



NORTHSTAR COMMUNITY SERVICES DISTRICT

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

FOR THE FISCAL YEAR ENDED

JUNE 30, 2025

**JAMES MARTA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS**

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NORTHSTAR COMMUNITY SERVICES DISTRICT

JUNE 30, 2025

BOARD OF DIRECTORS

Warren Brown - President

Mike Witherspoon – Financial Representative

Nancy Ives – Director

Marilyn Forni - Director

John Radanovich – Director

* * * *

General Manager
Mike Geary

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, 2025, 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, 2025, 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.

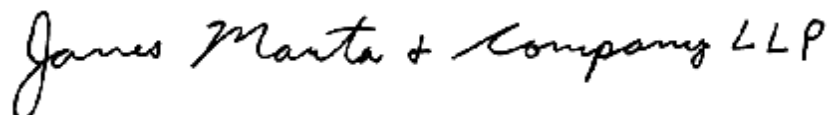
Other Information

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 April 1, 2026, 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
April 1, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

This Management's Discussion and Analysis (MD&A) of the Northstar Community Services District (the District or NCSD) provides an overview and analysis of the District's financial activities for the fiscal year ended June 30, 2025. The MD&A is intended to help readers (including property owners, ratepayers, bondholders, and other interested parties) understand the District's financial position, results of operations, and key conditions that may affect future financial performance.

This section is supplementary information required by the Governmental Accounting Standards Board (GASB). It does not replace the financial statements, notes, or required supplementary information. Readers should consider the MD&A in conjunction with those materials to gain a complete understanding of the District's financial condition and the accounting policies that affect reported results.

How to Read This MD&A

The District's financial reporting is organized to provide multiple perspectives. Some statements emphasize the District as a whole, while others emphasize individual funds and near-term financial resources. Each perspective answers a different question:

- Government-wide statements: What is the District's overall financial position and how did it change during FY 2025?
- Governmental fund statements: What financial resources were available for spending during FY 2025 and what is the year-end balance of spendable resources?
- Enterprise fund statements: Are utility and solid waste operations generating sufficient revenues to cover operating costs and the ongoing replacement of capital assets?
- Notes and RSI: What additional information is necessary to understand the financial statements and how do pension/OPEB-related obligations affect long-term financial position? Because governmental funds and government-wide statements use different measurement focuses and bases of accounting, the District provides reconciliations to explain key differences (for example, the capitalization of infrastructure and recognition of long-term liabilities at the government-wide level).

Financial Highlights

- Total net position at June 30, 2025 was \$105,934,836.
- Total revenues for FY 2025 were \$24,367,579 and total expenses were \$21,496,148.
- Governmental activities reported total expenses of \$12,238,543 and a change in net position of \$1,950,768.
- Business-type activities (Water, Sewer, and Solid Waste) reported total expenses of \$9,257,605 and a change in net position of \$920,662.
- Governmental funds ended the year with total fund balance of \$7,791,691, of which the General Fund ended with \$6,068,566.
- Total capital assets, net at June 30, 2025 were \$74,284,383.

District-wide results reflect the combined effect of (1) user charges supporting enterprise operations; (2) property taxes and special assessments supporting governmental services; (3) intergovernmental revenues and reimbursements related to District programs; and (4) investment earnings on cash and pooled investments. As with most special districts, reported results can be influenced by the timing of grant reimbursements, capital purchases, and one-time program activities.

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Overview of the Financial Statements

The District's basic financial statements include (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. In addition, the District presents required supplementary information (RSI) including a budgetary comparison for the General Fund and schedules related to pensions and other postemployment benefits (OPEB).

Government-wide Financial Statements

Government-wide financial statements provide a broad overview of the District's finances in a manner similar to a private-sector business. They are reported using the economic resources measurement focus and accrual basis of accounting. This approach captures long-term assets (such as infrastructure) and long-term obligations (such as bonds, compensated absences, pensions, and OPEB).

The Statement of Net Position presents information about the District's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Net position is reported in three components: net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on the use of resources, while unrestricted net position represents resources available to support ongoing operations, subject to policy and operational needs.

The Statement of Activities presents information showing how the District's net position changed during FY 2025. It reports program expenses and program revenues for each function and the extent to which each program relies on general revenues. The statement also captures nonoperating items such as investment earnings and capital contributions.

Fund Financial Statements

Fund financial statements provide detailed information about the District's most significant funds. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives.

Governmental funds are used to account for activities primarily supported by property taxes, special assessments, intergovernmental revenues, and reimbursements. Governmental fund statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at year-end. Because they emphasize near-term resources, governmental fund statements do not report capital assets or long-term liabilities.

Proprietary funds (enterprise funds) are used to account for activities that are intended to be self supporting through user charges. Enterprise fund statements focus on long-term financial position, including capital assets and depreciation. The District's enterprise funds include Water, Sewer, and Solid Waste operations.

Internal Service Funds and Fiduciary Funds

Internal service funds account for goods and services provided on a cost-reimbursement basis by one department to another 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.

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Notes and Required Supplementary Information

The notes to the basic financial statements provide additional information that is essential for a full understanding of the data presented. Required supplementary information includes a budgetary comparison schedule for the General Fund and multi-year schedules related to the District’s CalPERS pension plans and OPEB obligations. These schedules provide context on long-term cost drivers and funding status.

Financial Analysis of the District

One of the most important questions to ask about the District’s finances is whether the District as a whole is better off or worse off as a result of the year’s activities. The Statement of Activities (Table A-2) helps answer this question by presenting the cost of the District’s services and the extent to which those services are supported by program revenues versus general revenues.

Statement of Net Position

Table A-1 presents a condensed summary of the District’s Statement of Net Position at June 30, 2025. Total assets of \$113,215,817 consist primarily of capital assets and cash and investments. Deferred outflows of resources of \$4,330,511 relate to pension and OPEB accounting. Total liabilities of \$10,141,282 include both current payables and long-term obligations. Deferred inflows of resources of \$1,470,210 also relate to pension and OPEB accounting.

Table A-1: Condensed Statement of Net Position (June 30, 2025)

	Governmental Activities	Business-type Activities	Total
Current and other assets	\$9,094,932	\$29,836,502	\$38,931,434
Capital assets, net	\$27,228,265	\$47,056,118	\$74,284,383
Total assets	\$36,323,197	\$76,892,620	\$113,215,817
Deferred outflows of resources	\$4,330,511	\$0	\$4,330,511
Total liabilities	\$9,678,858	\$462,424	\$10,141,282
Deferred inflows of resources	\$1,470,210	\$0	\$1,470,210
Net investment in capital assets	\$23,603,265	\$47,056,118	\$70,659,383
Restricted	\$7,341,709	\$17,198,989	\$24,540,698
Unrestricted	(\$1,440,334)	\$12,175,089	\$10,734,755
Total net position	\$29,504,640	\$76,430,196	\$105,934,836

Note: Amounts are taken from the District’s government-wide Statement of Net Position for FY 2025.

At June 30, 2025, the District reported total net position of \$105,934,836. The District’s net investment in capital assets of \$70,659,383 represents the long-term infrastructure and capital assets used to provide public services. Because capital assets are not liquid resources, they are not available for spending; however, they are essential to the District’s ability to provide core services. Restricted net position of \$24,540,698 reflects legal

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2025

or externally imposed constraints. Unrestricted net position of \$10,734,755 represents the portion available to support ongoing operations, meet contingencies, and fund strategic priorities.

Governmental activities reported unrestricted net position of (\$1,440,334), reflecting the recognition of long-term obligations and deferred outflows/inflows related to pensions and OPEB at the governmentwide level. Business-type activities reported unrestricted net position of \$12,175,089.

Statement of Activities

Table A-2 summarizes the District’s Statement of Activities for FY 2025. Program revenues are directly associated with specific functions and include charges for services and operating grants and contributions. General revenues include property taxes, special assessments, investment earnings, and other revenues that support overall District operations.

Table A-2: Condensed Statement of Activities (Year Ended June 30, 2025)

	Governmental Activities	Business-type Activities	Total
Program revenues – charges for services	\$956,261	\$9,314,905	\$10,271,166
Program revenues – operating grants & contributions	\$4,353,043	\$0	\$4,353,043
Total program revenues	\$5,309,304	\$9,314,905	\$14,624,209
General revenues (taxes, assessments, interest, misc.)	\$8,880,007	\$863,363	\$9,743,370
Total revenues	\$14,189,311	\$10,178,268	\$24,367,579
Total expenses	\$12,238,543	\$9,257,605	\$21,496,148
Change in net position	\$1,950,768	\$920,662	\$2,871,430
Net position, beginning of year	\$27,553,872	\$75,509,534	\$103,063,406
Net position, end of year	\$29,504,640	\$76,430,196	\$105,934,836

Note: Amounts are taken from the District’s government-wide Statement of Activities for FY 2025.

