



NORTHSTAR COMMUNITY SERVICES DISTRICT

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

FOR THE FISCAL YEAR ENDED

JUNE 30, 2014

JAMES MARTA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

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NORTHSTAR COMMUNITY SERVICES DISTRICT

JUNE 30, 2012

BOARD OF DIRECTORS

Nancy Ives - President

Frank Seelig – Vice President

Duane Evans - Director

Jeann Green - Director

Darrel Smith - Director

* * * *

General Manager
Mike Staudenmayer

NORTHSTAR COMMUNITY SERVICES DISTRICT

JUNE 30, 2012

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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 Financial Statements

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 Northstar Community Services District (the "District"), as of and for the year ended June 30, 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the general fund and the aggregate remaining fund information of the Northstar Community Services District as of June 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

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 and Schedule of Funding Progress – Other Postemployment Benefits, 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.

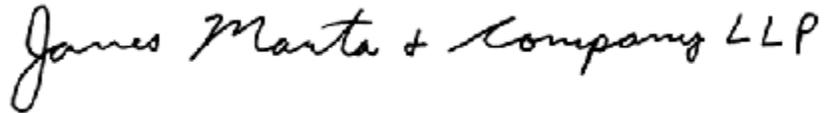
Other Information

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 September 9, 2013 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
September 9, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2012

This report consists of Management's Discussion and Analysis (MD&A), which provides financial information on the District as a whole and by fund. As management of the Northstar Community Services District (NCSD), we offer readers of the District's financial statements this narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2012. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total net assets were \$66,235,320 at June 30, 2012
- The District's total expenses in 2012 were \$11,098,339
- Business-Type Activities revenue
 - Water: \$1,656,977
 - Sewer: \$2,183,885
 - Interest: \$33,777
- Governmental Activities revenue: \$5,464,375
- The District's total revenue for 2012 was \$9,339,014

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

BASIC FINANCIAL STATEMENTS

The statement of net assets focuses on resources available for future operations. In simple terms, this statement presents a snapshot of the total assets and total liabilities of the District and the net difference. The net difference is further separated into amounts invested in capital assets, net of related debt and amounts that are unrestricted.

The statement of activities focuses on the costs of the District's programs and the extent to which the programs rely on general revenue. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenue and reports the changes in net assets.

Fund financial statements separately focus on governmental funds, proprietary funds, and fiduciary funds.

Governmental Fund statements follow the more traditional presentation of financial statements. Included in the governmental funds are the General Fund and the Capital Projects Fund.

The General Fund accounts for all financial resources except those required to be accounted for in another fund.

The Capital Projects Fund accounts for financial resources of the Northstar Community Facilities District #1 (CFD) to be used for the acquisition and construction of major capital facilities within the District.

Proprietary Fund statements follow the governmental fund statements and include water and sewer Enterprise Funds.

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2012

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Fund statements follow the propriety fund statements and include agency funds.

Agency Funds are used to account for the assets held by the District as an agent for the CFD. The financial activities of these funds are not included in the government-wide statements.

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

FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse off as a result of this year's activities?" The statement of activities reports information about the District's activities in a way that will help answer this question. The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. These two statements report the net assets of the District and the changes in them. However, considerations should also be given to other non-financial factors such as changes in economic conditions, population growth, and new or changed governmental legislation.

A summary of the District's Statement of Net Assets is presented in Table A-1.

Table A-1
Statement of Net Assets
June 30, 2012

	Governmental Activities		Business- Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
ASSETS						
Current assets	\$ 11,116,663	\$ 12,648,574	\$ 3,679,794	\$ 2,466,969	\$ 14,796,457	\$15,115,543
Capital assets	26,653,758	35,564,329	26,351,041	18,734,787	53,004,799	\$54,299,116
Total Assets	<u>37,770,421</u>	<u>48,212,903</u>	<u>30,030,835</u>	<u>21,201,756</u>	<u>67,801,256</u>	<u>69,414,659</u>
LIABILITIES						
Current liabilities	1,073,467	353,760	175,719	93,512	1,249,186	447,272
Noncurrent liabilities	255,950	856,207	60,800	116,535	316,750	972,742
Total liabilities	<u>1,329,417</u>	<u>1,209,967</u>	<u>236,519</u>	<u>210,047</u>	<u>1,565,936</u>	<u>1,420,014</u>
NET ASSETS						
Investment in capital assets, net of related debt	26,653,758	35,564,329	26,351,041	18,734,787	53,004,799	54,299,116
Unrestricted	9,787,246	11,438,607	3,443,275	2,256,922	13,230,521	13,695,529
Total Net Assets	<u>\$ 36,441,004</u>	<u>\$ 47,002,936</u>	<u>\$ 29,794,316</u>	<u>\$20,991,709</u>	<u>\$ 66,235,320</u>	<u>\$67,994,645</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2012

Total net assets amounted to \$66.24 million in fiscal year 2012. The major component of this category is "Investment in capital assets, net of related debt," which represents the District's investment in capital assets, net of the amount borrowed to purchase these assets. The District has not required long-term debt to fund capital projects. Therefore, "Investment in capital assets, net of related debt" is equal to "Capital assets" for both governmental and business-type activities. Total net assets have decreased by \$1.76 million mostly due to a decrease in cash and cash equivalents for the capital projects fund in the amount of \$1.20 million when compared to the prior fiscal year.

Current and capital assets, when combined, decreased \$10.44 million for governmental activities mainly due to the transfer of \$8.02 million of governmental activities' construction in progress to completed capital assets within the proprietary funds of Water and Sewer as represented by 4th Note to the Basic Financial Statements. Current and capital assets, when combined, increased \$8.83 million for business-type activities mainly due to the investment of funds secured through the implementation of a water and sewer capital fee billing component and the aforementioned interfund transfers between governmental and business-type funds.

