

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR JULY 1, 2014 - JUNE 30, 2015



Fairbanks North Star Borough School District

520 Fifth Avenue, Fairbanks Alaska 99701

www.k12northstar.org

A COMPONENT UNIT OF THE
FAIRBANKS NORTH STAR BOROUGH
FAIRBANKS, ALASKA

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF THE**

**FAIRBANKS NORTH STAR BOROUGH
SCHOOL DISTRICT**

FAIRBANKS, ALASKA

**A COMPONENT UNIT OF THE
FAIRBANKS NORTH STAR BOROUGH**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

**Dr. Karen Gaborik
Superintendent of Schools**

**Prepared by
Accounting Services Department**

**Lisa Pearce
Chief Financial Officer**

**Colleen M. Fitzgerald
Director of Accounting Services**

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INTRODUCTORY SECTION



FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

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520 Fifth Avenue

Fairbanks, AK 99701-4718

www.k12.northstar.org

January 4, 2016

Members of the Board of Education and Citizens of the School District
Fairbanks North Star Borough School District
Fairbanks, Alaska

The comprehensive annual financial report of the Fairbanks North Star Borough School District (School District) for the fiscal year ended June 30, 2015, is submitted herewith. This report was prepared by the School District's accounting services department following the guidelines recommended by the Government Finance Officers Association of the United States and Canada, the Association of School Business Officials International, and U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The statutes of the State of Alaska and Fairbanks North Star Borough code of ordinances require that the School District Board of Education provide for an audit of all school accounts within ninety days following the close of the fiscal year, by an independent certified public accountant.

Introduction to the Comprehensive Annual Financial Report (CAFR)

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with School District management. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the School District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the School District's financial affairs have been included.

Internal Control

In developing and evaluating the School District's accounting system, consideration is given to the adequacy of internal accounting controls. Management of the School District has established a comprehensive internal control framework that is designed both to protect the School District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the School District's financial statements in conformity with GAAP. Because the costs of internal controls should not outweigh their benefits, the School District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, the School District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Independent Financial Statement Audit

The School District's basic financial statements and the financial statements of each nonmajor governmental fund (financial statements) have been audited by Cook & Haugeberg LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the School District for the fiscal year ended June 30, 2015 are free of material misstatement. The independent audit involved consideration of internal control in assessing the risks of material misstatement of the financial statements; evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the School District's financial statements for the fiscal year ended

June 30, 2015 are fairly presented in accordance with GAAP. The independent auditor's report is presented as the first component of the *financial section* of this report.

Management's Discussion and Analysis

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The School District's MD&A can be found immediately following the report of the independent auditors in the *financial section* of this report.

Single Audits of State and Federal Awards

The independent audit of the financial statements of the School District was part of a broader, state and federally mandated "Single Audit" designed to meet the special needs of state and federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the audited School District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of state and federal awards. These reports are available in the *single audit* section of this report.

Profile of the School District

The School District was established on January 1, 1964, the date of incorporation of the Fairbanks North Star Borough, the primary government. A borough is most similar to the county form of government used in much of the rest of the United States. The School District, serving grades K through 12, encompasses an area of 7,361 square miles...roughly the size of Rhode Island, Delaware and Connecticut combined.

Reporting Entity

Based on criteria developed by the Governmental Accounting Standards Board, the School District is a component unit of the Fairbanks North Star Borough (Borough). Audited financial statements for the Borough are available upon request from its administrative offices. The School District has elected to issue a separate comprehensive financial report pursuant to Alaska statutes.

Pursuant to Alaska Statute section 14.12.020(c), the Borough Assembly provides the money which must be raised from local sources to maintain and operate the School District. Alaska Statute section 14.14.060 states a borough can establish a centralized treasury and is responsible for major rehabilitation, all construction and major repair of school buildings. The Borough provides for new construction, major repair of school buildings and a centralized treasury. Therefore, bonded debt, capital improvement funds for school construction, tax levies, and tax collection are reflected in the *notes of the basic financial statements* and the *statistical section* of this report but are accounted for by the Borough.

Alaska Statute sections 14.12.010 - 115 provide for the creation of school districts in the State of Alaska and establish school boards as the governing body for each district. The seven voting members of the School District Board of Education determine policy for operation and management of the School District. Each member serves for three years, elected each year for overlapping terms.

Services Provided by the School District

Nearly 13,800 students attend the thirty-one schools and the Building Education Success Together (B.E.S.T) program in our district. Our schools range in size from an elementary school of 68 students to a 1,037 student high school.

Our diverse student body includes children from over 59 different language backgrounds. Each child in the district is offered a comprehensive general educational program. High school students have available a

comprehensive career technical education curriculum. Special needs are met with the assistance of programs and services such as Alaska Native Education, Extended Learning (formerly Gifted/Talented), English Language Learners, Title I, Migrant Education, and Special Education for Students with Disabilities.

Class size varies, but the fiscal year 2015 district-wide average was 23.3 students per class at the elementary level (grades K-6), 22.6 at the middle school level (grades 7-8), and 23.5 at the secondary level (grades 9-12).

Charter Schools

Charter Schools in Alaska must be approved by both the local School Board and the State Board of Education, and operate under the guidance of Academic Policy Committees of their own selection. School charters may be up to ten years in duration, and the majority of funding is provided through the State's foundation funding formula similar to that of per capita small school funding. The School District has four approved charter schools: Effie Kokrine Early College Charter School (grades 9-12), Watershed Charter School (grades K-8), Chinook Montessori Charter School (grades K-8), and Star of the North Secondary Charter School (grades 9-12). All operate under ten year charters with terms expiring in 2015, 2019, 2021, and 2024, respectively.

Budgetary Control

The objective of the School District's budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Resources are allocated to and accounted for in individual funds, based upon the purposes for which those funds were created. Transfers between programs in excess of \$20,000 or any transfer in excess of \$25,000 are authorized by the Board of Education. Therefore, the legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the object level. All other transfers are authorized by the superintendent and reported monthly to the Board of Education. The budgetary process is explained in Note A in the notes to the required supplementary information in the *required supplementary information* section of this CAFR.

Economic Condition Information

Local Economy

Located near the center of the state, the School District encompasses the state's second largest urban area. The Borough serves as the economic hub for interior and northern Alaska. Although the impacts of economic downturn continue to be felt in the interior, they are still somewhat mild compared to what the nation has experienced. Over the last five years, all industry sectors have maintained fairly constant rates of employment. Of particular importance to the interior is the success in retaining Eielson's F-16 Aggressor Squadron and Eielson being named as the favored site to station the new F-35 Joint Strike Fighter. Both decisions affirm the critical long-term and strategic value of Eielson Air Force Base.

The Borough's June 2015 unemployment rate was 5.0 percent, a decrease of 0.5 percentage points from a year ago, compared to the national average of 5.3 percent which decreased 0.9 percentage points. Tourism, retail trade and construction industries still struggle somewhat to cope with national trends of reluctant consumer spending, but overall have remained fairly stable.

While the School District has no authority to levy taxes, a fairly steady economy provides the Borough the wherewithal to fund its local contribution to education. The Borough's full and true assessed valuations have increased approximately \$1.65 billion over the last five years. The local contribution to education represents about 27.0 percent of operating fund revenues for the year ended June 30, 2015, and has increased \$6.57 million or 15.0 percent over five years. When a community's assessed property values and the ability of local taxpayers to fund education increases, the state's foundation formula reduces education funding. The reduction in state revenues over the last five years due to increased assessed

values has been mitigated by legislative action providing for a graduated rise in the base student allocation.

Projected Enrollment

Student enrollments generate a majority of district revenues and also dictate personnel needs, which represent over 88.0 percent of the School District's 2014-2015 operating budget. The State of Alaska requires that student enrollment projections for the following school year be reported to them within one week after the end of the official student count period for the current year, which ends on the fourth Friday each October. School District enrollments increased by 84 students leaving a reduction of 0.6% over the five year period ending in 2014-15. Student enrollment counts for 2015-16 look to have increased again by about 86 students.

Military Installations

There are two large military installations within the Borough, Fort Wainwright Army Post and Eielson Air Force Base. These installations account for over one-fifth of the Borough's population. Fort Wainwright was transformed into a Stryker Brigade Combat Team in 2001, and is therefore subject to periodic deployment. Although it appears that most dependents remain in Fairbanks, deployment is often a suspected cause of declining and fluctuating enrollments.

Facilities

The Borough owns all school facilities. Our two newest schools, Denali Elementary and Nordale Elementary, were completed and opened for the 2005-06 school year. They replaced two fifty-plus year old schools that have since been demolished. Our next oldest school facility that has not benefited from major renovation or replacement is about 46 years old. Construction and relocation of a new \$12 million Central Kitchen Facility was completed and opened in the fall of 2009. While district-wide school enrollments have declined over the last ten years, enrollments in the North Pole area are nearing capacity.

Periodic investment in major maintenance of building components such as roofs, mechanical and electrical systems, plumbing, exteriors, and playgrounds, etc. remain a top priority of the School District. In October of 2011, Borough residents approved a \$10.39 million bond proposition for major maintenance at four district schools and a \$9.90 million bond proposition for major renovations of one wing of Ryan Middle School. The bonds are eligible for state reimbursement at 70 percent. In October of 2013, Borough residents approved a \$56.6 million bond proposition which includes \$37.1 million for replacement of unrenovated space at Ryan Middle School, and \$19.4 million for major maintenance at five district schools. The bonds are eligible for state reimbursement at 60 percent and 70 percent respectively. Additionally, by local ordinance the Borough requires that 28.5 percent of any annual lapse of district funds be returned to the Borough in support of a school facilities major maintenance reserve fund (capped at \$800,000 annually). It should be noted that for the year ending June 30, 2015 the Borough Assembly waived Borough Code 3.01.060(E) *Lapsing of Funds* which will allow \$800,000 of year-end unassigned fund balance to remain with the School District for operating expense. This was in direct response to the fiscal challenge of the School District based on a significant State budget decline.

School District Initiatives

The School Board establishes a list of primary performance goals and on-going commitments to improve student performance on an annual basis. The primary performance goals approved for 2014-2015 focus on four major areas:

- Diversity
- Student Achievement
- Instructional Innovation
- Increasing Connections between Parents, Community, Businesses, and Our Schools

Long-Term Financial Planning

By state statute, district decisions are designed to focus on annual operations rather than long range planning in a fiscal sense. By state statute, the Borough (primary) government is responsible for maintaining a centralized treasury. The School District does not own school facilities nor is it responsible for major maintenance. The School District has no authority to issue bonds or manage and invest district funds. Unless required by grant agreements, all interest earnings are retained by the Borough.

There are state statutes and local ordinances limiting the district's ability to retain excess fund balance in the operating fund. State statute limits an accumulation of fund balance to less than ten percent of current year expenditures. Alaska Administrative Code defines six items that are not subject to the fund balance accumulation threshold. A *statement of compliance* required by the code to be included in this report can be found on page 243. Local ordinances require 28.5 percent of the district's annual lapse of funds be returned to the Borough in support of a school facilities major maintenance reserve fund (capped at \$800,000 annually) and limits unassigned fund balance to no more than seven percent of the local contribution to education amount.

