

Olivehurst Public Utility District



Agenda Item Staff Report

Meeting Date: February 15, 2024

Item description/summary:

Audit Completion FY 2022-23

The Management Audit report and Financial Statements for the fiscal year ending June 30, 2023 were issued. The Management Letter presents an unqualified opinion, which expresses the auditor's judgment that OPUD's financial records and statements are fairly and appropriately presented and in accordance with Generally Accepted Accounting Principles (GAAP).

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 increased from \$12,567,298 in 2022 to \$16,448,964 June 2023. The Water Fund's cash position increased from \$6,102,456 to \$8,064,724 June 2023. Wastewater cash position increased from \$19,128.357 June 2022 to \$20,127,833 June 2023. Largest additions to OPUD's asset and liability portfolio:

2022-23 asset additions (> \$90,000)

	Fire	Parks	Water	Wastewater	Funding Source
Firehouse Expansion	310,000				Measure K
Olivehurst Community Park - Splash pad		94,797			Prop 68 Grant
Riverside Meadows Park		943,700			Park Reimbursement Agreement/Park Development Fees
Feather Glenn Park Land		386,293			Developer
Manganese Filter Project			630,630		Water Capacity Fees
Riverside Meadows liftstation				599,720	Developer
Construction in Progress - South County project				5,120,604	Yuba Water Agency Grant/Loan

2022-23 Liability Additions

Loan from Yuba Water Agency to Wastewater for South County Project				\$2,667,367	Future capacity fees
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Sample Motion:

Motion to accept 2022-23 Financial Statements

Prepared by:

Karin Helvey, Financial Manager

Exhibit 1

General Fund (Governmental Accounting)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Annual Audit page
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	*
Accts receivable	295,700	\$154,249	\$79,385	\$134,337	\$32,964	\$115,689	\$372,529	
	\$8,143,023	\$8,353,249	\$9,058,057	\$9,964,176	\$10,690,447	\$12,682,987	\$16,448,964	11
LIABILITIES								
Accts payable	76,335	85,864	62,420	129,660	143,808	222,533	94,590	
Developer deposits	1,018,692	794,984	817,932	777,029	803,025	1,142,273	1,430,202	
	\$1,095,027	\$880,848	\$880,352	\$906,689	\$946,833	\$1,364,806	\$1,524,792	11
FUND BALANCE								
Restricted for fire mitigation	277,715	293,347	83,812	95,324	134,312	188,231	203,667	**
Restricted for capital asset repair		309,000	410,618	509,118	644,118	608,840	608,840	
Restricted for park maintenance	235,000	293,000	327,000	437,000	489,000	589,000	759,000	
Unassigned	6,535,281	6,577,054	7,356,275	8,016,045	8,560,402	9,932,110	13,352,665	
	\$7,047,996	\$7,472,401	\$8,177,705	\$9,057,487	\$9,827,832	\$11,318,181	\$14,924,172	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	11

* Settlement & Measure K

** Does not include Hard Rock in-lieu fees

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Exhibit 1

FIRE (Governmental Accounting)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Annual Audit page
Revenues								
Taxes and assessments	\$ 566,824	\$ 552,860	\$ 609,815	\$ 760,198	\$ 713,454	\$ 793,054	\$ 887,300	
Service Charges	8,472	2,063	2,856	263,558	371,023	465,317	688,831	
Use of money and property	-		1,600	-				
Mitigation fees	3,352	12,868	33,504	50,217	103,383	215,810	209,841	
Intergovernmental revenues							199,859	
Strike team, grants	423,250	509,915	357,714	88,776	398,421	388,587	33,791	(Due to Admin)
Measure K						701,911	213,661	15
Other revenues	6,136	2,255	66,493	105,487	5,857	5,200	7,479	
	\$ 1,008,034	\$ 1,079,961	\$ 1,071,982	\$1,268,236	\$1,592,138	\$2,569,879	\$2,240,762	15
Expenditures								
Salaries/benefits	\$ 580,785	\$ 605,676	\$ 638,174	\$ 686,492	\$ 926,734	\$ 1,018,074	\$ 1,157,565	
Services and supplies	159,709	197,545	181,204	180,107	143,729	201,900	262,312	
Capital outlay		497,431	83,113	59,131	74,919	10,477	313,165	
	\$740,494	\$1,300,652	\$902,491	\$925,730	\$1,145,382	\$1,230,451	\$1,733,042	15
Surplus/(Deficit)	\$267,540	(\$220,691)	\$169,491	\$342,506	\$446,756	\$1,339,428	\$507,720	
Restricted for fire mitigation	277,715	293,347	83,812	95,324	134,312	188,231	203,667	*
	\$277,715	\$293,347	\$83,812	\$95,324	\$134,312	\$188,231	\$203,667	