Total revenues of \$24,367,579 exceeded total expenses of \$21,496,148, resulting in a total change in net position of \$2,871,430. Governmental activities’ net program expenses of (\$6,929,239) (expenses in excess of program revenues) were funded primarily by property taxes, special assessments, and investment earnings. Business-type activities reported net program revenue of \$57,300 (charges for services exceeding related expenses) before considering nonoperating revenues and capital contributions.

Governmental Activities

Governmental activities include general government, public safety (fire and emergency services and related programs), streets (road maintenance and snow removal), and trails. These activities are primarily financed through property taxes and special assessments, intergovernmental revenues, reimbursements, and investment earnings.

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Table A-2a: Governmental Activities – Expenses and Program Revenues (FY 2025)

Function	Expenses	Charges for Services	Operating Grants & Contributions	Net (Expense) Revenue
General government	\$118,436	\$0	\$0	(\$118,436)
Public safety	\$7,757,594	\$956,261	\$3,097,219	(\$3,704,114)
Streets	\$2,270,053	\$0	\$86,127	(\$2,183,926)
Trails	\$1,468,768	\$0	\$1,169,697	(\$299,071)
Unallocated depreciation	\$623,692	\$0	\$0	(\$623,692)
Total governmental activities	\$12,238,543	\$956,261	\$4,353,043	(\$6,929,239)

Public safety is the District’s largest governmental function and includes fire and emergency services as well as related prevention, readiness, and training activities. Streets and trails functions include routine operations, seasonal work (including snow operations where applicable), and contract services. The District also recognizes unallocated depreciation on governmental capital assets in the government-wide presentation.

Business-type Activities (Enterprise Funds)

Business-type activities include Water, Sewer, and Solid Waste operations. These services are intended to be financed primarily through user charges. Enterprise funds report operating revenues and expenses (including depreciation), nonoperating items such as investment earnings, and capital contributions.

Table A-2b: Business-type Activities – Expenses and Charges for Services (FY 2025)

Enterprise	Expenses	Charges for Services	Net (Expense) Revenue
Water	\$5,591,829	\$5,117,920	(\$473,909)
Sewer	\$2,865,158	\$3,460,860	\$595,702
Solid waste	\$800,618	\$736,125	(\$64,493)
Total business-type activities	\$9,257,605	\$9,314,905	\$57,300

Rates and fees for enterprise services are established through Board action and are intended to recover the costs of service, including operations, maintenance, and capital replacement over time. Financial results can be affected by the timing of significant maintenance activities, contract services, and capital replacements.

In FY 2025, the Water operation reported net program expense of (\$473,909). The Sewer operation reported net program revenue of \$595,702 and Solid Waste reported net program expense of (\$64,493). Combined business-type activities generated net program revenue of \$57,300.

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Enterprise Funds – Cash Flow and Liquidity Highlights

Cash flow information provides additional context regarding liquidity, working capital, and the timing of cash receipts and disbursements. Enterprise fund cash flows are influenced by customer billing and collection cycles, timing of vendor payments, seasonal work patterns, and capital project schedules.

During FY 2025, enterprise funds received cash from customers of \$9,376,758. Net cash used by operating activities was (\$12,117). Enterprise funds invested \$566,721 in capital acquisitions and construction. Net cash used by investing activities was (\$708,503), primarily due to net purchases of investments, partially offset by interest received.

Management monitors enterprise liquidity to ensure that operations can be sustained, emergency repairs can be addressed, and planned capital replacements can be funded. The District also evaluates long-term rate sufficiency and reserve targets as part of the budget and rate-setting process.

Financial Analysis of the District’s Funds

Fund financial statements provide information about the District’s funds in more detail than government-wide statements. The District’s governmental funds provide insight into near-term financial resources, while enterprise funds provide insight into long-term sustainability of utility and solid waste operations.

Governmental Funds

At June 30, 2025, the District’s governmental funds reported combined ending fund balance of \$7,791,691. Governmental fund balances represent spendable resources available to support ongoing services, fulfill commitments, and manage volatility in revenues and expenditures.

The General Fund is the primary operating fund for governmental services and ended the year with fund balance of \$6,068,566. The Capital Projects Fund ended the year with fund balance of \$1,722,591. The Building Fund ended the year with a small remaining fund balance of \$534.

Table A-3: Governmental Funds – Revenues, Expenditures, and Fund Balances (FY 2025)

Fund	Total Revenues	Total Expenditures	Excess (Deficiency)	Fund Balance (End of Year)
General Fund	\$13,790,674	\$13,893,979	(\$103,305)	\$6,068,566
Capital Projects Fund	\$68,977	\$0	\$68,977	\$1,722,591
Building Fund	\$264,996	\$265,100	(\$104)	\$534
Total governmental funds	\$14,124,647	\$14,159,079	(\$34,432)	\$7,791,691

The General Fund reported an excess (deficiency) of revenues over expenditures of (\$103,305) before other financing uses. Governmental fund revenues consisted primarily of taxes and assessments, intergovernmental and reimbursable revenues, and interest earnings. Expenditures were concentrated in public safety, streets, and trails.

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Management uses fund balance to address cash flow needs, respond to emergencies, and fund planned maintenance and capital replacement where appropriate. The District also uses restricted resources where legally or contractually required and maintains internal controls to ensure that restricted resources are used in accordance with applicable requirements.

Proprietary Funds (Enterprise Funds)

The District's enterprise funds ended FY 2025 with combined net position of \$76,430,196. Enterprise net position reflects capital infrastructure and working capital necessary to provide reliable services. The District evaluates enterprise fund performance by considering operating results, cash flow, reserve levels, and the condition of infrastructure systems.

In FY 2025, combined business-type activities reported charges for services of \$9,314,905 and expenses of \$9,257,605. In addition to operating results, enterprise funds recognized nonoperating interest revenue and capital contributions that contributed to the overall change in net position.

Internal Service Funds

Internal service funds are used to allocate certain centralized costs across District programs on a cost reimbursement basis. These funds support operational transparency and can help align internal cost drivers (such as fleet and shared administrative services) with the programs that benefit from those services.

For FY 2025, internal service funds reported charges for services of \$5,275,245 and other revenue of \$4,105. Total operating expenses were \$5,279,350. Internal service funds also reported net investment income of \$329,764, resulting in a change in net position of \$329,764. Internal service funds ended FY 2025 with net position of \$1,056,495.

Because internal service funds primarily serve governmental activities, their assets and liabilities are generally reported within governmental activities in the government-wide statements. However, the detailed internal service fund statements provide important information regarding the District's internal support functions and cost allocation practices.

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Table A-4: General Fund – Budget and Actual (FY 2025)

Line Item	Original Budget	Final Budget	Actual	Variance
Taxes and assessments	\$7,814,500	\$7,814,500	\$7,829,147	\$14,647
Fees and other non-tax revenue	\$318,800	\$318,800	\$936,717	\$617,917
Interest	\$150,610	\$150,610	\$357,414	\$206,804
Fire mitigation fees	\$0	\$0	\$19,544	\$19,544
Reimbursable/Grant revenues	\$9,458,337	\$9,458,337	\$4,353,043	(\$5,105,294)
Other	\$285,290	\$285,290	\$294,809	\$9,519
Total revenue	\$18,027,537	\$18,027,537	\$13,790,674	(\$4,236,863)
General government	\$137,335	\$137,335	\$118,436	\$18,899
Public safety	\$19,241,850	\$19,285,050	\$10,036,722	\$9,248,328
Streets	\$3,281,323	\$3,281,323	\$2,270,053	\$1,011,270
Trails	\$2,937,133	\$2,937,133	\$1,468,768	\$1,468,365
Total expenditures	\$25,597,641	\$25,640,841	\$13,893,979	\$11,746,862
Net change in fund balance	(\$7,570,104)	(\$7,613,304)	(\$204,290)	\$7,509,999
Fund balance, end of year	(\$1,297,248)	(\$1,340,448)	\$6,068,566	\$7,509,999

Note: Variances shown are relative to final budget. Favorable variances are positive amounts; unfavorable variances are negative amounts.

Actual General Fund revenues were less than the final budget by \$4,236,863. The most notable favorable variances were in taxes and assessments, fees and other non-tax revenue, and interest earnings. Reimbursable and grant revenues were below budget, which can occur when eligible cost timing and reimbursement processing do not align perfectly with budget assumptions.

Total expenditures were less than the final budget by \$11,746,862. Streets and trails variances were significant, reflecting program activity levels, project timing, and the execution of work plans. Public safety expenditures were below the final budget, reflecting expenditure controls and/or timing of certain program costs.