However, we do accomplish long range planning from a fiscal perspective based on how we develop and implement instructional programs. A key objective in district financial planning is developing sustainable instructional programs and efficient and cost effective initiatives that support the instructional process. Establishing reasonable but steady class size targets (or pupil-teacher ratios) is paramount, since personnel costs represent over 88.0 percent of the budget. Another example impacting financial planning and decision making includes reliance on the district's preventive maintenance and energy monitoring program.

Awards and Acknowledgements

Certificate of Excellence/Certificate of Achievement

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the School District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School District for its CAFR for the fiscal year ended June 30, 2014.

This was the twenty fourth consecutive year that the School District has achieved these prestigious awards. In order to be awarded a Certificate of Excellence and a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Excellence and a Certificate of Achievement are valid for a period of one year only. We believe our current CAFR continues to meet the Certificate of Excellence and Certificate of Achievement Program requirements, and we are submitting it to the ASBO and the GFOA to determine its eligibility for another certificate.

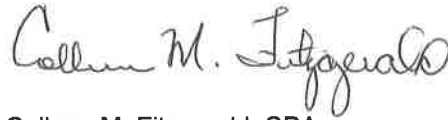
Acknowledgments

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the accounting and administrative services departments. We would like to express our appreciation to all staff members who assisted and contributed to its preparation. We would also like to thank the members of the Fairbanks North Star Borough School District Board of Education for their unfailing support for maintaining the highest standards of professionalism in the management of the School District's finances.

Respectfully submitted,



Lisa Pearce, SFO
Chief Financial Officer



Colleen M. Fitzgerald, CPA
Director of Accounting Services

FAIRBANKS NORTH STAR BOROUGH
SCHOOL DISTRICT

(As of July 1, 2015)

Fairbanks, Alaska

BOARD OF EDUCATION

Heidi Haas, President
Wendy Dominique, Vice-President
Allyson Lambert, Treasurer
Lisa Gentry, Clerk
Sue Hull, Member
Michael O'Brien, Member
Sean Rice, Member
Colonel Richard Cole, Base Representative
Colonel Sean Williams, Post Representative
Kobe Rizk, Student Representative

ADMINISTRATION

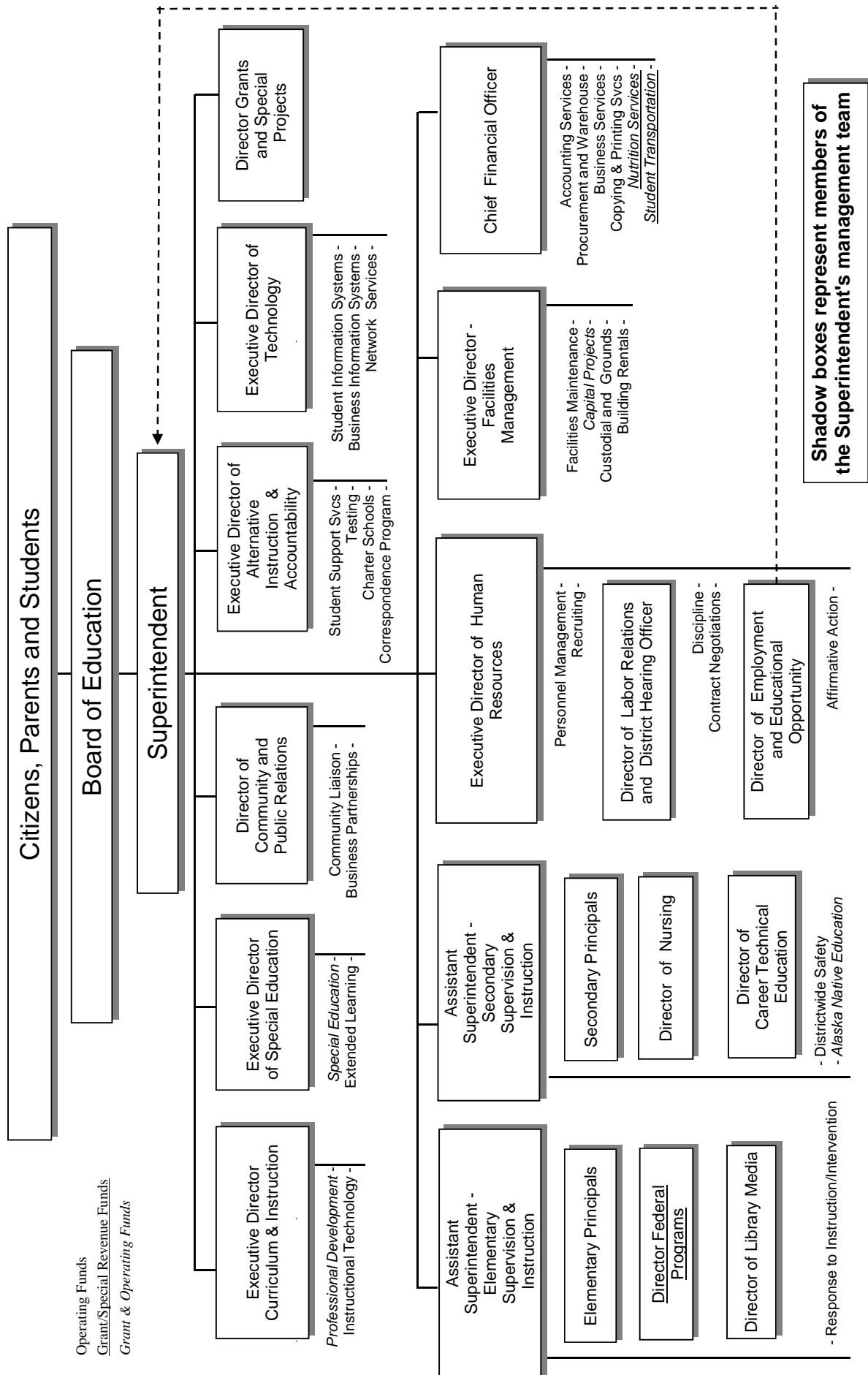
Dr. Karen Gaborik
Superintendent of Schools

Dan Schmidt
Assistant Superintendent

Sandra Kowalski
Assistant Superintendent

Lisa Pearce
Chief Financial Officer

Fairbanks North Star Borough School District Organization Chart



Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Fairbanks North Star Borough School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



Mark C. Pepera, MBA, RSBO, SFO
President

John D. Musso, CAE, RSBA
Executive Director

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Fairbanks North Star Borough
School District, Alaska**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

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FINANCIAL SECTION

January 4, 2016

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Members of the Board of Education
Fairbanks North Star Borough School District

Report on the Financial Statements

We have audited the accompanying financial statements and schedules of the governmental activities, each major fund, and the aggregate remaining fund information of the Fairbanks North Star Borough School District (School District), a component unit of the Fairbanks North Star Borough, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents. We also have audited the financial statements and schedules of each of the School District's aggregate nonmajor governmental, internal service, and agency funds as of and for the year ended June 30, 2015, as displayed in the School District's basic financial statements. In addition we also have audited the financial statements and schedules of the School District's nonmajor governmental funds presented as supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for year ended June 30, 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information, as well as the aggregate nonmajor governmental, internal service, and agency funds of the Fairbanks North Star Borough School District, as of June 30, 2015, 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. In addition, in our opinion, the financial statements and schedules referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the School District, as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis Of Matter

As described in the notes to the basic financial statements, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68*, in fiscal year 2015. Our opinion is not modified with respect to the implementation of these new accounting standards.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules of pension liabilities and contributions as listed in the table of contents 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.

Supplementary and Other Information

Our audit for the year ended June 30, 2015 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fairbanks North Star Borough School District's basic financial statements. The accompanying supplemental reports section; the schedule of expenditures of federal awards as required by Office of Management and Budget Circular A-133 (OMB Circular A-133), Audits of States, Local Governments, and Non-Profit Organizations; and the schedule of state financial

assistance as required by *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The supplemental reports section, the schedule of expenditures of federal awards, and the schedule of state financial assistance have been subjected to the auditing procedures applied in the audits of the basic financial statements for the year ended June 30, 2015, 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 supplemental reports section, the schedule of expenditures of federal awards, and the schedule of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2015.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the School District's basic financial statements as of and for the year ended June 30, 2014, (not presented herein), and have issued our report thereon dated November 9, 2014, which contained unmodified opinions on the respective financial statements and schedules of the governmental activities, each major fund, the aggregate remaining fund information, and the financial statements and schedules of each of the School District's nonmajor governmental, internal service and agency funds presented as supplementary information. The accompanying supplementary information for the year ended June 30, 2014, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2014 financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the June 30, 2014 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2014. The June 30, 2014 introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly we express no opinion on them.

Prior Year Comparative Information

We have previously audited the School District's June 30, 2014 financial statements, and we expressed unmodified opinions on the respective financial statements and schedules of the governmental activities, each major fund, the aggregate remaining fund information, the internal service and agency funds, and the combining and individual nonmajor fund financial statements and schedules in our report dated November 9, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the School District's financial statements for the year ended June 30, 2014, from which such partial information was derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our reports dated January 4, 2016 on our consideration of the School 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 those reports 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. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Cook + Haugeberg LLC

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis June 30, 2015

INTRODUCTION

This section of the Fairbanks North Star Borough School District's (School District) comprehensive annual financial report presents our discussion and analysis of the School District's financial performance during the fiscal year that ended on June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal in the Introductory Section of this report and the School District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2015 include the following:

- In fiscal year 2015 the School District adopted the provisions of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*, which among other accounting and reporting criteria, requires the School District to recognize its proportional share of the Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS) net pension liability (and related deferred inflow/outflow accounts), as of the beginning of the School District's fiscal year. This change had a significant impact on the School District's net position, which can be seen on the Statement of Activities as a restatement of fiscal year 2014 net position from \$24.9 million to (\$66.7 million). Combined with the increase of net position in the current fiscal year the School District's net position at June 30, 2015 was \$(60.2 million), a decrease of 341.5 percent.
- Revenues saw a net increase of \$22.3 million. Operating grants and contributions increased \$12.9 million due to the addition of pension revenue equal to the State of Alaska's (nonemployer) proportionate share of our PERS and TRS pension expense recorded for the first time this year (\$17.7 million) offset by a decrease in nonemployer on-behalf payments (\$3.2 million) at the government-wide financial statement level. The decrease in on-behalf payments is somewhat misleading as the basis of comparison between fiscal year 2014 and 2015 is different due to the implementation of GASB 68. The local contribution to education from the Fairbanks North Star Borough (Borough) increased \$2.3 million. State Foundation funding and other State funding increased \$2.5 million and Federal impact aid increased \$3.4 million.
- Expenses saw a net increase of \$17.5 million due to several factors. Chief among them is the GASB 68 implementation in fiscal year 2015 requiring the School District to record for the first time the employer and nonemployer (State of Alaska) proportionate share of the PERS and TRS pension expense (\$15.3 million). This increase was offset by a decrease in on-behalf payments of \$3.2 million. In addition, salaries and benefits across the School District increased \$2.9 million and because of increased healthcare costs there was a decrease of \$1.7 million in the change in net position for the risk management internal service fund from fiscal year 2014 which serves to lower expenses at the government-wide financial statement level.
- Among major funds, the general fund saw an increase in fund balance of \$5.1 million or 25.8 percent. General fund revenues were \$404.6 million and expenditures and other financing uses were \$399.4 million. Due to the implementation of GASB 68 revenues and expenses in the government-wide financial statements are substantially lower than those reported in the general fund because the fiscal year 2015 on-behalf PERS and TRS pension payments of \$178.6 million are not reflected in the government-wide financial statements.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the School District's basic financial statements. The basic financial statements are comprised of three components: 1) government-

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis (cont.) June 30, 2015

wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* provide both short-term and long-term information about the School District's overall financial status, in a manner similar to a private-sector business.

