



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

OLYMPIC VALLEY, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2023

With Independent Auditor's Report

Prepared by the Accounting Department

**OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
TABLE OF CONTENTS
JUNE 30, 2023**

Introductory Section (Unaudited)	
Letter of Transmittal.....	1
Board of Directors	6
Organization Chart	7
INDEPENDENT AUDITORS' REPORT	8
Management's Discussion and Analysis (Required Supplementary Information – Unaudited)	11
Basic Financial Statements	
Government-Wide Financial Statements	1
Statement of Net Position	23
Statement of Activities	25
Fund Financial Statements	26
Balance Sheet – Governmental Fund	27
Reconciliation of the Balance Sheet of Governmental Fund (Fire) to the Statement of Net Position	28
Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Fund (Fire).....	29
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund (Fire) to the Statement of Activities	30
Statement of Net Position – Proprietary Fund	31
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund	33
Statement of Cash Flows Proprietary Fund	34
Notes to the Financial Statements	36
Required Supplementary Information (Unaudited)	61
Budgetary Comparison Schedule Governmental Fund (Fire) (Unaudited)	67
Schedule of the District's Proportionate Share of Net Pension Liability (Unaudited).....	68
Schedule of District Contributions for Pensions (Unaudited)	70
Schedule of Changes in the Net OPEB Liability and related ratios as of Measurement Date	71
Schedule of OPEB Contributions – Last 10 Years*	72
Statistical Section (Unaudited)	73
Financial Trends – Net Position by Component Last Ten Years	74
Financial Trends - Change in Net Position Business-Type Activities Last Ten Years.....	75
Financial Trends - Change in Net Position Governmental Activities Last Ten Years	76
Financial Trends – Fund Balances of General Fund Last Ten Years.....	77
Financial Trends – Changes in Fund Balances of Governmental Funds Last Ten Years	78
Revenue Capacity – Property Tax Uses Last Ten Years	79
Revenue Capacity – Change in Assessed Value Last Ten Years.....	80
Revenue Capacity – Water, Sewer, and Base Rates Last Ten Years.....	81
Revenue Capacity – Ten Largest Customers	82
Debt Capacity – Outstanding Debt by Type Last Ten Years	83
Demographic and Economic Information – Placer County	84
Operating Information – Indicators by Function Last Ten Years.....	85
Operating Information – Water Production Last Ten Years.....	86
Operating Information – Sewer Flows Last Ten Years	87
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards.	



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT



INTRODUCTORY SECTION

Letter of Transmittal

December 6, 2023

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, 2023. 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 ending June 30, 2023.

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, 2023. 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

The 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 collection, bike trail snow removal, fire protection, and emergency medical services. The District owns and 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, Placer County contracts with the District 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: 804
Sewer Customers: 1,049
Garbage Customers: 706

The 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. Olympic Valley Fire Department is an 'all-risk' agency, providing fire suppression, technical rescue, and emergency medical services under an 'ALS Engine Company' (non-transport) format.

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 million annually in TOT funds previously used for promotion and economic development. New freed-up TOT funds will be put toward the region's much-needed housing and transportation projects.

Affordable housing is a critical issue in the North Tahoe–Truckee region. 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 of converting it to a short-term rental. This caused the displacement of many local workers and made rental rates difficult 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 2023-2024, the District will issue a new Proposition 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 2024 - 2025. 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 initiatives 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 an operational, staffing, and community level and quickly and appropriately respond.
- Negotiations with the International Union of Stationary Engineers, Local 39, (MOU) representing the Fire Department.

- Revision to the 2012 Strategic Plan. Staff intends to complete a comprehensive five-year strategic plan with a focus on understanding the District's current operating environment and how existing conditions necessitate an update to the strategic goals and objectives.
- 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, which requires 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 next 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. The last project is a \$45,125 grant from the Truckee Tahoe Community Foundation for the OV-4 fuels reduction project, which essentially creates a 150-foot perimeter fuel break around residential and commercial structures.
- Garbage Contract with Truckee Tahoe Sierra Disposal: The garbage contract with Truckee Tahoe Sierra Disposal (TTSD) for the 2023-24 fiscal year again saw many changes. The biggest is an 11% increase in rates due to an increase in trash generation in the region, rising labor costs, employee shortages, and significant increases in disposal costs. Next, 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, hosts Green Waste Days throughout the summer. Finally, the District created a 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 Emergency Intertie. The project includes the planning, design, and construction of facility intertie(s) at key locations in both water systems, which will provide for emergency water supply capabilities in the water systems. The total estimated cost for the project is \$720,000 and will be accomplished through fiscal year 2024. The second largest grant is \$371,600 from PCWA for the Water 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 \$770,000 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,

A handwritten signature in black ink, appearing to read "Mike Geary". The signature is written in a cursive style with a large, looped "G" at the end.

Mike Geary
General Manager

Danielle Mueller

Danielle Mueller
Finance & Administration Manager



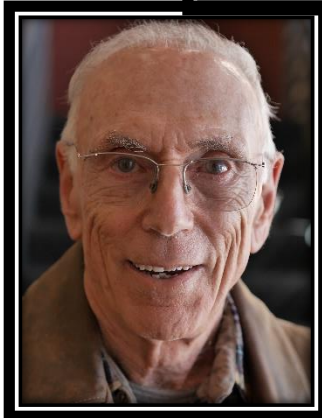
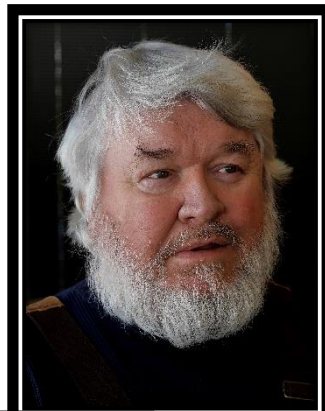
OLYMPIC VALLEY PUBLIC SERVICE DISTRICT



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



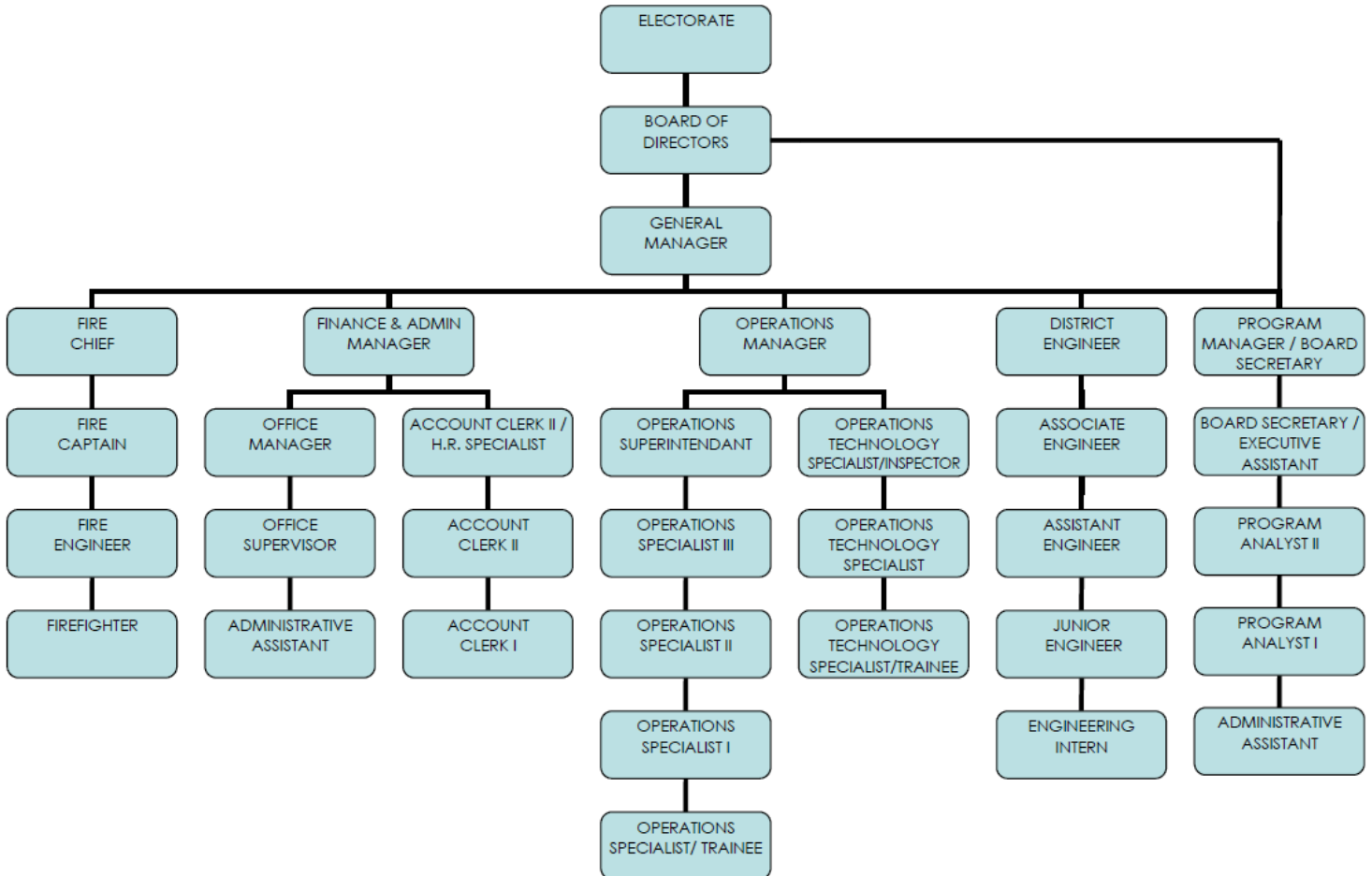
Top row, left to right: Dale Cox, Board President and Bill Hudson, Vice-President.
Bottom row, left to right: Directors Fred Ilfeld, Katrina Smolen, and Katy Hover-Smoot.



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT



Organization Chart



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Olympic Valley Public Service District

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of Olympic Valley Public Service District, as of and for the year ended June 30, 2023, 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 and each major fund of the Olympic Valley Public Service District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government 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 GAAS and Government 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 67-68, the Schedule of the District's Proportionate Share of the Net Pension Liability on pages 68-69, the Schedule of District Contributions for Pensions on pages 70-71, the schedule of Changes in the Net OPEB Liability and Related Ratios on page 71, and the schedule of OPEB Contributions on page 72 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.

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 6, 2023, on our consideration of the Olympic Valley Public Service 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 Olympic Valley Public Service District's internal control over financial reporting and compliance

The logo for McClintock Accountancy Corporation is written in a black, cursive, handwritten-style font. The letters are connected and flow together, giving it a personal and professional appearance.

McCLINTOCK ACCOUNTANCY CORPORATION
Tahoe City, California
December 6, 2023

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDING JUNE 30, 2023

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, 2023. 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 \$4,514,000. This is a decrease from FY2022, when current assets exceeded total liabilities by \$7,579,000. This is primarily due to an increase in the pension liability (Note 7), an increase to cash and investments, and reducing long term-debt from the building loan (Note 5).
- Net pension liability was recorded at \$4,616,000 (\$3,253,000 for Fire and \$1,363,000 for Utility). This is a \$2,229,000 increase for the Fire department and a \$2,093,000 increase for the Utility Department, for a total increase of \$4,322,000 from the prior year (Note 7). This liability is based primarily off of the District's fiduciary net position (asset value) with CalPERS as of June 30, 2022 when the fund reported an abnormally negative -6.1% investment return. This is a large swing after CalPERS reported a 21.3% return in 2021. The liability is partially reduced due to paying an additional \$935,000 to PERS in FY2019, \$1,200,000 in FY2020 and \$830,000 in FY2021.
- Other post-employment benefit (OPEB) liability is \$485,000 (\$228,000 for Fire and \$257,000 for Utility). This is a decrease of \$21,000, or 4%, from FY2022, 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 OPEB actuarial valuation assuming a discount rate of 6.75%, instead of 2.2% (Note 13), which reduces the District's OPEB liability.
- Total net position decreased by \$1,020,000, or 4%, from the prior year. There was an increase in general revenue (mostly property tax revenue) as well as program revenues (mostly rate revenue). There was also a significant increase in expenses due to pension expense recognized after CalPERS saw a -6.1% investment return. Lastly, salaries and wages were down from the prior year due to staffing shortages across both departments.
- Of the total net position, \$1,988,000 is restricted and must be used only for expansion (Note 8), \$8,160,000 is unrestricted and available in capital asset replacement funds; however, a portion of this unrestricted balance is dedicated to future debt obligations such as the CalPERS UAL and OPEB liability.
- From FY2023, water rates increased 4%, sewer increased 5%, and garbage increased 10%.
- Property tax revenues increased by \$397,000 from the 2021-22 tax roll, or about 10%

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDING JUNE 30, 2023

Major projects this year included:

- Completed inspection and recoat of the West Tank in the amount of \$674,000.
- Purchased a new all-poly 2,000-gallon water tender in the amount of \$288,187.
- Took the dedication of a water line and sewer line from Everline Resort in the amount of \$380,000.
- Completed a Building Analysis & HVAC Master Plan. This assessed the condition of the existing facilities and developed the repair/ replacements for the HVAC system and estimated cost.
- The District received funding from Placer County to provide snow removal services on the Olympic Valley Bike Trail, which happened to be the second-biggest snowfall year on record. There was a surplus of \$10,500 which was added to the reserve balance and will be used towards the replacement of a new snowblower when needed.
- Chief Riley announced his retirement from the District after 30 years of service (6 years as Fire Chief). A rigorous recruitment was conducted before deciding on Captain Brad Chisholm to be his replacement.
- While the Fire Department experienced staffing shortages, they still were able to assist on strike teams fighting wildfires and aid natural disasters around California. Net revenue after Department expenses amounted to \$28,700.

