



**NORTHSTAR COMMUNITY SERVICES DISTRICT**

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

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2022**

**JAMES MARTA & COMPANY LLP**  
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**NORTHSTAR COMMUNITY SERVICES DISTRICT**

**JUNE 30, 2022**

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**BOARD OF DIRECTORS**

Warren Brown - President

Mike Moll – Vice President

Mike Witherspoon – Financial Representative

Nancy Ives – Director

Marilyn Forni - Director

\* \* \* \*

General Manager  
Mike Staudenmayer

Director of Finance and Administration  
Greg Rosenthal

# **NORTHSTAR COMMUNITY SERVICES DISTRICT**

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**JUNE 30, 2022**

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**James Marta & Company LLP**

***Certified Public Accountants***

***Accounting, Auditing, Consulting, and Tax***

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## **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, 2022, 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, 2022, 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 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, 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.

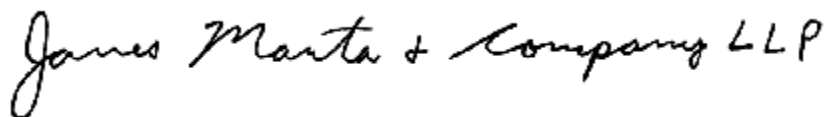
### ***Other Information***

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 5, 2023 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 5, 2023

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



# NORTHSTAR COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

This discussion and analysis section of the Northstar Community Services District's (District or NCSD) Financial Statements is intended to provide a narrative overview and analysis of the basic financial activities of the District as of and for the year ended June 30, 2022. Please read it in conjunction with the District's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

#### Government-wide

- Total net position at June 30, 2022      \$ 106,743,303
- Total revenue:      18,126,024
- Total expense:      12,053,024
- Total depreciation expense:      2,119,874

#### Business-Type Activities

- Water
  - o Total revenue:      \$ 4,101,262
  - o Total expense:      3,278,749
- Sewer
  - o Total revenue:      2,991,358
  - o Total expense:      1,876,042
- Solid Waste
  - o Total revenue:      629,067
  - o Total expense:      474,461

#### Governmental Activities

- Total revenue:      \$ 10,404,337
- Total expense:      6,423,772

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

# NORTHSTAR COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

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

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

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

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

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

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

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

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

## NORTHSTAR COMMUNITY SERVICES DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

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

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

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

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

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

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

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

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

### FINANCIAL ANALYSIS OF THE DISTRICT

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

# NORTHSTAR COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**JUNE 30, 2022**

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

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

Table A-1  
Statement of Net Position  
6/30/2022

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
<b>ASSETS</b>						
Current assets	\$15,700,581	\$ 9,686,788	\$26,711,267	\$23,227,809	\$ 42,411,848	\$ 32,914,597
Capital assets	26,128,070	26,455,687	48,424,632	49,682,910	74,552,702	76,138,597
Total Assets	41,828,651	36,142,475	75,135,899	72,910,719	116,964,550	109,053,194
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Total deferred outflows	5,122,405	4,607,154	-	-	5,122,405	4,607,154
<b>LIABILITIES</b>						
Current liabilities	4,063,178	2,596,352	640,376	507,631	4,703,554	3,103,983
Noncurrent liabilities	8,257,173	6,431,399	-	-	8,257,173	6,431,399
Total liabilities	12,320,351	9,027,751	640,376	507,631	12,960,727	9,535,382
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Total deferred inflows	2,382,925	2,779,121	-	-	2,382,925	2,779,121
<b>NET POSITION</b>						
Investment in capital assets, net of related debt	22,158,070	22,380,687	50,327,553	51,710,111	72,485,623	74,090,798
Restricted for capital replacement	-	-	12,649,063	10,889,112	12,649,063	10,889,112
Unrestricted	10,089,710	6,562,070	11,518,907	9,803,865	21,608,617	16,365,935
Total net position	\$32,247,780	\$28,942,757	\$74,495,523	\$72,403,088	\$106,743,303	\$101,345,845

As shown in Table A-1 on the preceding page, *Total net position* amounted to \$106.7MM in fiscal year 2022. The major component of this category is *Investment in capital assets, net of related debt* which represents the District's investment in capital assets, net of the amount borrowed to purchase those assets. *Total net position* increased by \$5.4MM due to an increase *Assets* accompanied by a decrease in *Liabilities*.

*Total assets* for Governmental Activities increased by \$5.7MM. This was mostly due to an increase in *Net pension asset*. Total assets for business-type activities increased by \$2.2MM mainly due to an increase in *Cash and cash equivalents* and *Investments*. These detailed impacts are not represented in Table A-1 above but can be seen in the full STATEMENT OF NET POSITION. Overall, those impacts combined to cause an increase in *Capital assets*.

Overall liabilities for governmental activities increased by \$3.3MM mainly due to a reduction in *Long-term Liabilities*, and more specifically, those *Due in longer than one year*. Overall liabilities for business-type activities increased by \$133K mainly due to an increase in the amount *Due to internal service fund*. As was the case with assets, these detailed impacts can be seen in the full STATEMENT OF NET POSITION.

# NORTHSTAR COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**JUNE 30, 2022**

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

Table A-2  
Statement of Activities  
6/30/2022

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
<b>REVENUE</b>						
General Revenue						
Property taxes	\$ 5,439,356	\$ 5,186,791			\$ 5,439,356	\$ 5,186,791
Fuels management & streets assessments	796,038	763,185			796,038	763,185
Capital Contributions	-	-	\$ 127,875	\$ -	127,875	-
Interest earnings	(264,606)	795,814	(446,819)	149,308	(711,425)	945,122
Miscellaneous	262,553	73,913	112,329	69,281	374,882	143,194
Total general revenue	6,233,341	6,819,703	(206,615)	218,589	6,026,726	7,038,292
Program Revenues						
Charges for services	801,902	657,786	7,912,375	7,797,039	8,714,277	8,454,825
Operating Grants and Contributions	2,839,882	1,025,225	15,927	-	2,855,809	1,025,225
Total program revenue	3,641,784	1,683,011	7,928,302	7,797,039	11,570,086	9,480,050
Total revenue	9,875,125	8,502,714	7,721,687	8,015,628	17,596,812	16,518,342
<b>EXPENSES</b>						
General government	102,175	359,975			102,175	359,975
Public safety	3,077,382	4,883,913			3,077,382	4,883,913
Streets	538,230	533,453			538,230	533,453
Trails	2,060,984	406,881			2,060,984	406,881
Unallocated depreciation	645,001	633,671			645,001	633,671
Water, Sewer, and Solid Waste			5,629,252	6,941,213	5,629,252	6,941,213
Total expenses	6,423,772	6,817,893	5,629,252	6,941,213	12,053,024	13,759,106
CHANGE IN NET POSITION	3,451,353	1,684,821	2,092,435	1,074,415	5,543,788	2,759,236
NET POSITION, beginning of year	28,796,427	27,257,936	72,403,088	71,328,673	101,199,515	98,586,609
NET POSITION, end of year	\$ 32,247,780	\$ 28,942,757	\$ 74,495,523	\$ 72,403,088	\$ 106,743,303	\$ 101,345,845

While the STATEMENT OF NET POSITION (Table A-1) shows the position of net assets, the STATEMENT OF ACTIVITIES provides answers as to the nature and source of these changes.

### Governmental activities:

General revenue from *Property taxes* and *Fuels management & streets assessments* increased 4.9% and 4.3%, respectively over the prior year amounts which helped offset a \$264K loss in *Interest earnings* which ultimately resulted in a decrease in *Total general revenue* of \$586K.

*Program revenues* increased by 116.4% due to an increase in *Operating Grants and Contributions*. Overall expenses were down by 5.8% mostly due to expenditures associated with a reduction in project activity.

### Business-Type activities:

General revenue decreased by 194.5% mainly due to a \$596K decrease in *Interest earnings* while *Program revenues* showed an increase of 1.7% due to a \$115K increase in *Charges for services*. Overall, expenses across the water, sewer, and solid waste divisions were 18.9% lower than the prior year.