Management uses budget-to-actual reporting throughout the year to support fiscal discipline and ensure that resources are aligned with service levels and strategic priorities. Budget variances are evaluated to distinguish between timing differences and structural differences that may require policy or rate/assessment adjustments.

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Capital Assets and Debt Administration

The District's investment in capital assets is reported as capital assets, net of accumulated depreciation. Capital assets include land, buildings, infrastructure, vehicles, equipment, and construction in progress. Capital asset investment supports long-term service capacity for roads, trails, fire protection, fuels management programs, water and sewer systems, and solid waste operations.

At June 30, 2025, the District's capital assets, net totaled \$74,284,383. Net investment in capital assets reported in net position totaled \$70,659,383. Differences between these values reflect related debt and the classification of certain obligations.

During FY 2025, governmental funds reported capital outlay expenditures of \$2,671,748. Enterprise funds reported capital acquisitions and construction totaling \$566,721. Capital additions and replacements are planned and prioritized through the District's capital planning process, which considers asset condition, regulatory requirements, risk management, and service reliability.

Long-term liabilities include obligations such as compensated absences, retiree termination benefits, OPEB liabilities, and lease revenue bonds. The District evaluates long-term liabilities in the context of debt service capacity, reserve policies, and long-range financial planning.

At June 30, 2025, lease revenue bonds payable related to governmental activities were \$3,625,000. The District's long-term obligations are disclosed in the notes to the basic financial statements, along with any related covenants and repayment terms.

Pensions and Other Postemployment Benefits (OPEB)

The District participates in the California Public Employees' Retirement System (CalPERS) for pension benefits and provides other postemployment benefits (OPEB) primarily related to retiree health benefits. Government-wide financial statements include the District's net pension liability/(asset) and net OPEB liability, along with related deferred outflows and deferred inflows of resources, as required by GASB accounting standards.

Pension and OPEB accounting recognizes certain changes over time, including differences between expected and actual experience, changes in actuarial assumptions, and differences between projected and actual investment earnings. These items are recorded as deferred outflows and deferred inflows and amortized over future periods.

As of June 30, 2025, the District reported total net pension liability for its proportionate share of the CalPERS plans of \$5,148,735 and funds held in the CEPPT trust of \$5,201,614, resulting in a net pension liability/(asset) of (\$52,879). Deferred outflows related to pensions totaled \$3,066,196 and deferred inflows totaled \$473,952. Deferred outflows related to OPEB totaled \$1,264,315 and deferred inflows totaled \$996,258.

The District will continue to monitor pension and OPEB obligations through annual actuarial updates, contribution rate changes, and long-term funding strategies. These obligations are important long-term cost drivers and are evaluated alongside other operating and capital priorities.

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Financial Policies, Reserves, and Risk Management

The District maintains financial policies to support stability, transparency, and long-term sustainability. These policies may address topics such as reserve targets, investment practices, debt issuance, and budget development. Reserves and fund balance provide critical flexibility to respond to emergencies, manage revenue volatility, address unanticipated costs, and fund planned capital replacement.

Risk management considerations include exposure to severe weather events, wildfire conditions, infrastructure failures, regulatory changes, and liability risks associated with public services. The District uses a combination of operational controls, insurance, contracts, and reserve planning to manage these risks. The District also maintains internal controls to safeguard assets and promote reliable financial reporting.

Economic Factors and Next Year's Budgets

The District's financial outlook is influenced by local economic conditions and District-specific operational factors. Key considerations include assessed valuation trends and the stability of property tax and assessment revenues; the timing and availability of grant and reimbursable revenues; custom demand patterns for enterprise services; and broader cost drivers such as labor market conditions, fuel and utility costs, insurance markets, regulatory requirements, and wildfire conditions.

Investment earnings are influenced by interest-rate conditions and the District's investment policy and liquidity needs. The District maintains cash and investment balances to support operating cash flow, capital replacement, and emergency response readiness. Liquidity planning is particularly important for managing seasonality and the timing of large contract payments and capital purchases.

Looking forward, the District's annual budget process will continue to emphasize long-range capital planning, maintenance of adequate reserves, and alignment of revenues and expenditures to sustain core services and infrastructure needs. Management also evaluates opportunities to improve administrative efficiency, optimize capital delivery, and strengthen resiliency of core systems.

Requests 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 financial information should be directed to the District's administrative offices.

BASIC FINANCIAL STATEMENTS

NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF NET POSITION

AS OF JUNE 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 6,320,580	\$ 13,184,927	\$ 19,505,507
Investments	2,256,872	13,034,817	15,291,689
Accounts receivable	2,416,631	1,048,652	3,465,283
Inventory	17,998	-	17,998
Due from other governments	398,807	154,739	553,546
Due from/(to) other funds	(2,318,571)	2,318,571	-
Prepaid expenses	2,615	94,796	97,411
Long-Term Assets			
Capital assets, net	27,228,265	47,056,118	74,284,383
Total assets	36,323,197	76,892,620	113,215,817
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows on OPEB	1,264,315	-	1,264,315
Deferred outflows on pensions	3,066,196	-	3,066,196
Total deferred outflows of resources	4,330,511	-	4,330,511
LIABILITIES			
Accounts payable	716,265	432,548	1,148,813
Accrued wages and related items			
Accrued liabilities	129,296	26,876	156,172
Unearned revenue	592,566	3,000	595,566
Long-Term Liabilities:			
Due within one year	1,580,773	-	1,580,773
Due in longer than one year	6,659,958	-	6,659,958
Total liabilities	9,678,858	462,424	10,141,282
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on OPEB	996,258	-	996,258
Deferred inflows on pensions	473,952	-	473,952
Total deferred inflows of resources	1,470,210	-	1,470,210
NET POSITION			
Net investment in capital assets	23,603,265	47,056,118	70,659,383
Restricted	7,341,709	17,198,989	24,540,698
Unrestricted	(1,440,334)	12,175,089	10,734,755
Total net position	\$ 29,504,640	\$ 76,430,196	\$ 105,934,836

NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2025

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	\$ 118,436	\$ -	\$ -	\$ (118,436)	\$ -	\$ (118,436)
Public safety	7,757,594	956,261	3,097,219	(3,704,114)	-	(3,704,114)
Streets	2,270,053	-	86,127	(2,183,926)	-	(2,183,926)
Trails	1,468,768	-	1,169,697	(299,071)	-	(299,071)
Unallocated depreciation	623,692	-	-	(623,692)	-	(623,692)
Total governmental activities	<u>\$ 12,238,543</u>	<u>\$ 956,261</u>	<u>\$ 4,353,043</u>	<u>(6,929,239)</u>	<u>-</u>	<u>(6,929,239)</u>
Business-type activities:						
Water	\$ 5,591,829	\$ 5,117,920	\$ -		(473,909)	(473,909)
Sewer	2,865,158	3,460,860	-		595,702	595,702
Solid waste	800,618	736,125	-		(64,493)	(64,493)
Total business-type activities	<u>\$ 9,257,605</u>	<u>\$ 9,314,905</u>	<u>\$ -</u>		<u>57,300</u>	<u>57,300</u>
General revenues:						
Property taxes				6,456,045	-	6,456,045
Fuels management and streets assessments				1,373,102	-	1,373,102
Capital contributions				-	20,890	20,890
Interest earnings (losses)				756,986	709,350	1,466,336
Gain on disposal of fixed asset				-	-	-
Miscellaneous revenue				293,874	133,123	426,997
Total general revenue				<u>8,880,007</u>	<u>863,363</u>	<u>9,743,370</u>
Change in net position				1,950,768	920,662	2,871,430
Net position, beginning				27,553,872	75,509,534	103,063,406
Net position, end of year				<u>\$ 29,504,640</u>	<u>\$ 76,430,196</u>	<u>\$ 105,934,836</u>

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

NORTHSTAR COMMUNITY SERVICES DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

AS OF JUNE 30, 2025

ASSETS	General Fund	Capital Projects Fund	Building Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 5,023,880	\$ 1,722,591	\$ 534	\$ 6,747,005
Investments	2,256,872	-	-	2,256,872
Accounts receivables	2,131,886	-	-	2,131,886
Due from other governments	398,807	-	-	398,807
Total Assets	\$ 9,811,445	\$ 1,722,591	\$ 534	\$ 11,534,570
 LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$ 557,111	\$ -	\$ -	\$ 557,111
Payable to sewer fund	2,316,849	-	-	2,316,849
Due to other funds	210,621	-	-	210,621
Other accrued expenses	65,732	-	-	65,732
Unearned revenue	592,566	-	-	592,566
Total Liabilities	3,742,879	-	-	3,742,879
 Fund Balance				
Committed	2,126,642	-	-	2,126,642
Restricted	5,201,614	1,722,591	534	6,924,739
Unassigned	(1,259,690)	-	-	(1,259,690)
Total Fund Balance	6,068,566	1,722,591	534	7,791,691
Total Liabilities and Fund Balance	\$ 9,811,445	\$ 1,722,591	\$ 534	\$ 11,534,570