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.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDING JUNE 30, 2023

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 Capital 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.

- 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.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDING JUNE 30, 2023

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.

	Statement of Activities (in thousands)							
	Governmental		Business-Type		Total		Dollar	Percent
	Activities		Activities					
	(Fire)		(Utility)		2022	2023	Change	Change
2022	2023	2022	2023					
Program Revenues	\$ 222	143	4,521	4,924	4,743	5,067	\$ 324	7%
Expenses	\$ 2,560	5,053	1,414	5,605	3,974	10,658	\$ 6,684	168%
Net revenue (expense)	(2,338)	(4,910)	3,107	(681)	769	(5,591)	(6,360)	-827%
General Revenues								
Property Tax	3,821	4,072	122	267	3,943	4,339	396	10%
General Grants	25	-	-	-	25	-	(25)	-100%
Interest	19	46	61	186	80	232	152	190%
Other	20	-	0.2	-	20	-	(20)	-88%
Total General Revenues	3,885	4,118	183	453	4,068	4,571	503	12%
Increase (Decrease) in Net Position	\$ 1,547	(792)	3,290	(228)	4,837	(1,020)	\$ (5,857)	-121%
Net Position - Beginning of Year	\$ 3,999	5,546	14,713	18,003	18,712	23,549	4,837	26%
Net Position - End of Year	\$ 5,546	4,754	18,003	17,775	23,549	22,529	\$ (1,020)	-4%

Total change in Net Position decreased by \$1,020,000. Total program revenues have increased by \$324,000, or 7%. Program revenue for the Fire Department consists primarily of grant income for fuels management and rental revenue. Program revenue for the Utility Department consists primarily of service fees for water, sewer, and garbage. There was a decrease in connection fees (utility) of \$261,000 and fire mitigation fees of \$38,000.

Expenses have increased \$6,684,000, or 168% (\$2,493,000 for utility and \$4,191,000 for fire). In total, there was a \$6,467,000 increase to salaries and benefits. This comes after the prior year saw a \$4,079,000 decrease to salaries and benefits. As noted above, a large pension expense was recognized after CalPERS saw a 6.1% investment loss in 2022, which came after a 21.3% return in 2021. There was a \$137,000 increase in field operations, \$7,700 for Fire and \$129,000 for Utility. The Utility Department saw an increase to caustic soda costs as well as additional maintenance needed in the administration building. Lastly, there was a \$64,000 increase in

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDING JUNE 30, 2023

General and Administrative expenses due to consulting work and increased property and liability insurance.

General Revenues increased by \$503,000, \$232,000 for Fire and \$271,000 for Utility. This is mostly due to property tax revenue increasing by \$397,000 and interest increasing by \$152,000.

Statement of Net Position (In Thousands)								
	Governmental		Business-Type		Total		Dollar	Percent
	Activities		Activities					
	(Fire)	(Utility)	2022	2023	2022	2023	Change	Change
Current and Other Assets	\$ 2,392	2,798	8,036	8,302	10,428	11,100	\$ 672	6%
Non-Current Assets	4,643	4,608	10,536	10,975	15,179	15,583	404	3%
Total Assets	\$ 7,035	7,406	18,572	19,277	25,607	26,683	\$ 1,076	4%
Deferred Outflows	\$ 1,373	2,013	1,767	2,079	3,140	4,092	\$ 952	30%
Current Liabilities	\$ 510	523	883	721	1,393	1,244	\$ (149)	-11%
Non-Current Liabilities	1,262	3,481	194	1,861	1,456	5,342	3,886	267%
Total Liabilities	\$ 1,772	4,004	1,077	2,582	2,849	6,586	\$ 3,737	131%
Deferred Inflows	1,089	661	1,259	999	2,348	1,660	(688)	-29%
Net Position:								
Net Inv in Capital Assets	\$ 4,643	4,608	9,783	10,620	14,426	15,228	\$ 802	6%
Restricted	185	197	1,787	1,791	1,972	1,988	16	1%
Unrestricted	719	(51)	6,432	5,364	7,151	5,313	(1,838.00)	-26%
Total Net Position	\$ 5,547	4,754	18,002	17,775	23,549	22,529	\$ (1,020)	-4%

Total Current Assets have increased \$672,000. The increase is due to cash and investments increasing by \$437,000. This is partially due to an increase of \$115,000 in interest earned. There was also \$312,000 in grant revenue relating to fuels management for the Fire Department and water meters and the Mutual Intertie for the Utility Department. The District retains mostly liquid funds in pooled conservative investment accounts with Placer County Investment Funds, California CLASS, 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 \$46,452 were submitted to Placer County for collection on the 2023-2024 property tax rolls, which is an \$8,230 increase from the prior year. These delinquencies total less than 1% of the total billed revenue.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDING JUNE 30, 2023

Net non-current assets totaled \$15,583,000 which is \$404,000 more than the prior year. This is mostly due the Utility Department increasing in value by \$439,000. New assets and replacements were added to inventory such as the West Tank inspection and recoat and a new water and sewer line dedication from Everline Resort. 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 decreased by \$149,000 from the prior year, mostly due to fewer 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.

Non-current liabilities have increased by \$3,886,000. The Net Pension Liability increased \$2,229,000 for the Fire department and \$2,093,000 for the Utility Department due to the District's fiduciary net position (asset value) with CalPERS as of June 30, 2022 when the fund reported a 6.1% investment loss. 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. Next, Postemployment Health Benefits decreased by \$21,000, or 4%. 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. The District committed to annually funding a California Employer's Retiree Benefit Trust (CERBT), which resulted in the OPEB actuarial valuation assuming a discount rate of 6.75%, instead of 2.2%, reducing the District's OPEB liability. 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. In fiscal year 2023, a required \$97,000 plus an additional \$300,000 principal payment was made. This reduced the maturation date from 2028 to 2025. The remaining balance owed is \$355,510.

During the fiscal year, the Enterprise portion of the District had cash and cash equivalents increase by \$150,000. The prior year had \$817,000 increase to cash and cash equivalents. There was a \$408,000 increase to payments to purchase of assets, and \$303,000 increase in payments to long-term debt. This was offset by an increase of \$97,000 of cash receipts from customers and \$146,000 increase in property tax receipts.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDING JUNE 30, 2023

The District continues to maintain a healthy current ratio of 8.92:1 (Current Assets against Current Liabilities), which has increased from the prior year of 7.49:1. Total Current and Other Assets against Total Liabilities is 1.69:1, an increase from 3.66:1 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.

Even though the District's cash position remains strong, reserves should continue to be allocated into capital asset replacement funds for anticipated replacement and/or repair of the District's aging infrastructure. In the current year, reserve and capital accounts decreased by \$1,842,000, the majority relating to operating expenses from the Fire and Utility departments after a pension correction was recognized. 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 \$21,000 decrease to the Water Capital Fund due to paying for the expansion of a water main at Hidden Lake Loop and initial fees for the Squaw Valley Mutual Intertie. This was offset by new connections withing the Valley. Total Water Capital Fund is valued at \$1,337,000. The Sewer Capital account grew to \$284,000. The uptick in sewer funds from the current year relate to new connections withing the Valley. Next, there was a \$13,000 increase to the Fire Capital Fund. There were no capital projects during the year for this program. The Fire Capital Fund is valued at \$197,000. There was an \$802,000 decrease to the Water Capital Asset Replacement Fund. Projects funded by the Water CARF included the west tank recoat, water meter replacement project, Hidden Lake water line replacement, and zone 3 tank recoat. The Water CARF is valued at \$2,393,000. There was a \$153,000 decrease to the Sewer CARF. Projects funded by the Sewer CARF included sewer TV inspections, sewer line rehabilitation, Hidden Lake sewer Line replacement, and a portable generator. The Sewer CARF is valued at \$3,784,000. There was a \$10,500 increase to the Bike Trail Snow Removal CARF. There were no capital projects during the year for this program. The Bike Trail Snow Removal CARF is valued at \$96,000. There was a \$9,700 decrease to the garbage CARF. This account decreased due to additional operating expenses incurred by hosting green waste days and funding garbage dumpster rebates. The Garbage CARF is valued at \$139,000. Lastly, the Fire CARF showed a decrease of \$904,000, to \$1,749,000. Projects funded by the Fire CARF include a new water tender, new turnout gear and replacements at 305 Olympic Valley Road. Between connection fees, excess taxes, and interest earned, \$695,000 was contributed to the fund accounts (before capital purchases). As capital 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, 2023

General Fund Balances - 5 Year Comparison of Funds Available for Capital Projects					
(in thousands)	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Water Capital					
Beginning Balance	591	693	1,014	1,352	1,358
Increases	134	321	346	226	64
Decreases	(32)	-	(8)	(220)	(85)
Ending Balance	693	1,014	1,352	1,358	1,337
Sewer Capital					
Beginning Balance	-	-	-	154	261
Increases	52	137	154	107	23
Transfer from Sewer FARF	194	660	-	-	-
Decreases	(246)	(797)	-	-	-
Ending Balance	-	-	154	261	284
Inflow & Infiltration Capital					
Beginning Balance	158	162	166	167	168
Increases	4	4	1	1	3
Decreases	-	-	-	-	-
Ending Balance	162	166	167	168	171
Garbage Capital					
Beginning Balance	186	193	170	155	149
Increases	13	9	5	1	2
Decreases	(6)	(32)	(20)	(7)	(12)
Ending Balance	193	170	155	149	139
Water CARF					
Beginning Balance	809	1,197	1,361	1,442	3,195
Increases	481	275	222	2,098	157
Decreases	(93)	(111)	(141)	(345)	(959)
Ending Balance	1,197	1,361	1,442	3,195	2,393
Sewer CARF					
Beginning Balance	3,574	3,789	2,703	2,814	3,937
Increases	531	286	301	1,384	176
Transfer to Sewer Capital	(194)	(660)	-	-	-
Decreases	(122)	(712)	(190)	(261)	(329)
Ending Balance	3,789	2,703	2,814	3,937	3,784
Fire Protection Funds					
Beginning Balance	2	24	72	136	184
Increases	22	48	64	48	13
Transfer from Fire FARF	-	-	-	-	-
Decreases	-	-	-	-	-
Ending Balance	24	72	136	184	197
Fire CARF					
Beginning Balance	502	569	784	942	2,653
Increases	209	223	244	1,734	256
Transfer to Fire Capital	-	-	-	-	-
Decreases	(142)	(8)	(86)	(23)	(1,160)
Ending Balance	569	784	942	2,653	1,749
Bike Trail Snow Removal CARF					
Beginning Balance	-	0.8	24	57	86
Increases	0.8	23	33	29	10
Decreases	-	-	-	-	-
Ending Balance	0.8	24	57	86	96

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDING JUNE 30, 2023

Economic Factors and Financial Outlook for FY 2023-24

The phrase “recession” has been talked about extensively over the past couple of years. With persistent inflation and higher interest rates, the fears of recession were imminent. The Federal Reserve took an aggressive approach to curb inflation by implementing aggressive rate hikes to the *Benchmark Short-Term Federal Funds Rate*, currently at 5.25 – 5.50%. This is an increase from 3.75 – 4.00% one year ago. Even with this approach, the economy remained resilient. The labor market continues to grow, unemployment remains low at 4.7% in California, and the most recent GDP rose at a 4.9% annualized price; it appears as though recession fears are falling. Most economists expect growth to slow in the coming months, however, they generally think the U.S. can avoid a recession absent any other unforeseen surprises. Regardless of where the economy falls, 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 seeing a stabilizing trend. While prices are still high, the median sale price from the previous year has dropped approximately 10 percent. The days on market have increased as well as the number of houses available. This will benefit those buyers that are patient and more likely to find lower closing prices. Unfortunately, mortgage interest rates remain high at approximately 8.5% and could be prohibiting buyers from entering the market. 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 \$122 million, or 7.5%, to \$1.750 billion in 2023-24. The District’s estimated net ad valorem tax revenue is expected to be \$4,584,000. This is a \$245,000, or 5.65% increase from the \$4,339,000 net received in 2022-23.

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 2023-2024 fiscal year which include residential water meter replacements, recoating of the Zone 3 tank, Mutual Water Company intertie, sewer line replacements, purchase of a new command vehicle, and phase I of the HVAC replacement at 305 Olympic Valley Road. Total capital projects are budgeted at \$2,047,000. The District expects to continue funding its capital 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.

For fiscal year 2023-24 the District will pay \$214,000 to CalPERS for the Fire Department’s Unfunded Accrued Liability (UAL). There is no payment required for the Utility Department. This payment is 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

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDING JUNE 30, 2023

as of June 2023 was \$3,253,000. Each year the District will assess any excess funds that can be allocated to keep reducing the liability.

