

Olivehurst Public Utility District



Agenda Item Staff Report

Meeting Date: April 17, 2025

Item description/summary:

Draft Financial Statements 2023-24 Audit

The 2023-24 Audit is nearing a late completion. Available are the Draft Financial Statements and Management Report. There are no findings (see 1-32)

Fiscal Analysis:

Highlights (Exhibit 1):

The District's Water and Wastewater Department asset portfolio consists of mostly capital assets - infrastructure, land, equipment used to provide services. Cash based assets include restricted capacity fees and unrestricted and board designated reserves. The General Funds' cash position decreased from \$16,448,964 in 2023 to \$15,503,9 June 2024 primarily caused by the Fire Department's purchase of the Sutphen Ladder Truck. The Water Fund's cash position increased from \$8,064,724 to \$11,778,191 June 2024. Wastewater cash position increased from \$20,127,833 June 2023 to \$24,720,539 June 2024. Largest additions to OPUD's asset and liability portfolio are presented on the first page of Exhibit 1.

Sample Motion:

Motion to accept 2023-24 Draft Financial Statements

Prepared by:

Karin Helvey, Financial Manager

Exhibit 1

2023-24 asset additions (> \$50,000)

	Balance June 30, 2023	Fire	Parks	Water	Wastewater	Funding Source
Firehouse Improvements (Roof & Driveway)		65,233				Reserves Mitigation
Sutphen Ladder Truck		1,926,659				Fees Measure K Loan
Type 3 Fire Truck , Model 34		400,947				from Administration
Type 6 FireTruck (5500 Dodge)		234,017				Reserve
Olivehurst Community Park - Splash pad	94,797		93,709			Prop 68 Park Grant
Manganese Filter Project	630,630			1,883,528		Capacity Fees
Olivehurst Steel Main Replacement				313,241		IRWM Grant
Wheeler Ranch Methane Project				92,138		YWA Grant - 2005-1 Assessment Balance
South County Project	5,120,604				148,149	YWA Loan/Grant
Rover Camera System (Collections)					176,501	Service Revenue

Exhibit 1

General Fund (Governmental Accounting)									Annual Audit page
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	
ASSETS									
Cash and investments	7,847,323	\$8,199,000	\$8,978,672	\$9,829,839	\$10,657,483	\$12,567,298	\$16,076,435	\$15,065,919	*
Accts receivable	295,700	\$154,249	\$79,385	\$134,337	\$32,964	\$115,689	\$372,529	\$438,052	
	\$8,143,023	\$8,353,249	\$9,058,057	\$9,964,176	\$10,690,447	\$12,682,987	\$16,448,964	\$15,503,971	11
LIABILITIES									
Accts payable	76,335	85,864	62,420	129,660	143,808	222,533	94,590	132,587	
Developer deposits	1,018,692	794,984	817,932	777,029	803,025	1,142,273	1,430,202	1,905,260	
	\$1,095,027	\$880,848	\$880,352	\$906,689	\$946,833	\$1,364,806	\$1,524,792	\$2,037,847	11
FUND BALANCE									
Restricted for fire mitigation	277,715	293,347	83,812	95,324	134,312	188,231	203,667	146,990	**
Restricted for capital asset repair		309,000	410,618	509,118	644,118	608,840	608,840	818,840	
Restricted for park maintenance	235,000	293,000	327,000	437,000	489,000	589,000	759,000	934,000	
Unassigned	6,535,281	6,577,054	7,356,275	8,016,045	8,560,402	9,932,110	13,352,665	11,566,294	
	\$7,047,996	\$7,472,401	\$8,177,705	\$9,057,487	\$9,827,832	\$11,318,181	\$14,924,172	\$13,466,124	11
TOTAL LIABILITIES AND FUND BALANCE									
	\$8,143,023	\$8,353,249	\$9,058,057	\$9,964,176	\$10,774,665	\$12,682,987	\$16,448,964	\$15,503,971	11

Exhibit 1

FIRE (Governmental Accounting)									Annual Audit page
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	
Revenues									
Taxes and assessments	\$ 566,824	\$ 552,860	\$ 609,815	\$ 760,198	\$ 713,454	\$ 793,054	\$ 887,300	\$ 917,714	
Service Charges	8,472	2,063	2,856	263,558	371,023	465,317	688,831	636,191	
Use of money and property	-		1,600	-				(25,226)	
Mitigation fees	3,352	12,868	33,504	50,217	103,383	215,810	209,841	116,509	
Intergovernmental revenues							199,859	322,865	
Strike team, grants	423,250	509,915	357,714	88,776	398,421	388,587	33,791		
Measure K						701,911	213,661		
Other revenues	6,136	2,255	66,493	105,487	5,857	5,200	7,479	1,676	
	\$ 1,008,034	\$ 1,079,961	\$ 1,071,982	\$1,268,236	\$1,592,138	\$2,569,879	\$2,240,762	\$1,969,729	15
Expenditures									
Salaries/benefits	\$ 580,785	\$ 605,676	\$ 638,174	\$ 686,492	\$ 926,734	\$ 1,018,074	\$ 1,157,565	\$ 1,263,620	
Services and supplies	159,709	197,545	181,204	180,107	143,729	201,900	262,312	220,715	
Capital outlay		497,431	83,113	59,131	74,919	10,477	313,165	2,684,100	
	\$740,494	\$1,300,652	\$902,491	\$925,730	\$1,145,382	\$1,230,451	\$1,733,042	\$4,168,435	15
Surplus/(Deficit)	\$267,540	(\$220,691)	\$169,491	\$342,506	\$446,756	\$1,339,428	\$507,720	(\$2,198,706)	
Restricted for fire mitigation	277,715	293,347	83,812	95,324	134,312	188,231	188,231	146,990	*
	\$277,715	\$293,347	\$83,812	\$95,324	\$134,312	\$188,231	\$188,231	\$146,990	