Current liabilities for governmental activities increased \$94,292 mainly due to \$103,932 in accounts payable within the capital projects fund; whereas business-type activities decreased \$17,394 mainly due to a decrease in accounts payable between the water and sewer funds. Total Non-current liabilities increased by \$69,024 mostly due to an increase in other post-employment benefits.

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2012

A condensed version of the Statement of Activities is presented in Table A-2.

Table A-2
Statement of Activities
June 30, 2012

	Governmental Activities		Business- Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
REVENUE						
General Revenue						
NCSD property taxes	\$ 3,906,265	\$ 3,792,256	\$ -	\$ -	\$ 3,906,265	\$ 3,792,256
Snow and fuels management assessments	590,585	576,451	-	-	590,585	576,451
Interest earnings	62,937	56,437	33,777	8,201	96,714	64,638
Miscellaneous	247,343	40,272	1,327	730	248,670	41,002
Total general revenue	4,807,130	4,465,416	35,104	8,931	4,842,234	4,474,347
Program Revenues						
Grants	183,433	31,415	-	-	183,433	31,415
Charges for services	473,812	431,469	3,839,535	3,111,429	4,313,347	3,542,898
Total revenue	5,464,375	4,928,300	3,874,639	3,120,360	9,339,014	8,048,660
EXPENSES						
General government	333,471	499,473	-	-	333,471	499,473
Public safety	3,835,866	3,755,026	-	-	3,835,866	3,755,026
Streets	698,302	321,077	-	-	698,302	321,077
Trails	120,538	118,169	-	-	120,538	118,169
Capital projects	1,686,529	466,740	-	-	1,686,529	466,740
Unallocated depreciation	584,392	529,607	-	-	584,392	529,607
Water and sewer	-	-	3,839,241	3,816,529	3,839,241	3,816,529
Total expenses	7,259,098	5,690,092	3,839,241	3,816,529	11,098,339	9,506,621
OTHER SOURCES (USES)						
Transfers In (Out)	(8,767,209)	(7,746,730)	8,767,209	7,746,730	-	-
CHANGE IN NET ASSETS	(10,561,932)	(8,508,522)	8,802,607	7,050,561	(1,759,325)	(1,457,961)
NET ASSETS, beginning of year	47,002,936	55,511,458	20,991,709	13,941,148	67,994,645	69,452,606
NET ASSETS, end of year	\$36,441,004	\$47,002,936	\$29,794,316	\$20,991,709	\$66,235,320	\$67,994,645

While the statement of net assets shows the position of net assets, the statement of activities provides answers as to the nature and source of these changes.

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2012

Governmental activities:

The most significant increases in revenue were due to increases in miscellaneous and grant revenue. The increase in miscellaneous revenue was mostly due to \$183,300 in outside agency assistance for the Northstar Drive reconstruction project. Grant revenue increased mostly due to \$169,811 in outside agency contributions to assist in funding the District's fuels reduction program. In addition, property taxes increased by 3.01% or \$114,009.

The largest outflow of resources was for capital project expenditures. This category shows an increase of \$1.22 million and represents amounts paid against capital projects that were not completed during the fiscal year under audit.

Business-Type activities:

The District's business-type activities showed an increase of approximately \$8.80 million in net assets. Further analysis of this change is included in the analysis of the capital assets.

BUDGETARY HIGHLIGHTS

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

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

Table A-3
Budget vs. Actual - General Fund
June 30, 2012

	Budget		Actual		Variance Favorable / (Unfavorable)	
	2012	2011	2012	2011	2012	2011
Revenue						
Taxes and assessments	\$ 4,426,919	\$ 4,376,000	\$ 4,496,850	\$ 4,368,707	\$ 69,931	\$ (7,293)
Capital contributions	-	-	-	-	-	-
Fees and other non-tax revenue	160,159	150,159	160,960	202,631	801	52,472
Interest	23,000	15,400	44,115	25,238	21,115	9,838
Fire mitigation fees	5,000	7,000	1,297	16,491	(3,703)	9,491
Service revenue	167,500	200,000	184,623	115,501	17,123	(84,499)
Administrative fees	174,973	55,900	126,932	96,846	(48,041)	40,946
Grant revenue	189,194	39,000	183,433	31,415	(5,761)	(7,585)
Other	230,140	22,900	247,343	40,272	17,203	17,372
Total revenue	5,376,885	4,866,359	5,445,553	4,897,101	68,668	30,742
Expenditures						
Current						
General government	116,945	410,082	264,917	425,842	(147,972)	(15,760)
Public safety	3,552,810	3,803,937	3,835,866	3,755,026	(283,056)	48,911
Streets	545,558	1,594,762	698,302	321,077	(152,744)	1,273,685
Trails	113,389	141,618	120,538	118,169	(7,149)	23,449
Capital outlay	147,787	730,578	50,357	564,536	97,430	166,042
Total expenditures	4,476,489	6,680,977	4,969,980	5,184,650	(493,491)	1,496,327
Excess (deficiency) of revenue over expenditures before other sources	900,396	(1,814,618)	475,573	(287,549)	(424,823)	1,527,069
Other Sources						
Operating transfers from other sources	(1,067,113)	1,443,456	(750,000)	-	317,113	(1,443,456)
Excess (deficiency) of revenue and other sources over expenditures	\$ (166,717)	\$ (371,162)	\$ (274,427)	\$ (287,549)	\$ (107,710)	\$ 83,613

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2012

Differences between budget and actual for the general fund can be summarized as follows:

The District budgeted \$5.38 million in general fund revenue and recognized \$5.45 million. The District budgeted \$4.48 million in general fund expenditures and recognized \$4.97 million.