# NORTHSTAR COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**JUNE 30, 2022**

### BUDGETARY HIGHLIGHTS

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

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

Table A-3 Budget vs. Actual - General Fund 6/30/2022						
	Budget		Actual		Variance Favorable / (Unfavorable)	
	2022	2021	2022	2021	2022	2021
Revenue						
Taxes and assessments	\$ 6,233,200	\$ 6,095,900	\$ 6,235,394	\$ 5,949,976	\$ 2,194	\$ (145,924)
Fees and other non-tax revenue	582,169	423,618	795,545	653,364	213,376	229,746
Interest	145,150	177,840	(46,100)	309,711	(191,250)	131,871
Fire mitigation fees	6,000	12,000	6,357	4,422	357	(7,578)
Reimbursable revenues	5,212,191	2,079,434	3,057,726	1,091,339	(2,154,465)	(988,095)
Other	268,260	163,297	262,555	73,913	(5,705)	(89,384)
Total revenue	12,446,970	8,952,089	10,311,477	8,082,725	(2,135,493)	(869,364)
Expenditures						
General Government	186,553	91,900	102,175	359,975	84,378	(268,075)
Public Safety	6,875,438	6,549,798	6,443,289	6,293,041	432,149	256,757
Streets	591,751	751,771	570,074	533,453	21,677	218,318
Trails	4,093,624	1,129,051	2,060,984	406,881	2,032,640	722,170
Total expenditures	11,747,366	8,522,520	9,176,522	7,593,350	2,570,844	929,170
Excess (deficiency) of revenue over expenditures before other sources	699,604	429,569	1,134,955	489,375	435,351	59,806
Excess (deficiency) of revenue and other sources over expenditures	<u>\$ 699,604</u>	<u>\$ 429,569</u>	<u>\$ 1,134,955</u>	<u>\$ 489,375</u>	<u>\$ 435,351</u>	<u>\$ 59,806</u>

The District budgeted \$12.4MM in general fund revenue and recognized \$10.3MM. The District budgeted \$11.7MM in general fund expenditures and recognized \$9.2MM.

The unfavorable revenue budget to actual variance of \$2.1MM was mainly due to *Reimbursable revenues* being \$2.2MM under budget due to grant funded trails activity being less than anticipated. The favorable expenditure budget to actual variance of \$2.6MM was mainly due to decreased expenditures also within the trails division as compared to budget.

Overall, when comparing actual *Excess (deficiency) of revenue* to budgeted expectations, there is a favorable variance of \$435K.

# NORTHSTAR COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**JUNE 30, 2022**

### CAPITAL ASSETS

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

Table A-4  
Capital Assets at June 30, 2022

	FY 2022	FY 2021	Dollar Change	Percentage Change
<b>Governmental Activities</b>				
Land	\$ 7,598,216	\$ 7,598,216	\$ -	0%
Work in progress				
General fund	297,698	52,522	245,176	467%
Capital projects fund	-	-	-	-
Buildings and improvements	21,365,161	21,365,161	-	0%
Equipment	1,583,423	1,563,507	19,916	1%
Vehicles and equipment	4,312,932	4,260,640	52,292	1%
Software	78,587	78,587	-	0%
	<u>35,236,017</u>	<u>34,918,633</u>	<u>317,384</u>	<u>1%</u>
Less accumulated depreciation	<u>(9,107,947)</u>	<u>(8,462,946)</u>	<u>(645,001)</u>	
Governmental activities capital assets, net	<u>26,128,070</u>	<u>26,455,687</u>	<u>(327,617)</u>	<u>-1%</u>
<b>Business-type Activities</b>				
Land	748,907	748,907	-	0%
Work in progress	-	50,565	(50,565)	-100%
Buildings and improvements	22,568,616	22,568,616	-	0%
Equipment	1,588,418	1,554,671	33,747	2%
Vehicles and equipment	874,858	874,858	-	0%
Software	258,370	258,370	-	0%
Water/sewer system	51,470,438	51,237,025	233,413	0%
	<u>77,509,607</u>	<u>77,293,012</u>	<u>216,595</u>	<u>0%</u>
Less accumulated depreciation	<u>(29,084,975)</u>	<u>(27,610,102)</u>	<u>(1,474,873)</u>	<u>5%</u>
Business-type activities capital assets, net	<u>48,424,632</u>	<u>49,682,910</u>	<u>(1,258,278)</u>	<u>-3%</u>
<b>Totals</b>	<u>\$ 74,552,702</u>	<u>\$ 76,138,597</u>	<u>\$ (1,585,895)</u>	<u>-2%</u>

As indicated by Table A-4, the combined net capital assets of Governmental and Business-type Activities decreased by \$1.6MM after considering accumulated depreciation. Governmental activities show an increase of \$317K before accumulated depreciation mostly due to an increase in *Work in progress*.

Business-type activities show an increase of \$217K before accumulated depreciation mostly due to additions to *Water/Sewer system* infrastructure.

## **NORTHSTAR COMMUNITY SERVICES DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2022**

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#### **GENERAL LONG-TERM DEBT**

The District's long-term liabilities at year-end included *Net OPEB Liability* for employees totaling \$2.4MM. The long-term portion of *Retiree Termination Benefits* is \$96K, with \$15K due within one year. *Net pension liability* totaled \$5.4MM, and long-term liabilities for *Compensated Absences* totaled \$1.5MM.

Lastly, the long-term liability of the NCSD Financing Authority (NCSD-FA), a joint exercise of Powers Authority (JPA) formed by the NCSD and the NCSD Community Facilities District #1 in 2015, totaled \$4.0MM in general long-term debt with \$110K being due within one year.

#### **DEBT WITHOUT GOVERNMENT COMMITMENT**

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

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

At June 30, 2022, the principal amount of outstanding debt for the CFD was \$97.7MM.

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

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

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

#### **REQUEST FOR INFORMATION**

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



## **BASIC FINANCIAL STATEMENTS**

# NORTHSTAR COMMUNITY SERVICES DISTRICT

## STATEMENT OF NET POSITION

**JUNE 30, 2022**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,720,405	\$ 13,579,111	\$ 19,299,516
Investments	1,829,513	9,966,248	11,795,761
Accounts receivable	1,842,341	857,719	2,700,060
Inventory	18,595	-	18,595
Due from other governments	337,552	134,600	472,152
Due from enterprise funds	517,092	-	517,092
Prepaid expenses	77	121,783	121,860
Long-Term Assets			
Net pension asset	5,435,006	-	5,435,006
Note receivable	-	2,051,806	2,051,806
Capital assets, net	26,128,070	48,424,632	74,552,702
Total assets	41,828,651	75,135,899	116,964,550
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows on OPEB	470,557	-	470,557
Deferred outflows on pensions	4,651,848	-	4,651,848
Total deferred outflows of resources	5,122,405	-	5,122,405
<b>LIABILITIES</b>			
Accounts payable	1,780,911	90,955	1,871,866
Accrued wages and related items			
Accrued liabilities	193,483	29,329	222,812
Due to internal service fund	-	517,092	517,092
Unearned revenue	320,772	3,000	323,772
Long-Term Liabilities:			
Due within one year	1,768,012	-	1,768,012
Due in longer than one year	8,257,173	-	8,257,173
Total liabilities	12,320,351	640,376	12,960,727
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows on OPEB	588,783	-	588,783
Deferred inflows on pensions	1,794,142	-	1,794,142
Total deferred inflows of resources	2,382,925	-	2,382,925
<b>NET POSITION</b>			
Net investment in capital assets	22,158,070	50,327,553	72,485,623
Restricted for capital projects	-	12,649,063	12,649,063
Unrestricted	10,089,710	11,518,907	21,608,617
Total net position	\$ 32,247,780	\$ 74,495,523	\$ 106,743,303