Exhibit 1

PARKS (Governmental Accounting)									
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Annual Audit page
Revenues									
Taxes and assessments	\$ 664,937	\$ 675,680	\$ 712,444	\$ 748,072	\$ 842,565	\$ 801,269	\$ 1,216,927	\$ 1,536,763	
Service Charges	14,410	\$15,242	\$12,139	5,181	1,200	6,495	15,598	34,958	
Use of money and property	37,063	\$41,603	\$47,079	48,517	48,508	41,348	49,942	524,252	
Mitigation fees	-	-	\$0	-	-	-	-	-	
Intergovernmental revenues	18,383	\$43,200	\$25,000	34,000	4,000	22,188	1,480,574	151,101	
Other revenues	238	\$630	\$64,300	380	1,479,975	9,028	5,000	89,453	
Total revenues	\$ 679,347	\$ 690,922	\$ 860,962	\$ 836,150	\$ 2,376,248	\$ 880,328	\$ 2,768,041	\$ 2,336,527	15
Expenditures									
Salaries/benefits	\$ 117,215	\$ 126,992	\$ 163,310	\$ 206,671	\$ 144,229	\$ 208,530	\$ 236,279	\$ 733,342	
Services and supplies	401,278	373,492	403,531	332,187	398,258	484,188	797,135	\$ 752,937	
Capital outlay	6,387	22,680	42,627	17,854	1,479,975	121,045	1,511,795	\$ 93,708	
Total expenditures	\$ 524,880	\$ 523,164	\$ 609,468	\$ 556,712	\$ 2,022,462	\$ 813,763	\$ 2,545,209	\$ 1,579,987	15
Surplus/Deficit	\$ 154,467	\$ 167,758	\$ 251,494	\$ 279,438	\$ 353,786	\$ 66,565	\$ 222,832	\$ 756,540	
Committed for park maintenance	235,000	293,000	327,000	437,000	489,000	589,000	759,000	934,000	
Total	\$ 235,000	\$ 293,000	\$ 327,000	\$ 437,000	\$ 489,000	\$ 589,000	\$ 759,000	\$ 934,000	

Exhibit 1

	WATER								Annual Audit page	
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24		
Service Fees	\$2,648,882	\$2,792,379	\$3,055,681	\$3,447,023	\$3,830,751	\$4,161,266	\$4,380,388	\$4,946,793		
Operating Expenses	\$2,493,979	\$2,215,918	\$3,857,976	\$3,857,976	\$3,379,166	\$3,520,438	\$3,738,592	\$3,856,002	17	
Annual Depreciation Expense - non-cash	560,740	552,430	552,335	554,514	556,958	572,375	578,257	588,996	17	
Operating Cash Balance & Reserves	(915,769)	(481,570)	109,150	517,721	1,340,861	3,308,406	3,493,173	4,398,738	16	*
Capacity Fee Cash Balance (restricted)	1,101,820	1,455,240	2,147,145	1,405,480	1,964,841	2,794,050	4,571,551	7,379,453		
Total Cash	\$186,051	\$973,670	\$2,256,295	\$1,923,201	\$3,305,701	\$6,102,456	\$8,064,724	\$11,778,191	16	
Capacity Fees Collected	\$244,326	\$353,420	\$691,905	\$191,491	\$604,776	\$2,540,950	\$1,624,472	\$2,815,214	17	
Fixed Assets(net of depreciation)	22,380,280	21,878,772	21,364,195	21,814,784	20,446,226	20,062,703	19,640,302	21,360,037	16	
					* Reserves	\$1,300,000	\$1,900,000	\$3,200,000		
					Operating Cash	\$2,008,406	\$1,593,173	\$1,198,738		

Exhibit 1

WASTEWATER

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Annual Audit page
Service Fees	\$3,727,172	\$3,694,839	\$3,767,996	\$3,748,422	\$3,999,059	\$4,418,624	\$5,057,792	
Operating Expenses	\$2,284,385	\$2,421,807	\$2,330,706	\$3,682,285	\$4,514,001	\$3,680,278	\$4,353,810	17
Annual Depreciation Expense - non-cash	1,210,294	1,176,914	1,181,827	1,183,338	1,218,672	1,207,552	1,106,192	17
Operating Cash Balance & Reserves	4,861,919	5,960,555	5,914,051	7,486,575	7,281,927	10,440,648	11,663,789	16 *
Capacity Fee Cash Balance (restricted)	6,172,305	8,029,972	10,772,169	11,895,884	11,846,430	9,687,185	13,056,750	
Total Cash	\$11,034,224	\$13,990,527	\$16,686,220	\$19,382,459	\$19,128,357	\$20,127,833	\$24,720,539	16
Capacity Fees Collected	\$685,985	\$1,857,667	\$1,112,610	\$1,348,572	\$1,618,555	\$1,515,881	\$3,089,946	17
Fixed Assets(net of depreciation)	29,689,048	29,018,709	28,013,296	26,948,756	26,140,949	31,066,715	30,297,990	16
				* Reserves	\$4,985,379	\$5,995,379	\$6,870,379	
				Operating Cash	\$1,511,540	\$4,445,269	\$4,793,410	

Exhibit 1

OLIVEHURST PUBLIC UTILITY DISTRICT

Our mission is to provide high quality services to enhance our community's quality of life.



BOARD OF DIRECTORS

Dennise Burbank

John Floe

MaryJane Griego

Lacey Nelson

Marc Perrault

GENERAL MANAGER

John Tillotson

April 11, 2025

Fechter & Company
Certified Public Accountants
3445 American River Drive, Suite A
Sacramento, CA 95864

Dear Fechter & Company, CPAs:

This representation letter is provided in connection with your audit of the financial statements of Olivehurst Public Utilities District, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of April 11, 2025, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 28, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) We approve and take responsibility for the schedule of audit adjustments as listed under Exhibit A of this letter .
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Olivehurst Public Utilities District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the District and involves-
 - o Management,
 - o Employees who have significant roles in internal control, or
 - o Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

18) We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements.

Government—specific

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.

21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

22) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.

23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

24) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.

25) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

26) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.

27) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

28) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

29) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

30) The financial statements include all fiduciary activities required by [GASBS No. 84](#).

31) The financial statements properly classify all funds and activities in accordance with [GASBS No. 34](#), as amended.