The budget to actual variance in revenue was mainly due to property tax revenues exceeding budget by \$69,931 or 1.58%. The \$493,491 or 11.02% budget to actual variance in expenditures were mainly due to increased expenditures for the general government, public safety, and streets categories.

Overall, there is a negative variance in the General Fund budget of \$107,710. This deficiency will cause a reduction in the unassigned fund balance for the current fiscal year.

CAPITAL ASSETS

A comparison of the District's Capital Assets for the current and prior fiscal year is presented in Table A-4.

Table A-4
Capital Assets at June 30, 2012

	FY 2012	FY 2011	Dollar Change	Percentage Change
Governmental Activities				
Land	\$ 7,598,216	\$ 7,598,216	\$ -	0%
Construction in progress				
General fund	673,613	664,758	8,855	1%
Capital projects fund	1,251,096	10,755,812	(9,504,716)	-88%
Buildings and improvements	15,239,017	14,088,766	1,150,251	8%
Equipment	1,353,802	1,345,549	8,253	1%
Vehicles and equipment	3,566,047	3,554,869	11,178	0%
Software	78,587	78,587	-	0%
	<u>29,760,378</u>	<u>38,086,557</u>	<u>(8,326,179)</u>	<u>-22%</u>
Less accumulated depreciation	<u>(3,106,620)</u>	<u>(2,522,228)</u>	<u>(584,392)</u>	
Governmental activities capital assets, net	26,653,758	35,564,329	(8,910,571)	-25%
Business-Type Activities				
Land	679,672	679,672	-	0%
Construction in progress	386,812	422,120	(35,308)	-8%
Building and improvements	5,266,937	3,937,898	1,329,039	34%
Equipment	724,269	301,727	422,542	140%
Vehicles and equipment	1,102,741	1,102,741	-	0%
Software	79,918	79,918	-	0%
Water/sewer system	29,812,594	23,124,425	6,688,169	29%
	<u>38,052,943</u>	<u>29,648,501</u>	<u>8,404,442</u>	<u>28%</u>
Less accumulated depreciation	<u>(11,701,902)</u>	<u>(10,913,714)</u>	<u>(788,188)</u>	<u>7%</u>
Business-type activities capital assets, net	26,351,041	18,734,787	7,616,254	41%
Totals	<u>\$ 53,004,799</u>	<u>\$ 54,299,116</u>	<u>\$ (1,294,317)</u>	<u>-2%</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2012

As indicated in Table A-4, the combined net capital assets of Governmental and Business-Type Activities decreased by \$1.29 million. Governmental activities show a decrease within the capital projects fund of \$9.50 million. This decrease is representative of the difference between the amounts added to and removed from work in progress.

Projects added to work in progress are the TH1, dynamic water model, and Cross Country sewer projects totaling \$1.13 million. Completed projects removed from work in progress total \$10.64 million and include projects added to both capital and expense. Projects added to capital within business-type activities include the maintenance building expansion (54.8%), TH2, and the sewer model study. Additions to capital within governmental activities include the Highlands View Road fire station recurring project, the maintenance building expansion (45.2%), and an administrative copy machine. Additions to expense within business-type activities include the Northstar Drive overlay and the Northstar Drive roundabout retrofit projects.

LONG-TERM LIABILITIES

The District's long-term liabilities at year end included estimated compensated absences for employees and totaled \$625,415 for governmental funds and \$99,601 for enterprise funds. The long-term portion of retiree termination benefits was \$90,160. Long-term liabilities for Other Post-Employment Benefits (OPEB) for government funds and enterprise funds totaled \$217,070 and \$60,800, respectively.

DEBT WITHOUT GOVERNMENT COMMITMENT

During 2005 and 2006, bonded debt was issued by a special assessment district known as the Northstar Community Facilities District #1 to finance infrastructure improvements and facilities within the Northstar area. The District has no legal responsibility with respect to the re-payment of the debt associated with the bonds. However, the District is responsible for managing a portion of the construction and improvements financed by the CFD and it is also responsible as the CFD's agent for the receipts and disbursements of the CFD.

At June 30, 2012, the outstanding principal amount of bonded debt outstanding for the CFD was \$113,415,000.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Facing the general uncertainty in the economy, the District will continue to budget conservatively for general fund revenues in anticipation that the assessed value of property within the District will not rebound significantly in the upcoming year. Business-type revenue is expected to increase due to the District entering the second year of a five-year rate increase for services which also includes an increase in fees to support capital expenditures.

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

The District continues to contract with the Placer County Water Authority (PCWA) to manage the operation of specific PCWA water systems. The District will be reimbursed for District employee time and other costs associated with providing the service.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Northstar Community Services District, 908 Northstar Drive, Truckee, California.

BASIC FINANCIAL STATEMENTS

NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF NET ASSETS

JUNE 30, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 8,739,675	\$ 1,776,936	\$ 10,516,611
Investments	1,448,006	1,243,403	2,691,409
Accounts receivable	117,488	327,424	444,912
Property taxes receivable	161,498	-	161,498
Due from other governments	28,800	127,578	156,378
Due from developers	396,951	-	396,951
Due from trust fund	9,173	-	9,173
Prepaid expenses	215,072	204,453	419,525
Capital assets, net	26,653,758	26,351,041	53,004,799
Total assets	<u>37,770,421</u>	<u>30,030,835</u>	<u>67,801,256</u>
LIABILITIES			
Accounts payable	301,514	49,214	350,728
Accrued liabilities	94,734	24,154	118,888
Deferred revenue	524	2,750	3,274
Long-Term Liabilities:			
Due within one year	51,280	-	51,280
Due in longer than one year	881,365	160,401	1,041,766
Total liabilities	<u>1,329,417</u>	<u>236,519</u>	<u>1,565,936</u>
NET ASSETS			
Investment in capital assets, net of related debt	26,653,758	26,351,041	53,004,799
Unrestricted	9,787,246	3,443,275	13,230,521
Total net assets	<u>\$ 36,441,004</u>	<u>\$ 29,794,316</u>	<u>\$ 66,235,320</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012

