



NORTHSTAR COMMUNITY SERVICES DISTRICT

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

FOR THE FISCAL YEAR ENDED

JUNE 30, 2024

JAMES MARTA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

701 HOWE AVENUE, E3
SACRAMENTO, CA

(916) 993-9494
(916) 993-9489 FAX
WWW.JPMCPA.COM

NORTHSTAR COMMUNITY SERVICES DISTRICT

JUNE 30, 2024

BOARD OF DIRECTORS

Warren Brown - President

Mike Witherspoon – Financial Representative

Nancy Ives – Director

Marilyn Forni - Director

John Radanovich – Director

* * * *

General Manager
Mike Geary

Director of Finance and Administration
Greg Rosenthal

NORTHSTAR COMMUNITY SERVICES DISTRICT

TABLE OF CONTENTS

JUNE 30, 2024

	<u>PAGE</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	4
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements	
Balance Sheet – Governmental Funds	15
Reconciliation of the Governmental Funds Balance Sheet To the Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	18
Statement of Net Position – Proprietary – Enterprise Funds	19
Statement of Revenues, Expenses and Changes in Net Position – Proprietary – Enterprise Funds	20
Statement of Cash Flows – Proprietary – Enterprise Funds	21
Statement of Net Position – Internal Service Funds	22
Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds	23
Statement of Cash Flows – Internal Service Funds	24
Statement of Net Position – Fiduciary Funds	25
Notes to the Basic Financial Statements	26

NORTHSTAR COMMUNITY SERVICES DISTRICT

TABLE OF CONTENTS

JUNE 30, 2024

REQUIRED SUPPLEMENTARY INFORMATION

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – General Fund	53
Schedule of Changes in Net OPEB Liability and Related Ratios	54
Schedule of Proportionate Share of the Net Pension Liability	55
Schedule of Pension Contributions	56
Notes to Required Supplementary Information	57

SUPPLEMENTARY INFORMATION

Combining Statement of Net Position – Proprietary – Enterprise Funds	58
Combining Statement of Revenues, Expenses and Changes in Net Position – Proprietary – Enterprise Funds	59
Combining Statement of Cash Flows – Proprietary – Enterprise Funds	60
Statement of Changes in Assets and Liabilities – Fiduciary Funds	61



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Northstar Community Services District
Truckee, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Northstar Community Services District (the District), as of and for the year ended June 30, 2024, 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, 2024, 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.

Other Matter

Northstar Community Services District had a change in accounting policy that resulted in restating the beginning net position of the general fund for the earliest period presented to reflect the cumulative effect of the change on prior periods. The nature of the change is described in Note 11 to the financial statements.

Responsibilities of Management for the Financial Statements

Northstar Community Services District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Northstar Community Services District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Northstar Community Services District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Northstar Community Services District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of Pension Contributions be presented to

supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

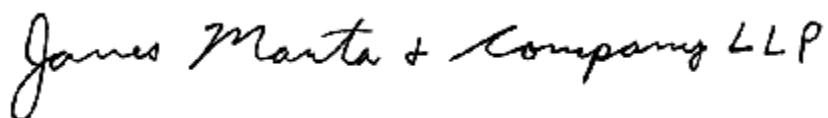
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
February 14, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis section of the Northstar Community Services District's (District or NCS D) 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, 2024. Please read it in conjunction with the District's financial statements, which follow this section.

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

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, 2024

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

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

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

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

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

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

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

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

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT

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

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

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

Table A-1
Statement of Net Position
6/30/2024

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
ASSETS						
Current assets	\$ 9,750,052	\$ 9,681,435	\$27,847,448	\$28,155,521	\$ 37,597,500	\$ 37,836,956
Capital assets	25,180,209	25,804,212	47,850,537	48,660,252	73,030,746	74,464,464
Total Assets	34,930,261	35,485,647	75,697,985	76,815,773	110,628,246	112,301,420
DEFERRED OUTFLOWS OF RESOURCES						
Total deferred outflows	5,316,167	6,964,282	-	-	5,316,167	6,964,282
LIABILITIES						
Current liabilities	4,199,867	4,022,621	188,451	2,124,102	4,388,318	6,146,723
Noncurrent liabilities	6,814,215	9,064,894	-	-	6,814,215	9,064,894
Total liabilities	11,014,082	13,087,515	188,451	2,124,102	11,202,533	15,211,617
DEFERRED INFLOWS OF RESOURCES						
Total deferred inflows	1,678,474	2,655,484	-	-	1,678,474	2,655,484
NET POSITION						
Investment in capital assets, net of related debt	21,435,209	19,130,256	47,850,537	51,228,040	69,285,746	70,358,296
Restricted for capital replacement	6,362,965	-	9,666,147	8,283,749	16,029,112	8,283,749
Unrestricted	(244,302)	7,576,674	17,992,850	15,179,882	17,748,548	22,756,556
Total net position	\$27,553,872	\$26,706,930	\$75,509,534	\$74,691,671	\$103,063,406	\$101,398,601

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

As shown in Table A-1 on the preceding page, *Total net position* amounted to \$103.4M in fiscal year 2024. 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 \$1.7M due mostly to assets increasing at a greater rate than liabilities.

Total assets for Governmental Activities decreased by \$555K due mostly to an increase in amounts *Due to other funds*. Total assets for business-type activities decreased by \$1.1M due mostly to *Note Receivable* no longer being represented in the District-wide Statements. These detailed impacts are not represented in Table A-1 but can be seen in the full STATEMENT OF NET POSITION. Overall, those impacts combined to cause a District-wide decrease in *Total Assets*.

Overall liabilities for governmental activities decreased by \$2.1M mainly due to a decrease in *Long-term Liabilities* also related to the *Note Receivable* comment above. Overall liabilities for business-type activities decreased by \$1.9M mainly due to a decrease in the amount *Due to internal service fund*. As was the case with assets, these detailed impacts can be seen in the full STATEMENT OF NET POSITION.

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

Table A-2
Statement of Activities
6/30/2024

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
REVENUE						
General Revenue						
Property taxes	\$ 6,235,174	\$ 5,944,594			\$ 6,235,174	\$ 5,944,594
Fuels management & streets assessments	1,313,963	1,267,377			1,313,963	1,267,377
Capital Contributions	-	-	\$ 386,295	\$ 94,000	386,295	94,000
Interest earnings	712,499	358,619	601,091	173,666	1,313,590	532,285
Miscellaneous	414,770	281,093	144,185	138,298	558,955	419,391
Total general revenue	8,676,406	7,851,683	1,131,571	405,964	9,807,977	8,257,647
Program Revenues						
Charges for services	625,214	776,831	8,454,060	8,187,399	9,079,274	8,964,230
Operating Grants and Contributions	887,003	3,015,061	-	203,900	887,003	3,218,961
Total program revenue	1,512,217	3,791,892	8,454,060	8,391,299	9,966,277	12,183,191
Total revenue	10,188,623	11,643,575	9,585,631	8,797,263	19,774,254	20,440,838
EXPENSES						
General government	113,901	109,213			113,901	109,213
Public safety	4,549,522	9,661,796			4,549,522	9,661,796
Streets	316,824	4,213,223			316,824	4,213,223
Trails	774,614	2,551,553			774,614	2,551,553
Unallocated depreciation	649,224	648,640			649,224	648,640
Water, Sewer, and Solid Waste			8,767,765	8,601,115	8,767,765	8,601,115
Total expenses	6,404,085	17,184,425	8,767,765	8,601,115	15,171,850	25,785,540
CHANGE IN NET POSITION	3,784,538	(5,540,850)	817,866	196,148	4,602,404	(5,344,702)
NET POSITION, beginning of year	26,706,930	32,247,780	74,691,668	74,495,523	101,398,598	106,743,303
NET POSITION, end of year	\$ 27,553,872	\$ 26,706,930	\$ 75,509,534	\$ 74,691,671	\$ 103,063,406	\$ 101,398,601

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

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

Governmental activities:

General revenue increased in part due to *Property taxes* and *Fuels management & streets assessments* which increased 4.9% and 3.7%, respectively. Those changes in property and parcel tax coupled with a 98.7% increase in *Interest earnings* and a 47.6% increase in *Miscellaneous* ultimately resulted in an \$825K increase in *Total general revenue*.