- The *statement of net position* presents information on all of the School District's assets, liabilities and deferred inflows/outflows of resources, with the difference 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 School District is improving or deteriorating.
- The *statement of activities* presents information showing how the School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cashflows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused annual/personal leave).

Both of the government-wide financial statements present functions of the School District as *governmental activities*, that is, functions principally supported by taxes and intergovernmental revenues. The governmental activities of the School District include instruction, support services, administration, operations and maintenance, student activities, student transportation – to and from school, community services and food services. The government-wide financial statements can be found on pages 24 and 25 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on the School District's most significant or "major" funds. All of the funds of the School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental 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 fund 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. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is described in the reconciliations accompanying the Governmental Funds Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balances. The governmental funds financial statements can be found on pages 28 through 35 of this report.

Proprietary Fund

The School District maintains a proprietary type internal service fund which is an accounting device used to accumulate and allocate costs internally among the School District's various functions. The internal service fund is used to account for the School District's risk management activities and provides the same

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis (cont.) June 30, 2015

type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements can be found on pages 36 through 38 of this report.

Fiduciary Fund

Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs. The School District's only fiduciary fund is an agency fund used to account for various School District-related organizations. The basic fiduciary fund financial statement can be found on page 39 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 41 through 69 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents as *required supplementary information* the budgetary schedules for the major funds, the schedules of the School District's proportionate share of the net pension liability and pension contributions for both PERS and TRS and the notes to the required supplementary information. Required supplementary information can be found on pages 72 through 83 of this report.

Combining schedules for major and nonmajor funds are presented immediately following the required supplementary information. Combining fund schedules can be found on pages 80 through 167 of this report.

Results of the state and federally mandated *Single Audit* which include auditor's opinions, schedule of expenditures of federal awards, schedule of state financial assistance and schedules of findings and questioned costs can be found on pages 219 through 240 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The School District's change in net position for fiscal year 2015 was \$6.5 million, an increase of \$4.8 million over last year. With the implementation of GASB 68 and the required restatement of fiscal year 2014 net position, the School District's total liabilities and deferred inflows *exceeded* assets and deferred outflows by \$60.2 million. Of this amount (\$65.8) million was unrestricted, \$1.5 million was restricted for correspondence study student allotments and grant-funded programs and \$4.1 was invested in the School District's capital assets. The net investment in capital assets reflects the School District's investment in machinery, equipment and software. The School District uses these capital assets to provide services to its parents and students; consequently, these assets are not available for future spending.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis (cont.) June 30, 2015

The analysis that follows focuses on net position (table 1) and changes in net position (table 2) for the School District's governmental activities.

Table 1
Net Position - Governmental Activities

	2015	2014	Increase (Decrease)	Percentage Change
Assets				
Current and other assets	\$ 36,735,091	\$ 34,983,880	\$ 1,751,211	5.0%
Capital assets	4,112,494	4,001,914	110,580	2.8%
Total assets	40,847,585	38,985,794	1,861,791	4.8%
Deferred outflows of resources	7,679,304		7,679,304	100.0%
Liabilities				
Long-term liabilities	95,299,362	9,833,630	85,465,732	869.1%
Other liabilities	3,096,850	4,209,154	(1,112,304)	-26.4%
Total liabilities	98,396,212	14,042,784	84,353,428	600.7%
Deferred inflows of resources	10,368,062		10,368,062	
Net position				
Investment in capital assets	4,112,494	4,001,914	110,580	2.8%
Restricted	1,451,634	1,864,874	(413,240)	
Unrestricted	(65,801,513)	19,076,222	(84,877,735)	-444.9%
Total net position	\$ (60,237,385)	\$ 24,943,010	\$ (85,180,395)	-341.5%

In addition to those already mentioned the following are significant current year transactions that have had an impact on the Statement of Net Position:

- A \$1.7 million increase in equity in central treasury cash due to a decrease in accounts payable (\$0.7 million) and the one-time waiver by the Fairbanks North Star Borough of the fund balance lapse provision in Borough Ordinance 3.01.060 in response to anticipated large School District budget shortfalls for fiscal year 2016 (\$0.8 million).

The results of this year's operations for the School District as a whole are reported in the Statement of Activities on page 25 of this report. Table 2 provides condensed information from the Statement of Activities.

Table 2
Changes in Net Position
Governmental Activities

	2015	2014	Increase (Decrease)	Percentage Change
Revenues:				
Program revenues:				
Charges for services	\$ 1,655,445	\$ 1,782,643	\$ (127,198)	-7.1%
Operating grants and contributions	81,118,672	68,202,040	12,916,632	18.9%
Capital grants and contributions	911,562	126,935	784,627	618.1%

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis (cont.)
June 30, 2015

Table 2
Changes in Net Position (continued)
Governmental Activities

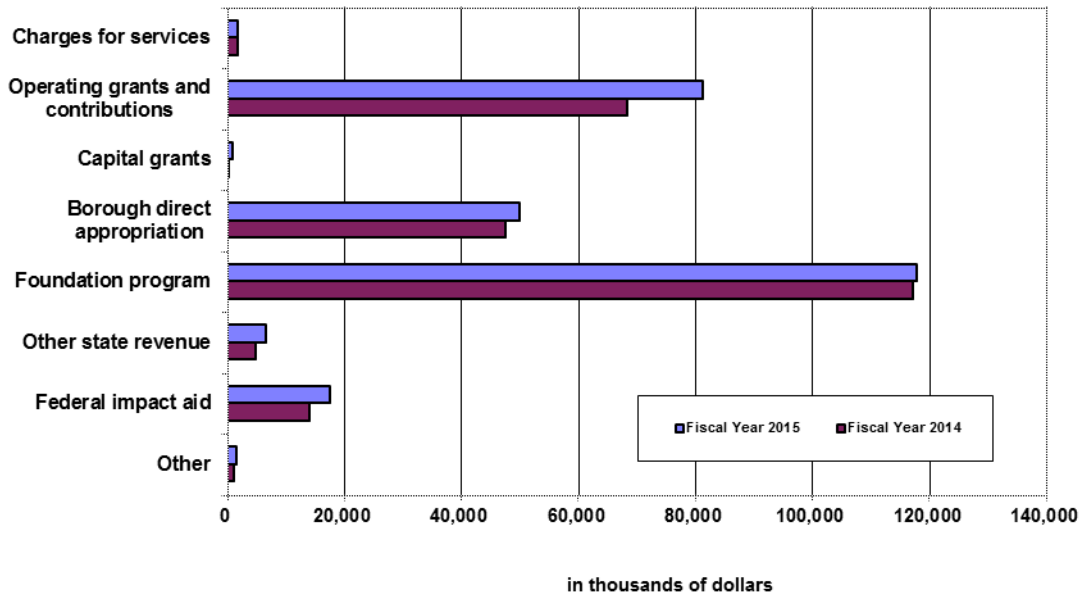
	2015	2014	Increase (Decrease)	Percentage Change
Revenues (cont.):				
General revenues:				
Borough direct appropriation	\$ 49,906,000	\$ 47,560,000	\$ 2,346,000	4.9%
Foundation program	117,696,672	117,038,885	657,787	0.6%
Other state revenue	6,498,660	4,691,698	1,806,962	38.5%
Federal impact aid	17,420,489	13,979,892	3,440,597	24.6%
Other	1,507,611	1,048,638	458,973	43.8%
Total revenues	276,715,111	254,430,731	22,284,380	8.8%
Expenses:				
Instruction	122,257,659	109,531,681	12,725,978	11.6%
Special education instruction	31,589,337	29,236,637	2,352,700	8.0%
Special education instruction-support services	11,614,210	10,551,365	1,062,845	10.1%
Support services-students	16,113,199	16,554,098	(440,899)	-2.7%
Support services-instruction	12,093,473	12,079,620	13,853	0.1%
School administration	9,734,249	8,712,544	1,021,705	11.7%
School administration support services	5,627,274	5,724,618	(97,344)	-1.7%
District administration	2,368,596	2,125,738	242,858	11.4%
District administration support services	10,876,471	10,503,523	372,948	3.6%
Operations and maintenance of plant	24,500,198	25,259,547	(759,349)	-3.0%
Student activities	5,604,672	5,293,009	311,663	5.9%
Student transportation - to and from school	11,974,378	11,785,326	189,052	1.6%
Community service		5,000	(5,000)	-100.0%
Food service	5,910,012	5,418,264	491,748	9.1%
Total expenses	270,263,728	252,780,970	17,482,758	6.9%
Increase (decrease) in net position	\$ 6,451,383	\$ 1,649,761	\$ 4,801,622	291.0%
Ending net position	\$ (60,237,385)	\$ 24,943,010	\$ (85,180,395)	-341.5%

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis (cont.)
June 30, 2015

Figure A-1 presents a comparative chart of governmental activities revenues for fiscal year 2015 and 2014.

Figure A-1, Governmental Activities Revenues for Fiscal Year 2015 and 2014



Governmental activities revenues were \$276.7 million, an increase of \$22.3 million or 8.76 percent over the prior fiscal year. The following significant increases and decreases are worth noting:

- Increase in operating grants and contributions of \$12.9 million due mainly to an increase in pension revenue of \$17.7 million, equal to the nonemployer (State of Alaska) pension expense, recorded for the first time in fiscal year 2015 as a result of the implementation of GASB 68. This increase was offset by a decrease in State on-behalf payments made to the TRS and PERS of \$3.2 million.
- Increase in general revenues of \$8.7 million across all categories. Changes in general revenues are discussed in more detail in the *Financial Analysis of the School District's Funds* section later in this MD&A.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis (cont.)
June 30, 2015

Figure A-2 presents a chart of governmental activities revenues by source as a percentage of total governmental activities revenues.