NORTHSTAR COMMUNITY SERVICES DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

JUNE 30, 2025

Total Fund Balance - Governmental Funds	\$	7,791,691
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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	37,686,143
Accumulated depreciation	(10,457,878)

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	(1,440,773)
Retiree termination benefits	(36,825)
Other postemployment benefits	(3,191,012)
Lease revenue bonds payable	(3,625,000)
Net pension (liability)/asset	52,879

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:

Internal service funds	1,056,495
Long-term liabilities already recognized in internal service funds	160,868

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	3,066,196
Deferred outflows of resources relating to OPEB	1,264,315
Deferred inflows of resources relating to pensions	(473,952)
Deferred inflows of resources relating to OPEB	(996,258)
Net deferred outflows and inflows of resources already recognized in internal service funds	<u>(1,352,249)</u>

Total net position - Governmental Activities:	<u>\$</u>	<u>29,504,640</u>
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NORTHSTAR COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Capital Projects			Total
	General Fund	Fund	Building Fund	
REVENUE				
Taxes and assessments	\$ 7,829,147	\$ -	\$ -	\$ 7,829,147
Fees and other non-tax revenue	936,717	-	-	936,717
Interest	357,414	68,977	831	427,222
Fire mitigation fees	19,544	-	-	19,544
Grant revenue	2,190,534	-	-	2,190,534
Reimbursable revenue	2,162,509	-	-	2,162,509
Other	294,809	-	264,165	558,974
Total revenue	<u>13,790,674</u>	<u>68,977</u>	<u>264,996</u>	<u>14,124,647</u>
EXPENDITURES				
General government	118,436	-	-	118,436
Public safety	10,036,722	-	-	10,036,722
Streets	2,270,053	-	-	2,270,053
Trails	1,468,768	-	-	1,468,768
Building expenses	-	-	265,100	265,100
Total expenditures	<u>13,893,979</u>	<u>-</u>	<u>265,100</u>	<u>14,159,079</u>
Excess (deficiency) of revenue over expenditures	<u>(103,305)</u>	<u>68,977</u>	<u>(104)</u>	<u>(34,432)</u>
OTHER FINANCING SOURCES (USES)				
Other financing uses	<u>(100,985)</u>	<u>-</u>	<u>-</u>	<u>(100,985)</u>
Net change in fund balances	(204,290)	68,977	(104)	(135,417)
FUND BALANCE, beginning of year	<u>6,272,856</u>	<u>1,653,614</u>	<u>638</u>	<u>7,927,108</u>
FUND BALANCE, end of year	<u>\$ 6,068,566</u>	<u>\$ 1,722,591</u>	<u>\$ 534</u>	<u>\$ 7,791,691</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES

JUNE 30, 2025

Net Change in Fund Balances - Governmental Funds	\$	(135,417)
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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		2,671,748
Depreciation expense		(623,692)

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:

120,000

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:

52,597

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

(191,697)

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:

(272,535)

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:

329,764

Change in net position of governmental activities:

\$ 1,950,768

NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF NET POSITION

PROPRIETARY – ENTERPRISE FUNDS

AS OF JUNE 30, 2025

ASSETS

Current assets:

Cash and cash equivalents	\$ 13,184,927
Accounts receivable	1,048,652
Due from general fund, current portion	260,234
Due from other governments	154,739
Due from other funds	219,271
Investments	13,034,817
Prepaid expenses	94,796
Total current assets	<u>27,997,436</u>

Noncurrent assets:

Due from general fund, net of current portion	2,056,615
Property, land and equipment	80,282,684
Less: accumulated depreciation	<u>(33,226,566)</u>
Total noncurrent assets	<u>49,112,733</u>
Total assets	<u>77,110,169</u>

LIABILITIES

Current liabilities:

Accounts payable	432,548
Accrued wages and related items	26,876
Unearned revenue	3,000
Due to other funds	217,549
Total current liabilities	<u>679,973</u>
Total liabilities	<u>679,973</u>

NET POSITION

Net investment in capital assets	47,056,118
Restricted for capital projects	17,198,989
Unrestricted	12,175,089
Total net position	<u>\$ 76,430,196</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

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

PROPRIETARY – ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

OPERATING REVENUE

Service charges	\$ 9,314,905
Other	<u>133,123</u>
Total operating revenue	<u>9,448,028</u>

OPERATING EXPENSES

Wages	644,422
Employee benefits	31,731
Insurance	130,820
Maintenance	136,379
Purchased services	1,427,881
Professional services	555,707
Utilities	461,657
Internal service fund reimbursement	3,719,603
Communications	6,885
Dues and memberships	120
Office and shop expense	463,325
Miscellaneous	315,519
Depreciation	<u>1,363,556</u>
Total operating expenses	<u>9,257,605</u>

Operating income (loss) 190,423

NONOPERATING REVENUE (EXPENSE)

Interest revenue	<u>709,350</u>
Total nonoperating revenue (expense)	<u>709,350</u>

Income (loss) before capital contributions 899,773

CAPITAL CONTRIBUTIONS

20,890

CHANGE IN NET POSITION

920,662

NET POSITION, beginning

75,509,534

NET POSITION, end of year

\$ 76,430,196

NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY – ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 9,376,758
Payments for services and supplies	(6,947,593)
Payments of employee salaries	(642,713)
Payments of employee benefits	(31,731)
Interfund reimbursements	<u>(1,766,838)</u>
Net cash provided (used) by operating activities	<u>(12,117)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	<u>(566,721)</u>
Net cash provided (used) by capital and related financing activities	<u>(566,721)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale (purchase) of investments	(1,239,302)
Interest received	<u>509,909</u>
Net cash provided (used) by investing activities	<u>(708,503)</u>
NET INCREASE (DECREASE) IN CASH	(1,287,341)
CASH AND CASH EQUIVALENTS, beginning of year	<u>14,472,268</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 13,184,927</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income (loss)	\$ 190,423
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	1,363,556
(Increase) decrease in:	
Accounts receivable	(31,609)
Due from other governments	(10,507)
Prepaid expenses	-
Increase (decrease) in:	
Accounts payable	270,303
Accrued wages	1,709
Deferred revenue	1,961
Due to/from	<u>(1,797,953)</u>
Net cash provided (used) by operating activities	<u>\$ (12,117)</u>
Supplemental Disclosures	
Noncash Investing and Financing Activities	
Increase (decrease) in Fair Market Value of Investments	<u>\$ 143,631</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

AS OF JUNE 30, 2025

<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ -
Accounts receivable	284,745
Due from other funds	208,899
Inventory	17,998
Prepaid expenses	2,615
Total current assets	<u>514,257</u>
Noncurrent assets:	
Net pension asset	<u>1,721,413</u>
Total assets	<u>2,235,670</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflows on pensions	<u>1,925,703</u>
<u>LIABILITIES</u>	
Current liabilities:	
Negative cash balance	426,425
Accounts payable	159,154
Accrued wages and related items	63,564
Total current liabilities	<u>649,143</u>
Noncurrent liabilities:	
Compensated absences	634,035
Retiree termination benefits	36,825
Other postemployment benefits liabilities	1,211,421
Total noncurrent liabilities	<u>1,882,281</u>
Total liabilities	<u>2,531,424</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflows on pensions	<u>573,454</u>
<u>NET POSITION</u>	
Restricted	3,491,942
Unrestricted	(2,435,447)
Total Net Position	<u>\$ 1,056,495</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

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

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

OPERATING REVENUE	
Charges for services	\$ 5,275,245
Other	<u>4,105</u>
Total operating revenue	<u>5,279,350</u>
OPERATING EXPENSES	
Engineering & Utility Operations	2,346,970
Fleet operations & maintenance	187,703
Administrative Operations	<u>2,744,677</u>
Total operating expenses	<u>5,279,350</u>
Operating income (loss)	-
NONOPERATING REVENUE (EXPENSE)	
Investment income	337,385
Investment fees	<u>(7,621)</u>
Total nonoperating expenses	<u>329,764</u>
CHANGE IN NET POSITION	<u>329,764</u>
NET POSITION, beginning	<u>726,731</u>
NET POSITION, end of year	<u>\$ 1,056,495</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from internal charges	\$ 5,175,923
Cash received from other sources	4,105
Payments for employee salaries & benefits	(4,656,983)
Payments for services and supplies	<u>(2,089,447)</u>
Net cash provided (used) by operating activities	<u>(1,566,402)</u>