# NORTHSTAR COMMUNITY SERVICES DISTRICT

## STATEMENT OF ACTIVITIES

**FOR THE YEAR ENDED JUNE 30, 2022**

Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business Type Activities	
Governmental activities:						
General government	\$ 102,175	\$ -	\$ -	\$ (102,175)	\$ -	\$ (102,175)
Public safety	3,077,382	801,902	315,752	(1,959,728)	-	(1,959,728)
Streets	538,230	-	639,522	101,292	-	101,292
Trails	2,060,984	-	1,884,608	(176,376)	-	(176,376)
Unallocated depreciation	645,001	-	-	(645,001)	-	(645,001)
Total governmental activities	<u>\$ 6,423,772</u>	<u>\$ 801,902</u>	<u>\$ 2,839,882</u>	<u>(2,781,988)</u>	<u>-</u>	<u>(2,781,988)</u>
Business-type activities:						
Water	\$ 3,278,749	\$ 4,251,318	\$ 15,927		988,496	988,496
Sewer	1,876,042	3,031,990	-		1,155,948	1,155,948
Solid waste	474,461	629,067	-		154,606	154,606
Total business-type activities	<u>\$ 5,629,252</u>	<u>\$ 7,912,375</u>	<u>\$ 15,927</u>		<u>2,299,050</u>	<u>2,299,050</u>
General revenues:						
Property taxes				5,439,356	-	5,439,356
Fuels management and streets assessments				796,038	-	796,038
Capital contributions				-	127,875	127,875
Interest earnings (losses)				(264,606)	(446,819)	(711,425)
Miscellaneous revenue				262,553	112,329	374,882
Total general revenue				<u>6,233,341</u>	<u>(206,615)</u>	<u>6,026,726</u>
Change in net position				3,451,353	2,092,435	5,543,788
Net position, beginning				28,796,427	72,403,088	101,199,515
Net position, end of year				<u>\$ 32,247,780</u>	<u>\$ 74,495,523</u>	<u>\$ 106,743,303</u>

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

# NORTHSTAR COMMUNITY SERVICES DISTRICT

## BALANCE SHEET - GOVERNMENTAL FUNDS

**JUNE 30, 2022**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Building Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Assets				
Cash and cash equivalents	\$ 6,900,962	\$ 1,533,239	\$ 40	\$ 8,434,241
Investments	1,829,513	-	-	1,829,513
Accounts receivables	1,744,953	-	-	1,744,953
Due from other governments	337,552	-	-	337,552
Total Assets	<u>\$ 10,812,980</u>	<u>\$ 1,533,239</u>	<u>\$ 40</u>	<u>\$ 12,346,259</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities				
Accounts payable	\$ 614,897	\$ -	\$ -	\$ 614,897
Due to other funds	333,550	-	-	333,550
Other accrued expenses	136,201	-	-	136,201
Unearned revenue	320,772	-	-	320,772
Total Liabilities	<u>1,405,420</u>	<u>-</u>	<u>-</u>	<u>1,405,420</u>
Fund Balance				
Committed	4,106,296	1,533,239	40	5,639,575
Unassigned	5,301,264	-	-	5,301,264
Total Fund Balance	<u>9,407,560</u>	<u>1,533,239</u>	<u>40</u>	<u>10,940,839</u>
 Total Liabilities and Fund Balance	 <u>\$ 10,812,980</u>	 <u>\$ 1,533,239</u>	 <u>\$ 40</u>	 <u>\$ 12,346,259</u>

**NORTHSTAR COMMUNITY SERVICES DISTRICT**

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

**JUNE 30, 2022**

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Total Fund Balance - Governmental Funds	\$	10,940,839
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Amounts reported for governmental activities in the Statement of Net Position are different because:

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

Capital assets at cost		35,236,017
Accumulated depreciation		(9,107,947)
Net pension (liability)/asset		5,435,006

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		(1,494,127)
Retiree termination benefits		(96,378)
Other postemployment benefits		(2,412,874)
Lease revenue bonds payable		(3,970,000)
Note payable to sewer fund		(2,051,806)

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:

343,144

Long-term liabilities already recognized in internal service funds		(1,813,982)
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Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pension are reported.

Deferred outflows of resources relating to pensions		4,651,848
Deferred outflows of resources relating to OPEB		470,557
Deferred inflows of resources relating to pensions		(1,794,142)
Deferred inflows of resources relating to OPEB		(588,783)
Net deferred outflows and inflows of resources already recognized in internal service funds		(1,499,592)

Total net position - Governmental Activities:	\$	32,247,780
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**NORTHSTAR COMMUNITY SERVICES DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**

**IN FUND BALANCES – GOVERNMENTAL FUNDS**

**JUNE 30, 2022**

	General Fund	Capital Projects Fund	Building Fund	Total
<b>REVENUE</b>				
Taxes and assessments	\$ 6,235,394	\$ -	\$ -	\$ 6,235,394
Fees and other non-tax revenue	795,545	-	-	795,545
Interest	(46,100)	181,954	38	135,892
Fire mitigation fees	6,357	-	-	6,357
Grant revenue	217,844	-	-	217,844
Reimbursable revenue	2,839,882	-	-	2,839,882
Other	262,555	-	263,298	525,853
Total revenue	10,311,477	181,954	263,336	10,756,767
<b>EXPENDITURES</b>				
General government	102,175	-	-	102,175
Public safety	6,443,289	-	-	6,443,289
Streets	570,074	-	-	570,074
Trails	2,060,984	-	-	2,060,984
Building expenses	-	-	263,300	263,300
Total expenditures	9,176,522	-	263,300	9,439,822
Excess (deficiency) of revenue over expenditures	1,134,955	181,954	36	1,316,945
Net change in fund balances	1,134,955	181,954	36	1,316,945
FUND BALANCE, beginning of year	8,272,605	1,351,285	4	9,623,894
FUND BALANCE, end of year	\$ 9,407,560	\$ 1,533,239	\$ 40	\$ 10,940,839

**NORTHSTAR COMMUNITY SERVICES DISTRICT**

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

**JUNE 30, 2022**

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Net Change in Fund Balances - Governmental Funds	\$	1,316,945
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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		317,384
Depreciation expense		(645,001)

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:

228,146

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:

(9,467)

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:

2,893,531

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:

(249,688)

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:

(400,497)

Change in net position of governmental activities:	\$	<u>3,451,353</u>
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**NORTHSTAR COMMUNITY SERVICES DISTRICT**

**STATEMENT OF NET POSITION**

**PROPRIETARY – ENTERPRISE FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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<b><u>ASSETS</u></b>	<b><u>Total</u></b>
Current assets:	
Cash and cash equivalents	\$ 13,579,111
Accounts receivable	857,719
Note receivable, current portion	148,885
Due from other governments	134,600
Investments	9,966,248
Prepaid expenses	121,783
Total current assets	<u>24,808,346</u>
Noncurrent assets:	
Note receivable, net of current portion	1,902,921
Property, land and equipment	77,509,606
Less: accumulated depreciation	<u>(29,084,974)</u>
Total noncurrent assets	<u>50,327,553</u>
Total assets	<u>75,135,899</u>
 <b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	90,955
Accrued wages and related items	29,329
Unearned revenue	3,000
Due to other funds	<u>517,092</u>
Total current liabilities	<u>640,376</u>
Total liabilities	<u>640,376</u>
 <b><u>NET POSITION</u></b>	
Net investment in capital assets	50,327,553
Restricted for capital projects	12,649,063
Unrestricted	<u>11,518,907</u>
Total net position	<u>\$ 74,495,523</u>



**NORTHSTAR COMMUNITY SERVICES DISTRICT**

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

**PROPRIETARY – ENTERPRISE FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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OPERATING REVENUE	<b>Total</b>
Service charges	\$ 7,912,375
Grant revenue	15,927
Other	112,329
Total operating revenue	<u>8,040,631</u>
OPERATING EXPENSES	
Wages	562,520
Employee benefits	29,547
Insurance	77,170
Maintenance	129,381
Purchased services	1,041,292
Professional services	525,578
Utilities	301,666
Other departmental expense	1,021,623
Communications	5,052
Dues and memberships	312
Office and shop expense	65,678
Miscellaneous	394,560
Depreciation	1,474,873
Total operating expenses	<u>5,629,252</u>
Operating income (loss)	2,411,379
NONOPERATING REVENUE (EXPENSE)	
Interest revenue	(446,819)
Total nonoperating revenue (expense)	<u>(446,819)</u>
Income (loss) before capital contributions	1,964,560
CAPITAL CONTRIBUTIONS	<u>127,875</u>
CHANGE IN NET POSITION	2,092,435
NET POSITION, beginning	72,403,088
NET POSITION, end of year	<u>\$ 74,495,523</u>