32) All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

**OLIVEHURST PUBLIC
UTILITY DISTRICT**
Olivehurst, California

**Annual Financial Report
With Independent Auditor's Report Thereon
June 30, 2024**

OLIVEHURST PUBLIC UTILITY DISTRICT

**Annual Financial Report
June 30, 2024**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2024, 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, 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, 2024, 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 Opinions

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 audit opinions.

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.

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

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.

Fechter & Company,
Certified Public Accountants

Sacramento, California
March 14, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

OLIVEHURST PUBLIC UTILITY DISTRICT

Management's Discussion and Analysis (Unaudited) June 30, 2024

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, 2024. 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

The annual financial report consists of the following three parts: Management's Discussion and Analysis, the Basic Financial Statements, and the Notes to the Basic Financial Statements.

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, 2024

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 other supplementary information comparing the District's budgeted amounts to actual results.

Financial Analysis of the District

The Statement of Net Position and the Statement of Revenues, Expenses, 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.

Financial Highlights for Fiscal Year 2023-2024

At June 30, 2024, the District's total assets exceeded total liabilities by \$110.8 million (net position).

- Current assets increased by \$7.5 million to \$53.5 million.
- Capital assets increased by \$3.2 million to \$64.7 million.
- Capital contributions and grants increased by \$1.2 million, or 21.4%, from the prior year.
- The Water Fund received a loan from a developer group for \$1.9 million during the fiscal year ended 2024.
- Expenses decreased by \$0.1 million, or 0.9%, from the prior year.

OLIVEHURST PUBLIC UTILITY DISTRICT

**Management’s Discussion and Analysis (Unaudited)
June 30, 2024**

Net Position

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

Statements of Net Position

	June 30, 2024			June 30, 2023			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	\$ 15,503,970	\$ 38,037,134	\$ 53,541,104	\$ 16,448,964	\$ 29,595,572	\$ 46,044,536	\$ 7,496,568	16.3%
Capital assets	13,003,375	51,658,027	64,661,402	10,781,603	50,707,017	61,488,620	3,172,782	5.2%
Total assets	28,507,345	89,695,161	118,202,506	27,230,567	80,302,589	107,533,156	10,669,350	9.9%
Liabilities:								
Current liabilities	2,055,995	2,587,517	4,643,512	1,547,978	657,372	2,205,350	2,438,162	110.6%
Long-Term liabilities	33,098	2,693,884	2,726,982	46,443	2,840,626	2,887,069	(160,087)	-5.5%
Total liabilities	2,089,093	5,281,401	7,370,494	1,594,421	3,497,998	5,092,419	2,278,075	44.7%
Net Position:								
Invested in capital assets, net of related debt	13,003,375	51,658,027	64,661,402	10,781,603	50,707,017	61,488,620	3,172,782	5.2%
Restricted	203,667	-	203,667	188,231	-	188,231	15,436	8.2%
Unrestricted	13,211,210	32,755,733	45,966,943	14,666,312	26,097,574	40,763,886	5,203,057	12.8%
Total net position	\$ 26,418,252	\$ 84,413,760	\$ 110,832,012	\$ 25,636,146	\$ 76,804,591	\$ 102,440,737	\$ 8,391,275	8.2%

As noted earlier, net position, over time, can be a useful indicator of a District’s financial position. In the case of the District, assets exceeded liabilities by \$110.8 million as of June 30, 2024 increasing from \$102.4 million at June 30, 2023.

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 2024, 58.3% of the District’s total net position was invested in capital assets.

OLIVEHURST PUBLIC UTILITY DISTRICT

**Management’s Discussion and Analysis (Unaudited)
June 30, 2024**

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. Revenues increased by \$0.4 million, or 1.7%, from the prior year. Expenses decreased by \$0.2 million, or 1.3%, from the prior year.

Statements of Activities

	June 30, 2024			June 30, 2023			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	\$ 671,149	\$ 10,004,585	\$ 10,675,734	\$ 762,361	\$ 8,957,990	\$ 9,720,351	\$ 955,383	9.8%
Operating contributions and grants	29,423	-	29,423	97,520	-	97,520	(68,097)	-69.8%
Capital contributions and grants	161,101	6,507,910	6,669,011	1,504,780	3,988,620	5,493,400	1,175,611	21.4%
General revenues								
Taxes and assessments	2,454,477	-	2,454,477	2,215,491	-	2,215,491	238,986	10.8%
Use of money and property	499,026	892,989	1,392,015	297,394	408,964	706,358	685,657	97.1%
Mitigation fees	116,509	-	116,509	209,841	-	209,841	(93,332)	-44.5%
Measure K revenue	283,442	-	283,442	291,794	-	291,794	(8,352)	100.0%
Gain on sale of assets	-	-	-	-	6,025	6,025	(6,025)	100.0%
Legal settlement	-	-	-	2,587,634	-	2,587,634	(2,587,634)	100.0%
Other revenues	89,454	-	89,454	12,479	-	12,479	76,975	616.8%
Total revenues	<u>4,304,581</u>	<u>17,405,484</u>	<u>21,710,065</u>	<u>7,979,294</u>	<u>13,361,599</u>	<u>21,340,893</u>	<u>369,172</u>	<u>1.7%</u>
Expenses								
Parks, fire, and administration	3,009,475	-	3,009,475	2,713,461	-	2,713,461	296,014	10.9%
Depreciation	498,794	-	498,794	465,283	-	465,283	33,511	7.2%
Water utility	-	4,465,081	4,465,081	-	4,777,878	4,777,878	(312,797)	-6.5%
Sewer utility	-	5,460,002	5,460,002	-	5,656,808	5,656,808	(196,806)	100.0%
Total expenses	<u>3,508,269</u>	<u>9,925,083</u>	<u>13,433,352</u>	<u>3,178,744</u>	<u>10,434,686</u>	<u>13,613,430</u>	<u>(180,078)</u>	<u>-1.3%</u>
Increase in net position before transfers	796,312	7,480,401	8,276,713	4,800,550	2,926,913	7,727,463	549,250	7.1%
Transfers	<u>10,000</u>	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>0.0%</u>
Change in net position	806,312	7,470,401	8,276,713	4,810,550	2,916,913	7,727,463	549,250	7.1%
Net position, beginning of year	25,636,146	76,804,591	102,440,737	20,825,596	71,434,441	92,260,037	10,180,700	11.0%
Prior period adjustment	<u>(24,206)</u>	<u>138,768</u>	<u>114,562</u>	<u>-</u>	<u>2,453,237</u>	<u>2,453,237</u>	<u>(2,338,675)</u>	<u>-</u>
Net position, beginning of year, restated	<u>25,611,940</u>	<u>76,943,359</u>	<u>102,555,299</u>	<u>20,825,596</u>	<u>73,887,678</u>	<u>94,713,274</u>	<u>7,842,025</u>	<u>8.3%</u>
Net position - end of year	<u>\$26,418,252</u>	<u>\$ 84,413,760</u>	<u>\$110,832,012</u>	<u>\$25,636,146</u>	<u>\$ 76,804,591</u>	<u>\$102,440,737</u>	<u>\$8,391,275</u>	<u>8.2%</u>