CASH FLOWS FROM NONCAPITAL ACTIVITIES

FINANCING ACTIVITIES

Interfund transfers	1,766,894
Interest income	337,385
Interest fees	(7,621)
Net cash provided (used) by capital and related financing activities	<u>2,096,658</u>

NET INCREASE (DECREASE) IN CASH

530,256

CASH AND CASH EQUIVALENTS, beginning of year

(956,681)

CASH AND CASH EQUIVALENTS, end of year

\$ (426,425)

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

Operating income (loss)	\$ -
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) decrease in:	
Accounts receivable	(99,322)
Prepaid expenses	(2,158)
Inventory	(943)
Deferred outflows	289,113
Increase (decrease) in:	
Accounts payable	(1,304,266)
Accrued wages and related items	(4,168)
Compensated absences	(207,798)
Other postemployment benefits liabilities	209,186
Net pension liability	(433,403)
Deferred inflows	<u>(12,643)</u>
Net cash provided by operating activities	<u>\$ (1,566,402)</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF NET POSITION

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

	Series 2005	Series 2006	2014 Special		
<u>ASSETS</u>	<u>Bonds</u>	<u>Bonds</u>	<u>Refunding</u>	<u>Bonds</u>	<u>Total</u>
Cash and cash equivalents	<u>\$ 1,738,265</u>	<u>\$ 740,953</u>	<u>\$ 42,780</u>		<u>\$ 2,521,998</u>
<u>LIABILITIES</u>					
Due to others	<u>\$ 1,738,265</u>	<u>\$ 740,953</u>	<u>\$ 42,780</u>		<u>\$ 2,521,998</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

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, 2025

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, 2025

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, 2025

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, 2025

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 (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, 2025

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, 2025, 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, 2025

N. 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.

O. 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, 2025

P. 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.

Q. 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, 2025 are:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Activities</u>	<u>Total</u>
Deposits:				
US Bank	\$ 2,491,772	\$ 8,023,172	\$ -	\$ 10,514,944
Charles Schwab Money Market	2,105,284	4,149,543	-	6,254,827
Cash on Hand:				
Petty Cash	400	-	-	400
Cash with Fiscal Agent:				
UMB Bank Mello Roos Funds	1,723,124	-	2,521,998	4,245,122
Pooled Funds:				
Local Agency Investment Fund	-	1,012,212	-	1,012,212
Total Cash and Equivalents	<u>\$ 6,320,580</u>	<u>\$ 13,184,927</u>	<u>\$ 2,521,998</u>	<u>\$ 22,027,505</u>

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, 2025

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, 2025 was fully insured or collateralized.

Cash with Fiscal Agent

At June 30, 2025, funds totaling \$4,244,590 were held at UMB Bank in various accounts related to the Special Tax Bonds issued in 2005 and 2006 and the Refunding Bonds issued in 2014 for the construction of facilities and payment of the Special Tax Bonds. Funds totaling \$533 were held at Computershare in various accounts related to 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, 2025, the Internal Service Fund had a reported negative cash balance of \$426,425. 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, 2025

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 peer group			
Time Deposits		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, 2025, The District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
		<u><1 yrs</u>	<u>1-3 yrs</u>	<u>>3yrs</u>
Corporate Notes	\$ 12,834,305	\$ 3,391,545	\$ 6,325,545	\$ 3,117,215
US Treasury	2,460,344	1,354,535	926,011	179,798
	<u>\$ 15,294,649</u>	<u>\$ 4,746,080</u>	<u>\$ 7,251,556</u>	<u>\$ 3,297,013</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

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	\$ 25,258	\$ -	\$ 25,258
AA+	99,272	2,457,384	2,556,656
AA-	128,876	-	128,876
AA	198,851	-	198,851
A+	1,287,007	-	1,287,007
A	961,679	-	961,679
A-	2,286,282	-	2,286,282
BBB+	4,161,615	-	4,161,615
BBB	3,372,988	-	3,372,988
BBB-	312,477	-	312,477
Totals	<u>\$ 12,834,305</u>	<u>\$ 2,457,384</u>	<u>\$ 15,291,689</u>

Concentration of Credit Risk

The District places limits on the amount it may invest in anyone issuer. At June 30, 2025, 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, 2025

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, 2025:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
US Agency, Treasury & Municipal Notes (USATM):				
US Treasury Notes:	\$ 2,457,384	\$ -	\$ -	\$ 2,457,384
Corporate Notes	-	12,834,305	-	12,834,305
Total	<u>\$ 2,457,384</u>	<u>\$ 12,834,305</u>	<u>\$ -</u>	<u>\$ 15,291,689</u>

3. PROPERTY AND EQUIPMENT

Capital assets activity for the year ended June 30, 2025, was as follows:

Governmental Activities:

	Balance <u>June 30, 2024</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2025</u>
Not subject to depreciation				
Land	\$ 7,598,216	\$ -	\$ -	\$ 7,598,216
Construction In Progress				
General Fund	793,775	2,206,887	-	3,000,662
Total Not subject to Depreciation	8,391,991	2,206,887	-	10,598,878
Subject to Depreciation				
Buildings and Improvements	21,374,625	-	-	21,374,625
Equipment	1,674,212	16,312	-	1,690,524
Vehicles and Equipment	3,494,980	448,549	-	3,943,529
Software	78,587	-	-	78,587
Total depreciable	26,622,404	464,861	-	27,087,265
Less accumulated depreciation	(9,834,186)	(623,692)	-	(10,457,878)
Total capital assets, net	<u>\$ 25,180,209</u>	<u>\$ 2,048,056</u>	<u>\$ -</u>	<u>\$ 27,228,265</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Business-Type Activities:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Not subject to depreciation				
Land	\$ 748,907	\$ -	\$ -	\$ 748,907
Construction In Progress	6,610	2,553	-	9,163
Total Not subject to Depreciation	755,517	2,553	-	758,070
Subject to Depreciation				
Buildings and Improvements	22,955,503	141,779	-	23,097,282
Equipment	1,608,177	326,865	-	1,935,042
Vehicles and Equipment	949,333	-	-	949,333
Software	258,370	-	-	258,370
Water /Sewer System	53,186,650	97,937	-	53,284,587
Total depreciable	78,958,033	566,581	-	79,524,614
Less accumulated depreciation	(31,863,013)	(1,363,553)	-	(33,226,566)
Total capital assets, net	\$ 47,850,537	\$ (794,419)	\$ -	\$ 47,056,118

4. INTERFUND TRANSACTIONS

As of June 30, 2025, the interfund receivable and payable balances were as follows:

	Interfund Receivables	Interfund Payables
Enterprise Funds:		
Northstar Water Fund	\$ -	\$ 152,077
Martis Valley Water Fund	-	47,983
Sewer Fund	217,549	-
Solid Waste Fund	-	17,489
Enterprise Funds Total	217,549	217,549
Government/Enterprise Funds:		
General Fund*	\$ -	\$ -
Sewer Fund	1,722	
Internal Service Fund*	-	1,722
Interfund receivable/payable**	(2,316,849)	2,316,849
Due from/(to) other funds	\$ (2,318,571)	\$ 2,318,571

*Due to/from these funds of \$210,621 have been eliminated as they are combined on the Gov't Wide Financial Statements

**Interfund receivable/payable as described below is netted out on the Statement of Net Position

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Interfund 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 fluctuating interest rate 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 fluctuating interest rate 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, 2025, are as follows:

Year Ended June 30	Principal	Interest	Total
2026	\$ 260,234	\$ 91,135	\$ 351,369
2027	270,471	80,899	351,370
2028	281,110	70,260	351,370
2029	292,168	59,202	351,370
2030	303,660	47,709	351,370
2031-2035	909,206	110,052	1,019,258
2036	-	-	-
	<u>\$ 2,316,849</u>	<u>\$ 459,257</u>	<u>\$ 2,776,107</u>

Interfund Transfers

There were no interfund transfers between funds.