<u>Functions</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Governmental activities:						
General government	\$ 333,471	\$ 95,230		\$ (238,241)		\$ (238,241)
Public safety	3,835,866	309,331	\$ 183,433	(3,343,102)		(3,343,102)
Streets	698,302	69,251		(629,051)		(629,051)
Trails	120,538			(120,538)		(120,538)
Capital projects	1,686,529			(1,686,529)		(1,686,529)
Unallocated depreciation	584,392			(584,392)		(584,392)
Total governmental activities	\$ 7,259,098	\$ 473,812	\$ 183,433	(6,601,853)		(6,601,853)
Business-type activities:						
Water	\$ 1,842,307	\$ 1,655,650			\$ (186,657)	(186,657)
Sewer	1,996,934	2,183,885			186,951	186,951
Total business-type activities	\$ 3,839,241	\$ 3,839,535	\$ -		294	294
General revenues:						
Property taxes				3,906,265		3,906,265
Snow and fuels management assessments				590,585		590,585
Interest earnings				62,937	33,777	96,714
Miscellaneous revenue				247,343	1,327	248,670
Total general revenue				4,807,130	35,104	4,842,234
Transfers				(8,767,209)	8,767,209	-
Change in net assets				(10,561,932)	8,802,607	(1,759,325)
Net assets - beginning of year				47,002,936	20,991,709	67,994,645
Net assets - end of year				\$ 36,441,004	\$ 29,794,316	\$ 66,235,320

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

NORTHSTAR COMMUNITY SERVICES DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2012

ASSETS	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 4,137,087	\$ 4,602,588	\$ 8,739,675
Investments	1,448,006	-	1,448,006
Accounts receivables	117,488	-	117,488
Property taxes receivable	161,498	-	161,498
Due from other governments	28,800	-	28,800
Due from developers	396,951	-	396,951
Due from trust fund	9,173	-	9,173
Prepaid expenses	215,072	-	215,072
Total Assets	<u>\$ 6,514,075</u>	<u>\$ 4,602,588</u>	<u>\$ 11,116,663</u>
 LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 100,480	\$ 103,932	\$ 204,412
Due to other funds	97,102	-	97,102
Other accrued expenses	94,734	-	94,734
Deferred revenue	524	-	524
Total Liabilities	<u>292,840</u>	<u>103,932</u>	<u>396,772</u>
 Fund Balance			
Nonspendable	215,072		215,072
Committed	339,968	\$ 4,498,656	4,838,624
Unassigned	5,666,195		5,666,195
Total Fund Balance	<u>6,221,235</u>	<u>4,498,656</u>	<u>10,719,891</u>
Total Liabilities and Fund Balance	<u>\$ 6,514,075</u>	<u>\$ 4,602,588</u>	<u>\$ 11,116,663</u>

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

JUNE 30, 2012

Total Fund Balance - Governmental Funds	\$	10,719,891
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

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

Capital assets at cost		29,760,378
Accumulated depreciation		(3,106,620)

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

Compensated Absences		(625,415)
Retiree Termination Benefits		(90,160)
Other Postemployment Benefits		(217,070)

Total net assets - Governmental Activities:	\$	36,441,004
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NORTHSTAR COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS

JUNE 30, 2012

	General Fund	Capital Projects Fund	Total
REVENUE			
Taxes and assessments	\$ 4,496,850		\$ 4,496,850
Fees and other non-tax revenue	160,960		160,960
Interest	44,115	\$ 18,822	62,937
Fire mitigation fees	1,297		1,297
Service revenues	184,623		184,623
Administration fees	126,932		126,932
Grant revenue	183,433		183,433
Other	247,343		247,343
Total revenue	<u>5,445,553</u>	<u>18,822</u>	<u>5,464,375</u>
EXPENDITURES			
General government	264,917		264,917
Public safety	3,835,866		3,835,866
Streets	698,302		698,302
Trails	120,538		120,538
Capital Outlay	50,357	1,327,202	1,377,559
Total expenditures	<u>4,969,980</u>	<u>1,327,202</u>	<u>6,297,182</u>
Excess (deficiency) of revenue over expenditures	475,573	(1,308,380)	(832,807)
OTHER FINANCING SOURCES (USES)			
Transfers Out	(750,000)		(750,000)
Net change in fund balances	(274,427)	(1,308,380)	(1,582,807)
FUND BALANCE, beginning of year	<u>6,495,662</u>	<u>5,807,036</u>	<u>12,302,698</u>
FUND BALANCE, end of year	<u>\$ 6,221,235</u>	<u>\$ 4,498,656</u>	<u>\$ 10,719,891</u>

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

JUNE 30, 2012

Net Change in Fund Balances - Governmental Funds \$ (1,582,807)

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	(308,970)
Depreciation expense	(584,392)

Transfer of construction in progress to enterprise funds.	(8,017,209)
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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:	(36,541)
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Retiree termination benefits: In governmental funds, retiree termination benefits are measured by the amounts paid during the period. In the statement of activities, retiree termination benefits are measured by the amounts earned. The difference between retiree termination benefits paid and earned was:

43,000

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:

(75,013)

Changes in net assets of governmental activities:	<u><u>\$ (10,561,932)</u></u>
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NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