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 FY2024 is budgeted at \$115,000. In FY2023, the District paid an additional \$300,000 towards the principal, leaving the remaining balance at \$355,510. Additionally, the payoff time was reduced from 2028 to 2025.

The District plans to follow its five-year Strategic Plan, approved by the Board in April 2012. For fiscal year 2024, \$20,000 is budgeted for an updated plan, which will review the vision of 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. Last, there is a \$45,125 grant from the Truckee Tahoe Community Foundation to go toward the planning phase of a community buffer fuel reduction project. The District is using the recently completed Community Wildfire Protection Plan as a guide for future projects, which is an integral tool for seeking grant funding for fuels management projects.

This section of the MD&A was prepared on October 27th, 2023.

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.

Basic Financial Statements

Government-Wide Financial Statements

- Statement of Net Position
- Statement of Activities

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Statement of Net Position
June 30, 2023

	<u>Assets</u>		
	Governmental Activities (Fire)	Business-Type Activities (Utility)	Total
<u>Current Assets</u>			
Cash (Note 2)	\$ 161,038	\$ 1,109,193	\$ 1,270,231
Investments (Notes 2 and 3)	<u>2,457,950</u>	<u>6,787,474</u>	<u>9,245,424</u>
Cash and investments	2,618,988	7,896,667	10,515,655
<u>Receivables</u>			
Service fees	46,915	106,921	153,836
Lease	96,049	192,099	288,148
Interest	4,545	16,495	21,040
Other	<u>2,021</u>	<u>32,728</u>	<u>34,749</u>
Total receivables	149,530	348,243	497,773
Prepaid expenses and other assets	<u>28,995</u>	<u>56,666</u>	<u>85,661</u>
Total current assets	2,797,513	8,301,576	11,099,089
<u>Noncurrent assets:</u>			
<u>Capital assets:</u>			
Capital assets, at cost (Note 4)	8,582,240	29,579,826	38,162,066
Less accumulated depreciation (Note 4)	<u>(3,973,968)</u>	<u>(18,604,842)</u>	<u>(22,578,810)</u>
Total Noncurrent Assets	<u>4,608,272</u>	<u>10,974,984</u>	<u>15,583,256</u>
Total Assets	<u>7,405,785</u>	<u>19,276,560</u>	<u>26,682,345</u>
<u>Deferred Outflows of Resources</u>			
Pension related (Note 7)	1,872,899	1,951,930	3,824,829
OPEB related (Note 13)	<u>139,636</u>	<u>127,357</u>	<u>266,993</u>
Total Deferred Outflows of Resources	<u>2,012,535</u>	<u>2,079,287</u>	<u>4,091,822</u>

The accompanying notes are an integral part of these statements.

(Continued)

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Statement of Net Position
June 30, 2023

Liabilities and Net Position

	Governmental Activities (Fire)	Business-Type Activities (Utility)	Total
	<u> </u>	<u> </u>	<u> </u>
Liabilities			
Current Liabilities			
Accounts payable	33,391	70,206	103,597
Accrued liabilities	489,370	526,919	1,016,289
Unearned revenue	-	8,756	8,756
Current portion of long-term debt (Note 5)	<u>-</u>	<u>114,643</u>	<u>114,643</u>
Total Current Liabilities	<u>522,761</u>	<u>720,524</u>	<u>1,243,285</u>
Noncurrent Liabilities			
Net OPEB liability (Note 13)	228,095	257,213	485,308
Net pension liability (Note 7)	3,252,575	1,363,254	4,615,829
Long-term debt (Note 5)	<u>-</u>	<u>240,866</u>	<u>240,866</u>
Total Noncurrent Liabilities	<u>3,480,670</u>	<u>1,861,333</u>	<u>5,342,003</u>
Total Liabilities	<u>4,003,431</u>	<u>2,581,857</u>	<u>6,585,288</u>
Deferred Inflows of Resources			
Pension related (Note 7)	352,253	579,221	931,474
OPEB related (Note 13)	217,083	236,744	453,827
Lease related (Note 16)	<u>91,407</u>	<u>182,814</u>	<u>274,221</u>
Total Deferred Inflows of Resources	<u>660,743</u>	<u>998,779</u>	<u>1,659,522</u>
Net Position			
Net investment in capital assets	4,608,272	10,619,475	15,227,747
Restricted (Note 8)	196,973	1,791,448	1,988,421
Unrestricted (deficit) (Note 9)	<u>(51,099)</u>	<u>5,364,288</u>	<u>5,313,189</u>
Total Net Position	\$ <u>4,754,146</u>	\$ <u>17,775,211</u>	\$ <u>22,529,357</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, 2023

Functions/ Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Governmental Activities	Business-Type Activities (Utility)	Total
Primary Government:							
Governmental activities							
Fire Department	28,696	105,021	9,235	142,952	(4,910,459)	-	(4,910,459)
Total governmental activities	<u>5,053,411</u>	<u>105,021</u>	<u>9,235</u>	<u>142,952</u>	<u>(4,910,459)</u>	<u>-</u>	<u>(4,910,459)</u>
Business-type activities							
Water	2,178,142	96,502	533,309	2,807,953	-	(264,856)	(264,856)
Sewer	1,578,202	60,466	145,930	1,784,598	-	(403,864)	(403,864)
Garbage	331,453	-	-	331,453	-	(12,187)	(12,187)
Total business-type activities	<u>4,087,797</u>	<u>156,968</u>	<u>679,239</u>	<u>4,924,004</u>	<u>-</u>	<u>(680,907)</u>	<u>(680,907)</u>
Total primary government	<u>10,658,322</u>	<u>261,989</u>	<u>688,474</u>	<u>5,066,956</u>	<u>(4,910,459)</u>	<u>(680,907)</u>	<u>(5,591,366)</u>
General revenues							
Property taxes					4,071,509	267,487	4,338,996
Investment earnings					46,482	186,005	232,487
Total general revenues					<u>4,117,991</u>	<u>453,492</u>	<u>4,571,483</u>
Change in net position					<u>(792,468)</u>	<u>(227,415)</u>	<u>(1,019,883)</u>
Net position - Beginning of year					5,546,614	18,002,626	23,549,240
Net position - End of year					<u>4,754,146</u>	<u>17,775,211</u>	<u>22,529,357</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, 2023

ASSETS

Cash	\$	161,038
Investments		2,457,950
Receivables		
Service fees		46,915
Lease		96,049
Interest		4,545
Other		2,021
Prepaid items and other assets		<u>28,995</u>
 Total Assets	\$	<u><u>2,797,513</u></u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

LIABILITIES

Accounts payable	\$	33,391
Accrued liabilities		<u>489,370</u>
 Total Liabilities		<u>522,761</u>

DEFERRED INFLOWS OF RESOURCES

Lease related		<u>91,407</u>
Total deferred inflows of resources		<u>91,407</u>

FUND BALANCES (NOTE 10)

Nonspendable		178,525
Restricted		196,973
Committed		1,748,754
Unassigned		<u>59,093</u>
 Total Fund Balances		<u>2,183,345</u>

Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	<u><u>2,797,513</u></u>
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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, 2023

Fund balance of governmental fund		\$	2,183,345
Amounts reported for governmental activities in the statement of net position are different because:			
Deferred outflows related to pensions are not financial resources and therefore are not reported in governmental funds			1,872,899
Deferred outflows related to OPEB are not financial resources and therefore are not reported in governmental funds			139,636
Land	\$	1,012,603	
Buildings		5,005,563	
Vehicles		1,912,507	
Equipment		609,668	
Furniture & Fixtures		41,899	
Less accumulated depreciation		<u>(3,973,968)</u>	
Net Book Value			4,608,272
Postemployment health benefits are not due and payable in the current period and, therefore, are not reported in governmental funds			(228,095)
Net pension liability is not due and payable in the current period and therefore is not reported in governmental funds			(3,252,575)
Deferred inflows related to pensions are not financial resources and therefore are not reported in governmental funds			(352,253)
Deferred inflows related to OPEB are not financial resources and therefore are not reported in governmental funds			<u>(217,083)</u>
Net position of governmental activities		\$	<u>4,754,146</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, 2023

REVENUES	
Property tax	\$ 4,071,509
Fire protection fee	9,235
Charges for Services	28,697
Rental Revenue	40,042
Grants	71,483
Interest	46,482
Other	<u>(6,505)</u>
Total Revenues	<u>4,260,943</u>
EXPENDITURES	
Operating	3,628,946
Capital outlay	<u>331,042</u>
Total Expenditures	<u>3,959,988</u>
REVENUES OVER EXPENDITURES	<u>300,955</u>
Net Change in Fund Balance	<u>300,955</u>
Fund Balance - Beginning of Year	<u>1,882,390</u>
Fund Balance - End of Year	\$ <u><u>2,183,345</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, 2023

Increase (decrease) in fund balance - governmental fund \$ 300,955

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	\$ 331,042	
Less - current year depreciation expense	<u>(232,135)</u>	98,907

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 (1,239,118)

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 48,812

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 (2,024)

Change in net position of governmental activities \$ (792,468)

The accompanying notes are an integral part of these statements.

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

June 30, 2023

Assets

	Utility Fund
Current Assets	
Cash	\$ 1,109,193
Investments	6,787,474
Cash and Investments	7,896,667
Receivables	
Service fees	106,921
Lease Receivable	192,099
Interest	16,495
Other	32,728
Total Receivables	348,243
Prepaid expenses and other assets	56,666
Total Current Assets	8,301,576
Noncurrent Assets	
Capital assets, at cost	29,579,826
Less accumulated depreciation	(18,604,842)
Total Noncurrent assets	10,974,984
Total Assets	19,276,560
Deferred Outflows of Resources	
Pension related	1,951,930
OPEB related	127,357
Total Deferred Outflows of Resources	2,079,287

The accompanying notes are an integral part of these statements.

(Continued)

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

June 30, 2023

Liabilities and Net Position

	<u>Utility Fund</u>
Current Liabilities	
Accounts payable	70,206
Accrued liabilities	526,919
Unearned revenue	8,756
Current portion of long-term debt	114,643
Total Current Liabilities	720,524
Noncurrent Liabilities	
Postemployment health benefits	257,213
Net pension liability	1,363,254
Long-term debt	240,866
Total Noncurrent Liabilities	1,861,333
Total Liabilities	2,581,857
Deferred Inflows of Resources	
Pension related	579,221
OPEB related	236,744
Lease related	182,814
Total Deferred Inflows of Resources	998,779
Net Position	
Net investment in capital assets	10,619,475
Restricted	1,791,448
Unrestricted	5,364,288
Total Net Position	\$ 17,775,211

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, 2023

	Water Department	Sewer Department	Garbage Department	Total Proprietary Funds
OPERATING REVENUES				
Service fees	\$ 2,178,142	\$ 1,578,202	\$ 331,453	\$ 4,087,797
Charges for services	4,925	4,924	-	9,849
Other	51,535	15,500	-	67,035
Total Operating Revenue	2,234,602	1,598,626	331,453	4,164,681
OPERATING EXPENSES				
Salaries and benefits	2,148,289	1,602,604	9,231	3,760,124
Field operations	295,331	99,302	334,409	729,042
General & administrative	213,264	213,264	-	426,528
Depreciation	405,062	268,411	-	673,473
Total Operating Expenses	3,061,946	2,183,581	343,640	5,589,167
OPERATING (LOSS)	(827,344)	(584,955)	(12,187)	(1,424,486)
NONOPERATING REVENUE (EXPENSES)				
Property tax	128,744	138,743	-	267,487
Connection fees	40,299	18,051	-	58,350
Rental revenue	40,042	40,042	-	80,084
Interest income	90,348	93,148	2,509	186,005
Grants	217,533	23,500	-	241,033
Interest expense	(10,863)	(4,881)	-	(15,744)
Total nonoperating revenue	506,103	308,603	2,509	817,215
LOSS BEFORE CAPITAL CONTRIBUTIONS	(321,241)	(276,352)	(9,678)	(607,271)
Capital contributions	275,477	104,379	-	379,856
Change in Net Position	(45,764)	(171,973)	(9,678)	(227,415)
NET POSITION				
Net Position - Beginning	8,899,578	8,895,851	207,197	18,002,626
Net Position - Ending	\$ 8,853,814	\$ 8,723,878	\$ 197,519	\$ 17,775,211

The accompanying notes are an integral part of these statements.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Statement of Cash Flows Proprietary Fund

For the Year Ended June 30, 2023

	<u>Utility Fund</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 4,188,452
Cash payments to suppliers for goods and services	(1,313,037)
Cash payments to employees for services	(1,430,042)
Other receipts	<u>61,879</u>
Net cash provided by operating activities	1,507,252
Cash Flows From Noncapital Financing Activities:	
Receipt of property taxes	<u>267,487</u>
Net cash provided by noncapital financing activities	267,487
Cash Flows From Capital and Related Financing Activities:	
Purchase of capital assets	(1,379,225)
Repayment of long-term debt	(397,265)
Interest paid on long-term debt	<u>(22,348)</u>
Net cash used by capital and related financing activities	(1,798,838)
Cash Flows From Investing Activities:	
Interest received on cash and investments	<u>174,236</u>
Net cash used by investing activities	174,236
Net Increase in Cash	150,137
Cash and Cash Equivalents - Beginning of Year	<u>7,746,530</u>
Cash and Cash Equivalents - End of Year	<u>\$ 7,896,667</u>

The accompanying notes are an integral part of these statements.