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

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, 2025, are summarized as follows:

	<u>Miscellaneous</u>	
	Prior to	On or after
	<u>January 1, 2013</u>	<u>January 1, 2013</u>
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	17.420%	7.870%
	<u>Safety</u>	
	Prior to	On or after
	<u>January 1, 2013</u>	<u>January 1, 2013</u>
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	27.110%	13.540%
Required employer contribution rates (Second Tier)	27.320%	13.760%

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

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, 2025, the contributions recognized as part of pension expense for the Plan were:

	Miscellaneous	Safety
Contributions -employer	\$ 622,917	\$ 669,894

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

As of June 30, 2025, Northstar Community Services District reported net pension liabilities for its proportionate share of the net pension liability of the Plans’ of:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 1,882,534
Safety	3,266,201
Total Net Pension Liability	\$ 5,148,735
Funds Held in CEPPT Trust	5,201,614
Net Pension Liability/(Asset)	\$ (52,879)

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, 2023, 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, 2023 rolled forward to June 30, 2024 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, 2025 and 2024 was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2023	0.035300%	0.040400%
Proportion - June 30, 2024	0.039900%	0.045530%
Change - Increase (Decrease)	0.00460%	0.00513%

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

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

For the year ended June 30, 2025, the District recognized pension expense of \$2,144,541 for Miscellaneous and Safety. At June 30, 2025, 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	\$ 1,292,811	\$ -
Difference between projected and actual experience	429,313	15,018
Difference in actual vs. projected contributions	13,180	458,934
Change in employer's proportion	935,785	-
Changes in assumptions	128,857	-
Net differences between projected and actual earnings on plan investments	266,250	-
Total	\$ 3,066,196	\$ 473,952

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, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Period Ended	Miscellaneous	Safety	Total
June 30			
2026	\$ 348,348	\$ 362,749	\$ 711,097
2027	292,298	367,397	659,695
2028	18,011	1,785	19,796
2029	(37,139)	(54,016)	(91,155)
2030	-	-	-
Thereafter	-	-	-
	\$ 621,518	\$ 677,915	\$ 1,299,433

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Actuarial Assumptions

The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions for both plans:

	Miscellaneous	Safety
Valuation Date	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2024	June 30, 2024
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, 2024 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, 2025

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.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10 (1,2)</u>
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, 2025

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, 2025, the discount rate comparison was the following:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Safety	\$ 4,292,376	\$ 1,882,534	\$ (101,121)
Miscellaneous	6,962,949	3,266,201	242,782
Total Pension Liability	\$ 11,255,325	\$ 5,148,735	\$ 141,661

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, 2025, the District had no outstanding required contributions to the pension plans.

6. 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, 2025 is as follows:

Amount of Original Issue	Outstanding July 1, 2024	Issued	Redeemed Current Year	Outstanding June 30, 2025
\$ 4,655,000	\$ 3,745,000	\$ -	\$ 120,000	\$ 3,625,000

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

The annual requirements to amortize the current interest bonds payable, outstanding as of June 30, 2025, are as follows:

Year Ended June 30	Principal	Interest	Total
2026	\$ 125,000	\$ 140,300	\$ 265,300
2027	130,000	135,300	265,300
2028	135,000	131,238	266,238
2029	140,000	126,850	266,850
2030	145,000	122,125	267,125
2031-2035	800,000	526,663	1,326,663
2036-2040	970,000	355,400	1,325,400
2041-2045	1,180,000	145,200	1,325,200
	<u>\$ 3,625,000</u>	<u>\$ 1,683,075</u>	<u>\$ 5,308,075</u>

A schedule of changes in long-term liabilities for the year ended June 30, 2025 is shown below:

Governmental Activities

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025	Due Within One Year
Net OPEB Liability	\$ 2,709,291	\$ 481,721	\$ -	\$ 3,191,012	\$ -
Retiree Termination Benefits	60,400	-	23,575	36,825	15,000
Net Pension Liability/(Asset)	689,749	-	742,628	(52,879)	-
Compensated Absences	1,677,593	-	236,820	1,440,773	1,440,773
Lease Revenue Bonds	3,745,000	-	120,000	3,625,000	125,000
	<u>\$ 8,882,033</u>	<u>\$ 481,721</u>	<u>\$ 1,123,023</u>	<u>\$ 8,240,731</u>	<u>\$ 1,580,773</u>

7. 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, 2025.

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

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.

At June 30, 2025, the outstanding bonds consisted of the following:

<u>Outstanding July 1, 2024</u>	<u>Issued</u>	<u>Redeemed Current Year</u>	<u>Outstanding June 30, 2025</u>
\$ 43,625,000	\$ -	\$ 1,900,000	\$ 41,725,000
42,415,000	-	-	42,415,000
5,480,000	-	1,660,000	3,820,000
<u>\$ 91,520,000</u>	<u>\$ -</u>	<u>\$ 3,560,000</u>	<u>\$ 87,960,000</u>

The annual requirements to pay the bonds outstanding as of June 30, 2025 are as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	5,110,000	3,942,108	9,052,108
2030	5,560,000	3,674,300	9,234,300
2031-2035	35,600,000	13,423,840	49,023,840
2035-2039	28,795,000	3,032,908	31,827,908
	<u>\$ 87,960,000</u>	<u>\$ 33,050,105</u>	<u>\$ 121,010,105</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

8. 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 2024/25, minimum employer contributions were \$157 through December 31, 2024 and \$158 through June 30, 2025 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, 2025, 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	10
Active employees	<u>42</u>
	<u>62</u>

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2024, 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, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Salary Increases	3.00%
Investment rate of return	3.93%
Healthcare cost trend rates	6.5% in 2027 grading down to 3.9% by 2075
Inflation	2.50%
Retirement Age	From 50 to 75
Mortality	CalPERS 2021 study Experience
Mortality Improvement	MacLeod Watts 2022 Scale Generational

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Discount rate. The discount rate used to measure the total OPEB liability was 3.93 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	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2024	\$ 2,709,291	\$ -	\$ 2,709,291
Changes for the year:			
Service cost	129,427	-	129,427
Interest	108,418	-	108,418
Plan Experience and actual experience	418,606	-	-
Contributions - employer	-	59,947	(59,947)
Net investment income	-	-	-
Benefit payments	(59,947)	(59,947)	-
Assumption changes	(114,783)	-	(114,783)
Net changes	481,721	-	481,721
Balances at June 30, 2025	<u>\$ 3,191,012</u>	<u>\$ -</u>	<u>\$ 3,191,012</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 (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Net OPEB liability (asset)	\$ 3,670,147	\$ 3,191,012	\$ 2,797,437

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:

	Healthcare Cost Trend Rates		
	1% Decrease	(Current Rate)	1% Increase
Net OPEB liability (asset)	\$ 2,712,476	\$ 3,191,012	\$ 3,798,043

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$221,991. At June 30, 2025, 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	\$ 930,349	\$ 261,047
Changes of assumptions	269,631	735,211
Deferred contributions	64,335	-
Total	\$ 1,264,315	\$ 996,258

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
2026	\$ (14,112)
2027	(12,694)
2028	33,922
2029	41,896
2030	43,238
Thereafter	111,472
Total	\$ 203,722

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

9. 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	\$ -	\$ 1,722,591	\$ 534	\$ 1,723,125
Funds held in CEPPT	5,201,614	-	-	5,201,614
Total restricted	<u>5,201,614</u>	<u>1,722,591</u>	<u>534</u>	<u>6,924,739</u>
Committed:				
Fire	1,799,540	-	-	1,799,540
Fuels Management	58,000	-	-	58,000
Snow	265,291	-	-	265,291
Roads	3,811	-	-	3,811
Total committed	<u>2,126,642</u>	<u>-</u>	<u>-</u>	<u>2,126,642</u>
Unassigned	(1,259,690)	-	-	(1,259,690)
Total Fund Balances	<u>\$ 6,068,566</u>	<u>\$ 1,722,591</u>	<u>\$ 534</u>	<u>\$ 7,791,691</u>

10. 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, 2025

	<u>SDRMA</u> <u>6/30/2024*</u>	<u>FAIRA</u> <u>6/30/2024*</u>
Total Assets	\$ 162,354,367	\$ 5,019,287
Deferred Outflows of Resources	\$ 1,620,957	\$ -
Total Liabilities	\$ 78,404,034	\$ 3,980,607
Deferred Inflows of Resources	\$ 384,924	\$ -
Net Position	\$ 85,186,366	\$ 1,038,680
Total Revenues	\$ 117,816,189	\$ 13,303,768
Total Expenses	\$ 104,151,026	\$ 14,330,247
Change in Net Position	\$ 13,665,163	\$ (1,026,479)

*Latest audited financials available

11. SUBSEQUENT EVENTS

Management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2025 through April 1, 2026, 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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUE				
Taxes and assessments	\$ 7,814,500	\$ 7,814,500	\$ 7,829,147	\$ 14,647
Fees and other non-tax revenue	318,800	318,800	936,717	617,917
Interest	150,610	150,610	357,414	206,804
Fire mitigation fees	-	-	19,544	19,544
Reimbursable/Grant revenues	9,458,337	9,458,337	4,353,043	(5,105,294)
Other	285,290	285,290	294,809	9,519
Total revenue	<u>18,027,537</u>	<u>18,027,537</u>	<u>13,790,674</u>	<u>(4,236,863)</u>
EXPENDITURES				
General government	137,335	137,335	118,436	18,899
Public safety	19,241,850	19,285,050	10,036,722	9,248,328
Streets	3,281,323	3,281,323	2,270,053	1,011,270
Trails	2,937,133	2,937,133	1,468,768	1,468,365
Total expenditures	<u>25,597,641</u>	<u>25,640,841</u>	<u>13,893,979</u>	<u>11,746,862</u>
Excess (deficiency) of revenues over (under) expenditures	(7,570,104)	(7,613,304)	(103,305)	7,509,999
OTHER FINANCING USES				
Other financing uses	-	-	(100,985)	(100,985)
NET CHANGES IN FUND BALANCES	(7,570,104)	(7,613,304)	(204,290)	7,509,999
FUND BALANCE, beginning of year	<u>6,272,856</u>	<u>6,272,856</u>	<u>6,272,856</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ (1,297,248)</u>	<u>\$ (1,340,448)</u>	<u>\$ 6,068,566</u>	<u>\$ 7,509,999</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025