Figure A-2, Revenues by Source – Governmental Activities

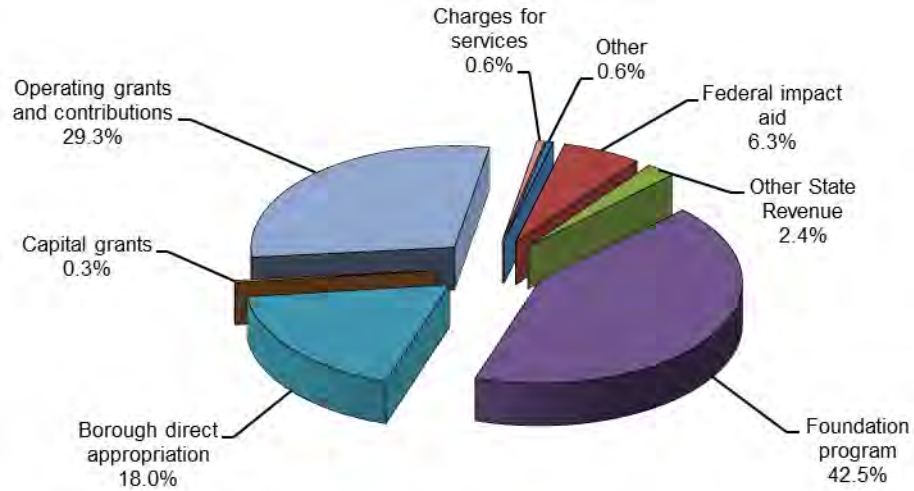
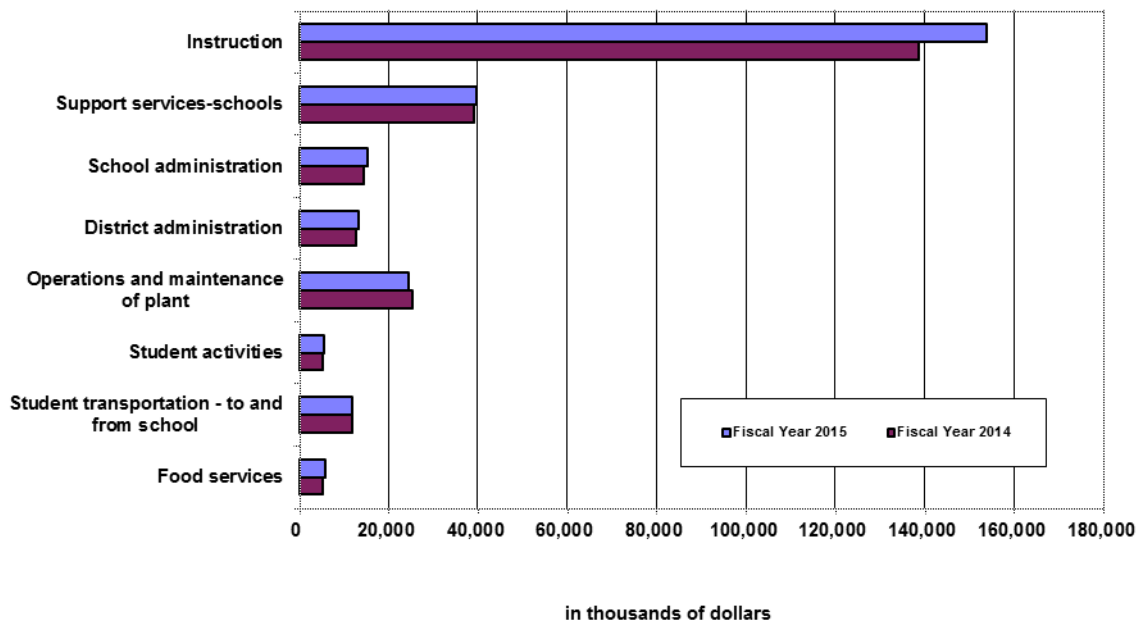


Figure A-3 presents a comparative chart of governmental activities expenses for fiscal year 2015 and 2014.

Figure A-3, Governmental Activities Expenses for Fiscal Year 2015 and 2014



FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis (cont.) June 30, 2015

The cost of all governmental activities in the current year was \$270.2 million, an increase of \$17.5 million and 6.9 percent over the prior year. The following significant increases and decreases are worth noting:

- School District and nonemployer (State of Alaska) pension expense of \$15.3 million was recorded for the first time in fiscal year 2015 due to the implementation of GASB 68.
- Net decrease in State on-behalf payments made to the TRS and PERS of \$3.2 million. On-behalf payments are comprised of two components: pension and other postemployment benefits (OPEB). The on-behalf payments reported in the government-wide financial statements for fiscal year 2014 include both components (\$36.2 million), however, in fiscal year 2015 the on-behalf payments include only the TRS OPEB component (\$33 million) due to the GASB 68 implementation. It should be noted that the fiscal year 2015 PERS on-behalf payment was allocated entirely to the *pension* component by the Alaska Legislature.
- Increase in certified and non-certified staff salaries of \$1.4 million due to negotiated 1.25 percent increases for the teachers' and principals' bargaining units, 1.75 percent for the classified staff bargaining unit, and a Board approved 1.25 percent increase for exempt management employees. In addition, the aforementioned employee groups received salary/wage table step movement as applicable.
- Increase in employee benefits of \$1.8 million. \$1.5 million of this increase is due to an increase in the health benefit rate of two percentage points. The remaining increase correlates with the increase in salaries mentioned above.

Figure A-4 presents a chart of governmental activities expenses by function as a percentage of total governmental activities expenses.

Figure A-4, Expenses by Function – Governmental Activities



Table 3 condenses the total expenses of the School District's main functional categories – instruction, support services - schools, school administration, district administration, operations and maintenance of plant, student activities, student transportation - to and from school, community services and food services, as well as each program's *net* cost. To arrive at net cost, the total cost of providing services is reduced by charges for those services as well as operating and capital grants and contributions

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis (cont.) June 30, 2015

designated for specific programs. Net cost shows the amount to be supported for each of these functions by the local taxpayers contribution to education, state foundation funding, other state revenue, and federal impact aid. Providing this information allows the users of this report to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3
Net Cost of Governmental Activities

	2015		2014	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 153,846,996	\$ 104,413,364	\$ 138,768,318	\$ 104,072,798
Support services - schools	39,820,882	30,054,354	39,185,083	27,910,644
School administration	15,361,523	12,254,715	14,437,162	12,096,861
District administration	13,245,067	12,609,615	12,629,261	11,705,492
Operations and maintenance of plant	24,500,198	23,610,197	25,259,547	23,913,395
Student activities	5,604,672	2,657,796	5,293,009	2,590,293
Student transportation - to and from school	11,974,378	(53,668)	11,785,326	(99,908)
Community services			5,000	5,000
Food services	5,910,012	1,031,676	5,418,264	474,777
Total	\$ 270,263,728	\$ 186,578,049	\$ 252,780,970	\$ 182,669,352

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the School District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's net resources available for spending at the end of the fiscal year. As of the current fiscal year, the School District's governmental funds reported combined ending fund balance of \$29 million, an increase of \$4 million or 15.9 percent from the prior year combined fund balance. The School District's fund balance is categorized as nonspendable, restricted, committed, assigned or unassigned. Definitions for these categories can be found in Note 1.P. on pages 46 and 47 of this report.

Approximately \$4.2 million of this combined fund balance is considered to be 1) nonspendable because it is invested in inventory and prepaid items at year-end, 2) restricted for specific programs or 3) committed to specific programs (school activities). The remaining \$24.8 million is either assigned to specific purposes (\$21.6 million) or unassigned (\$3.2 million). Fund balance in the general fund is assigned 1) for the purpose of liquidating fiscal year 2015 contracts and purchase orders in fiscal year 2016 (\$1.7 million), 2) for the fiscal year 2016 annual federal impact aid payment received in advance in fiscal year 2015 (\$16.4 million) and 3) for that portion of fund balance included as a budgetary resource in the subsequent year's budget to eliminate the projected excess of expected expenditures over expected revenues (\$1.9 million). Fund balance in the student transportation special revenue fund is assigned for student transportation funding shortfalls expected in subsequent years (\$1.2 million). Fund balance in the state programs special revenue fund is restricted for a student safety and security capital grant received from the State of Alaska (\$0.6 million).

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis (cont.) June 30, 2015

Table 4 reconciles total ending fund balances for the governmental funds with total net position on the government-wide statement of net position.

Table 4
Reconciliation of Total Fund Balances for Governmental Funds to
Net Position of Governmental Activities

	2015
Total fund balances - governmental funds - at June 30, 2015	<u>\$ 28,955,472</u>
Cost of capital assets (net of accumulated depreciation/amortization)	4,112,494
Internal service fund net position	54,929
Long-term liabilities (compensated absences)	(4,122,820)
Net pension liability	(86,548,702)
Deferred outflows/inflows related to pensions	<u>(2,688,758)</u>
Total net position at June 30, 2015	<u>\$ (60,237,385)</u>

Key elements of changes in fund balance for the major funds follows:

- At the end of the current fiscal year, total fund balance of the general fund was \$25 million, up \$5.1 million or 25.8 percent from last fiscal year. Revenues in the general fund increased \$184 million or 83.4 percent and expenditures increased \$178.3 million or 80.6 percent. An analysis of the changes follows later in this document.
- The student transportation special revenue fund accounts for revenues and expenditures of providing transportation to and from schools. The State of Alaska provides the funding for these state approved student transportation services through a grant based on a per student formula. Annual general fund transfers, when needed, subsidize transportation services not covered by state funding. Fund balance in this fund increased \$51,257 or 2.6 percent from the prior year due to a 3.0 percent increase per ADM in pupil transportation funding provided by the State of Alaska. Because of additional funding in fiscal years 2014 and 2015, a projected use of assigned fund balance of \$1.2 million was not necessary.
- Fund balance in the state programs special revenue fund decreased \$0.5 million in fiscal year 2015 due to the planned spend-down of a \$2.2 million one-time grant from the State of Alaska for student safety and security enhancements.

Table 5 presents a summary of general fund revenues.

Table 5
General Fund Revenues

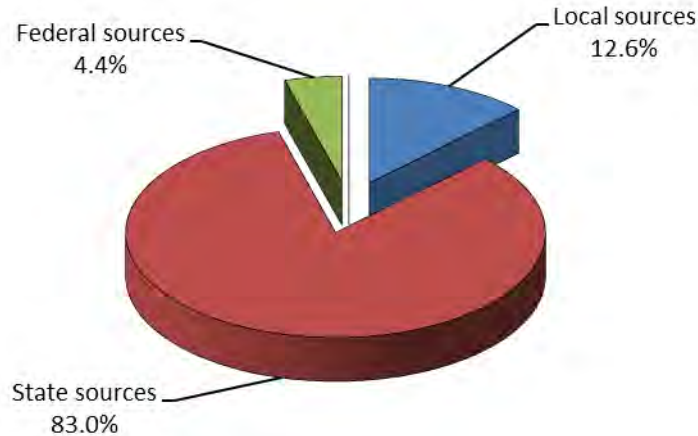
	2015	2014	Increase (Decrease)	Percent Increase (Decrease)
Local sources	\$ 51,087,441	\$ 48,630,214	\$ 2,457,227	5.1%
State sources	335,722,334	157,915,539	177,806,795	112.6%
Federal sources	17,738,637	13,979,892	3,758,745	26.9%
Other financing sources	5,738	2,953	2,785	94.3%
Total	<u>\$ 404,554,150</u>	<u>\$ 220,528,598</u>	<u>\$ 184,025,552</u>	83.4%

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis (cont.)
June 30, 2015

Figure A-5 presents a chart of general fund revenues by source as a percentage of total general fund revenues.

Figure A-5, General Fund Revenues



Revenue from local sources is comprised mainly of the appropriation from the Fairbanks North Star Borough for general school operations which totaled \$49.9 million in fiscal year 2015, a \$2.3 million increase from last year. The original appropriation in the prior fiscal year was offset by the required \$0.8 million general fund lapse returned to the Borough at year-end. There was no reduction to the fiscal year 2015 appropriation due to a one-time waiver of the lapse provision in response to anticipated large School District budget shortfalls in fiscal year 2016. The increase in revenues from state sources was due to an increase in foundation funding (\$0.7 million), an increase in supplemental aid (\$1.8 million) and an increase in nonemployer on-behalf payments made to our PERS and TRS defined benefit plans (\$175.3 million). Both the increase in foundation funding (\$150 increase to the base student allocation) and the increase in supplemental aid, earmarked to offset increased energy costs, were appropriated in HB278 during the 2014 legislative session. The increase in State on-behalf payments was due to a one-time appropriation by the Alaska Legislature (Senate Bill 119) to the PERS and TRS defined benefit plans of \$1 billion and \$2 billion, respectively, resulting in a \$175.3 million increase in the School District's portion of the legislative appropriation over fiscal year 2014. The increase in revenues from federal sources was due to a gain of \$3.4 million in impact aid resulting primarily from an unanticipated increase in the fiscal year 2015 application payment (\$1.3 million) and an increase in payments related to prior year applications (\$2.1 million).