Program revenues decreased by 60.1% due to a decrease in *Operating Grants and Contributions*. Overall expenses decreased by 62.7% due mostly to approximately \$3.9M in expenditures associated with the 2022 Roads Reconstruction Project that were recognized in the prior year.

Business-Type activities:

General revenue increased by 178.7% mainly due to a \$427K increase in *Interest earnings* while *Program revenues* showed an increase of 0.8% due to both a \$267K increase in *Charges for services* and a \$204K decrease in *Operating Grants and Contributions*. Overall, expenses across the water, sewer, and solid waste divisions were 1.9% higher than the prior year due increases in *Purchased services*, *Utilities*, and *Office and shop expense* when combined total \$442K. Detailed expense impacts are not represented in Table A-2 but may be viewed in the STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION for PROPRIETARY – ENTERPRISE FUNDS.

BUDGETARY HIGHLIGHTS

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

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

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

Table A-3
Budget vs. Actual - General Fund
6/30/2024

	Budget		Actual		Variance	
					Favorable / (Unfavorable)	
	2024	2023	2024	2023	2024	2023
Revenue						
Taxes and assessments	\$ 7,383,100	\$ 6,826,200	\$ 7,549,137	\$ 7,211,971	\$ 166,037	\$ 385,771
Fees and other non-tax revenue	632,891	556,517	613,959	778,579	(18,932)	222,062
Interest	66,820	108,180	316,213	168,467	249,393	60,287
Fire mitigation fees	4,000	4,000	11,255	(1,748)	7,255	(5,748)
Reimbursable/Grant revenues	4,454,055	4,542,004	1,425,674	3,015,061	(3,028,381)	(1,526,943)
Other	275,560	269,410	806,962	281,283	531,402	11,873
Total revenue	12,816,426	12,306,311	10,723,200	11,453,613	(2,093,226)	(852,698)
Expenditures						
General Government	125,198	93,606	113,901	109,213	11,297	(15,607)
Public Safety	10,535,472	14,569,380	7,201,270	7,604,499	3,334,202	6,964,881
Streets	426,356	4,134,645	316,824	4,178,253	109,532	(43,608)
Trails	907,366	2,958,129	774,614	2,551,553	132,752	406,576
Total expenditures	11,994,392	21,755,760	8,406,609	14,443,518	3,587,783	7,312,242
Excess (deficiency) of revenue over expenditures before other sources	822,034	(9,449,449)	2,316,591	(2,989,905)	1,494,557	6,459,544
Excess (deficiency) of revenue and other sources over expenditures	\$ 822,034	\$ (9,449,449)	\$ 2,316,591	\$ (3,334,478)	\$ 1,494,557	\$ 6,114,971

The District budgeted \$12.8M in general fund revenue and recognized \$10.7M. The District budgeted \$12.0M in general fund expenditures and recognized \$8.4M.

The unfavorable revenue budget to actual variance of \$2.1MM was mainly due to *Reimbursable/Grant revenues* being \$3.0MM under budget due to grant funded work associated with the Wood Energy Facility within the Fuels Management division being less than anticipated. The favorable expenditure budget to actual variance of \$3.6MM was also related to the Wood Energy Facility for which expenditures were less than budgeted.

Overall, when comparing actual *Excess (deficiency) of revenue* (excluding *other sources*) to budgeted expectations, there is a favorable variance of \$1.5M.

CAPITAL ASSETS

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

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

Table A-4
Capital Assets at June 30, 2024

	FY 2024	FY 2023	Dollar Change	Percentage Change
Governmental Activities				
Land	\$ 7,598,216	\$ 7,598,216	\$ -	0%
Work in progress				
General fund	793,775	614,115	179,660	29%
Capital projects fund	-	-	-	-
Buildings and improvements	21,374,625	21,365,161	9,464	0%
Equipment	1,674,212	1,591,788	82,424	5%
Vehicles and equipment	3,494,980	4,312,932	(817,952)	-19%
Software	78,587	78,587	-	0%
	<u>35,014,395</u>	<u>35,560,799</u>	<u>(546,404)</u>	<u>-2%</u>
Less accumulated depreciation	<u>(9,834,186)</u>	<u>(9,756,587)</u>	<u>(77,599)</u>	
Governmental activities capital assets, net	<u>25,180,209</u>	<u>25,804,212</u>	<u>(624,003)</u>	<u>-2%</u>
Business-type Activities				
Land	748,907	748,907	-	0%
Work in progress	6,610	253,263	(246,653)	-97%
Buildings and improvements	22,955,503	22,758,798	196,705	1%
Equipment	1,608,177	1,608,177	-	0%
Vehicles and equipment	949,333	874,858	74,475	9%
Software	258,370	258,370	-	0%
Water/sewer system	53,186,650	52,647,600	539,050	1%
	<u>79,713,550</u>	<u>79,149,973</u>	<u>563,577</u>	<u>1%</u>
Less accumulated depreciation	<u>(31,863,013)</u>	<u>(30,489,721)</u>	<u>(1,373,292)</u>	<u>5%</u>
Business-type activities capital assets, net	<u>47,850,537</u>	<u>48,660,252</u>	<u>(809,715)</u>	<u>-2%</u>
Totals	<u>\$ 73,030,746</u>	<u>\$ 74,464,464</u>	<u>\$ (1,433,718)</u>	<u>-2%</u>

As indicated by Table A-4, the combined net capital assets of Governmental and Business-type Activities decreased by \$1.4M after considering accumulated depreciation. Governmental activities show a decrease of \$546K before accumulated depreciation mostly due to the sale of a ladder truck during the year.

Business-type activities show an increase of \$564K before accumulated depreciation mostly due to additions to *Water/Sewer system* infrastructure.

NORTHSTAR COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

GENERAL LONG-TERM DEBT

The District's long-term liabilities at year-end included *Net OPEB Liability* for employees totaling \$2.7M. The long-term portion of *Retiree Termination Benefits* is \$60K, with \$15K due within one year. *Net pension liability* totaled \$690K, and long-term liabilities for *Compensated Absences* totaled \$1.7M.

Lastly, the long-term liability of the NCSD Financing Authority (NCSD-FA), a joint exercise of Powers Authority (JPA) formed by the NCSD and the NCSD Community Facilities District #1 in 2015, totaled \$3.7M in general long-term debt with \$120K 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, 2024, the principal amount of outstanding debt for the CFD was \$91.5MM.

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 first 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, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 7,255,843	\$ 14,472,268	\$ 21,728,111
Investments	2,129,659	11,654,302	13,783,961
Accounts receivable	508,073	930,117	1,438,190
Inventory	17,055	-	17,055
Due from other governments	390,698	144,232	534,930
Due from/(to) other funds	(551,733)	551,733	-
Prepaid expenses	457	94,796	95,253
Long-Term Assets			
Capital assets, net	25,180,209	47,850,537	73,030,746
Total assets	34,930,261	75,697,985	110,628,246
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows on OPEB	1,005,308	-	1,005,308
Deferred outflows on pensions	4,310,859	-	4,310,859
Total deferred outflows of resources	5,316,167	-	5,316,167
LIABILITIES			
Accounts payable	1,662,793	162,245	1,825,038
Accrued wages and related items			
Accrued liabilities	138,508	25,167	163,675
Unearned revenue	330,748	1,039	331,787
Long-Term Liabilities:			
Due within one year	2,067,818	-	2,067,818
Due in longer than one year	6,814,215	-	6,814,215
Total liabilities	11,014,082	188,451	11,202,533
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on OPEB	1,061,316	-	1,061,316
Deferred inflows on pensions	617,158	-	617,158
Total deferred inflows of resources	1,678,474	-	1,678,474
NET POSITION			
Net investment in capital assets	21,435,209	47,850,537	69,285,746
Restricted	6,362,965	9,666,147	16,029,112
Unrestricted	(244,302)	17,992,850	17,748,548
Total net position	\$ 27,553,872	\$ 75,509,534	\$ 103,063,406

NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental activities:						
General government	\$ 113,901	\$ -	\$ -	\$ (113,901)	\$ -	\$ (113,901)
Public safety	4,549,522	625,214	195,716	(3,728,592)	-	(3,728,592)
Streets	316,824	-	158,901	(157,923)	-	(157,923)
Trails	774,614	-	532,386	(242,228)	-	(242,228)
Unallocated depreciation	649,224	-	-	(649,224)	-	(649,224)
Total governmental activities	<u>\$ 6,404,085</u>	<u>\$ 625,214</u>	<u>\$ 887,003</u>	<u>(4,891,868)</u>	<u>-</u>	<u>(4,891,868)</u>
Business-type activities:						
Water	\$ 5,344,854	\$ 4,536,299	\$ -		(808,555)	(808,555)
Sewer	2,657,962	3,244,175	-		586,213	586,213
Solid waste	764,949	673,586	-		(91,363)	(91,363)
Total business-type activities	<u>\$ 8,767,765</u>	<u>\$ 8,454,060</u>	<u>\$ -</u>		<u>(313,705)</u>	<u>(313,705)</u>
General revenues:						
Property taxes				6,235,174	-	6,235,174
Fuels management and streets assessments				1,313,963	-	1,313,963
Capital contributions				-	386,295	386,295
Interest earnings (losses)				712,499	601,091	1,313,590
Gain on disposal of fixed asset				145,589	-	145,589
Miscellaneous revenue				269,181	144,185	413,366
Total general revenue				<u>8,676,406</u>	<u>1,131,571</u>	<u>9,807,977</u>
Change in net position				3,784,538	817,866	4,602,404
Net position, beginning, as reported				26,706,930	74,691,668	101,398,598
Prior period adjustment (See Note 11)				(2,937,596)	-	(2,937,596)
Net position, beginning, as restated				<u>23,769,334</u>	<u>74,691,668</u>	<u>98,461,002</u>
Net position, end of year				<u>\$ 27,553,872</u>	<u>\$ 75,509,534</u>	<u>\$ 103,063,406</u>

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

NORTHSTAR COMMUNITY SERVICES DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2024

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Building Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Assets				
Cash and cash equivalents	\$ 6,558,272	\$ 1,653,614	\$ 638	\$ 8,212,524
Investments	2,129,659	-	-	2,129,659
Accounts receivables	322,650	-	-	322,650
Due from other funds	39,709	-	-	39,709
Due from other governments	390,698	-	-	390,698
Total Assets	<u>\$ 9,440,988</u>	<u>\$ 1,653,614</u>	<u>\$ 638</u>	<u>\$ 11,095,240</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$ 199,373	\$ -	\$ -	\$ 199,373
Payable to sewer fund	2,567,235	-	-	2,567,235
Other accrued expenses	70,776	-	-	70,776
Unearned revenue	330,748	-	-	330,748
Total Liabilities	<u>3,168,132</u>	<u>-</u>	<u>-</u>	<u>3,168,132</u>
Fund Balance				
Committed	3,925,952	-	-	3,925,952
Restricted	4,708,713	1,653,614	638	6,362,965
Unassigned	(2,361,809)	-	-	(2,361,809)
Total Fund Balance	<u>6,272,856</u>	<u>1,653,614</u>	<u>638</u>	<u>7,927,108</u>
Total Liabilities and Fund Balance	<u>\$ 9,440,988</u>	<u>\$ 1,653,614</u>	<u>\$ 638</u>	<u>\$ 11,095,240</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

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

JUNE 30, 2024

Total Fund Balance - Governmental Funds	\$	7,927,108
---	----	-----------

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		35,014,395
Accumulated depreciation		(9,834,186)

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		(1,677,593)
Retiree termination benefits		(60,400)
Other postemployment benefits		(2,709,291)
Lease revenue bonds payable		(3,745,000)
Net pension (liability)/asset		(689,749)

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:

726,731

Long-term liabilities already recognized in internal service funds		592,883
--	--	---------

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		4,310,859
Deferred outflows of resources relating to OPEB		1,005,308
Deferred inflows of resources relating to pensions		(617,158)
Deferred inflows of resources relating to OPEB		(1,061,316)
Net deferred outflows and inflows of resources already recognized in internal service funds		(1,628,719)

Total net position - Governmental Activities:	\$	27,553,872
---	----	------------

NORTHSTAR COMMUNITY SERVICES DISTRICT

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

JUNE 30, 2024

	General Fund	Capital Projects Fund	Building Fund	Total
REVENUE				
Taxes and assessments	\$ 7,549,137	\$ -	\$ -	\$ 7,549,137
Fees and other non-tax revenue	613,959	-	-	613,959
Interest	316,213	75,159	75,394	466,766
Fire mitigation fees	11,255	-	-	11,255
Grant revenue	137,603	-	-	137,603
Reimbursable revenue	1,108,850	-	-	1,108,850
Other	344,462	-	189,419	533,881
Total revenue	10,081,479	75,159	264,813	10,421,451
EXPENDITURES				
General government	113,901	-	-	113,901
Public safety	7,201,270	-	-	7,201,270
Streets	316,824	-	-	316,824
Trails	774,614	-	-	774,614
Building expenses	-	-	264,700	264,700
Total expenditures	8,406,609	-	264,700	8,671,309
Excess (deficiency) of revenue over expenditures	1,674,870	75,159	113	1,750,142
OTHER FINANCING SOURCES (USES)				
Other financing sources	462,500	-	-	462,500
Other financing uses	-	-	-	-
Net change in fund balances	2,137,370	75,159	113	2,212,642
FUND BALANCE, beginning of year, as reported	7,073,082	1,578,455	525	8,652,062
Prior period adjustment (See Note 11)	(2,937,596)	-	-	(2,937,596)
FUND BALANCE, as restated	4,135,486	1,578,455	525	5,714,466
FUND BALANCE, end of year	\$ 6,272,856	\$ 1,653,614	\$ 638	\$ 7,927,108

NORTHSTAR COMMUNITY SERVICES DISTRICT

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

JUNE 30, 2024

Net Change in Fund Balances - Governmental Funds	\$ 2,212,642
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	342,132
Depreciation expense	(649,224)
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:	
	2,928,956
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:	
	(55,169)
Gain or loss from disposal of capital assets: In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss is:	
	(316,911)
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:	
	(855,594)
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:	
	(68,027)
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:	
	<u>245,733</u>
Change in net position of governmental activities:	<u>\$ 3,784,538</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF NET POSITION

PROPRIETARY – ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

ASSETS

Current assets:

Cash and cash equivalents	\$ 14,472,268
Accounts receivable	930,117
Due from general fund, current portion	255,225
Due from other governments	144,232
Investments	11,654,302
Prepaid expenses	94,796
Total current assets	<u>27,550,940</u>

Noncurrent assets:

Due from general fund, net of current portion	2,312,010
Property, land and equipment	79,713,547
Less: accumulated depreciation	<u>(31,863,010)</u>
Total noncurrent assets	<u>50,162,547</u>
Total assets	<u>77,713,487</u>

LIABILITIES

Current liabilities:

Accounts payable	162,245
Accrued wages and related items	25,167
Unearned revenue	1,039
Due to other funds	<u>2,015,502</u>
Total current liabilities	<u>2,203,953</u>
Total liabilities	<u>2,203,953</u>

NET POSITION

Net investment in capital assets	47,850,537
Restricted for capital projects	9,666,147
Unrestricted	<u>17,992,850</u>
Total net position	<u>\$ 75,509,534</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

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

PROPRIETARY – ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

OPERATING REVENUE

Service charges	\$ 8,454,060
Other	<u>144,185</u>
Total operating revenue	<u>8,598,245</u>

