



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

OLYMPIC VALLEY, CALIFORNIA

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

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For the Fiscal Year Ended

June 30, 2022

Prepared by the Accounting Department

**OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
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JUNE 30, 2022**

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# OLYMPIC VALLEY PUBLIC SERVICE DISTRICT



## INTRODUCTORY SECTION

### *Letter of Transmittal*

**December 9, 2022**

**To the Board of Directors of the Olympic Valley Public Service District and to our Tax and Rate Payers:**

The Olympic Valley Public Service District (the District) staff submit to you the Annual Comprehensive Financial Report (the Report) for the year ending June 30, 2022. The purpose of the Report is to communicate the District's financial condition by presenting an assessment of the financial state, a description of services and infrastructure replacement projects, a discussion of current matters, and an outline of financial and demographic trend information. The three major sections contained within the Report include introductory, financial, and statistical information about the District.

State law requires local governments to publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This Report is published to fulfill that requirement for the fiscal year ended June 30, 2022.

Management assumes full responsibility for the completeness and reliability of the information contained in this Report, and it is based upon a comprehensive framework of internal controls established for this purpose. As the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

McClintock Accountancy Corporation has issued an unmodified ("clean") opinion on the District's financial statements for the year ended June 30, 2022. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

#### District Overview

Olympic Valley Public Service District serves the community of Olympic Valley in Eastern Placer County, California, 7 miles northwest of Lake Tahoe and 40 miles southwest of Reno. This District, consisting of a 10 square mile valley (6,300 acres) was formed on March 30, 1964, under the provisions of Division 12 of the Water Code.

The Olympic Valley Public Service District provides drinking water, wastewater collection, solid waste, bike trail snow removal, fire protection, and emergency medical services. The District maintains approximately 16 miles of water main and service lines, and 28 miles of sewer mains and laterals. The District does not own or operate any sewer treatment facilities. Sewage is collected at the Truckee River Siphon and conveyed to the Truckee-Tahoe Sanitation Agency (T-TSA) for treatment. In the winter, the District contracts with Placer County to clear snow on 2.3 miles of trails within the Valley.

Olympic Valley was the site of the 1960 Olympic Winter Games. The original wells and pipes in the Valley were built by the State of California to support the games, and many of these original facilities are still in use today. Olympic Valley's primary industry is winter snow sports and related services, although the area is a major tourist destination during any season. The year-round population in the Valley is estimated to be approximately 1,600 people, with a maximum overnight population of approximately 7,000. During peak winter holiday periods, the daily population can swell to 25,000. The current customer base is as follows:

Water Customers: 801  
Sewer Customers: 1,048  
Garbage Customers: 704

Olympic Valley Fire Department serves Olympic Valley and the Truckee River Corridor between Alpine Meadows Road and Cabin Creek Road (approximately 2.5 miles south of Truckee). The station is staffed twenty-four hours per day, seven days per week. Staff also assist with wildland fires during the summer months.

The District is governed by a five-member Board of Directors elected for four-year terms and employs about 30 people. The District is funded primarily through service fees and property taxes.

### Local Economy

Within the District, the economy is largely dependent on tourism-generated activities. Winter activities include skiing, sledding, ice skating, cross-country skiing, snowshoeing, and shopping. During the summer months, visitors flock to the Valley for golf, biking, hiking, shopping, and a variety of music and art festivals. Living in a tourism-based economy makes the area vulnerable to external factors such as a pandemic, droughts, wildfires, and recessions.

Placer County collects a transient occupancy tax (TOT), a rental tax paid by guests visiting lodging accommodations such as hotels, motels, and short-term rentals. The collection of TOT is an indicator of visitors coming to Lake Tahoe's north and west shores, and a portion of it is used to fund transportation, county services, economic development, and infrastructure projects in Eastern Placer County. TOT funds are also used to fund the Olympic Valley Bike Trail Snow Removal program.

In March 2021, the County adopted the Tourism Business Improvement District (TBID) for a five-year term. Beginning on July 1, 2021, businesses in Eastern Placer County are being assessed between 1-2% of sales to fund promotion and economic development activities. More

importantly, the TBID frees up approximately four (4) million annually in TOT funds previously used for promotion and economic development. New freed-up TOT funds will be put towards the region's much needed housing and transportation projects.

Affordable housing is a critical issue in the North Tahoe–Truckee region. The District contributes funds and actively participates in programs led by the Mountain Housing Council (MHC), a project of the Tahoe Truckee Community Foundation, established in 2017 and focuses on accelerating solutions to the region's local housing issues. Since the formation of the MHC, there have been advancements such as identifying locations and constructing local workforce housing units and making accessory dwelling units more economically feasible through the permitting process. However, the COVID-19 pandemic presented new challenges for the region as more people moved to Tahoe permanently or bought a second home with the intention to convert it to a short-term rental. While these changes may increase property tax revenue, many local workers were displaced, or rental rates were impossible to afford. The District has seen this first-hand and is adjusting accordingly to remain competitive and keep the exceptional employees it has.

#### Long-Term Financial Planning

The District has a rigorous budget review process and remains committed to informing the public of all long-term decisions and rate impacts. In fiscal year 2022-2023, the District will issue a new Prop 218 notice. This lets customers know the maximum allowable increase to their water, sewer, and garbage rates. The District plans to adopt a new 5-year notice and update its 100-year Capital Replacement Plans in fiscal year 2023 - 2024. Having a long-term outlook precludes the need for debt financing or sharp rate increases.

A more detailed discussion of the government-wide financial information, operating results, and future outlook for the governmental activities and business activities is provided in the MD&A portion of the Financial Section of the Report.

#### Financial Policies

During the year, the following financial policies were reviewed, adopted, and/or amended: Investment Policy, Financial Reserves Policy, Pension 115 Trust Policy, OPEB 115 Trust Policy, and Bike Trail Snow Removal Reserve Policy. The reserve policies establish reserve thresholds, support financial stability, mitigate unanticipated economic events, and provide for future capital purchases and projects. The District's 115 trusts were established in fiscal year 2021-2022. These trusts are used primarily to pre-fund pension and other post-employment benefit (OPEB) expenses and buffer variability in unfunded accrued liabilities (UALs). The trusts target maximizing the long-term rate of return and minimizing loss to fund pension and OPEB obligations.

#### Major Initiatives

Although the District is small, it continues to change, grow, and evolve each year. Here are some significant projects the District will be focusing on in the coming year which will have an impact on its future financial position:

- Continue to monitor and evaluate impacts from COVID-19 from an operational, staffing, and community level and quickly and appropriately respond.

- **Community Wildfire Protection Plan (CWPP):** This plan is a collaboration with other community businesses and groups and will be the outline to mitigate wildfire hazards. It is required when applying for fuels reduction grants. In September of 2021, the District received a \$32,000 grant from Cal Fire which will be spent on a third party to produce the plan. The final document is expected to be complete in autumn of 2022.
- **Fuels Management:** The Fire Department has several projects relating to fuels management. Ongoing projects include defensible space inspections, of which there has been an increase due to new short-term rental requirements, as well as the implementation of AB 38, requiring defensible space inspections for every transfer of residential property ownership. Next, there is a \$540,000 grant received from Cal FIRE to fund the Olympic Valley Fuel Reduction Project. The project will create a fuel break on the north ridge of the Valley, thinning an approximately 120-acre area. The last project is a \$50,000 grant from the Truckee Tahoe Community Foundation to clear 2.7 acres of lodgepole pine on the S-turns on Olympic Valley Road.
- **Garbage Contract with Truckee Tahoe Sierra Disposal:** The garbage contract with Truckee Tahoe Sierra Disposal (TTSD) for the 2022-23 fiscal year again saw many changes. The biggest is a 7% increase in rates due to an increase in trash generation in the region, rising labor costs, employee shortages, and significant increases in disposal costs. The second is the closing of the community dumpsters at 1810 Olympic Valley Road after the abuse of prohibited dumping became unmanageable. Lastly, TTSD no longer picks up green waste as part of its weekly curbside collection service. As a result, the District, along with other partners in the Valley, host Green Waste Days throughout the summer. Finally, the District created a new Green Waste-Only Dumpster Rebate Program, which reimburses customers 100% of the cost to rent a 6-yard green waste-only bin for yard clean-ups.
- **Grants:** The District currently has over \$800,000 available in grant funding for capital projects. The majority relates to \$403,625 from the Placer County Water Agency (PCWA) for the Squaw Valley Mutual Water Company System Intertie. The project includes the planning, design, and construction of facility intertie(s) at key locations in both water systems, which will provide for increased redundancy and reliability in the water systems. The total estimated cost for the project is \$617,000 and will be accomplished through fiscal year 2024. The second largest grant is for \$371,600 from PCWA for the Residential Meter Replacement Project. The project includes replacing a water metering program, which alongside the replacement of outdated water meters, will support our water conservation and customer service programs. The major components of the project include an Advanced Metering Infrastructure / Automatic Meter Reading (AMI/AMR) technology selection evaluation, replacement of residential and commercial water meters, and implementation of an AMI/AMR system. The overall project cost is estimated to be approximately \$798,000 and will be accomplished through the fiscal year 2024.

### Acknowledgments

The preparation of this Report would not have been possible without the skill, effort, and dedication of the entire staff of the Accounting Department. Thank you to the Fire, Engineering, and Operations Department for their assistance in providing the data necessary to prepare this Report. Thank you to McClintock Accountancy Corporation, independent auditors, for their professionalism and assistance in performing this year-end financial audit. Credit also is due to the Board of Directors for their unfailing support of staff and for maintaining the highest standards of professionalism in the management of the District's finances.

Sincerely,



Mike Geary  
General Manager



Danielle Mueller  
Finance & Administration Manager



# OLYMPIC VALLEY PUBLIC SERVICE DISTRICT



## Mission Statement

Olympic Valley Public Service District serves full-time and part-time residents, businesses, employees, and visitors in Olympic Valley. The mission is to provide leadership in maintaining and advocating for needed, high-quality and financially sound community services for the Valley. These include, but are not limited to water, emergency services, and sewer and garbage collection. The District will conduct its operations in a cost effective, conservation-minded and professional manner, consistent with the desires of the community, while protecting natural resources and the environment.

## Olympic Valley Public Service District Board of Directors



Top row, left to right: Dale Cox, Board President and Bill Hudson, Vice-President.  
Bottom row, left to right: Directors Fred Ilfeld, Victoria Mercer, and Katy Hover-Smoot.

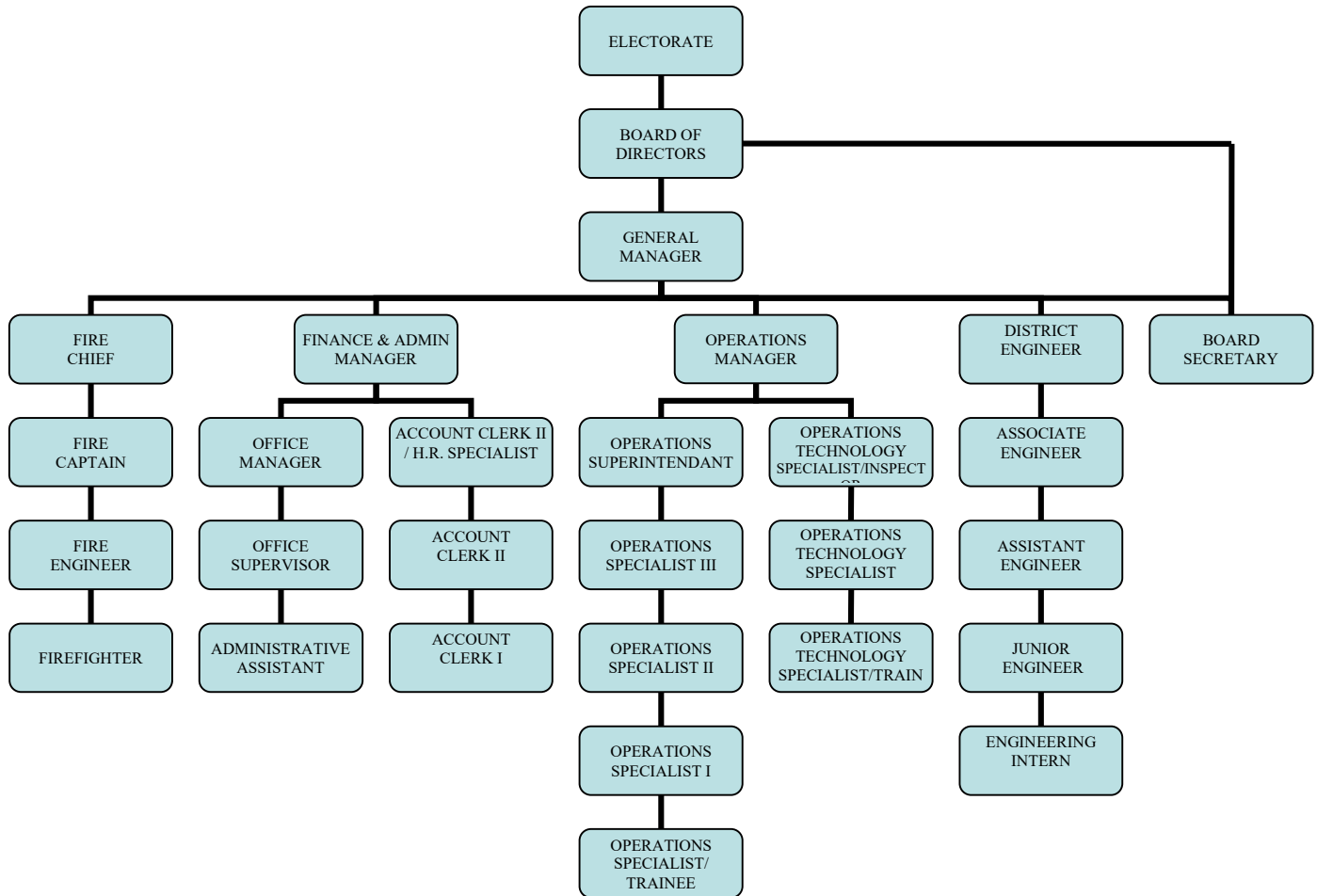




# OLYMPIC VALLEY PUBLIC SERVICE DISTRICT



## Organization Chart



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Olympic Valley Public Service District

### **Opinion**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Olympic Valley Public Service District, as of and for the year ended June 30, 2022, 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 Olympic Valley Public Service District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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 Olympic Valley Public Service 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 opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

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 Olympic Valley Public Service District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 Olympic Valley Public Service 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 Olympic Valley Public Service 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.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11-20, the budgetary comparison schedule on pages 65, the Schedule of the District's Proportionate Share of the Net Pension Liability on page 66-67, the Schedule of District Contributions for Pensions on page 67-68, and the schedule of Changes in the Total OPEB Liability and OPEB Liability and Related Ratios on page 69-70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge

we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining statement of activities and changes in net position, business-type activities is presented for purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Olympic Valley Public Service District's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance

The logo for McClintock Accountancy Corporation is written in a stylized, cursive script. The word "McClintock" is in a larger font size than "Accountancy Corporation".

McCLINTOCK ACCOUNTANCY CORPORATION  
Tahoe City, California  
December 9, 2022

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDING JUNE 30, 2022

**Management's Discussion and Analysis (Required Supplementary Information – Unaudited)**

The management of the Olympic Valley Public Service District offers this narrative overview of the financial activities of the District for the fiscal year ending June 30, 2022. All information presented here should be read in conjunction with the District's audited financial statements following this section.