Table 6 presents a summary of general fund expenditures.

Table 6
General Fund Expenditures

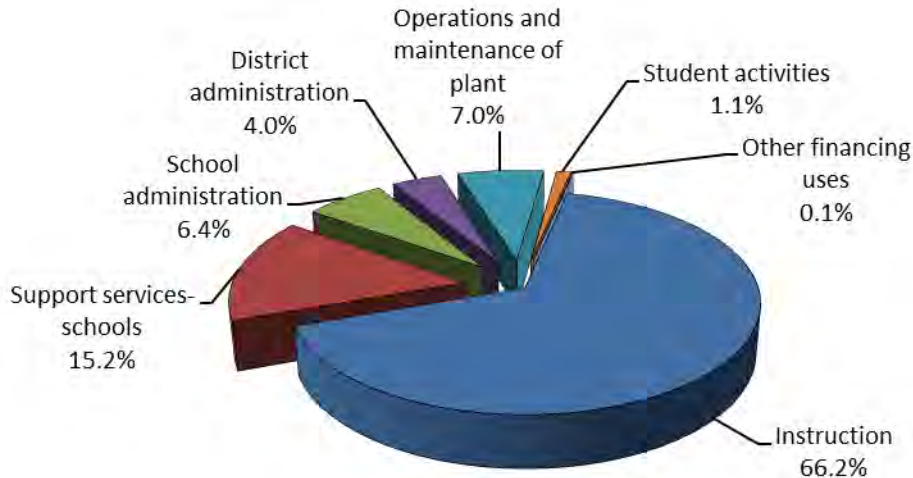
	2015	2014	Increase (Decrease)	Percent Increase (Decrease)
Instruction	\$ 264,456,183	\$ 131,319,287	\$ 133,136,896	101.4%
Support services - schools	60,728,877	35,016,121	25,712,756	73.4%
School administration	25,590,426	14,565,971	11,024,455	75.7%
District administration	16,116,337	12,237,000	3,879,337	31.7%
Operations and maintenance of plant	27,766,846	24,924,249	2,842,597	11.4%
Student activities	4,578,101	2,872,419	1,705,682	59.4%
Transfers to other funds	196,808	237,100	(40,292)	-17.0%
Total	<u>\$ 399,433,578</u>	<u>\$ 221,172,147</u>	<u>\$ 178,261,431</u>	<u>80.6%</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis (cont.)
June 30, 2015

Figure A-6 presents a chart of general fund expenditures by function as a percentage of total general fund expenditures.

Figure A-6, General Fund Expenditures



As Table 6 shows, all functional areas incurred large increases in expenditures due to increases in nonemployer on-behalf payments to the PERS and TRS defined benefit plans in fiscal year 2015 of \$11.1 million and \$164.2 million, respectively. Instruction, support services – schools and school administration saw the largest increases because these functional areas have the highest number of TRS members. If you remove the effect of the on-behalf payments expenditures increased in fiscal year 2015 by \$2.9 million or 1.6 percent. The largest increases occurred in instruction (\$0.9 million), district administration (\$0.9 million) and support services – schools (\$0.7 million). The increase in the instruction function was due to an increase of 2 percentage points in the health benefit rate (\$0.6 million) and the purchase of new reading materials and technology for our special needs students (\$0.5 million). The increase in district administration was due to 1) annual step increases for non-certificated administrative staff and the addition of two new positions (\$0.3 million), 2) an increase in employee benefits as a result of salary increases and the increase in the health benefit rate (\$0.2 million) and 3) an increase in equipment due to replacement of core computer servers and data storage hardware (\$0.2 million). Finally, the increase in the support services – schools function was due to 1) an increase in certificated salaries due to a 1.25 percent salary increase for certificated administrative staff and a 1.25 percent salary schedule increase for non-administrative certificated staff (\$0.3 million) and 2) an increase in employee benefits as a result of salary increases and the increase in the health benefit rate (\$0.3 million).

The largest categorical increases in the general fund were in non-certified salaries (\$0.8 million), employee benefits (\$1.5 million sans the on-behalf payment increase) and supplies (\$0.8 million) which correlate with increases noted in the functional areas above.

Proprietary Fund

The risk management internal service fund is used by the School District to account for its self-insurance and risk management program. An internal service fund is simply a means of accumulating costs related to a given activity on an accrual basis so that the costs can subsequently be allocated to the benefiting funds in the form of fees and charges. Any surplus or deficit in this fund is taken into account when setting future benefit rates with the idea that the fund should “break even”. The internal service fund had a positive net position at June 30, 2015 of \$54,929, a decrease of \$81,875 from fiscal year 2014. Operating revenues increased \$1.6 million or 4.6 percent from the prior year due to an increase in the health benefit rate of 2 percentage points (\$1.4 million). Operating expenses increased \$3.2 million or 9.8 percent from

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis (cont.) June 30, 2015

the prior year. Although health care costs increased \$3.9 million, that increase was offset by a \$0.6 million reduction in worker's compensation claim reserve costs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The School District Board of Education holds public hearings and approves the School District budget by functional area. The Fairbanks North Star Borough (Borough) Assembly then approves the bottom line total for the School District budget. Once approved, state law requires it to be submitted to the State of Alaska, Department of Education and Early Development. Board policy requires that budget transfers or adjustments between programs in excess of \$20,000 or any budget transfer or adjustment in excess of \$25,000 be authorized by the Board of Education.

Differences between the general fund original budget and final budget are due mainly to the following:

- The original budget includes the cost for all substitutes for teachers, counselors, and library personnel in one appropriated line item in the instruction function. However, actual substitute costs for counselors and library personnel are charged to either support services-students or support services-instruction as incurred. As those costs are known, the budget is adjusted accordingly.
- In the original budget an average salary amount is used to budget for certificated positions. However for some functions, such as special education instruction and support services-students, actual salaries for certain teaching, guidance counselor and librarian positions can be considerably higher than the average. The final budget is adjusted for these differences.

Actual revenues on the budgetary basis (excluding other financing sources) for fiscal year 2015 were \$160 million more than the final budget. Actual expenditures on the budgetary basis (excluding other financing uses) for fiscal year 2015 were \$154 million more than the final budget.

Significant budget to actual variances of note were:

- Revenues - state sources – were \$156 million over budget due to 1) PERS and TRS on-behalf payments made by the State of Alaska to our defined-benefit plan being over budget by \$159 million, offset by state foundation funding being under budget by \$2.6 million due to a difference between the projected official student count for the fiscal year 2015 budget and the actual official count of 271 students.
- Revenues - federal sources – were \$3.8 million over budget due to higher than anticipated impact aid payments for fiscal year 2015 (\$1.7 million) and an increase in payments related to prior year applications (\$2.1 million).
- Total expenditures – were over budget by \$154 million. All of the functional expenditure categories had expenditures in excess of budget due to a one-time appropriation by the State of Alaska to the PERS and TRS defined benefit plans of \$1 billion and \$2 billion, respectively that resulted in proportional increases to all participating employers. At the time the fiscal year 2015 budget was adopted it was unclear what the School District's proportion would be so the budget for on-behalf payments was not increased beyond our initial estimate.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The School District's investment in capital assets for its governmental activities was \$4.1 million as of June 30, 2015 (net of accumulated depreciation and amortization). This investment in capital assets

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis (cont.) June 30, 2015

includes machinery, equipment and software. The Borough owns the land and buildings. Table 7 details capital assets by asset type:

Table 7
Capital Assets (Net of Depreciation/Amortization)
Governmental Activities

	2015	2014	Increase (Decrease)	Percent Increase (Decrease)
Machinery and equipment	\$ 3,393,423	\$ 3,220,649	\$ 172,774	5.4%
Intangibles (software)	719,071	781,265	(62,194)	-8.0%
Total	<u><u>\$ 4,112,494</u></u>	<u><u>\$ 4,001,914</u></u>	<u><u>\$ 110,580</u></u>	<u><u>2.8%</u></u>

Additional information on the School District's capital assets can be found in Note 6 on pages 51 and 52 of this report.

Debt Administration

The School District's long-term obligations include \$4.1 million for compensated absences, a decrease of \$58,423 or 1.4 percent from the prior year due to the payout and use of leave outpacing the value of leave earned. Long-term obligations also include \$4.7 million for insurance claims and reserves, a decrease of \$1 million or 18.1 percent from prior year. Claims and reserves include such items as claims payable and accrued self-insurance reserves. The decrease in claims and reserves, reported in the risk management internal service fund, is due mostly to decreases in our worker's compensation claims reserve (\$0.6 million) and our general, auto, and errors and omissions claims reserve (\$0.2 million). Beginning in fiscal year 2015 the addition of the School District's net pension liability for the PERS and TRS of \$86.5 million as a result of the GASB 68 implementation is also included in long-term obligations. Additional information about long-term obligations can be found in Note 9 on page 53, Note 12 on pages 55 through 56 and Note 14 on pages 56 through 69 of this report, respectively, and in the risk management internal service fund financial statements on pages 36 through 38.

Debt related to general obligation bonds for school construction is the responsibility of the Borough. The School District has no liability for repayment of general obligation bonds. For informational purposes, debt related to general obligation bonds for school construction can be found in Note 10 on page 54 of this report.

ECONOMIC FACTORS AND SUBSEQUENT YEARS' BUDGETS

At the completion of the audit, the School District was aware of certain factors which could significantly impact financial condition or budgetary decisions in the near future:

- The School District's budget is comprised of over 88.0 percent in salaries and employee benefits, and includes three bargaining units and one exempt management group. The district will enter negotiations with all three bargaining units during the 2015-16 fiscal year. The cost for fiscal year 2017 salaries for all three bargaining units is unknown at this time.
- Significant financial exposure to the School District currently exists in regards to the impact of the excise tax associated with the Affordable Care Act. This excise tax is staged to go into effect in 2018. The Joint Health Insurance Committee is currently looking at plan design options to mitigate the financial impact. Plan design changes will need to be determined within the current fiscal year in order to allow for adequate time to educate staff and provide for an open enrollment or shift to a new plan design.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis June 30, 2015

- The State of Alaska currently faces a significant fiscal challenge directly related to the recent fall in oil prices. The State is facing multi-billion dollar deficits in the current year and ensuing year. Education is the single largest expense in the State's unrestricted general fund, at over 31.0 percent. The potential exists for significant decreases in the funding level through the State's education foundation funding system. In the 2015-16 operating fund budget State revenues comprise over 65.0 percent of the total anticipated revenue. Any decrease in funding level from the State will have significant impact on the School District's operating fund.

