



NORTHSTAR COMMUNITY SERVICES DISTRICT

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

FOR THE FISCAL YEAR ENDED

JUNE 30, 2023

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CERTIFIED PUBLIC ACCOUNTANTS

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NORTHSTAR COMMUNITY SERVICES DISTRICT

JUNE 30, 2023

BOARD OF DIRECTORS

Warren Brown - President

Mike Witherspoon – Financial Representative

Nancy Ives – Director

Marilyn Forni - Director

John Radanovich – Director

* * * *

General Manager
Mike Staudenmayer

Director of Finance and Administration
Greg Rosenthal

NORTHSTAR COMMUNITY SERVICES DISTRICT

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James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Northstar Community Services District
Truckee, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Northstar Community Services District (the District), as of and for the year ended June 30, 2023, cash flows 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Northstar Community Services 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, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

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, and the State Controller's *Minimum Audit Requirements for California Special Districts*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Northstar Community Services District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 Northstar Community Services 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 Northstar Community Services 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, Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of Pension Contributions 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.

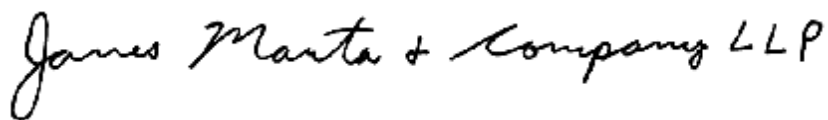
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
February 16, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

This discussion and analysis section of the Northstar Community Services District's (District or NCSD) Financial Statements is intended to provide a narrative overview and analysis of the basic financial activities of the District as of and for the year ended June 30, 2023. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Government-wide

- Total net position at June 30, 2023 \$ 101,398,601
- Total revenue: 20,440,838
- Total expense: 25,785,540
- Total depreciation expense: 2,053,384

Business-Type Activities

- Water
 - o Total revenue: \$ 4,868,292
 - o Total expense: 5,082,695
- Sewer
 - o Total revenue: 3,279,023
 - o Total expense: 2,802,900
- Solid Waste
 - o Total revenue: 649,948
 - o Total expense: 715,520

Governmental Activities

- Total revenue: \$ 11,643,575
- Total expense: 17,184,425

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-wide Financial Statements present a broad overview of the District's finances. Within this view, all District operations are categorized and reported as either governmental or business-type activities. These government-wide statements are designed to be more business-like in that all activities are consolidated and provide a snapshot of the District as a whole.

- The STATEMENT OF NET POSITION focuses on resources available for future operations. In simple terms, this statement presents a snapshot of the total assets and total liabilities of the District and the net difference. The net difference is further separated into amounts invested in capital assets (net of related debt), amounts that are restricted for capital projects, and amounts that are unrestricted.
- The STATEMENT OF ACTIVITIES focuses on the costs of the District's programs and the extent to which the programs rely on property taxes and other revenues. This statement simplifies the user's analysis when determining the extent to which programs are self-supporting and/or subsidized by general revenue.

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Both previously mentioned government-wide financial statements distinguish functions of the District that are principally supported by taxes (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general government, fire, fuels management, roads maintenance, snow removal, and trails maintenance. The business-type activities of the District include water, sewer, and solid waste.

Fund Financial Statements focus on the individual parts of the District and report operations in more detail than the government-wide statements by providing information about the District's most significant funds. The fund financial statements separately focus on governmental funds, proprietary funds, and fiduciary funds.

- Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements to gain a better understanding of the long-term impact of near-term financing decisions. Both the BALANCE SHEET - GOVERNMENTAL FUNDS and the STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities represented by the government-wide financial statements.

Information is presented separately in the BALANCE SHEET - GOVERNMENTAL FUNDS and the STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS for the General Fund and the Capital Projects Fund. The General Fund accounts for all financial resources except those required to be accounted for in another fund. The Capital Projects Fund accounts for the financial activities of the Northstar Community Services District Community Facilities District (CFD) #1, whose purpose was to fund the acquisition and construction of major capital facilities within the District.

- Proprietary Funds are used to account for activities by which the District provides goods or services on a fee basis. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The types of proprietary funds utilized by the District are enterprise funds and internal service funds.

- Enterprise funds provide goods or services to the public for a fee. Enterprise funds report on the same business-type activities shown in the government-wide financial statements. The intent is that the cost of providing services will be financed or recovered primarily through user charges. The District uses enterprise funds to account for water, sewer, and solid waste operations.

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

- Internal service funds account for goods and services provided on a cost-reimbursement basis by one department to another department within the District. The District uses internal service funds to account for Engineering & Utility Operations, Fleet, and Administrative Operations.
- Fiduciary Funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The types of fiduciary funds utilized by the District are agency funds. Agency Funds are used to account for the assets held by the District as an agent for the CFD.

Notes to the basic financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the District's financial condition.

Required supplementary information provides a budgetary comparison schedule for the General Fund in the STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND.

The Governmental Accounting Standards Board set out to improve pension accounting and financial reporting by state and local governments through Statement Number 68 (GASB 68) which took effect for fiscal years beginning after June 15, 2014, and Statement Number 75 (GASB 75) which took effect for fiscal years beginning after June 15, 2017.

As a result of the implementation of GASB 68, two schedules were added to the required supplementary information section. The two schedules are the SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY and the SCHEDULE OF PENSION CONTRIBUTIONS. Both are 10-year schedules and will present years as they become available until 10 years are shown.

As a result of the implementation of GASB 75, another schedule was added to the required supplementary information section, the SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS. As with the previously mentioned schedules, this is also a 10-year schedule and will present years as they become available until 10 years are shown.

Supplementary information provides Combining Statements of NET POSITION; REVENUES, EXPENSES, AND CHANGES IN NET POSITION; AND CASH FLOWS for the Proprietary – Enterprise Funds. It also includes a schedule showing receipt and disbursement activity for the 2005 series CFD bonds, 2006 series CFD bonds, and 2014 series CFD Refunding Bonds as represented by the STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FOR FIDUCIARY FUNDS.

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions to be asked about the District's finances is "Is the District as a whole better off or worse off as a result of this year's activities?" The STATEMENT OF ACTIVITIES (Table A-2) reports information about the District's activities in a way that will help answer this question. The STATEMENT OF NET POSITION (Table A-1) presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The STATEMENT OF NET POSITION and the STATEMENT OF ACTIVITIES report the net position and the changes in net position, respectively, for the District. However, considerations should also be given to other non-financial factors such as changes in economic conditions, population growth, and new or changed governmental legislation.

A summary of the District's STATEMENT OF NET POSITION comparing the current and prior fiscal years is presented in Table A-1.

Table A-1
Statement of Net Position
6/30/2023

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
ASSETS						
Current assets	\$ 9,681,435	\$15,700,581	\$28,155,521	\$26,711,267	\$ 37,836,956	\$ 42,411,848
Capital assets	25,804,212	26,128,070	48,660,252	48,424,632	74,464,464	74,552,702
Total Assets	35,485,647	41,828,651	76,815,773	75,135,899	112,301,420	116,964,550
DEFERRED OUTFLOWS OF RESOURCES						
Total deferred outflows	6,964,282	5,122,405	-	-	6,964,282	5,122,405
LIABILITIES						
Current liabilities	4,022,621	4,063,178	2,124,102	640,376	6,146,723	4,703,554
Noncurrent liabilities	9,064,894	8,257,173	-	-	9,064,894	8,257,173
Total liabilities	13,087,515	12,320,351	2,124,102	640,376	15,211,617	12,960,727
DEFERRED INFLOWS OF RESOURCES						
Total deferred inflows	2,655,484	2,382,925	-	-	2,655,484	2,382,925
NET POSITION						
Investment in capital assets, net of related debt	19,130,256	22,158,070	51,228,040	50,327,553	70,358,296	72,485,623
Restricted for capital replacement	-	-	8,283,749	12,649,063	8,283,749	12,649,063
Unrestricted	7,576,674	10,089,710	15,179,882	11,518,907	22,756,556	21,608,617
Total net position	\$26,706,930	\$32,247,780	\$74,691,671	\$74,495,523	\$101,398,601	\$106,743,303

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

As shown in Table A-1 on the preceding page, *Total net position* amounted to \$101.4MM in fiscal year 2023. The major component of this category is *Investment in capital assets, net of related debt* which represents the District's investment in capital assets, net of the amount borrowed to purchase those assets. *Total net position* decreased by \$5.3MM due mostly to a decrease in *Current assets*.

Total assets for Governmental Activities decreased by \$6.3MM due mostly to a \$5.5MM change in *Net Pension Asset* as detailed in footnote 7. Total assets for business-type activities increased by \$1.7MM due mostly to an increase in *Investments* and *Note receivable*. These detailed impacts are not represented in Table A-1 but can be seen in the full STATEMENT OF NET POSITION. Overall, those impacts combined to cause a District-wide increase in *Total Assets*.

Overall liabilities for governmental activities increased by \$767K mainly due to an increase in *Noncurrent Liabilities*, and more specifically, those *Due in longer than one year*. Overall liabilities for business-type activities increased by \$1.5MM mainly due to an increase in the amount *Due to internal service fund*. As was the case with assets, these detailed impacts can be seen in the full STATEMENT OF NET POSITION.

A condensed version of the STATEMENT OF ACTIVITIES comparing the current and prior fiscal years is presented in Table A-2.

Table A-2
Statement of Activities
6/30/2023

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
REVENUE						
General Revenue						
Property taxes	\$ 5,944,594	\$ 5,439,356			\$ 5,944,594	\$ 5,439,356
Fuels management & streets assessments	1,267,377	796,038			1,267,377	796,038
Capital Contributions	-	-	\$ 94,000	\$ 127,875	94,000	127,875
Interest earnings	358,619	(264,606)	173,666	(446,819)	532,285	(711,425)
Miscellaneous	281,093	262,553	138,298	112,329	419,391	374,882
Total general revenue	7,851,683	6,233,341	405,964	(206,615)	8,257,647	6,026,726
Program Revenues						
Charges for services	776,831	801,902	8,187,399	7,912,375	8,964,230	8,714,277
Operating Grants and Contributions	3,015,061	2,839,882	203,900	15,927	3,218,961	2,855,809
Total program revenue	3,791,892	3,641,784	8,391,299	7,928,302	12,183,191	11,570,086
Total revenue	11,643,575	9,875,125	8,797,263	7,721,687	20,440,838	17,596,812
EXPENSES						
General government	109,213	102,175			109,213	102,175
Public safety	9,661,796	3,077,382			9,661,796	3,077,382
Streets	4,213,223	538,230			4,213,223	538,230
Trails	2,551,553	2,060,984			2,551,553	2,060,984
Unallocated depreciation	648,640	645,001			648,640	645,001
Water, Sewer, and Solid Waste			8,601,115	5,629,252	8,601,115	5,629,252
Total expenses	17,184,425	6,423,772	8,601,115	5,629,252	25,785,540	12,053,024
CHANGE IN NET POSITION	(5,540,850)	3,451,353	196,148	2,092,435	(5,344,702)	5,543,788
NET POSITION, beginning of year	32,247,780	28,796,427	74,495,523	72,403,088	106,743,303	101,199,515
NET POSITION, end of year	\$ 26,706,930	\$ 32,247,780	\$ 74,691,671	\$ 74,495,523	\$ 101,398,601	\$ 106,743,303

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

While the STATEMENT OF NET POSITION shows the position of net assets, the STATEMENT OF ACTIVITIES (Table A-2) provides answers as to the nature and source of these changes.