**Financial Highlights**

- Total current assets exceeded total liabilities by \$7,579,000. This is a sharp increase from FY2021, when current assets exceeded total liabilities by \$1,488,000. This is primarily due to an increase in cash in capital reserves which is to be used for future planned projects, reducing long term-debt from the building loan (Note 5), and reducing the pension liability (Note 7).
- Net pension liability was recorded at \$294,000 (\$1,023,000 liability for Fire and \$729,000 asset for Utility). This is a \$2,069,000 decrease for the Fire department and a \$2,243,000 decrease for the Utility Department, for a total decrease of \$4,312,000 from the prior year (Note 7). This reduction is partially the result of paying an additional \$935,000 to PERS in FY2019, \$1,200,000 in FY2020 and \$830,000 in FY2021. Additionally, this liability is based off of the District's fiduciary net position (asset value) with CalPERS as of June 30, 2021 when the fund reported an abnormally 21.3% investment return.
- Other post-employment benefit (OPEB) liability is \$506,000 (\$239,000 for Fire and \$267,000 for Utility). This is a decrease of \$480,000, or 49%, from FY2021, mostly due to the Board of Directors decision to pre-fund a California Employer's Retiree Benefit Trust (CERBT). The District committed to annually funding a CERBT, which resulted in the the OPEB actuarial valuation assuming a discount rate of 6.75%, instead of 2.2% (Note 14), which reduces the District's OPEB liability.
- Total net position increased by \$4,837,000, or 26%, from the prior year. There was an increase in general revenue (mostly property tax revenue). There was also a significant decrease in employee benefits by \$3,924,000. This was due to a pension credit recognized after CalPERS saw a 21.3% investment return, as well as the District now has an improved fiduciary net position with CalPERS after making several additional discretionary payments. Lastly, salaries and wages were down from the prior year due to staffing shortages across both departments.
- Of the total net position, \$1,972,000 is restricted and must be used only for expansion (Note 9), \$10,019,000 is unrestricted and available in fixed asset replacement funds; however, \$2,868,000 of this unrestricted balance is dedicated to future debt obligations such as the CalPERS UAL and OPEB liability (Note 10).
- From FY2021, water rates increased 4%, sewer increased 5%, and garbage increased 3%.
- Property tax revenues increased by \$175,000 from the 2020-21 tax roll, or about 4.6%

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDING JUNE 30, 2022

**Major projects this year included:**

- Completed replacement of the Hidden Lake Loop sewer line in the amount of \$236,000.
- Completed replacement/expansion of the Hidden Lake Loop water line in the amount of \$347,000.
- The District received funding from Placer County to provide snow removal services on the Olympic Valley Bike Trail. There was a surplus of \$29,000 which was added to the reserve balance and will be used towards the replacement of a new snowblower when needed.
- Due to staffing shortages, the Operations Department were forced to suspend Operations & Maintenance services to the Mutual Water Company. Annual revenue generated from the agreement was \$108,000, which is offset by savings from a reduction in staffing levels.
- The Fire Department spent numerous days on strike teams fighting Californian wildfires. Net revenue after Department expenses amounted to \$148,000. This was used to pay down the Department's CalPERS Pension Unfunded Accrued Liability (UAL).

**Overview of the Financial Statements**

This section is intended to serve as an introduction to the District's basic financial statements comprised of 1) government-wide financial statements 2) fund financial statements, and 3) notes to the financial statements.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS** are designed to provide readers with a broad overview of the District's finances relating to government activities in a manner similar to a private-sector business. Governmental activities and enterprise activities are reported separately.

**Governmental Activities** - The governmental activities of the District include the Fire Department. They outline functions of the District principally supported by property taxes, protection fees, interest, strike team reimbursements, and grant-program funds. All Fire protection fees are restricted by law to specific reserve funds to finance improvements, construction, and acquisition of capital assets. Other funds can be designated by the Board to be used for asset replacement or specific projects. Unrestricted funds may be designated, by the Board, to be used for any District activity.

**Enterprise Activities** - The District charges fees to its water, sewer and garbage customers that are intended to recover all or a significant portion of operating costs for services provided. Unused service fees are generally assigned to the Fixed Asset Replacement Reserves, which will be used to finance capital projects and can serve to stabilize rates over time. Unused property tax revenues are generally used to subsidize the current rates of both water and sewer customers.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDING JUNE 30, 2022

- The STATEMENT OF NET POSITION presents information on the District's assets, deferred outflows, liabilities, and deferred inflows, with the difference between them reported as net position. Over time, increases or decreases in the net position is a good indicator of whether the District is financially healthy or deteriorating.
- The STATEMENT OF ACTIVITIES present information showing how the District's net position changed during the 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, also known as *accrual-based accounting*. Some revenues and expenses reported in this statement may result in cash flows to future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).
- The STATEMENT OF CASH FLOWS provides information on the District's cash receipts, cash payments, and changes in cash resulting from operations, investments, and financing activities.

**FUND FINANCIAL STATEMENTS**

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

**Governmental Funds** are used to account for essentially the same functions reported as governmental activities with focus on the *fiscal year inflows and outflows of spendable resources*. This is also referred to as modified-accrual accounting.

**Proprietary Funds** are used to report the enterprise activities of the District. These activities include water, sewer, garbage, and bike trail contract services.

**NOTES TO THE FINANCIAL STATEMENTS** provide additional commentary essential to a full understanding of the data provided in the government-wide and fund financial statements.

**FINANCIAL ANALYSIS OF THE DISTRICT**

The analysis below focuses on the net position and changes in net position of the District's governmental and enterprise activities. This presentation includes a prior-year comparative analysis of government-wide financial data.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDING JUNE 30, 2022

Statement of Activities and Change in Net Position (in thousands)								
	Governmental		Business-Type		Total		Dollar	Percent
	Activities		Activities					
	(Fire)	(Utility)	2021	2022	2021	2022	Change	Change
<b>Program &amp; Grant Revenue</b>	\$ 180	222	4,339	4,521	4,519	4,743	\$ 224	5%
<b>General Revenues</b>								
Property Tax	3,692	3,821	75	122	3,767	3,943	176	5%
Charges for Services	92	-	6	-	98	-	(98)	-100%
General Grants	-	25	-	-	-	25	25	0%
Interest	7	19	51	61	58	80	22	38%
Rental Revenue	32	-	64	-	96	-	(96)	-100%
Other	35	20	0.1	0.2	35	20	(15)	-30%
<b>Total General Revenues</b>	<u>3,858</u>	<u>3,885</u>	<u>196</u>	<u>183</u>	<u>4,054</u>	<u>4,068</u>	<u>14</u>	<u>0%</u>
<b>Total Revenues</b>	<u>\$ 4,038</u>	<u>4,107</u>	<u>4,535</u>	<u>4,704</u>	<u>8,573</u>	<u>8,811</u>	<u>\$ 238</u>	<u>3%</u>
Expenses	<u>\$ 3,937</u>	<u>2,560</u>	<u>4,060</u>	<u>1,414</u>	<u>7,997</u>	<u>3,974</u>	<u>\$ (4,023)</u>	<u>-50%</u>
<b>Increase (Decrease) in Net Position</b>	<u>\$ 101</u>	<u>1,547</u>	<u>475</u>	<u>3,290</u>	<u>576</u>	<u>4,837</u>	<u>\$ 4,261</u>	<u>740%</u>
<b>Net Position - Beginning of Year</b>	\$ 3,898	3,999	14,238	14,713	18,136	18,712	576	3%
<b>Net Position - End of Year</b>	<u>\$ 3,999</u>	<u>5,546</u>	<u>14,713</u>	<u>18,003</u>	<u>18,712</u>	<u>23,549</u>	<u>\$ 4,837</u>	<u>26%</u>

Total change in Net Position increased by \$4,837,000. Total revenues have increased by \$238,000, or 3%. Program and Grant revenue received for the year amounted to \$4,743,000. This is an increase from the prior year by \$224,000. This is primarily due to an increase in service fees by \$97,000 and grant revenue by \$164,000. There was a decrease in connection fees and fire mitigation fees by \$188,000. Charges for services and rental revenue were moved from General revenues in the prior year into program revenue for the current year.

General Revenues increased by \$14,000, mostly due to property tax revenue increasing by \$176,000, offset by charges for services and rental revenue moving to Program Revenue. Interest income increased by \$22,000.

Expenses have decreased \$4,261,000, or 740%. In total, there was a \$4,079,000 decrease to salaries and benefits. As noted above, this is due to a pension credit recognized after CalPERS saw a 21.3% investment return, as well as the District's improved fiduciary net position with the CalPERS investment fund after making several additional discretionary payments. Salaries decreased by \$155,000 due to staffing shortages. There was a \$31,000 increase in field operations, mostly due to a 6% increase in cost for the garbage contract with Truckee Tahoe Sierra Disposal (TTSD). Lastly, there was a \$69,000 increase in General and Administrative expenses, due to consulting work and studies in the Fire Department including an Ambulance study and a Community Wildfire Protection Plan.



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDING JUNE 30, 2022

	Changes in Net Position (In Thousands)							
	Governmental		Business-Type		Total		Dollar	Percent
	Activities		Activities					
	(Fire)	(Utility)	Total	Dollar	Percent			
2021	2022	2021	2022	2021	2022	Change	Change	
Current and Other Assets	\$ 2,053	2,392	7,050	8,036	9,103	10,428	\$ 1,325	15%
Non-Current Assets	4,721	4,643	10,091	10,536	14,812	15,179	367	2%
<b>Total Assets</b>	<b>\$ 6,774</b>	<b>7,035</b>	<b>17,141</b>	<b>18,572</b>	<b>23,915</b>	<b>25,607</b>	<b>\$ 1,692</b>	<b>7%</b>
Deferred Outflows	\$ 1,461	1,373	1,988	1,767	3,449	3,140	\$ (309)	-9%
Current Liabilities	\$ 500	510	770	883	1,270	1,393	\$ 123	10%
Non-Current Liabilities	3,536	1,262	2,809	194	6,345	1,456	(4,889)	-77%
<b>Total Liabilities</b>	<b>\$ 4,036</b>	<b>1,772</b>	<b>3,579</b>	<b>1,077</b>	<b>7,615</b>	<b>2,849</b>	<b>\$ (4,766)</b>	<b>-63%</b>
Deferred Inflows	201	1,089	429	1,259	630	2,348	1,718	273%
Net Position:								
Net Inv in Capital Assets	\$ 4,721	4,643	9,244	9,784	13,965	14,427	\$ 462	3%
Restricted	136	184	1,674	1,787	1,810	1,971	161	9%
Unrestricted	(858)	719	3,795	6,432	2,937	7,151	4,214	143%
<b>Total Net Position</b>	<b>\$ 3,999</b>	<b>5,546</b>	<b>14,713</b>	<b>18,003</b>	<b>18,712</b>	<b>23,549</b>	<b>\$ 4,837</b>	<b>26%</b>

Total Current Assets have increased \$1,325,000. The increase is due to cash and investments increasing by \$1,117,000. This is partially due to \$320,000 in connection fees and fire mitigation fees that were not planned. There was also \$148,000 in net proceeds from strike teams that was not planned. Lastly, the District is growing the Fixed Asset Replacement Funds (FARFs) after significant capital projects in prior years. The District retains mostly liquid funds in pooled conservative investment accounts with Placer County Investment Funds, Placer County Revenue Funds, Certificates of Deposit, and the Local Agency Investment Funds. These funds are transferred into the daily operating accounts only when needed, to maximize interest income.

Delinquent service fees in the amount of \$38,222 were submitted to Placer County for collection on the 2022-2023 property tax rolls, which is an \$8,298 increase from the prior year. These delinquencies total less than 1% of the total billed revenue.

Net non-current assets totaled \$15,179,000 which is \$367,000 more than the prior year. This is mostly due to adopting GASB 87, *Leases*. This pronouncement requires recognition of certain lease assets and liabilities that previously were classified as operating leases. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. As such, the District recognized \$400,000 as a lease receivable based on the payment provisions of each contract, offset by an inflow of resources (otherwise can be thought of as an obligation to provide the property in future reporting periods). Next, the District added new assets to its inventory such as a new water and sewer line in Hidden

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDING JUNE 30, 2022

Lake, and new turnout gear. On the other hand, assets were depreciated, disposed of, or reached the end of their depreciable lives. As the District's infrastructure ages, assets are strategically replaced as guided by Capital Replacement Plans. It is not prudent to repair or replace assets that have a low probability of failure or have a low consequence of failure. However, contributions into Capital Replacement accounts should continue and even accelerate to offset the rate of depreciation and to provide adequate reserves for the eventual replacement of assets.

Current Liabilities have increased \$123,000 from the prior year, mostly due to invoices accrued but not yet paid as of year-end. Also, note the only long-term debt remaining is for the building at 305 Olympic Valley Road. The remaining principal balance at year-end is \$753,000.

Non-current liabilities have decreased by \$4,889,000. Postemployment Health Benefits decreased by \$480,000, or 49%. This is an actuarially determined number based on any eligible employee who may receive a post-employment health insurance stipend through the District's plan. In the current year, the District opened a California Employer's Retiree Benefit Trust (CERBT) for each department. The District committed to annually funding a CERBT, which resulted in the OPEB actuarial valuation assuming a discount rate of 6.75%, instead of 2.2% (Note 14), reducing the District's OPEB liability. Next, the Net Pension Liability decreased by \$4,312,000 due to the District's fiduciary net position (asset value) with CalPERS as of June 30, 2021 when the fund reported a 21.3% investment return. Under GASB 68 standards, each participating cost-sharing employer is required to report its actuarially determined proportionate share of the collective net pension liability, pension expense, and deferred inflows/outflows of resources in their financial statements. Before GASB 68, the District was only required to report the actual payments submitted to the pension plan as an expense, and no liability or deferred inflows/outflows. For more information on the District's pension plan, see Note 7 of the Financial Statements.

The District continues to pay off its long-term debt obligation for its administration and fire headquarters (maturing in 2028), resulting in a reduction of \$94,000 from the prior fiscal year.

During the fiscal year, the Enterprise portion of the District had cash and cash equivalents increase by \$817,000. The prior year had a \$459,000 increase to cash and cash equivalents. There was a \$1,308,000 decrease to payments to suppliers for goods and services, and \$78,000 less in payments to employees. This was offset by a decrease of \$85,000 of cash receipts from customers and \$991,000 increase in payments to purchase capital assets.

The District continues to maintain a healthy current ratio of 7.49:1 (Current Assets against Current Liabilities), which has increased from the prior year of 7.17:1. Total Current and Other Assets against Total Liabilities is 3.66:1, an increase from 1.20:1 in the prior year. The District's cash and liquidity position remains strong and is poised to address any immediate catastrophic repair and/or replacement of key assets and infrastructure.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDING JUNE 30, 2022

Even though the District's cash position remains strong, reserves should continue to be allocated into fixed asset replacement funds for anticipated replacement and/or repair of the District's aging infrastructure. In the current year, reserve and capital accounts increased by \$4,772,000, the majority relating to operating surpluses from the Fire and Utility departments after a pension credit was recognized. The only decrease to the District's reserve accounts came from the Garbage FARF. This account decreased by \$6,300 due to additional operating expenses incurred hosting green waste days and funding garbage dumpster rebates. These are new programs never offered by the District before. It is the goal of the District to grow reserve accounts to fully fund capital projects and acquisitions in the 100-year asset replacement plan as well as mitigate potential adverse exposure to the sustainability of the District's infrastructure. The District has a 100-year asset replacement plan with the intention for reserve accounts to fully fund projects without resorting to unnecessary special assessments or material rate increases.

The District maintains separate fund accounts for capital projects that are summarized on the next page. Notable purchases from the fund balances for the year are as follows. There was a \$6,000 increase to the Water Capital Fund due to new connections at the Palisades real estate development. This was offset by paying for the expansion of a water main at Hidden Lake Loop. The Sewer Capital account grew to \$261,000. The uptick in sewer funds from the current year relate to new connections at the Palisades real estate development. Next, there was a \$49,000 increase to the Fire Capital Fund. There were no capital projects during the year for this program. There was a \$1,753,000 increase to the Water Fixed Asset Replacement Fund. Projects funded by the Water FARF included the West Tank Recoat, Hidden Lake Water Line Replacement, SCADA server replacement, and Squaw Valley Mutual Intertie. There was a \$1,123,000 increase to the Sewer FARF. Projects funded by the Sewer FARF included sewer TV inspections, sewer line rehabilitation, Hidden Lake Sewer Line replacement, and SCADA server replacement. There was a \$29,000 increase to the Bike Trail Snow Removal FARF. There were no capital projects during the year for this program. Lastly, the Fire FARF showed an increase of \$1,711,000. Projects funded by the Fire FARF included new turnout gear and a down payment for the water tender. Between connection fees, excess operating funds and taxes, and interest earned, \$5,543,000 was contributed to the fund accounts (before capital purchases). As Fixed Asset Replacement needs are determined, allocations to each fund will be adjusted.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDING JUNE 30, 2022

<b>General Fund Balances - 5 Year Comparison of Funds Available for Capital Projects</b>					
(in thousands)	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Water Capital</b>					
Beginning Balance	786	591	693	1,014	1,352
Increases	93	134	321	346	226
Decreases	(288)	(32)	-	(8)	(220)
Ending Balance	591	693	1,014	1,352	1,358
<b>Sewer Capital</b>					
Beginning Balance	-	-	-	-	154
Increases	40	52	137	154	107
Transfer from Sewer FARF	46	194	660	-	-
Decreases	(86)	(246)	(797)	-	-
Ending Balance	-	-	-	154	261
<b>Inflow &amp; Infiltration Capital</b>					
Beginning Balance	155	158	162	166	167
Increases	3	4	4	1	1
Decreases	-	-	-	-	-
Ending Balance	158	162	166	167	168
<b>Garbage Capital</b>					
Beginning Balance	172	186	193	170	155
Increases	14	13	9	5	1
Decreases	-	(6)	(32)	(20)	(7)
Ending Balance	186	193	170	155	149
<b>Water FARF</b>					
Beginning Balance	622	809	1,197	1,361	1,442
Increases	321	481	275	222	2,098
Decreases	(134)	(93)	(111)	(141)	(345)
Ending Balance	809	1,197	1,361	1,442	3,195
<b>Sewer FARF</b>					
Beginning Balance	3,154	3,574	3,789	2,703	2,814
Increases	637	531	286	301	1,384
Transfer to Sewer Capital	(46)	(194)	(660)	-	-
Decreases	(171)	(122)	(712)	(190)	(261)
Ending Balance	3,574	3,789	2,703	2,814	3,937
<b>Fire Protection Funds</b>					
Beginning Balance	237	2	24	72	136
Increases	18	22	48	64	48
Transfer from Fire FARF	115	-	-	-	-
Decreases	(368)	-	-	-	-
Ending Balance	2	24	72	136	184
<b>Fire FARF</b>					
Beginning Balance	393	502	569	784	942
Increases	292	209	223	244	1,734
Transfer to Fire Capital	(115)	-	-	-	-
Decreases	(68)	(142)	(8)	(86)	(23)
Ending Balance	502	569	784	942	2,653
<b>Bike Trail Snow Removal FARF</b>					
Beginning Balance	-	-	0.8	24	57
Increases	-	0.8	23	33	29
Decreases	-	-	-	-	-
Ending Balance	-	0.8	24	57	86

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDING JUNE 30, 2022

**Economic Factors and Financial Outlook for FY 2022-23**

When taking a snapshot of the US economy today, one may notice there are many indicators being discussed, yet no clear direction on what is next. Inflation is the highest it's been in decades, currently 8.2% at the time of this report. The federal reserve has been trying to curb inflation with aggressive rate hikes to the *Benchmark Short-Term Federal Funds Rate*, currently at 3.75 – 4.00%. The unemployment rate is the lowest it's been in decades, currently 3.5%. Employers have added jobs yet are struggling to find workers, which could possibly be a remnant of the "The Great Resignation" as employees left the job market during COVID for early retirement, new remote work, or to care for children. While workers have seen an increase in wages, it hasn't been enough to keep up with rising costs at the grocery store and gas station. The District has been no stranger to this outcome. Lastly, for the third quarter of 2022, the US economy grew at an annual rate of 2.6%, which was a turnaround after the first two quarters showed a decline. It is unknown if the economy will sink into a recession or if we are at a turning point; regardless, the District remains committed to providing high levels of service to the residents, businesses, and visitors of Olympic Valley. The following addresses some of the District's plans moving forward.