(Continued)

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Statement of Cash Flows - Proprietary Fund

For the Year Ended June 30, 2023

	<u>Utility Fund</u>
Reconciliation of Operating Income to Net	
Cash Used by Operating Activities:	
Operating Income	\$ <u>(1,424,486)</u>
Adjustments to reconcile operating income	
to net cash used by operating activities:	
Depreciation	673,473
Changes in assets and liabilities:	
(Increase) decrease in:	
Receivables	199,563
Prepays	(37,059)
Construction in progress	716,015
Deferred outflows	(312,644)
(Increase) decrease in:	
Accounts payable	(120,758)
Accrued liabilities	(8,577)
Postemployment health benefits	(10,363)
Net pension liability	2,092,589
Deferred inflows	<u>(260,501)</u>
Total adjustments	<u>2,931,738</u>
Net Cash Provided by Operating Activities	\$ <u><u>1,507,252</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, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Olympic Valley Public Service District (the "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, deferred outflows of resources, liabilities, deferred inflows of resources, 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's Financial Statements include a Statement of Net Position, and a Statement of Activities. 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, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Proprietary Fund

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

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.

Restricted Net Position

The District records restrictions to indicate that a portion of the net position is legally segregated for a specific future use (Note 8).

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.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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, 2023 at their current rate of pay.

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, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

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 post-employment 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.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

The District engaged Total Compensation Systems, Inc. to analyze liabilities associated with its retiree health program as of June 30, 2022.

For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

At June 30, 2023, the District had an unrestricted net position (deficit) of \$(51,099) (Note 9). This deficit is primarily a result of implementation of GASB Statement No. 68 and GASB Statement No. 75. The District expects that these deficits will be funded with future tax revenues.

Leases

In June 2017, GASB issued Statement No. 87, *Leases*, to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring 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.

The District is a lessor for leases of office and garage bay space. The District recognizes leases receivable and deferred inflows of resources in the government-wide and fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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.

Subsequent Events

The effects of subsequent events have been evaluated through December 6, 2023, which is the date the financial statements were available to be issued.

Accounting Pronouncements Implemented for the Year Ended June 30, 2023

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 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. There was no financial impact as a result of adoption.

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

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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. There was no financial impact as a result of adoption.

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. There was no financial impact as a result of adoption.

Upcoming Accounting Pronouncements

Government Accounting Standards Board Statement No. 99

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for guarantees. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the District's fiscal year ending June 30, 2024.

Government Accounting Standards Board Statement No. 100

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

making decisions or assessing accountability. The requirements for this statement are effective for the District's fiscal year ending June 30, 2024.

Government Accounting Standards Board Statement No. 101

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for the District's fiscal year ending June 30, 2025.

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, 2023, the District's cash and investment balances included the following:

Pooled cash	\$ 1,270,231
Pooled investments	<u>9,245,424</u>
	<u>\$ 10,515,655</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

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

2) CASH AND INVESTMENTS: (Continued)

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:

	Carrying Amount	Fair Value
Placer County Pooled Investment Fund	\$ 5,234,409	5,234,409
California CLASS Investment Fund	2,034,237	2,034,237
CalPERS CEPPT	442,748	442,748
California Local Agency Investment Fund	25,651	25,651
ProEquities Certificate of Deposit	1,229,000	1,229,000
ProEquities Money Market	279,379	279,379
Total	\$ <u>9,245,424</u>	<u>9,245,424</u>

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, 2023 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.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

2) CASH AND INVESTMENTS: (Continued)

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. The District's investments in the California Cooperative Liquid Assets Securities (CalCLASS) is rated AAA by Standard & Poor's.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the District's securities are held by a third-party custodian. California CLASS is an external investment pool and therefore, is not subject to custodial risk; therefore, investment in the pool is exempt from the reporting requirement.

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.

The District has the following recurring fair value measurements as of June 30, 2023:

- a) State of California Local Agency Investment Fund of \$25,651 is valued using the underlying quoted market prices (Level 2 inputs)
- b) Placer County Pooled Investment Fund of \$5,234,409 is valued using the underlying quoted market prices (Level 2 inputs)
- c) California CLASS Investment Fund of \$2,034,234 is valued using the underlying quoted market prices (Level 2 inputs)

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

4) CAPITAL ASSETS:

A summary of Governmental Activities capital assets is presented below:

	Balance July 1, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Fire Department:					
Non-depreciable assets:					
Land	\$ 1,012,603	-	-	-	\$ 1,012,603
Construction in progress	8,891	-	-	(8,891)	-
Total non-depreciable assets	<u>1,021,494</u>	<u>-</u>	<u>-</u>	<u>(8,891)</u>	<u>1,012,603</u>
Depreciable assets:					
Buildings	4,993,599	11,964	-	-	5,005,563
Equipment	599,868	29,833	(20,033)	-	609,668
Furniture & Fixtures	32,999	9,950	(1,050)	-	41,899
Vehicles	1,624,321	279,295	-	8,891	1,912,507
Total depreciable assets	<u>7,250,787</u>	<u>331,042</u>	<u>(21,083)</u>	<u>8,891</u>	<u>7,569,637</u>
Less accumulated depreciation:					
Buildings	(2,240,343)	(131,645)	-	-	(2,371,988)
Equipment	(448,882)	(36,819)	20,033	-	(465,668)
Furniture & Fixtures	(32,999)	(1,161)	1,050	-	(33,110)
Vehicles	(1,040,692)	(62,510)	-	-	(1,103,202)
Total accumulated depreciation:	<u>(3,762,916)</u>	<u>(232,135)</u>	<u>21,083</u>	<u>-</u>	<u>(3,973,968)</u>
Net depreciable assets	<u>3,487,871</u>	<u>98,907</u>	<u>-</u>	<u>8,891</u>	<u>3,595,669</u>
Net capital assets	<u>4,509,365</u>	<u>98,907</u>	<u>-</u>	<u>-</u>	<u>4,608,272</u>

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

4) CAPITAL ASSETS: (Continued)

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

	Balance July 1, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Utility Department:					
Non-depreciable assets:					
Land	\$ 1,012,603	\$ -	\$ -	\$ -	\$ 1,012,603
Construction in progress	599,656	236,546	-	(120,186)	716,016
Total non-depreciable assets	<u>1,612,259</u>	<u>236,546</u>	<u>-</u>	<u>(120,186)</u>	<u>1,728,619</u>
Depreciable assets:					
Buildings	4,560,496	23,928	(1,785)	-	4,582,639
Water system	11,253,005	907,619	(108,481)	91,527	12,143,670
Sewage system	8,188,188	153,184	(20,944)	28,659	8,349,087
Headquarters	752,614	-	-	-	752,614
Equipment	487,600	41,300	(276)	-	528,624
Interceptors	729,065	-	-	-	729,065
Vehicles	604,404	16,648	-	-	621,052
Furniture & Fixtures	147,017	-	(2,561)	-	144,456
Total depreciable assets	<u>26,722,389</u>	<u>1,142,679</u>	<u>(134,047)</u>	<u>120,186</u>	<u>27,851,207</u>
Less accumulated depreciation:					
Buildings	(2,091,771)	(129,615)	1,785		(2,219,601)
Water system	(8,480,844)	(309,690)	108,481		(8,682,053)
Sewage system	(5,019,857)	(172,265)	20,944		(5,171,178)
Headquarters	(744,919)	(4,393)			(749,312)
Equipment	(422,186)	(21,380)	276		(443,290)
Interceptors	(721,207)	(773)			(721,980)
Vehicles	(437,614)	(35,357)			(472,971)
Furniture & Fixtures	(147,018)	-	2,561		(144,457)
Total accumulated depreciation:	<u>(18,065,416)</u>	<u>(673,473)</u>	<u>134,047</u>	<u>-</u>	<u>(18,604,842)</u>
Net depreciable assets	<u>8,656,973</u>	<u>469,206</u>	<u>-</u>	<u>120,186</u>	<u>9,246,365</u>
Net capital assets	<u>\$ 10,269,232</u>	<u>\$ 705,752</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,974,984</u>

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

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. However, an additional payment of \$300,000 was made in 2022, which reduced the maturity of the loan to 2025. 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, 2023, the District is current on all debt obligation payments to CIEDB.

A summary of the District's Business-Type Activities long-term debt on June 30, 2023 is as follows:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2023</u>
3.63% lease faculty for \$2,000,000, payable over 22 years to The California Infrastructure and Economic Development Bank, first payment due February 2005 and semi-annually thereafter, maturity August 2025, secured by existing District land and facilities.	\$ 752,775	-	\$ (397,265)	\$ 355,510
Total Long-Term Debt	752,775	-	(397,265)	355,510
Less Current Installments of Long-Term Debt	97,265			114,643
Long-Term Debt Excluding Current Installments	<u>\$ 655,510</u>			<u>\$ 240,867</u>

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

5) LONG-TERM DEBT: (Continued)

The annual requirements to amortize District long-term debt as of June 30, 2023 are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 114,643	\$ 10,966	\$ 125,639
2025	118,461	6,771	125,232
2026	122,406	2,406	124,812
	<u>\$ 355,510</u>	<u>\$ 20,173</u>	<u>\$ 375,683</u>

6) DEFERRED COMPENSATION PLANS:

A 457 Deferred Compensation Plan has been established by the District with Empower Retirement. Employees may elect to defer compensation up to 100% of their salary or \$22,500 (\$30,500 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 \$45,000 per year. This Plan is fully funded with Empower Retirement.

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 \$22,500 (\$30,500 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 \$45,000 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 \$6,500 (\$7,500 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.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

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

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 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, 2022 (the measurement date), the following is a summary of contribution rates:

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

7) NET PENSION LIABILITY: (Continued)

	Employee Contribution	Employer Contribution	Total Required Contribution
Governmental Activity (Fire Department)			
First tier Plan	9.00%	23.71%	32.71%
Second Tier Plan	9.00	20.64	29.64
PEPRA Plan	13.00	13.13	26.13
Business-Type Activity (Utility Department)			
First & Second Tier Plan	8.00%	15.18%	23.18%
PEPRA Plan	7.75	7.54	15.29

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

At June 30, 2023, the District reported a liability of \$4,615,829 (\$3,252,575 for Governmental activities and a \$1,363,254 for Business-type) for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2023, the District's proportion was 0.04733% for the governmental activities pool and negative 0.02913% for the business-type activities pool, which compares to 0.02916% the governmental activities pool and (0.03841)% for the business-type activities pool at June 30, 2022.

For the year ended June 30, 2023, the District recognized pension expense of \$3,722,808 (\$1,808,629 for governmental activities and \$1,914,179 for business-type activities). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

7) NET PENSION LIABILITY: (Continued)

Governmental Activities

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 134,612	\$ 35,320
Changes of assumptions	327,958	-0-
Difference between projected and actual earnings on pension plan investments	513,627	-0-
Changes in proportion and differences between District contributions and proportionate share of contributions	327,190	316,933
District contributions subsequent to measurement date	569,512	-0-
Total	\$ 1,872,899	\$ 352,253

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	\$ 27,377	\$ 18,336
Changes of assumptions	139,694	-0-
Difference between projected and actual earnings on pension plan investments	249,712	-0-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,260,320	560,885
District contributions subsequent to the measurement date	274,827	
Total	\$ 1,951,930	\$ 579,221

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

7) NET PENSION LIABILITY: (Continued)

The amount \$844,339 (\$569,512 for governmental activities and \$274,827 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, 2024. 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
6/30/24	\$ 305,572	\$ 380,397	685,969
6/30/25	227,584	351,253	578,837
6/30/26	104,658	213,499	318,157
6/30/27	313,320	152,733	466,053
Total	\$ 951,134	\$ 1,097,882	2,049,016

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2022 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2021 total pension liability. The June 30, 2022 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	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	6.90% 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 2.3% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

7) NET PENSION LIABILITY: (Continued)

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

The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Long-term Expected Rate of Return

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The expected real rates of return by asset class are as followed:

Asset Class	Assumed asset allocation	Real Return Years 1-10
Global Equity – cap - weighted	30.0%	4.45%
Global Equity non-cap-weighted	12.0	3.84
Private Equity	13.0	7.28
Treasury	5.0	.27
Mortgage-backed Securities	5.0	.50
Investment Grade Corporates	10.0	1.56
High Yield	5.0	2.27
Emerging Market Debt	5.0	2.48
Private Debt	5.0	3.57
Real Assets	15.0	3.21
Leverage	(5.0)	(0.59)

¹ An expected inflation of 2.3% used for this period.