Governmental activities:

General revenue increased due in part to *Property taxes* and *Fuels management & streets assessments* which increased 9.3% and 59.2%, respectively, with the larger increase due to the implementation of the Measure U parcel tax used to support Fuels Management efforts. Those changes in property and parcel tax coupled with a 235.5% increase in *Interest earnings* ultimately resulted in a \$1.6MM increase in *Total general revenue*.

Program revenues increased by 4.1% due to an increase in *Operating Grants and Contributions*. Overall expenses increased by 167.5% due to approximately \$3.9MM in expenditures associated with the 2022 Roads Reconstruction Project and an increase in accrual-based pension costs.

Business-Type activities:

General revenue increased by 296.5% mainly due to a \$620K increase in *Interest earnings* while *Program revenues* showed an increase of 5.8% due to both a \$275K increase in *Charges for services* and a \$188K increase in *Operating Grants and Contributions*. Overall, expenses across the water, sewer, and solid waste divisions were 52.8% higher than the prior year due to a \$3.1MM increase in *Internal service fund reimbursements* also as a result of accrual-based pension costs. Detailed expense impacts are not represented in Table A-2 but may be viewed in the STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION for PROPRIETARY – ENTERPRISE FUNDS.

BUDGETARY HIGHLIGHTS

Each year the District Board of Directors adopts an annual operating and capital budget. The operating budget includes proposed expenses and the means of financing them. The budget remains in effect the entire year but may be revised by the Board of Directors as required. Budget vs. actual reports are provided to the Board of Directors on a quarterly basis and to management on a monthly basis.

Table A-3 shows the General Fund Budget vs. Actual comparison for the current and prior fiscal year

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Table A-3
Budget vs. Actual - General Fund
6/30/2023

	Budget		Actual		Variance Favorable / (Unfavorable)	
	2023	2022	2023	2022	2023	2022
Revenue						
Taxes and assessments	\$ 6,826,200	\$ 6,233,200	\$ 7,211,971	\$ 6,235,394	\$ 385,771	\$ 2,194
Fees and other non-tax revenue	556,517	582,169	778,579	795,545	222,062	213,376
Interest	108,180	145,150	168,467	(46,100)	60,287	(191,250)
Fire mitigation fees	4,000	6,000	(1,748)	6,357	(5,748)	357
Reimbursable/Grant revenues	4,542,004	5,212,191	3,015,061	3,057,726	(1,526,943)	(2,154,465)
Other	269,410	268,260	281,283	262,555	11,873	(5,705)
Total revenue	12,306,311	12,446,970	11,453,613	10,311,477	(852,698)	(2,135,493)
Expenditures						
General Government	93,606	186,553	109,213	102,175	(15,607)	84,378
Public Safety	14,569,380	6,875,438	7,604,499	6,443,289	6,964,881	432,149
Streets	4,134,645	591,751	4,178,253	570,074	(43,608)	21,677
Trails	2,958,129	4,093,624	2,551,553	2,060,984	406,576	2,032,640
Total expenditures	21,755,760	11,747,366	14,443,518	9,176,522	7,312,242	2,570,844
Excess (deficiency) of revenue over expenditures before other sources	(9,449,449)	699,604	(2,989,905)	1,134,955	6,459,544	435,351
Excess (deficiency) of revenue and other sources over expenditures	<u>\$ (9,449,449)</u>	<u>\$ 699,604</u>	<u>\$ (3,334,478)</u>	<u>\$ 1,134,955</u>	<u>\$ 6,114,971</u>	<u>\$ 435,351</u>

The District budgeted \$12.3MM in general fund revenue and recognized \$11.5MM. The District budgeted \$21.8MM in general fund expenditures and recognized \$14.4MM.

The unfavorable revenue budget to actual variance of \$853K was mainly due to *Reimbursable/Grant revenues* being \$1.5MM under budget due to grant funded work associated with the Wood Energy Facility within the Fuels Management division being less than anticipated. The favorable expenditure budget to actual variance of \$7.3MM was also related to the Wood Energy Facility for which expenditures were less than budgeted.

Overall, when comparing actual *Excess (deficiency) of revenue* to budgeted expectations, there is a favorable variance of \$6.5MM.

CAPITAL ASSETS

A comparison of Capital Assets for the current and prior fiscal years is presented in Table A-4.

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Table A-4
Capital Assets at June 30, 2023

	FY 2023	FY 2022	Dollar Change	Percentage Change
Governmental Activities				
Land	\$ 7,598,216	\$ 7,598,216	\$ -	0%
Work in progress				
General fund	614,115	297,698	316,417	106%
Capital projects fund	-	-	-	-
Buildings and improvements	21,365,161	21,365,161	-	0%
Equipment	1,591,788	1,583,423	8,365	1%
Vehicles and equipment	4,312,932	4,312,932	-	0%
Software	78,587	78,587	-	0%
	<u>35,560,799</u>	<u>35,236,017</u>	<u>324,782</u>	<u>1%</u>
Less accumulated depreciation	<u>(9,756,587)</u>	<u>(9,107,947)</u>	<u>(648,640)</u>	
Governmental activities capital assets, net	<u>25,804,212</u>	<u>26,128,070</u>	<u>(323,858)</u>	<u>-1%</u>
Business-type Activities				
Land	748,907	748,907	-	0%
Work in progress	253,263	-	253,263	-
Buildings and improvements	22,758,798	22,568,616	190,182	1%
Equipment	1,608,177	1,588,418	19,759	1%
Vehicles and equipment	874,858	874,858	-	0%
Software	258,370	258,370	-	0%
Water/sewer system	52,647,600	51,470,438	1,177,162	2%
	<u>79,149,973</u>	<u>77,509,607</u>	<u>1,640,366</u>	<u>2%</u>
Less accumulated depreciation	<u>(30,489,721)</u>	<u>(29,084,975)</u>	<u>(1,404,746)</u>	<u>5%</u>
Business-type activities capital assets, net	<u>48,660,252</u>	<u>48,424,632</u>	<u>235,620</u>	<u>0%</u>
Totals	<u>\$ 74,464,464</u>	<u>\$ 74,552,702</u>	<u>\$ (88,238)</u>	<u>0%</u>

As indicated by Table A-4, the combined net capital assets of Governmental and Business-type Activities decreased by \$88K after considering accumulated depreciation. Governmental activities show an increase of \$325K before accumulated depreciation mostly due to an increase in *Work in progress*.

Business-type activities show an increase of \$1.6MM before accumulated depreciation mostly due to additions to *Water/Sewer system* infrastructure.

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

GENERAL LONG-TERM DEBT

The District's long-term liabilities at year-end included *Net OPEB Liability* for employees totaling \$2.6MM. The long-term portion of *Retiree Termination Benefits* is \$80K, with \$15K due within one year. *Net pension liability* totaled \$89K, and long-term liabilities for *Compensated Absences* totaled \$1.5MM.

Lastly, the long-term liability of the NCSD Financing Authority (NCSD-FA), a joint exercise of Powers Authority (JPA) formed by the NCSD and the NCSD Community Facilities District #1 in 2015, totaled \$3.9MM in general long-term debt with \$115K being due within one year.

DEBT WITHOUT GOVERNMENT COMMITMENT

During 2005 and 2006, bonded debt was issued by a special assessment district known as the Northstar Community Services District Community Facilities District #1 (NCSD CFD#1 or CFD) to finance infrastructure improvements and facilities within the Northstar area. In July of 2014, the NCSD CFD #1 issued Special Tax Refunding bonds to refund a portion of the 2005 and 2006 series bonds and cover the costs associated with the issue.

The District has no legal responsibility with respect to the re-payment of the debt associated with either bond issue. However, the District is responsible for managing a portion of the construction and improvements financed by the CFD and it is also responsible as the CFD's agent for the receipts and disbursements of the CFD.

At June 30, 2023, the principal amount of outstanding debt for the CFD was \$94.7MM.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District will continue to budget conservatively for general fund revenues in anticipation that the assessed value of property within the District will not increase significantly in the upcoming year. Business-type revenue is expected to increase due to the District entering the fifth year of a five-year increasing rate structure for water, sewer, and solid waste services within the Northstar community and water service within the Martis Valley community.

The District will continue to be mindful of expenditures and look for ways to capitalize on trends that will allow for economies of scale and the more efficient use of resources.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Greg Rosenthal, CPA, Director of Finance and Administration, Northstar Community Services District, 900 Northstar Drive, Truckee, California 96161.

BASIC FINANCIAL STATEMENTS

NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 4,745,774	\$ 13,699,583	\$ 18,445,357
Investments	1,974,034	10,615,450	12,589,484
Accounts receivable	1,031,978	765,961	1,797,939
Inventory	17,561	-	17,561
Due from other governments	390,598	139,375	529,973
Due from enterprise funds	1,521,410	-	1,521,410
Prepaid expenses	80	121,196	121,276
Long-Term Assets			
Note receivable	-	2,813,956	2,813,956
Capital assets, net	25,804,212	48,660,252	74,464,464
Total assets	35,485,647	76,815,773	112,301,420
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows on OPEB	1,117,807	-	1,117,807
Deferred outflows on pensions	5,846,475	-	5,846,475
Total deferred outflows of resources	6,964,282	-	6,964,282
LIABILITIES			
Accounts payable	1,758,213	576,382	2,334,595
Accrued wages and related items			
Accrued liabilities	118,461	24,810	143,271
Due to internal service fund	-	1,521,410	1,521,410
Unearned revenue	259,539	1,500	261,039
Long-Term Liabilities:			
Due within one year	1,886,408	-	1,886,408
Due in longer than one year	9,064,894	-	9,064,894
Total liabilities	13,087,515	2,124,102	15,211,617
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on OPEB	1,162,258	-	1,162,258
Deferred inflows on pensions	1,493,226	-	1,493,226
Total deferred inflows of resources	2,655,484	-	2,655,484
NET POSITION			
Net investment in capital assets	19,130,256	51,228,040	70,358,296
Restricted for capital projects	-	8,283,749	8,283,749
Unrestricted	7,576,674	15,179,882	22,756,556
Total net position	\$ 26,706,930	\$ 74,691,671	\$ 101,398,601

NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental activities:						
General government	\$ 109,213	\$ -	\$ -	\$ (109,213)	\$ -	\$ (109,213)
Public safety	9,661,796	776,831	541,587	(8,343,378)	-	(8,343,378)
Streets	4,213,223	-	260,286	(3,952,937)	-	(3,952,937)
Trails	2,551,553	-	2,213,188	(338,365)	-	(338,365)
Unallocated depreciation	648,640	-	-	(648,640)	-	(648,640)
Total governmental activities	<u>\$ 17,184,425</u>	<u>\$ 776,831</u>	<u>\$ 3,015,061</u>	<u>(13,392,533)</u>	<u>-</u>	<u>(13,392,533)</u>
Business-type activities:						
Water	\$ 5,082,695	\$ 4,408,175	\$ 203,900		(470,620)	(470,620)
Sewer	2,802,900	3,129,276	-		326,376	326,376
Solid waste	715,520	649,948	-		(65,572)	(65,572)
Total business-type activities	<u>\$ 8,601,115</u>	<u>\$ 8,187,399</u>	<u>\$ 203,900</u>		<u>(209,816)</u>	<u>(209,816)</u>
General revenues:						
Property taxes				5,944,594	-	5,944,594
Fuels management and streets assessments				1,267,377	-	1,267,377
Capital contributions				-	94,000	94,000
Interest earnings (losses)				358,619	173,666	532,285
Miscellaneous revenue				281,093	138,298	419,391
Total general revenue				<u>7,851,683</u>	<u>405,964</u>	<u>8,257,647</u>
Change in net position				(5,540,850)	196,148	(5,344,702)
Net position, beginning				32,247,780	74,495,523	106,743,303
Net position, end of year				<u>\$ 26,706,930</u>	<u>\$ 74,691,671</u>	<u>\$ 101,398,601</u>

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

NORTHSTAR COMMUNITY SERVICES DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2023

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Building Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Assets				
Cash and cash equivalents	\$ 4,059,669	\$ 1,578,455	\$ 525	\$ 5,638,649
Investments	1,974,034	-	-	1,974,034
Accounts receivables	899,164	-	-	899,164
Due from other funds	458,959	-	-	458,959
Due from other governments	390,598	-	-	390,598
Total Assets	<u>\$ 7,782,424</u>	<u>\$ 1,578,455</u>	<u>\$ 525</u>	<u>\$ 9,361,404</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$ 369,381	\$ -	\$ -	\$ 369,381
Other accrued expenses	80,422	-	-	80,422
Unearned revenue	259,539	-	-	259,539
Total Liabilities	<u>709,342</u>	<u>-</u>	<u>-</u>	<u>709,342</u>
Fund Balance				
Committed	2,334,067	-	-	2,334,067
Restricted	4,339,350	1,578,455	525	5,918,330
Unassigned	399,665	-	-	399,665
Total Fund Balance	<u>7,073,082</u>	<u>1,578,455</u>	<u>525</u>	<u>8,652,062</u>
 Total Liabilities and Fund Balance	 <u>\$ 7,782,424</u>	 <u>\$ 1,578,455</u>	 <u>\$ 525</u>	 <u>\$ 9,361,404</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

JUNE 30, 2023

Total Fund Balance - Governmental Funds	\$	8,652,062
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets: in governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.

Capital assets at cost		35,560,799
Accumulated depreciation		(9,756,587)

Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Compensated absences		(1,510,240)
Retiree termination benefits		(79,609)
Other postemployment benefits		(2,598,589)
Lease revenue bonds payable		(3,860,000)
Net pension (liability)/asset		(88,908)
Note payable to sewer fund		(2,813,956)

Internal service funds: Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to operate for the benefit of governmental activities, assets and liabilities of internal service funds are reported with governmental activities in the statement of net position. Net position for internal service funds is:

Long-term liabilities already recognized in internal service funds		480,998
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Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pension are reported.

Deferred outflows of resources relating to pensions		5,846,475
Deferred outflows of resources relating to OPEB		1,117,807
Deferred inflows of resources relating to pensions		(1,493,226)
Deferred inflows of resources relating to OPEB		(1,162,258)
Net deferred outflows and inflows of resources already recognized in internal service funds		(1,975,289)

Total net position - Governmental Activities:	\$	26,706,930
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NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS

JUNE 30, 2023

	General Fund	Capital Projects Fund	Building Fund	Total
REVENUE				
Taxes and assessments	\$ 7,211,971	\$ -	\$ -	\$ 7,211,971
Fees and other non-tax revenue	778,579	-	-	778,579
Interest	168,467	45,216	675	214,358
Fire mitigation fees	(1,748)	-	-	(1,748)
Grant revenue	293,692	-	-	293,692
Reimbursable revenue	2,721,369	-	-	2,721,369
Other	281,283	-	263,910	545,193
Total revenue	11,453,613	45,216	264,585	11,763,414
EXPENDITURES				
General government	109,213	-	-	109,213
Public safety	7,604,499	-	-	7,604,499
Streets	4,178,253	-	-	4,178,253
Trails	2,551,553	-	-	2,551,553
Building expenses	-	-	264,100	264,100
Total expenditures	14,443,518	-	264,100	14,707,618
Excess (deficiency) of revenue over expenditures	(2,989,905)	45,216	485	(2,944,204)
OTHER FINANCING SOURCES (USES)				
Other financing sources	1,000,000	-	-	1,000,000
Other financing uses	(344,573)	-	-	(344,573)
Net change in fund balances	(2,334,478)	45,216	485	(2,288,777)
FUND BALANCE, beginning of year	9,407,560	1,533,239	40	10,940,839
FUND BALANCE, end of year	\$ 7,073,082	\$ 1,578,455	\$ 525	\$ 8,652,062

NORTHSTAR COMMUNITY SERVICES DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES**

JUNE 30, 2023

Net Change in Fund Balances - Governmental Funds	\$	(2,288,777)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlay: In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay		324,782
Depreciation expense		(648,640)

Debt service: In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

347,850

Debt proceeds: In governmental funds, proceeds from debt are recognized of Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from were::

(1,000,000)

Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and earned was:

87,207

Pensions: In government funds, pension costs are recognized when employer contributions are made, in the statement of activites pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:

(2,548,750)

Postemployment benefits other than pensions (OPEB): In governmental funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. The difference between OPEB costs paid and earned was:

47,624

Internal service funds: Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to benefit governmental activities, internal service activities are reported as governmental in the statement of activities. The net increase or decrease in internal service funds was:

137,854

Change in net position of governmental activities:	\$	<u>(5,540,850)</u>
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NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF NET POSITION

PROPRIETARY – ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

ASSETS

Current assets:

Cash and cash equivalents	\$ 13,699,583
Accounts receivable	765,961
Note receivable, current portion	246,168
Due from other governments	139,375
Investments	10,615,450
Prepaid expenses	121,196
Total current assets	<u>25,587,733</u>

Noncurrent assets:

Note receivable, net of current portion	2,567,788
Property, land and equipment	79,149,971
Less: accumulated depreciation	<u>(30,489,719)</u>
Total noncurrent assets	<u>51,228,040</u>
Total assets	<u>76,815,773</u>

LIABILITIES

Current liabilities:

Accounts payable	576,382
Accrued wages and related items	24,810
Unearned revenue	1,500
Due to other funds	<u>1,521,410</u>
Total current liabilities	<u>2,124,102</u>
Total liabilities	<u>2,124,102</u>

NET POSITION

Net investment in capital assets	51,228,040
Restricted for capital projects	8,283,749
Unrestricted	<u>15,179,882</u>
Total net position	<u>\$ 74,691,671</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

PROPRIETARY – ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

OPERATING REVENUE

Service charges	\$ 8,187,399
Grant revenue	203,900
Other	138,298
Total operating revenue	<u>8,529,597</u>

OPERATING EXPENSES

Wages	577,699
Employee benefits	12,205
Insurance	96,312
Maintenance	183,045
Purchased services	1,057,896
Professional services	477,924
Utilities	293,330
Internal service fund reimbursement	4,118,492
Communications	3,495
Dues and memberships	120
Office and shop expense	85,656
Miscellaneous	290,199
Depreciation	1,404,744
Total operating expenses	<u>8,601,117</u>

Operating income (loss)	(71,520)
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NONOPERATING REVENUE (EXPENSE)

Interest revenue	<u>173,665</u>
Total nonoperating revenue (expense)	<u>173,665</u>

Income (loss) before capital contributions	102,145
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CAPITAL CONTRIBUTIONS	<u>94,000</u>
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CHANGE IN NET POSITION	196,145
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NET POSITION, beginning	<u>74,495,523</u>
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NET POSITION, end of year	<u><u>\$ 74,691,668</u></u>
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NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY – ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 8,670,891
Payments for services and supplies	(6,120,454)
Payments of employee salaries	(582,217)
Payments of employee benefits	(12,205)
Interfund reimbursements	242,168
Net cash provided (used) by operating activities	<u>2,198,183</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	<u>(1,640,365)</u>
Net cash provided (used) by capital and related financing activities	<u>(1,640,365)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale (purchase) of investments	(846,194)
Interest received	314,848
Net cash provided (used) by investing activities	<u>(437,346)</u>
NET INCREASE (DECREASE) IN CASH	120,472
CASH AND CASH EQUIVALENTS, beginning of year	<u>13,579,111</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 13,699,583</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (71,518)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	1,404,744
(Increase) decrease in:	
Accounts receivable	(614,581)
Due from other governments	(4,775)
Prepaid expenses	587
Increase (decrease) in:	
Accounts payable	485,427
Accrued wages	(4,519)
Deferred revenue	(1,500)
Compensated absences	1,004,318
Net cash provided (used) by operating activities	<u><u>\$ 2,198,183</u></u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

ASSETS

Current assets:

Cash and cash equivalents	\$ (892,875)
Accounts receivable	132,814
Due from other funds	1,062,451
Inventory	17,561
Prepaid expenses	80
Total current assets	<u>320,031</u>

Noncurrent assets:

Net pension asset	<u>1,357,792</u>
Total assets	<u>1,677,823</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows on pensions	<u>2,864,029</u>
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LIABILITIES

Current liabilities:

Accounts payable	1,388,832
Accrued wages and related items	38,039
Total current liabilities	<u>1,426,871</u>

Noncurrent liabilities:

Compensated absences	706,074
Retiree termination benefits	79,609
Other postemployment benefits liabilities	959,560
Total noncurrent liabilities	<u>1,745,243</u>
Total liabilities	<u>3,172,114</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows on pensions	<u>888,740</u>
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NET POSITION

Unrestricted	<u>\$ 480,998</u>
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NORTHSTAR COMMUNITY SERVICES DISTRICT

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION**

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

OPERATING REVENUE

Charges for services	\$ 5,893,669
Other	<u>2,355</u>
Total operating revenue	<u>5,896,024</u>

OPERATING EXPENSES

Engineering & Utility Operations	2,721,417
Fleet operations & maintenance	160,877
Administrative Operations	<u>3,013,727</u>
Total operating expenses	<u>5,896,021</u>

Operating income (loss)	3
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NONOPERATING REVENUE (EXPENSE)

Investment income	144,261
Investment fees	<u>(6,410)</u>
Total nonoperating expenses	<u>137,851</u>

CHANGE IN NET POSITION	<u>137,854</u>
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NET POSITION, beginning	<u>343,144</u>
NET POSITION, end of year	<u><u>\$ 480,998</u></u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from internal charges	\$ 5,858,243
Cash received from other sources	2,355
Payments for employee salaries & benefits	(2,790,777)
Payments for services and supplies	(1,174,902)
Net cash provided (used) by operating activities	<u>1,894,919</u>