Home purchases in the Valley and all-around Lake Tahoe are finally seeing a stabilizing trend. While prices are still high (30% increase from the prior year), the days on market have increased as well as the number of houses available. A likely contributing factor is mortgage interest rates have increased from all-time lows to approximately 7.5%. Home purchasing directly impacts the District's finances through increased ad valorem tax revenues and service fees due to new construction.

Total assessed property values within District boundaries increased \$140 million, or 9.4%, to \$1.628 billion in 2022-23. The District's estimated net ad valorem tax revenue is expected to be \$4,270,000. This is a \$328,000, or 8.31% increase from the \$3,942,000 net received in 2021-22.

The District monitors and adjusts its 100-year Capital Replacement Plans as needed, especially when updates are needed to reflect the current construction market and inflation. Many capital projects are anticipated for the 2022-2023 fiscal year which includes residential water meter replacements, recoating of the West tank, Mutual Water Company intertie, sewer line replacements, purchase of a new water tender, and purchase of new turnout gear. Total capital projects are budgeted at \$2,242,000.

For fiscal year 2022-23 the District will pay an additional \$200,000 to CalPERS for the Fire Department's Unfunded Accrued Liability (UAL). This payment is on top of the annual minimum required contribution and is made to reduce the liability, which increases at a 6.8% annual interest rate. This goes toward reducing the UAL for pensions, which as of June 2022 was \$1,023,000. Each year the District will assess any excess funds that can be allocated to keep reducing the liability.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDING JUNE 30, 2022

The District plans to continue the annual payment of its long-term debt associated with the construction of the Administrative Facility and Firehouse. The required principal payment for FY2023 is budgeted at \$97,000. The District also budgeted an additional \$300,000 to go towards principal, leaving the remaining balance at \$355,000. The District expects to continue funding its Fixed Asset Replacement Funds in alignment with the results from the Cost of Service Analysis and Rate Study, which helps preclude the need for debt financing, a special assessment or sharp rate increases in the future.

The District plans to follow and update as needed its five-year Strategic Plan, approved by the Board in April 2012, and updated annually thereafter to adjust for inflation and other market changes. It includes a renewed vision on the District's direction moving forward and a work plan to implement it. The Plan re-commits the District to provide high-quality and efficient service delivery.

Last but not least, the Fire Department is managing several fuels management projects. The first project is a \$540,000 grant from CalFire to create a fuel break on the north ridge of the Valley, thinning an approximate 120-acre area. The second project is a \$50,000 grant from the Truckee Tahoe Community Foundation to clear 2.7 acres of Lodgepole Pine at the S-Turns on Olympic Valley Road. Next, the department is concluding a Community Wildfire Protection Plan, which was funded by a \$32,000 grant from CalFire. This plan will largely indicate our next steps forward for services provided and administered by the District. It will also assist in seeking grant funding for fuels management projects.

This section of the MD&A was prepared on November 6<sup>th</sup>, 2022.

**Request for Information**

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mike Geary, General Manager, Olympic Valley Public Service District, P.O. Box 2026, Olympic Valley, CA 96146. The entire report is available online at [www.ovpsd.org](http://www.ovpsd.org).

# **Basic Financial Statements**

# **Government-Wide Financial Statements**



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Statement of Net Position  
June 30, 2022

	<u>Assets</u>		
	<u>Governmental Activities (Fire)</u>	<u>Business-Type Activities (Utility)</u>	<u>Total</u>
<b>Current Assets</b>			
Cash (Note 2)	\$ 421,081	1,392,659	1,813,740
Investments (Notes 2 and 3)	<u>1,911,164</u>	<u>6,353,871</u>	<u>8,265,035</u>
Cash and Investments	2,332,245	7,746,530	10,078,775
<b>Receivables</b>			
Service Fees	15,521	108,210	123,731
Interest	1,210	4,726	5,936
Other	<u>25,849</u>	<u>156,546</u>	<u>182,395</u>
Total Receivables	42,580	269,482	312,062
Prepaid Expenses and other assets	<u>17,766</u>	<u>19,607</u>	<u>37,373</u>
Total Current Assets	2,392,591	8,035,619	10,428,210
<b>Noncurrent Assets</b>			
Lease Receivable	133,473	266,945	400,418
Capital Assets, at cost (Note 4)	8,272,281	28,334,648	36,606,929
Less accumulated depreciation (Note 4)	<u>(3,762,916)</u>	<u>(18,065,416)</u>	<u>(21,828,332)</u>
Net Capital Assets	4,509,365	10,269,232	14,778,597
Total Noncurrent Assets	<u>4,642,838</u>	<u>10,536,177</u>	<u>15,179,015</u>
Total Assets	\$ <u>7,035,429</u>	<u>18,571,796</u>	<u>25,607,225</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to pensions (Note 7)	1,247,452	1,651,866	2,899,318
Deferred outflows related to OPEB (Note 14)	<u>125,756</u>	<u>114,777</u>	<u>240,533</u>
Total Deferred Outflows of Resources	\$ <u>1,373,208</u>	<u>1,766,643</u>	<u>3,139,851</u>

The accompanying notes are an integral part of these statements.

(Continued)

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Statement of Net Position  
June 30, 2022

Liabilities and Net Position

	<u>Governmental Activities (Fire)</u>	<u>Business-Type Activities (Utility)</u>	<u>Total</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 38,754	227,535	266,289
Accrued liabilities	471,447	542,100	1,013,547
Deferred Revenue	-	15,881	15,881
Current portion of long-term debt (Note 5)	<u>-</u>	<u>97,265</u>	<u>97,265</u>
Total Current Liabilities	510,201	882,781	1,392,982
<b>Noncurrent Liabilities</b>			
Total OPEB Liability (Note 14)	238,867	267,576	506,443
Net pension liability (asset) (Note 7)	1,023,540	(729,334)	294,206
Long-term debt (Note 5)	<u>-</u>	<u>655,510</u>	<u>655,510</u>
Total Noncurrent Liabilities	<u>1,262,407</u>	<u>193,752</u>	<u>1,456,159</u>
Total Liabilities	\$ <u>1,772,608</u>	<u>1,076,533</u>	<u>2,849,141</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pensions (Note 7)	716,724	732,394	1,449,118
Deferred inflows related to OPEB (Note 14)	241,243	263,988	505,231
Deferred Inflows related to Leases (Note 16)	<u>131,449</u>	<u>262,898</u>	<u>394,347</u>
Total Deferred Inflows of Resources	\$ <u>1,089,416</u>	<u>1,259,280</u>	<u>2,348,696</u>
<b>Net Position</b>			
Net investment in capital assets	4,642,838	9,783,403	14,426,241
Restricted (Note 9)	184,415	1,787,403	1,971,818
Unrestricted (Note 10)	<u>719,361</u>	<u>6,431,820</u>	<u>7,151,181</u>
Total Net Position	\$ <u>5,546,614</u>	<u>18,002,626</u>	<u>23,549,240</u>

The accompanying notes are an integral part of these statements.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Statement of Activities  
For the Year Ended June 30, 2022

	Primary Government		Total
	Governmental Activities (Fire)	Business-Type Activities (Utility)	
Program Revenue			
Service fees	\$ -	3,887,833	3,887,833
Connection fees	-	319,583	319,583
Fire protection fees	47,500	-	47,500
Rental revenue (Note 16)	26,290	84,304	110,594
Charges for services	147,996	8,828	156,824
Grants (Note 13)	-	220,406	220,406
<b>Total Program Revenue</b>	<b>221,786</b>	<b>4,520,954</b>	<b>4,742,740</b>
Expenses			
Salaries and wages	2,003,799	1,301,377	3,305,176
Employee benefits	(62,911)	(1,542,148)	(1,605,059)
<b>Total salaries, wages and benefits</b>	<b>1,940,888</b>	<b>(240,771)</b>	<b>1,700,117</b>
Field Operations			
Material & supplies	16,499	17,971	34,470
Uniforms	9,649	9,317	18,966
Chemicals & lab fees	-	51,348	51,348
Utilities	60,093	80,904	140,997
Maintenance & repairs	51,869	74,459	126,328
Training	17,720	24,020	41,740
Fire prevention	215	-	215
Vehicle maintenance	30,324	37,105	67,429
Garbage contract	-	304,242	304,242
<b>Total field operations</b>	<b>186,369</b>	<b>599,366</b>	<b>785,735</b>

The accompanying notes are an integral part of these statements.

(Continued)

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Statement of Activities  
For the Year Ended June 30, 2022

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities (Fire)</u>	<u>Business-Type Activities (Utility)</u>	
Expenses (Continued)			
General & administrative			
Board expenses	\$ 17,245	51,024	68,269
Accounting & audit services	9,674	16,377	26,051
Consulting Services	47,148	69,324	116,472
Insurance	39,566	66,193	105,759
License, permit & contracts	51,011	47,352	98,363
Office expense	20,524	59,147	79,671
Travel & meetings	12,686	11,512	24,198
Office utilities	-	64,361	64,361
	<u>197,854</u>	<u>385,290</u>	<u>583,144</u>
Total general & administrative			
Other expenses			
Depreciation	234,955	642,696	877,651
Interest	-	27,610	27,610
	<u>234,955</u>	<u>670,306</u>	<u>905,261</u>
Total other expenses			
Total Expenses	<u>2,560,066</u>	<u>1,414,191</u>	<u>3,974,257</u>
Net Program Revenue (Expense)	<u>(2,338,280)</u>	<u>3,106,763</u>	<u>768,483</u>

The accompanying notes are an integral part of these statements.

(Continued)

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Statement of Activities  
For the Year Ended June 30, 2022

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities (Fire)</u>	<u>Business-Type Activities (Utility)</u>	
General Revenues			
Property tax (Note 8)	\$ 3,820,527	\$ 121,732	\$ 3,942,259
Grants (Note 13)	25,849	-	25,849
Interest	19,479	61,091	80,570
Other	<u>19,941</u>	<u>212</u>	<u>20,153</u>
 Total General Revenues	 <u>3,885,796</u>	 <u>183,035</u>	 <u>4,068,831</u>
 Increase in Net Position	 1,547,517	 3,289,798	 4,837,315
 Net Position - Beginning of Year	 \$ <u>3,999,097</u>	 \$ <u>14,712,828</u>	 \$ <u>18,711,925</u>
 Net Position - End of Year	 \$ <u><u>5,546,614</u></u>	 \$ <u><u>18,002,626</u></u>	 \$ <u><u>23,549,240</u></u>

The accompanying notes are an integral part of these statements.

# Fund Financial Statements

## Governmental Fund

- Balance Sheet
- Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position of Governmental Activities
- Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds
- Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Funds to the Statement of Activities

## Proprietary Fund

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Balance Sheet – Governmental Fund

June 30, 2022

ASSETS	
Cash	\$ 421,081
Investments	1,911,164
Receivables	
Service fees	15,521
Interest	1,210
Other	25,849
Prepaid expenses and other assets	<u>17,766</u>
Total Assets	<u><u>2,392,591</u></u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts Payable	38,754
Accrued Liabilities	<u>471,447</u>
Total Liabilities	<u>510,201</u>
FUND BALANCES (NOTE 11)	
Nonspendable	193,819
Restricted	184,415
Committed	1,504,156
Unassigned	<u>-</u>
Total Fund Balances	<u>1,882,390</u>
Total Liabilities and Fund Balances	<u><u>2,392,591</u></u>

The accompanying notes are an integral part of these statements.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Reconciliation of the Balance Sheet of Governmental Fund (Fire) to the Statement of Net Position  
June 30, 2022

Fund balance of governmental fund	\$	1,882,390
Amounts reported for governmental activities in the statement of net position are different		
Deferred outflows related to pensions are not financial resources and therefore are not reported in governmental funds		1,247,452
Deferred outflows related to OPEB are not financial resources and therefore are not reported in governmental funds		125,756
Lease Receivables are not due and receivable in the current period and, therefore, are not reported in governmental funds		133,473
Land	\$	1,012,603
Buildings		4,993,598
Vehicles		1,624,321
Equipment		599,868
Furniture & Fixtures		32,999
Construction in progress		8,892
Less accumulated depreciation		<u>(3,762,916)</u>
Net Book Value		4,509,365
Postemployment health benefits are not due and payable in the current period and, therefore, are not reported in governmental funds		(238,867)
Net pension liability is not due and payable in the current period and therefore is not reported in governmental funds		(1,023,540)
Deferred inflows related to pensions are not financial resources and therefore are not reported in governmental funds		(716,724)
Deferred inflows related to OPEB are not financial resources and therefore are not reported in governmental funds		(241,243)
Deferred inflows related to Leases are not financial resources and therefore are not reported in governmental funds		<u>(131,450)</u>
Net position of governmental activities	\$	<u>5,546,614</u>

The accompanying notes are an integral part of these statements.



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Fund (Fire)

For the Year Ended June 30, 2022

REVENUES	
Property tax	\$ 3,820,527
Fire protection fee	47,500
Charges for Services	147,996
Rental Revenue	26,290
Grants	25,849
Interest	19,479
Other	<u>19,941</u>
Total Revenues	4,107,582
EXPENDITURES	
Salaries and wages	2,003,799
Employee benefits	<u>1,368,072</u>
Total salaries, wages and benefits	3,371,871
Field operations	186,369
General & administrative	197,854
Other expenditures	
Capital outlay	<u>22,950</u>
Total Expenditures	<u>3,779,044</u>
REVENUES OVER EXPENDITURES	<u>328,538</u>
OTHER FINANCING SOURCES	<u>-</u>
Net Change in Fund Balance	328,538
Fund Balance - Beginning of Year	<u>1,553,852</u>
Fund Balance - End of Year	\$ <u><u>1,882,390</u></u>

The accompanying notes are an integral part of these statements.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the  
Governmental Fund (Fire) to the Statement of Activities

For the Year Ended June 30, 2022

Increase (decrease) in fund balance - governmental fund \$ 328,538

Amounts reported for governmental activities in the  
Statement of Activities are different because:

Governmental fund reports capital outlay for  
capital assets as expenditures. However, in the  
Statement of Activities, the cost of those assets  
is allocated over their estimated useful lives and  
reported as depreciation expense:

Expenditures for capital assets	\$ 22,950	
Less - current year depreciation expense	<u>(234,955)</u>	(212,005)

Changes in the net pension liabilities and the related deferred outflows and inflows is an expense in the Statement of Net Position but does not use current financial resources and therefore is not reflected in the government fund		1,460,873
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Changes in the accrual of postemployment health benefits is an expense in the Statement of Net Position but does not use current financial resources and therefore is not reflected in the government fund		(31,913)
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Changes in operating leases and the related deferred inflows is a revenue in the Statement of Net Position but does not use current financial resources and therefore is not reflected in the government fund		<u>2,024</u>
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Increase in net position of governmental activities	\$	<u><u>1,547,517</u></u>
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The accompanying notes are an integral part of these statements.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Statement of Net Position – Proprietary Fund

June 30, 2022

<u>Assets</u>	
Current Assets	
Cash	1,392,659
Investments	<u>6,353,871</u>
Cash and cash equivalents	7,746,530
Receivables	
Service fees	108,210
Interest	4,726
Other	<u>156,546</u>
Total Receivables	269,482
Prepaid expenses and other assets	<u>19,607</u>
Total Current Assets	8,035,619
Noncurrent Assets	
Lease Receivable	266,945
Capital assets, at cost	28,334,648
Less accumulated depreciation	<u>(18,065,416)</u>
Total Noncurrent Assets	10,536,177
Total Assets	<u><u>18,571,796</u></u>
Deferred Outflows of Resources	
Deferred outflows related to pensions	1,651,866
Deferred outflows related to OPEB	<u>114,777</u>
Total Deferred Outflows of Resources	<u><u>1,766,643</u></u>

The accompanying notes are an integral part of these statements.