OPERATING EXPENSES

Wages	627,407
Employee benefits	32,796
Insurance	123,610
Maintenance	148,771
Purchased services	1,209,695
Professional services	583,043
Utilities	404,914
Internal service fund reimbursement	3,694,139
Communications	3,900
Dues and memberships	120
Office and shop expense	264,092
Miscellaneous	301,987
Depreciation	<u>1,373,291</u>
Total operating expenses	<u>8,767,765</u>

Operating income (loss)	(169,520)
-------------------------	-----------

NONOPERATING REVENUE (EXPENSE)

Interest revenue	<u>601,091</u>
Total nonoperating revenue (expense)	<u>601,091</u>
Income (loss) before capital contributions	431,571

CAPITAL CONTRIBUTIONS

386,295

CHANGE IN NET POSITION

817,866

NET POSITION, beginning

74,691,668

NET POSITION, end of year

\$ 75,509,534

NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY – ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 8,484,582
Payments for services and supplies	(7,122,008)
Payments of employee salaries	(627,050)
Payments of employee benefits	(32,796)
Interfund reimbursements	740,813
Net cash provided (used) by operating activities	<u>1,443,541</u>

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

Acquisition and construction of capital assets	<u>(563,578)</u>
Net cash provided (used) by capital and related financing activities	<u>(563,578)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Sale (purchase) of investments	(874,319)
Interest received	380,746
Net cash provided (used) by investing activities	<u>(107,278)</u>

NET INCREASE (DECREASE) IN CASH 772,685

CASH AND CASH EQUIVALENTS, beginning of year 13,699,583

CASH AND CASH EQUIVALENTS, end of year \$ 14,472,268

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

Operating income (loss)	\$ (169,520)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	1,373,291
(Increase) decrease in:	
Accounts receivable	138,376
Due from other governments	(4,857)
Prepaid expenses	26,400
Increase (decrease) in:	
Accounts payable	(414,137)
Accrued wages	357
Deferred revenue	(461)
Compensated absences	494,092
Net cash provided (used) by operating activities	<u><u>\$ 1,443,541</u></u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ (956,681)
Accounts receivable	185,423
Due from other funds	1,975,793
Inventory	17,055
Prepaid expenses	457
Total current assets	<u>1,222,047</u>
Noncurrent assets:	
Net pension asset	<u>1,288,010</u>
Total assets	<u>2,510,057</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflows on pensions	<u>2,214,816</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	1,463,420
Accrued wages and related items	<u>67,732</u>
Total current liabilities	<u>1,531,152</u>
Noncurrent liabilities:	
Compensated absences	818,258
Retiree termination benefits	60,400
Other postemployment benefits liabilities	<u>1,002,235</u>
Total noncurrent liabilities	<u>1,880,893</u>
Total liabilities	<u>3,412,045</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflows on pensions	<u>586,097</u>
<u>NET POSITION</u>	
Restricted	3,162,174
Unrestricted	<u>(2,435,443)</u>
Total Net Position	<u>\$ 726,731</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

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

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

OPERATING REVENUE

Charges for services	\$ 5,232,216
Other	2,743
Total operating revenue	<u>5,234,959</u>

OPERATING EXPENSES

Engineering & Utility Operations	2,164,536
Fleet operations & maintenance	154,688
Administrative Operations	2,915,735
Total operating expenses	<u>5,234,959</u>

Operating income (loss) -

NONOPERATING REVENUE (EXPENSE)

Investment income	252,531
Investment fees	(6,798)
Total nonoperating expenses	<u>245,733</u>

CHANGE IN NET POSITION 245,733

NET POSITION, beginning	<u>480,998</u>
NET POSITION, end of year	<u>\$ 726,731</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from internal charges	\$ 5,179,607
Cash received from other sources	2,743
Payments for employee salaries & benefits	(3,915,575)
Payments for services and supplies	<u>(662,972)</u>
Net cash provided (used) by operating activities	<u>603,803</u>

CASH FLOWS FROM NONCAPITAL ACTIVITIES

FINANCING ACTIVITIES

Interfund transfers	(913,342)
Interest income	252,531
Interest fees	(6,798)
Net cash provided (used) by capital and related financing activities	<u>(667,609)</u>

NET INCREASE (DECREASE) IN CASH (63,806)

CASH AND CASH EQUIVALENTS, beginning of year (892,875)

CASH AND CASH EQUIVALENTS, end of year \$ (956,681)

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

Operating income (loss)	\$ -
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) decrease in:	
Accounts receivable	(52,609)
Prepaid expenses	(377)
Inventory	506
Deferred outflows	649,213
Increase (decrease) in:	
Accounts payable	74,588
Accrued wages and related items	29,693
Compensated absences	92,975
Other postemployment benefits liabilities	42,675
Net pension liability	69,782
Deferred inflows	<u>(302,643)</u>
Net cash provided by operating activities	<u><u>\$ 603,803</u></u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF NET POSITION

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	Series 2005	Series 2006	2014 Special	
<u>ASSETS</u>	Bonds	Bonds	Refunding	Total
	Bonds	Bonds	Bonds	
Cash and cash equivalents	<u>\$ 2,021,103</u>	<u>\$ 711,283</u>	<u>\$ 41,067</u>	<u>\$ 2,773,453</u>
<u>LIABILITIES</u>				
Due to others	<u>\$ 2,021,103</u>	<u>\$ 711,283</u>	<u>\$ 41,067</u>	<u>\$ 2,773,453</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024, 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, 2024

N. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

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

O. FUND BALANCE

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

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

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

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

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

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

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

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

P. USE OF ESTIMATES

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

Q. PROPERTY TAX

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

2. CASH AND INVESTMENTS

A. CASH AND EQUIVALENTS

The District's cash balances at June 30, 2024 are:

	Governmental Activities	Business-Type Activities	Fiduciary Activities	Total
Deposits:				
US Bank	\$ 5,577,255	\$ 12,571,973	\$ -	\$ 18,149,228
Charles Schwab Money Market	23,937	35,872	-	59,809
Cash on Hand:				
Petty Cash	400	-	-	400
Cash with Fiscal Agent:				
Wells Fargo Mello Roos Funds	1,654,251	-	2,773,453	4,427,704
Pooled Funds:				
Local Agency Investment Fund	-	1,864,423	-	1,864,423
Total Cash and Equivalents	<u>\$ 7,255,843</u>	<u>\$ 14,472,268</u>	<u>\$ 2,773,453</u>	<u>\$ 24,501,564</u>

Pooled Funds:

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

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024 was fully insured or collateralized.

Cash with Fiscal Agent

At June 30, 2024, funds totaling \$4,427,704 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, 2024, the Internal Service Fund had a reported negative cash balance of \$956,681. 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, 2024

B. INVESTMENTS

Authorized Deposits/Investments

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

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

Interest Rate Risk

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

As of June 30, 2024, The District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
		<u><1yr</u>	<u>1-3 yrs</u>	<u>>3yrs</u>
Corporate Notes	\$ 11,775,181	\$ 5,977,342	\$ 5,644,042	\$ 153,797
US Treasury	2,008,780	648,432	1,360,348	-
Totals	<u>\$ 13,783,961</u>	<u>\$ 6,625,774</u>	<u>\$ 7,004,390</u>	<u>\$ 153,797</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

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	\$ 172,088	\$ -	\$ 172,088
AAA	-	2,008,780	2,008,780
AA+	94,999	-	94,999
AA-	330,718	-	330,718
AA	24,986	-	24,986
A+	486,041	-	486,041
A	865,518	-	865,518
A-	714,462	-	714,462
BBB+	4,186,374	-	4,186,374
BBB	3,734,838	-	3,734,838
BBB-	1,165,157	-	1,165,157
Totals	<u>\$ 11,775,181</u>	<u>\$ 2,008,780</u>	<u>\$ 13,783,961</u>

Concentration of Credit Risk

The District places limits on the amount it may invest in anyone issuer. At June 30, 2024, 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, 2024

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, 2024:

Description	Level 1	Level 2	Level 3	Total
US Agency, Treasury & Municipal Notes (USATM):				
US Treasury Notes:	\$ 2,008,780	\$ -	\$ -	\$ 2,008,780
Corporate Notes	-	11,775,181	-	11,775,181
Total	<u>\$ 2,008,780</u>	<u>\$ 11,775,181</u>	<u>\$ -</u>	<u>\$ 13,783,961</u>

3. PROPERTY AND EQUIPMENT

Capital assets activity for the year ended June 30, 2024, was as follows:

Governmental Activities:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Not subject to depreciation				
Land	\$ 7,598,216	\$ -	\$ -	\$ 7,598,216
Construction In Progress				
General Fund	614,115	179,660	-	793,775
Total Not subject to Depreciation	8,212,331	179,660	-	8,391,991
Subject to Depreciation				
Buildings and Improvements	21,365,161	9,464	-	21,374,625
Equipment	1,591,788	82,424	-	1,674,212
Vehicles and Equipment	4,312,932	70,584	888,536	3,494,980
Software	78,587	-	-	78,587
Total depreciable	27,348,468	162,472	888,536	26,622,404
Less accumulated depreciation	(9,756,587)	(649,224)	(571,625)	(9,834,186)
Total capital assets, net	<u>\$ 25,804,212</u>	<u>\$ (307,092)</u>	<u>\$ 316,911</u>	<u>\$ 25,180,209</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

Business-Type Activities:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Not subject to depreciation				
Land	\$ 748,907	\$ -	\$ -	\$ 748,907
Construction In Progress	253,263	6,610	253,263	6,610
Total Not subject to Depreciation	1,002,170	6,610	253,263	755,517
Subject to Depreciation				
Buildings and Improvements	22,758,798	196,705	-	22,955,503
Equipment	1,608,177	-	-	1,608,177
Vehicles and Equipment	874,858	74,475	-	949,333
Software	258,370	-	-	258,370
Water /Sewer System	52,647,600	539,050	-	53,186,650
Total depreciable	78,147,803	810,230	-	78,958,033
Less accumulated depreciation	(30,489,721)	(1,373,292)	-	(31,863,013)
Total capital assets, net	<u>\$ 48,660,252</u>	<u>\$ (556,452)</u>	<u>\$ 253,263</u>	<u>\$ 47,850,537</u>

4. INTERFUND TRANSACTIONS

As of June 30, 2024, the interfund receivable and payable balances were as follows:

	Interfund Receivables	Interfund Payables
General Fund*	\$ -	\$ -
Northstar Water Fund	-	793,267
Martis Valley Water Fund	-	418,765
Sewer Fund	-	726,386
Solid Waste Fund	-	77,084
Internal Service Fund*	2,015,502	-
Subtotal	2,015,502	2,015,502
Interfund receivable/payable**	(2,567,235)	2,567,235
Total	<u>\$ (551,733)</u>	<u>\$ 551,733</u>

*Due to/from these funds of \$451,574 have been eliminated as they are combined on the Gov't Wide Financial Statements

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

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

Interfund Receivable/Payable

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

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

The annual requirements of the General Fund to pay the Enterprise Fund as of June 30, 2024, are as follows:

Year Ended June 30	Principal	Interest	Total
2025	\$ 255,225	\$ 88,486	\$ 343,711
2026	264,022	79,689	343,711
2027	273,122	70,589	343,711
2028	282,536	61,175	343,711
2029	292,274	51,437	343,711
2030-2034	1,008,143	129,669	1,137,813
2035	191,912	6,615	198,526
	<u>\$ 2,567,235</u>	<u>\$ 487,660</u>	<u>\$ 3,054,895</u>

Interfund Transfers

There were no interfund transfers between funds.

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Monthly benefits, as a % of eligible compensation	2.70%	2.00%
Required employee contribution rates	8.000%	6.250%
Required employer contribution rates	17.340%	7.680%

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	57
Monthly benefits, as a % of eligible compensation	3.0%	3.0%
Required employee contribution rates	9.000%	12.000%
Required employer contribution rates	27.110%	13.540%
Required employer contribution rates (Second Tier)	24.150%	N/A

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024, the contributions recognized as part of pension expense for the Plan were:

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

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

As of June 30, 2024, Northstar Community Services District reported net pension liabilities for its proportionate share of the net pension liability of the Plans' of:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 1,994,937
Safety	3,403,525
Total Net Pension Liability	\$ 5,398,462
Funds Held in CEPPT Trust	4,708,713
Net Pension Liability	<u>\$ 689,749</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, 2022, 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, 2022 rolled forward to June 30, 2023 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, 2024 and 2023 was as follows:

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

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

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

For the year ended June 30, 2024, the District recognized pension expense of \$2,807,063 for Miscellaneous and Safety. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,177,312	\$ -
Difference between projected and actual experience	351,794	37,202
Difference in actual vs. projected contributions	31,858	579,956
Change in employer's proportion	1,642,048	-
Changes in assumptions	319,078	-
Net differences between projected and actual earnings on plan investments	788,769	-
Total	<u>\$ 4,310,859</u>	<u>\$ 617,158</u>

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, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Period Ended			
June 30	Miscellaneous	Safety	Total
2025	\$ 542,139	\$ 603,750	\$ 1,145,889
2026	330,549	366,243	696,792
2027	277,750	373,690	651,440
2028	9,268	13,000	22,268
2029	-	-	-
Thereafter	-	-	-
	<u>\$ 1,159,706</u>	<u>\$ 1,356,683</u>	<u>\$ 2,516,389</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

Actuarial Assumptions

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

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2022	June 30, 2022
Measurement Date	June 30, 2023	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	6.90%	6.90%
Inflation	2.75%	2.75%
Payroll Growth Rate	3.00%	3.00%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return (1)	6.80%	6.80%
Mortality	Based on the 2010 CalPERS Experience Study for the period from 1997 to 2007	Based on the 2010 CalPERS Experience Study for the period from 1997 to 2007

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

All other actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

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

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

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

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

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

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

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

Asset Class	Assumed Asset Allocation	Real Return Years 1 - 10 (1,2)
Global Equity - cap-weighted	30.0%	4.45%
Global Equity - non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%

(1) An expected inflation of 2.30% used for this period

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

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

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

As of June 30, 2024, the discount rate comparison was the following:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Safety	\$ 4,182,645	\$ 1,994,937	\$ 194,267
Miscellaneous	6,720,960	3,403,525	691,285
Total Pension Liability	<u>\$ 10,903,605</u>	<u>\$ 5,398,462</u>	<u>\$ 885,552</u>

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan

As of June 30, 2024, the District had no outstanding required contributions to the pension plans.

6. GENERAL LONG-TERM DEBT

Lease Revenue Bonds

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

The District's outstanding lease revenue bonded debt as of June 30, 2024 is as follows:

Amount of Original Issue	Outstanding July 1, 2023	Issued	Redeemed Current Year	Outstanding June 30, 2024
<u>\$ 4,655,000</u>	<u>\$ 3,860,000</u>	<u>\$ -</u>	<u>\$ 115,000</u>	<u>\$ 3,745,000</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

The annual requirements to amortize the current interest bonds payable, outstanding as of June 30, 2024, are as follows:

Year Ended June 30	Principal	Interest	Total
2025	\$ 120,000	\$ 145,100	\$ 265,100
2026	125,000	140,300	265,300
2027	130,000	135,300	265,300
2028	135,000	131,238	266,238
2029	140,000	126,850	266,850
2030-2034	775,000	555,988	1,330,988
2035-2039	930,000	392,600	1,322,600
2040-2044	1,135,000	190,600	1,325,600
2045	255,000	10,200	265,200
	<u>\$ 3,745,000</u>	<u>\$ 1,828,175</u>	<u>\$ 5,573,175</u>

A schedule of changes in long-term liabilities for the year ended June 30, 2024 is shown below:

Governmental Activities

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Within One Year
Net OPEB Liability	\$ 2,598,589	\$ 110,702	\$ -	\$ 2,709,291	\$ -
Retiree Termination Benefits	79,609	-	19,209	60,400	15,000
Net Pension Liability/(Asset)	88,908	600,841	-	689,749	-
Compensated Absences	1,510,240	167,353	-	1,677,593	1,677,593
Lease Revenue Bonds	3,860,000	-	115,000	3,745,000	120,000
	<u>\$ 8,137,346</u>	<u>\$ 878,896</u>	<u>\$ 134,209</u>	<u>\$ 8,882,033</u>	<u>\$ 1,812,593</u>

7. DEBT WITHOUT GOVERNMENT COMMITMENT

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

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024, the outstanding bonds consisted of the following:

Outstanding July 1, 2023	Issued	Redeemed Current Year	Outstanding June 30, 2024
\$ 45,350,000	\$ -	\$ 1,725,000	\$ 43,625,000
42,415,000	-	-	42,415,000
6,980,000	-	1,500,000	5,480,000
<u>\$ 94,745,000</u>	<u>\$ -</u>	<u>\$ 3,225,000</u>	<u>\$ 91,520,000</u>

The annual requirements to pay the bonds outstanding as of June 30, 2024 are as follows:

Year Ended June 30	Principal	Interest	Total
2025	\$ 3,560,000	\$ 2,683,663	\$ 6,243,663
2026	3,915,000	2,497,113	6,412,113
2027	4,290,000	2,291,958	6,581,958
2028	4,690,000	4,187,880	8,877,880
2029	5,110,000	3,942,108	9,052,108
2030-2034	32,895,000	15,165,720	48,060,720
2034-2038	37,060,000	4,965,328	42,025,328
	<u>\$ 91,520,000</u>	<u>\$ 35,733,768</u>	<u>\$ 127,253,768</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

8. OTHER POSTEMPLOYMENT BENEFITS

A. PLAN DESCRIPTION

Northstar Community Services District participates in the California Public Employees' Retirement System (CalPERS), an agent multiple-employer defined benefit healthcare plan as permitted under the Public Employees Medical and Hospital and Care Act (PEMHCA). The District is required to contribute minimum employer contributions incurred by the CalPERS medical program for the retiree's lifetime or until coverage is discontinued. In fiscal year 2023/24, minimum employer contributions were \$151 through December 31, 2023 and \$157 through June 30, 2024 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, 2024, the following employees were covered by the benefit terms:

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

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2023, 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, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Salary Increases	3.00%
Investment rate of return	3.86%
Healthcare cost trend rates	6.8% in 2024 grading down to 3.9% by 2075
Inflation	2.50%
Retirement Age	From 50 to 75
Mortality	CalPERS 2021 Experience
Mortality Improvement	MacLeod Watts 2022 Scale

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

Discount rate. The discount rate used to measure the total OPEB liability was 3.86 percent. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the actuarially determined contribution rates. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2023	\$ 2,598,589	\$ -	\$ 2,598,589
Changes for the year:			
Service cost	130,960	-	130,960
Interest	99,735	-	99,735
Differences between expected and actual experience	-	-	-
Contributions - employer	-	53,423	(53,423)
Net investment income	-	-	-
Benefit payments	(53,423)	(53,423)	-
Assumption changes	(66,570)	-	(66,570)
Net changes	110,702	-	110,702
Balances at June 30, 2024	<u>\$ 2,709,291</u>	<u>\$ -</u>	<u>\$ 2,709,291</u>

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86%) or 1-percentage-point higher (4.86%) than the current discount rate:

	1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
Net OPEB liability (asset)	\$ 3,137,042	\$ 2,709,291	\$ 2,361,316

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

	Healthcare Cost Trend Rates		
	1% Decrease	(Current Rate)	1% Increase
Net OPEB liability (asset)	\$ 2,284,398	\$ 2,709,291	\$ 3,253,600

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

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

For the year ended June 30, 2024, the District recognized OPEB expense of \$182,206. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 629,019	\$ 331,624
Changes of assumptions	316,342	729,692
Deferred contributions	59,947	-
Total	<u>\$ 1,005,308</u>	<u>\$ 1,061,316</u>

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

Year ended June 30	Total Deferred Outflows/(Inflows) of Resources
2025	\$ (48,489)
2026	(46,747)
2027	(45,329)
2028	1,287
2029	9,261
Thereafter	14,062
Total	<u>\$ (115,955)</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

9. FUND BALANCES

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

	General Fund	Capital Projects Fund	Building Fund	Totals
Restricted				
Capital projects	\$ -	\$ 1,653,614	\$ 638	\$ 1,654,252
Funds held in CEPPT	4,708,713	-	-	4,708,713
Total restricted	<u>4,708,713</u>	<u>1,653,614</u>	<u>638</u>	<u>6,362,965</u>
Committed:				
Fire	1,539,207	-	-	1,539,207
Fuels Management	58,000			58,000
Snow	467,867	-	-	467,867
Roads	1,860,878	-	-	1,860,878
Total committed	<u>3,925,952</u>	<u>-</u>	<u>-</u>	<u>3,925,952</u>
Unassigned	(2,361,809)	-	-	(2,361,809)
Total Fund Balances	<u>\$ 6,272,856</u>	<u>\$ 1,653,614</u>	<u>\$ 638</u>	<u>\$ 7,927,108</u>

10. RISK MANAGEMENT

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

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

NORTHSTAR COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

	SDRMA 6/30/2023*	FAIRA 6/30/2023*
Total Assets	\$ 146,574,993	\$ 4,932,856
Deferred Outflows of Resources	\$ 1,664,198	\$ -
Total Liabilities	\$ 76,343,471	\$ 2,867,697
Deferred Inflows of Resources	\$ 374,517	\$ -
Net Position	\$ 71,521,203	\$ 2,065,159
Total Revenues	\$ 100,884,445	\$ 9,276,888
Total Expenses	\$ 96,706,371	\$ 9,213,151
Change in Net Position	\$ 4,178,074	\$ 63,737

*Latest audited financials available

11. PRIOR PERIOD ADJUSTMENT

In 2024, the District's management decided to adjust the interfund receivable/payable as described in Note 4 from the Governmental Activities to the General Fund. The net effect was a decrease in the expenses for the Governmental Activities of \$2.9M and a decrease in fund balance of the General Fund of \$2.9M.

12. SUBSEQUENT EVENTS

Management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2024 through February 14, 2025, 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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Amounts	
REVENUE				
Taxes and assessments	\$ 7,383,100	\$ 7,383,100	\$ 7,549,137	\$ 166,037
Fees and other non-tax revenue	632,891	632,891	613,959	(18,932)
Interest	66,820	66,820	316,213	249,393
Fire mitigation fees	4,000	4,000	11,255	7,255
Reimbursable/Grant revenues	4,422,415	4,454,055	1,246,453	(3,207,602)
Other	275,560	275,560	344,462	68,902
Total revenue	12,784,786	12,816,426	10,081,479	(2,734,947)
EXPENDITURES				
General government	125,198	125,198	113,901	11,297
Public safety	10,496,516	10,535,472	7,201,270	3,334,202
Streets	426,356	426,356	316,824	109,532
Trails	902,366	907,366	774,614	132,752
Total expenditures	11,950,436	11,994,392	8,406,609	3,587,783
Excess (deficiency) of revenues over (under) expenditures	834,350	822,034	1,674,870	852,836
OTHER FINANCING USES				
Other financing sources	-	-	462,500	462,500
NET CHANGES IN FUND BALANCES	834,350	822,034	2,137,370	852,836
FUND BALANCE, beginning of year	7,073,082	7,073,082	7,073,082	-
RESTATEMENT	-	-	(2,937,596)	-
FUND BALANCE, beginning of year as restated	7,073,082	7,073,082	4,135,486	-
FUND BALANCE, end of year	\$ 7,907,432	\$ 7,895,116	\$ 6,272,856	\$ 852,836

