

OLIVEHURST PUBLIC UTILITY DISTRICT

2021-22 Highlights

SOME BASICS

OPUD's financial year runs from July through June

Accrual Accounting (OPUD)

Record Revenues when actually earned and Expenses actually incurred (revenue \neq cash)

Cash Accounting

Record Inflows and Outflows of Cash concurrent with Revenues and Expenses (revenue = cash)

OPUD's uses Fund Accounting

(General Fund, Special Revenue Fund, Enterprise Fund**, Agency Funds)


The District's variety of services resemble the operations of a city or county.

** Enterprise Fund=Proprietary Fund= Service Fees pay for Operations

AUDIT COMPONENTS

- ▶ Management Letter
 - ▶ Financial Statements
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2021-22 AUDIT MANAGEMENT LETTER

- ▶ Scope of Audit procedures
 - ▶ Recommendations
 - ▶ Findings (last paragraph of management letter)
 - ▶ No Findings
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- A decorative graphic consisting of several parallel white lines of varying lengths, slanted upwards from left to right, located in the bottom right corner of the slide.

2021-22 AUDIT

FINANCIAL STATEMENTS

- ▶ Statement of Financial Position (Balance Sheet)
- ▶ Statement of Activities (Income Statement)
- ▶ Statement of Cash Flows
- ▶ Statement of Functional Expenses (Parks-Fire-Water-Sewer-Administration)
- ▶ Notes to the Financial Statements (Narrative of District's Financial Structure)

2021-22 AUDIT

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

- ▶ Shows financial position of an organization at a particular point in time
- ▶ Presents information about the organization's resources, debts, and net worth
- ▶ Key equation: $\text{Assets} = \text{Liabilities} + \text{Net Assets}$

2021-22 AUDIT

STATEMENT OF ACTIVITIES (INCOME STATEMENT)

- ▶ Shows all of the inflow or income an organization earned (revenues) and all of the monies spent (expenses) during a specific period

2021-22 AUDIT

STATEMENT OF CASH FLOWS

- ▶ The statement of cash flows is to provides information about cash receipts, cash payments, and the net change in cash resulting from the operating, investing, and financing activities of the District during the financial year.

- ▶ The three statements together provide the overview of the District's financial operations and outcomes during the year.

2021-22 HIGHLIGHTS GENERAL FUND – ALL DEPARTMENTS

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	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	*
Accts receivable	295,700	\$154,249	\$79,385	\$134,337	\$32,964	\$115,689	
	\$8,143,023	\$8,353,249	\$9,058,057	\$9,964,176	\$10,690,447	\$12,682,987	11
LIABILITIES							
Accts payable	76,335	85,864	62,420	129,660	143,808	222,533	
Developer deposits	1,018,692	794,984	817,932	777,029	803,025	1,142,273	
	\$1,095,027	\$880,848	\$880,352	\$906,689	\$946,833	\$1,364,806	11
FUND BALANCE							
Restricted for fire mitigation	277,715	293,347	83,812	95,324	134,312	188,231	**
Restricted for capital asset repair		309,000	410,618	509,118	644,118	608,840	
Restricted for park maintenance	235,000	293,000	327,000	437,000	489,000	589,000	
Unassigned	6,535,281	6,577,054	7,356,275	8,016,045	8,560,402	9,932,110	
	\$7,047,996	\$7,472,401	\$8,177,705	\$9,057,487	\$9,827,832	\$11,318,181	11
TOTAL LIABILITIES AND FUND BALANCE	\$8,143,023	\$8,353,249	\$9,058,057	\$9,964,176	\$10,774,665	\$12,682,987	11

* New Revenue Source - Measure K \$700,554

** Does not include Hard Rock in-lieu fees

2021-22 HIGHLIGHTS GENERAL FUND - FIRE

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

* Does not include Hard Rock in-lieu fees

2021-22 HIGHLIGHTS GENERAL FUND – PARKS

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

2021-22 HIGHLIGHTS

GENERAL FUND – PARKS

<i>Allocation</i>	PARK FEE FUND			
	63%	21%	14%	2%
	NEIGHBORHOOD PARK	COMMUNITY PARK	COMMUNITY CENTER	OPUD Admin
Park Fees Collected	13,471,479	4,738,125.22	2,553,598	456,782
Interest Earned	967,630	322,543.498	215,029	30,718
Expended	(7,105,191)			(153,622)
	\$7,333,918	\$5,060,669	\$2,768,627	\$333,878

2021-22 HIGHLIGHTS

WASTEWATER

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Annual Audit page
Service Fees	\$3,071,011	\$3,443,305	\$3,727,172	\$3,694,839	\$3,767,996	\$3,917,320	\$4,250,694	16
Operating Expenses	\$2,342,200	\$2,480,241	\$2,284,385	\$2,421,807	\$2,330,706	\$3,682,285	\$4,514,001	16
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	16
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	*
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	
Total Cash	\$9,073,135	\$8,868,360	\$11,034,224	\$13,990,527	\$16,686,220	\$19,382,459	\$19,128,357	16
Capacity Fees Collected	\$423,585	\$159,213	\$685,985	\$1,857,667	\$1,112,610	\$1,348,572	\$1,618,555	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	16