* Does not include Hard Rock in-lieu fees

Exhibit 1

PARKS (Governmental Accounting)

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

Exhibit 1

WATER

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Annual Audit page
Service Fees	\$2,279,847	\$2,648,882	\$2,792,379	\$3,055,681	\$3,447,023	\$3,830,751	\$4,161,266	\$4,380,388	
Operating Expenses	\$2,063,070	\$2,493,979	\$2,215,918	\$3,857,976	\$3,857,976	\$3,379,166	\$3,520,438	\$3,738,592	17
Annual Depreciation Expense - non-cash	565,064	560,740	552,430	552,335	554,514	556,958	572,375	578,257	17
Operating Cash Balance & Reserves	(857,494)	(915,769)	(481,570)	109,150	517,721	1,340,861	3,308,406	3,493,173	16 *
Capacity Fee Cash Balance (restricted)	857,494	1,101,820	1,455,240	2,147,145	1,405,480	1,964,841	2,794,050	4,571,551	
Total Cash	\$0	\$186,051	\$973,670	\$2,256,295	\$1,923,201	\$3,305,701	\$6,102,456	\$8,064,724	16
Capacity Fees Collected	\$7,476	\$244,326	\$353,420	\$691,905	\$191,491	\$604,776	\$2,540,950	\$1,624,472	17
Fixed Assets (net of depreciation)	22,943,774	22,380,280	21,878,772	21,364,195	21,814,784	20,446,226	20,062,703	19,640,302	16

* Reserves \$1,300,000 \$1,900,000
 Operating Cash \$2,008,406 \$1,593,173

Exhibit 1

WASTEWATER

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Annual Audit page
Service Fees	\$3,071,011	\$3,443,305	\$3,727,172	\$3,694,839	\$3,767,996	\$3,748,422	\$3,999,059	\$4,418,624	
Operating Expenses	\$2,342,200	\$2,480,241	\$2,284,385	\$2,421,807	\$2,330,706	\$3,682,285	\$4,514,001	\$3,680,278	17
Annual Depreciation Expense - non-cash	1,216,449	1,221,101	1,210,294	1,176,914	1,181,827	1,183,338	1,218,672	1,207,552	17
Operating Cash Balance & Reserves	3,746,028	3,382,040	4,861,919	5,960,555	5,914,051	7,486,575	7,281,927	10,440,648	16 *
Capacity Fee Cash Balance (restricted)	5,327,107	5,486,320	6,172,305	8,029,972	10,772,169	11,895,884	11,846,430	9,687,185	
Total Cash	\$9,073,135	\$8,868,360	\$11,034,224	\$13,990,527	\$16,686,220	\$19,382,459	\$19,128,357	\$20,127,833	16
Capacity Fees Collected	\$423,585	\$159,213	\$685,985	\$1,857,667	\$1,112,610	\$1,348,572	\$1,618,555	\$1,515,881	17
Fixed Assets(net of depreciation)	31,784,026	30,670,688	29,689,048	29,018,709	28,013,296	26,948,756	26,140,949	31,066,715	16 **

* Reserves \$4,985,379 \$5,995,379
 Operating Cash \$1,511,540 \$4,445,269

** Capitalized design costs of South County project