr Agency Refund held for FY 19-20							
Cash Collected for PC 2 Zephyr Wall	76,318		76,318				
Other misc., fringe adj, interest adj, etc.	22,331	(4,916)					
Small Capital Cash Collected in Excess of Expenditures					526,299		
Non Capital Cash Collected in Excess of Expenditures					9,110		
Non Capital Misc Cash Collected in Excess of Expenditures					53,733		
<b>O&amp;M Cash Collected in Excess of Expenditures</b>					249,793		
<b>Net Cash as of June 30th 2017, 2018 ,2019, 2020 &amp; 2021</b>	10,010,879	10,233,900	15,316,853	16,803,755	8,103,512		
(7) <b>Difference</b>	365,027	649,837	314,628	549,996	316,748		

**South Orange County Wastewater Authority  
Cash Reconciliation  
Fiscal Year End 2017, 2018, 2019, 2020, and 2021 Preliminary**

6/30/2017    6/30/2018    6/30/2019    6/30/2020    6/30/2021

Additional Cash Is:					
<b>Prior Balance</b>	281,422	365,027	649,837	314,628	549,996
<b>Payment to Member Agencies</b>			(649,837)	(314,628)	(549,996)
County of Orange Bankruptcy Payment					
County of Orange Admin Fees					
County of Orange Access Maintenance					
City of Laguna Niguel Heat Transfer					
SMWD Lab Fees					
Coke machine					
FEMA Reimbursement		136,995		9,277	
CA State Cost Reimbursement				15,356	
Interest Income Received	45,294	114,150	249,482	405,052	75,957
Recycling Income	11,708	2,112	1,618	1,966.23	2,920
PC 23 Admin Payment	9,135				5,300
Mutual Omaha Refund	8,034				
Interest received for 4th qtr	4,934	25,256	52,302	113,947	83,920
LAIF Interest Adj.	3,000				
Grant Revenue	1,500				148,623
Other misc. expenses				(4,277)	
Sale of Fixed Assets		6,297	11,226	8,675	
Other misc adjustments					27
<b>Total Other Cash</b>	<b>365,027</b>	<b>649,837</b>	<b>314,628</b>	<b>549,996</b>	<b>316,748</b>

# Other Post-Employment Benefits (OPEB) Trust Account Annual Review

# SUMMARY OF AGENCY'S OPEB PLAN

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<b>Plan Type:</b>	IRC Section 115 Irrevocable Exclusive Benefit Trust
<b>Trustee Approach:</b>	Discretionary
<b>Plan Effective Date:</b>	August 6, 2009
<b>Plan Administrator:</b>	General Manager
<b>Current Investment Strategy:</b>	Balanced HighMark PLUS (Active) Strategy; Pooled Account

## AS OF MAY 31, 2021

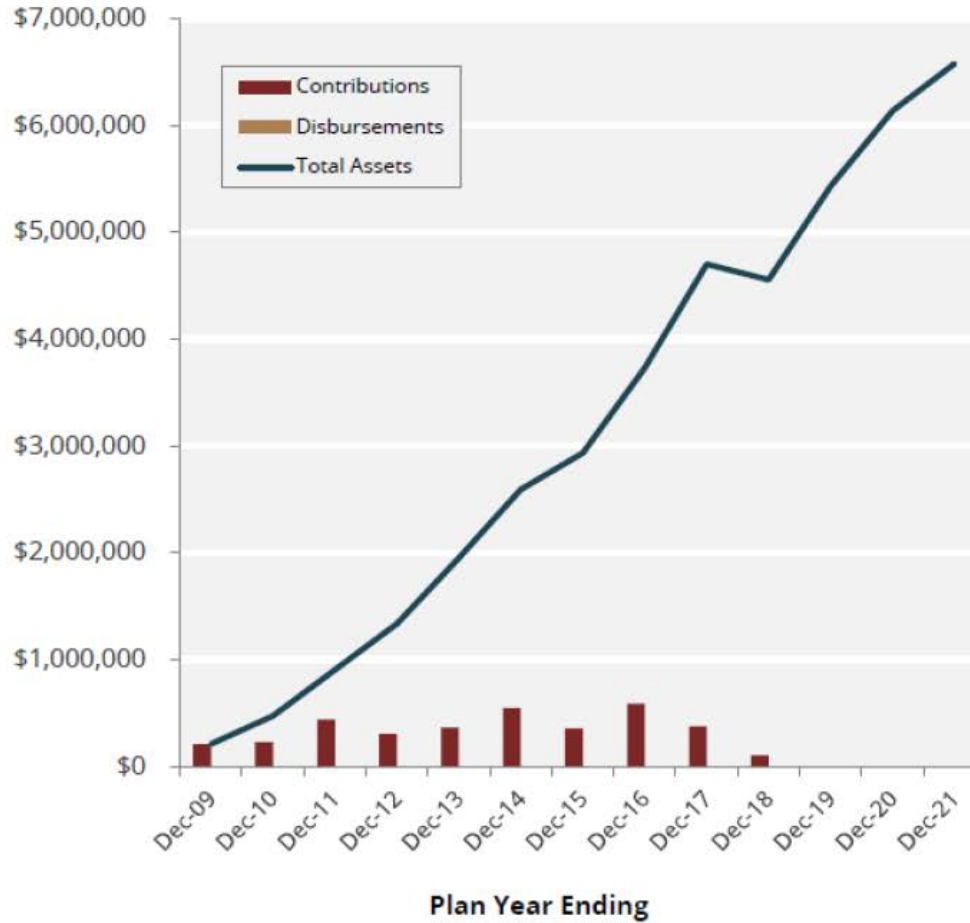
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<b>Initial Contribution:</b>	December 2009: \$211,652
<b>Additional Contributions:</b>	\$3,323,137
<b>Total Contributions:</b>	\$3,534,789
<b>Disbursements:</b>	\$0
<b>Total Investment Earnings:</b>	\$3,238,203
<b>Account Balance:</b>	\$6,576,969