CASH FLOWS FROM NONCAPITAL ACTIVITIES

FINANCING ACTIVITIES

Interfund transfers	(211,809)
Interest income	144,261
Interest fees	(6,410)
Net cash provided (used) by capital and related financing activities	<u>(73,958)</u>

NET INCREASE (DECREASE) IN CASH 1,820,961

CASH AND CASH EQUIVALENTS, beginning of year (2,713,836)

CASH AND CASH EQUIVALENTS, end of year \$ (892,875)

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating income (loss)	\$ 3
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) decrease in:	
Accounts receivable	(35,426)
Prepaid expenses	(3)
Inventory	1,034
Deferred outflows	(714,868)
Increase (decrease) in:	
Accounts payable	222,818
Accrued wages and related items	(19,243)
Compensated absences	86,551
Other postemployment benefits liabilities	233,339
Net pension liability	1,881,543
Deferred inflows	239,171
Net cash provided by operating activities	<u>\$ 1,894,919</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF NET POSITION

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	Series 2005	Series 2006	2014 Special	
<u>ASSETS</u>	Bonds	Bonds	Refunding	Total
	Bonds	Bonds	Bonds	
Cash and cash equivalents	<u>\$ 2,174,074</u>	<u>\$ 678,954</u>	<u>\$ 39,200</u>	<u>\$ 2,892,228</u>
<u>LIABILITIES</u>				
Due to others	<u>\$ 2,174,074</u>	<u>\$ 678,954</u>	<u>\$ 39,200</u>	<u>\$ 2,892,228</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

Northstar Community Services District (the "District") was founded on November 20, 1990, and is an unincorporated political subdivision of the State of California. The District's operations are governed by an elected board of directors consisting of five members. The District provides fire protection services, fuels management services, water, sewer and solid waste services, snow removal and roads maintenance services to the citizens residing within District boundaries. In addition, the District is responsible for maintaining a multi-use recreational trail network.

The financial statements of the District are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Reporting Entity

The Board of Directors is the level of government which has governance responsibilities over all activities related to operations of the District. The Board is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board, since Board members have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

The District's Board of Directors formed a non-profit public benefit corporation known as the Northstar Community Services District Financing Authority (Financing Authority). The District and the Financing Authority have a financial and operational relationship which meets the reporting entity definition criteria of Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, for inclusion of the Financing Authority as a blended component unit of the District. Therefore, the financial activities of Financing Authority have been included in the financial statements of the District.

The following are those aspects of the relationship between the District and Financing Authority which satisfy Codification of Governmental Accounting and Financial Reporting Standards, Section 2100:

Manifestations of Oversight

The Financing Authority's Board of Directors is the District's Board of Directors.

The Financing Authority has no employees. The District's general manager functions as an agent of the Financing Authority. The individuals did not receive additional compensation for work performed in this capacity.

The District exercises significant influence over operations of the Financing Authority as it is anticipated that the District will be the sole lessee of all facilities owned by the Financing Authority.

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

Accounting for Fiscal Matters

All major financing arrangements, contracts, and other transactions of the Financing Authority must have the consent of the District.

Any deficits incurred by the Financing Authority will be reflected in the lease payments of the District. Any surpluses of the Financing Authority revert to the District at the end of the lease period.

It is anticipated that the District's lease payments will be the sole revenue source of the Financing Authority.

Scope of Public Service and Financial Presentation

The Financing Authority was created for the sole purpose of financially assisting the District.

The Financing Authority is a nonprofit, public benefit corporation incorporated under the laws of the State of California and recorded by the Secretary of State. The Financing Authority was formed to provide financing assistance to the District for construction and acquisition of a new administrative building. Upon completion, the District intends to occupy all Financing Authority facilities. When the Financing Authority's Lease Revenue Bonds have been paid, title to all Financing Authority property will pass to the District for no additional consideration.

The Financing Authority's financial activity is presented in the financial statements in the Building Fund. Lease Revenue Bonds issued by the Financing Authority are included in the long-term liabilities.

B. BASIS OF PRESENTATION

Government-wide Financial Statements

The statement of net position and the statement of activities display financial information about the District. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities.

The government-wide statement of net position presents information on all of the District's assets and liabilities, with the difference between the two presented as net position. Net position is reported as three categories as applicable: net investment in capital assets, restricted and unrestricted. Restricted net position is further classified as either net position restricted by enabling legislation or net position that is otherwise restricted.

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

B. BASIS OF PRESENTATION (CONTINUED)

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are, therefore, clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is not allocated by function. Interest on long-term liabilities is considered an indirect expense and is reported separately in the Statement of Activities.

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met. Expenses are recorded when liabilities are incurred.

Governmental Fund Financial Statements

Governmental fund financial statements (i.e. balance sheet and statement of revenues, expenditures and changes in fund balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 60 days after year-end.

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used, or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

D. FUND ACCOUNTING

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

Governmental Funds:

General Fund is the general operating fund of the District. It is used to account for all transactions except those required or permitted by law to be accounted for in another fund.

Capital Projects Fund is used to account for the acquisition and construction of major capital facilities funded by special taxes levied by the Community Facilities District (CFD) for the benefit of CFD properties.

Building Fund is used to account for the construction of the new administration building.

Proprietary – Enterprise Funds:

Northstar Water Fund is used to account for the delivery of Northstar water services.

Martis Valley Water Fund is used to account for the delivery of Martis Valley water services.

Sewer Fund is used to account for the delivery of sewer services.

Solid Waste Fund is used to account for the delivery of solid waste services.

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

Internal Service Funds

The Northstar Community Services District employs the use of several Internal Service Funds. The District is the primary recipient of the goods and services provided by the Internal Service Funds and those funds recover their full cost of providing services, including the cost of capital assets (depreciation, related debt service, or estimated replacement cost) by charging the other District funds in which they support. The three Internal Service Funds utilized by the District are shown below:

Engineering & Utility Operations. This fund consists of the activities of the engineering and utility operations staff required in support of overall District operations.

Fleet Operations & Maintenance. This fund consists of the fiscal activities required to purchase, maintain, and repair the vehicle and small equipment fleet that belong to the District, with the exception of vehicles and equipment specifically dedicated to Fire, Snow (blowers, sweeper, and grader), and PRD/CSA (Kodiak).

Administrative Operations. This department includes the operational areas of General Management, Human Resources, Information Technology (IT)/Geographic Information System (GIS), Accounting functions, and the Board of Directors.

Fiduciary Funds:

The Agency Funds are used to account for assets held by the District as an agent for the bondholders. The financial activities of these funds are excluded from the government-wide financial statements, but are presented in separate fiduciary fund financial statements.

E. CASH AND CASH EQUIVALENTS

For purposes of the statement of net position/balance sheet, the District considers all short-term highly liquid investments, including restricted assets, and amounts held with the fiscal agent to be cash and cash equivalents. Amounts held with the fiscal agent are available on demand to the District.

F. PREPAID EXPENSES

The District entered into a barter truncation with Northstar Community Housing Corporation during the fiscal year ended June 30, 2008 in which water and sewer connection and user fees were exchanged for employee housing services. Employee housing services will end once the credit has been exhausted or in thirty years, whichever comes first. Any credit not used by the end of the 30 year period will be paid to the District.

G. INVENTORY

Inventory consists of fuel kept on hand and is stated at average cost per gallon. This fuel is for equipment used by the District.

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

H. INVESTMENTS

The District records its investments at fair market value. Changes in fair market value are reported as revenue in the Statement of Revenues, Expenses, and Changes in Net Position. The effect of recording investments at fair market value is reflected as a net increase in the fair value of investments on the Statement of Revenues, Expenses, and Changes in Net Position and on the Statement of Net Position. Fair market values of investments have been determined based on quoted market prices.

I. ACCOUNTS RECEIVABLE

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. As of June 30, 2023, the total accounts receivable portfolio was considered collectible. Interest on investments is recorded in the year the interest is earned.

J. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost. Depreciation is recorded on all depreciable capital assets on a straight-line basis over the following estimated useful lives:

Buildings and Improvements	15 – 50	Years
Water and Sewer System	10 – 100	Years
Vehicles and Equipment	5 – 25	Years
Software	7	Years

K. UNEARNED REVENUE

Unearned revenue includes payments received for future use by fuels management and trails. The balance decreases as this amount is used.

L. DUE FROM OTHER GOVERNMENTS

The District's receivables include amounts due from other governmental agencies and consist mostly of tax revenues and user fees. Management has determined that the District's receivables are fully collectible. Accordingly, no allowance for doubtful accounts has been made.

M. COMPENSATED ABSENCES

District employees are entitled to certain compensated absences based on the length of their employment, which will be paid to them upon separation from the District. Compensated absences accumulate and are accrued when they are earned and reported as a liability in the government-wide financial statements.

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

I. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time.

J. FUND BALANCE

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", the District is required to report fund balances in the following categories: Nonspendable, Restricted, Committed, Assigned and/or Unassigned.

Nonspendable Fund Balance reflects assets not in spendable form, either because they will never convert to cash (prepaid expense) or must remain intact pursuant to legal or contractual requirements.

Restricted Fund Balance reflects amounts that can be spent only for the *specific purposes* stipulated by constitution, external resource providers, or through enabling legislation.

Committed Fund Balance reflects amounts that can be used only for the *specific purposes* determined by a formal action of the government's highest level of decision-making authority: the Board of Directors. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Directors.

Assigned Fund Balance reflects amounts intended to be used by the government for *specific purposes* but do not meet the criteria to be classified as restricted or committed. Under the District's adopted policy, only the Board of Directors is authorized to assign amounts for specific purposes.

Unassigned Fund Balance represents the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

When expenditures are incurred for purposes of which restricted, committed, assigned and unassigned fund balances are available, the District considers restricted funds to have been spent first, followed by committed, assigned and unassigned, respectively.

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

K. USE OF ESTIMATES

The financial statements have been prepared in conformity with generally accepted accounting principles and, as such, include amounts based on managements' informed estimates and judgments, with consideration given to materiality. Actual results could differ from those amounts.

L. PROPERTY TAX

The District receives property taxes to support its operations. Secured property taxes are levied as an enforceable lien on property as of March 1. Taxes are payable in two installments, on December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County of Placer bills and collects the taxes for the District. Tax revenues are accrued monthly based on an annual budgeted expectation of property tax revenue.