(Continued)

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Statement of Net Position – Proprietary Fund

June 30, 2022

Liabilities and Net Position

Current Liabilities	
Accounts Payable	227,535
Accrued Liabilities	542,100
Deferred Revenue	15,881
Current portion of long-term debt	<u>97,265</u>
Total Current Liabilities	882,781
Noncurrent Liabilities	
Postemployment health benefits	267,576
Net pension liability	(729,334)
Long-term debt	<u>655,510</u>
Total Noncurrent Liabilities	<u>193,752</u>
Total Liabilities	<u><u>1,076,533</u></u>
Deferred Inflows of Resources	
Deferred inflows related to pensions	732,394
Deferred inflows related to OPEB	263,988
Deferred inflows related to Leases	<u>262,898</u>
Total Deferred Inflows of Resources	<u><u>1,259,280</u></u>
Net Position	
Net investment in capital assets	9,783,403
Restricted	1,787,403
Unrestricted	<u>6,431,820</u>
Total Net Position	<u><u>18,002,626</u></u>

The accompanying notes are an integral part of these statements.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund

For the Year Ended June 30, 2022

	Water Department	Sewer Department	Garbage Department	Total Proprietary Funds
<b>OPERATING REVENUES</b>				
Service fees	\$ 2,153,483	\$ 1,437,404	\$ 296,946	\$ 3,887,833
Property tax	60,866	60,866	-	121,732
Connection fees	215,067	104,516	-	319,583
Rental revenue	42,152	42,152	-	84,304
Grants	197,406	23,000	-	220,406
Charges for services	4,414	4,414	-	8,828
Interest	29,614	30,238	1,239	61,091
Other	106	106	-	212
<b>Total Operating Revenue</b>	<b>2,703,108</b>	<b>1,702,696</b>	<b>298,185</b>	<b>4,703,989</b>
<b>OPERATING EXPENSES</b>				
Salaries and wages	690,329	607,110	3,938	1,301,377
Employee benefits	(820,061)	(718,431)	(3,656)	(1,542,148)
<b>Total salaries, wages and benefits</b>	<b>(129,732)</b>	<b>(111,321)</b>	<b>282</b>	<b>(240,771)</b>
Field operations	212,066	83,058	304,242	599,366
General & administrative	192,645	192,645	-	385,290
Depreciation	362,635	280,061	-	642,696
<b>Total Operating Expenses</b>	<b>637,614</b>	<b>444,443</b>	<b>304,524</b>	<b>1,386,581</b>
<b>OPERATING INCOME</b>	<b>\$ 2,065,494</b>	<b>\$ 1,258,253</b>	<b>\$ (6,339)</b>	<b>\$ 3,317,408</b>
<b>NONOPERATING REVENUE (EXPENSES)</b>				
Interest	(13,805)	(13,805)	-	(27,610)
<b>Total Nonoperating Revenue (Expenses)</b>	<b>\$ (13,805)</b>	<b>\$ (13,805)</b>	<b>\$ -</b>	<b>\$ (27,610)</b>
<b>Increase in Net Position</b>	<b>\$ 2,051,689</b>	<b>\$ 1,244,448</b>	<b>\$ (6,339)</b>	<b>\$ 3,289,798</b>
<b>NET POSITION</b>				
Net Position - Beginning	6,847,889	7,651,403	213,536	14,712,828
<b>Net Position - Ending</b>	<b>\$ 8,899,578</b>	<b>\$ 8,895,851</b>	<b>\$ 207,197</b>	<b>\$ 18,002,626</b>

The accompanying notes are an integral part of these statements.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Statement of Cash Flows Proprietary Fund (Utility)

For the Year Ended June 30, 2022

	<u>Business-Type Activities (Utility)</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 4,285,056
Cash payments to suppliers for goods and services	(890,563)
Cash payments to employees for services	(1,330,522)
Other receipts	<u>76,468</u>
Net Cash Provided By Operating Activities	2,140,439
Cash Flows From Noncapital Financing Activities:	
Receipt of property taxes	<u>121,732</u>
Net Cash Provided By Noncapital Financing Activities	121,732
Cash Flows From Capital and Related Financing Activities:	
Repayment of long-term debt	(94,130)
Interest paid on long-term debt	<u>(29,176)</u>
Net Cash Used By Capital and Related Financing Activities	(123,306)
Cash Flows From Investing Activities:	
Purchase of capital assets	(1,381,642)
Interest received on cash and investments	<u>59,532</u>
Net Cash Used By Investing Activities	(1,322,110)
Net Increase in Cash	816,755
Cash and Cash Equivalents - Beginning of Year	<u>6,929,775</u>
Cash and Cash Equivalents - End of Year	<u>\$ 7,746,530</u>

The accompanying notes are an integral part of these statements.

(Continued)

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Statement of Cash Flows Proprietary Fund (Utility)

For the Year Ended June 30, 2022

	<u>Business-Type Activities (Utility)</u>
Reconciliation of Increase in Net Position to Net	
Cash Used by Operating Activities:	
Operating Income	\$ <u>3,317,408</u>
Adjustments to reconcile increase in net position to net cash used by operating activities:	
Depreciation	642,696
Non-operating revenue	(182,823)
(Increase) decrease in:	
Receivables	(435,594)
Prepays	1,126
Construction in progress	599,656
Deferred outflows	222,595
Accounts payable	103,349
Accrued liabilities	(31,581)
Postemployment health benefits	(274,987)
Net pension liability	(2,243,371)
Deferred inflows	<u>421,968</u>
Total adjustments	<u>(1,149,359)</u>
Net Cash Provided by Operating Activities	\$ <u><u>2,140,439</u></u>

The accompanying notes are an integral part of these statements.

# **Notes to the Financial Statements**



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Olympic Valley Public Service District operates under a State Charter adopted March 30, 1964. The District operates under a Board-Manager form of government and provides the following services as authorized: water, sewer, garbage, and fire services.

The District's government wide financial statements include the accounts of all operations.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America. The following is a summary of the significant policies:

Basis of Accounting/Measurement Focus

The accounts of the District are organized based on funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and how spending activities are controlled.

Government-Wide Financial Statements

The District Financial Statements include a Statement of Net Position, a Statement of Activities, and a Statement of Cash Flows. These statements present summaries of governmental and business-type activities for the District accompanied by a total column.

These statements are presented on an economic resource measurement focus and the accrual basis of accounting. Accordingly, the District's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain eliminations have been made as prescribed by GASB Statement No. 34 regarding inter-fund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. Note in the current year there are none.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Government-Wide Financial Statements (Continued)

The District applies all applicable GASB pronouncements as well as the following pronouncements to the business type activities, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinion, and Accounting Research Bulletins of the committee on Accounting Procedure.

Governmental Fund

The Governmental Fund Financial Statements includes a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance for the governmental fund. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the Government-Wide Financial Statements.

Governmental funds are accounted for on a spending of current financial resources measurement focus and the modified-accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenses and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified-accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District are property tax and service fees. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

To commit fund balances, the District's Board of Directors passes a resolution at the time of the budget to designate a portion of the available fund balance to a specific purpose. This can be modified at the end of the year depending on a deficit or surplus from operations.

For all purposes, fund balance amounts are considered to have been spent when an expenditure is incurred. On occasion, the District has outlays for which both restricted and unrestricted amounts (i.e., total committed, unassigned and assigned fund balance) could be used. When such an outlay occurs, the District considers restricted fund balance depleted before unrestricted fund balance. When an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the District considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

For the year ended June 30, 2022, the District realized a \$328,538 increase in fund balance for the governmental fund. This is primarily a result of additional tax revenue, strike team revenue, and connection fees.

Proprietary Fund

The Proprietary Fund includes a Statement of Net Position and a Statement of Revenues, Expenses and Changes in Fund Net Position.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues.

Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the preceding year.
2. Public hearings are conducted to obtain taxpayer comment.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The District Finance and Administration Manager presents a monthly report to the Board explaining variances from the approved budget.
5. Formal budgetary integration is employed as a management control device during the year for the Utility Fund, Fire Department Fund, and Capital Reserve Fund.
6. The District requires the adoption of a budget for proprietary funds.
7. Appropriations lapse at the end of each fiscal year.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Designated Net Position

The District records restrictions to indicate that a portion of the fund balance is legally segregated for a specific future use (Note 9).

Revenue Recognition - Property Taxes

Placer County bills property taxes which attach as an enforceable lien on property. Property tax revenues are recognized when they become available. Available revenue includes those property tax receivables expected to be collected within sixty days after year end. The County allocates property taxes to the District following the alternate method of property tax distribution as stated in California Revenue & Taxation Code Section 4701. Using this method, the County allocates the District's portion of total billed property taxes less an estimated administration fee. The County then assumes all responsibility for collections.

Capital Assets

Capital assets having an extended useful life are capitalized as capital assets at cost.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets or donated works of art are reported at their acquisition value on the date donated. Maintenance and repair costs are charged to expenses as incurred. Replacements and capital improvements over \$5,000 are charged to capital asset accounts.

Capital assets are recorded in their respective fund. Depreciation of all exhaustible capital assets is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Facilities and systems	3-50 years
Vehicles, furniture and equipment	3-20 years

Compensated Absences

In accordance with District policy, the District has accrued a liability for vacation pay and sick leave which has been earned but not taken by District employees. This accrual represents the estimated probable future payments attributable to employees' service for all periods prior to June 30, 2022 at their current rate of pay.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California Public Employees' Retirement System (CalPERS) and additions to/deductions from CalPERS fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds or employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2020
Measurement Date (MD)	June 30, 2021
Measurement Period (MP)	July 1, 2020 to June 30, 2021

Post-Employment Benefits Other Than Pensions

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions ("OPEB"). This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to OPEB. These standards apply to all public employers that pay any part of the cost of retiree health benefits for current or future retirees. The District engaged Total Compensation Systems, Inc. to analyze liabilities associated with its retiree health program as of June 30, 2021.

For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2021
Measurement Period (MP)	July 1, 2020 to June 30, 2021

At June 30, 2022, the District had an undesignated unrestricted (deficit) of \$(2,867,834); \$(1,933,324) for governmental activities and \$(934,510) for business-type activities (Note 10). This resulted in an unrestricted net position of \$719,361 for governmental activities and \$6,431,820 for Business-Type activities. These funds will be used to fund future capital projects and pay down outstanding debts.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the District to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Statement of Cash Flows

For the Statement of Cash Flows (Utility), cash is comprised of operating cash on hand and on deposit at banks. The District considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Fiduciary Activities

The District presents its fiduciary activities information for assessing its accountability and financial reporting in their role as fiduciaries. The definition of "fiduciary" is:

- The organization acts on behalf of another person or persons to manage assets.
- Fiduciary responsibility refers to the obligation that one party has in relationship with another one to act entirely on the other party's behalf and best interest. It is considered the standard of highest care.

The District acts as a fiduciary and presents in the accompanying financial statements the following (see Notes 7 and 14):

- Government-Wide Financial Statements
  - Government Type Activities: CalPERS for Pension and OPEB plans
  - Business Type Activities: CalPERS for Pension and OPEB plans
- Fund Financial Statements
  - Proprietary Funds: CalPERS for Pension and OPEB plans

Subsequent Events

The effects of subsequent events have been evaluated through December 9, 2022, which is the date the financial statements were available to be issued.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Accounting Pronouncements Implemented for the Year Ended June 30, 2022

**Government Accounting Standards Board Statement No. 87**

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

**Government Accounting Standards Board Statement No. 89**

In June 2017, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business type activity or enterprise fund. There was no significant impact to the District's financial statements as a result of adoption.

**Government Accounting Standards Board Statement No. 92**

In January 2020, GASB issued Statement No. 91, *Omnibus 2020*. The primary objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. There was no significant impact to the District's financial statements as a result of adoption.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

**Government Accounting Standards Board Statement No. 93**

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The primary objective of this statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The removal of LIBOR as an appropriate benchmark interest rate is effective for the District's fiscal year ending June 30, 2022. There was no significant impact to the District's financial statements as a result of adoption.

**Government Accounting Standards Board Statement No. 97**

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a partial component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. There was no significant impact to the District's financial statements as a result of adoption.

**Government Accounting Standards Board Statement No. 98**

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This statement establishes the term *annual comprehensive financial report* and its acronym ACFR.

Upcoming Accounting Pronouncements

**Government Accounting Standards Board Statement No. 91**

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The District has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the District's fiscal year ending June 30, 2023.

**Government Accounting Standards Board Statement No. 94**

In March 2020, GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The District has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the District's fiscal year ending June 30, 2023.

**Government Accounting Standards Board Statement No. 96**

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the District's fiscal year ending June 30, 2023.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
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For the Year Ended June 30, 2022

2) CASH AND INVESTMENTS:

The District follows the practice of pooling cash and investments of all funds. Interest income earned on pooled cash and investments is allocated to the various funds based on average cash and investment balances of the respective fund. On June 30, 2022, the District's cash and investment balances included the following:

Pooled cash	\$ 1,813,740
Pooled investments	<u>8,265,035</u>
	<u>\$ 10,078,775</u>

All cash balances on deposit at banks are entirely insured or collateralized. The California Government Code requires California banks, savings, and loans to secure District deposits by pledging government securities as collateral. The fair value of pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits. Such collateral, as permitted by the State of California, is held in each respective bank's collateral pool at a Federal Reserve Bank, or member bank other than the depository bank, in the name of the respective depository bank and pledged against all the public deposits it holds.

With the exception of deposit insurance provided by the Federal Deposit Insurance Corporation, this collateralizing process is categorized by GASB Statement No. 40 as being collateralized with securities held by the pledging financial institution or its agent but not in the District's name.

Pursuant to the District's Investment Policy, which includes certain diversification requirements, the District can invest in U.S. Government guaranteed investments, bonds or treasury notes, 115 trusts, and certificates of deposit. The District has not adopted policies related to credit risk, custodial credit risk, concentration of credit risk, and interest rate risk. The District's investments in the State and County investment pool are fully insured by the related entity. These investment pools do not release a credit quality.

Investments of the District are summarized as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Placer County Pooled Investment Fund	\$ 7,498,508	7,498,508
California Local Agency Investment Fund	25,213	25,213
ProEquities Certificate of Deposit	738,000	732,221
ProEquities Money Market	<u>3,314</u>	<u>3,314</u>
Total	<u>\$ 8,265,035</u>	<u>8,259,256</u>

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

2) CASH AND INVESTMENTS: (Continued)

The Placer County Treasurer's Pooled Investment Fund is a local government pool managed by the County Treasurer's Office on behalf of Investment Pool participants. Included in the County Pool's investment portfolio are US Treasury Notes, Obligations issued by agencies of the United States Government, LAIF, Corporate Notes, Commercial Paper, collateralized other asset-backed securities, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations.

Pursuant to California Government Code Section 27130, the Placer County Treasurer's Review Panel was created to provide oversight in the investment in public funds. The Treasurer's Review Panel reviews and monitors the Treasurer's Investment Policy. The Panel is also responsible for causing an annual compliance audit of the Treasurer's investment operations, and for reviewing the findings of the audit. The District's investments with Local Agency Investment Fund (LAIF) at June 30, 2022 included a portion of the pooled funds invested in Structured Notes and Asset-Backed Securities. These investments included the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO's) or credit card receivables.

Interest Rate Risk

The District does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District's investments in the Placer County investment pool have not been rated by a nationally recognized statistical agency.