Fiscal Year Ending June 30	2018	2019	2020	2021	2022	2023	2024	2025
Measurement Date:	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Total OPEB liability								
Service cost	\$ 153,724	\$ 135,794	\$ 107,058	\$ 126,041	\$ 133,310	\$ 158,734	\$ 130,960	\$ 129,427
Interest	62,829	75,068	62,830	64,400	53,065	48,933	99,735	108,418
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(526,609)	-	(177,392)	-	758,788	-	418,606
Changes of assumptions	(215,180)	(5,202)	154,485	122,780	216,214	(734,726)	(66,570)	(114,783)
Benefit payments, including refunds of member contributions	(24,654)	(28,392)	(18,224)	(24,767)	(44,616)	(46,014)	(53,423)	(59,947)
Net change in total OPEB liability	(23,281)	(349,341)	306,149	111,062	357,973	185,715	110,702	481,721
Total OPEB liability - beginning	2,010,312	1,987,031	1,637,690	1,943,839	2,054,901	2,412,874	2,598,589	2,709,291
Total OPEB liability - ending (a)	\$1,987,031	\$ 1,637,690	\$ 1,943,839	\$ 2,054,901	\$ 2,412,874	\$ 2,598,589	\$ 2,709,291	\$3,191,012
Plan fiduciary net position								
Contributions - employer	\$ 24,654	\$ 28,392	\$ 18,224	\$ 24,767	\$ 44,616	\$ 46,014	\$ 53,423	\$ 59,947
Net investment income	-	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(24,654)	(28,392)	(18,224)	(24,767)	(44,616)	(46,014)	(53,423)	(59,947)
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's net OPEB liability - ending (a) - (b)	\$1,987,031	\$ 1,637,690	\$ 1,943,839	\$ 2,054,901	\$ 2,412,874	\$ 2,598,589	\$ 2,709,291	\$3,191,012
Covered-employee payroll	\$4,009,729	\$ 4,368,968	\$ 4,674,484	\$ 4,310,987	\$ 4,588,985	\$ 4,965,619	\$ 5,542,058	\$5,485,858
District's net OPEB liability as a percentage of covered-employee payroll	49.6%	37.5%	41.6%	47.7%	52.6%	52.3%	48.9%	58.2%

See accompanying notes to required supplementary information.

NORTHSTAR COMMUNITY SERVICES DISTRICT

SCHEDULE OF PENSION CONTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2025

Miscellaneous	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024 ⁽¹⁾
Proportion of the net pension liability	0.068837%	0.051880%	0.064690%	0.057590%	0.057866%	0.028320%	-0.021760%	0.038340%	0.039900%	0.038920%
Proportionate share of the net pension liability	\$ 1,888,527	\$ 2,247,126	\$ 2,270,104	\$ 2,166,197	\$ 2,317,250	\$ 1,127,248	\$ (538,244)	\$ 1,651,988	\$ 1,994,937	\$ 1,882,534
Covered-employee payroll ⁽²⁾	\$ 1,429,177	\$ 1,963,610	\$ 1,501,123	\$ 2,265,137	\$ 2,046,319	\$ 2,269,795	\$ 2,467,099	\$ 2,783,646	\$ 3,038,327	\$ 3,039,018
Proportionate share of the net pension liability as percentage of covered-employee payroll	132.14%	114.44%	151.23%	95.63%	113.24%	49.66%	-21.82%	59.35%	65.66%	61.95%
Plans fiduciary net position as a percentage of the total pension liability	79.89%	79.89%	75.39%	77.69%	77.73%	77.70%	90.49%	78.18%	78.18%	89.46%
Proportionate share of aggregate employer contributions ⁽³⁾	\$ 443,802	\$ 324,538	\$ 324,538	\$ 487,911	\$ 543,987	\$ 597,486	\$ 560,339	\$ 617,347	\$ 524,615	\$ 622,917

Safety	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024 ⁽¹⁾
Proportion of the net pension liability	0.052768%	0.062570%	0.054110%	0.054890%	0.060606%	0.026720%	-0.028400%	0.035300%	0.045530%	0.045530%
Proportionate share of the net pension liability	\$ 2,174,274	\$ 2,802,632	\$ 3,279,883	\$ 3,319,969	\$ 3,783,349	\$ 1,886,605	\$ (763,656)	\$ 2,776,271	\$ 3,266,201	\$ 3,266,201
Covered-employee payroll ⁽²⁾	\$ 1,633,321	\$ 1,666,981	\$ 1,710,712	\$ 2,403,297	\$ 2,293,671	\$ 2,642,402	\$ 2,924,636	\$ 2,943,365	\$ 2,607,992	\$ 2,759,603
Proportionate share of the net pension liability as percentage of covered-employee payroll	133.12%	168.13%	191.73%	138.14%	164.95%	71.40%	-26.11%	94.32%	125.24%	118.36%
Plans fiduciary net position as a percentage of the total pension liability	77.28%	77.28%	71.74%	73.39%	73.37%	73.11%	86.61%	75.53%	75.53%	87.93%
Proportionate share of aggregate employer contributions ⁽³⁾	\$ 624,730	\$ 403,835	\$ 403,835	\$ 577,330	\$ 584,483	\$ 640,774	\$ 663,578	\$ 659,676	\$ 652,697	\$ 669,894

⁽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, 2025

Miscellaneous	Fiscal Year ⁽¹⁾									
	2015-16	2016-17	2017-18	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Actuarially Determined Contribution (2)	\$ 289,450	\$ 539,707	\$ 261,047	\$ 291,561	\$ 352,887	\$ 490,242	\$ 537,465	\$ 684,357	\$ 589,523	\$ 609,806
Contributions in relation to the actuarially determined contributions (2)	(443,802)	(324,538)	(324,538)	(487,911)	(543,987)	(597,486)	(597,486)	(560,339)	(617,347)	(524,615)
Contribution deficiency (excess)	<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>\$ (60,021)</u>	<u>\$ 124,018</u>	<u>\$ (27,824)</u>	<u>\$ 85,191</u>
Covered-employee payroll (3,4)	\$ 1,429,177	\$ 1,509,457	\$ 1,501,123	\$ 2,265,137	\$ 2,046,319	\$ 2,269,795	\$ 2,467,099	\$ 2,783,646	\$ 3,038,327	\$ 3,039,018
Contributions as a percentage of covered-employee payroll (3)	20.25%	35.76%	17.39%	12.87%	17.24%	21.60%	21.79%	24.58%	19.40%	20.07%

Safety	Fiscal Year ⁽¹⁾									
	2015-16	2016-17	2017-18	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Actuarially Determined Contribution (2)	\$ 424,982	\$ 598,928	\$ 334,414	\$ 463,101	\$ 573,567	\$ 871,604	\$ 1,128,270	\$ 1,331,064	\$ 828,048	\$ 878,883
Contributions in relation to the actuarially determined contributions (2)	(624,730)	(403,835)	(403,835)	(577,330)	(584,483)	(640,774)	(640,774)	(663,578)	(659,676)	(652,697)
Contribution deficiency (excess)	<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>\$ 487,496</u>	<u>\$ 667,486</u>	<u>\$ 168,372</u>	<u>\$ 226,186</u>
Covered-employee payroll (3,4)	\$ 1,633,321	\$ 1,666,981	\$ 1,710,712	\$ 2,403,297	\$ 2,293,671	\$ 2,642,402	\$ 2,924,636	\$ 2,943,365	\$ 2,607,992	\$ 2,759,603
Contributions as a percentage of covered-employee payroll (3)	26.02%	35.93%	19.55%	19.27%	25.01%	32.99%	38.58%	45.22%	31.75%	31.85%

⁽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

NORTHSTAR COMMUNITY SERVICES DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025

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 eighth year of implementation, only eight years are currently available.