# NORTHSTAR COMMUNITY SERVICES DISTRICT

## STATEMENT OF CASH FLOWS

### PROPRIETARY – ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

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#### CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 8,069,095
Payments for services and supplies	(3,575,632)
Payments of employee salaries	(554,335)
Payments of employee benefits	(29,547)
Interfund reimbursements	<u>265,675</u>
Net cash provided (used) by operating activities	<u>4,175,256</u>

#### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets	<u>(216,594)</u>
Net cash provided (used) by capital and related financing activities	<u>(216,594)</u>

#### CASH FLOWS FROM INVESTING ACTIVITIES

Sale (purchase) of investments	(2,057,339)
Interest received	<u>300,119</u>
Net cash provided (used) by investing activities	<u>(1,629,345)</u>

#### NET INCREASE (DECREASE) IN CASH

2,329,317

#### CASH AND CASH EQUIVALENTS, beginning of year

11,249,794

#### CASH AND CASH EQUIVALENTS, end of year

\$ 13,579,111

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

Operating income (loss)	\$ 2,411,379
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	1,474,873
(Increase) decrease in:	
Accounts receivable	160,203
Due from other governments	(5,592)
Prepaid expenses	1,649
Increase (decrease) in:	
Accounts payable	(14,967)
Accrued wages	8,185
Deferred revenue	(3,001)
Compensated absences	<u>142,527</u>
Net cash provided (used) by operating activities	<u>\$ 4,175,256</u>

**NORTHSTAR COMMUNITY SERVICES DISTRICT**

**STATEMENT OF NET POSITION**

**INTERNAL SERVICE FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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<b><u>ASSETS</u></b>	
Current assets:	
Cash and cash equivalents	\$ (2,713,836)
Accounts receivable	97,388
Due from other funds	850,642
Inventory	18,595
Prepaid expenses	77
Total current assets	<u>(1,747,134)</u>
Noncurrent assets:	
Net pension asset	<u>3,239,335</u>
Total assets	<u>1,492,201</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Deferred outflows on pensions	<u>2,149,161</u>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	1,166,014
Accrued wages and related items	57,282
Total current liabilities	<u>1,223,296</u>
Noncurrent liabilities:	
Compensated absences	602,754
Retiree termination benefits	96,378
Other postemployment benefits liabilities	726,221
Total noncurrent liabilities	<u>1,425,353</u>
Total liabilities	<u>2,648,649</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Deferred inflows on pensions	<u>649,569</u>
<b><u>NET POSITION</u></b>	
Unrestricted	<u>\$ 343,144</u>

**NORTHSTAR COMMUNITY SERVICES DISTRICT**

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

**INTERNAL SERVICE FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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OPERATING REVENUE

Charges for services	\$ 1,574,852
Other	<u>1,492</u>
Total operating revenue	<u>1,576,344</u>

OPERATING EXPENSES

Engineering & Utility Operations	356,624
Fleet operations & maintenance	142,326
Administrative Operations	<u>1,077,393</u>
Total operating expenses	<u>1,576,343</u>

Operating income (loss)	1
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NONOPERATING REVENUE (EXPENSE)

Investment income	(393,362)
Investment fees	<u>(7,136)</u>
Total nonoperating expenses	<u>(400,498)</u>

CHANGE IN NET POSITION	<u>(400,497)</u>
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NET POSITION, beginning	<u>743,641</u>
NET POSITION, end of year	<u>\$ 343,144</u>

# NORTHSTAR COMMUNITY SERVICES DISTRICT

## STATEMENT OF CASH FLOWS

### INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

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#### CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from internal charges	\$ 1,534,202
Cash received from other sources	1,492
Payments for employee salaries & benefits	(3,301,440)
Payments for services and supplies	<u>1,120,045</u>
Net cash provided (used) by operating activities	<u>(645,701)</u>

#### CASH FLOWS FROM NONCAPITAL ACTIVITIES

##### FINANCING ACTIVITIES

Interfund transfers	(211,167)
Interest income	(393,361)
Interest fees	(7,136)
Net cash provided (used) by capital and related financing activities	<u>(611,664)</u>

NET INCREASE (DECREASE) IN CASH	(1,257,365)
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CASH AND CASH EQUIVALENTS, beginning of year	<u>(1,456,471)</u>
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CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ (2,713,836)</u></u>
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#### RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating income (loss)	\$ 1
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) decrease in:	
Accounts receivable	(40,650)
Prepaid expenses	10,130
Inventory	(8,440)
Deferred outflows	(295,060)
Increase (decrease) in:	
Accounts payable	1,127,729
Accrued wages and related items	6,100
Compensated absences	34,590
Other postemployment benefits liabilities	108,285
Net pension liability	(1,145,080)
Deferred inflows	<u>(443,306)</u>
Net cash provided by operating activities	<u><u>\$ (645,701)</u></u>

**NORTHSTAR COMMUNITY SERVICES DISTRICT**

**STATEMENT OF NET POSITION**

**FIDUCIARY FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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	Series 2005	Series 2006	2014 Special	
<u>ASSETS</u>	Bonds	Bonds	Refunding	Total
	Bonds	Bonds	Bonds	
Cash and cash equivalents	<u>\$ 2,280,246</u>	<u>\$ 659,506</u>	<u>\$ 38,077</u>	<u>\$ 2,977,829</u>
<u>LIABILITIES</u>				
Due to others	<u>\$ 2,280,246</u>	<u>\$ 659,506</u>	<u>\$ 38,077</u>	<u>\$ 2,977,829</u>

# **NORTHSTAR COMMUNITY SERVICES DISTRICT**

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2022**

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### **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, 2022**

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### 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, 2022**

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### **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, 2022

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### 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, 2022**

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### Internal Service Funds

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

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

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

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

### Fiduciary Funds:

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

## **E. CASH AND CASH EQUIVALENTS**

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

## **F. PREPAID EXPENSES**

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

## **G. INVENTORY**

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

# **NORTHSTAR COMMUNITY SERVICES DISTRICT**

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2022**

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### **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, 2022, 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, 2022

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### I. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

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

### J. FUND BALANCE

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

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

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

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

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

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

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

# NORTHSTAR COMMUNITY SERVICES DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

### K. USE OF ESTIMATES

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

### L. PROPERTY TAX

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

## 2. CASH AND INVESTMENTS

### A. CASH AND EQUIVALENTS

The District's cash balances at June 30, 2022 are:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Fiduciary Activities</b>	<b>Total</b>
<b>Deposits:</b>				
US Bank	\$ 3,988,917	\$ 6,665,073	\$ -	\$ 10,653,990
Market	197,809	115,911	-	313,720
<b>Cash on Hand:</b>				
Petty Cash	400	-	-	400
<b>Cash with Fiscal Agent:</b>				
Wells Fargo Mello Roos	1,533,279	-	2,977,829	4,511,108
<b>Pooled Funds:</b>				
Local Agency Investment	-	6,798,127	-	6,798,127
<b>Total Cash and Equivalents</b>	<b>\$ 5,720,405</b>	<b>\$ 13,579,111</b>	<b>\$ 2,977,829</b>	<b>\$ 22,277,345</b>

#### 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, 2022**

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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, 2022 was fully insured or collateralized.

### Cash with Fiscal Agent

At June 30, 2022, funds totaling \$2,977,829 were held at Wells Fargo Bank in various accounts related to the Special Tax Bonds issued in 2005 and 2006, the Refunding Bonds issued in 2014 for the construction of facilities and payment of the Special Tax Bonds and the Lease Revenue Bonds issued in 2015 for the purpose of funding the construction of a new administration building.