<u>ASSETS</u>	Water	Sewer	Total
Current assets:			
Cash and cash equivalents	\$ 530,553	\$ 1,246,383	\$ 1,776,936
Accounts receivable	113,919	116,403	230,322
Due from other funds	63,449	33,653	97,102
Due from other governments	48,699	78,879	127,578
Investments	548,073	695,330	1,243,403
Prepaid expenses	100,182	104,271	204,453
Total current assets	<u>1,404,875</u>	<u>2,274,919</u>	<u>3,679,794</u>
Noncurrent assets:			
Property, land and equipment	27,495,043	10,557,900	38,052,943
Less: accumulated depreciation	<u>(6,365,786)</u>	<u>(5,336,116)</u>	<u>(11,701,902)</u>
Total noncurrent assets	<u>21,129,257</u>	<u>5,221,784</u>	<u>26,351,041</u>
 Total assets	 <u>22,534,132</u>	 <u>7,496,703</u>	 <u>30,030,835</u>
 <u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	36,470	12,744	49,214
Accrued wages and related items	19,077	5,077	24,154
Deferred revenue	2,150	600	2,750
Total current liabilities	<u>57,697</u>	<u>18,421</u>	<u>76,118</u>
Noncurrent liabilities:			
Compensated absences	74,801	24,800	99,601
Other postemployment benefits liabilities	<u>30,400</u>	<u>30,400</u>	<u>60,800</u>
Total noncurrent liabilities	<u>105,201</u>	<u>55,200</u>	<u>160,401</u>
 Total liabilities	 <u>162,898</u>	 <u>73,621</u>	 <u>236,519</u>
 <u>NET ASSETS</u>			
Invested in capital assets, net of related debt	21,129,257	5,221,784	26,351,041
Unrestricted	<u>1,241,977</u>	<u>2,201,298</u>	<u>3,443,275</u>
Total net assets	<u>\$ 22,371,234</u>	<u>\$ 7,423,082</u>	<u>\$ 29,794,316</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

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

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

OPERATING REVENUE	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Service charges	\$ 1,424,124	\$ 2,054,524	\$ 3,478,648
Administrative fees	231,526	129,361	360,887
Other	1,327	0	1,327
Total operating revenue	<u>1,656,977</u>	<u>2,183,885</u>	<u>3,840,862</u>
OPERATING EXPENSES			
Wages	422,946	119,737	542,683
Employee benefits	245,758	87,486	333,244
Insurance	33,235	19,895	53,130
Maintenance	83,949	60,302	144,251
Purchased services	-	1,326,400	1,326,400
Professional services	101,195	7,657	108,852
Utilities	90,439	10,883	101,322
Other departmental expense	275,779	104,107	379,886
Uniforms	4,006	3,981	7,987
Communications	6,626	5,919	12,545
Office and shop expense	15,647	4,985	20,632
Miscellaneous	16,514	3,606	20,120
Depreciation	546,213	241,976	788,189
Total operating expenses	<u>1,842,307</u>	<u>1,996,934</u>	<u>3,839,241</u>
Operating income (loss)	(185,330)	186,951	1,621
NONOPERATING REVENUE (EXPENSE)			
Interest revenue	<u>16,455</u>	<u>17,322</u>	<u>33,777</u>
Income (loss) before transfers	(168,875)	204,273	35,398
TRANSFERS IN	<u>8,171,736</u>	<u>595,473</u>	<u>8,767,209</u>
CHANGE IN NET ASSETS	8,002,861	799,746	8,802,607
NET ASSETS, beginning of year	<u>14,368,373</u>	<u>6,623,336</u>	<u>20,991,709</u>
NET ASSETS, end of year	<u>\$ 22,371,234</u>	<u>\$ 7,423,082</u>	<u>\$ 29,794,316</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	Water	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 1,603,087	\$ 2,161,050	\$ 3,764,137
Payments for services and supplies	(651,012)	(1,533,589)	(2,184,601)
Payments of employee salaries	(422,259)	(120,480)	(542,739)
Payments of employee benefits	(209,350)	(80,028)	(289,378)
Interfund reimbursements	(63,076)	(33,438)	(96,514)
Net cash provided (used) by operating activities	257,390	393,515	650,905
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(8,053,300)	(351,143)	(8,404,443)
Transfers in	8,171,736	595,473	8,767,209
Net cash provided (used) by capital and related financing activities	118,436	244,330	362,766
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(581,499)	(767,329)	(1,348,828)
Sale of investments	35,455	73,750	109,205
Interest received	19,498	21,772	41,270
Net cash provided (used) by investing activities	(526,546)	(671,807)	(1,198,353)
NET INCREASE (DECREASE) IN CASH	(150,720)	(33,962)	(184,682)
CASH AND CASH EQUIVALENTS, beginning of year	681,273	1,280,345	1,961,618
CASH AND CASH EQUIVALENTS, end of year	\$ 530,553	\$ 1,246,383	\$ 1,776,936
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (185,330)	\$ 186,951	\$ 1,621
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	546,213	241,976	788,189
(Increase) decrease in:			
Accounts receivable	(43,708)	(18,529)	(62,237)
Due from other funds	(63,076)	(33,438)	(96,514)
Due from other governments	(13,434)	(4,906)	(18,340)
Due from developers	2,602	-	2,602
Prepaid expenses	4,465	4,647	9,112
Increase (decrease) in:			
Accounts payable	(28,087)	9,499	(18,588)
Accrued wages	687	(743)	(56)
Deferred revenue	650	600	1,250
Compensated absences	24,090	(4,860)	19,230
OPEB	12,318	12,318	24,636
Net cash provided (used) by operating activities	\$ 257,390	\$ 393,515	\$ 650,905

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

NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF NET ASSETS

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

<u>ASSETS</u>	Series 2005 <u>Bonds</u>	Series 2006 <u>Bonds</u>	<u>Total</u>
Cash and cash equivalents	<u>\$ 8,791,727</u>	<u>\$ 4,305,347</u>	<u>\$ 13,097,074</u>
 <u>LIABILITIES</u>			
Due to others	<u>\$ 8,791,727</u>	<u>\$ 4,305,347</u>	<u>\$ 13,097,074</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

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.