OLIVEHURST PUBLIC UTILITY DISTRICT

Management's Discussion and Analysis (Unaudited) June 30, 2024

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 \$430,420 from the original to the final budget. However, for the fiscal year ended June 30, 2024, actual revenues were 11.13% below the final budget. Actual expenditures were below the final budget by \$178,780 or 3%.

Capital Assets

The District's capital asset balances, net of accumulated depreciation, increased by \$3,175,648 from June 30, 2023 to June 30, 2024. During the fiscal year ended June 30, 2024, the District reported \$5,369,630 of additions, disposals of \$146,114 that were fully depreciated, and an increase in accumulated depreciation of \$2,193,982.

Additional information on the District's capital assets is provided in Note 5 of the financial statements.

Debt

As of June 30, 2024, the District had a loan payable of \$2,520,147 owed to the Yuba County Water Agency for the design of infrastructure systems to collect wastewater from and deliver potable water to property in and around the Highway 65 corridor. The District also had a loan payable of \$1,883,528 owed for a reimbursement agreement with a Developer.

Additional information on the District's debt is provided in Note 7 of the financial statements.

Economic Factors, Budget, and Rates

The Board of Directors adopted the District's 2023-24 Budget on June 15, 2023. The budget provides funding for the District's operating, capital, and debt service costs for the 2023-24 fiscal year. The District's water and sewer rates are reviewed periodically.

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, 2024**

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and investments	\$ 15,065,919	\$ 36,498,730	\$ 51,564,649
Accounts receivable, net	317,993	1,255,723	1,573,716
Interest receivable	112,037	247,081	359,118
Prepaid expenses	8,021	-	8,021
Inventory	-	35,600	35,600
Total current assets	15,503,970	38,037,134	53,541,104
Noncurrent assets:			
Capital assets, net of accumulated depreciation	13,003,375	51,658,027	64,661,402
Total Assets	28,507,345	89,695,161	118,202,506
Liabilities			
Current liabilities:			
Accounts payable	82,291	369,331	451,622
Payroll liabilities	50,296	55,680	105,976
Customer deposits	70,766	192,240	263,006
Reimbursement agreement payable	-	1,883,528	1,883,528
Developer deposits	1,834,494	-	1,834,494
Compensated absences	17,065	86,738	103,803
Total current liabilities	2,054,912	2,587,517	4,642,429
Non-current liabilities:			
Compensated absences, net of current portion	34,181	173,737	207,918
Loan payable	-	2,520,147	2,520,147
Total non-current liabilities	34,181	2,693,884	2,728,065
Total Liabilities	2,089,093	5,281,401	7,370,494
Net Position			
Net investment in capital assets	13,003,375	51,658,027	64,661,402
Restricted for fire mitigation	203,667	-	203,667
Unrestricted	13,211,210	32,755,733	45,966,943
Total Net Position	\$ 26,418,252	\$ 84,413,760	\$ 110,832,012

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

OLIVEHURST PUBLIC UTILITY DISTRICT

**Statement of Activities
For the Year Ended
June 30, 2024**

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	\$ 3,009,475	\$ 671,149	\$ 29,423	\$ 161,101	\$ (2,147,802)	\$ -	\$ (2,147,802)
Depreciation	498,794	-	-	-	(498,794)	-	(498,794)
Total Governmental Activities	<u>3,508,269</u>	<u>671,149</u>	<u>29,423</u>	<u>161,101</u>	<u>(2,646,596)</u>	<u>-</u>	<u>(2,646,596)</u>
Business-Type Activities:							
Water utility	4,465,081	4,946,793	-	3,122,594	-	3,604,306	3,604,306
Sewer utility	5,460,002	5,057,792	-	3,385,316	-	2,983,106	2,983,106
Total Business-type Activities	<u>9,925,083</u>	<u>10,004,585</u>	<u>-</u>	<u>6,507,910</u>	<u>-</u>	<u>6,587,412</u>	<u>6,587,412</u>
Total	<u>\$13,433,352</u>	<u>\$10,675,734</u>	<u>\$ 29,423</u>	<u>\$ 6,669,011</u>	<u>(2,646,596)</u>	<u>6,587,412</u>	<u>3,940,816</u>
General Revenues:							
Taxes and assessments					2,454,477	-	2,454,477
Use of money and property					499,026	892,989	1,392,015
Mitigation fees					116,509	-	116,509
Measure K revenue					283,442	-	283,442
Other revenues					89,454	-	89,454
Transfers					<u>10,000</u>	<u>(10,000)</u>	<u>-</u>
Total General Revenues					<u>3,452,908</u>	<u>882,989</u>	<u>4,335,897</u>
Change in net position					806,312	7,470,401	8,276,713
Net position - beginning of year					25,636,146	76,804,591	102,440,737
Prior period adjustment					<u>(24,206)</u>	<u>138,768</u>	<u>114,562</u>
Net position - beginning of year, restated					<u>25,611,940</u>	<u>76,943,359</u>	<u>102,555,299</u>
Net position - end of year					<u>\$26,418,252</u>	<u>\$ 84,413,760</u>	<u>\$110,832,012</u>