### Negative Cash Balance

At June 30, 2022, the Internal Service Fund had a reported negative cash balance of \$2,713,836. 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, 2022**

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

#### Interest Rate Risk

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

As of June 30, 2022, The District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
		<u>&lt;1yr</u>	<u>1-3 yrs</u>	<u>&gt;3yrs</u>
Corporate Notes	\$ 11,498,185	\$ 1,948,015	\$ 9,444,566	\$ 105,604
US Treasury	297,576	249,271	48,305	-
Totals	<u>11,795,761</u>	<u>2,197,286</u>	<u>9,492,871</u>	<u>105,604</u>



# NORTHSTAR COMMUNITY SERVICES DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

**JUNE 30, 2022**

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### 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	\$ 172,362	\$ -	\$ 172,362
AAA	44,844	297,576	\$ 342,420
AA	59,771	-	\$ 59,771
A+	90,000	-	\$ 90,000
A	455,124	-	\$ 455,124
A-	837,283	-	\$ 837,283
BBB+	2,951,502	-	\$ 2,951,502
BBB	4,484,026	-	\$ 4,484,026
BBB-	2,403,273	-	\$ 2,403,273
Totals	<u>\$ 11,498,185</u>	<u>\$ 297,576</u>	<u>\$ 11,795,761</u>

### Concentration of Credit Risk

The District places limits on the amount it may invest in anyone issuer. At June 30, 2022, 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, 2022**

### 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, 2022:

Description	Level 1	Level 2	Level 3	Total
US Agency, Treasury & Municipal Notes (USATM):				
US Treasury Notes:	\$ 297,576	\$ -	\$ -	\$ 297,576
Corporate Notes	-	11,498,185	-	11,498,185
Total	<u>\$ 297,576</u>	<u>\$ 11,498,185</u>	<u>\$ -</u>	<u>\$ 11,795,761</u>

### **3. PROPERTY AND EQUIPMENT**

Capital assets activity for the year ended June 30, 2022, was as follows:

#### **Governmental Activities:**

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Not subject to depreciation				
Land	\$ 7,598,216	\$ -	\$ -	\$ 7,598,216
Construction In Progress				
General Fund	52,522	245,176	-	297,698
Total Not subject to Depreciation	7,650,738	245,176	-	7,895,914
Subject to Depreciation				
Buildings and Improvements	21,365,161	-	-	21,365,161
Equipment	1,563,507	19,916	-	1,583,423
Vehicles and Equipment	4,260,640	52,292	-	4,312,932
Software	78,587	-	-	78,587
Total depreciable	27,267,895	72,208	-	27,340,103
Less accumulated depreciation	(8,462,946)	(645,001)	-	(9,107,947)
Total capital assets, net	<u>\$ 26,455,687</u>	<u>\$ (327,617)</u>	<u>\$ -</u>	<u>\$ 26,128,070</u>

# NORTHSTAR COMMUNITY SERVICES DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

**JUNE 30, 2022**

### Business-Type Activities:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Not subject to depreciation				
Land	\$ 748,907	\$ -	\$ -	\$ 748,907
Construction In Progress	50,565	-	50,565	-
Total Not subject to Depreciation	799,472	-	50,565	748,907
Subject to Depreciation				
Buildings and Improvements	22,568,616	-	-	22,568,616
Equipment	1,554,671	33,747	-	1,588,418
Vehicles and Equipment	874,858	-	-	874,858
Software	258,370	-	-	258,370
Water /Sewer System	51,237,025	233,413	-	51,470,438
Total depreciable	76,493,540	267,160	-	76,760,700
Less accumulated depreciation	(27,610,102)	(1,474,873)	-	(29,084,975)
Total capital assets, net	<u>\$ 49,682,910</u>	<u>\$ (1,207,713)</u>	<u>\$ 50,565</u>	<u>\$ 48,424,632</u>

### 4. INTERFUND TRANSACTIONS

As of June 30, 2022, the interfund receivable and payable balances were as follows:

	Interfund Receivables	Interfund Payables
General Fund*	\$ -	\$ -
Northstar Water Fund	-	307,372
Martis Valley Water Fund	-	182,434
Sewer Fund	-	12,366
Solid Waste Fund	-	14,920
Internal Service Fund*	517,092	-
Total	<u>\$ 517,092</u>	<u>\$ 517,092</u>

\*Due to/from these funds of \$333,550 have been eliminated as they are combined on the Gov't Wide Financial Statements

### Interfund Transfers

There were no interfund transfers between funds.

# NORTHSTAR COMMUNITY SERVICES DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

### 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, 2022, are summarized as follows:

	<b>Miscellaneous</b>	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Monthly benefits, as a % of eligible compensation	2.70%	2.00%
Required employee contribution rates	8.000%	6.250%
Required employer contribution rates	15.300%	7.590%

	<b>Safety</b>	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	57
Monthly benefits, as a % of eligible compensation	3.0%	3.0%
Required employee contribution rates	9.000%	12.000%
Required employer contribution rates	23.710%	13.130%

# NORTHSTAR COMMUNITY SERVICES DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

**JUNE 30, 2022**

### 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, 2022, the contributions recognized as part of pension expense for the Plan were:

	<u>Miscellaneous</u>	<u>Safety</u>
Contributions -employer	\$ 560,339	\$ 663,578

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

As of June 30, 2022, Northstar Community Services District reported net pension liabilities for its proportionate share of the net pension liability of the Plans' of:

	<b>Proportionate Share of Net Pension Liability (Asset)</b>
Miscellaneous	\$ (538,244)
Safety	(763,656)
Total Net Pension Liability (Asset)	\$ (1,301,900)
Funds Held in CEPPT Trust	4,133,106
Net Pension Asset	<u>\$ (5,435,006)</u>

Northstar Community Services District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, 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, 2020 rolled forward to June 30, 2021 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, 2022 and 2021 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion - June 30, 2021	0.026720%	0.028320%
Proportion - June 30, 2022	-0.000284%	-0.021760%
Change - Increase (Decrease)	<u>-0.02700%</u>	<u>-0.05008%</u>

# NORTHSTAR COMMUNITY SERVICES DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

**JUNE 30, 2022**

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

For the year ended June 30, 2022, the District recognized pension expense of \$3,741,131 for Miscellaneous and Safety. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Total</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions subsequent to measurement date	\$ 1,223,917	\$ -
Difference between projected and actual experience	(190,828)	-
Difference in actual vs. projected contributions	1,781,761	355,740
Change in employer's proportion	912,617	1,438,402
Changes in assumptions	-	-
Net differences between projected and actual earnings on plan investments	924,381	-
<b>Total</b>	<b>\$ 4,651,848</b>	<b>\$ 1,794,142</b>

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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<b>Measurement Period Ended</b>			
<b>June 30</b>	Miscellaneous	Safety	Total
2023	\$ 322,301	\$ 245,486	\$ 567,787
2024	269,856	202,954	472,810
2025	184,004	154,265	338,269
2026	129,845	125,078	254,923
2027	-	-	-
<b>Thereafter</b>	-	-	-
	<b>\$ 906,006</b>	<b>\$ 727,783</b>	<b>\$ 1,633,789</b>

# NORTHSTAR COMMUNITY SERVICES DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

**JUNE 30, 2022**

### Actuarial Assumptions

The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions for both plans:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	7.15%	7.15%
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)	7.50%	7.50%
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

**Discount Rate** – The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including PERF C), the amortization and smoothing periods recently adopted by the Board were used. For the Plan, the crossover test was performed for a miscellaneous agent rate plan and a safety agent rate plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the rate plans, the tests revealed the assets would not run out. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for PERF C. The crossover test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained on CalPERS' website under the GASB 68 section.

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.

# NORTHSTAR COMMUNITY SERVICES DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

**JUNE 30, 2022**

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees' Retirement Fund) cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 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. 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 long-term expected real rates of return by asset class can be found in CalPERS ' Comprehensive Annual Financial Report for the fiscal year ended June 30, 2021.

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 rates of return are net of administrative expenses.