3) FAIR VALUE MEASUREMENTS:

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

3) FAIR VALUE MEASUREMENTS: (Continued)

The District has the following recurring fair value measurements as of June 30, 2022:

- a) State of California Local Agency Investment Fund of \$25,213 is valued using the underlying quoted market prices (Level 2 inputs)
- b) Placer County Pooled Investment Fund of \$7,498,508 is valued using the underlying quoted market prices (Level 2 inputs)

4) CAPITAL ASSETS:

A summary of Governmental Activities capital assets is presented below:

	Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Fire Department:					
Land	\$ 1,012,603	-	-	-	\$ 1,012,603
Buildings	4,993,599	-	-	-	4,993,599
Equipment	585,910	14,058	(100)	-	599,868
Furniture & Fixtures	39,243	-	(6,244)	-	32,999
Vehicles	1,624,321	-	-	-	1,624,321
Construction in progress	-	8,891	-	-	8,891
Total Capital Assets	8,255,676	22,949	(6,344)	-	8,272,281
Accumulated Depreciation	(3,534,305)	(234,955)	6,344	-	(3,762,916)
Net Capital Assets	\$ 4,721,371				\$ 4,509,365

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

3) CAPITAL ASSETS: (Continued)

A summary of Business-Type Activities capital assets is presented below:

	Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Utility Department:					
Land	\$ 1,012,603	-	-	-	\$ 1,012,603
Buildings	4,561,692	-	(1,196)	-	4,560,496
Water system	10,858,017	375,577	(2,162)	21,573	11,253,005
Sewage system	8,071,354	222,183	(119,227)	13,878	8,188,188
Headquarters	752,614	-	-	-	752,614
Equipment	481,946	18,981	(13,327)	-	487,600
Interceptors	729,065	-	-	-	729,065
Vehicles	604,404	-	-	-	604,404
Furniture & Fixtures	197,732	-	(50,715)	-	147,017
Construction in progress	430,669	208,845	(4,408)	(35,451)	599,656
Total Capital Assets	<u>27,700,096</u>	<u>825,587</u>	<u>(191,035)</u>	<u>-</u>	<u>28,334,648</u>
Accumulated Depreciation	(17,609,348)	(642,695)	186,627	-	(18,065,416)
Net Capital Assets	<u>\$ 10,090,748</u>				<u>\$ 10,269,232</u>

5) LONG-TERM DEBT:

The District's Business-Type Activity has entered into a 25-year capital lease agreement effective June 30, 2004 with the California Infrastructure and Economic Development Bank (CIEDB) to finance a portion (\$2,000,000) of the construction of a new Fire and Administration Center at 305 Olympic Valley Road. The agreement calls for semi-annual payments in varying amounts over the life of the 25-year loan. The first payment was due February 2005, with final maturity of the loan scheduled for August 2028. The loan was collateralized with District owned property at 1810 Olympic Valley Road. In the event of default, the District has agreed to surrender the property at 1810 and pay CIEDB all damages incurred by reason of default by the District. Since the loan is older than twelve years, the loan can be prepaid without being subject to penalties. As of June 30, 2022, the District is current on all debt obligation payments to CIEDB.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

5) LONG-TERM DEBT: (Continued)

A summary of the District's Business-Type Activities long-term debt on June 30, 2022 is as follows:

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2022</u>
3.63% lease faculty for \$2,000,000, payable over 25 years to The California Infrastructure and Economic Development Bank, first payment due February 2005 and semi-annually thereafter, maturity August 2028, secured by existing District land and facilities.	\$ 846,905	-	\$ (94,130)	\$ 752,775
Total Long-Term Debt	846,905	-	(94,130)	752,775
Less Current Installments of Long-Term Debt	94,130			97,265
Long-Term Debt Excluding Current Installments	\$ 752,775			\$ 655,510

The annual requirements to amortize District long-term debt as of June 30, 2022 are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	97,265	25,706	122,971
2024	100,504	22,122	122,626
2025	103,851	18,418	122,269
2026	107,309	14,590	121,899
2027	110,882	10,635	121,517
2028 through 2029	232,964	8,875	241,839
	<u>\$ 752,775</u>	<u>100,346</u>	<u>853,121</u>

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

6) DEFERRED COMPENSATION PLANS:

A 457 Deferred Compensation Plan has been established by the District with Mass Mutual. Employees may elect to defer compensation up to 100% of their salary or \$20,500 (\$27,000 if employee will have obtained age 50 by the end of the calendar year), whichever is less. Employees in their last three years before retirement may qualify to contribute additional amounts, but never more than \$41,000 per year. This Plan is fully funded with Mass Mutual.

In addition, the District has established a 457 Deferred Compensation Plan with the California Public Employees' Retirement System. Employees may elect to defer compensation up to 100% of their salary or \$20,500 (\$27,000 if employee will have obtained age 50 by the end of the calendar year), whichever is less. Employees in their last three years before retirement may qualify to contribute additional amounts, but never greater than \$41,000 per year. This Plan is fully funded with the California Public Employees' Retirement System.

Lastly, the District has established a 457 Roth Plan with the California Public Employees' Retirement System. Employees may elect to defer compensation up to 100% of their salary or \$6,000 (\$7,000 if employee will have obtained age 50 by the end of the calendar year), whichever is less. This Plan is fully funded with the California Public Employees' Retirement System.

The District is not responsible for the 457 plans; accordingly, these investments are not included in the accompanying financial statements.

7) NET PENSION LIABILITY:

General Information about the Pension Plan

a) Plan Description

All full-time employees of Olympic Valley Public Service District are provided with pensions through the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employee defined benefit pension plan administered by CalPERS. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The District selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a publicly available financial report that can be obtained at [www.calpers.ca.gov](http://www.calpers.ca.gov)

b) Benefits Provided

CalPERS provides retirement, disability, and death benefits. Retirement benefits are determined as a percent of the employee's highest earned 1-year (or in some cases 3-year average) compensation, modified for social security participation, times the participant's benefit factor. The benefit factor is determined based on the participant's hire date, years of service in the plan and

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

7) NET PENSION LIABILITY: (Continued)

their age at retirement. Employees with 5 years of continuous service are eligible to retire anywhere from age 50-62 depending on which retirement group the employee is classified. Five years of service is required for non-industrial disability eligibility and no minimum years of service for an industrial disability. Disability benefits are determined in the same manner as retirement benefits. Death benefits vary from simple return of participant contributions to a monthly allowance equal to the retirement benefit. The plan provides for annual cost-of-living adjustment based on the Consumer Price Index, subject to a maximum of 2%.

c) Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For the District, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. For the measurement period ended June 30, 2021 (the measurement date), the following is a summary of contribution rates:

	Employee Contribution	Employer Contribution	Total Required Contribution
<b>Governmental Activity (Fire Department)</b>			
First Tier Plan	9.000%	23.674%	32.674%
Second Tier Plan	9.000	20.585	29.585
PEPRA Plan	13.000	13.044	26.044
<b>Business-Type Activity (Utility Department)</b>			
First & Second Tier Plan	8.000%	15.351%	23.351%
PEPRA Plan	7.750	7.686	15.436



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

7) NET PENSION LIABILITY: (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the District reported a liability of \$294,000 (\$1,023,000 liability for Governmental activities and a \$729,000 asset for Business-type) for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by the CalPERS Financial Office. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. At June 30, 2022, the District's proportion was 0.02916% for the governmental activities pool and negative (0.03841)% for the business-type activities pool, which compares to 0.04641% the governmental activities pool and 0.03589% for the business-type activities pool at June 30, 2021.

For the year ended June 30, 2022, the District recognized pension credit of \$2,503,702 (\$609,177 for governmental activities and \$1,894,525 for business-type activities). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Governmental Activities

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 174,871	\$ -0-
Changes of assumptions	-0-	-0-
Difference between projected and actual earnings on pension plan investments	-0-	609,203
Changes in proportion and differences between District contributions and proportionate share of contributions	220,884	107,521
District contributions subsequent to measurement date	851,697	-0-
Total	\$ 1,247,452	\$ 716,724

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

7) NET PENSION LIABILITY: (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Business-Type Activities

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -0-	\$ 81,787
Changes of assumptions	-0-	-0-
Difference between projected and actual earnings on pension plan investments	636,671	-0-
Changes in proportion and differences between District contributions and proportionate share of contributions	779,821	650,607
District contributions subsequent to the measurement date	235,374	
Total	\$ 1,651,866	\$ 732,394

The amount \$1,087,071 (\$851,697 for governmental activities and \$235,374 for business-type activities) reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expenses as follows:

Year Ended	Governmental Activities	Business-Type Activities	Total
6/30/23	\$ (6,447)	172,303	165,856
6/30/24	(46,442)	167,589	121,147
6/30/25	(100,435)	168,263	67,827
6/30/26	(167,644)	175,943	8,299
Total	(320,968)	684,097	363,129

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

7) NET PENSION LIABILITY: (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2021 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2020 total pension liability. The June 30, 2021 total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15% Net of Pension Plan Investment and Administrative Expenses; includes inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

Actuarial Methods and Assumptions Used to Determine Total Pension Liability (Continued)

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) and developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
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For the Year Ended June 30, 2022

7) NET PENSION LIABILITY: (Continued)

calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

Asset Class	Assumed asset allocation	Real Return Years 1-10	Real Return Years 11+
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0	1.00	2.62
Inflation Assets	0.0	0.77	1.81
Private Equity	8.0	6.30	7.23
Real Estate	13.0	3.75	4.93
Liquidity	1.0	0.0	(0.92)

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the District as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate – 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Governmental Activities	\$ 3,136,543	1,023,540	(712,030)
Business-Type Activities	891,507	(729,334)	(2,069,261)
Total	\$ 4,028,050	294,206	(2,781,291)

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

7) NET PENSION LIABILITY: (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

Payables to the Pension Plan

At June 30, 2022, the employer's contribution for the final payroll of the fiscal year had not been paid and was included in accounts payable in the following amounts:

Governmental Activities	\$	-0-
Business-Type Activities		8,486
		8,486
	\$	8,486

8) PROCEEDS OF TAX LIMITATION:

Article XIIB of the California Constitution, as implemented by SB 1352 of 1980, specifies that proceeds of taxes of governmental entities may increase by an amount not to exceed the change in population, and the change in the United States Consumer Price Index or California per capita personal income, whichever is less.

The proceeds of taxes limit for the fiscal year ended June 30, 2022 was \$7,713,218. The District's actual annual proceeds of taxes for the year ended June 30, 2022 was \$3,942,259, leaving a margin of \$3,770,959. The proceeds of taxes limitation adopted by the District for the year ended June 30, 2022 is \$8,163,666.

9) RESTRICTED NET POSITION:

Net position is subject to the following legal restrictions:

Governmental Activities:	
Fire – protection fees	\$ <u>184,415</u>
Total Restricted Net Position – Governmental Activities	\$ <u><u>184,415</u></u>
Business-Type Activities:	
Capital projects - water	\$ 1,358,561
Capital projects - sewer	260,658
Inflow and infiltration	<u>168,184</u>
Total Restricted Net Position – Business-Type Activities	\$ <u><u>1,787,403</u></u>

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

10) UNRESTRICTED NET POSITION:

A portion of the unrestricted net position has been designated by the District’s Board as follows:

Governmental Activities:	
Capital asset replacement fund	\$ 2,652,685
Total Designated Net Position	<u>2,652,685</u>
Undesignated Net Position	<u>(1,933,324)</u>
Total Unrestricted Net Position – Governmental Activities	<u>\$ 719,361</u>
Business-Type Activities:	
Capital asset replacement fund - water	\$ 3,194,745
Capital asset replacement fund - sewer	3,937,124
Garbage	148,842
Bike Trail	<u>85,619</u>
Total Designated Net Position	<u>7,366,330</u>
Undesignated Net Position (Deficit)	<u>(934,510)</u>
Total Unrestricted Net Position – Business-Type Activities	<u>\$ 6,431,820</u>

The District had an undesignated unrestricted (deficit) of \$(2,867,834); \$(1,933,324) for governmental activities and \$(934,510) for business-type activities. This resulted in an unrestricted net position of \$719,361 for governmental activities and \$6,431,820 for Business-Type activities. These funds will be used to fund future capital projects and pay down outstanding debts.

11) FUND BALANCE – GOVERNMENTAL FUND (FIRE):

Nonspendable fund balance consists of short and long-term receivables (\$176,053), and prepaid expenses (\$17,766).

Restricted fund balance consists of user Fire mitigation connection fees legally restricted to new capital acquisition.

12) GARBAGE SERVICE:

Effective October 1, 1974, Ordinance No. 4 was passed by the Board of Directors of the Olympic Valley Public Service District providing for compulsory trash collection service for all District residents. The trash collections costs are paid by the service recipients. The District has contracted with a California corporation to provide the trash disposal services. An allocation of general and administrative expenses is made to garbage service cost, in addition to direct costs. Trash collection fees recognized in fiscal year ended June 30, 2022 were \$296,946 while expenses, both direct and allocated, totaled \$304,524.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

13) GRANTS:

In October of 2018, the District was notified that an application submitted to the Integrated Regional Water Management Grant (IRWM) by South Lake Tahoe Public Utility District on behalf of Tahoe agencies was accepted. The total grant amount was for \$707,360, of which \$34,647 will be allocated to the Olympic Valley Public Service District. The District has not yet submitted for reimbursement; therefore, a receivable was not booked as of June 30, 2022. However, the District intends to spend the money on implementation of an Advanced Metering Infrastructure (AMI)/Automatic Meter Reading (AMR) system and replacement of residential water meters that have reached the end of their useful life.

In May of 2020 the District was awarded \$54,866 from the Placer County Water Agency for the purpose of installing a pressure reduction valve (PRV) and station. The PRV is part of the District's Zone 1A Improvement Project. As of June 30, 2022, the District had expended \$49,998 for the project. As of June 30, 2022 the District had a receivable in the amount of \$17,228.

In May of 2021 the District was awarded \$371,600 from the Placer County Water Agency for the purpose of installing Advanced Metering Infrastructure (AMI) and Water Meter Replacements. This was in accordance with the Financial Assistance Program (FAP). Per the agreement, the District will be reimbursed for costs associated with the purchase and installation of new meters. The project is projected to span over two years. As of June 30, 2022, the District had expended \$119,978 for the project. As of June 30, 2022 the District had a receivable in the amount of \$119,978.

In May of 2021 the District was awarded \$403,625 from the Placer County Water Agency for the Olympic Valley Public Service District and Squaw Valley Mutual Water Company to create a water system intertie. This was in accordance with the Financial Assistance Program (FAP). The Intertie will improve both systems water supply reliability by leveraging the supply and storage of the other, not only for emergencies and planned maintenance, but on a perpetual basis as well. Per the agreement, the District will be reimbursed for costs associated with planning, design, construction, and other admin fees. As of June 30, 2022, the District had expended \$10,957 for the project. As of June 30, 2022 the District had a receivable in the amount of \$955.

In September of 2021 the District was awarded \$31,898 from CalFIRE to fund the Olympic Valley Community Wildfire Protection Plan. This plan is a collaboration with other community businesses and groups and will be the outline to mitigate wildfire hazards. It is required when applying for fuels reduction grants. As of June 30, 2022, the District had expended \$25,849 for the project. As of June 30, 2022 the District had a receivable in the amount of \$25,849.

In December of 2021 the District was awarded \$36,581 from the California Department of Finance for COVID-19 Fiscal Relief. This grant was awarded to cover costs such as Covid sick leave, the Fire Department's time working at the Covid clinic, IT time to set up remote workers, and cleaning supplies. The time frame for the grant was from March 20, 2020 through June 15, 2021. As of June 30, 2022, all funds were received and there was zero outstanding receivable.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

14) POSTEMPLOYMENT HEALTH BENEFITS:

Plan Description

The District provides health insurance coverage to each employee who retires and completes various age and service requirements through the California Public Employee' Retirement System (CalPERS) through a single-employer benefit plan. The District follows Public Employees' Medical & Hospital Care Act (PEMHCA) minimum contribution requirements for each eligible retiree. Benefit provisions are established and may be amended by the District Board of Directors. The plan does not issue a stand-alone financial report.

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions ("OPEB") and would replace GASB statements 45 and 57. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to OPEB. These standards apply to all public employers that pay any part of the cost of retiree health benefits for current or future retirees (including early retirees), whether they pay directly or indirectly.

Funding Policy

The District is funding the plan only to the extent necessary to cover the current year benefits of the retired beneficiaries. No employee contributions to the plan are required.

Annual Postemployment Health Benefit Cost and Total Postemployment Health Benefit Obligation

The following information for the Postemployment Health Benefit is based on the plan's June 30, 2021 valuation. It is for the period July 1, 2021 to June 30, 2022, and uses a measurement day of June 30, 2021. A standard actuarial methodology was used to estimate the Total OPEB Liability (TOL) as of the measurement date. The following table shows the results of the actuarial report.