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

BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

OLIVEHURST PUBLIC UTILITY DISTRICT

**Balance Sheet - Governmental Fund
June 30, 2024**

	<u>General Fund</u>
Assets	
Cash and investments	\$ 15,065,919
Accounts receivable, net	317,993
Interest receivable	112,037
Prepaid expense	<u>8,022</u>
Total assets	<u><u>\$ 15,503,971</u></u>
Liabilities and Fund Balances	
Liabilities	
Accounts payable	\$ 82,291
Payroll liabilities	50,296
Developer and other deposits	<u>1,905,260</u>
Total liabilities	<u>2,037,847</u>
Fund Balances	
Restricted for fire mitigation	146,990
Committed for capital asset repair	818,840
Committed for park maintenance	934,000
Unassigned	<u>11,566,294</u>
Total fund balances	<u>13,466,124</u>
Total liabilities and fund balances	<u><u>\$ 15,503,971</u></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, 2024**

Fund Balances of Governmental Funds	\$ 13,466,124
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.	13,003,375
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.	<u>(51,247)</u>
Net position of governmental activities	\$ <u><u>26,418,252</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, 2024**

	<u>General Fund</u>
Revenues	
Taxes and assessments	\$ 2,454,477
Service charges	671,149
Use of money and property	499,026
Mitigation fees	116,509
Intergovernmental revenues	190,524
Measure K revenue	283,442
Other revenues	89,453
	<hr/>
Total Revenues	4,304,580
	<hr/>
Expenditures	
Salaries and benefits	1,996,962
Services and supplies	1,030,896
Capital outlay	2,720,564
	<hr/>
Total Expenditures	5,748,422
	<hr/>
Excess of Revenues Over Expenditures	(1,443,842)
Other Financing Sources (Uses):	
Transfers in	15,000
Transfers out	(5,000)
	<hr/>
Total Other Financing Sources (Uses)	10,000
	<hr/>
Net Change in Fund Balance	(1,433,842)
Fund Balances - beginning of year	14,924,172
Prior period adjustment	(24,206)
	<hr/>
Fund Balances - beginning of year, restated	14,899,966
	<hr/>
Fund Balances - end of year	\$ 13,466,124
	<hr/> <hr/>

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, 2024**

Net Change in Fund Balances - Total Governmental Funds	\$ (1,433,842)
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	2,720,565
Depreciation expense is recorded in the Statement of Activities but not in the Statement of Revenues, Expenditures, and Changes in Fund Balances	(498,794)
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.	<u>18,383</u>
Change in net position of governmental activities	<u><u>\$ 806,312</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 Balances by Function
Governmental Funds
For the Fiscal Year Ended
June 30, 2024**

	<u>Fire</u>	<u>Lighting</u>	<u>Parks and Recreation</u>	<u>Administration</u>	<u>Total General</u>
Revenues					
Taxes and assessments	\$ 917,714	\$ 115,371	\$ 1,421,392	\$ -	\$ 2,454,477
Service charges	636,191	-	12,804	22,154	671,149
Use of money and property	(25,226)	-	56,692	467,560	499,026
Mitigation fees	116,509	-	-	-	116,509
Intergovernmental revenues	322,865	-	151,101	-	473,966
Other revenues	1,676	-	28,563	59,214	89,453
Total Revenues	<u>1,969,729</u>	<u>115,371</u>	<u>1,670,552</u>	<u>548,928</u>	<u>4,304,580</u>
Expenditures					
Salaries and benefits	1,263,620	-	220,042	513,300	1,996,962
Services and supplies	220,715	54,887	890,408	(192,358)	973,652
Capital outlay	2,684,100	-	93,708	-	2,777,808
Total Expenditures	<u>4,168,435</u>	<u>54,887</u>	<u>1,204,158</u>	<u>320,942</u>	<u>5,748,422</u>
Excess of Revenues Over Expenditures	<u>\$ (2,198,706)</u>	<u>\$ 60,484</u>	<u>\$ 466,394</u>	<u>\$ 227,986</u>	<u>\$ (1,443,842)</u>

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

OLIVEHURST PUBLIC UTILITY DISTRICT

**Statement of Net Position - Proprietary Funds
June 30, 2024**

	Enterprise Funds		Totals
	Water	Sewer	
Assets			
Current assets			
Cash and investments	\$ 11,778,191	\$ 24,720,539	\$ 36,498,730
Accounts receivable, net of allowance \$135,709 and \$106,741, respectively	628,857	626,866	1,255,723
Interest receivable	76,754	170,327	247,081
Prepaid expenses	-	-	-
Inventory	35,600	-	35,600
Advance receivable	-	2,212,547	2,212,547
Total current assets	12,519,402	27,730,279	40,249,681
Non-current assets			
Capital assets, net of accumulated depreciation	21,360,037	30,297,990	51,658,027
Total assets	33,879,439	58,028,269	91,907,708
Liabilities and Net Position			
Current liabilities			
Accounts payable	171,379	197,952	369,331
Payroll liabilities	26,383	29,297	55,680
Customer deposits	141,120	51,120	192,240
Advance payable	2,212,547	-	2,212,547
Reimbursement agreement payable	1,883,528	-	1,883,528
Compensated absences	45,167	41,571	86,738
Total current liabilities	4,480,124	319,940	4,800,064
Non-current liabilities			
Compensated absences	90,469	83,268	173,737
Loan payable	-	2,520,147	2,520,147
Total non-current liabilities	90,469	2,603,415	2,693,884
Total liabilities	4,570,593	2,923,355	7,493,948
Net position			
Net investment in capital assets	21,360,037	30,297,990	51,658,027
Unrestricted	7,948,809	24,806,924	32,755,733
Total net position	\$ 29,308,846	\$ 55,104,914	\$ 84,413,760