Asset Class	CalPERS		
	New Strategic Allocation	Real Return Years 1-10 (a)	Real Return Years 11+ (b)
Global Equity	47.0%	4.90%	5.38%
Fixed Income	19.0%	0.80%	2.27%
Inflation Assets	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
	<u>100.0%</u>		

(a) An expected inflation of 2.5% used for this period

(b) An expected inflation of 3.0% used for this period

### ***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the Authority's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the Authority'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:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Safety	\$ 1,976,297	\$ (763,656)	\$ (3,014,189)
Miscellaneous	1,194,889	(538,244)	(1,971,000)
Total Pension Liability (Asset)	<u>\$ 3,171,186</u>	<u>\$ (1,301,900)</u>	<u>\$ (4,985,189)</u>



# NORTHSTAR COMMUNITY SERVICES DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

**JUNE 30, 2022**

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### 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, 2022, the District had no outstanding required contributions to the pension plans.

## **7. GENERAL LONG-TERM DEBT**

### Lease Revenue Bonds

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

The District's outstanding lease revenue bonded debt as of June 30, 2022 is as follows:

<u>Amount of Original Issue</u>	<u>Outstanding July 1, 2021</u>	<u>Issued</u>	<u>Redeemed Current Year</u>	<u>Outstanding June 30, 2022</u>
<u>\$ 4,655,000</u>	<u>\$ 4,075,000</u>	<u>\$ -</u>	<u>\$ 105,000</u>	<u>\$ 3,970,000</u>

The annual requirements to amortize the current interest bonds payable, outstanding as of June 30, 2022, are as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 110,000	\$ 154,100	\$ 264,100
2024	115,000	149,700	264,700
2025	120,000	145,100	265,100
2026	125,000	140,300	265,300
2027	130,000	135,300	265,300
2028-2032	725,000	608,875	1,333,875
2033-2037	860,000	462,800	1,322,800
2038-2042	1,050,000	276,200	1,326,200
2043-2046	735,000	59,600	794,600
	<u>\$ 3,970,000</u>	<u>\$ 2,131,975</u>	<u>\$ 6,101,975</u>

# NORTHSTAR COMMUNITY SERVICES DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

**JUNE 30, 2022**

### **Note Receivable/Payable**

In January 2020, the Board of Directors approved a loan from the Enterprise Fund to the General Fund in the amount of \$2,321,577. The loan carries an annual interest rate of .77% and is to be paid off in 15 years with the final payment being due in 2035.

The annual requirements of the General Fund to pay the Enterprise Fund as of June 30, 2022, are as follows:

Year Ended June 30	Principal	Interest	Total
2023	\$ 148,885	\$ 15,560	\$ 164,445
2024	150,028	14,417	164,445
2025	151,179	13,266	164,445
2026	152,340	12,105	164,445
2027	153,509	10,936	164,445
2028-2032	785,402	36,824	822,226
2033-2035	510,463	7,478	517,941
	<u>\$ 2,051,806</u>	<u>\$ 110,586</u>	<u>\$ 2,162,392</u>

A schedule of changes in long-term liabilities for the year ended June 30, 2022 is shown below:

### **Governmental Activities**

	<b>Balance July 1, 2021</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2022</b>	<b>Due Within One Year</b>
Net OPEB Liability	\$ 2,054,901	\$ 357,973	\$ -	\$ 2,412,874	\$ -
Retiree Termination Benefits	110,104	-	13,726	96,378	15,000
Net Pension Liability/(Asset)	(1,715,807)	-	3,719,199	(5,435,006)	-
Compensated Absences	1,436,344	57,783	-	1,494,127	1,494,127
Note Payable to Sewer Fund	2,174,952	-	123,146	2,051,806	148,885
Lease Revenue Bonds	4,075,000	-	105,000	3,970,000	110,000
	<u>\$ 8,135,494</u>	<u>\$ 415,756</u>	<u>\$ 3,961,071</u>	<u>\$ 4,590,179</u>	<u>\$ 1,768,012</u>

### **8. DEBT WITHOUT GOVERNMENT COMMITMENT**

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

# NORTHSTAR COMMUNITY SERVICES DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

**JUNE 30, 2022**

receipts, disbursements and balances. These amounts are reported as agency fund transactions. The following includes information related to the outstanding debt as of June 30, 2021.

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

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

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

At June 30, 2022, the outstanding bonds consisted of the following:

Outstanding July 1, 2021	Issued	Redeemed Current Year	Outstanding June 30, 2022
\$ 48,305,000	\$ -	\$ 1,400,000	\$ 46,905,000
42,415,000	-	-	42,415,000
9,560,000	-	1,220,000	8,340,000
<u>\$ 100,280,000</u>	<u>\$ -</u>	<u>\$ 2,620,000</u>	<u>\$ 97,660,000</u>

The annual requirements to pay the bonds outstanding as of June 30, 2022 are as follows:

Year Ended June 30	Principal	Interest	Total
2023	\$ 2,915,000	\$ 3,005,423	\$ 5,920,423
2024	3,225,000	2,852,675	6,077,675
2025	3,560,000	2,683,663	6,243,663
2026	3,915,000	2,497,113	6,412,113
2027	4,290,000	2,291,958	6,581,958
2028-2032	27,950,000	18,244,343	46,194,343
2032-2037	41,500,000	9,501,443	51,001,443
2038-2039	10,305,000	515,250	10,820,250
	<u>\$ 97,660,000</u>	<u>\$ 41,591,865</u>	<u>\$ 139,251,865</u>

# NORTHSTAR COMMUNITY SERVICES DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

### 9. OTHER POSTEMPLOYMENT BENEFITS

#### A. PLAN DESCRIPTION

Northstar Community Services District participates in the California Public Employees' Retirement System (CalPERS), an agent multiple-employer defined benefit healthcare plan as permitted under the Public Employees Medical and Hospital and Care Act (PEMHCA). The District is required to contribute minimum employer contributions incurred by the CalPERS medical program for the retiree's lifetime or until coverage is discontinued. In fiscal year 2021/22, minimum employer contributions were \$143 through December 31, 2021 and \$149 through June 30, 2022 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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	9
Inactive employees entitles to but not yet receiving benefit payments	8
Active employees	40
	<u>57</u>

#### Net OPEB Liability

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

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

Salary Increases	3.00%
Investment rate of return	1.92%
Healthcare cost trend rates	7.0% in 2020 grading down to 5.0% by 2024
Inflation	2.50%
Retirement Age	From 50 to 75
Mortality	CalPERS 2017 Experience

# NORTHSTAR COMMUNITY SERVICES DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

**JUNE 30, 2022**

*Discount rate.* The discount rate used to measure the total OPEB liability was 1.92 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

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a) - (b)</b>
Balances at June 30, 2021	\$ 2,054,901	\$ -	\$ 2,054,901
Changes for the year:			
Service cost	133,310	-	133,310
Interest	53,065	-	53,065
Differences between expected and actual experience	-	-	-
Contributions - employer	-	44,616	(44,616)
Net investment income	-	-	-
Benefit payments	(44,616)	(44,616)	-
Assumption changes	216,214	-	216,214
Net changes	357,973	-	357,973
Balances at June 30, 2022	<u>\$ 2,412,874</u>	<u>\$ -</u>	<u>\$ 2,412,874</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 (0.92%) or 1-percentage-point higher (2.92%) than the current discount rate:

	<b>1% Decrease (0.92%)</b>	<b>Discount Rate (1.92%)</b>	<b>1% Increase (2.92%)</b>
Net OPEB liability (asset)	\$ 2,909,759	\$ 2,412,874	\$ 2,027,392

*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:

	<b>Healthcare Cost Trend Rates</b>		
	<b>1% Decrease</b>	<b>(Current Rate)</b>	<b>1% Increase</b>
Net OPEB liability (asset)	\$ 1,978,166	\$ 2,412,874	\$ 2,993,190

**NORTHSTAR COMMUNITY SERVICES DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2022**

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$141,835. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 14,780	\$ 472,703
Changes of assumptions	409,763	116,080
Deferred contributions	46,014	-
Total	<u>\$ 470,557</u>	<u>\$ 588,783</u>

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

<b>Year ended June 30</b>	<b>Total Deferred Outflows/(Inflows) of Resources</b>
2023	\$ (44,540)
2024	(44,540)
2025	(44,540)
2026	(42,798)
2027	(41,380)
Thereafter	53,558
Total	<u>\$ (164,240)</u>