² Figures are based on the 2021-22 Asset Liability Management Study.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. 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.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

7) NET PENSION LIABILITY: (Continued)

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

The following presents the collective net pension liability calculated using a discount rate of 6.90%, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate (dollars expressed in thousands):

	Discount Rate – 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
Governmental Activities	\$ 5,668,109	\$ 3,252,575	1,278,421
Business-Type Activities	3,163,566	1,363,254	(117,955)
Total	<u>\$ 8,831,675</u>	<u>\$ 4,615,829</u>	<u>1,160,466</u>

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, 2023, 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	12,659
	<u>\$ 12,659</u>

8) RESTRICTED NET POSITION:

Net position is subject to the following legal restrictions:

Governmental Activities:	
Fire – protection fees	\$ 196,973
Total Restricted Net Position – Governmental Activities	<u>\$ 196,973</u>
Business-Type Activities:	
Capital projects - water	\$ 1,336,859
Capital projects - sewer	283,450
Inflow and infiltration	171,139
Total Restricted Net Position – Business-Type Activities	<u>\$ 1,791,448</u>

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

9) UNRESTRICTED NET POSITION:

The District had an unrestricted (deficit) net position of \$(51,099) for governmental activities. This deficit is primarily a result of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The District expects that this deficit will be funded with future tax revenues. There was an unrestricted net position of \$5,364,288 for Business-Type activities. These funds will be used to fund future capital projects and pay down outstanding debts.

10) FUND BALANCE – GOVERNMENTAL FUND (FIRE):

Non-spendable fund balance consists of receivables (\$149,530) and prepaid expenses (\$28,995). Restricted fund balance (\$196,973) consists of user Fire mitigation fees legally restricted to new capital acquisition. Committed fund balance (\$1,748,754) consists of amounts that can only be used for specific purposes determined by the Board of Directors.

11) GARBAGE SERVICE:

Effective October 1, 1974, Ordinance No. 4 was passed by the Board of Directors 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, 2023 were \$331,453 while expenses, both direct and allocated, totaled \$343,640.

12) 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 PUD on behalf of Tahoe agencies was accepted. The total grant amount was for \$707,360, of which \$34,647 will be allocated to the District. The District has not submitted for reimbursement; therefore, a receivable was not booked as of yearend. However, the District intends to spend the money on implementation of an Advanced Metering Infrastructure (AMI)/Automatic Meter Reading (AMR) system and the replacement of residential water meters that have reached the end of their useful life.

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. 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 three years. As of June 30, 2023, the District had expended \$266,466 for the project. As of June 30, 2023 the District had a receivable in the amount of \$19,135.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

12) GRANTS: (continued)

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, 2023, the District had expended \$58,503 for the project. As of June 30, 2023 the District had a receivable in the amount of \$5,671.

In July of 2022 the District was awarded \$539,888 from the Department of Forestry and Fire Protection (CAL FIRE) for a fuels reduction project that encompasses 120-acres located on the northern ridgeline of the Valley. It is estimated to take three years to complete. As of June 30, 2023, the District had expended \$15,353 for the project. As of June 30, 2023 the District had a receivable in the amount of \$2,021.

In July of 2022 the District was awarded \$50,000 from the Tahoe Truckee Community Foundation for a fuels reduction project (tree thinning) at the S-Turns on Olympic Valley Road. This area encompasses 2.7 acres dominated by young-growth lodgepole pine in excess of 1,600 stems per acre, whereas appropriate stand density should range between 25-50 per acre. As of June 30, 2023, the District had expended \$1,128 for the project. As of June 30, 2023, the District has received all funds, therefore no receivable was outstanding.

13) 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"). 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

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

13) POSTEMPLOYMENT HEALTH BENEFITS: (Continued)

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 required to contribute minimum employer contributions incurred by the CalPERS medical program for the retiree's lifetime or until coverage is discontinued. As of June 30, 2023, minimum employer contributions were \$151 per month per retiree. No employee contributions to the plan are required. The District also contributed \$50,000 into a 115 Trust during the fiscal year, to be applied toward future OPEB obligations.

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, 2022 to June 30, 2023, and uses a measurement day of June 30, 2022. 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.

Changes in Total OPEB Liability as of June 30, 2021	Total OPEB Liability	Plan Contributions and Benefit Payments	Net OPEB Liability
Balance at June 30, 2021 Meas. Date	\$ 506,443	\$ -	\$ 506,443
Service cost	14,621	-	14,621
Interest on TOL	34,028	513	33,515
Employer contributions	-	69,535	(69,535)
Benefit payments	(19,535)	(19,535)	-
Administrative Expenses	-	(1)	1
Experience (gains)/losses	263	-	263
Other	-	-	-
Net change	\$ 29,377	\$ 50,512	\$ (21,135)
Balance at June 30, 2022 Meas. Date	\$ 535,820	\$ 50,512	\$ 485,308

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.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

13) POSTEMPLOYMENT HEALTH BENEFITS: (Continued)

Balances at June 30, 2023 Fiscal Year-End	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 30,248	\$ 0
Changes in assumptions	165,665	(453,827)
Differences between projected and actual return on assets	939	0
Contributions made after measurement date	70,141	
Total	\$ 266,993	\$ (453,827)

Actuarial Methods and Assumptions Used to Determine Total OPEB Liability

Actuarial Cost Method Entry Age in accordance with the requirements of GASB Statement No. 75

Actuarial Assumptions

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	<p>Firefighters:</p> <p>Hired before 2013: 2017 CalPERS 3%@50 Rates for Firefighters</p> <p>Hired after 2012: 2017 CalPERS 2.7%@57 Rates for Firefighters</p> <p>General Employees:</p> <p>Hired before 2013: 2017 CalPERS 2.7%@55 Rates for Miscellaneous employees</p> <p>Hired after 2012: 2017 CalPERS 2%@62 Rates for Miscellaneous employees</p>
Service Requirement	100% at 5 years of service

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

13) POSTEMPLOYMENT HEALTH BENEFITS: (Continued)

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

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, 2022 (the measurement date).

Discount Rate

The discount rate used to measure the total OPEB liability for a measurement date of June 30, 2022 was 6.75%. The interest rate used in the prior valuation was 6.75%. The valuation 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).

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>562,137</u>	\$ <u>485,308</u>	\$ <u>422,386</u>

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

13) POSTEMPLOYMENT HEALTH BENEFITS: (Continued)

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:

	Trend Rate – 1% (3.00%)	Current Trend Rate (4.00%)	Trend Rate +1% (5.00%)
Net OPEB Liability	\$ 409,128	\$ 485,308	\$ 580,811

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, 2023

Service Cost	\$14,621
Interest on Total OPEB Liability (TOL)	34,028
Expected Return on Assets	(1,687)
Administrative Expenses	1
Recognition of Experience (Gain)/Loss Deferrals	4,297
Recognized Assumption Change Deferrals	(30,353)
Recognized Investment Gains/Losses	235
Contributions After Measurement Date (Deferred Outflow)	-
Liability Change Due to Benefit Changes	-
OPEB Expense	\$21,142

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

13) POSTEMPLOYMENT HEALTH BENEFITS: (Continued)

The amount \$70,141 (\$32,353 for governmental activities and \$37,788 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, 2024. 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
6/30/24	\$ (11,058)	(14,763)	(25,821)
6/30/25	(11,058)	(14,763)	(25,821)
6/30/26	(11,058)	(14,763)	(25,821)
6/30/27	(11,058)	(14,763)	(25,821)
6/30/28	(14,887)	(11,169)	(26,056)
Thereafter	(71,344)	(56,290)	(127,634)

“Pay As You Go” Funding of Retiree Benefits

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

Year Beginning July 1	Total	Fire Fighters	General Employees
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

14) 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

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

14) RISK MANAGEMENT: (continued)

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' 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.

15) 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, 2025. This property has an original cost of \$1,230,385, accumulated depreciation of \$1,055,335, and a net book value of \$175,050. Rental income of \$120,126 and interest income of \$11,631 is reflected in the Statement of Activities. Deferred inflows of \$274,221 is reflected on the Statement of Net Position.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2023

15) LEASE ACTIVITIES: (continued)

Expenses for the rental activity, which are also reflected in the Statement of Activities, are as follows:

Maintenance and repairs	\$	4,837
Insurance		3,221
Utilities		20,346
Depreciation		<u>23,983</u>
 Total Expenses	 \$	 <u>52,387</u>

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

Year Ending June 30	Interest Revenue	Lease Revenue	Payment Amount
2024	7,799	119,717	127,516
2025	3,703	125,621	129,324
2026	297	42,810	43,810
	 <u>11,799</u>	 <u>288,148</u>	 <u>300,650</u>
	\$	\$	\$

**Required Supplementary
Information (Unaudited)**

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Budgetary Comparison Schedule Governmental Fund (Fire) (Unaudited)

For the Year Ended June 30, 2023

	Original and Final Budget	Actual	Budget Variance (Over) Under
REVENUES			
Property tax	3,854,022	4,071,509	(217,487)
Fire protection fee	16,500	9,235	7,265
Charges for Services	-	28,697	(28,697)
Rental revenue	41,500	40,042	1,458
Grants	180,000	71,483	108,517
Interest	-	46,482	(46,482)
Other	10,488	(6,505)	16,993
	<u>4,102,510</u>	<u>4,260,943</u>	<u>(158,433)</u>
EXPENDITURES			
Operating	3,874,914	3,628,946	245,968
Capital outlay	102,611	331,042	(228,431)
	<u>3,977,525</u>	<u>3,959,988</u>	<u>17,537</u>
Revenues over (under) expenditures	124,985	300,955	(175,970)
Net Change in Fund Balance	<u>124,985</u>	<u>300,955</u>	<u>(175,970)</u>
Fund Balance – Beginning of Year		<u>1,882,390</u>	
Fund Balance – End of Year		\$ <u><u>2,183,345</u></u>	

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

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.

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 (%)
6/30/2023	0.04733	\$ 3,252,575	\$ 1,573,800	206.67	81.40
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

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

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

Last 10 Years* (continued)

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 (%)
6/30/2023	0.02913	\$ 1,363,254	\$ 1,555,233	87.66	89.68
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

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30: 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020			
Actuarial cost method	Entry age normal cost method			
Amortization method	Level percent of payroll			
Asset valuation method	Market value			
Actuarial assumptions:				
Discount rate	2020 6.90%	2016 – 2019 7.15%	2014 – 2019 7.65%	2013 7.50%
Projected salary increases	Varies by entry age and service			
Inflation	2020 2.30%	2017 - 2019 2.50%	2013 - 2016 2.75%	
Post Retirement Benefit increase	2020 2.30%	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 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
6/30/2023	\$	569,512	(569,512)	-0-	1,573,800	36.19%
6/30/2022	\$	328,859	(628,859)	(300,000)	1,513,140	41.56%
6/30/2021	\$	519,568	(749,568)	(230,000)	1,438,326	52.11%
6/30/2020	\$	473,477	(693,477)	(220,000)	1,412,413	49.10%
6/30/2019	\$	421,205	(846,205)	(425,000)	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%

Business-Type Activities

		Contractually Required Contribution	Contributions	Contribution deficiency (excess)	District's covered- employee payroll	Contributions as a % of covered- employee payroll
6/30/2023	\$	274,827	(274,827)	-0-	1,555,233	17.67%
6/30/2022	\$	235,374	(235,374)	-0-	1,645,438	14.3%
6/30/2021	\$	289,711	(889,711)	(600,000)	1,569,985	56.67%
6/30/2020	\$	323,957	(1,323,957)	(1,000,000)	1,470,155	90.06%
6/30/2019	\$	298,710	(808,710)	(510,000)	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%

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, 2020			
Actuarial cost method	Entry age normal cost method			
Amortization method	Level percent of payroll			
Asset valuation method	Market value			
Actuarial assumptions:				
Discount rate	2020 6.90%	2016 – 2019 7.15%	2014 – 2019 7.65%	2013 7.50%
Projected salary increases	Varies by entry age and service			
Inflation	2020 2.30%	2017 - 2019 2.50%	2013 - 2016 2.75%	
Post Retirement Benefit increase	2020 2.30%	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 Changes in the Net OPEB Liability and related ratios as of Measurement Date
Last 10 Years*

As of Measurement Date of June 30th	2017	2018	2019	2020	2021	2022
Total OPEB Liability – Beginning	\$577,372	\$616,532	\$626,502	742,311	986,478	506,443
Service Cost	31,009	31,862	29,958	32,604	48,688	14,621
Interest on TOL	20,519	23,789	24,140	26,259	22,046	33,515
Benefit Payments	(12,368)	(13,412)	(14,474)	(16,767)	(17,890)	(69,535)
Experience (Gains)/Losses	-0-	-0-	46,112	592	289	264
Assumption Changes	-0-	(32,269)	30,073	201,479	(533,168)	-0-
Total OPEB Liability (TOL) – Ending*	<u>\$616,532</u>	<u>\$626,502</u>	<u>\$742,311</u>	<u>\$986,478</u>	<u>\$506,443</u>	<u>485,308</u>
Fiduciary Net Position (FNP)	-0-	-0-	-0-	-0-	-0-	50,512
FNP as a % of TOL	0%	0%	0%	0%	0%	10%

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
Schedule of OPEB Contributions – Last 10 Years*

Measurement Date		Actuarial Determined Contribution (ADC)	Contribution in relation to the ADC	Contribution deficiency (excess)	Covered Payroll	Contributions as a % of covered-employee payroll
2017	\$	12,368	12,368	-0-	2,569,543	.48%
2018	\$	12,863	12,863	-0-	2,568,108	.50%
2019	\$	14,474	14,474	-0-	2,737,106	.53%
2020	\$	16,767	16,767	-0-	2,882,567	.58%
2021	\$	17,890	17,890	-0-	3,008,311	.59%
2022	\$	19,535	69,535	(50,000)	3,158,578	.62%