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

14) POSTEMPLOYMENT HEALTH BENEFITS: (Continued)

Annual Postemployment Health Benefit Cost and Total Postemployment Health Benefit Obligation  
(Continued)

Changes in Total OPEB Liability as of June 30, 2020	Total OPEB Liability	Plan Contributions and Benefit Payments	Net OPEB Liability
Balance at June 30, 2020 Meas. Date	\$ 986,478	\$ -	\$ 986,478
Service cost	48,688	-	48,688
Interest on TOL	22,046	-	22,046
Employer contributions	-	17,890	(17,890)
Benefit payments	(17,890)	(17,890)	-
Assumption changes	(533,168)	-	(533,168)
Experience (gains)/losses	289	-	289
Other	-	-	-
Net change during 2020-21	\$ (480,035)	\$ -	\$ (480,035)
Balance at June 30, 2021 Meas. Date	\$ 506,443	\$ -	\$ 506,443

Deferred Inflows and Outflows

Changes in the Net OPEB Liability (NOL) arising from certain sources are recognized on a deferred basis. The following tables show the balance of each deferral item as of the measurement date and the schedule future recognition.

Balances at June 30, 2022 Fiscal Year-End	Deferred Outflows	Deferred Inflows
Differences between expected and actual expense	\$ 34,282	\$ 0
Changes in assumptions	186,716	(505,231)
Contributions made after measurement date	19,535	0
<b>Total</b>	<b>\$ 240,553</b>	<b>\$ (505,231)</b>

Actuarial Methods and Assumptions Used to Determine Total OPEB Liability

The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. For the measurement period ending June 30, 2021 (the measurement date), the total OPEB liability was based on the following actuarial methods and assumptions:

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

14) POSTEMPLOYMENT HEALTH BENEFITS: (Continued)

Actuarial Methods and Assumptions Used to Determine Total OPEB Liability (continued)

<u>Actuarial Cost Method</u>	Entry Age in accordance with the requirements of GASB Statement No. 75
 <u>Actuarial Assumptions</u>	
Discount Rate	6.75% per year net of expenses. Based on the long-term return on employer assets.
Inflation	2.50%
Salary Increases	2.75%
Healthcare Cost Trend	4%
Mortality Rate Table	Derived using CalPERS' 2017 Mortality Data
 Retirement Rates	 Firefighters:  Hired before 2013: 2017 CalPERS 3%@50 Rates for Firefighters  Hired after 2012: 2017 CalPERS 2.7%@57 Rates for Firefighters  General Employees:  Hired before 2013: 2017 CalPERS 2.7%@55 Rates for Miscellaneous employees  Hired after 2012: 2017 CalPERS 2%@62 Rates for Miscellaneous employees
Service Requirement	100% at 5 years of service

Discount Rate

The discount rate used to measure the total OPEB liability for a measurement date of June 30, 2021 was 6.75%. This is an increase from the prior measurement date of 2.2%, and the main reason for the significant decrease in the total OPEB liability. The District assumed that all contributions are from the employer. The following is the assumed asset allocation and assumed rate of return for each California Employer's Retirement Benefit Trust (CERBT).

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

14) POSTEMPLOYMENT HEALTH BENEFITS: (Continued)

Discount Rate (continued)

CERBT – Strategy 1

Asset Class	Percentage of Portfolio	Assumed Gross Return
All Equities	59.0000	7.5450
All Fixed Income	25.0000	4.2500
Real Estate Investment Trusts	8.0000	7.2500
All Commodities	3.0000	7.5450
Treasury Inflation Protected Securities (TIPS)	5.0000	3.0000

The District looked at rolling periods of time for all asset classes in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class don't necessarily reflect the averages over time individually but reflect the return for the asset class for the portfolio average. Geometric means were used.

The following presents the total OPEB liability/(asset) of the District as of the measurement date, calculated using the discount rate of 6.75 percent, as well as what the total OPEB liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (5.75 percent) or 1 percentage-point higher (7.75 percent) than the current rate:

	<u>Discount Rate – 1%</u> <u>(5.75%)</u>	<u>Current Trend</u> <u>Rate (6.75%)</u>	<u>Discount Rate +1%</u> <u>(7.75%)</u>
Net OPEB Liability	\$ <u>579,590</u>	<u>506,443</u>	<u>446,549</u>

Sensitivity of the Total OPEB Liability to Changes in the healthcare cost trend.

The following presents the total OPEB liability/(asset) of the District as of the measurement date, calculated using the healthcare cost trend of 4 percent, as well as what the total OPEB liability/(asset) would be if it were calculated using a trend that is 1 percentage-point lower (3 percent) or 1 percentage-point higher (5 percent) than the current rate:

	<u>Trend Rate – 1%</u> <u>(3.00%)</u>	<u>Current Trend</u> <u>Rate (4.00%)</u>	<u>Trend Rate +1%</u> <u>(5.00%)</u>
Net OPEB Liability	\$ <u>438,294</u>	<u>506,443</u>	<u>591,555</u>

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

14) POSTEMPLOYMENT HEALTH BENEFITS: (Continued)

Summary of Plan Participants

	Number of Participants
Inactive Employees Receiving Benefits	11
Inactive Employees Entitled to But Not Receiving Benefits	0
Participating Active Employees	27
	38

OPEB Expense

Under GASB 75, OPEB expense includes service cost, interest cost, administrative expenses, and change in TOL due to plan changes; all adjusted for deferred inflows and outflows. The OPEB expense for the current year is summarized below.

**Preliminary OPEB Expense Fiscal Year Ending June 30, 2022**

Service Cost	\$48,688
Interest on Total OPEB Liability (TOL)	22,046
Administrative Expenses	-
Recognition of Experience (Gain)/Loss Deferrals	4,273
Recognized Assumption Change Deferrals	(30,353)
Actual Investment Income	-
Recognized Investment Gains/Losses	-
Contributions After Measurement Date (Deferred Outflow)	-
Liability Change Due to Benefit Changes	-
Administrative Expense	-
OPEB Expense	\$44,654

The amount \$19,536 (\$7,125 for governmental activities and \$12,411 for business-type activities) reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows/ (inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended	Governmental Activities	Business-Type Activities	Total
6/30/23	\$ (11,180)	(14,900)	(26,080)
6/30/24	(11,180)	(14,900)	(26,080)
6/30/25	(11,180)	(14,900)	(26,080)
6/30/26	(11,180)	(14,900)	(26,080)
6/30/27	(11,180)	(14,900)	(26,080)
Thereafter	(67,526)	(86,307)	(153,833)

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

14) POSTEMPLOYMENT HEALTH BENEFITS: (Continued)

“Pay As You Go” Funding of Retiree Benefits

The actuarial assumptions listed above were used to project the ten-year retiree benefit outlay.

<b>Year Beginning July 1</b>	<b>Total</b>	<b>Fire Fighters</b>	<b>General Employees</b>
2021	\$19,272	\$7,008	\$12,264
2022	20,273	7,530	12,743
2023	21,422	8,161	13,261
2024	22,766	8,958	13,808
2025	24,422	10,009	14,413
2026	26,277	11,207	15,070
2027	28,172	12,435	15,737
2028	30,272	13,769	16,503
2029	32,464	15,191	17,273
2030	35,985	16,621	18,364

15) RISK MANAGEMENT:

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of two Joint Powers Authorities for the operation of common risk management and insurance programs. The programs cover workers’ compensation, property, liability, and employee dishonesty insurance. The Authorities are governed by Executive Boards consisting of representatives from member districts. The Executive Boards control the operations of the Authorities, including selection of management and approval of operating budgets.

The relationship between the District and the Joint Powers Authorities is such that the Authorities are not a component unit of the District for financial reporting purposes.

For workers’ compensation insurance, the District has joined with other special districts within the state to form the Special Districts Workers’ Compensation Authority (“SDWCA”). The District pays estimated annual premiums to the SDWCA based upon estimated payroll classified into rate categories pursuant to the rules published by the California Workers’ Compensation Insurance Rating Bureau. Actual premium due is determined after the fiscal year end and is based upon actual payroll. The SDWCA is entitled to assess additional premiums or to refund premiums based upon a pro rata allocation of the District’s premium paid to total premiums paid. The District is not assessed additional premiums or refunded premiums on an individual basis based upon claims or loss experience. The SDWCA agrees to pay all amounts legally required by California workers’

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

15) RISK MANAGEMENT (continued):

compensation laws. The amounts of settlements have not exceeded coverage provided by SDWCA for the last three fiscal years.

For property, liability and employee dishonesty insurance, the District has joined with other special districts within the state to form the Special Districts Risk Management Authority (“SDRMA”). The District pays an annual premium to SDRMA for its property, liability, and employee dishonesty coverage. The SDRMA is entitled to assess additional premiums or to refund premiums based upon a pro rata allocation of the District’s premium paid to total premiums paid. The District is not assessed additional premiums or refunded premiums on an individual basis based upon claims or loss experience. The amounts of settlements have not exceeded coverage provided by SDRMA for the last three fiscal years.

16) LEASE ACTIVITIES:

On November 1, 2021, the District entered into three separate lease agreement to rent idle facilities at the owned property at 1810 Olympic Valley Road. Two facilities are used as office spaces and the third is garage bay space. All leases expire on October 31, 2026. This property has an original cost of \$1,230,385, accumulated depreciation of \$1,006,759, and a net book value of \$199,033. Rental income of \$78,869 and interest income of \$9,801 is reflected in the Statement of Activities for the Business-Type and Government Activity. Deferred inflows of \$394,397 is reflected on the Statement of Net Position for the Business-Type and Government Activity. Expenses for the rental activity, which are also reflected in the Statement of Activities, are as follows:

Maintenance and repairs	\$ 2,903
Insurance	2,479
Utilities	22,471
Depreciation	<u>24,593</u>
 Total Expenses	 <u>\$ 52,446</u>

Future minimum rentals on non-cancelable leases for these rentals are as follows:

Year Ending June 30	Interest Revenue	Lease Revenue	Payment Amount
2023	11,631	112,269	123,900
2024	7,799	119,717	127,516
2025	3,703	125,621	129,324
2026	<u>297</u>	<u>42,811</u>	<u>43,810</u>
	 <u>\$ 23,430</u>	 <u>\$ 400,418</u>	 <u>\$ 423,848</u>

**Required Supplementary  
Information (Unaudited)**

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Budgetary Comparison Schedule Governmental Fund (Fire) (Unaudited)

For the Year Ended June 30, 2022

	Original and Final Budget	Actual	Budget Variance (Over) Under
<b>REVENUES</b>			
Property tax	3,718,794	3,820,527	(101,733)
Fire protection fee	16,500	47,500	(31,000)
Charges for Services	-	147,996	(147,996)
Rental revenue	31,650	26,290	5,360
Grants	-	25,849	(25,849)
Interest	-	19,479	(19,479)
Other	10,488	19,941	(9,453)
<b>Total Revenue</b>	<b>3,777,432</b>	<b>4,107,582</b>	<b>(330,150)</b>
<b>EXPENDITURES</b>			
Salaries and wages	2,033,909	2,003,799	30,110
Employee benefits	1,053,684	1,368,072	(314,388)
<b>Total salaries, wages and benefits</b>	<b>3,087,593</b>	<b>3,371,871</b>	<b>(284,278)</b>
Field Operations	197,831	186,369	11,462
General & Administrative	258,088	197,854	60,235
Capital outlay	102,611	22,950	79,661
<b>Total Expenditures</b>	<b>3,646,123</b>	<b>3,779,044</b>	<b>(132,921)</b>
Revenues over (under) expenditures	131,309	328,538	(197,229)
<b>Net Change in Fund Balance</b>	<b>131,309</b>	<b>328,538</b>	<b>(197,229)</b>
Fund Balance – Beginning of Year		<u>1,553,852</u>	
Fund Balance – End of Year		<u>\$ 1,882,390</u>	



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Schedule of the District's Proportionate Share of Net Pension Liability (Unaudited)  
Last 10 Years\*

Governmental Activities

	District's proportion of the net pension liability (asset) %	District's proportionate share of the net pension liability (asset)	District's covered- employee payroll	District's proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll (%)	Plan fiduciary net position as a percentage of the total pension liability (%)
6/30/2022	0.02916	\$ 1,023,540	\$ 1,513,140	67.64	93.48
6/30/2021	0.04641	\$ 3,092,126	\$ 1,438,326	214.98	79.31
6/30/2020	0.04709	\$ 2,939,480	\$ 1,412,413	208.12	79.10
6/30/2019	0.05243	\$ 3,076,605	\$ 1,444,106	213.05	76.07
6/30/2018	0.05073	\$ 3,031,127	\$ 1,426,607	212.47	75.16
6/30/2017	0.04980	\$ 2,579,354	\$ 1,409,624	182.98	75.48
6/30/2016	0.04803	\$ 1,979,217	\$ 1,388,693	142.52	79.14
6/30/2015	0.04532	\$ 1,398,722	\$ 1,267,582	110.35	81.42

Business-Type Activities

	District's proportion of the net pension liability (asset) %	District's proportionate share of the net pension liability (asset)	District's covered- employee payroll	District's proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll (%)	Plan fiduciary net position as a percentage of the total pension liability (%)
6/30/2022	(0.03841)	\$ (729,334)	\$ 1,645,438	(44.32)	105.94
6/30/2021	0.03589	\$ 1,514,037	\$ 1,569,985	96.44	87.14
6/30/2020	0.05871	\$ 2,351,163	\$ 1,470,155	159.93	78.85
6/30/2019	0.07032	\$ 2,650,101	\$ 1,293,000	204.96	74.82
6/30/2018	0.06843	\$ 2,697,379	\$ 1,141,501	236.30	73.39
6/30/2017	0.06679	\$ 2,320,231	\$ 1,159,919	200.03	74.18
6/30/2016	0.06623	\$ 1,817,006	\$ 1,047,508	173.46	79.15
6/30/2015	0.05659	\$ 1,700,068	\$ 998,317	170.29	83.03

Schedule of the District's Proportionate Share of Net Pension Liability (Unaudited) (continued)

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30: 2013, 2014, 2015, 2016, 2017, 2018, 2019		
Actuarial cost method	Entry age normal cost method		
Amortization method	Level percent of payroll		
Asset valuation method	Market value		
Actuarial assumptions:			
Discount rate	2016 – 2019 7.15%	2014 – 2019 7.65%	2013 7.50%
Projected salary increases	Varies by entry age and service		
Inflation	2017 - 2019 2.50%	2013 - 2016 2.75%	
Post Retirement Benefit increase	2017 - 2019 2.50%	2016 2.75%	2013 - 2015 3.00%

\* Omitted years: GASB statement No. 68 was implemented during the year ended June 30, 2015

Schedule of District Contributions for Pensions (Unaudited)  
Last 10 Years\*

Governmental Activities

		Contractually Required Contribution	Contributions	Contribution deficiency (excess)	District's covered-employee payroll	Contributions as a % of covered-employee payroll
6/30/2022	\$	628,859	(628,859)	-0-	1,513,140	41.56%
6/30/2021	\$	749,568	(749,568)	-0-	1,438,326	52.11%
6/30/2020	\$	693,477	(693,477)	-0-	1,412,413	49.10%
6/30/2019	\$	846,205	(846,205)	-0-	1,444,106	58.60%
6/30/2018	\$	381,749	(381,749)	-0-	1,426,607	26.76%
6/30/2017	\$	356,437	(356,437)	-0-	1,409,624	25.29%
6/30/2016	\$	329,377	(329,377)	-0-	1,388,693	27.32%
6/30/2015	\$	301,932	(301,932)	-0-	1,267,582	23.82%

Schedule of District Contributions for Pensions (Unaudited) (Continued)

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Business-Type Activities

		Contractually Required Contribution	Contributions	Contribution deficiency (excess)	District's covered- employee payroll	Contributions as a % of covered- employee payroll
6/30/2022	\$	235,374	(235,374)	-0-	1,645,438	14.3%
6/30/2021	\$	889,711	(889,711)	-0-	1,569,985	56.67%
6/30/2020	\$	1,323,957	(1,323,957)	-0-	1,470,155	90.06%
6/30/2019	\$	808,710	(808,710)	-0-	1,293,000	62.55%
6/30/2018	\$	253,032	(253,032)	-0-	1,141,501	22.17%
6/30/2017	\$	220,906	(220,906)	-0-	1,159,919	19.04%
6/30/2016	\$	224,552	(224,552)	-0-	1,047,508	21.43%
6/30/2015	\$	192,826	(192,826)	-0-	998,317	19.32%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30: 2013, 2014, 2015, 2016, 2017, 2018, 2019		
Actuarial cost method	Entry age normal cost method		
Amortization method	Level percent of payroll		
Asset valuation method	Market value		
Actuarial assumptions:			
Discount rate	2016 – 2019 7.15%	2014 – 2019 7.65%	2013 7.50%
Projected salary increases	Varies by entry age and service		
Inflation	2017 - 2019 2.50%	2013 - 2016 2.75%	
Post Retirement Benefit increase	2017 - 2019 2.50%	2016 2.75%	2013 - 2015 3.00%

