



**FECHTER
& COMPANY**
Certified Public Accountants



**Olivehurst Public Utility District
Annual Financial Report
With
Independent Auditor's Report Thereon
June 30, 2025**

OLIVEHURST PUBLIC UTILITY DISTRICT
Annual Financial Report
June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Directors
Olivehurst Public Utility District
Olivehurst, California

Qualified Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Olivehurst Public Utility District (the District), as of and for the year ending June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

The District holds its cash in pooled accounts with the County Treasury and in bank accounts that are allocated to governmental and proprietary funds in the accounting records. Although management has reconciled total cash and investments at the government-wide level, the District has not maintained reconciliations that identify each individual fund's share of these pooled balances or the related allocation of interest earnings. Because the District's records do not permit the application of adequate auditing procedures to determine the proper allocation of cash and related interest revenues to each fund, we were unable to obtain sufficient appropriate audit evidence about the cash and related interest revenues reported for the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. Accordingly, we were unable to determine whether any adjustments might have been necessary to the financial position and changes in financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

To the Members of the Board of Directors
Olivehurst Public Utility District
Olivehurst, California

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

To the Members of the Board of Directors
Olivehurst Public Utility District
Olivehurst, California

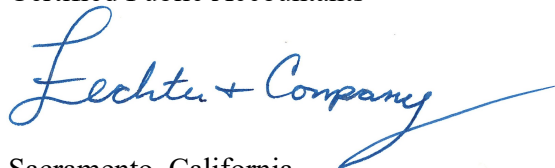
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule – General Fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise District's basic financial statements. The Statement of Revenues and Expenditures by Function for the General Fund, Combining Balance Sheet for Nonmajor Governmental Funds, and the Combining Statement of Revenues, Expenditures, and Changes in Fund Balance of Nonmajor Governmental Funds are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Fechter & Company
Certified Public Accountants



Sacramento, California
June 11, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

OLIVEHURST PUBLIC UTILITY DISTRICT
Management's Discussion and Analysis (Unaudited)
June 30, 2025

This section of the Olivehurst Public Utility District's (District) annual financial report presents an analysis of the District's financial performance during the fiscal year ended June 30, 2025. This information is presented in conjunction with the basic financial statements and related notes, which follow this section.

Overview of the District's Annual Financial Report

This annual financial report consists of the following four parts: Basic Financial Statements, Notes to the Basic Financial Statements, Required Supplementary Information including Management's Discussion and Analysis, and Supplementary Information.

Required Financial Statements – Basic Financial Statements

The basic financial statements include government-wide financial statements and fund statements. The two sets of statements are tied together by reconciliations showing why they differ.

The District as a whole is reported in the government-wide statements and uses accounting methods similar to those used by companies in the private sector.

More detailed information about the District's most significant funds, not the District as a whole, is provided in the fund financial statements. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

The *Statement of Net Position*, a government-wide statement, presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities*, a government-wide statement, presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The *Balance Sheet*, a fund statement for its governmental fund, presents financial information by fund type showing money left at year-end available for spending. The District reports one governmental fund, the General Fund.

The *Statement of Revenues, Expenditures, and Changes in Fund Balance*, a fund statement for its governmental fund, focuses on how money flows into and out of the fund.

The *Statement of Net Position – Proprietary Funds*, a fund statement for its proprietary funds, presents financial information by fund type showing money left at year-end available for spending. The District reports two proprietary funds, the Water Fund and the Sewer Fund.

OLIVEHURST PUBLIC UTILITY DISTRICT
Management's Discussion and Analysis (Unaudited)
June 30, 2025

The *Statement of Revenues, Expenditures, and Changes in Net Position – Proprietary Funds*, a fund statement for its proprietary funds, focuses on how money flows into and out of these funds.

The *Statement of Cash Flows – Proprietary Funds* provides information on the District's cash receipts, cash payments, and changes in cash resulting from operations, investments, and financing activities for its proprietary funds. From the Statement of Cash Flows, the reader can obtain information on the source and use of cash and the change in the cash and cash equivalents balance for the fiscal year.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information comparing the District's budgeted amounts to actual results for its governmental funds.

Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information disaggregates the General Fund's activities into separate columns to provide additional context and analysis of the governmental fund statements.

Adjustments to Opening Balances

As discussed in Note 10 to the financial statements, there were multiple error corrections along with the implementation of GASB 101. This resulted in the adjustment of opening balances presented in fiscal year 2025 basic financial statements. The error corrections are reflected in the comparative 2024 information, while the impacts from implementing GASB 101 is only presented as an opening balance adjustment to 2025. As a result, prior-year information is not fully comparable.

Financial Analysis of the District

The Statement of Net Position and the Statement of Revenues, Expenditures, and Change in Net Position provide an indication of the District's financial condition and also indicate whether the financial condition of the District improved over time. The District's net position reflects the difference between assets and liabilities. An increase in net position over time typically indicates an improvement in financial condition. However, considerations should be made for other non-financial factors such as changes in economic conditions (e.g., the significant increase in development during the last few years), population growth, and new or changed government legislation which could impact our financial condition.

OLIVEHURST PUBLIC UTILITY DISTRICT
Management's Discussion and Analysis (Unaudited)
June 30, 2025

Financial Highlights for Fiscal Year 2024-2025

At June 30, 2025, the District's total assets exceeded total liabilities by \$149.7 million (net position).

- Current assets increased by approximately \$10.9 million to \$87.5 million.
- Capital assets increased by approximately \$11.9 million to \$76.5 million.
- Capital contributions and grants increased by approximately \$9.2 million, or 138%, from the prior year.
- Expenses increased by \$2.5 million, or 16.2%, from the prior year.

Comparability of current and prior year financial information is limited because the prior year amounts have been restated to include additional governmental funds.

Net Position

A condensed summary of the District's Statements of Net Position is presented below:

Statements of Net Position

	June 30, 2025			June 30, 2024 (restated)			Total Change	
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government	Amount Change	Percent Change
Assets:								
Current and other assets	\$ 37,752,894	\$ 49,703,723	\$ 87,456,617	\$ 38,490,720	\$ 38,037,134	\$ 76,527,854	\$10,928,763	14.3%
Capital assets	17,595,243	58,919,552	76,514,795	13,003,375	51,658,027	64,661,402	11,853,393	18.3%
Total assets	55,348,137	108,623,275	163,971,412	51,494,095	89,695,161	141,189,256	22,782,156	16.1%
Liabilities:								
Current liabilities	2,064,153	2,381,410	4,445,563	2,321,056	2,587,517	4,908,573	(463,010)	-9.4%
Long-Term liabilities	5,663,062	4,114,230	9,777,292	6,296,881	2,693,884	8,990,765	786,527	8.7%
Total liabilities	7,727,215	6,495,640	14,222,855	8,617,937	5,281,401	13,899,338	323,517	2.3%
Net Position:								
Invested in capital assets, net of related debt	14,396,409	58,919,552	73,315,961	10,379,217	51,658,027	62,037,244	11,278,717	18.2%
Restricted	205,013	-	205,013	203,667	-	203,667	1,346	0.7%
Unrestricted	33,019,500	43,208,083	76,227,583	32,293,274	32,755,733	65,049,007	11,178,576	17.2%
Total net position	\$47,620,922	\$102,127,635	\$149,748,557	\$42,876,158	\$ 84,413,760	\$127,289,918	\$22,458,639	17.6%

As noted earlier, net position, over time, can be a useful indicator of a District's financial position. It should be noted that a large segment of the District's net position is invested in capital assets (net of related debt). The District uses these capital assets to provide service to its customers; consequently, these assets are not available for future spending. In 2025, approximately 49.0% of the District's total net position was invested in capital assets.

OLIVEHURST PUBLIC UTILITY DISTRICT
Management's Discussion and Analysis (Unaudited)
June 30, 2025

Statement of Activities

The District finances the operation of its Fire Department and Parks Department through the receipt of property tax revenues, tax assessments, and other income. The District's Water and Wastewater (Sewer) Departments are financed through drinking water service fees, sewer collection service fees, and other income. Total revenues increased by \$15.1 million, or 59.2%, from the prior year, primarily as a result of significant capital contributions and grants.