# NORTHSTAR COMMUNITY SERVICES DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

**JUNE 30, 2022**

### 11. FUND BALANCES

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

	General Fund	Capital Projects Fund	Building Fund	Totals
Committed:				
Capital projects	\$ -	\$ 1,533,239	\$ 40	\$ 1,533,279
Fire	914,443	-	-	914,443
Snow	403,996	-	-	403,996
Roads	2,787,857	-	-	2,787,857
Total committed	4,106,296	1,533,239	40	5,639,575
Unassigned	5,301,264	-	-	5,301,264
Total Fund Balances	<u>\$ 9,407,560</u>	<u>\$ 1,533,239</u>	<u>\$ 40</u>	<u>\$ 10,940,839</u>

### 12. RISK MANAGEMENT

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

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

	SDRMA June 30, 2022	FAIRA 6/30/2021*
Total Assets	\$ 140,005,598	\$ 31,006,209
Deferred Outflows of Resources	\$ 750,427	\$ -
Total Liabilities	\$ 72,967,545	\$ 681,333
Deferred Inflows of Resources	\$ 445,351	\$ -
Net Position	\$ 67,343,129	\$ 2,351,678
Total Revenues	\$ 89,339,071	\$ 4,266,613
Total Expenses	\$ 88,339,229	\$ 4,495,678
Change in Net Position	\$ 999,842	\$ (229,065)

\*Latest audited financials available

# **NORTHSTAR COMMUNITY SERVICES DISTRICT**

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2022**

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### **14. SUBSEQUENT EVENTS**

Management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2022 through April 5, 2023, 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, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Amounts	
<b>REVENUE</b>				
Taxes and assessments	\$ 6,233,200	\$ 6,233,200	\$ 6,235,394	\$ 2,194
Fees and other non-tax revenue	582,169	582,169	795,545	213,376
Interest	145,150	145,150	(46,100)	(191,250)
Fire mitigation fees	6,000	6,000	6,357	357
Reimbursable/Grant revenues	4,712,191	5,212,191	3,057,726	(2,154,465)
Other	268,260	268,260	262,555	(5,705)
Total revenue	11,946,970	12,446,970	10,311,477	(2,135,493)
<b>EXPENDITURES</b>				
General government	186,553	186,553	102,175	84,378
Public safety	6,323,306	6,875,438	6,443,289	432,149
Streets	591,751	591,751	570,074	21,677
Trails	4,093,624	4,093,624	2,060,984	2,032,640
Total expenditures	11,195,234	11,747,366	9,176,522	2,570,844
<b>NET CHANGES IN FUND BALANCES</b>	751,736	699,604	1,134,955	435,351
<b>FUND BALANCE, beginning of year</b>	8,272,605	8,272,605	8,272,605	-
<b>FUND BALANCE, end of year</b>	<u>\$ 9,024,341</u>	<u>\$ 8,972,209</u>	<u>\$ 9,407,560</u>	<u>\$ 435,351</u>

**NORTHSTAR COMMUNITY SERVICES DISTRICT**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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

**NORTHSTAR COMMUNITY SERVICES DISTRICT**

**SCHEDULE OF PENSION CONTRIBUTIONS**

**FOR THE YEAR ENDED JUNE 30, 2022**

<b>Miscellaneous</b>	<b>June 30, 2014</b>	<b>June 30, 2015</b>	<b>June 30, 2016</b>	<b>June 30, 2017</b>	<b>June 30, 2018</b>	<b>June 30, 2019</b>	<b>June 30, 2020</b>	<b>June 30, 2021</b> <sup>(1)</sup>
Proportion of the net pension liability	0.064843%	0.068837%	0.051880%	0.064690%	0.057590%	0.057866%	0.028320%	-0.021760%
Proportionate share of the net pension liability	\$ 1,602,716	\$ 1,888,527	\$ 2,247,126	\$ 2,270,104	\$ 2,166,197	\$ 2,317,250	\$ 1,127,248	\$ (538,244)
Covered-employee payroll <sup>(2)</sup>	\$ 1,362,083	\$ 1,429,177	\$ 1,963,610	\$ 1,501,123	\$ 2,265,137	\$ 2,046,319	\$ 2,269,795	\$ 2,467,099
Proportionate share of the net pension liability as percentage of covered-employee payroll	117.67%	132.14%	114.44%	151.23%	95.63%	113.24%	49.66%	-21.82%
Plans fiduciary net position as a percentage of the total pension liability	83.03%	79.89%	79.89%	75.39%	77.69%	77.73%	77.70%	90.49%
Proportionate share of aggregate employer contributions <sup>(3)</sup>	\$ 420,688	\$ 443,802	\$ 324,538	\$ 324,538	\$ 487,911	\$ 543,987	\$ 597,486	\$ 560,339
<b>Safety</b>	<b>June 30, 2014</b>	<b>June 30, 2015</b>	<b>June 30, 2016</b>	<b>June 30, 2017</b>	<b>June 30, 2018</b>	<b>June 30, 2019</b>	<b>June 30, 2020</b>	<b>June 30, 2020</b> <sup>(1)</sup>
Proportion of the net pension liability	0.050339%	0.052768%	0.062570%	0.054110%	0.054890%	0.060606%	0.026720%	-0.000284%
Proportionate share of the net pension liability	\$ 1,889,349	\$ 2,174,274	\$ 2,802,632	\$ 3,279,883	\$ 3,319,969	\$ 3,783,349	\$ 1,886,605	\$ (763,656)
Covered-employee payroll <sup>(2)</sup>	\$ 1,579,744	\$ 1,633,321	\$ 1,666,981	\$ 1,710,712	\$ 2,403,297	\$ 2,293,671	\$ 2,642,402	\$ 2,924,636
Proportionate share of the net pension liability as percentage of covered-employee payroll	119.60%	133.12%	168.13%	191.73%	138.14%	164.95%	71.40%	-26.11%
Plans fiduciary net position as a percentage of the total pension liability	83.03%	77.28%	77.28%	71.74%	73.39%	73.37%	73.11%	86.61%
Proportionate share of aggregate employer contributions <sup>(3)</sup>	\$ 596,832	\$ 624,730	\$ 403,835	\$ 403,835	\$ 577,330	\$ 584,483	\$ 640,774	\$ 663,578

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

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

<sup>(3)</sup> 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, 2022**

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

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

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

<sup>(2)</sup> 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.

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

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

See accompanying notes to required supplementary information.

**NORTHSTAR COMMUNITY SERVICES DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**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 fifth year of implementation, only five years are currently available.

Changes in assumptions: Discount rate decreased from 2.45% to 1.92%

**C - Schedule of Proportionate Share of the Net Pension Liability**

There were no changes in assumptions.

Fiscal year 2022 was the 8th year of implementation, therefore only eight years are shown.

**D - Schedule of Pension Contributions**

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

**SUPPLEMENTARY  
INFORMATION**

**NORTHSTAR COMMUNITY SERVICES DISTRICT**

**COMBINING STATEMENT OF NET POSITION – PROPRIETARY – ENTERPRISE FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2022**