- Investment returns are compounded
- Close to 90% return since inception in 2009
- FY 2020–21 return on investment (net of expenses) is over 26%

# SUMMARY OF AGENCY'S OPEB PLAN

## CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF MAY 31, 2021



Year	Contributions	Disbursements	Total Assets
Dec-09*	\$211,652	\$0	\$212,094
Dec-10	\$230,000	\$0	\$474,880
Dec-11	\$442,146	\$0	\$905,653
Dec-12	\$305,956	\$0	\$1,337,155
Dec-13	\$365,445	\$0	\$1,952,486
Dec-14	\$550,186	\$0	\$2,593,537
Dec-15	\$358,403	\$0	\$2,933,757
Dec-16	\$588,000	\$0	\$3,730,913
Dec-17	\$378,000	\$0	\$4,699,966
Dec-18	\$105,000	\$0	\$4,554,334
Dec-19	\$0	\$0	\$5,431,436
Dec-20	\$0	\$0	\$6,134,690
Dec-21**	\$0	\$0	\$6,576,969

\*Plan Year Ending December 2009 is based on 1 month of activity.  
 \*\*Plan Year Ending December 2021 is based on 5 months of activity.

*SOUTH ORANGE COUNTY WASTEWATER AUTHORITY  
PARS OPEB Trust Program*

Account Report for the Period  
7/1/2020 to 6/30/2021

Mary Carey  
Finance Controller  
South Orange County Wastewater Authority  
34156 Del Obispo St.  
Dana Point, CA 92629

### *Account Summary*

Source	Beginning Balance as of 7/1/2020	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 6/30/2021
OPEB	\$5,270,638.73	\$0.00	\$1,420,672.04	\$34,089.09	\$0.00	\$0.00	\$6,657,221.68
<b>Totals</b>	<b>\$5,270,638.73</b>	<b>\$0.00</b>	<b>\$1,420,672.04</b>	<b>\$34,089.09</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$6,657,221.68</b>

### *Investment Selection*

Source	
OPEB	Balanced HighMark PLUS

### *Investment Objective*

Source	
OPEB	The dual goals of the Balanced Strategy are growth of principal and income. While dividend and interest income are an important component of the objective's total return, it is expected that capital appreciation will comprise a larger portion of the total return. The portfolio will be allocated between equity and fixed income investments.

### *Investment Return*

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	1.27%	5.38%	27.05%	50 11.99%	11.33%	8.77%	12/17/2009





**Draft**

Investment Guidelines Document

South Orange County Wastewater Authority (SOCWA)

Trust for OPEB Funding

June 2021

This report presents employer-specific amounts for reporting in accordance with Governmental Accounting Standards Board Statement No. 68 (GASB 68) for CalPERS public agency cost sharing plans.

The report details the calculation of the Net Pension Liability that the Authority will record in its Audited Net Position Statement as of June 30, 2021.

The Net Pension Liability will also be distributed by Project Committee and Member Agency in the Annual Supplemental Financial Statements.

### Net Pension Liability Fiscal Year Ended June 30

Description	2021	2020	2019	Change between 2021 and 2020	
				\$ +/-	% Change
Measurement date	6/30/2020	6/30/2019	6/30/2018		
Total pension liability	(\$59,026,089)	(\$55,450,648)	(\$52,230,824)	(\$3,575,441)	6.4%
Fiduciary net position	43,498,406	41,089,097	39,044,508	2,409,309	5.9%
<b>Net pension (liability)</b>	<b>(\$15,527,683)</b>	<b>(\$14,361,551)</b>	<b>(\$13,186,316)</b>	<b>(\$1,166,132)</b>	<b>8.1%</b>
<b>% Funded</b>	<b>73.7%</b>	<b>74.1%</b>	<b>74.8%</b>	<b>-0.4%</b>	

- Net pension liability increased by \$1.2 million primarily due to the Risk Pool's asset loss in 2020, 4.7% return on investments vs. targeted 7.15%. (The target rate is before administrative expenses.)
- CalPERS FY 2020-21 return of 21% and subsequent discount rate drop to 6.8% will not be reflected until next year's financial statements.