2. CASH AND INVESTMENTS

A. CASH AND EQUIVALENTS

The District's cash balances at June 30, 2023 are:

	Governmental Activities	Business-Type Activities	Fiduciary Activities	Total
Deposits:				
US Bank	\$ 3,090,723	\$ 11,777,441	\$ -	\$ 14,868,164
Charles Schwab Money Market	75,672	57,719	-	133,391
Cash on Hand:				
Petty Cash	400	-	-	400
Cash with Fiscal Agent:				
Wells Fargo Mello Roos Funds	1,578,979	-	2,892,228	4,471,207
Pooled Funds:				
Local Agency Investment Fund	-	1,864,423	-	1,864,423
Total Cash and Equivalents	\$ 4,745,774	\$ 13,699,583	\$ 2,892,228	\$ 21,337,585

Pooled Funds:

The District is a voluntary participant in the Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the state of California and the Pooled Money Investment Board. The State Treasurer's Office pools these funds with those of other governmental agencies in the state and invests the cash. The fair value of the District's investment in this pool, which approximates cost, is reported in the accompanying financial statements based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Funds are accessible and transferable to the master account with twenty-four hours' notice. The Pooled Money Investment Board has established policies, goals, and objectives to make certain that their goal of safety, liquidity, and yield are not jeopardized.

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset backed securities, and floating rate securities issued by Federal Agencies, government-sponsored enterprises and corporations. The monies held in the LAIF are not subject to categorization by risk category. It is also not rated as to credit risk by a nationally recognized statistical rating organization.

LAIF is administered by the State Treasurer and audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office: 915 Capitol Mall, Sacramento, California 95814.

Deposits - Custodial Credit Risk

Deposits held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation. Should deposits exceed the insured limits, the balance is covered by collateral held by the bank in accordance with California law requiring the depository bank to hold collateral equal to 110% of the excess government funds on deposit. This collateral must be in the form of government-backed securities. All cash held by financial institutions at June 30, 2023 was fully insured or collateralized.

Cash with Fiscal Agent

At June 30, 2023, funds totaling \$4,471,207 were held at Wells Fargo Bank in various accounts related to the Special Tax Bonds issued in 2005 and 2006, the Refunding Bonds issued in 2014 for the construction of facilities and payment of the Special Tax Bonds and the Lease Revenue Bonds issued in 2015 for the purpose of funding the construction of a new administration building.

Negative Cash Balance

At June 30, 2023, the Internal Service Fund had a reported negative cash balance of \$892,875. This is not due to an overdraft of a bank account; however, is the result of the allocation between funds that all share one US Bank account, which is not overdrawn.

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

B. INVESTMENTS

Authorized Deposits/Investments

Under provisions of the District's investment policy, and in accordance with Section 53601 of the California Government Code, The District may invest in the following types of investments:

<u>Authorized Investment Type</u>	<u>Investment Rating (S&P)</u>	<u>Maximum % of Portfolio</u>	<u>Limit Per Issuer</u>	<u>Maximum Maturity</u>
US Treasury bills, notes and bonds	AAA	70	None	5 Years
Government Agencies Securities	AAA	70	50%	5 Years
Local Agency Investment Fund (LAIF)	N/A	50	None	3 Years
Bonds, notes or other indebtedness of the State of California	AA	10	None	5 Years
Bankers Acceptances	N/A	20	10%	180 days
Commercial Paper	A1	15	10%	270 days
	Top 25% of			
Time Deposits	peer group	20	\$500,000	2 Years
Repurchase Agreements	N/A	20	10%	N/A
Corporate Obligations	A	30	10%	5 Years
Mutual Funds	AAA	15	10%	3 Years
Other Government Sponsored Pools	AAAf	20	10%	3 Years

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The mutual funds are considered short term.

As of June 30, 2023, The District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
		<u><1yr</u>	<u>1-3 yrs</u>	<u>>3yrs</u>
Corporate Notes	\$ 11,082,856	\$ 3,000,843	\$ 8,082,013	\$ -
US Treasury	1,506,628	1,149,707	356,921	-
Totals	<u>\$ 12,589,484</u>	<u>\$ 4,150,550</u>	<u>\$ 8,438,934</u>	<u>\$ -</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

Credit Risk

The District's investment philosophy sets the tone for its policies, practices, procedures and objectives that control the investment function. The investment of funds will be guided by the primary goals of safety, liquidity, diversification, and reasonable market rate of return. The investment function will have additional goals of: assuring ongoing compliance with Federal, State, and local laws governing the investment of funds kept by the District, maintaining reserves for long term projects and contingencies, and establishing quality standards and limits to the type of investments made and with which institutions investments are placed. Goals will be carried out in the context of the "Prudent Investment Rule" which states that "investments shall be made with judgment and care under circumstances then prevailing which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

Credit Rating (S&P)	Corporate Notes	US Treasury	Totals
NR	\$ 169,047	\$ -	\$ 169,047
AAA	-	1,506,628	\$ 1,506,628
AA	24,375	-	\$ 24,375
A+	366,528	-	\$ 366,528
A	912,031	-	\$ 912,031
A-	830,889	-	\$ 830,889
BBB+	3,106,803	-	\$ 3,106,803
BBB	3,963,298	-	\$ 3,963,298
BBB-	1,709,885	-	\$ 1,709,885
Totals	<u>\$ 11,082,856</u>	<u>\$ 1,506,628</u>	<u>\$ 12,589,484</u>

Concentration of Credit Risk

The District places limits on the amount it may invest in anyone issuer. At June 30, 2023, the District had no concentration of credit risk.

There were no investments in securities of any one issuer consisting of 5% or more of total investments.

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

Investment Fund Valuation

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: 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. Investments' fair value measurements are as follows at June 30, 2023:

Description	Level 1	Level 2	Level 3	Total
US Agency, Treasury & Municipal Notes (USATM):				
US Treasury Notes:	\$ 1,506,628	\$ -	\$ -	\$ 1,506,628
Corporate Notes	-	11,082,856	-	11,082,856
Total	<u>\$ 1,506,628</u>	<u>\$ 11,082,856</u>	<u>\$ -</u>	<u>\$ 12,589,484</u>

3. PROPERTY AND EQUIPMENT

Capital assets activity for the year ended June 30, 2023, was as follows:

Governmental Activities:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Not subject to depreciation				
Land	\$ 7,598,216	\$ -	\$ -	\$ 7,598,216
Construction In Progress				
General Fund	297,698	348,261	31,844	614,115
Total Not subject to Depreciation	7,895,914	348,261	31,844	8,212,331
Subject to Depreciation				
Buildings and Improvements	21,365,161	-	-	21,365,161
Equipment	1,583,423	8,365	-	1,591,788
Vehicles and Equipment	4,312,932	-	-	4,312,932
Software	78,587	-	-	78,587
Total depreciable	27,340,103	8,365	-	27,348,468
Less accumulated depreciation	(9,107,947)	(648,640)	-	(9,756,587)
Total capital assets, net	<u>\$ 26,128,070</u>	<u>\$ (292,014)</u>	<u>\$ 31,844</u>	<u>\$ 25,804,212</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

Business-Type Activities:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Not subject to depreciation				
Land	\$ 748,907	\$ -	\$ -	\$ 748,907
Construction In Progress	-	253,263	-	253,263
Total Not subject to Depreciation	748,907	253,263	-	1,002,170
Subject to Depreciation				
Buildings and Improvements	22,568,616	190,182	-	22,758,798
Equipment	1,588,418	19,759	-	1,608,177
Vehicles and Equipment	874,858	-	-	874,858
Software	258,370	-	-	258,370
Water /Sewer System	51,470,438	1,177,162	-	52,647,600
Total depreciable	76,760,700	1,387,103	-	78,147,803
Less accumulated depreciation	(29,084,975)	(1,404,746)	-	(30,489,721)
Total capital assets, net	<u>\$ 48,424,632</u>	<u>\$ 235,620</u>	<u>\$ -</u>	<u>\$ 48,660,252</u>

4. INTERFUND TRANSACTIONS

As of June 30, 2023, the interfund receivable and payable balances were as follows:

	Interfund Receivables	Interfund Payables
General Fund*	\$ -	\$ -
Northstar Water Fund	-	454,887
Martis Valley Water Fund	-	227,858
Sewer Fund	-	808,305
Solid Waste Fund	-	30,360
Internal Service Fund*	1,521,410	-
Total	<u>\$ 1,521,410</u>	<u>\$ 1,521,410</u>

*Due to/from these funds of \$458,959 have been eliminated as they are combined on the Gov't Wide Financial Statements

Interfund Transfers

There were no interfund transfers between funds.

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

5. EMPLOYEE RETIREMENT PLAN

A. PLAN DESCRIPTION

Northstar Community Services District participates in the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

The Plan's provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Monthly benefits, as a % of eligible compensation	2.70%	2.00%
Required employee contribution rates	8.000%	6.250%
Required employer contribution rates	15.310%	7.470%

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	57
Monthly benefits, as a % of eligible compensation	3.0%	3.0%
Required employee contribution rates	9.000%	12.000%
Required employer contribution rates	23.750%	12.780%

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

Deferred Outflows/Inflows of Resources

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 a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Northstar Community Services District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2023, the contributions recognized as part of pension expense for the Plan were:

	<u>Miscellaneous</u>	<u>Safety</u>
Contributions -employer	\$ 617,347	\$ 659,676

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

As of June 30, 2023, Northstar Community Services District reported net pension liabilities for its proportionate share of the net pension liability of the Plans' of:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 1,651,988
Safety	2,776,271
Total Net Pension Liability (Asset)	\$ 4,428,259
Funds Held in CEPPT Trust	4,339,351
Net Pension Liability	<u>\$ 88,908</u>

Northstar Community Services District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. Northstar Community Services 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, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2023 and 2022 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion - June 30, 2022	-0.028350%	-0.024070%
Proportion - June 30, 2023	0.035300%	0.038340%
Change - Increase (Decrease)	<u>0.06365%</u>	<u>0.06241%</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

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

For the year ended June 30, 2023, the District recognized pension expense of \$2,548,750 for Miscellaneous and Safety. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,277,023	\$ -
Difference between projected and actual experience	148,075	52,367
Difference in actual vs. projected contributions	781,104	801,569
Change in employer's proportion	2,450,048	639,290
Changes in assumptions	449,213	-
Net differences between projected and actual earnings on plan investments	741,012	-
Total	\$ 5,846,475	\$ 1,493,226

The amounts reported as deferred outflows of resources related to 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 inflows of resources related to pensions will be recognized as pension expense as follows:

Period Ended			
June 30	Miscellaneous	Safety	Total
2024	\$ 558,304	\$ 623,141	\$ 1,181,445
2025	444,355	492,358	936,713
2026	239,117	266,433	505,550
2027	185,081	267,437	452,518
2028	-	-	-
Thereafter	-	-	-
	\$ 1,426,857	\$ 1,649,369	\$ 3,076,226

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

Actuarial Assumptions

The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions for both plans:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2021	June 30, 2020
Measurement Date	June 30, 2022	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	6.90%	6.90%
Inflation	2.75%	2.75%
Payroll Growth Rate	3.00%	3.00%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return (1)	6.80%	6.80%
Mortality	Based on the 2010 CalPERS Experience Study for the period from 1997 to 2007	Based on the 2010 CalPERS Experience Study for the period from 1997 to 2007

(1) Net of pension plan investment expenses, including inflation

All other actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate - The discount rate used to measure the total pension liability was 6.90% for the plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested employer rate plans within the Plan that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested employer rate plans run out of assets. Therefore, the current 6.90 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

According to Paragraph 30 of GASB 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. For the CalPERS Plan, the 6.80% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed 10 basis points. An investment return excluding administrative expenses would have been 6.90%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

In the December 2016 and April 2017 meetings, the Board voted to lower the funding discount rates used for the PERF. In making its decision, the Board reviewed recommendations from CalPERS team members, external pension and investment consultants, and input from employer and employee stakeholder groups. A lowered funding discount rate for the PERF will be phased in over a three-year period beginning July 1, 2018 for public agencies and school districts.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the Plan's asset classes, expected compound (geometric) returns were calculated over the short term (first 11 years) and the long-term (60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for the Plan. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	Assumed Asset Allocation	Real Return Years 1 - 10 (1,2)
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%	0.27%
Mortgage-backed Securities	5.0%	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 2.30% used for this period

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

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability of each risk pool as of the measurement date, calculated using the discount rate, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage point higher than the current rate.