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, parents, students, investors and creditors with a general overview of the School District finances and shows the School District's accountability for the money it receives. Questions concerning information provided in this report or requests for additional information should be addressed to:

Lisa Pearce
Chief Financial Officer
Fairbanks North Star Borough School District
Department of Administrative Services
520 5th Avenue
Fairbanks, Alaska 99701
Phone (907) 452-2000
lisa.pearce@k12northstar.org

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BASIC FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

Fund Financial Statements

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position

Statement of Activities

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Statement of Net Position

June 30, 2015

**Governmental
Activities****ASSETS**

Equity in central treasury cash	\$ 26,900,472
Accounts receivable	8,706,780
Due from Fairbanks North Star Borough	22,476
Inventories	906,091
Prepaid items	199,272
Machinery and equipment	10,080,595
Less accumulated depreciation	(6,687,172)
Intangible assets, net of amortization	719,071
Total assets	<u>40,847,585</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	<u>7,679,304</u>
---------------------------------------	------------------

LIABILITIES

Accounts payable	846,892
Accrued payroll and liabilities	1,885,494
Unearned revenue	333,938
Due to Fairbanks North Star Borough	30,526
Long-term liabilities (See Note 9):	
Due within one year	7,986,757
Due in more than one year	<u>87,312,605</u>
Total liabilities	<u>98,396,212</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions	<u>10,368,062</u>
--------------------------------------	-------------------

NET POSITION

Investment in capital assets	4,112,494
Restricted for:	
Grant-funded programs	1,416,526
Student allotments	35,108
Unrestricted deficit	<u>(65,801,513)</u>
Total net position	<u>\$ (60,237,385)</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Statement of Activities

For the Year Ended June 30, 2015

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense)/ Revenue and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Instruction	\$ 122,257,659	\$ 44,280	\$ 39,329,998	\$ 424,161
Special education instruction	31,589,337		9,635,193	
Special education support services - students	11,614,210		2,580,472	
Support services - students	16,113,199	222,709	4,199,679	
Support services - instruction	12,093,473	34,860	2,728,808	
School administration	9,734,249		2,972,295	
School administration support services	5,627,274		134,513	
District administration	2,368,596		398,996	
District administration support services	10,876,471		236,456	
Operations and maintenance of plant	24,500,198		402,600	487,401
Student activities	5,604,672		2,946,876	
Student transportation - to and from school	11,974,378		12,028,046	
Food services	5,910,012	1,353,596	3,524,740	
Total governmental activities	\$ 270,263,728	\$ 1,655,445	\$ 81,118,672	\$ 911,562
General revenues:				
Grants and contributions not restricted to specific programs:				
Borough direct appropriation				49,906,000
Foundation program				117,696,672
Other state revenue				6,498,660
Federal impact aid				17,420,489
Other				953,584
Miscellaneous				554,027
Total general revenues				193,029,432
Change in net position				6,451,383
Net position - beginning				24,943,010
Restatement-GASB 68 implementation (see note 15)				(91,631,778)
Net position - beginning, as restated				(66,688,768)
Net position - ending				\$ (60,237,385)

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FUND FINANCIAL STATEMENTS

Governmental Funds:

**Balance Sheet
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net
Position
Statement of Revenues, Expenditures and
Changes in Fund Balances
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances to the
Statement of Activities**

Proprietary Fund:

**Statement of Net Position
Statement of Revenues, Expenses and
Changes in Fund Net Position
Statement of Cash Flows**

Fiduciary Fund:

**Statement of Fiduciary Assets and
Liabilities**

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Balance Sheet

Governmental Funds

June 30, 2015

(With comparative totals for 2014)

	<u>General</u>	<u>Federal Programs Special Revenue</u>	<u>Student Transportation Special Revenue</u>
<u>ASSETS</u>			
Equity in central treasury cash	\$ 21,205,671	\$ 5,770	\$ 2,058,891
Accounts receivable:			
Local	454,721	48,638	
State		3,304,662	
Federal	202,745	213,192	
Due from other funds	4,931,193		
Due from Fairbanks North Star Borough	12,104		
Inventories	425,380		
Prepaid items	199,272		
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 27,431,086</u>	<u>\$ 3,572,262</u>	<u>\$ 2,058,891</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 539,813	\$ 27,027	\$ 32,069
Accrued payroll and liabilities	1,885,494		
Unearned revenue			
Due to other funds		3,543,937	
Due to Fairbanks North Star Borough	30,526		
Due to external groups and agencies			
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>2,455,833</u>	<u>3,570,964</u>	<u>32,069</u>
Fund balances:			
Nonspendable	624,652		
Restricted	35,108	1,298	797,981
Committed			
Assigned	19,972,736		1,228,841
Unassigned	4,342,757		
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>24,975,253</u>	<u>1,298</u>	<u>2,026,822</u>
Total liabilities and fund balances	<u>\$ 27,431,086</u>	<u>\$ 3,572,262</u>	<u>\$ 2,058,891</u>

State Programs Special Revenue	Nonmajor Governmental	Total Governmental Funds	
		2015	2014
\$ 960,690	\$ 2,178,082	\$ 26,409,104	\$ 23,681,417
	235	503,594	577,925
202,052	5,007	3,511,721	2,866,871
		415,937	272,520
		4,931,193	4,171,540
10,372		22,476	568,563
	480,711	906,091	1,088,912
		199,272	55,185
<u>\$ 1,173,114</u>	<u>\$ 2,664,035</u>	<u>\$ 36,899,388</u>	<u>\$ 33,282,933</u>

\$ 11,843	\$ 152,013	\$ 762,765	\$ 1,492,516
		1,885,494	1,605,890
331,932	2,006	333,938	193,596
212,099	1,175,157	4,931,193	4,171,540
		30,526	800,000
			33,856
<u>555,874</u>	<u>1,329,176</u>	<u>7,943,916</u>	<u>8,297,398</u>
	480,711	1,105,363	1,144,097
617,240	7	1,451,634	1,864,874
	1,634,796	1,634,796	1,726,030
	389,450	21,591,027	17,133,976
	(1,170,105)	3,172,652	3,116,558
<u>617,240</u>	<u>1,334,859</u>	<u>28,955,472</u>	<u>24,985,535</u>
<u>\$ 1,173,114</u>	<u>\$ 2,664,035</u>	<u>\$ 36,899,388</u>	<u>\$ 33,282,933</u>

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FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2015

Total fund balances for governmental funds \$ 28,955,472

Amounts reported for governmental activities in the statement of net position are different because:

The cost of capital assets purchased is reported as an expenditure in governmental funds. Conversely, the fair market value of capital assets donated is not reported in governmental funds. The statement of net position includes purchased and donated capital assets among the assets of the School District as a whole. The cost (or fair market value, if donated) of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various functions reported as governmental activities in the statement of activities.

Machinery and equipment	\$ 10,080,595	
Accumulated depreciation to date	(6,687,172)	
Intangible assets, net of amortization	<u>719,071</u>	
		4,112,494

An internal service fund is used by management to charge the costs of self-insurance and risk management to individual funds. The assets and liabilities of the internal service fund are reported with governmental activities in the statement of net position.

Internal service fund net position	54,929
------------------------------------	--------

Long-term liabilities applicable to the School District's governmental funds are not due and payable in the current period and accordingly are not reported as governmental fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Balances at June 30, 2015 are:

Compensated absences	(4,122,820)	
Net pension liability	<u>(86,548,702)</u>	
		(90,671,522)

Deferred outflows related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.	7,679,304
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Deferred inflows related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.	<u>(10,368,062)</u>
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Total net position of governmental activities	<u><u>\$ (60,237,385)</u></u>
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FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015
(With comparative totals for 2014)

	<u>General</u>	<u>Federal Programs Special Revenue</u>	<u>Student Transportation Special Revenue</u>
Revenues:			
Local sources	\$ 51,087,441	\$ 28,248	\$
State sources	335,722,334		12,020,252
Federal sources	<u>17,738,637</u>	<u>11,929,236</u>	
Total revenues	<u>404,548,412</u>	<u>11,957,484</u>	<u>12,020,252</u>
Expenditures:			
Current:			
Instruction	217,704,934	5,184,548	
Special education instruction	46,751,249	3,733,537	
Special education support services - students	19,726,865		
Support services - students	24,099,465	1,415,202	
Support services - instruction	16,902,547	982,832	
School administration	18,710,099		
School administration support services	6,880,327		
District administration	3,680,703		
District administration support services	12,435,634	599,385	
Operations and maintenance of plant	27,766,846		
Student activities	4,578,101		
Student transportation - to and from school			11,968,995
Community services			
Food services		<u>41,980</u>	
Total current	<u>399,236,770</u>	<u>11,957,484</u>	<u>11,968,995</u>
Capital outlay			
Total expenditures	<u>399,236,770</u>	<u>11,957,484</u>	<u>11,968,995</u>
Excess (deficiency) of revenues over expenditures	<u>5,311,642</u>		<u>51,257</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	5,738		
Transfers in			
Transfers out	<u>(196,808)</u>		
Total other financing sources (uses)	<u>(191,070)</u>		
Net change in fund balances	5,120,572		51,257
Fund balances - beginning	<u>19,854,681</u>	<u>1,298</u>	<u>1,975,565</u>
Fund balances - ending	<u>\$ 24,975,253</u>	<u>\$ 1,298</u>	<u>\$ 2,026,822</u>

State Programs Special Revenue	Nonmajor Governmental	Total Governmental Funds	
		2015	2014
\$	\$	\$	\$
686,637	4,490,786	55,606,475	52,815,470
		348,429,223	173,180,153
	3,868,350	33,536,223	28,432,155
686,637	8,359,136	437,571,921	254,427,778
551,693	34	223,441,209	110,458,367
		50,484,786	29,374,914
		19,726,865	10,616,448
560,841	161,714	26,237,222	16,745,156
24,518	53,152	17,963,049	12,024,263
		18,710,099	8,798,346
		6,880,327	5,767,625
		3,680,703	2,223,703
22,427		13,057,446	10,586,356
14,700		27,781,546	24,931,722
	2,552,586	7,130,687	5,312,989
		11,968,995	11,793,857
			5,000
12,029	5,782,832	5,836,841	5,416,030
1,186,208	8,550,318	432,899,775	254,054,776
	707,947	707,947	355,897
1,186,208	9,258,265	433,607,722	254,410,673
(499,571)	(899,129)	3,964,199	17,105
		5,738	2,953
	196,808	196,808	237,100
		(196,808)	(237,100)
	196,808	5,738	2,953
(499,571)	(702,321)	3,969,937	20,058
1,116,811	2,037,180	24,985,535	24,965,477
\$ 617,240	\$ 1,334,859	\$ 28,955,472	\$ 24,985,535

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FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2015

Net change in fund balances - total governmental funds	\$ 3,969,937
--------------------------------------------------------	--------------

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.

Expenditures for capital assets	\$ 869,935	
Less current year depreciation/amortization	<u>(805,639)</u>	
		64,296

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals and donations) is to increase net position.	46,284
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Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	58,423
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Pension contributions made during the year are reported as expenditures in the governmental funds. However, in the statement of activities contributions made during the year are deferred and not reflected as expenses because they were made after the June 30, 2014 measurement date. Contributions made in the fiscal year ending June 30, 2014 are reflected as expenses in the statement of activities in the current year. These consist of:

Contributions subsequent to the measurement date	7,395,559	
Employer contribution expense	(7,124,166)	

Net pension liability related items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. These activities consist of:

Pension expense	2,122,925
-----------------	-----------

An internal service fund is used by management to charge the costs of self-insurance and risk management to individual funds. The operating loss of the internal service fund is reported with governmental activities.