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

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	4.00%
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 74-78

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 79-82

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

Debt Capacity 83

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 84

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

Operating Information 85-87

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

Financial Trends - Net Position by Component
Last Ten Years
(accrual basis of accounting)

	Fiscal Year									
	2013	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net Investment in capital assets	\$ 4,608,272	\$ 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
Restricted	196,973	184,415	135,611	71,842	23,792	2,450	236,825	232,379	200,892	173,071
Unrestricted	(51,099)	719,360	(857,885)	(1,082,712)	(1,075,533)	(1,174,290)	(1,326,180)	(859,559)	(1,140,142)	676,832
Total governmental activities net position	\$ 4,754,146	\$ 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
Business-type activities										
Net Investment in capital assets	\$ 10,619,475	\$ 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
Restricted	1,791,448	1,787,403	1,673,611	1,179,160	854,620	748,444	940,206	866,195	700,402	725,240
Unrestricted	5,364,288	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
Total business-type activities net position	\$ 17,775,211	\$ 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
Primary Government										
Net Investment in capital assets	15,227,747	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
Restricted	1,988,421	1,971,818	1,809,222	1,251,002	878,412	750,894	1,177,031	1,098,574	901,294	898,311
Unrestricted	5,313,189	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
Total primary government net position	\$ 22,529,357	\$ 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

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<p>OLYMPIC VALLEY PUBLIC SERVICE DISTRICT Business-Type Activities Financial Trends - Change in Net Position Last Ten Years (accrual basis of accounting)</p>										
Charges for Services										
Water	\$ 2,178,142	\$ 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
Sewer	1,578,202	1,437,404	1,457,337	1,476,464	1,397,313	1,324,468	1,226,613	1,152,270	1,059,104	950,546
Garbage	331,453	296,946	282,502	268,010	255,180	250,631	243,959	239,059	234,899	228,110
Contract Services	-	107,806	108,693	105,651	101,230	97,817	100,087	97,536	156,271	58,908
Connection Fees and Grants	299,383	539,989	548,621	528,167	233,711	192,733	148,527	356,479	14,134	106,548
Property taxes	267,487	121,732	75,324	42,514	142,068	68,972	184,353	524,830	327,435	276,771
Other General Revenue	342,973	154,435	120,538	212,232	417,226	199,553	162,841	209,265	215,256	295,182
Total	4,997,640	4,703,989	4,534,823	4,581,319	4,364,037	3,871,279	3,586,029	4,055,504	3,328,644	3,187,535
Expenses:										
Water - direct expenses	2,443,620	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
Sewer - direct expenses	1,701,906	(111,321)	1,229,503	1,160,275	715,748	676,272	629,341	730,529	567,833	715,404
Garbage - direct expenses	343,640	282	278,346	262,464	247,663	240,437	235,891	235,679	232,296	232,048
Contract Services - direct exp	-	49,075	96,553	96,430	133,356	100,453	86,047	83,259	80,597	59,039
Indirect expenses	735,889	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
Total expenses	5,225,055	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
Change in net position	(227,415)	3,289,798	474,906	688,256	820,075	468,640	291,826	398,407	425,370	(90,428)
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
Prior period restatement	-	-	-	-	-	(92,465)	-	-	(1,718,330)	-
Net Position - Beginning	18,002,626	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
Net Position - Ending	\$ 17,775,211	\$ 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

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

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

Financial Trends - Change in Net Position
Last Ten Years
(accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes for services (Fire):										
Property taxes	\$ 4,071,509	\$ 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
Other General Revenues	46,482	65,269	165,346	57,822	109,806	111,829	112,726	69,531	26,641	13,547
Program Revenue	142,952	221,786	179,699	53,539	87,250	92,931	54,974	105,100	66,920	22,854
Total program revenues	4,260,943	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
Expenses:										
Fire - direct expenses	4,600,816	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
Indirect expenses	452,595	432,808	393,505	410,441	324,876	307,265	276,322	295,977	310,513	305,425
Total Expenses	5,053,411	2,560,065	3,936,576	3,872,951	3,606,400	3,497,560	3,229,257	2,718,864	2,713,759	2,672,990
Change in net position	(792,468)	1,547,517	100,730	(164,228)	16,555	74,263	96,439	228,946	68,295	(9,480)
Net Position	5,546,614	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
Prior Period restatement	-	-	-	-	-	(118,610)	-	-	(1,949,241)	-
Net Position - Beginning	5,546,614	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
Net Position - Ending	\$ 4,754,146	\$ 5,546,614	\$ 3,999,097	\$ 3,898,367	\$ 4,062,595	\$ 4,046,040	\$ 4,090,387	\$ 3,993,948	\$ 3,765,002	\$ 5,645,948

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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	\$ 178,525	\$ 193,819	\$ 21,764	\$ 12,599	\$ 237,839	\$ 386,129	\$ 339,096	\$ 243,223	\$ 236,927	\$ 234,977
Restricted	196,973	184,415	135,611	71,842	23,792	2,450	236,825	232,379	200,892	173,071
Committed	1,748,754	1,504,156	941,967	783,773	342,688	-	166,174	497,868	511,200	446,435
Unassigned	59,093	-	454,510	262,908	337,610	525,533	(59,432)	146,070	13,190	156,389
Total general fund	\$2,183,345	\$1,882,390	\$1,553,852	\$1,131,122	\$941,929	\$914,112	\$682,663	\$1,119,540	\$962,209	\$1,010,872

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)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Property taxes	\$ 4,071,509	\$ 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
Fire Protection Fees	9,235	47,500	63,016	47,000	21,000	16,000	9,654	28,080	25,370	20,177
Interest	46,482	19,479	7,023	15,897	14,308	11,610	12,920	13,122	8,725	9,147
Rental & Admin Revenue	68,739	174,286	240,049	38,078	160,598	173,355	63,409	82,200	41,550	2,677
Other	64,978	45,790	35,164	11,238	1,150	5,821	90,779	51,229	17,915	4,400
Total Revenues	\$ 4,260,943	\$ 4,107,582	\$ 4,037,513	\$ 3,709,575	\$ 3,622,955	\$ 3,573,849	\$ 3,334,758	\$ 2,947,810	\$ 2,782,053	\$ 2,663,510
Expenditures										
Fire Dept Operations	\$ 3,628,946	\$ 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
Capital outlay	331,042	22,950	50,522	40,548	144,239	276,261	675,467	47,672	40,594	40,782
Debt service:										
Principle	-	-	-	-	-	-	92,500	90,000	85,000	80,000
Interest	-	-	-	-	-	-	2,266	6,595	11,033	15,081
Total expenditures	\$ 3,959,988	\$ 3,779,044	\$ 3,614,783	\$ 3,520,382	\$ 3,595,138	\$ 3,342,400	\$ 3,771,635	\$ 2,790,479	\$ 2,830,716	\$ 2,552,870
Increase (Decrease) in Fund Balance	\$ 300,955	\$ 328,538	\$ 422,730	\$ 189,193	\$ 27,817	\$ 231,449	\$ (436,877)	\$ 157,331	\$ (48,663)	\$ 110,640
Fund Balances										
Fund Balance - Beginning	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
End of year	\$ 2,183,345	\$ 1,882,390	\$ 1,553,852	\$ 1,131,122	\$ 941,929	\$ 914,112	\$ 682,663	\$ 1,119,540	\$ 962,209	\$ 1,010,872
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.06%	3.52%	3.44%	3.78%

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		Sewer		Fire		Total		% Change Inc. (Dec.)
	Fund	% Change Inc. (Dec.)	Fund	% Change Inc. (Dec.)	Fund	% Change Inc. (Dec.)	Fund	% Change Inc. (Dec.)	
2014	\$ 256,153	18.6%	\$ 20,618	-69.7%	\$ 2,627,109	1.1%	\$ 2,903,880	0.7%	
2015	\$ 153,615	-40.0%	\$ 173,820	743.0%	\$ 2,688,493	2.3%	\$ 3,015,928	3.9%	
2016	\$ 524,830	241.7%	\$ -	-100.0%	\$ 2,773,179	3.1%	\$ 3,298,009	9.4%	
2017	\$ 184,353	-64.9%	\$ -	0.0%	\$ 3,157,996	13.9%	\$ 3,342,349	1.3%	
2018	\$ 68,972	-62.6%	\$ -	0.0%	\$ 3,367,063	6.6%	\$ 3,436,035	2.8%	
2019	\$ 117,500	70.4%	\$ 24,568	0.0%	\$ 3,425,899	1.7%	\$ 3,567,967	3.8%	
2020	\$ 21,257	-81.9%	\$ 21,257	-13.5%	\$ 3,597,362	5.0%	\$ 3,639,876	2.0%	
2021	\$ 37,662	77.2%	\$ 37,662	77.2%	\$ 3,692,261	2.6%	\$ 3,767,585	3.5%	
2022	\$ 60,866	61.6%	\$ 60,866	61.6%	\$ 3,820,526	3.5%	\$ 3,942,259	4.6%	
2023	\$ 128,744	111.5%	\$ 138,744	127.9%	\$ 4,071,509	6.6%	\$ 4,338,997	10.1%	

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	22500 OVPSD	% Change	22500 OVPSD Z#1 M&O	% Change
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%
2022/2023	\$ 1,628,185,392	9.42%	\$ 1,553,237,613	7.68%

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	Residential Multit-Family Annual	Commercial 2" Meter Annual	Residential Single Family Annual	Residential Multit-Family Annual	Commercial Annual	Residential Annual
	Water Base Rate	Water Base Rate	Water Base Rate	Sewer Base Rate	Sewer Base Rate	Sewer Base Rate	Garbage Base Rate
2014	\$ 601	\$ 301	\$ 799	\$ 426	\$ 368	\$ 755.00	\$ 235
2015	\$ 679	\$ 340	\$ 903	\$ 471	\$ 407	\$ 834.00	\$ 242
2016	\$ 760	\$ 380	\$ 1,011	\$ 509	\$ 440	\$ 900.00	\$ 244
2017	\$ 836	\$ 418	\$ 1,112	\$ 540	\$ 466	\$ 954.00	\$ 249
2018	\$ 935	\$ 453	\$ 2,995	\$ 616	\$ 485	\$ 1,091.25	\$ 256
2019	\$ 972	\$ 471	\$ 3,115	\$ 647	\$ 509	\$ 1,145.80	\$ 261
2020	\$ 1,011	\$ 490	\$ 3,239	\$ 680	\$ 535	\$ 1,203.10	\$ 269
2021	\$ 1,035	\$ 502	\$ 3,318	\$ 680	\$ 535	\$ 1,203.10	\$ 277
2022	\$ 1,077	\$ 522	\$ 3,451	\$ 714	\$ 561	\$ 1,263.26	\$ 285
2023	\$ 1,131	\$ 548	\$ 3,623	\$ 749	\$ 590	\$ 1,326.00	\$ 314

Source: Olympic Valley Public Service District

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Revenue Capacity – Ten Largest Customers

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
 Revenue Capacity - Ten Largest Customers
 Current Year and Nine Years Prior

2022 - 2023		2013 - 2014	
Customer	Total Revenue	Customer	Total Revenue
Village at Squaw Valley - 22	\$ 153,140	Resort @ Squaw Creek	\$ 89,620
Village at Squaw Valley - 1st A	\$ 147,882	Resort @ Squaw Creek	\$ 75,277
Everline Resort & Spa	\$ 75,978	Village at Squaw Valley - 22	\$ 69,357
Everline Resort & Spa	\$ 69,240	Village at Squaw Valley - 1st A	\$ 67,395
Village Inn Owners Association	\$ 58,063	Village Inn Owners Association	\$ 41,012
Squaw Valley Lodge	\$ 56,146	Squaw Valley Lodge	\$ 32,286
Village Inn Owners Association	\$ 48,933	Village Inn Owners Association	\$ 24,477
Squaw Valley Lodge	\$ 39,858	Squaw Valley Meadows I-HOA	\$ 22,560
Tahoe City PUD	\$ 34,916	Squaw Valley Lodge	\$ 20,552
Squaw Valley Ski Holdings	\$ 26,286	Squaw Valley Inn/Plump Jack	\$ 20,158

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
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	\$ 100,662	\$ 8
2021/2022	\$ 752,775	\$ -	\$ 752,775	\$ 76,849	\$ 10	\$ 103,588	\$ 7
2022/2023	\$ 355,510	\$ -	\$ 355,510	\$ 76,849	\$ 5	\$ 105,445	\$ 3

Governmental Activities

Fiscal Year	Building Capital Lease	Term Loans	Total	Per Capita Income	Debt Per Capita	Median Household Income (MHI)	Debt Per MHI
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	\$ -	\$ 100,662	\$ -
2021/2022	\$ -	\$ -	\$ -	\$ 76,849	\$ -	\$ 103,588	\$ -
2022/2023	\$ -	\$ -	\$ -	\$ 76,849	\$ -	\$ 105,445	\$ -