As of June 30, 2023, the discount rate comparison was the following:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Safety	\$ 3,675,693	\$ 1,651,988	\$ (13,020)
Miscellaneous	5,914,915	2,776,271	211,139
Total Pension Liability (Asset)	<u>\$ 9,590,608</u>	<u>\$ 4,428,259</u>	<u>\$ 198,119</u>

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS Miscellaneous and Safety financial reports.

Payable to the Pension Plan

As of June 30, 2023, the District had no outstanding required contributions to the pension plans.

7. GENERAL LONG-TERM DEBT

Lease Revenue Bonds

In 2015, the District issued Lease Revenue Bonds in the amount of \$4,655,000 for the purpose of funding the construction of a new administration building. The current interest and yield vary, ranging from 2.0% to 4.0%. The bonds are scheduled to mature through August 2045.

The District's outstanding lease revenue bonded debt as of June 30, 2023 is as follows:

Amount of Original Issue	Outstanding July 1, 2022	Issued	Redeemed Current Year	Outstanding June 30, 2023
<u>\$ 4,655,000</u>	<u>\$ 3,970,000</u>	<u>\$ -</u>	<u>\$ 110,000</u>	<u>\$ 3,860,000</u>

The annual requirements to amortize the current interest bonds payable, outstanding as of June 30, 2023, are as follows:

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

Year Ended June 30	Principal	Interest	Total
2024	\$ 115,000	\$ 149,700	\$ 264,700
2025	120,000	145,100	265,100
2026	125,000	140,300	265,300
2027	130,000	135,300	265,300
2028	135,000	131,238	266,238
2029-2033	750,000	583,438	1,333,438
2034-2038	895,000	428,400	1,323,400
2039-2043	1,090,000	234,200	1,324,200
2044-2047	500,000	30,200	530,200
	<u>\$ 3,860,000</u>	<u>\$ 1,977,875</u>	<u>\$ 5,837,875</u>

Note Receivable/Payable

In January 2020, the Board of Directors approved a loan from the Enterprise Fund to the General Fund in the amount of up to \$2,321,577 for the purpose of funding the District's CalPERS Safety Unfunded Accrued Liability. The loan carries an annual interest rate of 3.5% and is to be paid off in 13 years with the final payment being due in 2034.

In July 2022, the Board of Directors approved a loan from the Enterprise Fund to the General Fund in the amount of up to \$2,351,077 for the purpose of funding the 2022 Road Reconstruction Project. The loan carries an annual interest rate of 3.5% and is to be paid off in 8 years with the final payment being due in 2029.

The annual requirements of the General Fund to pay the Enterprise Fund as of June 30, 2023, are as follows:

Year Ended June 30	Principal	Interest	Total
2024	\$ 246,168	\$ 98,406	\$ 344,573
2025	254,776	89,797	344,573
2026	263,686	80,887	344,573
2027	272,907	71,665	344,573
2028	282,451	62,122	344,573
2029-2033	1,115,695	170,796	1,286,490
2034-2035	378,272	19,956	398,228
	<u>\$ 2,813,956</u>	<u>\$ 593,628</u>	<u>\$ 3,407,584</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

A schedule of changes in long-term liabilities for the year ended June 30, 2023 is shown below:

Governmental Activities

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Due Within One Year
Net OPEB Liability	\$ 2,412,874	\$ 185,715	\$ -	\$ 2,598,589	\$ -
Retiree Termination Benefits	96,378	-	16,769	79,609	15,000
Net Pension Liability/(Asset)	(5,435,006)	5,523,914	-	88,908	-
Compensated Absences	1,494,127	16,113	-	1,510,240	1,510,240
Note Payable to Sewer Fund	2,051,806	1,000,000	237,850	2,813,956	246,168
Lease Revenue Bonds	3,970,000	-	110,000	3,860,000	115,000
	<u>\$ 4,590,179</u>	<u>\$ 6,725,742</u>	<u>\$ 364,619</u>	<u>\$ 10,951,302</u>	<u>\$ 1,886,408</u>

8. DEBT WITHOUT GOVERNMENT COMMITMENT

During 2005 and 2006, bonded debt was issued by a special assessment district known as Community Facilities District #1 (CFD) to finance infrastructure improvements and facilities within the District's boundaries. The District has no legal responsibility with respect to the payment of the debt and the proceeds will be used for various projects in the County of Placer and Northstar Community Services District. Therefore, the District has not recorded it as a liability. The debt is to be repaid from a special tax levied on properties within the CFD. The District is responsible for a portion of the construction and improvements financed by the special assessment district. Therefore, the related capital projects fund is reflected in the District's financial statements. The District also acts as the CFD's agent with respect to the receipts, disbursements and balances. These amounts are reported as agency fund transactions. The following includes information related to the outstanding debt as of June 30, 2021.

In December 2005, the Northstar Community Services District Community Facilities District No. 1 issued Special Tax Bonds, Series 2005 in the amount of \$56,125,000, with interest rates ranging from 3.80% to 5.55%.

In December 2006, the Northstar Community Services District Community Facilities District No. 1 issued Special Tax Bonds, Series 2006 in the amount of \$58,590,000, with interest rates ranging from 3.90% to 5.00%.

In July 2014, the District issued Special Tax Refunding bonds to refund a portion of CFD No. 1 Special Tax Bonds, Series 2005 and Series 2006, fund a deposit to the parity reserve fund for the Bonds and pay the costs of issuance. Interest on the bonds is payable every September 1 and March 1 beginning on September 1, 2014. Principal on the bonds will be payable on September 1 beginning on September 1, 2015. The bonds will currently refund \$21,140,000 of the 2005 and 2006 Special Tax Bonds. The bonds created a deferred loss on refunding in the amount of \$1,820,000. The bonds carry interest rates of 4.00% and 5.00% and will fully mature on September 1, 2026.

NORTHSTAR COMMUNITY SERVICES DISTRICT**NOTES TO THE BASIC FINANCIAL STATEMENTS****JUNE 30, 2023**

At June 30, 2023, the outstanding bonds consisted of the following:

Outstanding July 1, 2022	Issued	Redeemed Current Year	Outstanding June 30, 2023
\$ 46,905,000	\$ -	\$ 1,555,000	\$ 45,350,000
42,415,000	-	-	42,415,000
8,340,000	-	1,360,000	6,980,000
<u>\$ 97,660,000</u>	<u>\$ -</u>	<u>\$ 2,915,000</u>	<u>\$ 94,745,000</u>

The annual requirements to pay the bonds outstanding as of June 30, 2023 are as follows:

Year Ended June 30	Principal	Interest	Total
2024	\$ 3,225,000	\$ 2,852,675	\$ 6,077,675
2025	3,560,000	2,683,663	6,243,663
2026	3,915,000	2,497,113	6,412,113
2027	4,290,000	2,291,958	6,581,958
2028	4,690,000	4,187,880	8,877,880
2029-2033	30,345,000	16,769,748	47,114,748
2033-2038	44,720,000	7,303,408	52,023,408
	<u>\$ 94,745,000</u>	<u>\$ 38,586,443</u>	<u>\$ 133,331,443</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

9. OTHER POSTEMPLOYMENT BENEFITS

A. PLAN DESCRIPTION

Northstar Community Services District participates in the California Public Employees' Retirement System (CalPERS), an agent multiple-employer defined benefit healthcare plan as permitted under the Public Employees Medical and Hospital and Care Act (PEMHCA). 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. In fiscal year 2021/22, minimum employer contributions were \$149 through December 31, 2022 and \$151 through June 30, 2023 per month per retiree.

B. FUNDING POLICY

The District's Board of Directors is only funding the plan on a pay-as-you-go basis. The Board will review the funding requirements and policy annually.

Employees covered by benefit terms. At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	10
Inactive employees entitles to but not yet receiving benefit payments	8
Active employees	42
	<u>60</u>

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	3.00%
Investment rate of return	3.96%
Healthcare cost trend rates	6.8% in 2024 grading down to 3.9% by 2024
Inflation	2.50%
Retirement Age	From 50 to 75
Mortality	CalPERS 2021 Experience

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

Discount rate. The discount rate used to measure the total OPEB liability was 3.96 percent. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the actuarially determined contribution rates. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2022	\$ 2,412,874	\$ -	\$ 2,412,874
Changes for the year:			
Service cost	158,734	-	158,734
Interest	48,933	-	48,933
Differences between expected and actual experience	758,788	-	758,788
Contributions - employer	-	46,014	(46,014)
Net investment income	-	-	-
Benefit payments	(46,014)	(46,014)	-
Assumption changes	(734,726)	-	(734,726)
Net changes	185,715	-	185,715
Balances at June 30, 2023	<u>\$ 2,598,589</u>	<u>\$ -</u>	<u>\$ 2,598,589</u>

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.69%) or 1-percentage-point higher (4.69%) than the current discount rate:

	1% Decrease (2.69%)	Discount Rate (3.69%)	1% Increase (4.69%)
Net OPEB liability (asset)	\$ 3,019,848	\$ 2,598,589	\$ 2,256,615

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates (Current Rate)	1% Increase
Net OPEB liability (asset)	\$ 2,191,001	\$ 2,598,589	\$ 3,120,748

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the District recognized OPEB expense of \$165,364. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 701,331	\$ 402,201
Changes of assumptions	363,053	760,057
Deferred contributions	53,423	-
Total	<u>\$ 1,117,807</u>	<u>\$ 1,162,258</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	Total Deferred Outflows/(Inflows) of Resources
2024	\$ (42,303)
2025	(42,303)
2026	(40,561)
2027	(39,143)
2028	7,473
Thereafter	58,963
Total	<u>\$ (97,874)</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

11. FUND BALANCES

The District reports fund balances in accordance with Governmental Accounting Standards Board Statement No. 54. All fund balance categories are reported in the aggregate on the face of the balance sheet. All components of those fund balances and specific purposes are identified as follows:

	General Fund	Capital Projects Fund	Building Fund	Totals
Restricted				
Capital projects	\$ -	\$ 1,578,455	\$ 525	\$ 1,578,980
Funds held in CEPPT	4,339,350	-	-	4,339,350
Total restricted	<u>4,339,350</u>	<u>1,578,455</u>	<u>525</u>	<u>5,918,330</u>
Committed:				
Fire	920,171	-	-	920,171
Snow	424,079	-	-	424,079
Roads	989,817	-	-	989,817
Total committed	<u>2,334,067</u>	<u>-</u>	<u>-</u>	<u>2,334,067</u>
Unassigned	399,665	-	-	399,665
Total Fund Balances	<u>\$ 7,073,082</u>	<u>\$ 1,578,455</u>	<u>\$ 525</u>	<u>\$ 8,652,062</u>

12. RISK MANAGEMENT

The District is a member of two jointly governed organizations, which provide coverage for various potential losses. For workers' compensation losses, property, general and auto liability and auto physical damage the District is a member of Special Districts Risk Management Authority (SDRMA). For property, general and auto liability and auto physical damage, the District's fire department is a member of Fire Agencies Insurance Risk Authority (FAIRA).