NORTHSTAR COMMUNITY SERVICES DISTRICT

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED JUNE 30, 2024

	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability							
Service cost	\$ 217,917	\$ 135,794	\$ 107,058	\$ 126,041	\$ 133,310	\$ 158,734	\$ 130,960
Interest	84,735	75,068	62,830	64,400	53,065	48,933	99,735
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(526,609)	-	(177,392)	-	758,788	-
Changes of assumptions	(327,439)	(5,202)	154,485	122,780	216,214	(734,726)	(66,570)
Benefit payments, including refunds of member contributions	(24,654)	(28,392)	(18,224)	(24,767)	(44,616)	(46,014)	(53,423)
Net change in total OPEB liability	(49,441)	(349,341)	306,149	111,062	357,973	185,715	110,702
Total OPEB liability - beginning	2,696,296	1,987,031	1,637,690	1,943,839	2,054,901	2,412,874	2,598,589
Total OPEB liability - ending (a)	\$ 2,646,855	\$ 1,637,690	\$ 1,943,839	\$ 2,054,901	\$ 2,412,874	\$ 2,598,589	\$ 2,709,291
Plan fiduciary net position							
Contributions - employer	\$ 24,654	\$ 28,392	\$ 18,224	\$ 24,767	\$ 44,616	\$ 46,014	\$ 53,423
Net investment income	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(24,654)	(28,392)	(18,224)	(24,767)	(44,616)	(46,014)	(53,423)
Net change in plan fiduciary net position	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's net OPEB liability - ending (a) - (b)	\$ 2,646,855	\$ 1,637,690	\$ 1,943,839	\$ 2,054,901	\$ 2,412,874	\$ 2,598,589	\$ 2,709,291
Covered-employee payroll	\$ 4,009,729	\$ 4,368,968	\$ 4,674,484	\$ 4,310,987	\$ 4,588,985	\$ 4,965,619	\$ 5,542,058
District's net OPEB liability as a percentage of covered-employee payroll	66.0%	37.5%	41.6%	47.7%	52.6%	52.3%	48.9%

NORTHSTAR COMMUNITY SERVICES DISTRICT

SCHEDULE OF PENSION CONTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2024

Miscellaneous	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023 ⁽¹⁾
Proportion of the net pension liability	0.064843%	0.068837%	0.051880%	0.064690%	0.057590%	0.057866%	0.028320%	-0.021760%	0.038340%	0.039900%
Proportionate share of the net pension liability	\$ 1,602,716	\$ 1,888,527	\$ 2,247,126	\$ 2,270,104	\$ 2,166,197	\$ 2,317,250	\$ 1,127,248	\$ (538,244)	\$ 1,651,988	\$ 1,994,937
Covered-employee payroll ⁽²⁾	\$ 1,362,083	\$ 1,429,177	\$ 1,963,610	\$ 1,501,123	\$ 2,265,137	\$ 2,046,319	\$ 2,269,795	\$ 2,467,099	\$ 2,783,646	\$ 3,038,327
Proportionate share of the net pension liability as percentage of covered-employee payroll	117.67%	132.14%	114.44%	151.23%	95.63%	113.24%	49.66%	-21.82%	59.35%	65.66%
Plans fiduciary net position as a percentage of the total pension liability	83.03%	79.89%	79.89%	75.39%	77.69%	77.73%	77.70%	90.49%	78.18%	78.18%
Proportionate share of aggregate employer contributions ⁽³⁾	\$ 420,688	\$ 443,802	\$ 324,538	\$ 324,538	\$ 487,911	\$ 543,987	\$ 597,486	\$ 560,339	\$ 617,347	\$ 659,676

Safety	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023 ⁽¹⁾
Proportion of the net pension liability	0.050339%	0.052768%	0.062570%	0.054110%	0.054890%	0.060606%	0.026720%	-0.028400%	0.035300%	0.040400%
Proportionate share of the net pension liability	\$ 1,889,349	\$ 2,174,274	\$ 2,802,632	\$ 3,279,883	\$ 3,319,969	\$ 3,783,349	\$ 1,886,605	\$ (763,656)	\$ 2,776,271	\$ 3,403,525
Covered-employee payroll ⁽²⁾	\$ 1,579,744	\$ 1,633,321	\$ 1,666,981	\$ 1,710,712	\$ 2,403,297	\$ 2,293,671	\$ 2,642,402	\$ 2,924,636	\$ 2,943,365	\$ 2,607,992
Proportionate share of the net pension liability as percentage of covered-employee payroll	119.60%	133.12%	168.13%	191.73%	138.14%	164.95%	71.40%	-26.11%	94.32%	130.50%
Plans fiduciary net position as a percentage of the total pension liability	83.03%	77.28%	77.28%	71.74%	73.39%	73.37%	73.11%	86.61%	75.53%	75.53%
Proportionate share of aggregate employer contributions ⁽³⁾	\$ 596,832	\$ 624,730	\$ 403,835	\$ 403,835	\$ 577,330	\$ 584,483	\$ 640,774	\$ 663,578	\$ 659,676	\$ -

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

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

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

NORTHSTAR COMMUNITY SERVICES DISTRICT

SCHEDULE OF PENSION CONTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2024

Miscellaneous	Fiscal Year ⁽¹⁾									
	2014-15	2015-16	2016-17	2017-18	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Actuarially Determined Contribution ⁽²⁾	\$ 289,450	\$ 289,450	\$ 539,707	\$ 261,047	\$ 291,561	\$ 352,887	\$ 490,242	\$ 537,465	\$ 684,357	\$ 589,523
Contributions in relation to the actuarially determined contributions	(420,688)	(443,802)	(324,538)	(324,538)	(487,911)	(543,987)	(597,486)	(597,486)	(560,339)	(617,347)
Contribution deficiency (excess)	\$ (131,238)	\$ (154,352)	\$ 215,169	\$ (63,491)	\$ (196,350)	\$ (191,100)	\$ (107,244)	\$ (60,021)	\$ 124,018	\$ (27,824)
Covered-employee payroll ^(3,4)	\$ 1,362,083	\$ 1,429,177	\$ 1,509,457	\$ 1,501,123	\$ 2,265,137	\$ 2,046,319	\$ 2,269,795	\$ 2,467,099	\$ 2,783,646	\$ 3,038,327
Contributions as a percentage of covered-employee payroll ⁽³⁾	21.25%	20.25%	35.76%	17.39%	12.87%	17.24%	21.60%	21.79%	24.58%	19.40%

Safety	Fiscal Year ⁽¹⁾									
	2014-15	2015-16	2016-17	2017-18	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Actuarially Determined Contribution ⁽²⁾	\$ 424,982	\$ 424,982	\$ 598,928	\$ 334,414	\$ 463,101	\$ 573,567	\$ 871,604	\$ 1,128,270	\$ 1,331,064	\$ 828,048
Contributions in relation to the actuarially determined contributions	(596,832)	(624,730)	(403,835)	(403,835)	(577,330)	(584,483)	(640,774)	(640,774)	(663,578)	(659,676)
Contribution deficiency (excess)	\$ (171,850)	\$ (199,748)	\$ 195,093	\$ (69,421)	\$ (114,229)	\$ (10,916)	\$ 230,830	\$ 487,496	\$ 667,486	\$ 168,372
Covered-employee payroll ^(3,4)	\$ 1,579,744	\$ 1,633,321	\$ 1,666,981	\$ 1,710,712	\$ 2,403,297	\$ 2,293,671	\$ 2,642,402	\$ 2,924,636	\$ 2,943,365	\$ 2,607,992
Contributions as a percentage of covered-employee payroll ⁽³⁾	26.90%	26.02%	35.93%	19.55%	19.27%	25.01%	32.99%	38.58%	45.22%	31.75%

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

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

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

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

NORTHSTAR COMMUNITY SERVICES DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024

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 seventh year of implementation, only seven years are currently available.