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.

B. BASIS OF PRESENTATION

Government-wide Financial Statements

The statement of net assets 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 assets presents information on all of the District's assets and liabilities, with the difference between the two presented as net assets. Net assets are reported as one of three categories: invested in capital assets, net of related debt; restricted or unrestricted. Restricted net assets are further classified as either net assets restricted by enabling legislation or net assets that are otherwise restricted.

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

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, 2012

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.

Proprietary Funds:

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

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

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.

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

E. CASH AND CASH EQUIVALENTS

For purposes of the statement of net assets/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. 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

G. 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.

H. 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.

I. 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.

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

I. FUND BALANCE (CONTINUED)

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.

J. 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.

K. 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 recognized by the District when received.

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

2. CASH AND INVESTMENTS

A. CASH AND EQUIVALENTS

The District's cash balances at June 30, 2012 are:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Activities</u>	<u>Total</u>
Deposits:				
US Bank	\$ 766,830			\$ 766,830
Charles Schwab Money Market	17,819	\$ 12,200		30,019
Cash with Fiscal Agent:				
Wells Fargo Mello Roos Funds	4,602,588		\$ 13,097,074	17,699,662
Pooled Funds:				
Local Agency Investment Fund	3,352,438	1,764,736		5,117,174
Total Cash and Equivalents	<u>\$ 8,739,675</u>	<u>\$ 1,776,936</u>	<u>\$ 13,097,074</u>	<u>\$ 23,613,685</u>

Pooled Funds:

The District is a voluntary participant in 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 within 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.

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.

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

2. CASH AND INVESTMENTS (CONTINUED)

Deposits - Custodial Credit Risk

The carrying amount of the District's accounts was \$766,830 and the bank balances were \$852,846 at June 30, 2012. 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, 2012 was fully insured or collateralized.

Cash with Fiscal Agent

At June 30, 2012, funds totaling \$17,699,662 were held at Wells Fargo Bank in various accounts related to the Special Tax Bonds issued in 2005 and 2006 for the construction of facilities and payment of the Special Tax Bonds.

B. INVESTMENTS

Authorized Deposits/Investments

Under provisions of The Districts' 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
Time Deposits	Top 25% of peer group	20	\$500,000	2 Years
Repurchase Agreements	N/A	20	10%	N/A
Corporate Obligations	A	30	10%	5 Years
Mutual Funds	AAA	15	10%	3 Years
Other Government Sponsored Pools	AAAF	20	10%	3 Years

Interest Rate Risk

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

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

As of June 30, 2012, The District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
		<u><1yr</u>	<u>1-3 yrs</u>	<u>>3yrs</u>
Corporate Notes	\$ 622,292	\$ -	\$ 210,909	\$ 411,383
Municipal Bonds	1,321,823	-	940,886	380,937
Mutual Funds	747,294	747,294	-	-
Total	\$ 2,691,409	\$ 747,294	\$ 1,151,795	\$ 792,320

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 type of investments made and with which institutions investments are placed. These 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."

<u>Credit Rating (S&P)</u>	<u>Municipal Bonds</u>	<u>Corporate Notes</u>	<u>Mutual Funds</u>	<u>Totals</u>
A+	\$ 363,717	\$ 101,213	\$ -	\$ 464,930
A	-	107,873	-	107,873
A-	958,106	104,828	-	1,062,934
BBB+	-	205,767	-	205,767
BBB	-	102,611	-	102,611
Non rated	-	-	747,294	747,294
Totals	\$ 1,321,823	\$ 622,292	\$ -	\$ 2,691,409

Concentration of Credit Risk

The District places limits on the amount it may invest in anyone issuer. At June 30, 2012, the District had no concentration of credit risk.

Investments in securities of any one issuer consisting of 5% or more of total investments are as follows:

	<u>Fair Value</u>	<u>% of Portfolio</u>
California State General Obligation Bonds	\$ 958,106	35.60%
Illinois State General Obligation Bonds	\$ 363,717	13.51%

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

3. PROPERTY AND EQUIPMENT

Capital assets activity for the year ended June 30, 2012, was as follows:

Governmental Activities:

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Not subject to depreciation				
Land	\$ 7,598,216	\$ -	\$ -	\$ 7,598,216
Construction In Progress				
General Fund	664,758	8,855	-	673,613
Capital Project Fund	10,755,812	1,133,064	10,637,780	1,251,096
Total Not subject to Depreciation	19,018,786	1,141,919	10,637,780	9,522,925
Subject to Depreciation				
Buildings and Improvements	14,088,766	1,150,251		15,239,017
Equipment	1,345,549	8,253		1,353,802
Vehicles and Equipment	3,554,869	11,178		3,566,047
Software	78,587			78,587
Total depreciable	19,067,771	1,169,682	-	20,237,453
Less accumulated depreciation	(2,522,228)	(584,392)	-	(3,106,620)
Total capital assets, net	<u>\$ 35,564,329</u>	<u>\$ 1,727,209</u>	<u>\$ 10,637,780</u>	<u>\$ 26,653,758</u>

Business-Type Activities:

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Not subject to depreciation				
Land	\$ 679,672	\$ -	\$ -	\$ 679,672
Construction In Progress	422,120	387,234	422,542	386,812
Total Not subject to Depreciation	1,101,792	387,234	422,542	1,066,484
Subject to Depreciation				
Buildings and Improvements	3,937,898	1,329,039	-	5,266,937
Equipment	301,727	422,542	-	724,269
Vehicles and Equipment	1,102,741	-	-	1,102,741
Software	79,918	-	-	79,918
Water /Sewer System	23,124,424	6,688,170	-	29,812,594
Total depreciable	28,546,708	8,439,751	-	36,986,459
Less accumulated depreciation	(10,913,713)	(788,189)	-	(11,701,902)
Total capital assets, net	<u>\$ 18,734,787</u>	<u>\$ 8,038,796</u>	<u>\$ 422,542</u>	<u>\$ 26,351,041</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

4. INTERFUND TRANSACTIONS

During the year ended June 30, 2012, the District transferred amounts from construction in progress in the governmental activities balance sheet to completed capital assets in the proprietary funds Statement of Net Assets. The amount transferred to the Water Fund was \$7,671,736 and to the Sewer Fund was \$345,473. The District also transferred cash to the Water Fund and Sewer Fund in the amount of \$500,000 and \$250,000, respectively.