SDRMA and FAIRA are governed by Boards consisting of representatives from member agencies. The Board controls the operations, including selection of management and approval of operating budgets, independent of any influence by the member agencies beyond their representation on the Board. Each member agency pays a contribution commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the joint powers authority. Full financial statements are available separately from the respective agencies. Condensed information for SDRMA and FAIRA are as follows:

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

	SDRMA	FAIRA
	6/30/2022*	6/30/2022*
Total Assets	\$ 140,005,598	\$ 3,911,487
Deferred Outflows of Resources	\$ 750,427	\$ -
Total Liabilities	\$ 72,967,545	\$ 1,910,065
Deferred Inflows of Resources	\$ 445,351	\$ -
Net Position	\$ 67,343,129	\$ 2,001,422
Total Revenues	\$ 89,339,071	\$ 7,648,846
Total Expenses	\$ 88,339,229	\$ 7,999,102
Change in Net Position	\$ 999,842	\$ (350,256)

*Latest audited financials available

14. SUBSEQUENT EVENTS

Management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2023 through February 16, 2024, the date the financial statements were issued. Management is not aware of any subsequent events other than the issuance of refunding bonds described below that would require recognition or disclosure in the accompanying financial statements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

NORTHSTAR COMMUNITY SERVICES DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL – GENERAL FUND**

FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Amounts	
REVENUE				
Taxes and assessments	\$ 6,826,200	\$ 6,826,200	\$ 7,211,971	\$ 385,771
Fees and other non-tax revenue	488,100	556,517	778,579	222,062
Interest	108,180	108,180	168,467	60,287
Fire mitigation fees	4,000	4,000	(1,748)	(5,748)
Reimbursable/Grant revenues	3,492,802	4,542,004	3,015,061	(1,526,943)
Other	269,410	269,410	281,283	11,873
Total revenue	<u>11,188,692</u>	<u>12,306,311</u>	<u>11,453,613</u>	<u>(852,698)</u>
EXPENDITURES				
General government	93,606	93,606	109,213	(15,607)
Public safety	14,404,400	14,569,380	7,604,499	6,964,881
Streets	3,989,185	4,134,645	4,178,253	(43,608)
Trails	1,908,927	2,958,129	2,551,553	406,576
Total expenditures	<u>20,396,118</u>	<u>21,755,760</u>	<u>14,443,518</u>	<u>7,312,242</u>
Excess (deficiency) of revenues over (under) expenditures	(9,207,426)	(9,449,449)	(2,989,905)	6,459,544
OTHER FINANCING USES				
Other financing sources	-	1,000,000	1,000,000	-
Other financing uses	<u>-</u>	<u>-</u>	<u>(344,573)</u>	<u>(344,573)</u>
NET CHANGES IN FUND BALANCES	(9,207,426)	(9,449,449)	(2,334,478)	6,114,971
FUND BALANCE, beginning of year	<u>9,407,560</u>	<u>9,407,560</u>	<u>9,407,560</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 200,134</u>	<u>\$ (41,889)</u>	<u>\$ 7,073,082</u>	<u>\$ 6,114,971</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED JUNE 30, 2023

	2018	2019	2020	2021	2022	2023
Total OPEB liability						
Service cost	\$ 217,917	\$ 135,794	\$ 107,058	\$ 126,041	\$ 133,310	\$ 158,734
Interest	84,735	75,068	62,830	64,400	53,065	48,933
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(526,609)	-	(177,392)	-	758,788
Changes of assumptions	(327,439)	(5,202)	154,485	122,780	216,214	(734,726)
Benefit payments, including refunds of member contributions	<u>(24,654)</u>	<u>(28,392)</u>	<u>(18,224)</u>	<u>(24,767)</u>	<u>(44,616)</u>	<u>(46,014)</u>
Net change in total OPEB liability	<u>(49,441)</u>	<u>(349,341)</u>	<u>306,149</u>	<u>111,062</u>	<u>357,973</u>	<u>185,715</u>
Total OPEB liability - beginning	<u>2,696,296</u>	<u>1,987,031</u>	<u>1,637,690</u>	<u>1,943,839</u>	<u>2,054,901</u>	<u>2,412,874</u>
Total OPEB liability - ending (a)	<u>\$ 2,646,855</u>	<u>\$ 1,637,690</u>	<u>\$ 1,943,839</u>	<u>\$ 2,054,901</u>	<u>\$ 2,412,874</u>	<u>\$ 2,598,589</u>
Plan fiduciary net position						
Contributions - employer	\$ 24,654	\$ 28,392	\$ 18,224	\$ 24,767	\$ 44,616	\$ 46,014
Net investment income	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(24,654)	(28,392)	(18,224)	(24,767)	(44,616)	(46,014)
Net change in plan fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's net OPEB liability - ending (a) - (b)	<u><u>\$ 2,646,855</u></u>	<u><u>\$ 1,637,690</u></u>	<u><u>\$ 1,943,839</u></u>	<u><u>\$ 2,054,901</u></u>	<u><u>\$ 2,412,874</u></u>	<u><u>\$ 2,598,589</u></u>
Covered-employee payroll	\$ 4,009,729	\$ 4,368,968	\$ 4,674,484	\$ 4,310,987	\$ 4,588,985	\$ 4,965,619
District's net OPEB liability as a percentage of covered-employee payroll	66.0%	37.5%	41.6%	47.7%	52.6%	52.3%

NORTHSTAR COMMUNITY SERVICES DISTRICT

SCHEDULE OF PENSION CONTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2023

Miscellaneous	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Proportion of the net pension liability	0.064843%	0.068837%	0.051880%	0.064690%	0.057590%	0.057866%	0.028320%	-0.021760%	0.038340%
Proportionate share of the net pension liability	\$ 1,602,716	\$ 1,888,527	\$ 2,247,126	\$ 2,270,104	\$ 2,166,197	\$ 2,317,250	\$ 1,127,248	\$ (538,244)	\$ 1,651,988
Covered-employee payroll ⁽²⁾	\$ 1,362,083	\$ 1,429,177	\$ 1,963,610	\$ 1,501,123	\$ 2,265,137	\$ 2,046,319	\$ 2,269,795	\$ 2,467,099	\$ 2,783,646
Proportionate share of the net pension liability as percentage of covered-employee payroll	117.67%	132.14%	114.44%	151.23%	95.63%	113.24%	49.66%	-21.82%	59.35%
Plans fiduciary net position as a percentage of the total pension liability	83.03%	79.89%	79.89%	75.39%	77.69%	77.73%	77.70%	90.49%	78.18%
Proportionate share of aggregate employer contributions ⁽³⁾	\$ 420,688	\$ 443,802	\$ 324,538	\$ 324,538	\$ 487,911	\$ 543,987	\$ 597,486	\$ 560,339	\$ 617,347
Safety	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Proportion of the net pension liability	0.050339%	0.052768%	0.062570%	0.054110%	0.054890%	0.060606%	0.026720%	-0.028400%	0.035300%
Proportionate share of the net pension liability	\$ 1,889,349	\$ 2,174,274	\$ 2,802,632	\$ 3,279,883	\$ 3,319,969	\$ 3,783,349	\$ 1,886,605	\$ (763,656)	\$ 2,776,271
Covered-employee payroll ⁽²⁾	\$ 1,579,744	\$ 1,633,321	\$ 1,666,981	\$ 1,710,712	\$ 2,403,297	\$ 2,293,671	\$ 2,642,402	\$ 2,924,636	\$ 2,943,365
Proportionate share of the net pension liability as percentage of covered-employee payroll	119.60%	133.12%	168.13%	191.73%	138.14%	164.95%	71.40%	-26.11%	94.32%
Plans fiduciary net position as a percentage of the total pension liability	83.03%	77.28%	77.28%	71.74%	73.39%	73.37%	73.11%	86.61%	75.53%
Proportionate share of aggregate employer contributions ⁽³⁾	\$ 596,832	\$ 624,730	\$ 403,835	\$ 403,835	\$ 577,330	\$ 584,483	\$ 640,774	\$ 663,578	\$ 659,676

⁽¹⁾ Historical information is required only for measurement periods for which GASB 68 is applicable.

⁽²⁾ Covered-employee payroll represented above is based on pensionable earnings provided by the employer.

⁽³⁾ The plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of fiduciary net position shown on line 5 of the table above as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

NORTHSTAR COMMUNITY SERVICES DISTRICT

SCHEDULE OF PENSION CONTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2023

Miscellaneous	Fiscal Year ⁽¹⁾								
	2014-15	2015-16	2016-17	2017-18	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Actuarially Determined Contribution ⁽²⁾	\$ 289,450	\$ 289,450	\$ 539,707	\$ 261,047	\$ 291,561	\$ 352,887	\$ 490,242	\$ 537,465	\$ 684,357
Contributions in relation to the actuarially determined contributions	(420,688)	(443,802)	(324,538)	(324,538)	(487,911)	(543,987)	(597,486)	(560,339)	(617,347)
Contribution deficiency (excess)	<u>\$ (131,238)</u>	<u>\$ (154,352)</u>	<u>\$ 215,169</u>	<u>\$ (63,491)</u>	<u>\$ (196,350)</u>	<u>\$ (191,100)</u>	<u>\$ (107,244)</u>	<u>\$ (22,874)</u>	<u>\$ 67,010</u>
Covered-employee payroll ^(3,4)	\$ 1,362,083	\$ 1,429,177	\$ 1,509,457	\$ 1,501,123	\$ 2,265,137	\$ 2,046,319	\$ 2,269,795	\$ 2,467,099	\$ 2,783,646
Contributions as a percentage of covered-employee payroll ⁽³⁾	21.25%	20.25%	35.76%	17.39%	12.87%	17.24%	21.60%	21.79%	24.58%

Safety	Fiscal Year ⁽¹⁾								
	2014-15	2015-16	2016-17	2017-18	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Actuarially Determined Contribution ⁽²⁾	\$ 424,982	\$ 424,982	\$ 598,928	\$ 334,414	\$ 463,101	\$ 573,567	\$ 871,604	\$ 1,128,270	\$ 1,331,064
Contributions in relation to the actuarially determined contributions	(596,832)	(624,730)	(403,835)	(403,835)	(577,330)	(584,483)	(640,774)	(663,578)	(659,676)
Contribution deficiency (excess)	<u>\$ (171,850)</u>	<u>\$ (199,748)</u>	<u>\$ 195,093</u>	<u>\$ (69,421)</u>	<u>\$ (114,229)</u>	<u>\$ (10,916)</u>	<u>\$ 230,830</u>	<u>\$ 464,692</u>	<u>\$ 671,388</u>
Covered-employee payroll ^(3,4)	\$ 1,579,744	\$ 1,633,321	\$ 1,666,981	\$ 1,710,712	\$ 2,403,297	\$ 2,293,671	\$ 2,642,402	\$ 2,924,636	\$ 2,943,365
Contributions as a percentage of covered-employee payroll ⁽³⁾	26.90%	26.02%	35.93%	19.55%	19.27%	25.01%	32.99%	38.58%	45.22%

⁽¹⁾ Historical information is required only for measurement periods for which GASB 68 is applicable.