* Reserves \$4,985,379
Operating Cash \$1,511,540

2021-22 HIGHLIGHTS

WATER

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Annual Audit page
Service Fees	\$2,279,847	\$2,648,882	\$2,792,379	\$3,055,681	\$3,447,023	\$3,305,701	\$4,330,052	16
Operating Expenses	\$2,063,070	\$2,493,979	\$2,215,918	\$3,857,976	\$3,857,976	\$3,379,166	\$3,520,438	16
Annual Depreciation Expense - non-cash	565,064	560,740	552,430	552,335	554,514	556,958	572,375	16
Operating Cash Balance & Reserves	(857,494)	(915,769)	(481,570)	109,150	517,721	1,340,861	3,308,406	*
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	
Total Cash	\$0	\$186,051	\$973,670	\$2,256,295	\$1,923,201	\$3,305,701	\$6,102,456	16
Capacity Fees Collected	\$7,476	\$244,326	\$353,420	\$691,905	\$191,491	\$604,776	\$2,540,950	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	16

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

Statement of Cash Flows

SSO - OPUD

PAYMENT TO PLOG FOR WELL #34
FROM CAPACITY FEES

\$ 849,952 10/2021
\$1,958,217 4/2022

OLIVEHURST PUBLIC UTILITY DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED
JUNE 30, 2022

CASH FLOWS PROVIDED BY (USED FOR)	Enterprise Funds		Totals
	Water	Sewer	
Operating Activities			
Receipts from customers	\$ 4,042,629	\$ 3,836,445	\$ 7,879,074
Payments to suppliers and vendors	(1,374,612)	(994,455)	(2,369,067)
Payments for employee costs	(1,237,934)	(1,477,125)	(2,715,059)
Net cash provided by operating activities	1,430,083	1,364,865	2,794,948
Non-capital Financing Activities			
Capital improvement charges and other	2,540,950	1,618,555	4,159,505
Net cash provided by non-capital financing activities	2,540,950	1,618,555	4,159,505
Capital and Related Financing Activities			
Acquisition/purchase of capital assets	(188,851)	(410,866)	(599,717)
Grant revenue	156,075	-	156,075
Interest and penalties paid	(8,486)	-	(8,486)
Capacity fee - SSO reimbursement	-	(1,292,909)	(1,292,909)
Capacity fee - PLOG reimbursement	(2,808,169)	-	(2,808,169)
Interfund loans	1,656,101	(1,656,101)	-
Net cash used by capital and related financing activities	(1,193,330)	(3,359,876)	(4,553,206)
Investing Activities			
Investment earnings	19,052	122,354	141,406
Net cash provided by investing activities	19,052	122,354	141,406
Net increase (decrease) in cash	2,796,755	(254,102)	2,542,653
Cash and investments - beginning of year	3,305,701	19,382,459	22,688,160
Cash and investment - end of year	\$ 6,102,456	\$ 19,128,357	\$ 25,230,813
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income (loss)	\$ 809,614	\$ (263,307)	\$ 546,307
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	572,375	1,218,672	1,791,047
Uncollectible receivables	8,056	6,462	14,518
Change in Assets and Liabilities:			
Receivables	(321,078)	(420,711)	(741,789)
Prepaid expenses	94,837	118,865	213,702
Inventory	(41,959)	-	(41,959)
Accounts payable and accrued expenses	233,517	674,869	908,386
Payroll liabilities	44,182	12,389	56,571
Customer deposits	25,600	-	25,600
Compensated absences	4,940	17,626	22,566
Net cash provided by operating activities	\$ 1,430,083	\$ 1,364,865	\$ 2,794,948

THE PROBLEM CHILD 2016

No cash in Water Fund.

Water Fund had to repay \$4.9 million to other Funds

OLIVEHURST PUBLIC UTILITY DISTRICT STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2016

CASH FLOWS PROVIDED BY (USED FOR)	Enterprise Funds		Totals
	Water	Sewer	
Operating Activities			
Receipts from customers	\$ 2,251,028	\$ 3,068,663	\$ 5,319,691
Payments to suppliers and vendors	(1,099,421)	(951,094)	(2,050,515)
Payments for employee costs	(963,607)	(1,206,637)	(2,170,244)
Net cash provided	188,000	910,932	1,098,932
Noncapital Financing Activities			
Capital improvement charges and other	7,476	423,585	431,061
Water capacity fees - prior period adjustment	3,437,837	-	3,437,837
Net cash provided	3,445,313	423,585	3,868,898
Capital and Related Financing Activities			
Acquisition/purchase of capital assets	(78,537)	(137,468)	(216,005)
Principal payments on capital debt	(31,255)	-	(31,255)
Interest and penalties paid	(52,172)	-	(52,172)
Interfund loans	(4,914,876)	(1,290,073)	(6,204,949)
Net cash used	(5,076,840)	(1,427,541)	(6,504,381)
Investing Activities			
Investment earnings	22,985	73,314	96,299
Net cash provided	22,985	73,314	96,299
Net decrease in cash	(1,420,542)	(19,710)	(1,440,252)
Cash and investments - beginning of year	1,420,542	9,092,845	10,513,387
Cash and investment - end of year	\$ -	\$ 9,073,135	\$ 9,073,135
Reconciliation of Operating (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating loss	\$ (378,287)	\$ (487,638)	\$ (865,925)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation and amortization, a noncash expense	565,064	1,216,449	1,781,513
Uncollectible receivables	6,732	6,107	12,839
Change in Assets and Liabilities:			
Receivables	(28,819)	(8,455)	(37,274)
Accounts payable and accrued expenses	13,480	171,376	184,856
Payroll liabilities	5,531	12,249	17,780
Customer deposits	2,200	-	2,200
Compensated absences	2,099	844	2,943
Net cash provided	\$ 188,000	\$ 910,932	\$ 1,098,932