<u>ASSETS</u>	<u>Northstar</u> <u>Water</u>	<u>Martis Valley</u> <u>Water</u>	<u>Sewer</u>	<u>Solid</u> <u>Waste</u>	<u>Total</u>
Current assets:					
Cash and cash equivalents	\$ 4,802,853	\$ 3,143,568	\$ 5,569,515	\$ 63,175	\$ 13,579,111
Accounts receivable	344,263	366,899	144,584	1,973	857,719
Note receivable, current portion	-	-	148,885	-	148,885
Due from other governments	-	-	104,280	30,320	134,600
Investments	3,477,486	3,949,554	2,539,208	-	9,966,248
Prepaid expenses	58,847	-	62,936	-	121,783
Total current assets	<u>8,683,449</u>	<u>7,460,021</u>	<u>8,569,408</u>	<u>95,468</u>	<u>24,808,346</u>
Noncurrent assets:					
Note receivable, net of current portion	-	-	1,902,921	-	1,902,921
Property, land and equipment	31,589,998	33,868,894	11,411,263	639,451	77,509,606
Less: accumulated depreciation	<u>(12,718,855)</u>	<u>(8,519,847)</u>	<u>(7,745,944)</u>	<u>(100,328)</u>	<u>(29,084,974)</u>
Total noncurrent assets	<u>18,871,143</u>	<u>25,349,047</u>	<u>5,568,240</u>	<u>539,123</u>	<u>50,327,553</u>
Total assets	<u>27,554,592</u>	<u>32,809,068</u>	<u>14,137,648</u>	<u>634,591</u>	<u>75,135,899</u>
 <u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	33,485	55,457	1,924	89	90,955
Accrued wages and related items	14,344	8,527	5,739	719	29,329
Unearned revenue	-	3,000	-	-	3,000
Due to other funds	<u>307,372</u>	<u>182,434</u>	<u>12,366</u>	<u>14,920</u>	<u>517,092</u>
Total current liabilities	<u>355,201</u>	<u>249,418</u>	<u>20,029</u>	<u>15,728</u>	<u>640,376</u>
Total liabilities	<u>355,201</u>	<u>249,418</u>	<u>20,029</u>	<u>15,728</u>	<u>640,376</u>
 <u>NET POSITION</u>					
Net investment in capital assets	18,871,143	25,349,047	5,568,240	539,123	50,327,553
Restricted for capital projects	3,777,338	4,854,734	3,980,792	36,199	12,649,063
Unrestricted	<u>4,550,910</u>	<u>2,355,869</u>	<u>4,568,587</u>	<u>43,541</u>	<u>11,518,907</u>
Total net position	<u>\$ 27,199,391</u>	<u>\$ 32,559,650</u>	<u>\$ 14,117,619</u>	<u>\$ 618,863</u>	<u>\$ 74,495,523</u>



**NORTHSTAR COMMUNITY SERVICES DISTRICT**

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

**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Northstar Water</b>	<b>Martis Valley Water</b>	<b>Sewer</b>	<b>Solid Waste</b>	<b>Total</b>
<b>OPERATING REVENUE</b>					
Service charges	\$ 2,472,068	\$ 1,779,250	\$ 3,031,990	\$ 629,067	\$ 7,912,375
Other	2,472	34,011	75,846	-	112,329
Total operating revenue	<u>2,474,540</u>	<u>1,829,188</u>	<u>3,107,836</u>	<u>629,067</u>	<u>8,040,631</u>
<b>OPERATING EXPENSES</b>					
Wages	265,252	185,041	90,281	21,946	562,520
Employee benefits	3,991	3,111	22,200	245	29,547
Insurance	40,140	29,410	7,620	-	77,170
Maintenance	42,257	81,243	5,816	65	129,381
Purchased services	-	-	1,041,292	-	1,041,292
Professional services	82,781	32,787	1,134	408,876	525,578
Utilities	132,235	161,693	7,168	570	301,666
Other departmental expense	299,443	261,311	448,502	12,367	1,021,623
Communications	899	2,904	793	456	5,052
Dues and memberships	60	60	192	-	312
Office and shop expense	46,325	16,388	1,281	1,684	65,678
Rent	-	-	-	-	-
Miscellaneous	221,434	140,445	17,723	14,958	394,560
Depreciation	643,392	586,147	232,040	13,294	1,474,873
Total operating expenses	<u>1,778,209</u>	<u>1,500,540</u>	<u>1,876,042</u>	<u>474,461</u>	<u>5,629,252</u>
Operating income (loss)	696,331	328,648	1,231,794	154,606	2,411,379
<b>NONOPERATING REVENUE (EXPENSE)</b>					
Interest revenue	(154,451)	(175,890)	(116,478)	-	(446,819)
Total nonoperating revenue (expense)	<u>(154,451)</u>	<u>(175,890)</u>	<u>(116,478)</u>	<u>-</u>	<u>(446,819)</u>
Income (loss) before capital contributions	541,880	152,758	1,115,316	154,606	1,964,560
<b>CAPITAL CONTRIBUTIONS</b>	<u>-</u>	<u>127,875</u>	<u>-</u>	<u>-</u>	<u>127,875</u>
<b>CHANGE IN NET POSITION</b>	541,880	280,633	1,115,316	154,606	2,092,435
NET POSITION, beginning	26,657,511	32,279,017	13,002,303	464,257	72,403,088
NET POSITION, end of year	<u>\$ 27,199,391</u>	<u>\$ 32,559,650</u>	<u>\$ 14,117,619</u>	<u>\$ 618,863</u>	<u>\$ 74,495,523</u>

**NORTHSTAR COMMUNITY SERVICES DISTRICT**

**COMBINING STATEMENT OF CASH FLOWS – PROPRIETARY – ENTERPRISE FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Nothstar Water	Martis Valley Water	Sewer	Solid Waste	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 2,484,799	\$ 1,890,332	\$ 3,067,157	\$ 626,807	\$ 8,069,095
Payments for services and supplies	(881,883)	(721,712)	(1,533,070)	(438,967)	(3,575,632)
Payments of employee salaries	(261,130)	(183,440)	(88,432)	(21,333)	(554,335)
Payments of employee benefits	(3,991)	(3,111)	(22,200)	(245)	(29,547)
Interfund reimbursements	143,120	45,288	62,347	14,920	265,675
Net cash provided (used) by operating activities	<u>1,480,915</u>	<u>1,027,357</u>	<u>1,485,802</u>	<u>181,182</u>	<u>4,175,256</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(16,109)	(188,727)	(10,186)	(1,572)	(216,594)
Net cash provided (used) by capital and related financing activities	<u>(16,109)</u>	<u>(188,727)</u>	<u>(10,186)</u>	<u>(1,572)</u>	<u>(216,594)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Sale (purchase) of investments	(582,113)	(629,702)	(845,524)	-	(2,057,339)
Interest received	131,216	85,979	82,924	-	300,119
Net cash provided (used) by investing activities	<u>(450,897)</u>	<u>(415,848)</u>	<u>(762,600)</u>	<u>-</u>	<u>(1,629,345)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>1,013,909</b>	<b>422,782</b>	<b>713,016</b>	<b>179,610</b>	<b>2,329,317</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>3,788,944</b>	<b>2,720,786</b>	<b>4,856,499</b>	<b>(116,435)</b>	<b>11,249,794</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b><u>\$ 4,802,853</u></b>	<b><u>\$ 3,143,568</u></b>	<b><u>\$ 5,569,515</u></b>	<b><u>\$ 63,175</u></b>	<b><u>\$ 13,579,111</u></b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 696,331	\$ 328,648	\$ 1,231,794	\$ 154,606	\$ 2,411,379
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	643,392	586,147	232,040	13,294	1,474,873
(Increase) decrease in:					
Accounts receivable	10,259	64,145	86,748	(949)	160,203
Due from other governments	-	-	(4,281)	(1,311)	(5,592)
Prepaid expenses	600	1,005	44	-	1,649
Increase (decrease) in:					
Accounts payable	(16,907)	3,524	(1,593)	9	(14,967)
Accrued wages	4,122	1,601	1,849	613	8,185
Deferred revenue	-	(3,001)	-	-	(3,001)
Compensated absences	143,118	45,288	(60,799)	14,920	142,527
Net cash provided (used) by operating activities	<u>\$ 1,480,915</u>	<u>\$ 1,027,357</u>	<u>\$ 1,485,802</u>	<u>\$ 181,182</u>	<u>\$ 4,175,256</u>

**NORTHSTAR COMMUNITY SERVICES DISTRICT**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

**FIDUCIARY FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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	Balance			Balance
<u>ASSETS</u>	June 30, 2021	Receipts	Disbursements	June 30, 2022
Cash and cash equivalents				
Series 2005 Bonds	\$ 1,647,958	\$ 632,288	\$ -	\$ 2,280,246
Series 2006 Bonds	658,833	673	-	659,506
2014 Refunding Bonds	38,038	39	-	38,077
Total assets	<u>\$ 2,344,829</u>	<u>633,000</u>	<u>\$ -</u>	<u>\$ 2,977,829</u>
 <u>LIABILITIES</u>				
Due to others	<u>\$ 2,344,829</u>	<u>\$ 633,000</u>	<u>\$ -</u>	<u>\$ 2,977,829</u>