5. CONTINGENCIES

As of June 30, 2012, the District did not have any pending litigation or potential non-disclosed liabilities that management believes would have a material effect on the financial statements.

6. 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.

B. FUNDING POLICY

The District makes the contributions required of active plan members, which is 7% of their salary, and Northstar Community Services District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2011-2012 was 19.635% of annual payroll for employees in the Miscellaneous Plan and 29.310% of annual payroll for employees in the Safety Plan. The contribution requirements of the plan members are established by the state statute. The District's contributions to CalPERS for the fiscal year ending June 30, 2012, 2011, and 2010 were \$851,120, \$784,088, and \$777,567, respectively, and equal 100% of the required contributions for each year.

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

6. EMPLOYEE RETIREMENT PLAN (CONTINUED)

C. ANNUAL PENSION COST

The required contribution for the year ended June 30, 2012 was determined as part of the June 30, 2009 actuarial valuation using the entry age normal cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service ranging from 3.55% to 14.45%, and (c) 3.25% cost-of-living adjustment. Both (a) and (b) include an inflation component of 3%. The actuarial value of the plan's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gain and/or losses. The plan's unfunded actuarial liability is being amortized over the remaining period of 19 years.

7. GENERAL LONG-TERM DEBT

A schedule of changes in long-term liabilities for the year ended June 30, 2012 is shown below:

Governmental Activities

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012	Due Within One Year
Other Postemployment benefits	\$ 142,057	\$ 75,013	\$ -	\$ 217,070	\$ 8,280
Retiree Termination Benefits	133,160		43,000	90,160	43,000
Compensated Absences	588,874	36,541		625,415	-
	<u>\$ 864,091</u>	<u>\$ 111,554</u>	<u>\$ 43,000</u>	<u>\$ 932,645</u>	<u>\$ 51,280</u>

Business-Type Activities

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012	Due Within One Year
Other Postemployment benefits	\$ 36,164	\$ 24,636	\$ -	\$ 60,800	\$ -
Compensated Absences	80,371	19,230		99,601	-
	<u>\$ 116,535</u>	<u>\$ 43,866</u>	<u>\$ -</u>	<u>\$ 160,401</u>	<u>\$ -</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

8. DEBT WITHOUT GOVERNMENT COMMITMENT

During 2005 and 2006, bonded debt was issued by a special assessment district known as Community Facilities District #1 (CFD) to finance infrastructure improvements and facilities within the District's boundaries. The District has no legal responsibility with respect to the payment of the debt and the proceeds will be used for various projects in the County of Placer and Northstar Community Services District. Therefore, the District has not recorded it as a liability. The debt is to be repaid from a special tax levied on properties within the CFD. The District is responsible for a portion of the construction and improvements financed by the special assessment district. Therefore, the related capital projects fund is reflected in the District's financial statements. The District also acts as the CFD's agent with respect to the receipts, disbursements and balances. These amounts are reported as agency fund transactions. The following includes information related to the outstanding debt as of June 30, 2012.

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%.

At June 30, 2012, the outstanding bonds consisted of the following:

Description	Date Of Issue	Interest Rates	Maturity Date Sept 1,	Amount of Original Issue	Outstanding July 1, 2011	Redeemed Current Year	Outstanding June 30, 2012
Series 2005	2005	3.80% - 5.55%	2036	\$ 56,125,000	\$ 55,655,000	\$ 300,000	\$ 55,355,000
Series 2006	2006	3.90% - 5.00%	2037	58,590,000	58,305,000	245,000	58,060,000
				<u>\$ 114,715,000</u>	<u>\$ 113,960,000</u>	<u>\$ 545,000</u>	<u>\$ 113,415,000</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

8. DEBT WITHOUT GOVERNMENT COMMITMENT (CONTINUED)

The annual requirements to pay the bonds outstanding as of June 30, 2012 are as follows:

Year Ended June 30	Principal	Interest	Total
2013	\$ 695,000	\$ 5,897,956	\$ 6,592,956
2014	860,000	5,867,151	6,727,151
2015	1,035,000	5,828,079	6,863,079
2016	1,220,000	5,780,579	7,000,579
2017	1,415,000	5,722,404	7,137,404
2018-2022	10,530,000	27,358,974	37,888,974
2023-2027	17,905,000	23,934,580	41,839,580
2028-2032	27,950,000	18,244,343	46,194,343
2033-2037	41,500,000	9,501,442	51,001,442
2038	10,305,000	515,250	10,820,250
	<u>\$ 113,415,000</u>	<u>\$ 108,650,758</u>	<u>\$ 222,065,758</u>

9. OTHER POSTEMPLOYMENT BENEFITS

A. PLAN DESCRIPTION

Northstar Community Services District participates in the California Public Employees' Retirement System (CalPERS), an agent multiple-employer defined benefit healthcare plan as permitted under the Public Employees Medical and Hospital and Care Act (PEMHCA). The District is required to contribute minimum employer contributions incurred by the CalPERS medical program for the retiree's lifetime or until coverage is discontinued. In fiscal year 2012, minimum employer contributions were \$111 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.