Changes in assumptions: Discount rate increased from 3.69% to 3.86%

C - Schedule of Proportionate Share of the Net Pension Liability

There were no changes to the assumptions of the plan

D - Schedule of Pension Contributions

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

**SUPPLEMENTARY
INFORMATION**

NORTHSTAR COMMUNITY SERVICES DISTRICT

COMBINING STATEMENT OF NET POSITION – PROPRIETARY – ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

<u>ASSETS</u>	<u>Northstar Water</u>	<u>Martis Valley Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Total</u>
Current assets:					
Cash and cash equivalents	\$ 4,750,979	\$ 3,434,328	\$ 6,284,948	\$ 2,013	\$ 14,472,268
Accounts receivable	323,634	475,888	129,457	1,138	930,117
Due from general fund, current portion	-	-	255,225	-	255,225
Due from other governments	-	-	111,736	32,496	144,232
Investments	3,745,384	4,242,464	3,666,454	-	11,654,302
Prepaid expenses	45,353	-	49,443	-	94,796
Total current assets	8,865,350	8,152,680	10,497,263	35,647	27,550,940
Noncurrent assets:					
Due from general fund, net of current portion	-	-	2,312,010	-	2,312,010
Property, land and equipment	32,723,268	34,876,994	11,466,718	646,567	79,713,547
Less: accumulated depreciation	(13,935,349)	(9,712,952)	(8,087,477)	(127,232)	(31,863,010)
Total noncurrent assets	18,787,919	25,164,042	5,691,251	519,335	50,162,547
Total assets	27,653,269	33,316,722	16,188,514	554,982	77,713,487
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	69,040	73,513	3,917	15,775	162,245
Accrued wages and related items	12,678	6,002	6,291	196	25,167
Unearned revenue	-	1,039	-	-	1,039
Due to other funds	793,267	418,765	726,386	77,084	2,015,502
Total current liabilities	874,985	499,319	736,594	93,055	2,203,953
Total liabilities	874,985	499,319	736,594	93,055	2,203,953
<u>NET POSITION</u>					
Net investment in capital assets	18,787,919	25,164,042	3,379,241	519,335	47,850,537
Restricted for capital projects	2,096,221	3,335,882	4,119,770	114,274	9,666,147
Unrestricted	5,894,144	4,317,479	7,952,909	(171,682)	17,992,850
Total net position	\$ 26,778,284	\$ 32,817,403	\$ 15,451,920	\$ 461,927	\$ 75,509,534

NORTHSTAR COMMUNITY SERVICES DISTRICT

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

FOR THE YEAR ENDED JUNE 30, 2024

	Northstar Water	Martis Valley Water	Sewer	Solid Waste	Total
OPERATING REVENUE					
Service charges	\$ 2,505,479	\$ 2,030,820	\$ 3,244,175	\$ 673,586	\$ 8,454,060
Other	1,661	45,534	96,990	-	144,185
Total operating revenue	<u>2,507,140</u>	<u>2,076,354</u>	<u>3,341,165</u>	<u>673,586</u>	<u>8,598,245</u>
OPERATING EXPENSES					
Wages	292,692	209,362	107,524	17,829	627,407
Employee benefits	4,811	3,551	24,173	261	32,796
Insurance	64,290	47,120	12,200	-	123,610
Maintenance	69,607	67,141	12,023	-	148,771
Purchased services	-	-	1,209,695	-	1,209,695
Professional services	44,476	52,348	13,856	472,363	583,043
Utilities	172,583	222,916	8,638	777	404,914
Internal service fund reimbursement	1,343,136	1,008,968	1,098,215	243,820	3,694,139
Communications	-	3,444	-	456	3,900
Dues and memberships	60	60	-	-	120
Office and shop expense	239,101	24,708	283	-	264,092
Miscellaneous	119,523	146,564	19,989	15,911	301,987
Depreciation	607,773	600,620	151,366	13,532	1,373,291
Total operating expenses	<u>2,958,052</u>	<u>2,386,802</u>	<u>2,657,962</u>	<u>764,949</u>	<u>8,767,765</u>
Operating income (loss)	(450,912)	(310,448)	683,203	(91,363)	(169,520)
NONOPERATING REVENUE (EXPENSE)					
Interest revenue	201,254	224,861	174,976	-	601,091
Total nonoperating revenue (expense)	<u>201,254</u>	<u>224,861</u>	<u>174,976</u>	<u>-</u>	<u>601,091</u>
Income (loss) before capital contributions	(249,658)	(85,587)	858,179	(91,363)	431,571
CAPITAL CONTRIBUTIONS	<u>-</u>	<u>386,295</u>	<u>-</u>	<u>-</u>	<u>386,295</u>
CHANGE IN NET POSITION	(249,658)	300,708	858,179	(91,363)	817,866
NET POSITION, beginning	<u>27,027,942</u>	<u>32,516,695</u>	<u>14,593,741</u>	<u>553,290</u>	<u>74,691,668</u>
NET POSITION, end of year	<u>\$ 26,778,284</u>	<u>\$ 32,817,403</u>	<u>\$ 15,451,920</u>	<u>\$ 461,927</u>	<u>\$ 75,509,534</u>

NORTHSTAR COMMUNITY SERVICES DISTRICT

COMBINING STATEMENT OF CASH FLOWS – PROPRIETARY – ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	Nothstar Water	Martis Valley Water	Sewer	Solid Waste	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 2,452,096	\$ 2,011,874	\$ 3,348,155	\$ 672,457	\$ 8,484,582
Payments for services and supplies	(2,202,500)	(1,759,815)	(2,441,936)	(717,757)	(7,122,008)
Payments of employee salaries	(288,099)	(216,868)	(104,116)	(17,967)	(627,050)
Payments of employee benefits	(4,811)	(3,551)	(24,173)	(261)	(32,796)
Interfund reimbursements	338,380	190,907	164,802	46,724	740,813
Net cash provided (used) by operating activities	295,066	222,547	942,732	(16,804)	1,443,541
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(14,496)	(502,260)	(40,193)	(6,629)	(563,578)
Net cash provided (used) by capital and related financing activities	(14,496)	(502,260)	(40,193)	(6,629)	(563,578)
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale (purchase) of investments	(134,555)	(157,747)	(582,017)	-	(874,319)
Interest received	145,837	106,644	128,265	-	380,746
Net cash provided (used) by investing activities	11,282	335,192	(453,752)	-	(107,278)
NET INCREASE (DECREASE) IN CASH	291,852	55,479	448,787	(23,433)	772,685
CASH AND CASH EQUIVALENTS, beginning of year	4,459,127	3,378,849	5,836,161	25,446	13,699,583
CASH AND CASH EQUIVALENTS, end of year	\$ 4,750,979	\$ 3,434,328	\$ 6,284,948	\$ 2,013	\$ 14,472,268
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (450,912)	\$ (310,448)	\$ 683,203	\$ (91,363)	\$ (169,520)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	607,773	600,620	151,366	13,532	1,373,291
(Increase) decrease in:					
Accounts receivable	(55,044)	(64,019)	257,473	(34)	138,376
Due from other governments	-	-	(3,762)	(1,095)	(4,857)
Prepaid expenses	13,200	-	13,200	-	26,400
Increase (decrease) in:					
Accounts payable	(162,924)	(186,546)	(80,237)	15,570	(414,137)
Accrued wages	4,593	(7,506)	3,408	(138)	357
Deferred revenue	-	(461)	-	-	(461)
Compensated absences	338,380	190,907	(81,919)	46,724	494,092
Net cash provided (used) by operating activities	\$ 295,066	\$ 222,547	\$ 942,732	\$ (16,804)	\$ 1,443,541

NORTHSTAR COMMUNITY SERVICES DISTRICT

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	Balance			Balance
<u>ASSETS</u>	<u>June 30, 2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2024</u>
Cash and cash equivalents				
Series 2005 Bonds	\$ 2,174,074	\$ 1,572,029	\$ 1,725,000	\$ 2,021,103
Series 2006 Bonds	678,954	32,329	-	711,283
2014 Refunding Bonds	39,200	1,501,867	1,500,000	41,067
Total assets	<u>\$ 2,892,228</u>	<u>3,106,225</u>	<u>\$ 3,225,000</u>	<u>\$ 2,773,453</u>
 <u>LIABILITIES</u>				
Due to others	<u>\$ 2,892,228</u>	<u>\$ 3,106,225</u>	<u>\$ 3,225,000</u>	<u>\$ 2,773,453</u>