Statements of Activities

	June 30, 2025			June 30, 2024 (restated)			Total Change	
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government	Amount Change	Percent Change
Revenues								
Program revenues:								
Charges for services	\$ 1,145,947	\$ 11,550,185	\$ 12,696,132	\$ 700,572	\$ 10,004,585	\$ 10,705,157	\$ 1,990,975	18.6%
Capital contributions and grants	34,488	15,838,869	15,873,357	161,101	6,507,910	6,669,011	9,204,346	138.0%
General revenues								
Taxes and assessments	3,570,653	-	3,570,653	2,925,786	-	2,925,786	644,867	22.0%
Use of money and property	1,553,996	1,734,545	3,288,541	1,112,180	892,989	2,005,169	1,283,372	64.0%
Mitigation fees	4,744,358	-	4,744,358	2,821,401	-	2,821,401	1,922,957	68.2%
Measure K revenue	327,088	-	327,088	283,442	-	283,442	43,646	15.4%
Other revenues	101,164	-	101,164	89,454	-	89,454	11,710	13.1%
Total revenues	11,477,694	29,123,599	40,601,293	8,093,936	17,405,484	25,499,420	15,101,873	59.2%
Expenses								
Parks, fire, and administration	6,139,303	-	6,139,303	5,188,511	-	5,188,511	950,792	18.3%
Depreciation	645,147	-	645,147	498,794	-	498,794	146,353	29.3%
Water utility	-	5,488,988	5,488,988	-	4,465,081	4,465,081	1,023,907	22.9%
Sewer utility	-	5,866,899	5,866,899	-	5,460,002	5,460,002	406,897	100.0%
Total expenses	6,784,450	11,355,887	18,140,337	5,687,305	9,925,083	15,612,388	2,527,949	16.2%
Increase in net position before transfers	4,693,244	17,767,712	22,460,956	2,406,631	7,480,401	9,887,032	12,573,924	127.2%
Transfers	(35,000)	35,000	-	10,000	(10,000)	-	-	0.0%
Change in net position	4,658,244	17,802,712	22,460,956	2,416,631	7,470,401	9,887,032	12,573,924	127.2%
Net position, beginning of year, restated	42,962,678	84,324,923	127,287,601	40,459,527	76,943,359	117,402,886	9,884,715	8.4%
Net position - end of year	<u>\$47,620,922</u>	<u>\$102,127,635</u>	<u>\$149,748,557</u>	<u>\$42,876,158</u>	<u>\$ 84,413,760</u>	<u>\$127,289,918</u>	<u>\$22,458,639</u>	17.6%

Economic Factors, Budget, and Rates

The Board of Directors adopted the District's 2025 Budget on August 15, 2024. The budget provides funding for the District's operating, capital, and debt service costs for the 2025 fiscal year. The District's water and sewer rates are reviewed periodically.

OLIVEHURST PUBLIC UTILITY DISTRICT
Management's Discussion and Analysis (Unaudited)
June 30, 2025

General Fund Budgetary Highlights

The Budgetary Comparison Schedule – General Fund, as listed under the Table of Contents, shows the difference between the original and final budgeted revenues and expenditures and the actual amounts recognized and expended. Expenses increased by \$5,595,485 from the original to the final budget. However, for the fiscal year ended June 30, 2025, actual revenues were 13.1% above the final budget. Actual expenditures were less than the final budget by \$7,088,078 or 68.3%, as a result of timing for significant capital outlay.

Capital Assets

The District's capital asset balances, net of accumulated depreciation, increased by \$11.9M from the prior year. During the fiscal year ended June 30, 2025, the District reported \$14.3 million of additions, disposals of \$237,128 that were nearly fully-depreciated, and an increase in accumulated depreciation of \$2,421,136. Additional information on the District's capital assets is provided in Note 4 of the financial statements.

Debt

As of June 30, 2025, the District had a loan payable balance outstanding of \$3,903,237 owed to the Yuba County Water Agency for the design of infrastructure systems to collect wastewater from property in and around the Highway 65 corridor. This was the result of an amendment and an increase in the loan amount by \$1,383,090 from the previous balance of \$2,520,147.

Additionally, the Plumas Lake Community Facilities District (CFD) No. 2002-1 has a principal balance of \$5,933,400 in refunding bonds outstanding as of June 30, 2025. These bonds were issued to finance capital projects and acquisitions within the Plumas Lake CFD boundaries, to be paid from the proceeds levied from a special tax.

Additional information on the District's debt is provided in Note 6 of the financial statements.

Investment Interest – County Investment Pool

The County Treasury's records of the District funds share of pooled cash exclude due-to and due-from cash flows recorded in the District's cash accounts, limiting reconciliation to government-level balances only. To ensure accuracy and consistency, quarterly interest earnings—based on County Treasury pooled cash balances—are reallocated to District records according to each fund's proportionate share of cash at the end of the earnings period.

Requests for Information

This financial report is designed to provide the District's elected officials, customers, creditors, and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Financial Manager, Olivehurst Public Utility District, 1970 9th Avenue, P.O. Box 670, Olivehurst, California 95961.

BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

OLIVEHURST PUBLIC UTILITY DISTRICT

Statement of Net Position

June 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and investments	\$ 36,666,016	\$ 43,901,155	\$ 80,567,171
Accounts receivable, net	491,435	4,864,464	5,355,899
Interest receivable	391,529	479,664	871,193
Prepaid expenses	203,914	402,362	606,276
Inventory	-	56,078	56,078
Total current assets	37,752,894	49,703,723	87,456,617
Non-current assets:			
Capital assets, net of accumulated depreciation	17,595,243	58,919,552	76,514,795
Total Assets	55,348,137	108,623,275	163,971,412
Liabilities			
Current liabilities:			
Accounts payable	205,846	1,904,900	2,110,746
Payroll liabilities	37,273	72,067	109,340
Customer deposits	85,299	203,740	289,039
Reimbursement agreement payable	-	-	-
Developer deposits	1,352,283	-	1,352,283
Compensated absences, current portion	42,552	200,703	243,255
Bonds and loans payable, current portion	340,900	-	340,900
Total current liabilities	2,064,153	2,381,410	4,445,563
Non-current liabilities:			
Compensated absences, net of current portion	70,562	210,993	281,555
Bonds and loans payable, net of current portion	5,592,500	3,903,237	9,495,737
Total non-current liabilities	5,663,062	4,114,230	9,777,292
Total Liabilities	7,727,215	6,495,640	14,222,855
Net Position			
Net investment in capital assets	14,396,409	58,919,552	73,315,961
Restricted	205,013	-	205,013
Unrestricted	33,019,500	43,208,083	76,227,583
Total Net Position	\$ 47,620,922	\$ 102,127,635	\$ 149,748,557

The accompanying notes are an integral part of these financial statements.

OLIVEHURST PUBLIC UTILITY DISTRICT
Statement of Activities
For the Year Ended
June 30, 2025

Functions/Programs	Program Revenues				Changes in Net Position		
	Expenses	Service Charges	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Parks, fire, and administration	\$ 6,139,303	\$ 1,145,947	\$ -	\$ 34,488	\$ (4,958,868)	\$ -	\$ (4,958,868)
Depreciation	645,147	-	-	-	(645,147)	-	(645,147)
Total Governmental Activities	6,784,450	1,145,947	-	34,488	(5,604,015)	-	(5,604,015)
Business-Type Activities:							
Water utility	5,488,988	5,625,777	-	9,112,384	-	9,249,173	9,249,173
Sewer utility	5,866,899	5,924,408	-	6,726,485	-	6,783,994	6,783,994
Total Business-type Activities	11,355,887	11,550,185	-	15,838,869	-	16,033,167	16,033,167
Total	<u>\$ 18,140,337</u>	<u>\$ 12,696,132</u>	<u>\$ -</u>	<u>\$ 15,873,357</u>	(5,604,015)	16,033,167	10,429,152
General Revenues:							
Taxes and assessments					3,570,653	-	3,570,653
Use of money and property					1,553,996	1,734,545	3,288,541
Mitigation and impact fees					4,744,358	-	4,744,358
Measure K revenue					327,088	-	327,088
Other revenues					101,164	-	101,164
Total General Revenues					10,297,259	1,734,545	12,031,804
Transfers					(35,000)	35,000	-
Change in net position					4,658,244	17,802,712	22,460,956
Net position - beginning of year					49,133,822	84,413,760	133,547,582
Adjustments to beginning net position (Note 10)					(6,171,144)	(88,837)	(6,259,981)
Net position - beginning of year, restated					42,962,678	84,324,923	127,287,601
Net position - end of year					<u>\$ 47,620,922</u>	<u>\$ 102,127,635</u>	<u>\$ 149,748,557</u>

The accompanying notes are an integral part of these financial statements.