Changes in assumptions: Discount rate increased from 3.86% to 3.93%

C - Schedule of Proportionate Share of the Net Pension Liability

There were no changes to the assumptions of the plan

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, 2025

<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	\$ 4,126,423	\$ 3,525,661	\$ 5,725,086	\$ (192,243)	\$ 13,184,927
Accounts receivable	358,855	554,210	134,447	1,140	1,048,652
Due from general fund, current portion	-	-	260,234	-	260,234
Due from other governments	-	-	119,082	35,657	154,739
Due from other funds	-	-	219,271	-	219,271
Investments	3,949,755	4,484,221	4,600,841	-	13,034,817
Prepaid expenses	45,353	-	49,443	-	94,796
Total current assets	<u>8,480,386</u>	<u>8,564,092</u>	<u>11,108,404</u>	<u>(155,446)</u>	<u>27,997,436</u>
Noncurrent assets:					
Due from general fund, net of current portion	-	-	2,056,615	-	2,056,615
Property, land and equipment	32,948,711	34,976,936	11,644,033	713,004	80,282,684
Less: accumulated depreciation	<u>(14,533,078)</u>	<u>(10,325,701)</u>	<u>(8,226,852)</u>	<u>(140,935)</u>	<u>(33,226,566)</u>
Total noncurrent assets	<u>18,415,633</u>	<u>24,651,235</u>	<u>5,473,796</u>	<u>572,069</u>	<u>49,112,733</u>
Total assets	<u>26,896,019</u>	<u>33,215,327</u>	<u>16,582,200</u>	<u>416,623</u>	<u>77,110,169</u>
 <u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	194,823	61,543	175,976	206	432,548
Accrued wages and related items	10,620	11,126	4,666	464	26,876
Unearned revenue	-	3,000	-	-	3,000
Due to other funds	152,077	47,983	-	17,489	217,549
Total current liabilities	<u>357,520</u>	<u>123,652</u>	<u>180,642</u>	<u>18,159</u>	<u>679,973</u>
Total liabilities	<u>357,520</u>	<u>123,652</u>	<u>180,642</u>	<u>18,159</u>	<u>679,973</u>
 <u>NET POSITION</u>					
Net investment in capital assets	18,415,633	24,651,235	3,417,181	572,069	47,056,118
Restricted for capital projects	5,089,991	6,642,766	5,415,992	50,240	17,198,989
Unrestricted	3,032,875	1,797,674	7,568,385	(223,845)	12,175,089
Total net position	<u>\$ 26,538,499</u>	<u>\$ 33,091,675</u>	<u>\$ 16,401,558</u>	<u>\$ 398,464</u>	<u>\$ 76,430,196</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

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

FOR THE YEAR ENDED JUNE 30, 2025

	<u>Northstar Water</u>	<u>Martis Valley Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Total</u>
OPERATING REVENUE					
Service charges	\$ 2,761,523	\$ 2,356,397	\$ 3,460,860	\$ 736,125	\$ 9,314,905
Other	2,142	17,338	113,643	-	133,123
Total operating revenue	<u>2,763,665</u>	<u>2,373,735</u>	<u>3,574,503</u>	<u>736,125</u>	<u>9,448,028</u>
OPERATING EXPENSES					
Wages	327,268	198,725	93,767	24,662	644,422
Employee benefits	2,781	3,395	25,265	290	31,731
Insurance	68,040	49,860	12,920	-	130,820
Maintenance	65,131	51,210	20,014	24	136,379
Purchased services	-	-	1,427,881	-	1,427,881
Professional services	33,257	24,248	1,597	496,605	555,707
Utilities	190,429	261,294	9,055	879	461,657
Internal service fund reimbursement	1,384,987	993,128	1,095,133	246,355	3,719,603
Communications	302	3,554	2,573	456	6,885
Dues and memberships	60	60	-	-	120
Office and shop expense	441,349	17,975	3,927	74	463,325
Miscellaneous	113,066	151,232	33,651	17,570	315,519
Depreciation	597,729	612,749	139,375	13,703	1,363,556
Total operating expenses	<u>3,224,399</u>	<u>2,367,430</u>	<u>2,865,158</u>	<u>800,618</u>	<u>9,257,605</u>
Operating income (loss)	(460,734)	6,305	709,345	(64,493)	190,423
NONOPERATING REVENUE (EXPENSE)					
Interest revenue	220,950	247,077	240,293	1,030	709,350
Total nonoperating revenue (expense)	<u>220,950</u>	<u>247,077</u>	<u>240,293</u>	<u>1,030</u>	<u>709,350</u>
Income (loss) before capital contributions	(239,784)	253,382	949,638	(63,463)	899,773
CAPITAL CONTRIBUTIONS	-	20,890	-	-	20,890
CHANGE IN NET POSITION	(239,785)	274,272	949,638	(63,463)	920,662
NET POSITION, beginning	<u>26,778,284</u>	<u>32,817,403</u>	<u>15,451,920</u>	<u>461,927</u>	<u>75,509,534</u>
NET POSITION, end of year	<u>\$ 26,538,499</u>	<u>\$ 33,091,675</u>	<u>\$ 16,401,558</u>	<u>\$ 398,464</u>	<u>\$ 76,430,196</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

COMBINING STATEMENT OF CASH FLOWS – PROPRIETARY – ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

	Nothstar Water	Martis Valley Water	Sewer	Solid Waste	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 2,726,472	\$ 2,350,520	\$ 3,566,804	\$ 732,962	\$ 9,376,758
Payments for services and supplies	(2,170,838)	(1,564,531)	(2,434,692)	(777,532)	(6,947,593)
Payments of employee salaries	(329,326)	(193,601)	(95,392)	(24,394)	(642,713)
Payments of employee benefits	(2,781)	(3,395)	(25,265)	(290)	(31,731)
Interfund reimbursements	(641,190)	(370,782)	(695,271)	(59,595)	(1,766,838)
Net cash provided (used) by operating activities	<u>(417,663)</u>	<u>218,211</u>	<u>316,184</u>	<u>(128,849)</u>	<u>(12,117)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(224,569)	(99,421)	(176,294)	(66,437)	(566,721)
Net cash provided (used) by capital and related financing activities	<u>(224,569)</u>	<u>(99,421)</u>	<u>(176,294)</u>	<u>(66,437)</u>	<u>(566,721)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale (purchase) of investments	(159,735)	(193,049)	(886,518)	-	(1,239,302)
Interest received	177,411	144,702	186,766	1,030	509,909
Net cash provided (used) by investing activities	<u>17,676</u>	<u>(27,457)</u>	<u>(699,752)</u>	<u>1,030</u>	<u>(708,503)</u>
NET INCREASE (DECREASE) IN CASH	(624,556)	91,333	(559,862)	(194,256)	(1,287,341)
CASH AND CASH EQUIVALENTS, beginning of year	4,750,979	3,434,328	6,284,948	2,013	14,472,268
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 4,126,423</u>	<u>\$ 3,525,661</u>	<u>\$ 5,725,086</u>	<u>\$ (192,243)</u>	<u>\$ 13,184,927</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (460,734)	\$ 6,305	\$ 709,345	\$ (64,493)	\$ 190,423
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	597,729	612,749	139,375	13,703	1,363,556
(Increase) decrease in:					
Accounts receivable	(37,193)	(25,176)	30,762	(2)	(31,609)
Due from other governments	-	-	(7,346)	(3,161)	(10,507)
Prepaid expenses	-	-	-	-	-
Increase (decrease) in:					
Accounts payable	125,783	(11,970)	172,059	(15,569)	270,303
Accrued wages	(2,058)	5,124	(1,625)	268	1,709
Deferred revenue	-	1,961	-	-	1,961
Due to/from	(641,190)	(370,782)	(726,386)	(59,595)	(1,797,953)
Net cash provided (used) by operating activities	<u>\$ (417,663)</u>	<u>\$ 218,211</u>	<u>\$ 316,184</u>	<u>\$ (128,849)</u>	<u>\$ (12,117)</u>
Supplemental Disclosures					
Noncash Investing and Financing Activities					
Increase (decrease) in Fair Market Value of Investments	<u>\$ 45,512</u>	<u>\$ 49,229</u>	<u>\$ 48,890</u>	<u>\$ -</u>	<u>\$ 143,631</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

<u>ASSETS</u>	Balance <u>June 30, 2024</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance <u>June 30, 2025</u>
Cash and cash equivalents				
Series 2005 Bonds	\$ 2,021,103	\$ 1,617,162	\$ 1,900,000	\$ 1,738,265
Series 2006 Bonds	711,283	29,670	-	740,953
2014 Refunding Bonds	41,067	1,661,713	1,660,000	42,780
Total assets	<u>\$ 2,773,453</u>	<u>3,308,545</u>	<u>\$ 3,560,000</u>	<u>\$ 2,521,998</u>
<u>LIABILITIES</u>				
Due to others	<u>\$ 2,773,453</u>	<u>\$ 3,308,545</u>	<u>\$ 3,560,000</u>	<u>\$ 2,521,998</u>