Change in net position of governmental activities	<u>\$ 6,451,383</u>
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FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Statement of Net Position

Proprietary Fund

June 30, 2015

(With comparative totals for 2014)

**Governmental Activities -
Risk Management
Internal Service Fund
Totals**

<u>2015</u>	<u>2014</u>
-------------	-------------

ASSETS

Current assets:

Equity in central treasury cash

\$ 491,368	\$ 1,541,613
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Accounts receivable - local

4,275,528	4,330,874
-----------	-----------

Total assets

<u>\$ 4,766,896</u>	<u>\$ 5,872,487</u>
---------------------	---------------------

LIABILITIES

Current liabilities:

Accounts payable

\$ 84,127	\$ 83,296
-----------	-----------

Current portion of long-term liabilities:

Claims payable

4,157,532	4,357,814
-----------	-----------

Total current liabilities

<u>4,241,659</u>	<u>4,441,110</u>
------------------	------------------

Noncurrent liabilities:

Noncurrent portion of long-term liabilities:

Claims payable

53,488	53,117
--------	--------

Accrued self-insurance reserves

416,820	1,241,456
---------	-----------

Total noncurrent liabilities

<u>470,308</u>	<u>1,294,573</u>
----------------	------------------

Total liabilities

<u>4,711,967</u>	<u>5,735,683</u>
------------------	------------------

NET POSITION

Unrestricted

54,929	136,804
--------	---------

Total net position

<u>\$ 54,929</u>	<u>\$ 136,804</u>
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FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2015
(With comparative totals for 2014)

	Governmental Activities - Risk Management Internal Service Fund Totals	
	2015	2014
Operating revenues:		
Revenue from local sources:		
Charges for services	\$ 36,178,166	\$ 34,603,139
Operating expenses:		
Health and life insurance	35,207,953	31,303,161
Workers' compensation insurance	132,311	746,800
Property and other insurance	461,992	497,299
Auto and general liability insurance	457,785	485,696
Total operating expenses	36,260,041	33,032,956
Operating income (loss)	(81,875)	1,570,183
Total net position - beginning	136,804	(1,433,379)
Total net position - ending	\$ 54,929	\$ 136,804

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Statement of Cash Flows

Proprietary Fund

For the Year Ended June 30, 2015

(With comparative totals for 2014)

	Governmental Activities - Risk Management Internal Service Fund Total	
	2015	2014
Cash flows from operating activities:		
Receipts from interfund services provided	\$ 36,133,312	\$ 34,518,324
Receipts from employees	4,124,183	4,287,948
Payments to suppliers	(1,242,941)	(1,003,710)
Payments to employees	(198,010)	(191,359)
Payments to Fairbanks North Star Borough	<u>(39,866,789)</u>	<u>(35,929,172)</u>
Net cash provided by (used in) operating activities	(1,050,245)	1,682,031
Cash flows from noncapital financing activities:		
Transfers to other funds		<u>(140,418)</u>
Net increase (decrease) in equity in central treasury cash	(1,050,245)	1,541,613
Equity in central treasury cash - beginning	<u>1,541,613</u>	
Equity in central treasury cash - ending	<u><u>\$ 491,368</u></u>	<u><u>\$ 1,541,613</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	<u>\$ (81,875)</u>	<u>\$ 1,570,183</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
(Increase) decrease in accounts receivable - local	55,346	(225,935)
Increase in accounts payable	831	7,670
Increase (decrease) in claims payable, current portion	(200,282)	604,581
Increase in claims payable, non-current portion	371	3,117
Decrease in self-insurance reserves	<u>(824,636)</u>	<u>(277,585)</u>
Total adjustments	<u>(968,370)</u>	<u>111,848</u>
Net cash provided by (used in) operating activities	<u><u>\$ (1,050,245)</u></u>	<u><u>\$ 1,682,031</u></u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
School District Agency Fund
Statement of Fiduciary Assets and Liabilities
June 30, 2015
(With comparative totals for 2014)

	Totals	
	2015	2014
<u>ASSETS</u>		
Equity in central treasury cash	\$ 40,801	\$ 50,725
<u>LIABILITIES</u>		
Accounts payable	\$	\$ 45
Due to external groups	40,801	50,680
Total liabilities	\$ 40,801	\$ 50,725

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NOTES TO THE BASIC FINANCIAL STATEMENTS

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Fairbanks North Star Borough School District (School District) operates a public school system under an elected school board, as permitted by Alaska Statutes 14.14.060 and 29.35.160. The financial statements of the School District have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

A. Reporting Entity

These financial statements include all the activities of the School District, a component unit and an integral part of the reporting entity of the Fairbanks North Star Borough (Borough), the primary government. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. The School District is reported in a separate column in the Borough's government-wide financial statements, to emphasize that the School District is legally separate from the Borough. Pursuant to Alaska Statutes, Title 29.35.160, the Borough has the responsibility of establishing, maintaining and operating a system of public schools. The Borough has delegated the administrative responsibilities for compliance with the statutes to the Fairbanks North Star Borough School District Board of Education (Board of Education), while retaining certain responsibilities. The Borough issues bonds to finance school construction, levies taxes and collects and disburses the funds, and has responsibility for funding any deficits. The Borough Assembly remains responsible for approving the School District's total budget and is also responsible for providing a minimum level of local support per State statutes.

Borough Ordinance 3.01.060 requires the first 28.5 percent of the School District's annual general fund lapse (defined as the net change in fund balance on the budgetary basis plus any amount designated from fund balance in the original budget to balance revenues and expenditures) be returned to the Borough. The amount of the annual lapse is capped at \$800,000. The School District nets any amounts returned to the Borough against the current year local appropriation. In fiscal year 2015 the Borough granted a one-time waiver of the lapse provision of Borough Ordinance 3.01.060 in response to anticipated large School District budget shortfalls for fiscal year 2016. In addition, the School District may carry over from one year to the next the unassigned local appropriation fund balance not exceeding seven percent of the local contribution to education for that fiscal year. Any amount in excess of seven percent shall be returned to the Borough except for any portion formally assigned by the School Board to be used for expenditures in the immediately subsequent fiscal year.

School construction bond proceeds to purchase furnishings and equipment for new schools are accounted for in the School District's various capital project and special revenue funds. The School District receives reimbursement from the Borough for these expenditures on an as-needed basis. The operational services provided directly by the Borough have been included in the general fund, special revenue funds and internal service fund, where appropriate, as expenditures.

Complete financial statements of the Borough can be obtained from the Borough Clerk's Office at 809 Pioneer Road, PO Box 71267, Fairbanks, Alaska 99707-1267; phone number (907) 459-1000 or on the web at co.fairbanks.ak.us/FinancialServices/DefaultDocuments.htm.

B. Basis of Presentation – Government-wide Financial Statements

The statement of net position and the statement of activities display information about the reporting entity as a whole. Fiduciary funds are not included in the government-wide financial statements. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers, parents or students who purchase, use, or directly benefit from goods or services provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. The primary government's contribution to education, State of Alaska public school foundation program revenue, other State aid, Federal Impact Aid, and other items not properly included among program revenues are reported instead as general revenues.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are copier and printing charges between the School District's district administration support services function and various other functions of the district. Elimination of these charges would distort the direct costs reported for the various functions concerned.

C. Basis of Presentation – Fund Financial Statements

The accounts of the School District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid School District management in demonstrating compliance with finance-related legal and contractual provisions.

The fund financial statements provide information about the School District's funds including its fiduciary fund. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental Funds

The School District has four major governmental funds:

General Fund – the School District's primary operating fund. Major revenue sources include the primary government's contribution to education, the State of Alaska public school foundation program, the Public Employees' and Teachers' Retirement System on-behalf payments, and other state and federal revenues. Expenditures are authorized in the annual budget and are made for such activities as student instruction, support services, administration, operations and maintenance, and student activities.

Federal Programs Special Revenue Fund – the federal programs special revenue fund accounts for federal grants received directly from the federal government, passed through the State of Alaska or passed through other funding entities.

Student Transportation Special Revenue Fund – the student transportation special revenue fund accounts for activities related to student transportation to and from school and other State-approved student transportation. Revenues include State student transportation revenue and any necessary transfers from the School District general fund.

State Programs Special Revenue Fund – the state programs special revenue fund accounts for grants received directly from the State of Alaska.

In addition, the School District has ten nonmajor governmental funds. The nonmajor special revenue funds are local programs, food service, and school activities. The nonmajor capital project funds are title VIII construction, districtwide school projects, administrative center infrastructure, Barnette

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

magnet school art, Woodriver gym upgrades, Ryan school equipment, and North Pole high vocational education wing renovation.

Proprietary Fund

The School District's internal service fund accounts for self-insurance and risk management services provided to other funds of the School District on a cost reimbursement basis.

Fiduciary Fund

The School District's agency fund accounts for the assets held by the School District as an agent for various school-related employee groups. The activities of the groups are mostly philanthropic in nature for the benefit of District employees and students. The fund is custodial in nature and does not involve the measurement of results of operations.

D. Measurement Focus and Basis of Accounting

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. 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. General capital asset acquisitions are reported as expenditures in governmental funds.

Entitlements and shared revenues are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Revenue for expenditure-driven grants is recognized when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the School District.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District's risk management internal service fund are charges to other funds for services. Operating expenses include insurance premiums, risk self-retention costs, risk management administration provided by the Borough, and third party claims administrator costs. All revenues and expenses are reported as operating revenues and expenses.

The agency fund reports only assets and liabilities and as such cannot be said to have a measurement focus. Agency funds do, however, use the accrual basis of accounting to recognize receivables and payables.

E. Equity in Central Treasury Cash – Deposits and Investments

All cash funds of the School District are maintained in the Borough's central cash treasury and invested with the following objectives: ensure safety of principal, maintain sufficient liquidity to meet

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

cash flow requirements, and achieve a reasonable market rate of return. Borough central treasury investments are reported at fair value. See Note 4.

If applicable, investment income is allocated to the following School District funds based upon their cumulative, month-end equity in central treasury cash balances: food services special revenue fund for the Food Service Program, and the school district agency fund.

F. Statement of Cash Flows

For purposes of the statement of cash flows, the cash and cash equivalents of the internal service fund is its equity in central treasury cash.

G. Receivables and Payables

Activity between funds, resulting from individual funds' overdrafts of pooled cash in the central treasury, is referred to as "due to/from other funds." Certain receivables and payables between the School District and the primary government are referred to as "due to/from Fairbanks North Star Borough." Receivables from the Fairbanks North Star Borough are comprised of office rental space in the School District's Administrative Center, services provided to the Borough by the School District EEO officer and charges for equipment and supplies reimbursable from proceeds of Borough bonds issued for school district facilities or miscellaneous pass-through grants. Payables to the Fairbanks North Star Borough are for the return of a portion of the Borough direct appropriation pursuant to Borough Ordinance 3.01.060E. Because of an anticipated budget shortfall for fiscal year ended June 30, 2016, the Borough granted a one-time waiver of the \$800,000 required lapse for fiscal year ended June 30, 2015 (see also Note 1A).