OLIVEHURST PUBLIC UTILITY DISTRICT
Balance Sheet - Governmental Funds
June 30, 2025

	General Fund	CFD 2002-1	Park Developer Funds	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$15,675,333	\$ 1,528,598	\$18,244,178	\$ 902,665	\$36,350,774
Cash with fiscal agent	-	315,242	-	-	315,242
Accounts receivable, net	491,435	-	-	-	491,435
Interest receivable	168,612	17,233	205,684	-	391,529
Prepaid expense	203,105	647	-	162	203,914
Total assets	<u>\$16,538,485</u>	<u>\$ 1,861,720</u>	<u>\$18,449,862</u>	<u>\$ 902,827</u>	<u>\$37,752,894</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 104,026	\$ 2,100	\$ 20,473	\$ 135	\$ 126,734
Payroll liabilities	37,273	-	-	-	37,273
Developer and other deposits	1,313,659	-	-	123,923	1,437,582
Total liabilities	<u>1,454,958</u>	<u>2,100</u>	<u>20,473</u>	<u>124,058</u>	<u>1,601,589</u>
Fund Balances					
Restricted:					
Fire services capital outlay	205,013	-	-	-	205,013
Parks and facilities capital outlay	-	1,859,620	18,429,389	778,769	21,067,778
Committed for capital asset repair	818,840	-	-	-	818,840
Committed for park maintenance	1,319,000	-	-	-	1,319,000
Unassigned	12,740,674	-	-	-	12,740,674
Total fund balances	<u>15,083,527</u>	<u>1,859,620</u>	<u>18,429,389</u>	<u>778,769</u>	<u>36,151,305</u>
Total liabilities and fund balances	<u>\$16,538,485</u>	<u>\$ 1,861,720</u>	<u>\$18,449,862</u>	<u>\$ 902,827</u>	<u>\$37,752,894</u>

The accompanying notes are an integral part of these financial statements.

OLIVEHURST PUBLIC UTILITY DISTRICT
Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position
June 30, 2025

Fund Balances of Governmental Funds	\$ 36,151,305
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, are not current financial resources and are not included in the governmental funds.	17,595,243
Some liabilities, including long-term debt, compensated absences, and accrued interest are not due and payable in the current period and therefore are not reported in the Governmental fund statements:	
Bonds and loans	(5,933,400)
Accrued interest payable on bond debt	(79,112)
Compensated absences liability	<u>(113,114)</u>
Net position of governmental activities	<u><u>\$ 47,620,922</u></u>

The accompanying notes are an integral part of these financial statements.

OLIVEHURST PUBLIC UTILITY DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended
June 30, 2025

	General Fund	CFD 2002-1	Park Developer Funds	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes and assessments	\$ 2,568,238	\$ 629,510	\$ -	\$ 372,905	\$ 3,570,653
Service charges	716,983	-	-	-	716,983
Use of money and property	712,701	87,843	753,452	-	1,553,996
Mitigation and impact fees	58,023	-	4,686,335	-	4,744,358
Intergovernmental revenues	549,972	-	-	-	549,972
Measure K revenue	327,088	-	-	-	327,088
Other revenues	101,165	-	-	-	101,165
Total Revenues	5,034,170	717,353	5,439,787	372,905	11,564,215
Expenditures					
Salaries and benefits	2,057,465	-	-	-	2,057,465
Services and supplies	1,180,041	19,343	54,928	400,877	1,655,189
Capital outlay	55,155	574,676	6,689,430	-	7,319,261
Debt service					
Principal	-	329,300	-	-	329,300
Interest	-	243,922	-	-	243,922
Total Expenditures	3,292,661	1,167,241	6,744,358	400,877	11,605,137
Excess (Deficiency) of Revenues Over Expenditures	1,741,509	(449,888)	(1,304,571)	(27,972)	(40,922)
Other Financing Sources (Uses):					
Transfers in	15,000	-	-	-	15,000
Transfers out	(5,000)	-	-	(45,000)	(50,000)
Proceeds from sale of capital assets	20,825	-	-	-	20,825
Total Other Financing Sources (Uses)	30,825	-	-	(45,000)	(14,175)
Net Change in Fund Balance	1,772,334	(449,888)	(1,304,571)	(72,972)	(55,097)
Fund Balances - beginning of year	13,311,193	2,284,800	19,733,960	851,741	36,181,694
Adjustments to beginning fund balance (Note 10)	-	24,708	-	-	24,708
Fund Balances - beginning of year, restated	13,311,193	2,309,508	19,733,960	851,741	36,206,402
Fund Balances - end of year	\$15,083,527	\$ 1,859,620	\$18,429,389	\$ 778,769	\$36,151,305

The accompanying notes are an integral part of these financial statements.

OLIVEHURST PUBLIC UTILITY DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balance of Governmental Funds to the
Statement of Activities and Changes in Net Position
For the Year Ended
June 30, 2025

Net Change in Fund Balances - Total Governmental Funds	\$ (55,097)
--	-------------

Amounts reported for governmental activities in the Statement of Activities differs from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances because:

Capital asset additions are reported as an expense in the Statement of Revenues, Expenditures, and Changes in Fund Balances while they are capitalized in the Statement of Activities.	5,264,609
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Capital asset disposals are reported as revenues in the amount of gross proceeds in the Statement of Revenues, Expenditures, and Changes in Fund Balances while only the net gain or loss is reported on the Statement of Activities.	(27,593)
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Depreciation expense is recorded in the Statement of Activities but not in the Statement of Revenues, Expenditures, and Changes in Fund Balances	(645,147)
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Principal debt service is expensed in the Statement of Revenues, Expenditures, and Changes in Fund Balance, while accrued interest expense on debt is only reported on the Statement of Activities.	250,188
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Previously unavailable revenues due to inflow of financial resources occurring greater than 60 days from the date of the previously issued financial statements are excluded from the current-year government-wide Statement of Activities.	(86,520)
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Changes in long-term compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported in governmental funds.	(42,196)
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Change in net position of governmental activities	\$ 4,658,244
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The accompanying notes are an integral part of these financial statements.

OLIVEHURST PUBLIC UTILITY DISTRICT
Statement of Net Position - Proprietary Funds
June 30, 2025

	Enterprise Funds		
	Water	Sewer	Total
Assets			
Current assets:			
Cash and investments	\$ 13,726,630	\$ 30,174,525	\$ 43,901,155
Accounts receivable, net of allowance \$135,709 and \$106,741, respectively	1,948,501	2,915,963	4,864,464
Interest receivable	148,173	331,491	479,664
Prepaid expenses	169,211	233,151	402,362
Inventory	56,078	-	56,078
Advance receivable	-	2,064,288	2,064,288
Total current assets	16,048,593	35,719,418	51,768,011
Non-current assets:			
Capital assets, net of accumulated depreciation	26,477,440	32,442,112	58,919,552
Total assets	42,526,033	68,161,530	110,687,563
Liabilities and Net Position			
Current liabilities:			
Accounts payable	966,609	938,291	1,904,900
Payroll liabilities	36,183	35,884	72,067
Customer deposits	152,620	51,120	203,740
Advance payable	2,064,288	-	2,064,288
Compensated absences, current portion	95,443	105,260	200,703
Total current liabilities	3,315,143	1,130,555	4,445,698
Non-current liabilities:			
Compensated absences, net of current portion	125,740	85,253	210,993
Loan payable	-	3,903,237	3,903,237
Total non-current liabilities	125,740	3,988,490	4,114,230
Total liabilities	3,440,883	5,119,045	8,559,928
Net position			
Net investment in capital assets	26,477,440	32,442,112	58,919,552
Unrestricted	12,607,710	30,600,373	43,208,083
Total net position	\$ 39,085,150	\$ 63,042,485	\$102,127,635

The accompanying notes are an integral part of these financial statements.