\* Omitted years: GASB statement No. 68 was implemented during the year ended June 30, 2015

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Schedule of Changes in the Total OPEB Liability as of Measurement Date  
Last 10 Years\*

As of Measurement Date of June 30 <sup>th</sup>	2017	2018	2019	2020	2021
Total OPEB Liability – Beginning	\$577,372	\$616,532	\$626,502	742,311	986,478
Service Cost	31,009	31,862	29,958	32,604	48,688
Interest on TOL	20,519	23,789	24,140	26,259	22,046
Benefit Payments	(12,368)	(13,412)	(14,474)	(16,767)	(17,890)
Experience (Gains)/Losses	-0-	-0-	46,112	592	289
Assumption Changes	-0-	(32,269)	30,073	201,479	(533,168)
Total OPEB Liability (TOL) – Ending*	\$616,532	\$626,502	\$742,311	\$986,478	\$506,443
Fiduciary Net Position (FNP)	-0-	-0-	-0-	-0-	50,512
FNP as a % of TOL	0%	0%	0%	0%	10%

Schedule of OPEB Liability and Related Ratios – Last 10 Years\*

Governmental Activities

Measurement Date	Total OPEB Liability (TOL)	Fiduciary Net Liability (FNP)	Net OPEB Liability	FNP as a % of TOL
6/30/2017	\$ 279,216	-	279,216	0%
6/30/2018	\$ 281,926	-	281,926	0%
6/30/2019	\$ 334,040	-	334,040	0%
6/30/2019	\$ 334,040	-	334,040	0%
6/30/2020	\$ 443,915	-	443,915	0%
6/30/2021	\$ 238,867	25,256	213,611	11%

Business-Type Activities

Measurement Date	Total OPEB Liability (TOL)	Fiduciary Net Liability (FNP)	Net OPEB Liability	FNP as a % of TOL
6/30/2017	\$ 337,316	-	337,316	0%
6/30/2018	\$ 344,576	-	344,576	0%
6/30/2019	\$ 408,271	-	408,271	0%
6/30/2020	\$ 542,643	-	542,643	0%
6/30/2021	\$ 267,576	25,256	242,320	9%

\* Omitted years: GASB statement No. 75 was implemented during the year ended June 30, 2018

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Schedule of OPEB Liability and Related Ratios – Last 10 Years\* (continued)

Notes to Schedule:

Methods and assumptions used to determine OPEB Liability:

Valuation Date	June 30, 2021
Actuarial cost method	Entry Age
Discount rate	6.75%
Projected salary increases	2.75%
Inflation	2.50%
Healthcare Cost Trend	4%
Mortality Rate Table	Derived using CalPERS' 2017 Mortality Data
Retirement Rates	<u>Firefighters:</u> Hired before 2013: 2017 CalPERS 3%@50 Rates for Firefighters Hired after 2012: 2017 CalPERS 2.7%@57 Rates for Firefighters <u>General Employees:</u> Hired before 2013: 2017 CalPERS 2.7%@55 Rates for Miscellaneous employees Hired after 2012: 2017 CalPERS 2%@62 Rates for
Service Requirement	100% at 5 years of service

# Statistical Section (Unaudited)

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

## Contents Page

### Financial Trends 71-75

*These schedules contain trend information to help the reader understand how the OVPSD's financial performance and well-being have changed over time.*

### Revenue Capacity 76-79

*These schedules contain information to help assess the OVPSD's most significant local revenue sources: property tax, user fees, and grants.*

### Debt Capacity 80

*These schedules present information showing the District's current levels of outstanding debt, and the District's ability to issue additional debt in the future.*

### Demographic and Economic Information 81

*These schedules offer demographic and economic indicators to help understand the environment within which the OVPSD's financial activities take place.*

### Operating Information 82-84

*These schedules contain service and infrastructure data to help the reader understand how the information in the OVPSD's financial report relates to the services the OVPSD provides and the activities it performs.*

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Financial Trends – Net Position by Component Last Ten Years

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT										
Financial Trends – Net Position by Component										
Last Ten Years										
(accrual basis of accounting)										
	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Governmental activities</b>										
Net Investment in capital assets	\$ 4,642,838	\$ 4,721,371	\$ 4,909,237	\$ 5,114,336	\$ 5,217,880	\$ 5,179,742	\$ 4,621,128	\$ 4,704,252	\$ 4,796,045	\$ 4,890,819
Restricted	184,415	135,611	71,842	23,792	2,450	236,825	232,379	200,892	173,071	150,631
Unrestricted	719,360	(857,885)	(1,082,712)	(1,075,533)	(1,174,290)	(1,326,180)	(859,559)	(1,140,142)	676,832	613,978
Total governmental activities net position	\$ 5,546,613	\$ 3,999,097	\$ 3,898,367	\$ 4,062,595	\$ 4,046,040	\$ 4,090,387	\$ 3,993,948	\$ 3,765,002	\$ 5,645,948	\$ 5,655,428
<b>Business-type activities</b>										
Net Investment in capital assets	\$ 9,783,403	\$ 9,243,842	\$ 9,473,181	\$ 8,378,016	\$ 8,105,755	\$ 8,066,888	\$ 8,539,548	\$ 9,040,954	\$ 9,205,910	\$ 9,332,808
Restricted	1,787,403	1,673,611	1,179,160	854,620	748,444	940,206	866,195	700,402	725,240	688,198
Unrestricted	6,431,820	3,795,375	3,585,581	4,317,030	3,875,392	3,346,322	2,655,847	1,921,827	3,024,993	3,025,565
Total business-type activities net position	\$ 18,002,626	\$ 14,712,828	\$ 14,237,922	\$ 13,549,666	\$ 12,729,591	\$ 12,353,416	\$ 12,061,590	\$ 11,663,183	\$ 12,956,143	\$ 13,046,571
<b>Primary Government</b>										
Net Investment in capital assets	14,426,241	13,965,213	14,382,418	13,492,352	13,323,635	13,246,630	13,160,676	13,745,206	14,001,955	14,223,627
Restricted	1,971,818	1,809,222	1,251,002	878,412	750,894	1,177,031	1,098,574	901,294	898,311	838,829
Unrestricted	7,151,180	2,937,490	2,502,869	3,241,497	2,701,102	2,020,142	1,796,288	781,685	3,701,825	3,639,543
Total primary government net position	\$ 23,549,239	\$ 18,711,925	\$ 18,136,289	\$ 17,612,261	\$ 16,775,631	\$ 16,443,803	\$ 16,055,538	\$ 15,428,185	\$ 18,602,091	\$ 18,701,999

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Financial Trends - Change in Net Position Business-Type Activities Last Ten Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
OLYMPIC VALLEY PUBLIC SERVICE DISTRICT Business-Type Activities Financial Trends - Change in Net Position Last Ten Years (accrual basis of accounting)										
<b>Charges for Services</b>										
Water	\$ 2,045,677	\$ 1,941,808	\$ 1,948,281	\$ 1,817,309	\$ 1,737,105	\$ 1,519,649	\$ 1,476,065	\$ 1,321,545	\$ 1,271,470	\$ 1,116,947
Sewer	1,437,404	1,457,337	1,476,464	1,397,313	1,324,468	1,226,613	1,152,270	1,059,546	950,546	847,594
Garbage	296,946	282,502	268,010	255,180	250,631	243,959	239,059	234,899	228,110	221,996
Contract Services	107,806	108,693	105,651	101,230	97,817	100,087	97,536	156,271	58,908	-
Connection Fees and Grants	539,989	548,621	528,167	233,711	192,733	148,527	356,479	14,134	106,548	70,909
Property taxes	121,732	75,324	42,514	142,068	68,972	184,353	524,830	327,435	276,771	284,024
Other General Revenue	154,435	120,538	212,232	417,226	199,553	162,841	209,265	215,256	295,182	153,276
<b>Total</b>	<b>4,703,989</b>	<b>4,534,823</b>	<b>4,581,319</b>	<b>4,364,037</b>	<b>3,871,279</b>	<b>3,586,029</b>	<b>4,055,504</b>	<b>3,328,644</b>	<b>3,187,535</b>	<b>2,694,746</b>
<b>Expenses:</b>										
Water - direct expenses	33,259	1,386,426	1,368,941	1,458,295	1,356,898	1,116,103	1,164,260	958,465	1,177,799	907,872
Sewer - direct expenses	(111,321)	1,229,503	1,160,275	715,748	676,272	629,341	730,529	567,833	715,404	637,989
Garbage - direct expenses	282	278,346	262,464	247,663	240,437	235,891	235,679	232,296	232,048	221,996
Contract Services - direct exp	49,075	96,553	96,430	133,356	100,453	86,047	83,259	80,597	59,039	-
Indirect expenses	1,442,896	1,069,089	1,004,953	988,900	1,028,579	1,226,821	1,443,370	1,064,083	1,093,673	1,067,469
Total expenses	1,414,191	4,059,917	3,893,063	3,543,962	3,402,639	3,294,203	3,657,097	2,903,274	3,277,963	2,835,326
<b>Change in net position</b>	<b>3,289,798</b>	<b>474,906</b>	<b>688,256</b>	<b>820,075</b>	<b>468,640</b>	<b>291,826</b>	<b>398,407</b>	<b>425,370</b>	<b>(90,428)</b>	<b>(140,580)</b>
Net Position	14,712,828	14,237,922	13,549,666	12,729,591	12,353,416	12,061,590	11,663,183	12,956,143	13,046,571	13,187,151
Prior period restatement	-	-	-	-	(92,465)	-	-	(1,718,330)	-	-
Net Position - Beginning	14,712,828	14,237,922	13,549,666	12,729,591	12,260,951	12,061,590	11,663,183	11,237,813	13,046,571	13,187,151
Net Position - Ending	\$ 18,002,626	\$ 14,712,828	\$ 14,237,922	\$ 13,549,666	\$ 12,729,591	\$ 12,353,416	\$ 12,061,590	\$ 11,663,183	\$ 12,956,143	\$ 13,046,571



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Financial Trends - Change in Net Position Governmental Activities Last Ten Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities										
Financial Trends - Change in Net Position										
Last Ten Years										
(accrual basis of accounting)										
Changes for services (Fire):										
Property taxes	\$ 3,820,527	\$ 3,692,261	\$ 3,597,362	\$ 3,425,899	\$ 3,367,063	\$ 3,157,996	\$ 2,773,179	\$ 2,688,493	\$ 2,627,109	\$ 2,598,525
Other General Revenues	65,269	165,346	57,822	109,806	111,829	112,726	69,531	26,641	13,547	31,817
Program Revenue	221,786	179,699	53,539	87,250	92,931	54,974	105,100	66,920	22,854	37,849
Total program revenues	4,107,582	4,037,306	3,708,723	3,622,955	3,571,823	3,325,696	2,947,810	2,782,054	2,663,510	2,668,191
Expenses:										
Fire - direct expenses	2,127,257	3,543,071	3,462,510	3,281,524	3,190,295	2,952,935	2,422,887	2,403,246	2,367,565	2,270,696
Indirect expenses	432,809	393,505	410,441	324,876	307,265	276,322	295,977	310,513	305,425	317,394
Total Expenses	2,560,066	3,936,576	3,872,951	3,606,400	3,497,560	3,229,257	2,718,864	2,713,759	2,672,990	2,588,090
Change in net position	1,547,516	100,730	(164,228)	16,555	74,263	96,439	228,946	68,295	(9,480)	80,101
Net Position	3,999,097	3,898,367	4,062,595	4,046,040	4,090,387	3,993,948	3,765,002	5,645,948	5,655,428	5,575,327
Prior Period restatement	-	-	-	-	(118,610)	-	-	(1,949,241)	-	-
Net Position - Beginning	3,999,097	3,898,367	4,062,595	4,046,040	3,971,777	3,993,948	3,765,002	3,696,707	5,655,428	5,575,327
Net Position - Ending	\$ 5,546,613	\$ 3,999,097	\$ 3,898,367	\$ 4,062,595	\$ 4,046,040	\$ 4,090,387	\$ 3,993,948	\$ 3,765,002	\$ 5,645,948	\$ 5,655,428

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Financial Trends – Fund Balances of General Fund Last Ten Years

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT										
Financial Trends - Fund Balances of General Fund										
Last Ten Years										
(modified accrual basis of accounting)										
	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Nonspendable	\$ 193,819	\$ 21,764	\$ 12,599	\$ 237,839	\$ 386,129	\$ 339,096	\$ 243,223	\$ 236,927	\$ 234,977	\$ 265,829
Restricted	184,415	135,611	71,842	23,792	2,450	236,825	232,379	200,892	173,071	150,631
Committed	1,504,156	941,967	783,773	342,688	-	166,174	497,868	511,200	446,435	387,281
Unassigned	-	454,510	262,908	337,610	525,533	(59,432)	146,070	13,190	156,389	96,491
Total general fund	\$ 1,882,390	\$ 1,553,852	\$ 1,131,122	\$ 941,929	\$ 914,112	\$ 682,663	\$ 1,119,540	\$ 962,209	\$ 1,010,872	\$ 900,232

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Financial Trends – Changes in Fund Balances of Governmental Funds Last Ten Years

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT										
Financial Trends - Changes in Fund Balances of Governmental Funds										
Last Ten Years										
(modified accrual basis of accounting)										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Revenues</b>										
Property taxes	\$ 3,820,527	\$ 3,692,261	\$ 3,597,362	\$ 3,425,899	\$ 3,367,063	\$ 3,157,996	\$ 2,773,179	\$ 2,688,493	\$ 2,627,109	\$ 2,598,525
Fire Protection Fees	47,500	63,016	47,000	21,000	16,000	9,654	28,080	25,370	20,177	14,500
Interest	19,479	7,023	15,897	14,308	11,610	12,920	13,122	8,725	9,147	7,807
Rental & Admin Revenue	174,286	240,049	38,078	160,598	173,355	63,409	82,200	41,550	2,677	43,866
Other	45,790	35,164	11,238	1,150	5,821	90,779	51,229	17,915	4,400	3,493
<b>Total Revenues</b>	<b>\$ 4,107,582</b>	<b>\$ 4,037,513</b>	<b>\$ 3,709,575</b>	<b>\$ 3,622,955</b>	<b>\$ 3,573,849</b>	<b>\$ 3,334,758</b>	<b>\$ 2,947,810</b>	<b>\$ 2,782,053</b>	<b>\$ 2,663,510</b>	<b>\$ 2,668,191</b>
<b>Expenditures</b>										
Fire Dept Operations	\$ 3,756,094	\$ 3,564,261	\$ 3,479,834	\$ 3,450,899	\$ 3,066,139	\$ 3,001,402	\$ 2,646,212	\$ 2,694,089	\$ 2,417,007	\$ 2,331,945
Capital outlay	22,950	50,522	40,548	144,239	276,261	675,467	47,672	40,594	40,782	42,514
Debt service:										
Principle	-	-	-	-	-	-	92,500	85,000	80,000	77,500
Interest	-	-	-	-	-	2,266	6,595	11,033	15,081	18,946
<b>Total expenditures</b>	<b>\$ 3,779,044</b>	<b>\$ 3,614,783</b>	<b>\$ 3,520,382</b>	<b>\$ 3,595,138</b>	<b>\$ 3,342,400</b>	<b>\$ 3,771,635</b>	<b>\$ 2,790,479</b>	<b>\$ 2,830,716</b>	<b>\$ 2,552,870</b>	<b>\$ 2,470,905</b>
<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 328,538</b>	<b>\$ 422,730</b>	<b>\$ 189,193</b>	<b>\$ 27,817</b>	<b>\$ 231,449</b>	<b>\$ (436,877)</b>	<b>\$ 157,331</b>	<b>\$ (48,663)</b>	<b>\$ 110,640</b>	<b>\$ 197,286</b>
<b>Fund Balances</b>										
Fund Balance - Beginning	1,553,852	1,131,122	941,929	914,112	682,663	1,119,540	962,209	1,010,872	900,232	702,946
<b>End of year</b>	<b>\$ 1,882,390</b>	<b>\$ 1,553,852</b>	<b>\$ 1,131,122</b>	<b>\$ 941,929</b>	<b>\$ 914,112</b>	<b>\$ 682,663</b>	<b>\$ 1,119,540</b>	<b>\$ 962,209</b>	<b>\$ 1,010,872</b>	<b>\$ 900,232</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>3.06%</b>	<b>3.52%</b>	<b>3.44%</b>	<b>3.78%</b>	<b>3.97%</b>

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Revenue Capacity – Property Tax Uses Last Ten Years