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
2022	28	417,722	\$ 105,445	\$ 76,849	3.1%
2021	25	409,044	\$ 103,588	\$ 76,849	5.7%
2020	28	397,469	\$ 100,662	\$ 72,279	10.3%
2019	28	403,711	\$ 97,668	\$ 67,610	3.2%
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%

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									
	2023*	2022	2021	2020	2019	2018	2017	2016	2015	2014
Utilities:										
Water Production (million gallons)	79.25	100.33	102.72	107.23	114.61	111.43	115.08	104.93	95.2	116.4
Sewer Flows (million gallons)	83.97	82.28	70.9	68.26	87.33	77.6	97.07	86.84	69.56	74.27
Number of Sewer Pressure Tests**	17	36	66	68	-	-	-	-	-	-
Miles of Water Mains and Services	16.27	16.25	16.25	16.25	16.25	16.25	16.33	15.68	15.61	15.40
Miles of Sewer Mains and Laterals	27.96	27.96	27.96	27.96	29.96	27.86	27.86	27.40	27.60	27.17
Fire:										
Emergency Calls	579	583	520	507	558	555	637	552	460	455
Fleet Vehicles	9	9	9	9	9	9	9	8	8	7
Miles travelled	-	15,607	17,481	34,023	12,888	21,943	30,228	37,844	24,143	26,597
Technical Services:										
Contracts & Agreements		28	20	16	18	18	21	18	21	24
Public Records Requests		5	13	14	7	-	2	2	4	2
Building Projects – Single Family Residents		2	20	33	13	13	2	3	4	1
Building Projects –Remodel/Additions		20	24	11	16	15	17	16	12	14
Property Sales		80	104	185	147	99	132	115	71	77

*Date is through September 2023

**Not tracked prior to 2020

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
 Operating Information – Water Production Last Ten Years

(In million gallons)

Monthly Production	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023*
Jan	6.51	7.49	8.07	7.78	6.94	7.60	8.65	5.63	7.39	6.94
Feb	7.42	6.15	7.48	6.91	6.63	7.14	8.45	6.41	6.86	6.72
Mar	10.64	6.35	7.28	7.29	7.96	8.96	6.86	6.68	6.88	6.72
April	6.64	5.04	5.85	6.87	6.20	8.00	5.15	6.79	5.76	6.82
May	9.33	6.49	6.44	6.98	8.33	6.16	7.16	8.65	6.47	6.47
June	15.35	10.04	11.10	13.65	12.45	11.67	11.08	13.34	11.56	8.29
July	16.32	12.60	15.49	15.50	15.82	16.48	15.02	15.61	14.67	13.43
Aug	13.94	11.71	13.76	15.87	14.53	15.32	14.47	13.63	12.56	13.04
Sept	11.00	10.29	11.12	12.94	12.47	12.39	12.22	9.90	9.71	10.82
Oct	7.82	6.70	6.79	8.98	7.00	6.92	8.25	6.09	6.63	
Nov	4.20	4.88	4.24	4.98	5.35	5.16	4.76	3.75	5.05	
Dec	7.23	7.46	7.31	7.33	7.75	8.81	5.16	6.24	6.79	
Annual Totals	116.40	95.2	104.93	115.08	111.43	114.61	107.23	102.72	100.33	79.25
Average Monthly Water Production	9.70	7.93	8.74	9.59	9.29	9.55	8.94	8.56	8.36	8.81

Source: Olympic Valley Public Service District Water Department

*Data is through September 2023

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Operating Information – Sewer Flows Last Ten Years

(In million gallons)

Monthly Sewer Flows	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023*
Jan	6.5	7.19	9.98	11.5	7.97	7.34	8.53	5.85	9.98	12.01
Feb	8.63	7.18	9.98	12.67	6.94	9.29	8.14	7.01	9.73	10.66
Mar	8.71	6.82	11.84	11.25	10.25	10.69	5.97	7.85	9.73	10.66
April	6.65	4.52	7.16	11.5	9.34	11.9	5.9	7.09	8.37	13.35
May	4.56	3.87	5.1	7.36	5.21	7.61	4.67	4.77	5.34	13.35
June	5.07	5.08	4.98	5.68	5.18	6.24	4.54	5.3	5.35	6.34
July	6.98	6.85	6.71	7.36	6.85	7.14	6.44	6.36	6.24	6.59
Aug	6.67	5.93	5.89	6	5.68	6.17	5.9	4.74	4.82	6.59
Sept	4.66	5.93	4.91	5.08	4.67	4.81	4.87	3.58	4.06	4.42
Oct	4.13	3.86	5.16	4.45	3.99	3.8	4.34	4.89	3.77	
Nov	3.65	3.89	4.67	6.72	4.18	3.32	4.11	4.76	3.79	
Dec	8.06	8.44	10.46	7.5	7.34	9.02	4.85	8.7	10.28	
Annual Totals	74.27	69.56	86.84	97.07	77.6	87.33	68.26	70.9	81.46	83.97
Average Monthly Sewer Flows	6.19	5.80	7.24	8.09	6.47	7.28	5.69	5.91	6.79	9.33

Source: Olympic Valley Public Service District Operations Department

*Data is through September 2023

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, 2023

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 and each major fund of Olympic Valley Public Service District, as of and for the year ended June 30, 2023, 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 6, 2023.

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 6, 2023

Audited Financials

For the year ending June 30, 2023

1






Financial Takeaways

- Rates: **Water 4%** , **Sewer 5%**, **Garbage 10%**. Total **\$4,088,000**
- Tax Revenue: up **\$397,000 (10%)** from FY2021-22 to **\$4,339,000**
- PERS UAL: **\$4,616,000** Total (increase \$4,322,000 from PY)
 - Utility: **\$1,363,000 LIABILITY** (Paid \$1,324,000 in FY2020; \$890,000 in FY2021; \$235,000 in FY2022; 275,000 in FY2023). Currently **86.7%** Funded
 - Fire: **\$3,253,000 LIABILITY** (Paid \$693,000 in FY2020; \$750,000 in FY2021; \$629,000 in FY2022; 570,000 in FY2023) Currently **78.7%** Funded
- Grants: **~\$1,400,000**. Mutual Intertie, Meter replacements, S-Turns, OV-1.
- Connection & Mitigation Rev: **\$68,000**, down from **\$367,000** in FY2022
- Capital Projects: West Tank Recoat, Water Meter Replacements, Zone 3 Tank Recoat, Water Tender, Turnout Gear, Everline Water and Sewer Line Dedications, Portable Generator.
- Bike Trail: Successful year of snow removal on 2.3 miles of County trails during the second-highest snowfall on record.

December 12, 2023 Olympic Valley Public Service District 2

2



 **Government-Wide Financial Statements** 

Basic Financial Statements



- Statement of Net Position Or Balance Sheet
 - Governmental (Fire)
 - Business Type (W,S,G)
- Statement of Activities Or Income Statement
 - Governmental (Fire)
 - Business Type (W,S,G)

December 12, 2023 Olympic Valley Public Service District 3

3


 **Statement of Net Position Capital Assets** 

West Tank Recoat
1.15 million-gallon welded steel tank
100% Water FARF Funded: \$ 647,332


 

December 12, 2023 Olympic Valley Public Service District 4


4



Statement of Net Position Capital Assets



Olympic Valley Mutual Intertie Project



Design and construct an intertie to connect 2 water systems


Water Capital Cost (to date):
\$ 75,755

Total Cost Estimate:
\$720,000


Grant funded: \$403,625
OVMWC Contribution: TBD

December 12, 2023
Olympic Valley Public Service District 5

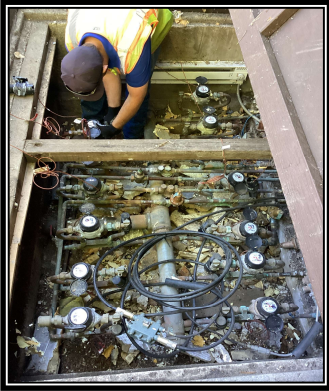
5



Statement of Net Position Capital Assets




Water Meter Replacement




- Grant and Water FARF funded
- Total Cost: \$770,000
- Grant Funded: \$371,600
- Spent as of 6/30: \$288,186
- Remaining: \$481,814

December 12, 2023
Olympic Valley Public Service District 6

6





Statement of Net Position Capital Assets



Water Tender


All-poly series 2,000-gallon tanker and Freightliner chassis
100% Fire FARF Funded: \$288,187

December 12, 2023


Olympic Valley Public Service District 7

7



Total Capital Projects

Total CIP/FARF = \$1,330,000




WATER CAPITAL = \$85,000	WATER FARF = \$818,000	SEWER FARF = \$96,000	FIRE = \$331,000
.Hidden Lake Water Line	.Hidden Lake Water Line	.Hidden Lake Sewer Line	.Radio Replacement
.OV Mutual Intertie	.Zone 3 Tank Recoat	.Snow Blower	.Turnout Gear
	.Water Meter Replacements	.Sewer TV Inspections	.Water Tender
	.West Tank Recoat	.Portable Generator	.Snow Blower
			.Manikin


December 12, 2023

Olympic Valley Public Service District 8

8



Statement of Net Position DEBT



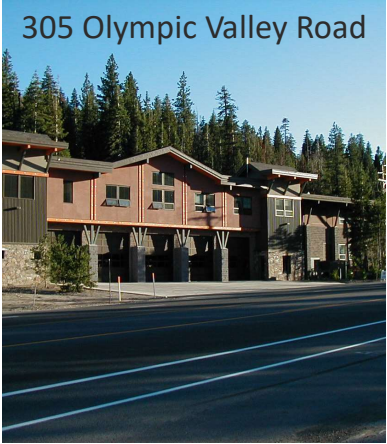
2004 - \$2,000,000
Building Loan @ 3.63%

\$397,265 in principal
paid in FY2023

Remaining
\$355,510 - 6/30/2023
\$240,866 as of today

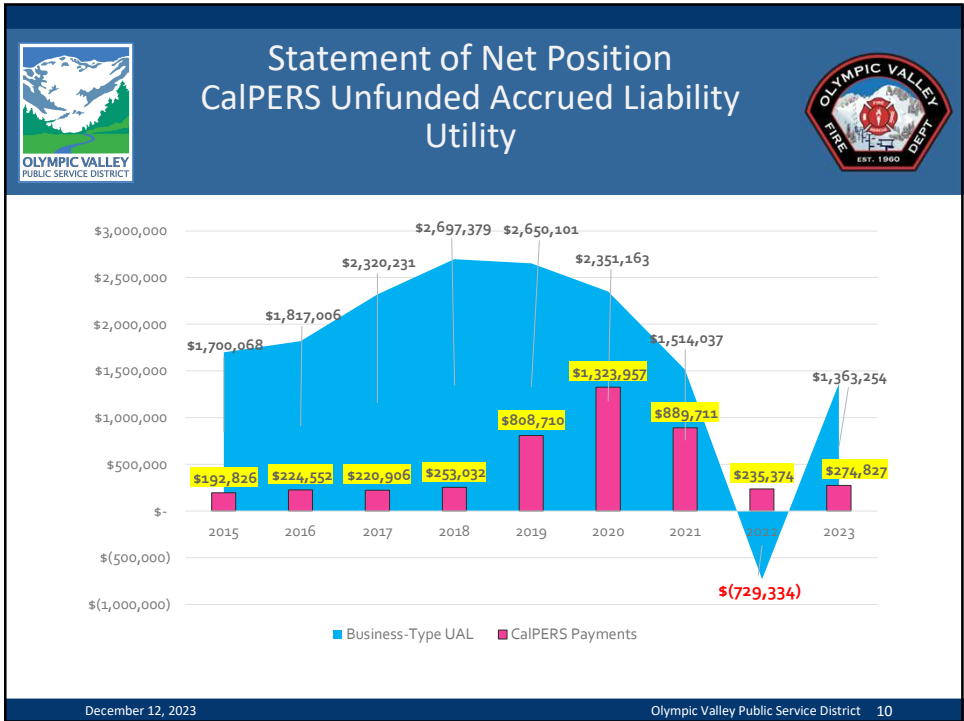
Last payment due in
August 2025
(3 years early)