OLIVEHURST PUBLIC UTILITY DISTRICT
Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Funds
For the Year Ended
June 30, 2025

	Enterprise Funds		
	Water	Sewer	Total
Operating Revenues			
Charges for services	\$ 5,625,777	\$ 5,924,408	\$ 11,550,185
Operating Expenses			
Personnel costs	1,617,493	1,820,763	3,438,256
Operations and maintenance	3,170,924	2,940,047	6,110,971
Depreciation	669,900	1,106,089	1,775,989
Total operating expenses	5,458,317	5,866,899	11,325,216
Operating income	167,460	57,509	224,969
Non-Operating Revenues (Expenses)			
Capital improvement charges	4,439,460	5,742,309	10,181,769
Use of money and property	535,685	1,198,860	1,734,545
Capital grants	4,672,924	984,176	5,657,100
Capacity fees - Plumas Lake Owners Group (PLOG) reimbursement	(8,546)	-	(8,546)
Interest and amortization expense	(22,125)	-	(22,125)
Net non-operating revenues (expenses)	9,617,398	7,925,345	17,542,743
Transfers:			
Transfers in	45,000	-	45,000
Transfers out	(5,000)	(5,000)	(10,000)
Net transfers	40,000	(5,000)	35,000
Change in Net Position	9,824,858	7,977,854	17,802,712
Net position - beginning of year	29,308,846	55,104,914	84,413,760
Adjustment to beginning net position	(48,554)	(40,283)	(88,837)
Net position - beginning of year, restated	29,260,292	55,064,631	84,324,923
Net position - end of year	<u>\$ 39,085,150</u>	<u>\$ 63,042,485</u>	<u>\$102,127,635</u>

The accompanying notes are an integral part of these financial statements.

OLIVEHURST PUBLIC UTILITY DISTRICT
Statement of Cash Flows - Proprietary Funds
For the Year Ended
June 30, 2025

	Enterprise Funds		
	Water	Sewer	Total
Cash Flows from Operating Activities			
Receipts from customers	\$ 4,317,633	\$ 3,635,311	\$ 7,952,944
Payments to suppliers and vendors	(4,448,911)	(2,432,859)	(6,881,770)
Payments for employee costs	(1,570,700)	(1,788,785)	(3,359,485)
Net cash used in operating activities	(1,701,978)	(586,333)	(2,288,311)
Cash Flows from Non-capital Financing Activities			
Capital improvement charges and other	4,439,460	5,742,309	10,181,769
Interfund transfers	40,000	(5,000)	35,000
Net cash provided by non-capital financing activities	4,479,460	5,737,309	10,216,769
Cash Flows from Capital and Related Financing Activities			
Acquisition/purchase of capital assets	(5,787,303)	(3,250,211)	(9,037,514)
Grant revenue	4,672,924	984,176	5,657,100
Interest and penalties paid	(22,125)	-	(22,125)
Capacity fee - PLOG reimbursement	(8,546)	-	(8,546)
Payments on capital financing loan	-	1,383,090	1,383,090
Interfund loans	(148,259)	148,259	-
Net cash used in capital financing activities	(1,293,309)	(734,686)	(2,027,995)
Cash Flows from Investing Activities			
Investment earnings	464,266	1,037,696	1,501,962
Net cash provided by investing activities	464,266	1,037,696	1,501,962
Net increase in cash and cash equivalents	1,948,439	5,453,986	7,402,425
Cash and investments - beginning of year	11,778,191	24,720,539	36,498,730
Cash and investment - end of year	\$ 13,726,630	\$ 30,174,525	\$ 43,901,155
Reconciliation of operating income to net cash used in operating activities			
Operating Income	\$ 167,460	\$ 57,509	\$ 224,969
Adjustments to reconcile operating income to net cash used in operating activities:			
Depreciation and amortization	669,900	1,106,089	1,775,989
Uncollectible receivables	9,810	7,872	17,682
Change in Assets and Liabilities:			
Receivables	(1,329,454)	(2,296,969)	(3,626,423)
Prepaid expenses	(169,211)	(233,151)	(402,362)
Inventory	(20,479)	-	(20,479)
Accounts payable and accrued expenses	(1,088,297)	740,339	(347,958)
Payroll liabilities	9,800	6,587	16,387
Customer deposits	11,500	-	11,500
Compensated absences	36,993	25,391	62,384
Net cash used in operating activities	\$ (1,701,978)	\$ (586,333)	\$ (2,288,311)

The accompanying notes are an integral part of these financial statements.

BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

OLIVEHURST PUBLIC UTILITY DISTRICT
Notes to Basic Financial Statements
June 30, 2025

Note 1: Defining the Financial Reporting Entity

The District was established in November 1948 to provide high quality services to its residents which include: Drinking Water Treatment and Distribution; Wastewater (Sewer) Collection, Treatment, and Disposal; Parks and Recreation; and, Fire Protection and Emergency Medical Services (Olivehurst only). Revenues are derived primarily from the property taxes, a special assessment on improved parcels within the District, mitigation fees, and the countywide tax levy. The District also collects fees for water and sewer services, and fees for construction within the District, which are used to offset the increased capital costs associated with development. The District is administered by a Board of Directors that acts as the authoritative and legislative body of the entity. The Board is comprised of five board members.

Note 2: Summary of Significant Accounting Policies

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

A. Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the primary government (the District) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The Statement of Activities demonstrates the degree to which program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Fund Financial Statements

The fund financial statements provide information about the District's funds, including fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

OLIVEHURST PUBLIC UTILITY DISTRICT
Notes to Basic Financial Statements
June 30, 2025

Note 2: Summary of Significant Accounting Policies – Continued

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized as soon as they both are measurable and available. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements by the provider have been met. Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period, which is usually 60 days. For this purpose, the District generally considers revenues to be available if they are collected within ninety days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred as under accrual accounting.

C. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District has three primary funds; the general fund and two enterprise funds – water and sewer. The remaining funds are fiduciary funds that are used to account for the deposits received from housing developers of the Plumas Lake area.

Governmental Funds

Governmental funds are those through which most governmental functions typically are transacted. Governmental funds reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The District reports the following major governmental funds:

- General Fund – this fund accounts for the primary governmental activities, including Fire, Lighting, Parks and Recreation, and Administration.
- CFD 2002-1 – in 2002, the District established the Plumas Lake Community Facilities District (CFD) No. 2002-1. This CFD was formed for the purpose of levying a special tax to finance the construction and acquisition of certain public facilities that fall within the boundaries of Plumas Lake CFD. This CFD's activities are tracked in a major capital projects fund.
- Park Developer Funds – this capital projects fund was established after a nexus fee study was performed in 2003, to collect development impact fees that are restricted for expansion capital outlay for parks and recreation activities.

OLIVEHURST PUBLIC UTILITY DISTRICT
Notes to Basic Financial Statements
June 30, 2025

Note 2: Summary of Significant Accounting Policies – Continued

C. Fund Accounting - continued

Governmental Funds - Continued

The North Plumas Lake Community Facilities District No. 2005-1 (Wheeler Ranch) and Community Facilities District No. 2005-2 (Park Maintenance) are aggregated in the nonmajor governmental funds column of the basic financial statements. A Combining Balance Sheet and a Combining Statement of Revenues, Expenditures, and Changes in Fund Balance of Nonmajor Governmental Funds are included in the Supplementary Information section as listed under the Table of Contents.

Proprietary Funds (Business-type activities)

The District reports on two major enterprise funds:

- Water – accounts for operating activities of the District’s water utility services.
- Sewer – accounts for operating activities of the District’s sewer wastewater utility services.

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise – where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis, be financed or recovered primarily through user charges. The District accounts for the operation of its water and sewer utility funds on this basis.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

D. Budget

The Board of Directors prepares a budget for the general fund and enterprise funds on or before August 30 of each year.

E. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

OLIVEHURST PUBLIC UTILITY DISTRICT
Notes to Basic Financial Statements
June 30, 2025

Note 2: Summary of Significant Accounting Policies – Continued

F. Cash and Investments

All cash is pooled for investment purposes and held by the Yuba County Treasurer and a local bank. Investment earnings are apportioned to the District based on the average daily balances on deposit with the Yuba County Treasurer. Since the District has not adopted an investment policy of their own, the District follows the Yuba County Treasurer's investment policy. As such, the Yuba County Treasurer's policy is to invest in any security authorized by Section 53635 of the Government Code of the State of California, and any other Government Code that permits investments in various securities or participation in investment trading techniques or strategies.

For purposes of the Statement of Cash Flows, the District has defined cash and cash equivalents to be change and petty cash funds, equity in the District's cash and investment pool, and restricted non-pooled investments with initial maturities of three months or less.

G. Accounts and Interest Receivable

Accounts and interest receivable consist of amounts due from outside parties for grants, interest, taxes, and service charges receivable. Accounts receivable is presented net of an allowance for doubtful accounts that reflects management's best estimate of receivables that will become uncollectible. The estimate made is based on a variety of factors including the length of time receivables are past due, economic trends and conditions affecting our customer base, and historical write-off experience. Accounts that are deemed to be uncollectible are written off against the allowance for doubtful accounts.