⁽²⁾ Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contribution). However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.

⁽³⁾ Covered-employee payroll represented above is based on pensionable earnings provided by the employer.

⁽⁴⁾ Payroll from prior year was assumed to increase by the 3.00 percent payroll growth

NORTHSTAR COMMUNITY SERVICES DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

PURPOSE OF SCHEDULES

A - Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

The District employs budget control by account codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Directors to provide for revised priorities. Expenditures cannot legally exceed appropriations by object level, which is a category of account codes such as salaries and benefits or charges for services. The originally adopted and final revised budget for the General Fund is presented as Required Supplementary Information. The budgeting is done on the cash basis which is another comprehensive basis of accounting.

B - Schedule of Changes in the Net OPEB Liability and Related Ratios

GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. However, since this is the sixth year of implementation, only five years are currently available.

Changes in assumptions: Discount rate increased from 1.92% to 3.96%

C - Schedule of Proportionate Share of the Net Pension Liability

Changes in assumptions: Discount rate decreased from 7.50% to 6.90%

Fiscal year 2023 was the 9th year of implementation, therefore only nine years are shown.

D - Schedule of Pension Contributions

If an employer's contributions to the plan are actuarially determined or based on statutory or contractual requirements, the employer's actuarially determined contribution to the pension plan (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll.

**SUPPLEMENTARY
INFORMATION**

NORTHSTAR COMMUNITY SERVICES DISTRICT

COMBINING STATEMENT OF NET POSITION – PROPRIETARY – ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

<u>ASSETS</u>	<u>Northstar Water</u>	<u>Martis Valley Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Total</u>
Current assets:					
Cash and cash equivalents	\$ 4,459,127	\$ 3,378,849	\$ 5,836,161	\$ 25,446	\$ 13,699,583
Accounts receivable	270,562	358,723	135,572	1,104	765,961
Note receivable, current portion	-	-	246,168	-	246,168
Due from other governments	-	-	107,974	31,401	139,375
Investments	3,553,442	4,019,644	3,042,364	-	10,615,450
Prepaid expenses	58,553	-	62,643	-	121,196
Total current assets	<u>8,341,684</u>	<u>7,757,216</u>	<u>9,430,882</u>	<u>57,951</u>	<u>25,587,733</u>
Noncurrent assets:					
Note receivable, net of current portion	-	-	2,567,788	-	2,567,788
Property, land and equipment	32,708,772	34,374,735	11,426,525	639,939	79,149,971
Less: accumulated depreciation	(13,327,576)	(9,112,332)	(7,936,111)	(113,700)	(30,489,719)
Total noncurrent assets	<u>19,381,196</u>	<u>25,262,403</u>	<u>6,058,202</u>	<u>526,239</u>	<u>51,228,040</u>
Total assets	<u>27,722,880</u>	<u>33,019,619</u>	<u>15,489,084</u>	<u>584,190</u>	<u>76,815,773</u>
 <u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	231,964	260,059	84,154	205	576,382
Accrued wages and related items	8,085	13,508	2,883	334	24,810
Unearned revenue	-	1,500	-	-	1,500
Due to other funds	454,887	227,858	808,305	30,360	1,521,410
Total current liabilities	<u>694,936</u>	<u>502,925</u>	<u>895,342</u>	<u>30,899</u>	<u>2,124,102</u>
Total liabilities	<u>694,936</u>	<u>502,925</u>	<u>895,342</u>	<u>30,899</u>	<u>2,124,102</u>
 <u>NET POSITION</u>					
Net investment in capital assets	19,381,196	25,262,403	6,058,202	526,239	51,228,040
Restricted for capital projects	2,148,406	3,284,403	2,774,860	76,080	8,283,749
Unrestricted	5,498,342	3,969,888	5,760,680	(49,028)	15,179,882
Total net position	<u>\$ 27,027,944</u>	<u>\$ 32,516,694</u>	<u>\$ 14,593,742</u>	<u>\$ 553,291</u>	<u>\$ 74,691,671</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET
POSITION – PROPRIETARY – ENTERPRISE FUNDS**

FOR THE YEAR ENDED JUNE 30, 2023

	Northstar Water	Martis Valley Water	Sewer	Solid Waste	Total
OPERATING REVENUE					
Service charges	\$ 2,523,046	\$ 1,885,129	\$ 3,129,276	\$ 649,948	\$ 8,187,399
Grant revenue	-	203,900	-	-	203,900
Other	1,768	29,807	106,723	-	138,298
Total operating revenue	<u>2,524,814</u>	<u>2,118,836</u>	<u>3,235,999</u>	<u>649,948</u>	<u>8,529,597</u>
OPERATING EXPENSES					
Wages	252,904	213,903	94,224	16,668	577,699
Employee benefits	(3,944)	(7,532)	23,454	227	12,205
Insurance	50,092	36,710	9,510	-	96,312
Maintenance	55,798	104,972	22,253	22	183,045
Purchased services	-	-	1,057,896	-	1,057,896
Professional services	24,963	21,199	-	431,762	477,924
Utilities	125,130	160,849	6,807	544	293,330
Internal service fund reimbursement	1,381,959	1,120,942	1,378,674	236,917	4,118,492
Communications	-	3,039	-	456	3,495
Dues and memberships	60	60	-	-	120
Office and shop expense	57,423	27,622	498	113	85,656
Miscellaneous	203,158	52,183	19,418	15,440	290,199
Depreciation	<u>608,720</u>	<u>592,485</u>	<u>190,167</u>	<u>13,372</u>	<u>1,404,744</u>
Total operating expenses	<u>2,756,263</u>	<u>2,326,432</u>	<u>2,802,901</u>	<u>715,521</u>	<u>8,601,117</u>
Operating income (loss)	(231,449)	(207,596)	433,098	(65,573)	(71,520)
NONOPERATING REVENUE (EXPENSE)					
Interest revenue	<u>60,000</u>	<u>70,641</u>	<u>43,024</u>	<u>-</u>	<u>173,665</u>
Total nonoperating revenue (expense)	<u>60,000</u>	<u>70,641</u>	<u>43,024</u>	<u>-</u>	<u>173,665</u>
Income (loss) before capital contributions	(171,449)	(136,955)	476,122	(65,573)	102,145
CAPITAL CONTRIBUTIONS	<u>-</u>	<u>94,000</u>	<u>-</u>	<u>-</u>	<u>94,000</u>
CHANGE IN NET POSITION	(171,449)	(42,955)	476,122	(65,573)	196,145
NET POSITION, beginning	<u>27,199,391</u>	<u>32,559,650</u>	<u>14,117,619</u>	<u>618,863</u>	<u>74,495,523</u>
NET POSITION, end of year	<u>\$ 27,027,942</u>	<u>\$ 32,516,695</u>	<u>\$ 14,593,741</u>	<u>\$ 553,290</u>	<u>\$ 74,691,668</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

COMBINING STATEMENT OF CASH FLOWS – PROPRIETARY – ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	Northstar Water	Martis Valley Water	Sewer	Solid Waste	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 2,596,543	\$ 2,178,658	\$ 3,245,954	\$ 649,736	\$ 8,670,891
Payments for services and supplies	(1,699,809)	(1,322,975)	(2,412,532)	(685,138)	(6,120,454)
Payments of employee salaries	(259,163)	(208,922)	(97,080)	(17,052)	(582,217)
Payments of employee benefits	3,944	7,532	(23,454)	(227)	(12,205)
Interfund reimbursements	147,515	45,424	33,789	15,440	242,168
Net cash provided (used) by operating activities	<u>789,030</u>	<u>699,717</u>	<u>746,677</u>	<u>(37,241)</u>	<u>2,198,183</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(1,118,774)	(505,841)	(15,262)	(488)	(1,640,365)
Net cash provided (used) by capital and related financing activities	<u>(1,118,774)</u>	<u>(505,841)</u>	<u>(15,262)</u>	<u>(488)</u>	<u>(1,640,365)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale (purchase) of investments	(146,218)	(141,631)	(558,345)	-	(846,194)
Interest received	132,236	89,036	93,576	-	314,848
Net cash provided (used) by investing activities	<u>(13,982)</u>	<u>41,405</u>	<u>(464,769)</u>	<u>-</u>	<u>(437,346)</u>
NET INCREASE (DECREASE) IN CASH	(343,726)	235,281	266,646	(37,729)	120,472
CASH AND CASH EQUIVALENTS, beginning of year	4,802,853	3,143,568	5,569,515	63,175	13,579,111
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 4,459,127</u>	<u>\$ 3,378,849</u>	<u>\$ 5,836,161</u>	<u>\$ 25,446</u>	<u>\$ 13,699,583</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (231,448)	\$ (207,597)	\$ 433,099	\$ (65,572)	\$ (71,518)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	608,720	592,485	190,167	13,372	1,404,744
(Increase) decrease in:					
Accounts receivable	71,729	61,322	(748,501)	869	(614,581)
Due from other governments	-	-	(3,694)	(1,081)	(4,775)
Prepaid expenses	294	-	293	-	587
Increase (decrease) in:					
Accounts payable	198,479	204,602	82,230	116	485,427
Accrued wages	(6,259)	4,981	(2,856)	(385)	(4,519)
Deferred revenue	-	(1,500)	-	-	(1,500)
Compensated absences	147,515	45,424	795,939	15,440	1,004,318
Net cash provided (used) by operating activities	<u>\$ 789,030</u>	<u>\$ 699,717</u>	<u>\$ 746,677</u>	<u>\$ (37,241)</u>	<u>\$ 2,198,183</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	Balance			Balance
<u>ASSETS</u>	<u>June 30, 2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2023</u>
Cash and cash equivalents				
Series 2005 Bonds	\$ 2,280,246	\$ 1,448,828	\$ 1,555,000	\$ 2,174,074
Series 2006 Bonds	659,506	19,448	-	678,954
2014 Refunding Bonds	38,077	1,361,123	1,360,000	39,200
Total assets	<u>\$ 2,977,829</u>	<u>2,829,399</u>	<u>\$ 2,915,000</u>	<u>\$ 2,892,228</u>
 <u>LIABILITIES</u>				
 Due to others	 <u>\$ 2,977,829</u>	 <u>\$ 2,829,399</u>	 <u>\$ 2,915,000</u>	 <u>\$ 2,892,228</u>