305 Olympic Valley Road

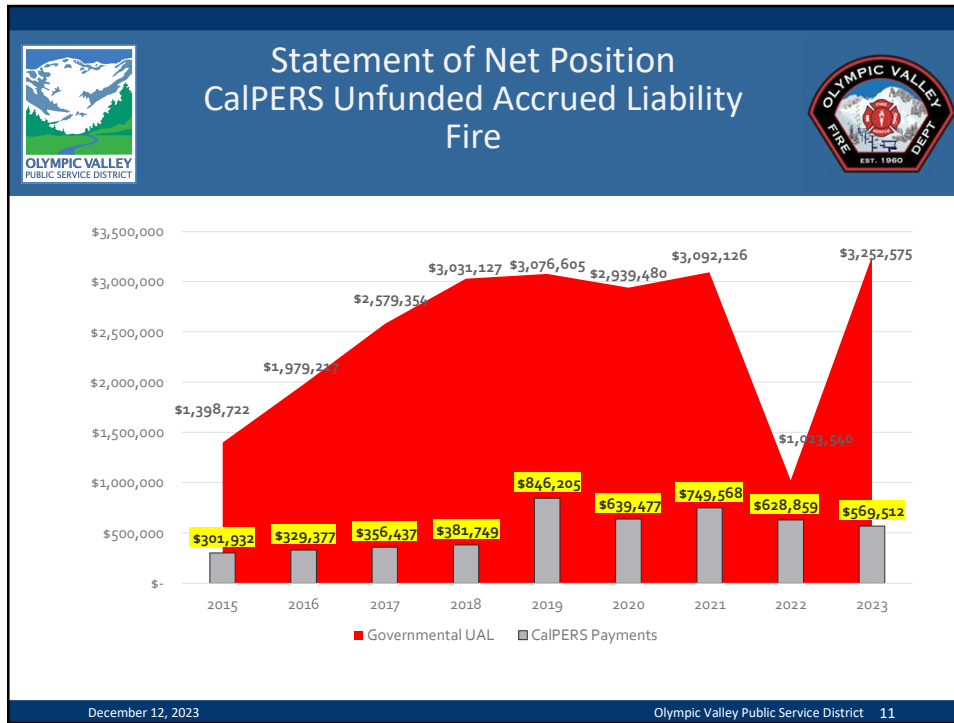


December 12, 2023
Olympic Valley Public Service District 9

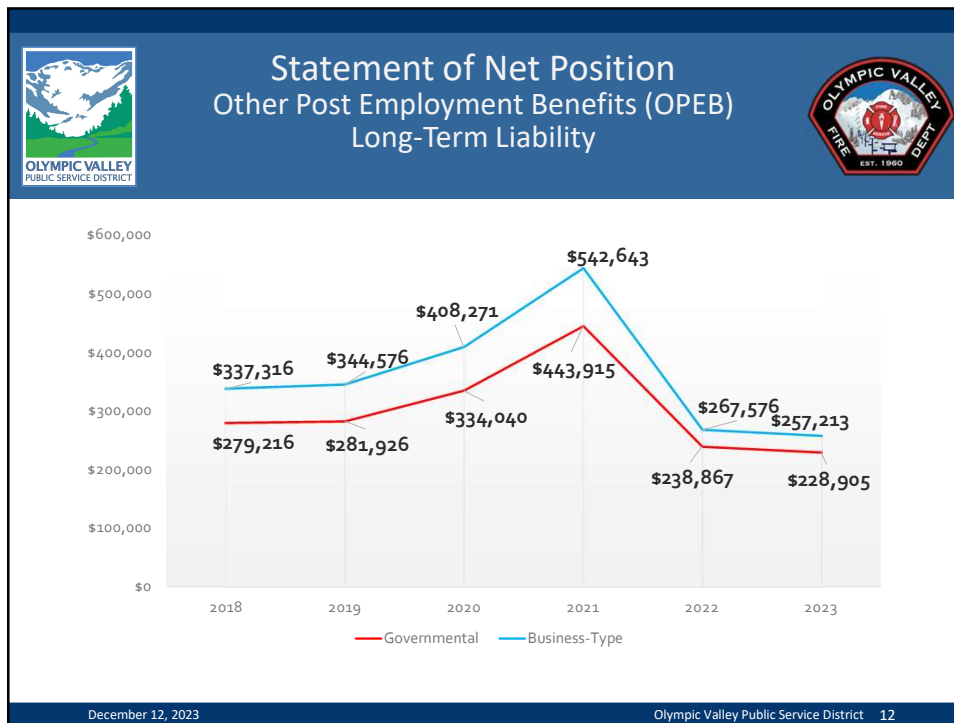
9




10




11



12



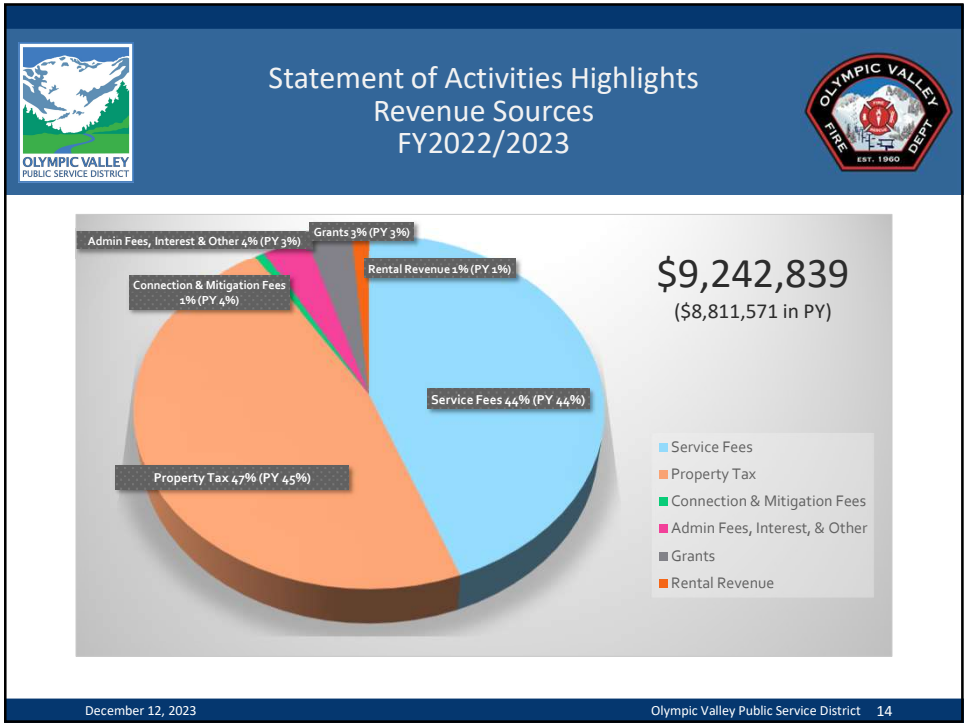
Statement of Net Position Highlights Net Position History



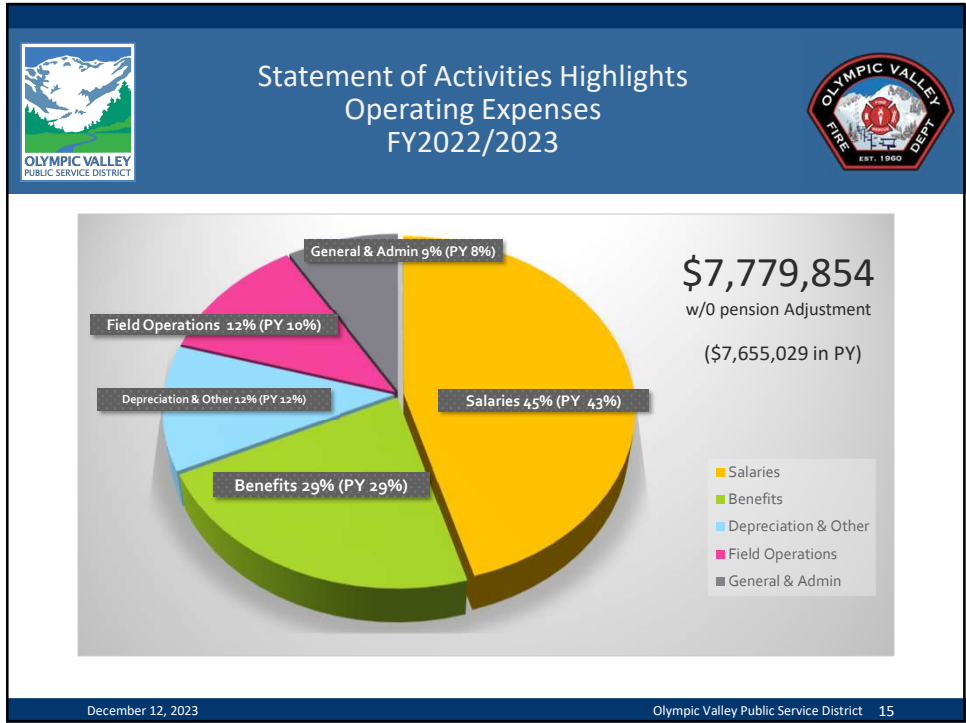
Business-Type			Fire – Department		
Year	Net Position	% Change	Year	Net Position	% Change
2014	\$12,956,143	(.69)%	2014	\$5,645,948	(.17)%
2015	\$11,663,183	(9.9)%	2015	\$3,765,002	(33.3)%
2016	\$12,061,590	3.4%	2016	\$3,993,948	6.1%
2017	\$12,353,416	2.4%	2017	\$4,090,387	2.4%
2018	\$12,729,591	3.0%	2018	\$4,046,040	(1.1)%
2019	\$13,549,666	6.4%	2019	\$4,062,595	4.1%
2020	\$14,237,922	5.1%	2020	\$3,898,367	4.4%
2021	\$14,712,828	3.3%	2021	\$3,999,097	2.6%
2022	\$18,002,626	22%	2022	\$5,546,614	39%
2023	\$17,775,211	(1)%	2023	\$4,754,146	(14)%

December 12, 2023
Olympic Valley Public Service District 13

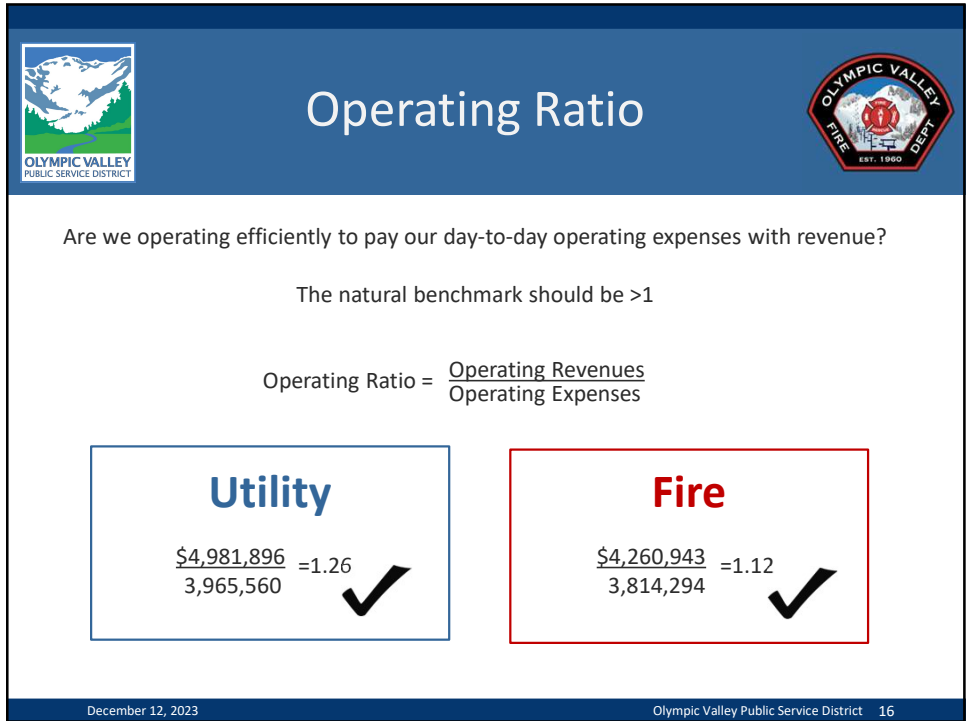
13




14




15



16



Current Ratio



Can we pay our current liabilities (due within 1 year) using our current assets, such as cash?


The natural benchmark should be >1

Current Ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}}$


<p style="font-size: 1.2em; color: blue; margin: 0;">Utility</p> $\frac{8,301,576}{720,524} = 11.5$ <p style="text-align: right; font-size: 1.5em; color: black;">✓</p>	<p style="font-size: 1.2em; color: red; margin: 0;">Fire</p> $\frac{2,797,513}{522,761} = 5.35$ <p style="text-align: right; font-size: 1.5em; color: black;">✓</p>
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December 12, 2023
Olympic Valley Public Service District 17

17



Days Cash on Hand



The natural benchmark should be at least 60 days O&M


If all revenue sources were to stop, how long we can maintain operations?

Days cash on hand = $\frac{\text{(Cash \& Cash equivalents)}}{\text{(Operating Expenses - Depreciation)}/365}$


<p style="font-size: 1.2em; color: blue; margin: 0;">Utility</p> $\frac{7,896,667}{(5,604,911 - 673,473)/365} = 584$ <p style="text-align: right; font-size: 1.5em; color: black;">✓</p>	<p style="font-size: 1.2em; color: red; margin: 0;">Fire</p> $\frac{2,618,988}{(5,053,411 - 232,135)/365} = 198$ <p style="text-align: right; font-size: 1.5em; color: black;">✓</p>
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December 12, 2023
Olympic Valley Public Service District 18

18





Asset Depreciation





The natural benchmark should *not* be close to 1, since that means your assets have all reached the end of their useful lives


Asset Depreciation= $\frac{\text{Accumulated Depreciation}}{\text{Assets at Cost}}$

<h2 style="color: blue;">Utility</h2> $\frac{18,607,842}{29,579,826} = 0.63$ 	<h2 style="color: red;">Fire</h2> $\frac{3,973,968}{8,582,240} = .46$ 
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December 12, 2023
Olympic Valley Public Service District 19

19



December 12, 2023
Olympic Valley Public Service District 20

20