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

C. ANNUAL OPEB COST AND NET OPEB OBLIGATION

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over an amortization period of 30 years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in its net OPEB obligation to the Retiree Health Plan:

Annual required Contribution	\$ 107,301
Interest on net OPEB obligation	8,020
Adjustment to annual required contribution	<u>(7,788)</u>
 Annual OPEB cost (expense)	 107,533
 Contributions made	 <u>(7,884)</u>
 Increase in net OPEB obligation	 99,649
 Net OPEB obligation - beginning of year	 <u>178,221</u>
 Net OPEB obligation - end of year	 <u><u>\$ 277,870</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the last three fiscal years is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	\$ 93,364	7.75%	\$ 86,126
June 30, 2011	\$ 100,288	8.17%	\$ 178,221
June 30, 2012	\$ 107,533	7.33%	\$ 277,870

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

D. METHODS AND ASSUMPTIONS

The annual required contribution was determined as part of a June 30, 2010 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 4.5% investment rate of return, (b) 3.25% projected annual salary increase and health care cost trend increases starting at 9.00% in 2010 and decreasing 0.50% each year until 2017, with an ultimate rate of 4.50%.

10. NON-MONETARY TRANSACTION

The District entered into a barter transaction with Northstar Community Housing Corporation during the fiscal year ended June 30, 2007 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. As a result of this transaction, the District has a prepaid asset in the proprietary funds balance sheet of \$204,453 at June 30, 2012.

11. FUND BALANCES

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

	General Fund	Capital Projects Fund	Totals
	<u> </u>	<u> </u>	<u> </u>
Nonspendable:			
Prepaid Expenses	\$ 215,072		\$ 215,072
Committed:			
Capital projects	339,968	\$ 4,498,656	4,838,624
Unassigned	5,666,195		5,666,195
Total Fund Balances	<u>\$ 6,221,235</u>	<u>\$ 4,498,656</u>	<u>\$ 10,719,891</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

12. RISK MANAGEMENT

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

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

	<u>SDRMA</u> <u>June 30, 2012</u>	<u>FAIRA</u> <u>June 30, 2012</u>
Total Assets	\$ 102,675,963	\$ 3,000,813
Total Liabilities	\$ 43,880,783	\$ 65,742
Total Net Assets	\$ 58,795,180	\$ 2,935,071
Total Revenues	\$ 46,912,988	\$ 2,845,051
Total Expenses	\$ 39,000,390	\$ 2,720,258
Change in Net Assets	\$ 7,912,598	\$ 124,793

13. SUBSEQUENT EVENTS

Management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2012 through September 9, 2013, the date the financial statements were issued. Management is not aware of any subsequent events 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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUE				
Taxes and assessments	\$ 4,081,848	\$ 4,426,919	\$ 4,496,850	\$ 69,931
Fees and other non-tax revenue	165,159	160,159	160,960	801
Interest	20,500	23,000	44,115	21,115
Fire mitigation fees	5,000	5,000	1,297	(3,703)
Service revenues	110,500	167,500	184,623	17,123
Administration fees	118,000	174,973	126,932	(48,041)
Grant revenue	177,617	189,194	183,433	(5,761)
Other	23,500	230,140	247,343	17,203
Total revenue	4,702,124	5,376,885	5,445,553	68,668
EXPENDITURES				
General government	1,213,575	1,282,158	264,917	1,017,241
Public safety	3,496,129	3,552,810	3,835,866	(283,056)
Streets	437,107	545,558	698,302	(152,744)
Trails	94,013	113,389	120,538	(7,149)
Capital Outlay	73,000	147,787	50,357	97,430
Total expenditures	5,313,824	5,641,702	4,969,980	671,722
Excess (deficiency) of revenues over (under) expenditures	(611,700)	(264,817)	475,573	740,390
OTHER FINANCING USES				
Transfers in/(out)	-	(1,067,113)	(750,000)	317,113
NET CHANGES IN FUND BALANCES	(611,700)	(1,331,930)	(274,427)	1,057,503
FUND BALANCE, beginning of year	6,495,662	6,495,662	6,495,662	-
FUND BALANCE, end of year	\$ 5,883,962	\$ 5,163,732	\$ 6,221,235	\$ 1,057,503

NORTHSTAR COMMUNITY SERVICES DISTRICT

**SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS**

FOR THE YEAR ENDED JUNE 30, 2012

<u>Actuarial Valuation Date</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (a)</u>	<u>Actuarial Value of Assets (b)</u>	<u>Unfunded Liability (UAAL) (a-b)</u>	<u>Funded Status (b/a)</u>	<u>Annual Covered Payroll (c)</u>	<u>UAAL as a % of payroll ([a-b]/c)</u>
June 30, 2010	\$ 632,805	\$ -	\$ 632,805	0%	\$ 2,849,895	22.2%

**SUPPLEMENTARY
INFORMATION**

NORTHSTAR COMMUNITY SERVICES DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

<u>ASSETS</u>	Balance <u>June 30, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance <u>June 30, 2012</u>
Cash and cash equivalents				
Series 2005 Bonds	\$ 5,893,725	\$ 14,970,375	\$ 12,072,373	\$ 8,791,727
Series 2006 Bonds	5,301,618	1,204,586	2,200,857	4,305,347
Total assets	<u>\$ 11,195,343</u>	<u>\$ 16,174,961</u>	<u>\$ 14,273,230</u>	<u>\$ 13,097,074</u>
 <u>LIABILITIES</u>				
Due to others	<u>\$ 11,195,343</u>	<u>\$ 16,174,961</u>	<u>\$ 14,273,230</u>	<u>\$ 13,097,074</u>