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT												
Revenue Capacity - Property Tax Uses												
Last Ten Fiscal Years (unaudited)												
Fiscal Year	Water		% Change		Sewer		% Change		Fire		% Change	
	Fund		Inc. (Dec.)	% Change	Fund		Inc. (Dec.)	% Change	Fund		Inc. (Dec.)	% Change
2012	\$	312,970	-2.9%		\$	58,925	-43.1%		\$	2,427,616	-0.8%	
2013	\$	216,016	-31.0%		\$	68,008	15.4%		\$	2,598,525	7.0%	
2014	\$	256,153	18.6%		\$	20,618	-69.7%		\$	2,627,109	1.1%	
2015	\$	153,615	-40.0%		\$	173,820	743.0%		\$	2,688,493	2.3%	
2016	\$	524,830	241.7%		\$	-	-100.0%		\$	2,773,179	3.1%	
2017	\$	184,353	-64.9%		\$	-	0.0%		\$	3,157,996	13.9%	
2018	\$	68,972	-62.6%		\$	-	0.0%		\$	3,367,063	6.6%	
2019	\$	117,500	70.4%		\$	24,568	0.0%		\$	3,425,899	1.7%	
2020	\$	21,257	-81.9%		\$	21,257	-13.5%		\$	3,597,362	5.0%	
2021	\$	37,662	77.2%		\$	37,662	77.2%		\$	3,692,261	2.6%	
										Total		
	\$				\$				\$			
										\$ 2,799,511		-2.6%
										\$ 2,882,549		3.0%
										\$ 2,903,880		0.7%
										\$ 3,015,928		3.9%
										\$ 3,298,009		9.4%
										\$ 3,342,349		1.3%
										\$ 3,436,035		2.8%
										\$ 3,567,967		3.8%
										\$ 3,639,876		2.0%
										\$ 3,767,585		3.5%

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
Revenue Capacity – Change in Assessed Value Last Ten Years

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT Revenue Capacity - Change in Assessed Value Excludes Airplane Valuations Last Ten Fiscal Years (unaudited)				
Fiscal Year	<u>22500 OVPSD</u>	<u>% Change</u>	<u>22500 OVPSD Z#1 M&amp;O</u>	<u>% Change</u>
2012/2013	\$ 1,139,329,005	2.23%	\$ 1,091,840,295	2.16%
2013/2014	\$ 1,140,780,468	0.13%	\$ 1,092,841,096	0.09%
2014/2015	\$ 1,167,411,722	2.33%	\$ 1,117,841,929	2.29%
2015/2016	\$ 1,276,999,392	9.39%	\$ 1,221,703,079	9.29%
2016/2017	\$ 1,282,457,837	0.43%	\$ 1,226,162,637	0.37%
2017/2018	\$ 1,313,553,159	2.42%	\$ 1,257,774,663	2.58%
2018/2019	\$ 1,355,356,890	3.18%	\$ 1,297,640,343	3.17%
2019/2020	\$ 1,393,514,979	2.82%	\$ 1,333,616,495	2.77%
2020/2021	\$ 1,439,192,986	3.28%	\$ 1,376,712,214	3.23%
2021/2022	\$ 1,487,951,002	3.39%	\$ 1,442,449,013	4.77%

*Source: Placer County Assessed Valuation and Tax Rates  
(Excludes Airplane Valuations) value by Agency*

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Revenue Capacity – Water, Sewer, and Base Rates Last Ten Years

Olympic Valley Public Service District									
Revenue Capacity - Water, Sewer, and Garbage Base Rates									
Last Ten Fiscal Years (unaudited)									
Fiscal Year	Residential Single Family Annual Water Base Rate	Residential Multit-Family Annual Water Base Rate	Commercial 2" Meter Annual Water Base Rate	Residential Single Family Annual Sewer Base Rate	Residential Multit-Family Annual Sewer Base Rate	Commercial Sewer Base Rate	Residential Annual Garbage Base Rate	Commercial Annual Sewer Base Rate	Residential Annual Garbage Base Rate
2013	\$ 572	\$ 286	\$ 761	\$ 370	\$ 320	\$ 656.11	\$ 228	\$ 656.11	\$ 228
2014	\$ 601	\$ 301	\$ 799	\$ 426	\$ 368	\$ 755.00	\$ 235	\$ 755.00	\$ 235
2015	\$ 679	\$ 340	\$ 903	\$ 471	\$ 407	\$ 834.00	\$ 242	\$ 834.00	\$ 242
2016	\$ 760	\$ 380	\$ 1,011	\$ 509	\$ 440	\$ 900.00	\$ 244	\$ 900.00	\$ 244
2017	\$ 836	\$ 418	\$ 1,112	\$ 540	\$ 466	\$ 954.00	\$ 249	\$ 954.00	\$ 249
2018	\$ 935	\$ 453	\$ 2,995	\$ 616	\$ 485	\$ 1,091.25	\$ 256	\$ 1,091.25	\$ 256
2019	\$ 972	\$ 471	\$ 3,115	\$ 647	\$ 509	\$ 1,145.80	\$ 261	\$ 1,145.80	\$ 261
2020	\$ 1,011	\$ 490	\$ 3,239	\$ 680	\$ 535	\$ 1,203.10	\$ 269	\$ 1,203.10	\$ 269
2021	\$ 1,035	\$ 502	\$ 3,318	\$ 680	\$ 535	\$ 1,203.10	\$ 277	\$ 1,203.10	\$ 277
2022	\$ 1,077	\$ 522	\$ 3,451	\$ 714	\$ 561	\$ 1,263.26	\$ 285	\$ 1,263.26	\$ 285

Source: Olympic Valley Public Service District

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
 Revenue Capacity – Ten Largest Customers

2021 - 2022		2012 - 2013		
OLYMPIC VALLEY PUBLIC SERVICE DISTRICT				
Revenue Capacity - Ten Largest Customers				
Current Year and Nine Years Prior				
Customer	Total Revenue	Rank	Customer	
Customer	Total Revenue	Rank	Total Revenue	
Resort @ Squaw Creek	\$ 181,086	1	Resort @ Squaw Creek	\$ 87,404
Village at Squaw Valley - 22	\$ 139,631	2	Resort @ Squaw Creek	\$ 84,879
Village at Squaw Valley - 1st A	\$ 124,841	3	Village at Squaw Valley - 22	\$ 67,293
Resort at Squaw Creek	\$ 69,833	4	Village at Squaw Valley - 1st A	\$ 63,386
Squaw Valley Lodge	\$ 58,913	5	Squaw Valley Lodge	\$ 31,017
Village Inn Owners Association	\$ 58,131	6	Village Inn Owners Association	\$ 30,772
Squaw Valley Lodge	\$ 57,053	7	Squaw Valley Lodge	\$ 27,243
Village Inn Owners Association	\$ 46,808	8	Lake Tahoe Prep School	\$ 23,109
Squaw Valley Lodge	\$ 41,800	9	Village Inn Owners Association	\$ 22,027
Tahoe City PUD	\$ 35,615	10	Squaw Valley Lodge	\$ 19,529

Sources: Olympic Valley Public Service District Accounting Department

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Debt Capacity – Outstanding Debt by Type Last Ten Years

Business-Type Activities

Fiscal Year	Building Capital Lease	Term Loans	Total	Per Capita Income	Debt Per Capita	Median Household Income (MHI)	Debt Per MHI
2012/2013	\$ 1,498,568	\$ 347,500	\$ 1,846,068	\$ 52,610	\$ 35	\$ 69,521	\$ 27
2013/2014	\$ 1,426,138	\$ 267,500	\$ 1,693,638	\$ 53,482	\$ 32	\$ 73,643	\$ 23
2014/2015	\$ 1,351,296	\$ 182,500	\$ 1,533,796	\$ 55,983	\$ 27	\$ 75,689	\$ 20
2015/2016	\$ 1,273,962	\$ 92,500	\$ 1,366,462	\$ 59,430	\$ 23	\$ 76,203	\$ 18
2016/2017	\$ 1,194,053	\$ -	\$ 1,194,053	\$ 61,525	\$ 19	\$ 85,326	\$ 14
2017/2018	\$ 1,111,483	\$ -	\$ 1,111,483	\$ 63,609	\$ 17	\$ 81,366	\$ 14
2018/2019	\$ 1,026,163	\$ -	\$ 1,026,163	\$ 65,547	\$ 16	\$ 89,175	\$ 12
2019/2020	\$ 938,002	\$ -	\$ 938,002	\$ 67,610	\$ 14	\$ 97,668	\$ 10
2020/2021	\$ 846,905	\$ -	\$ 846,905	\$ 72,279	\$ 12	\$ 88,965	\$ 10
2021/2022	\$ 752,775	\$ -	\$ 752,775	\$ 76,849	\$ 10	\$ 93,677	\$ 8

Governmental Activities

Fiscal Year	Building Capital Lease	Term Loans	Total	Per Capita Income	Debt Per Capita	Median Household Income (MHI)	Debt Per MHI
2012/2013	\$ -	\$ 347,500	\$ 347,500	\$ 52,610	\$ 7	\$ 69,521	\$ 5
2013/2014	\$ -	\$ 267,500	\$ 267,500	\$ 53,482	\$ 5	\$ 73,643	\$ 4
2014/2015	\$ -	\$ 182,500	\$ 182,500	\$ 55,983	\$ 3	\$ 75,689	\$ 2
2015/2016	\$ -	\$ 92,500	\$ 92,500	\$ 59,430	\$ 2	\$ 76,203	\$ 1
2016/2017	\$ -	\$ -	\$ -	\$ 61,525	\$ -	\$ 85,326	\$ -
2017/2018	\$ -	\$ -	\$ -	\$ 63,609	\$ -	\$ 81,366	\$ -
2018/2019	\$ -	\$ -	\$ -	\$ 65,547	\$ -	\$ 89,175	\$ -
2019/2020	\$ -	\$ -	\$ -	\$ 67,610	\$ -	\$ 97,668	\$ -
2020/2021	\$ -	\$ -	\$ -	\$ 72,279	\$ -	\$ 88,965	\$ -
2021/2022	\$ -	\$ -	\$ -	\$ 76,849	\$ -	\$ 93,677	\$ -

Source: MHI and Per Capita derived from Federal Reserve Bank of St. Louis



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Demographic and Economic Information – Placer County

Year	District Workforce (actual FTEs)	Placer County Population	Median Household Income (Placer Co)	Per Capita Income (Placer Co)	Unemployment Rate Placer County
2021	25	412,300	\$ 93,677	\$ 76,849	2.6%
2020	28	403,490	\$ 88,965	\$ 72,279	10.5%
2019	28	403,711	\$ 97,668	\$ 67,610	3.3%
2018	27	395,978	\$ 89,175	\$ 65,547	3.4%
2017	27	389,387	\$ 81,366	\$ 63,609	4.1%
2016	27	383,598	\$ 85,326	\$ 61,525	4.7%
2015	27	376,508	\$ 76,203	\$ 59,430	5.2%
2014	27	371,264	\$ 75,689	\$ 55,983	6.4%
2013	25	368,059	\$ 73,643	\$ 53,482	8.2%
2012	25	363,837	\$ 69,521	\$ 52,610	9.9%
2011	25	359,648	\$ 69,581	\$ 49,736	11.5%

Source: (1) Populations derived from State of California Department of Finance  
 (2) MHI and Per Capita derived from Federal Reserve Bank of St. Louis  
 (3) Unemployment derived from Federal Reserve of St. Louis (mo. of June)

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Operating Information – Indicators by Function Last Ten Years

Olympic Valley Public Service District											
Operating Indicators by Function											
Last Ten Years											
	Fiscal Year										
	2022*	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Utilities:</b>											
Water Production (million gallons)	88.49	102.72	107.23	114.61	111.43	115.08	104.93	95.2	116.4	134.36	121.9
Sewer Flows (million gallons)	67.39	70.9	68.26	87.33	77.6	97.07	86.84	69.56	74.27	77.29	90.28
Number of Sewer Pressure Tests**	33	66	68	-	-	-	-	-	-	-	-
Miles of Water Mains and Services	16.25	16.25	16.25	16.25	16.25	16.33	15.68	15.61	15.40	15.28	15.28
Miles of Sewer Mains and Laterals	27.96	27.96	27.96	29.96	27.86	27.86	27.40	27.60	27.17	27.10	27.10
<b>Fire:</b>											
Emergency Calls	421	520	507	558	555	637	552	460	455	555	507
Fleet Vehicles	9	9	9	9	9	9	8	8	7	7	7
Miles travelled	-	17,481	34,023	12,888	21,943	30,228	37,844	24,143	26,597	21,581	25,940
<b>Technical Services:</b>											
Contracts & Agreements		20	16	18	18	21	18	21	24	15	7
Public Records Requests		13	14	7	-	2	2	4	2	-	1
Building Projects – Single Family Residents		20	33	13	13	2	3	4	1	5	2
Building Projects –Remodel/Additions		24	11	16	15	17	16	12	14	12	8
Property Sales		104	185	147	99	132	115	71	77	102	101

\*Date is through October 2022

\*\*Not tracked prior to 2020

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Operating Information – Water Production Last Ten Years

(In million gallons)

Monthly Production	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022*
Jan	10.44	6.51	7.49	8.07	7.78	6.94	7.60	8.65	5.63	7.39
Feb	9.52	7.42	6.15	7.48	6.91	6.63	7.14	8.45	6.41	6.86
Mar	8.99	10.64	6.35	7.28	7.29	7.96	8.96	6.86	6.68	6.88
April	7.64	6.64	5.04	5.85	6.87	6.20	8.00	5.15	6.79	5.76
May	11.87	9.33	6.49	6.44	6.98	8.33	6.16	7.16	8.65	6.47
June	14.11	15.35	10.04	11.10	13.65	12.45	11.67	11.08	13.34	11.56
July	18.21	16.32	12.60	15.49	15.50	15.82	16.48	15.02	15.61	14.67
Aug	16.98	13.94	11.71	13.76	15.87	14.53	15.32	14.47	13.63	12.56
Sept	13.37	11.00	10.29	11.12	12.94	12.47	12.39	12.22	9.90	9.71
Oct	8.49	7.82	6.70	6.79	8.98	7.00	6.92	8.25	6.09	6.63
Nov	5.78	4.20	4.88	4.24	4.98	5.35	5.16	4.76	3.75	
Dec	8.96	7.23	7.46	7.31	7.33	7.75	8.81	5.16	6.24	
Annual Totals	134.36	116.4	95.2	104.93	115.08	111.43	114.61	107.23	102.72	88.49
Average Monthly Water Production	11.20	9.70	7.93	8.74	9.59	9.29	9.55	8.94	10.27	8.85

Source: Olympic Valley Public Service District Water Department

\*Data is through October 2022

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Operating Information – Sewer Flows Last Ten Years

(In million gallons)

Monthly Sewer Flows	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022*
Jan	9.7	6.5	7.19	9.98	11.5	7.97	7.34	8.53	5.85	9.98
Feb	9.37	8.63	7.18	9.98	12.67	6.94	9.29	8.14	7.01	9.73
Mar	10.09	8.71	6.82	11.84	11.25	10.25	10.69	5.97	7.85	9.73
April	5.58	6.65	4.52	7.16	11.5	9.34	11.9	5.9	7.09	8.37
May	4.08	4.56	3.87	5.1	7.36	5.21	7.61	4.67	4.77	5.34
June	4.88	5.07	5.08	4.98	5.68	5.18	6.24	4.54	5.3	5.35
July	7.57	6.98	6.85	6.71	7.36	6.85	7.14	6.44	6.36	6.24
Aug	6.77	6.67	5.93	5.89	6	5.68	6.17	5.9	4.74	4.82
Sept	5.16	4.66	5.93	4.91	5.08	4.67	4.81	4.87	3.58	4.06
Oct	3.94	4.13	3.86	5.16	4.45	3.99	3.8	4.34	4.89	3.77
Nov	3.5	3.65	3.89	4.67	6.72	4.18	3.32	4.11	4.76	
Dec	6.65	8.06	8.44	10.46	7.5	7.34	9.02	4.85	8.7	
<b>Annual Totals</b>	<b>77.29</b>	<b>74.27</b>	<b>69.56</b>	<b>86.84</b>	<b>97.07</b>	<b>77.6</b>	<b>87.33</b>	<b>68.26</b>	<b>70.9</b>	<b>67.39</b>
<b>Average Monthly Sewer Flows</b>	<b>6.44</b>	<b>6.19</b>	<b>5.80</b>	<b>7.24</b>	<b>8.09</b>	<b>6.47</b>	<b>7.28</b>	<b>5.69</b>	<b>7.09</b>	<b>6.74</b>

Source: Olympic Valley Public Service District Operations Department

\*Data is through October 2022

# **OLYMPIC VALLEY PUBLIC SERVICE DISTRICT**

OLYMPIC VALLEY, CALIFORNIA

INDEPENDENT AUDITORS' REPORT  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

June 30, 2022

To the Board of Directors  
Olympic Valley Public Service District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Olympic Valley Public Service District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 9, 2022.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

*A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

*A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*McClintock Accountancy Corporation*

McCLINTOCK ACCOUNTANCY CORPORATION  
Tahoe City, California  
December 9, 2022