H. Inventory

Inventory consists primarily of water meters that will be used for installation on new construction. Inventory is valued at lower of cost or market using a first-in, first-out (FIFO) basis. Inventory items are charged to expense at the time that individual items are withdrawn from inventory or consumed.

I. Property, Plant, and Equipment

Capital assets are valued at historic cost or estimated historic cost if actual historic cost is not available. The District's capitalization threshold is \$5,000 for non-infrastructure capital assets and \$10,000 for infrastructure capital assets. Contributed capital assets are recorded at the estimated fair market value on the date of contribution. Improvements are capitalized if they are material in amount and meet the requirements to provide a future economic benefit. The cost of normal maintenance and repairs that do not add or change the function of an asset, or materially extend the asset's life, are not capitalized.

OLIVEHURST PUBLIC UTILITY DISTRICT
Notes to Basic Financial Statements
June 30, 2025

Note 2: Summary of Significant Accounting Policies – Continued

I. Property, Plant, and Equipment – Continued

The District depreciates capital assets to recognize their costs over the estimated useful lives of the assets. The District uses straight-line depreciation, by which each asset's cost is divided by its expected useful life in years, then the same amount is charged to expense each year until the asset is fully depreciated.

The following useful lives are assigned to capital assets:

Buildings and improvements	25-40 years
Water and Sewer utility plants, facilities, and infrastructure	40-50 years
Machinery and equipment	5-15 years
Furniture and fixtures	5-15 years

Capital assets may also be acquired through federal or state grants or by contribution from developers or other governments. Contributed assets are reported as revenue when acquired.

J. Other Information

The General Fund is the main operating fund of the District. Fire and Rescue operations, Park operations, Youth Center operations, and administrative support are the focus of the activity in this fund.

The Fire Mitigation account within the general fund is used to account for mitigation fees allowed by California State Law AB1600 for the purpose of offsetting increased capital costs due to development. Yuba County Board of Supervisors allows the collection of these fees and requires that they be spent only for capital additions due to development, and additionally, requires that these funds be spent and/or designated within five years of collection or they are refundable with interest to the payers. The District's policy is to fully expend these funds within the required time frame and, accordingly, no liability has been recognized.

The Special Assessment – Fire account within the general fund is used to account for the benefit assessment fees established in accordance with State Government Code Section 50078 by resolution No. 2076 of the District. These fees are levied on a per parcel basis for the purpose of providing for the retention, maintenance, and operation of fire suppression personnel for twenty-four/seven coverage, vehicle replacement, and safety equipment necessary to provide fire suppression services for the District.

OLIVEHURST PUBLIC UTILITY DISTRICT
Notes to Basic Financial Statements
June 30, 2025

Note 2: Summary of Significant Accounting Policies – Continued

K. Net Position / Fund Balance

In February 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes accounting and financial reporting standards for all governments that report governmental funds.

Under GASB 54, fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The authority to restrict balances rests with the District's Board of Directors.

Fund balances are reported in five categories:

- Non-Spendable Fund Balance – this fund balance classification includes amounts that cannot be spent because they are either not in spendable form (i.e., prepaid expenses) or legally or contractually required to be maintained intact.
- Restricted Fund Balance – this fund balance classification should be reported when there are constraints placed on the use of resources externally (by creditors, grant sources, contributors, etc.) or imposed by law or enabling legislation.
- Committed Fund Balance – this fund balance classification can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (i.e., fund balance designations passed by board resolution).
- Assigned Fund Balance – this fund balance classification includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- Unassigned Fund Balance – this fund balance classification is the residual classification for the general fund.

The government-wide and proprietary fund financial statements utilize a net assets presentation. Net assets are categorized as follows:

- Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This category represents net position of the District, not restricted for any project or other purpose.

OLIVEHURST PUBLIC UTILITY DISTRICT
Notes to Basic Financial Statements
June 30, 2025

Note 2: Summary of Significant Accounting Policies – Continued

K. Net Position / Fund Balance - continued

When both restricted and unrestricted net position is available, unrestricted resources are used only after the restricted resources are depleted.

L. Interfund Loans / Transfers

Interfund loans are reported as either receivables or payables and are referred to as interfund balances. Interfund transfers represent allocations of various revenues or expenses between funds.

M. Property Taxes and Special Assessments

Property taxes and special assessments are levied against real property on July 1st of each fiscal year and can be paid in two equal installments. The first and second installments are due November 1st and February 1st, respectively, and are considered delinquent if not paid before the close of business on December 10th and April 10th, respectively. After June 30th, delinquent taxes are in default, thereafter a property lien attaches to the secured property in the following fiscal year, on March 1st. Property in tax default can be sold after five years to pay off the delinquent taxes and accrued interest.

N. Accounting Changes and Error Corrections

In accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*, effective beginning fiscal year 2024, accounting changes and error corrections are classified and reported as follows:

- Changes in Accounting Principles: These are applied retroactively by restating prior periods. The cumulative effect of the change is reported as an adjustment to beginning net position of the earliest period presented.
- Changes in Accounting Estimates: These are reported prospectively in the period of change and future periods affected.
- Changes in the Reporting Entity: These are reported by adjusting the beginning balances of the current period.
- Error Corrections: Errors in previously issued financial statements are corrected by restating prior periods.

O. Compensated Absences

GASB Statement, No. 101, *Compensated Absences*, became effective for the District starting fiscal year ended June 30, 2025. This statement updates the recognition and measurement guidance for compensated absences under a unified model. Governments must recognize a liability for leave that is (1) attributable to services already rendered, (2) accumulates, and (3) is more likely than not to be used or paid. The liability is measured using the pay rate in effect at the financial statement date. Certain types of leave, such as parental or jury duty leave, are recognized only when the leave commences. The statement also revises disclosure requirements to improve clarity and comparability for users of financial statements.

OLIVEHURST PUBLIC UTILITY DISTRICT
Notes to Basic Financial Statements
June 30, 2025

Note 2: Summary of Significant Accounting Policies – Continued

P. Recent Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several new pronouncements that are effective for fiscal years beginning after June 15, 2025. The following standards may impact the financial reporting of the entity:

- GASB Statement No. 102 – Certain Risk Disclosures: This statement enhances transparency by requiring disclosure of vulnerabilities due to concentrations and constraints that could significantly affect financial position or operations. Governments must disclose relevant events and conditions that make them susceptible to substantial financial impact.
- GASB Statement No. 103 – Financial Reporting Model Improvements: This statement revises key components of the financial reporting model, including the presentation of the proprietary fund statement of revenues, expenses, and changes in net position, and updates to Management’s Discussion and Analysis (MD&A). It aims to improve the usefulness and clarity of governmental financial reports.
- GASB Statement No. 104 – Disclosure of Certain Capital Assets: This statement requires separate disclosure of specific types of capital assets to enhance the understandability of capital asset information in the notes to the financial statements.
- GASB Implementation Guide No. 2025-1: This guide provides authoritative clarification on various accounting issues, including cash flow reporting and classification of operating vs. nonoperating revenues and expenses. It supports consistent application of GASB standards and addresses practical implementation challenges.

The entity is currently evaluating the impact of these pronouncements on its financial statements and will implement them as required. Early application is encouraged, and adoption will be aligned with the effective dates and guidance provided by GASB.

OLIVEHURST PUBLIC UTILITY DISTRICT
Notes to Basic Financial Statements
June 30, 2025

Note 3: Cash And Investments

Cash and investments as of June 30, 2025, are classified in the accompanying financial statements as follows:

County investment pool	\$ 79,849,655
Deposit with financial institutions	401,024
Treasury obligations (cash with fiscal agent)	315,242
Cash on hand	1,250
	<u><u>\$ 80,567,171</u></u>

Investments Authorized by the District's Investment Policy

The District's treasurer is granted the authority to invest funds for the benefit of the District in accordance with California Government Code Section 53600, Chapter 4 – Financial Affairs.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The District deposits virtually all funds with the Treasurer of Yuba County, who is responsible for the investment of these funds in accordance with the investment policy of the County.

The District does not own any specific identifiable investments in the pool. The Yuba County Treasury is an external investment pool for the District and the District is considered an involuntary participant. The Yuba County Treasurer is accountable to the Yuba County Treasury Oversight Committee. The District's fair value portion in the pool was the same as the District's pool share. The County's Annual Comprehensive Financial Report disclosures cite that investments are reported at amortized cost which approximates fair value (fair value was approximately 100.4963% of carrying value). Further information regarding categorization of cash and investments held in the County pool can be found in the Yuba County's financial statements by contacting the County Treasurer at 915 8th Street, Suite 103, Marysville, CA 95901.