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, 2024**

	Enterprise Funds		Total
	Water	Sewer	
Operating Revenues			
Charges for services	\$ 4,946,793	\$ 5,057,792	\$ 10,004,585
Operating Expenses			
Personnel costs	1,350,589	1,488,035	2,838,624
Operations and maintenance	2,505,413	2,865,775	5,371,188
Depreciation	588,996	1,106,192	1,695,188
Total operating expenses	<u>4,444,998</u>	<u>5,460,002</u>	<u>9,905,000</u>
Operating income	<u>501,795</u>	<u>(402,210)</u>	<u>99,585</u>
Non-Operating Revenues (Expenses)			
Capital improvement charges	2,815,214	3,089,946	5,905,160
Use of money and property	264,867	628,122	892,989
Capital grants	307,380	295,370	602,750
Gain on sale of assets	-	-	-
Capacity fees - Sanitary Sewer Overflow (SSO) expansion design	-	-	-
Capacity fees - Plumas Lake Owners Group (PLOG) reimbursement	-	-	-
Interest and amortization expense	(20,083)	-	(20,083)
Net non-operating revenues (expenses)	<u>3,367,378</u>	<u>4,013,438</u>	<u>7,380,816</u>
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>(10,000)</u>
Change in Net Position	3,864,173	3,606,228	7,470,401
Net position - beginning of year	25,305,905	51,498,686	76,804,591
Prior period adjustment	138,768	-	138,768
Net position - beginning of year, restated	<u>25,444,673</u>	<u>51,498,686</u>	<u>76,943,359</u>
Net position - end of year	<u>\$ 29,308,846</u>	<u>\$ 55,104,914</u>	<u>\$ 84,413,760</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, 2024**

	Enterprise Funds		Totals
	Water	Sewer	
Operating Activities			
Receipts from customers	\$ 4,716,227	\$ 5,200,652	\$ 9,916,879
Payments to suppliers and vendors	(2,414,009)	(2,710,859)	(5,124,868)
Payments for employee costs	(1,477,037)	(1,489,416)	(2,966,453)
Net cash provided by operating activities	<u>825,181</u>	<u>1,000,377</u>	<u>1,825,558</u>
Non-capital Financing Activities			
Capital improvement charges and other	2,815,214	3,089,946	5,905,160
Interfund transfers	(5,000)	(5,000)	(10,000)
Net cash provided by non-capital financing activities	<u>2,810,214</u>	<u>3,084,946</u>	<u>5,895,160</u>
Capital and Related Financing Activities			
Acquisition/purchase of capital assets	(2,169,963)	(337,467)	(2,507,430)
Grant revenue	307,380	295,370	602,750
Interest and penalties paid	(20,083)	-	(20,083)
Payments on capital financing loan	-	(147,220)	(147,220)
Proceeds from new loan	1,883,528	-	1,883,528
Interfund loans	(146,791)	146,791	-
Net cash used by capital and related financing activities	<u>(145,929)</u>	<u>(42,526)</u>	<u>(188,455)</u>
Investing Activities			
Investment earnings	224,001	549,909	773,910
Net cash provided by investing activities	<u>224,001</u>	<u>549,909</u>	<u>773,910</u>
Net increase in cash	3,713,467	4,592,706	8,306,173
Cash and investments - beginning of year	8,064,724	20,127,833	28,192,557
Cash and investment - end of year	<u>\$ 11,778,191</u>	<u>\$ 24,720,539</u>	<u>\$ 36,498,730</u>
Reconciliation of Operating Income to			
Net Cash Provided by Operating Activities:			
Operating income (loss)	\$ 501,795	\$ (402,210)	\$ 99,585
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	588,996	1,106,192	1,695,188
Uncollectible receivables	7,762	6,638	14,400
Change in Assets and Liabilities:			
Receivables	(249,828)	136,222	(113,606)
Prepaid expenses	55,417	35,106	90,523
Inventory	(7,627)	-	(7,627)
Accounts payable and accrued expenses	43,614	119,810	163,424
Payroll liabilities	(131,961)	3,415	(128,546)
Customer deposits	11,500	-	11,500
Compensated absences	5,513	(4,796)	717
Net cash provided by operating activities	<u>\$ 825,181</u>	<u>\$ 1,000,377</u>	<u>\$ 1,825,558</u>

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

OLIVEHURST PUBLIC UTILITY DISTRICT

**Statement of Fiduciary Net Position
June 30, 2024**

	<u>CFD 2002-1</u>	<u>CFD 2005-1</u>	<u>Park Developer Fees</u>	<u>Total Agency Funds</u>
Assets				
Cash and investments	\$ 2,104,536	\$ 820,733	\$19,588,495	\$22,513,764
Cash with fiscal agent	302,278	-	-	302,278
Interest receivable	24,708	-	145,999	170,707
Receivable - property owners	6,423,986	-	-	6,423,986
Total assets	<u>8,855,508</u>	<u>820,733</u>	<u>19,734,494</u>	<u>29,410,735</u>
 Liabilities				
Due to others	122,014	-	534	122,548
Park development fees deposits	-	123,923	-	123,923
Bonds payable	6,448,694	-	-	6,448,694
Total liabilities	<u>6,570,708</u>	<u>123,923</u>	<u>534</u>	<u>6,695,165</u>
Fiduciary Net Position	<u><u>\$ 2,284,800</u></u>	<u><u>\$ 696,810</u></u>	<u><u>\$19,733,960</u></u>	<u><u>\$22,715,570</u></u>

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

OLIVEHURST PUBLIC UTILITY DISTRICT

**Statement of Changes in Fiduciary Net Position
June 30, 2024**

	<u>CFD 2002-1</u>	<u>CFD 2005-1</u>	<u>Park Developer Fees</u>	<u>Total Agency Funds</u>
Additions				
Special assessments	\$ 471,309	\$ -	\$ -	\$ 471,309
Development impact and admin fees	-	-	2,704,892	2,704,892
Interest income	98,043	-	515,111	613,154
Total Additions	<u>569,352</u>	<u>-</u>	<u>3,220,003</u>	<u>3,789,355</u>
Deductions				
Admin expense	18,427	-	-	18,427
Contributed capital outlay	1,883,528	-	12,029	1,895,557
Interest expense	431,374	-	-	431,374
Total Deductions	<u>2,333,329</u>	<u>-</u>	<u>12,029</u>	<u>2,345,358</u>
Net Change in Fiduciary Net Position	(1,763,977)	-	3,207,974	1,443,997
Fiduciary Net Position - Beginning	4,048,777	712,665	16,535,648	21,297,090
Prior Period Adjustment	<u>-</u>	<u>(15,855)</u>	<u>(9,662)</u>	<u>(25,517)</u>
Fiduciary Net Position - Beginning, Restated	<u>4,048,777</u>	<u>696,810</u>	<u>16,525,986</u>	<u>21,271,573</u>
Fiduciary Net Position - Ending	<u><u>\$ 2,284,800</u></u>	<u><u>\$ 696,810</u></u>	<u><u>\$19,733,960</u></u>	<u><u>\$22,715,570</u></u>

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

OLIVEHURST PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements June 30, 2024

NOTE 1: DEFINING THE FINANCIAL REPORTING ENTITY

The District was established in November 1948 to provide high quality services 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, 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.