The following table shows the maturity date of each investment:

	<u>Maturity Date/Yield</u>
County investment pool	Due on demand, yield unknown

OLIVEHURST PUBLIC UTILITY DISTRICT
Notes to Basic Financial Statements
June 30, 2025

Note 3: Cash And Investments - Continued

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Yuba County investment pool does not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit Risk

The District's portfolio is concentrated primarily in the Yuba County investment pool.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities.

Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools such as the Yuba County investment pool.

OLIVEHURST PUBLIC UTILITY DISTRICT
Notes to Basic Financial Statements
June 30, 2025

Note 4: Capital Assets

Capital activity for the year ended June 30, 2025, is as follows in the tables below:

	<u>June 30, 2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>June 30, 2025</u>
Governmental Activities:					
Non-depreciating capital assets:					
Land	\$ 401,971	\$ -	\$ -	\$ -	\$ 401,971
Total non-depreciating assets	401,971	-	-	-	401,971
Depreciating capital assets:					
Plant and facilities	11,897,319	5,239,359	-	-	17,136,678
Building and improvements	2,170,408	25,250	-	-	2,195,658
Equipment and furnishings	5,474,527	-	(237,128)	-	5,237,399
Total cost, depreciating assets	19,542,254	5,264,609	(237,128)	-	24,569,735
Accumulated depreciation	(6,940,850)	(645,147)	209,534	-	(7,376,463)
Net depreciating capital assets	12,601,404	4,619,462	(27,594)	-	17,193,272
Net Governmental-type Capital Assets	<u>\$ 13,003,375</u>	<u>\$ 4,619,462</u>	<u>\$(27,594)</u>	<u>\$ -</u>	<u>\$ 17,595,243</u>
Business-Type Activities:					
Non-depreciating capital assets:					
Land	\$ 224,635	\$ -	\$ -	\$ -	\$ 224,635
Construction in progress	7,514,838	8,303,361	-	(2,524,098)	13,294,101
Total non-depreciating assets:	7,739,473	8,303,361	-	(2,524,098)	13,518,736
Depreciating capital assets:					
Plant and facilities	47,740,247	223,606	-	(176,501)	47,963,853
Building and improvements	26,225,580	-	-	2,524,098	26,225,580
Equipment and furnishings	7,768,831	510,547	-	176,501	8,279,378
Total cost, depreciating assets	81,734,658	734,153	-	2,524,098	82,468,811
Accumulated depreciation	(37,816,104)	(1,775,989)	-	-	(39,592,093)
Net depreciating capital assets	43,918,554	(1,041,836)	-	2,524,098	45,400,816
Net Business-type Capital Assets	<u>\$ 51,658,027</u>	<u>\$ 7,261,525</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,919,552</u>

Depreciation expense of \$645,147 was charged to fire and parks for the fiscal year ended June 30, 2025. \$669,900 was charged to water, and \$1,106,089 was charged to sewer, for a total of \$1,775,989 charged to business-type activities. The District recognized a government-wide total depreciation expense \$2,421,136 for the year.

OLIVEHURST PUBLIC UTILITY DISTRICT
Notes to Basic Financial Statements
June 30, 2025

Note 5: Developer Deposits

The District acts as a fiduciary agent for real estate developers in the Olivehurst Public Utility District. The cash funds are deposited by these developers to meet their financial obligation under an Agreement for Advanced Funding and Reimbursement, and an Agreement for Reimbursement of Funds for the Community Facilities District's formation costs. These cash deposits provided by the developers covered the initial development and construction costs of the water and sewer infrastructure, and the formation of the CFD under the Mello-Roos legislation which provided the District the funds for reimbursement to the developers. These deposits are tracked as a current liability under governmental activities on the Statement of Net Position.

Note 6: Long-Term Liabilities

Below is the activity of the District's long-term liabilities for the year ended June 30, 2025:

	Balance June 30, 2024 (restated)	Additions*	Reductions	Balance June 30, 2025	Current Portion
Governmental Activities:					
Refunding bonds	\$ 6,262,700	\$ -	\$ (329,300)	\$ 5,933,400	\$ 340,900
Compensated absences	70,919	42,195	-	113,114	42,552
Total Governmental	6,333,619	42,195	(329,300)	6,046,514	383,452
Business-Type Activities:					
Compensated absences	349,308	62,388	-	411,696	200,703
Loan payable	2,520,147	1,383,090	-	3,903,237	-
Total Business-Type	2,869,455	1,445,478	-	4,314,933	200,703
Total long-term liabilities	\$ 9,203,074	\$ 1,487,673	\$ (329,300)	\$ 10,361,447	\$ 584,155

*Note: Additions of compensated absences represents the net increase in the total liability.

Loan payable

On July 22, 2020, the Yuba Water Agency (YWA) agreed to loan \$1,750,000 to the District to fund the design of infrastructure systems to collect wastewater from and deliver potable water to property in and around the Highway 65 corridor. Debt service payments were not required for five years after the execution of the agreement and the loan balance did not accrue interest for the same initial five-year period. The District agrees to pay YWA the loan with interest accruing commencing five years after the date of the agreement at a rate equal to the average rate of interest earned by funds deposited with the Treasurer of Yuba County during the preceding twelve months of each year. The interest rate will be adjusted annually on June 30th. Repayment terms can be principal and interest in annual installments, a lump sum payment prior to June 30, 2030, or some combination of both. Funds collected by the District through capacity fees for the entertainment, employment, and industrial zones will serve as the basis for repayment of the loan, and the District is only required to repay the loan as such fees are collected. Subsequent increases to the loan were made on September 15, 2020, March 10, 2022, October 18, 2022, and June 12, 2025 of \$250,000, \$353,237, \$1,550,000, and \$1,383,090, respectively. The total amount of the loan as of June 30, 2025 was \$3,903,237. An amortization of this loan with scheduled payments is not currently available.

OLIVEHURST PUBLIC UTILITY DISTRICT
Notes to Basic Financial Statements
June 30, 2025

Note 6: Long-Term Liabilities - Continued

Plumas Lake Community Facilities District No. 2002-1 Special Tax Refunding Bonds

In July 2018, the Olivehurst Public Utility District, Plumas Lake Community Facilities District No. 2002-1 issued Special Tax Refunding Bonds in the aggregate principal amount of \$7,704,900, resolving the previously issued original 2005 and 2008 bond series. This debt was issued to finance the construction and reimbursement for costs of acquiring and constructing certain water and wastewater infrastructure improvements necessary for development of property within the CFD.

These bonds are limited obligations of the District payable from net special taxes levied within CFD No. 2002-1. The General Fund and broader taxing power of the District are not pledged.

This bond carries a nominal interest rate of 4.00%, with interest payment dates every 6 months, due every March and September 1st. It has a final maturity date of September 1, 2038, subject to mandatory redemption in prescribed amounts prior to maturity.

The schedule of payments to this maturity date are as follows:

Fiscal Year(s) Ended June 30,	Principal	Interest	Total
2026	\$ 340,900	\$ 230,518	\$ 571,418
2027	355,400	216,592	571,992
2028	369,400	202,096	571,496
2029	383,100	187,046	570,146
2030	399,700	171,390	571,090
2031-2035	2,250,300	598,870	2,849,170
2035-2039	1,834,600	227,232	2,061,832
	\$ 5,933,400	\$ 1,833,744	\$ 7,767,144

Compensated Absences

The District provides various forms of compensated absences to its employees, including annual leave, compensatory time, and sick leave. Liabilities for compensated absences are recognized in accordance with GASB Statement No. 101, *Compensated Absences*. Under GASB 101, a liability is recognized for leave that is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability is measured using the pay rates (and directly and incrementally associated salary-related payments) in effect as of the fiscal year-end.

OLIVEHURST PUBLIC UTILITY DISTRICT
Notes to Basic Financial Statements
June 30, 2025

Note 6: Long-Term Liabilities - Continued

Although the general manager and managerial staff follow separate policies based upon individual negotiated contracts, District policy is to allow employees to carryover unused compensated absences in the following manner:

- Annual Leave – maximum of 360 hours per non-exempt employee, 360 hours per exempt employee at the end of each calendar year.
- Compensated Time – maximum of 40 hours per employee is allowed at any time throughout the year and is cashed out to the employee at the end of each calendar year.
- Sick Leave – An employee can accrue up to 1,000 hours. Upon retirement, 25% of any accrued time is paid to an employee in good standing who is 53 or 55 years of age or older, depending on bargaining unit; and has 10 years of continuous service with the District.

Annual leave and sick leave are considered compensated absences that both accumulate and are more likely than not to be either used or paid; therefore, the District recognizes a liability for these estimated balances. Compensated time does not accumulate and roll forward beyond the fiscal year in which it was earned, and therefore is excluded from this liability.

Implementation of GASB 101 resulted in the adjustment of opening balances to accommodate the change in measurement after implementing this accounting policy change, as reconciled in Note 10. The schedule of restated opening balances, net changes, and ending balances of this liability estimate are included in the table above.

Note 7: Interfund Advances Receivable/Payable and Other Activity

In fiscal year 2016-2017, the Water Fund received a loan from the Sewer Fund in the amount of \$1,158,331. The proceeds of the loan were used to pay off the District's loan with the USDA. The interest rate on the advance is 1% and will be paid over a term of 18 years. The balance of the loan at June 30, 2025 was \$596,215.

In April 2022, the Water Fund received a loan from the Sewer Fund in the amount \$1,800,000. The proceeds of the loan were used to pay off the District's capacity fee reimbursement to the Plumas Lake Owners Group (PLOG). The interest rate on the advance is 1% and will be paid over a term of 20 years. The balance of the loan at June 30, 2025 was \$1,468,072.

OLIVEHURST PUBLIC UTILITY DISTRICT
Notes to Basic Financial Statements
June 30, 2025

Note 7: Interfund Advances Receivable/Payable and Other Activity – Continued

Developer Group Reimbursement Agreement

CFD 2002-1 was established under the Mello-Roos Act to finance specified public facilities. Under a Reimbursement and Fee Credit Agreement, the Plumas Lake Owners Group (PLOG) authorized the District to use available CFD proceeds for the construction of Well No. 34, the Manganese Treatment Expansion Improvement, and/or a water storage facility. Reimbursements to PLOG are funded through District-wide capacity fees as they become available. Well No. 34 was completed in 2012, and the Manganese Filter Project was completed in 2025. There are no outstanding reimbursement obligations to PLOG.

Note 8: Retirement Commitments

A. Plan Description

The District's pension plan allows employees the option of putting money in an Operating Engineers Pension Trust plan (based on maximum actual hours worked) or a Deferred Compensation plan with a bank. The Operating Engineers Pension Trust plan is only available to members of the union, and is defined by the union agreement with Operating Engineers Local Union No. 3 Public Employees Division.

B. Funding Policy

For active plan members in the pension plan, the District is required to contribute a percentage defined by the union agreement with Operating Engineers Local Union No. 3 Public Employees Division, and the Memorandum of Understanding with the employees. The maximum amount of contribution to a Deferred Compensation plan of the plan members are established by State statute. The District has created a Memorandum of Understanding (MOU) between itself and the full-time employees of the District. Under this MOU, the District contributes the amount that is required by the active plan members directly to the plan as described above.

C. Annual Pension Cost

It is the Engineer's Union and the District's position that their ratio constitutes an annual required contribution. For fiscal years ending June 30, 2023, 2024, and 2025, the total required contributions were as follows:

<u>Year Ended</u>	<u>Trust Plan</u>	<u>Deferred Plan</u>	<u>Total Cost</u>
June 30, 2023	\$ 58,433	\$ 329,164	\$ 387,597
June 30, 2024	\$ 60,145	\$ 350,172	\$ 410,317
June 30, 2025	\$ 65,907	\$ 394,394	\$ 460,301

D. Trend Information

Trend information is not available for presentation in these financial statements.

OLIVEHURST PUBLIC UTILITY DISTRICT
Notes to Basic Financial Statements
June 30, 2025

Note 8: Retirement Commitments - Continued

E. Related Party Investments

During the years described above, the pension plans held no securities issued by the District.

Note 9: Commitments and Contingencies

The District is subject to general risk and exposure due to normal operations in the course of business. These risks involve various claims against the District, both asserted and unasserted, all of which management considers to be immaterial to these financial statements.

Note 10: Adjustments to Opening Net Position and Fund Balances

During the year ended June 30, 2025, the District recorded adjustments to opening fund balance/net position to correct errors in previously issued financial statements and to implement a new accounting standard, GASB Statement No. 101, *Compensated Absences*. These adjustments affected beginning fund balance/net position and certain current-year classifications, as described below, in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*.

Correction of strike team revenue recognition error (governmental fund):

In the prior year, certain strike team revenues were recognized in the current year that related to services performed in the prior fiscal year. This error resulted in an understatement of beginning fund balance and an overstatement of current-year strike team revenues in the District's governmental fund. The District corrected this error by increasing beginning fund balance by \$86,520 and reducing current-year strike team revenues by that same amount in the accompanying governmental fund financial statements.

Correction of loan principal and interest classification error (fiduciary fund):

In the prior year, certain debt service payments for the CFD 2002-1 fiduciary fund loan were incorrectly classified between principal and interest, resulting in an overstatement of both the loan principal balance and interest expense. To correct this error, the District decreased beginning net position of the fiduciary fund by \$185,994 and decreased the related loan principal balance by the same amount. The correction also resulted in an increase of \$185,994 to interest expense in the current-year fiduciary fund financial statements, as the prior overstatement of principal and understatement of interest were corrected.

OLIVEHURST PUBLIC UTILITY DISTRICT
Notes to Basic Financial Statements
June 30, 2025

Note 10: Adjustments to Opening Net Position and Fund Balances - Continued

Implementation of GASB Statement No. 101, *Compensated Absences* (governmental and enterprise funds):

Effective July 1, 2024, the District implemented GASB Statement No. 101, *Compensated Absences*. Under GASB 101, the District recognizes liabilities for compensated absences that are attributable to services already rendered, that accumulate, and that are more likely than not to be used for time off or otherwise paid or settled. The liabilities are measured using pay rates and directly and incrementally associated salary-related payments in effect at the reporting date.

Implementation of GASB 101 resulted in an increase in the District's beginning compensated absences liabilities and corresponding decreases to beginning net position/fund balance as follows:

- Water proprietary fund – increase in compensated absences liability and decrease in beginning net position of \$48,554.
- Sewer proprietary fund – increase in compensated absences liability and decrease in beginning net position of \$40,283.
- Governmental activities (government-wide) – increase in compensated absences liability and decrease in beginning net position of \$19,672, along with a total impact on net change in net position of (\$42,195)

For the governmental fund financial statements, no material amount of the compensated absences liability was estimated to be liquidated with current financial resources within 60 days of year-end; therefore, the adjustment related to governmental activities is reported only at the government-wide level and did not affect beginning fund balance of the governmental fund.

Correction of fund-type classification:

The District previously identified the three funds for CFD 2002-1, CFD 2005-1, and Park Developer Fees as fiduciary. Additionally, CFD 2005-2 was previously aggregated with the General Fund. Upon closer examination of material activity within these funds during the fiscal year 2025, it was determined that these funds should have been classified as governmental capital projects funds. As a result, CFD 2002-1 and Park Developer Funds were reclassified as major funds within the governmental fund statements, and CFD 2005-1 was aggregated with another fund tracking CFD 2005-2 as nonmajor governmental funds.

The reclassification of the fiduciary funds resulted in the collective fund balances of \$22,715,570 to be aggregated with the opening balances of the governmental fund statements. Additionally, this resulted in the reduction of opening net position of governmental activities on the government-wide Statement of Activities by \$6,423,986.