OLIVEHURST PUBLIC UTILITY DISTRICT

**Notes to Basic Financial Statements
June 30, 2024**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

A. Basis of Presentation - continued

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.

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 uses one governmental fund, the general fund.

OLIVEHURST PUBLIC UTILITY DISTRICT

**Notes to Basic Financial Statements
June 30, 2024**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Fund Accounting - continued

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.

Fiduciary Funds

The District’s fiduciary funds are agency funds that account for assets held by the District as an agent for the state and various local governments. These funds typically do not involve a formal trust agreement and are used to account for situations where the role is purely custodial such as the receipt, temporary investment or remittance of fiduciary resources. The District reports three fiduciary funds: CFD 2002-1, CFD 2005-1, and Park Developer Fees.

D. Budget

The Board of Directors prepares a budget for the general fund and enterprise funds by August 1st 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, 2024**

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 donated. Improvements are capitalized if they are material in amount. The cost of normal maintenance and repairs that do not add to the value of the asset, or materially extend the asset's life, are not capitalized.

OLIVEHURST PUBLIC UTILITY DISTRICT

**Notes to Basic Financial Statements
June 30, 2024**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

I. Property, Plant, and Equipment - continued

The District depreciates capital assets to spread their costs over the estimated useful lives of the assets, in order that each fiscal year absorbs its share of capital asset costs. 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, 2024**

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.

Fund balances are now broken out 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, 2024**

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 “due to/from other funds”.

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. New Pronouncements – Future Years

The following new Governmental Accounting Standards Board (GASB) Statements may have an effect on the financial statements of the District in future years:

Statement No.100	<i>“Accounting Changes and Error Corrections”</i>	The provisions of this statement are effective for fiscal years beginning after June 15, 2023.
Statement No.101	<i>“Compensated Absences”</i>	The provisions of this statement are effective for fiscal years beginning after December 15, 2023.

NOTE 3: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Management is not aware of any material violations of finance-related legal or contractual provisions in any of the funds of the District.

OLIVEHURST PUBLIC UTILITY DISTRICT

**Notes to Basic Financial Statements
June 30, 2024**

NOTE 4: CASH AND INVESTMENTS

Cash and investments as of June 30, 2024, are classified in the accompanying financial statements as follows:

Statement of Net Position - Cash and investments	\$ 51,564,648
Statement of Fiduciary Net Position:	
Cash and investments	22,513,764
Cash with fiscal agent	302,278
Total Cash and Investments	<u>\$ 74,380,689</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.

County investment pool	\$ 73,846,095
Deposit with financial institutions	231,066
Treasury obligations (cash with fiscal agent)	302,278
Cash on hand	1,250
	<u>\$ 74,380,689</u>

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 (fair value was 99.4786% of carrying value). 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.

OLIVEHURST PUBLIC UTILITY DISTRICT

**Notes to Basic Financial Statements
June 30, 2024**

NOTE 4: CASH AND INVESTMENTS - CONTINUED

The following table shows the maturity date of each investment:

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

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, 2024**

NOTE 5: CAPITAL ASSETS

Capital activity for the year ended June 30, 2024, is as follows in the tables below:

	Balance June 30, 2023	Additions	Disposals	Balance June 30, 2024
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	-	-	11,897,319
Building and improvements	2,011,466	158,941	-	2,170,407
Equipment and furnishings	3,059,017	2,561,624	(146,114)	5,474,527
Total cost, depreciating assets	16,967,802	2,720,565	(146,114)	19,542,253
Accumulated depreciation	(6,588,170)	(498,794)	146,114	(6,940,850)
Net, depreciating capital assets	10,379,632	2,221,771	-	12,601,403
Net Governmental-type Capital Assets	<u>\$10,781,603</u>	<u>\$ 2,221,771</u>	<u>\$ -</u>	<u>\$13,003,374</u>
	Balance June 30, 2023	Additions	Disposals	Balance June 30, 2024
Business Type Activities:				
Non-depreciating capital assets:				
Land	\$ 224,635	\$ -	\$ -	\$ 224,635
Construction in progress	5,120,604	2,394,235	-	7,514,839
Total non-depreciating assets:	5,345,239	2,394,235	-	7,739,474
Depreciating capital assets:				
Plant and facilities	47,549,946	190,301	-	47,740,247
Building and improvements	26,178,483	47,097	-	26,225,580
Equipment and furnishings	7,754,267	14,565	-	7,768,832
Total cost, depreciating assets	81,482,696	251,963	-	81,734,659
Accumulated depreciation	(36,120,918)	(1,695,188)	-	(37,816,106)
Net depreciating capital assets	45,361,778	(1,443,225)	-	43,918,553
Net Business-type Capital Assets	<u>\$50,707,017</u>	<u>\$ 951,010</u>	<u>\$ -</u>	<u>\$51,658,027</u>

Depreciation expense of \$498,794 was charged to fire and parks, \$588,996 was charged to water, and \$1,106,192 was charged to sewer for a total of \$2,193,982 for the year.

OLIVEHURST PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements June 30, 2024

NOTE 6: 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.

NOTE 7: LONG-TERM LIABILITIES

Below is the activity of the District's long-term liabilities for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Current Portion
Governmental Activities:					
Compensated absences	\$ 69,629	\$ -	\$ (18,383)	\$ 51,246	\$ 17,065
Business-Type Activities:					
Compensated absences	259,758	717	-	260,475	86,738
Loan payable	2,667,367	-	(147,220)	2,520,147	-
Total Business-Type	2,927,125	717	(147,220)	2,780,622	86,738
Total long-term liabilities	\$ 2,996,754	\$ 717	\$ (165,603)	\$ 2,831,868	\$ 103,803

Compensated Absences

The District accounts for compensated absences (unpaid vacation and sick leave) in accordance with Financial Accounting Standards Board Statement No. 43, *Accounting for Compensated Absences*. Accordingly, vested or accumulated benefits are recorded as an expense as the benefits accrue or are earned. The general manager and managerial staff follow separate policies based upon individual negotiated contracts.