OLIVEHURST PUBLIC UTILITY DISTRICT
Notes to Basic Financial Statements
June 30, 2025

Note 10: Adjustments to Opening Net Position and Fund Balances - Continued

A reconciliation of beginning fund balance/net position as previously reported to beginning fund balance/net position as adjusted for each affected reporting unit is presented in the following schedule (in the aggregate, by reporting unit) in accordance with GASB 100:

	Fund Statements		Government-wide Statements	
	Impact on current-year net change in fund balance	Impact on previously reported fund balance	Impact on current-year change in net position	Impact on previously reported government-wide net position
Governmental Activities:				
Error corrections - Restatement of governmental funds from fiduciary	\$ -	\$ 22,715,570	\$ -	\$ (6,423,986)
Error corrections - Strike Team Revenue	-	-	(86,520)	86,520
Error corrections - Debt service payments	-	-	-	185,994
Change in accounting principles - GASB 101	-	-	(42,195)	(19,672)
Total impact	<u>\$ -</u>	<u>22,715,570</u>	<u>(128,715)</u>	<u>(6,171,144)</u>
Previously reported fund balance/net position as of June 30, 2024		<u>13,466,124</u>		<u>49,133,822</u>
Fund balance/net position, beginning of year - restated		<u>\$ 36,181,694</u>		<u>\$ 42,962,678</u>
Business-type Activities:				
Change in accounting principles - GASB 101	<u>\$ -</u>	<u>\$ (88,837)</u>	<u>\$ -</u>	<u>\$ (88,837)</u>
Previously reported fund balance/net position as of June 30, 2024		<u>84,413,760</u>		<u>84,413,760</u>
Fund balance/net position, beginning of year - restated		<u>\$ 84,324,923</u>		<u>\$ 84,324,923</u>
Fiduciary Activities:				
Error corrections - Restatement of governmental funds from fiduciary	<u>\$ -</u>	<u>\$(22,715,570)</u>		
Previously reported fiduciary net position as of June 30, 2024		<u>22,715,570</u>		
Fiduciary net position, beginning of year - restated		<u>\$ -</u>		

OLIVEHURST PUBLIC UTILITY DISTRICT
Notes to Basic Financial Statements
June 30, 2025

Note 11: Subsequent Events

Management has evaluated subsequent events through June 11, 2026, the date which the financial statements were available to be issued. Based upon this evaluation it was determined that no other subsequent events occurred that require recognition or additional disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

OLIVEHURST PUBLIC UTILITY DISTRICT
Budgetary Comparison Schedule - General Fund
For the Year Ended
June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 2,569,200	\$ 2,569,200	\$ 2,568,238	\$ (962)
Service charges	672,294	672,294	716,983	44,689
Use of money and property	324,000	324,000	712,701	388,701
Mitigation fees	5,000	5,000	58,023	53,023
Intergovernmental revenues	570,000	570,000	549,972	(20,028)
Measure K revenue	240,000	240,000	327,088	87,088
Other revenues	72,137	72,137	101,165	29,028
	<u>4,452,631</u>	<u>4,452,631</u>	<u>5,034,170</u>	<u>581,539</u>
Expenditures				
Salaries and benefits	2,372,563	2,747,423	2,057,465	689,958
Services and supplies	2,217,161	2,408,861	1,180,041	1,228,820
Capital outlay	195,530	5,224,455	55,155	5,169,300
	<u>4,785,254</u>	<u>10,380,739</u>	<u>3,292,661</u>	<u>7,088,078</u>
Excess of Revenues Over Expenditures	<u>(332,623)</u>	<u>(5,928,108)</u>	<u>1,741,509</u>	<u>7,669,617</u>
Other Financing Sources (Uses):				
Transfers in	15,000	5,224,455	15,000	5,209,455
Transfers out	(4,500)	(4,500)	(5,000)	500
	<u>10,500</u>	<u>5,219,955</u>	<u>10,000</u>	<u>(5,209,955)</u>
Net Change in Fund Balance	<u>\$ (322,123)</u>	<u>\$ (708,153)</u>	<u>\$ 1,751,509</u>	<u>\$ 2,459,662</u>

See accompanying footnote.

OLIVEHURST PUBLIC UTILITY DISTRICT
Notes to Required Supplementary Information
June 30, 2025

Budgetary Basis of Accounting

The District prepares and legally adopts a final budget on or before August 30th of each fiscal year. Until the final budget is adopted, operations of the District commencing July 1st are governed by a continuing resolution which is adopted by the Board at their final meeting of the preceding fiscal year.

After the budget is approved, the appropriations can be added to, subtracted from, or changed only by Board resolution. All such changes must be within the revenues and reserve as estimated as available in the final budget or within revised revenue estimates as approved by the Board. During the fiscal year ended June 30, 2025, the Board of Directors approved all necessary supplementary appropriations.

An operating budget is adopted each fiscal year on the modified accrual basis. Additionally, encumbrance accounting is utilized to assure effective budgetary control. Encumbrances outstanding at year-end represent the estimated amount of the expenditures ultimately to result if the unperformed contracts in process at year-end are completed or purchase commitments satisfied. Such year-end encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year and included in the subsequent year's budget. Unencumbered appropriations lapse at year-end.

The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is at the object level except for fixed assets which are controlled at the sub-object level. Object levels of expenditures are as follows: salaries and benefits, services and supplies, other charges including debt service, capital outlay, contingencies, expenditure transfers, and other financing uses. Sub-object levels of expenditures for fixed assets are land, structures and improvements, and equipment.

For budgetary purposes, actual GAAP expenditures have been adjusted to include encumbrances outstanding at year-end. Encumbrance accounting is employed as an extension of formal budgetary integration of the General and Special Revenue Funds under the jurisdiction of the Board of Directors.

Capital outlay expenditures from the General Fund were below appropriations for fiscal year ended 2025.

SUPPLEMENTARY INFORMATION

OLIVEHURST PUBLIC UTILITY DISTRICT
Statement of Revenues and Expenditures by Function
General Fund
For the Fiscal Year Ended
June 30, 2025

	<u>Fire</u>	<u>Lighting</u>	<u>Parks and Recreation</u>	<u>Administration</u>	<u>Total General Fund</u>
Revenues					
Taxes and assessments	\$ 930,223	\$ 120,502	\$ 1,517,513	\$ -	\$ 2,568,238
Service charges	706,551	-	10,432	-	716,983
Use of money and property	25,226	-	56,153	631,322	712,701
Mitigation fees	58,023	-	-	-	58,023
Intergovernmental revenues	842,572	-	34,488	-	877,060
Other revenues	-	-	5,661	95,503	101,164
	<u>2,562,595</u>	<u>120,502</u>	<u>1,624,247</u>	<u>726,825</u>	<u>5,034,169</u>
Expenditures					
Salaries and benefits	1,404,642	-	263,481	389,342	2,057,465
Services and supplies	396,970	57,671	906,326	(180,926)	1,180,041
Capital outlay	-	-	55,155	-	55,155
	<u>1,801,612</u>	<u>57,671</u>	<u>1,224,962</u>	<u>208,416</u>	<u>3,292,661</u>
Excess of Revenues Over Expenditures	<u>\$ 760,983</u>	<u>\$ 62,831</u>	<u>\$ 399,285</u>	<u>\$ 518,409</u>	<u>\$ 1,741,508</u>

OLIVEHURST PUBLIC UTILITY DISTRICT
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

	<u>CFD 2005-1</u>	<u>CFD 2005-2</u>	<u>Total Nonmajor Governmental Funds</u>
Assets			
Cash and investments	\$ 765,494	\$ 137,171	\$ 902,665
Prepaid expense	<u>-</u>	<u>162</u>	<u>162</u>
Total assets	<u><u>\$ 765,494</u></u>	<u><u>\$ 137,333</u></u>	<u><u>\$ 902,827</u></u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ -	\$ 135	\$ 135
Developer and other deposits	<u>123,923</u>	<u>-</u>	<u>123,923</u>
Total liabilities	123,923	135	124,058
Fund Balances			
Restricted:			
Parks and facilities capital outlay	<u>641,571</u>	<u>137,198</u>	<u>778,769</u>
Total Liabilities and Fund Balances	<u><u>\$ 765,494</u></u>	<u><u>\$ 137,333</u></u>	<u><u>\$ 902,827</u></u>

OLIVEHURST PUBLIC UTILITY DISTRICT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended
June 30, 2025

	<u>CFD 2005-1</u>	<u>CFD 2005-2</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues			
Taxes and assessments	\$ -	\$ 372,905	\$ 372,905
Expenditures			
Services and supplies	<u>10,239</u>	<u>390,638</u>	<u>400,877</u>
Deficiency of Revenues Over Expenditures	(10,239)	(17,733)	(27,972)
Other Financing Sources (Uses):			
Transfers out	<u>(45,000)</u>	<u>-</u>	<u>(45,000)</u>
Net Change in Fund Balance	(55,239)	(17,733)	(72,972)
Fund Balances - beginning of year	<u>696,810</u>	<u>154,931</u>	<u>851,741</u>
Fund Balances - end of year	<u><u>\$ 641,571</u></u>	<u><u>\$ 137,198</u></u>	<u><u>\$ 778,769</u></u>