The District policy is to allow employees to carryover unused compensated absences in the following manner:

- Annual Leave – maximum of 280 hours per non-exempt employee, 320 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 years of age or older and has 15 years of continuous service with the District.

OLIVEHURST PUBLIC UTILITY DISTRICT

**Notes to Basic Financial Statements
June 30, 2024**

NOTE 7: LONG-TERM OBLIGATIONS - CONTINUED

Loan payable

On July 22, 2020, the Yuba County 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 are not required for five years after the execution of the agreement and the loan balance will 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. 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. The ability of the District to repay the loan is based on the collection of sufficient capacity fees 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, and October 18, 2022 of \$250,000, \$353,237, and \$1,550,000, respectively. The total amount of the loan as of June 30, 2024 was \$2,353,237. The District had drawn down \$314,130 of that amount in fiscal year ended 2023, after which payments commenced. In 2024, the loan balance was reduced by \$147,220 to \$2,520,147. On June 20, 2024, the YWA agreed to the additional grant in the amount of \$2,376,000.

NOTE 8: 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 \$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, 2024 was \$660,249.

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, 2024 was \$1,552,296.

Developer Group Reimbursement Agreement

The CFD 2005-1 was established to hold the proceeds of a 2005 bond issue to finance the construction of water and sewer infrastructure in South Plumas Lake and to record assessment collections and bond payments. The District has signed a reimbursement agreement with Plumas Lake Owners Group (PLOG), along with several subsequent amendments, where remaining in the bond proceeds were designated to a well and water Storage Facility.

During the fiscal year ended 2024, the CFD 2002-1 fiduciary fund purchased capital assets on behalf of the District for \$1,883,528. This amount was repaid from subsequent capacity fees to an outside developer group on March 14, 2025.

OLIVEHURST PUBLIC UTILITY DISTRICT

**Notes to Basic Financial Statements
June 30, 2024**

NOTE 9: SPECIAL ASSESSMENT DEBT

The District acts as an agent for property owners in collecting special assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings, when appropriate. The District is not liable for the repayment of the special assessment bonds, and accordingly, they are not reflected in the accompanying basic financial statements. Since the District acts as an agent for the property owners, only year-end balances relating to the special assessment debt is reported in the Agency Funds.

At June 30, 2023, the following special assessment debt was outstanding:

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

On July 31, 2018, the Plumas Lake Community Facility District (CFD) 2002-1 issued \$7,704,900 of Special tax bonds, with an interest rate of 4.0%. The principal purpose of these bonds was to refund the District’s outstanding Plumas Lake Community Facilities District No. 2002-1 Special Tax Bonds, Series 2005, and Plumas Lake Community Facilities District No. 2002-1 Subordinate Special Tax Bonds, Series 2008, whose principal purpose was to provide funding for the costs of acquiring and constructing certain water and wastewater infrastructure improvements necessary for development of property within the CFD. The outstanding balance of the new bonds was \$6,448,694 at June 30, 2024.

NOTE 10: 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.

OLIVEHURST PUBLIC UTILITY DISTRICT

**Notes to Basic Financial Statements
June 30, 2024**

NOTE 10: RETIREMENT COMMITMENTS - CONTINUED

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, 2022, 2023, and 2024, 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, 2022	\$ 43,487	\$ 264,976	\$ 308,463
June 30, 2023	\$ 58,433	\$ 329,164	\$ 387,597
June 30, 2024	\$ 60,145	\$ 350,172	\$ 410,317

D. Trend Information

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

E. Related Party Investments

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

NOTE 11: 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 12: PRIOR PERIOD ADJUSTMENTS

The District reported a prior period adjustment to the General Fund to reverse the effects of a duplicate receivable entry posted to June 30, 2023 for a grant program. The receivable was reversed effective in the fiscal year ended June 30, 2023, reducing previously reported revenues and fund balance by \$24,206. The District also reported a prior period adjustment to the Water Fund to capitalize previous capital outlay for an uncertain project, increasing capital assets and fund balance by \$138,768.

NOTE 13: SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 14, 2025, 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, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 1,840,400	\$ 1,844,900	\$ 2,454,477	\$ 609,577
Service charges	663,076	663,076.00	671,149	8,073
Use of money and property	64,000	64,000.00	499,026	435,026
Mitigation fees	85,000	85,000.00	116,509	31,509
Intergovernmental revenues	185,000	185,000.00	190,524	5,524
Measure K revenue	240,000	240,000.00	283,442	43,442
Legal settlement	-	-	-	-
Other revenues	58,000	58,000.00	89,453	31,453
Total Revenues	<u>3,135,476</u>	<u>3,139,976</u>	<u>4,304,580</u>	<u>1,164,604</u>
Expenditures				
Salaries and benefits	1,986,542	1,986,542	1,996,962	(10,420)
Services and supplies	1,919,226	1,919,226	1,030,896	888,330
Capital outlay	2,244,147	2,244,147	2,720,564	(476,417)
Total Expenditures	<u>6,149,915</u>	<u>6,149,915</u>	<u>5,748,422</u>	<u>401,493</u>
Excess of Revenues Over Expenditures	<u>(3,014,439)</u>	<u>(3,009,939)</u>	<u>(1,443,842)</u>	<u>1,566,097</u>
Other Financing Sources (Uses):				
Transfers in	15,000	15,000.00	15,000	-
Transfers out	(5,000)	(5,000.00)	(5,000)	-
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (3,004,439)</u>	<u>\$ (2,999,939)</u>	<u>\$ (1,433,842)</u>	<u>\$ 1,566,097</u>

See accompanying footnote.

OLIVEHURST PUBLIC UTILITY DISTRICT

Notes to Required Supplementary Information June 30, 2024

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, 2024, 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 were over appropriations for fiscal year ended 2024.