Through various negotiated agreements with employees, the School District has put in place a cost sharing mechanism for health costs. At June 30 of each year, total health costs for the fiscal year are used to calculate an amount expected to be collected from employees in the following calendar year through payroll deductions. The School District records an employee dollar share receivable at June 30 of each year in the risk management internal service fund.

H. Inventories

Inventories are recorded in the general fund and the food service special revenue fund. General fund central stores inventory consists of school supplies valued at cost using the weighted average cost method. General fund print shop inventory consists of printing supplies which are valued at cost using the FIFO (first in, first out) method. Food service special revenue fund inventory of food (including commodities received from the U.S. Department of Agriculture) and related supplies are valued at cost using the FIFO method. The cost of inventory is recorded as an expenditure when consumed rather than when purchased. The nonspendable fund balance classification includes an amount for inventory to indicate that inventory does not represent an amount expected to be converted to cash.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current year-end are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items in the governmental funds are recorded using the consumption method. The nonspendable fund balance classification includes an amount for prepaid items to indicate that prepaid items do not represent an amount expected to be converted to cash.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

J. General Capital Assets

The Borough owns and provides to the School District without charge all school buildings and associated land. The Borough also owns all four on-base schools located at Fort Wainwright Army Post and Eielson Air Force Base. General capital assets, which consist of machinery and equipment (including commissioned works of art installed in school buildings) and certain intangible assets, are reported in the governmental activities column in the government-wide financial statements. General capital assets are defined by the School District as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. General capital assets are valued at cost or estimated historical cost when the original cost is not available and depreciated/amortized over their estimated useful lives. Donated capital assets are valued at their estimated fair market value on the date received. Estimated useful life is management's estimate of how long the asset is expected to meet service demands.

Straight line depreciation/amortization is used based on the following estimated useful lives:

Machinery and equipment	5 – 25 years
Intangible assets (software)	5 – 10 years

The cost of normal maintenance and repairs that do not add to the value of assets or materially extend the assets' lives are not capitalized.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report 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 future period(s) and so will not be recognized as an outflow of resources (expense) until then. The School District has two items in this category, all related to pension expense. They are 1) the change in proportion for our share of pension related items and 2) pension contributions made subsequent to the net pension liability measurement date of June 30, 2014.

In addition to liabilities, the statement of financial position will sometimes report 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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District has two items in this category, all related to pension expense. They are 1) the change in proportion for our share of pension related items and 2) our proportionate share of differences between projected and actual investment earnings on pension plan investments.

L. Claims Payable and Accrued Self-Insurance Reserves

Amounts reported as claims payable and accrued self-insurance reserves in the risk management internal service fund include estimates for expected future development on claims already reported, as well as consideration for known and unknown events that might create claims, but for which none have been reported.

M. Unearned Revenue

Unearned revenue arises when resources are received before the School District has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when there is a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

N. Compensated Absences

It is the School District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Personal/annual leave is subject to certain restrictions and maximum accumulations. Employees earning personal/annual leave are paid for any accumulated leave upon use. At termination accumulated annual leave is paid, accumulated personal leave is forfeited. Sick leave, which may accumulate indefinitely, is charged to expenditures when used. Upon resignation, unused sick leave is forfeited. However, retiring employees who are members of the Public Employees' Retirement System receive full pay for unused sick leave on a sliding scale, based on years of service, ranging from thirty (30) days to a maximum of ninety (90) days. Retiring employees who are members of the Alaska Teachers' Retirement System may use unused sick leave as an increase in service credit. All personal/annual leave is reported when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

O. Other Long-Term Liabilities

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Long-term obligations of the risk management internal service fund (the School District's only proprietary fund type) are reported as governmental activities in the government-wide financial statements as this fund serves only governmental funds.

Debt incurred for the construction of school facilities is the obligation of the Borough; therefore it is not included on the School District's government-wide statement of net position. It is, however, disclosed in Note 10 for informational purposes.

P. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance". Fund equity for all other reporting is classified as "net position".

Fund Balance

Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are not expected to be converted to cash, i.e., inventories and prepaid items.

Restricted – Fund balances are reported as restricted when constraints are placed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education through an adopted resolution. The Board of Education may also modify or rescind the commitment by similar formal action.

Assigned – Fund balances are reported as assigned when amounts are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. The School

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

Board authorized the Superintendent to assign fund balances through formal action taken at its regular meeting on June 22, 2011.

Unassigned – Fund balances are reported as unassigned when residual amounts remain that do not meet any of the above criterion. The School District reports positive unassigned fund balance only in the general fund. Negative unassigned fund balance may be reported in all governmental fund types.

Flow Assumptions

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order: committed, assigned, unassigned.

Q. Contract for Operating On-Base Schools

In 1992 the State of Alaska Department of Education and Early Development (DEED) entered into an agreement with the United States Department of Education that required a change in the handling of Impact Aid (formerly PL-874) revenues for the students living on Fort Wainwright Army Post and Eielson Air Force Base. Revenues that had previously gone to the DEED and were used to partially fund the foundation program and tuition in lieu of local taxes were required to be passed on directly to the School District. The increase in federal revenue through the State of Alaska was offset by the equalization deduction in foundation revenue as provided in Alaska Statute section 14.17.410 and a reduction in tuition in lieu of taxes. An agreement was reached between the School District and the DEED that the change in the treatment of revenue would not result in an adverse impact on the operating revenue of the School District. This agreement is still in place and resulted in the State of Alaska making a \$1,450,000 payment for on-base schools in fiscal year 2015.

R. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Alaska Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) and additions to/deductions from PERS's and TRS's fiduciary net position have been determined on the same basis as they are reported by PERS and TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

S. On-Behalf Pension and Postemployment Healthcare Benefit Payments

Effective July 1, 2007 new State regulation set the effective contribution rates of the Alaska Public Employees' Retirement System and the Teachers' Retirement System defined benefit plan tiers below the actuarially determined rates. This legislation also provided that payments be made by the State on behalf of employers to make up the difference between the effective rate and the actuarially determined rate. As required by the *Alaska Department of Education and Early Development*, the on-behalf payments for all funds of the School District are recorded as revenue in the general fund. The corresponding pension expenditures are also recorded in the general fund in amounts equal to the on-behalf payments.

In the government-wide financial statements the pension on-behalf payments and related revenue are replaced with nonemployer pension expense as of the measurement date of June 30, 2014 and revenue equal to the nonemployer pension expense.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

T. Comparative Data

The financial statements include certain prior-year summarized comparative information in order to provide an understanding of the changes in the financial position and operation of the School District's funds. Such comparative information does not include the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the School District's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

Certain amounts presented in prior year data, which have no effect on change in net position or net change in fund balances, have been reclassified in order to be consistent with the current year's presentation.

Comparative government-wide financial statements are not presented in this report because data is not available to restate the prior year balances for the implementation of Governmental Accounting Standards Board (GASB) 68, *Accounting and Financial Reporting for Pensions*.

NOTE 2: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental fund statement of revenues, expenditures, and changes in fund balances include reconciliation between *net change in fund balances – total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "the net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals and donations) is to increase net position." The details of this \$46,284 increase are as follows:

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.

Proceeds from sale of capital assets	\$ (5,738)
Net gain on the disposal of capital assets	<u>5,458</u>
	(280)

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

46,564

Net adjustment to increase *net change in fund balance - total governmental funds* to arrive at *change in net position of governmental activities*.

\$ 46,284

NOTE 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Fund Balance Compliance

The Borough code of ordinances allows the School District to carry over from one year to the next local appropriation fund balance not exceeding seven percent of the local contribution to education for that fiscal year. Any amount in excess of seven percent shall be returned to the Borough except for any portion formally assigned by the School Board to be used for expenditures in the immediately subsequent

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

fiscal year. At June 30, 2015 local appropriation fund balance was \$2,957,688 under the seven percent limit.

Title 14 of Alaska State Statutes limits an accumulation of fund balance in the general fund to less than ten percent of current year expenditures. Any amount in excess of this limit will reduce the subsequent year's state foundation aid. Alaska Administrative Code defines six items that are not subject to the fund balance accumulation threshold. A *statement of compliance* required by the Code can be found in the Supplemental Reports section of this comprehensive annual financial report.

Fund Balance Detail

Nonspendable - the following fund balances are nonspendable because they are allocated to:

General fund:

Inventories	\$ 425,380
Prepaid items	199,272
Total	<u>624,652</u>

Other governmental funds:

Food service special revenue fund - inventories	480,711
Total <i>nonspendable</i>	<u>\$ 1,105,363</u>

Restricted - the following fund balances are restricted for:

General fund - student allotments	<u>\$ 35,108</u>
Federal programs special revenue fund	1,298
Student transportation special revenue fund	797,981
State programs special revenue fund	<u>617,240</u>
	<u>1,416,519</u>
Nonmajor governmental funds:	
Local programs special revenue fund:	
Youth Service America	<u>7</u>
Total nonmajor governmental funds	<u>7</u>
Total <i>restricted</i>	<u>\$ 1,451,634</u>

Committed - the following fund balances are committed to:

Nonmajor governmental funds:

Local programs special revenue fund:	
Options Child Care	\$ 347
Barnette Magnet After School Program	26,178
University Park After School Program	11,417
Curriculum Staff Development	56,661
Community Donations	77,170
School activities special revenue fund	<u>1,463,023</u>
Total <i>committed</i>	<u>\$ 1,634,796</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

Fund Balance Detail (cont.)

Assigned - the following fund balances are assigned to:

General fund:

Encumbrances - purchase orders outstanding at June 30, 2015	\$ 1,658,795
Impact aid advance	16,402,515
Subsequent year's expenditures	1,911,426
Total general fund	19,972,736
Student transportation special revenue fund	1,228,841

Nonmajor governmental funds:

Capital projects funds:

Title VIII Construction	359,494
Districtwide School Projects	4,847
Administrative Center Infrastructure	25,109
Total capital projects funds	389,450
Total <i>assigned</i>	\$ 21,591,027

Fund Balance Deficit

At June 30, 2015 the Food Service special revenue fund, a non-major fund, had a deficit fund balance of \$689,394. The School District is experiencing a trend of increasing costs in this fund due to the National School Lunch program meal regulations coupled with a continuing decline in student participation. We continue to adjust our meal and pricing strategies in hopes of reducing the deficit in fiscal year 2016.

NOTE 4: EQUITY IN CENTRAL TREASURY CASH AND INVESTMENTS

The School District is not authorized to secure direct investments. All cash funds of the School District are maintained in a central cash treasury by the Borough. Chapter 3.04 of the Borough Code of Ordinances describes the objectives, policies, and procedures for the investment of Borough funds and applies to the investment of all Borough moneys, unless otherwise provided expressly by ordinance.

Banking services are provided to the Borough under a contract with Wells Fargo Bank Alaska N.A (WFB). These services are being paid monthly through a fee based structure. The contract requires that WFB sweep the Borough's central treasury accounts daily and invest all available funds in an overnight investment.

The Borough's investments are subject to "interest rate risk" – the risk that changes in interest rates will adversely affect the fair value of an investment. The Borough's policies to manage the interest rate risk of its investments include limiting their time to maturity at the date of purchase. In addition, the Borough's entire investment portfolio cannot have an average maturity exceeding three years. Further, at the time of purchasing an investment, not more than 30 percent of the prior 12-month moving average value of the portfolio may be in the three- to five-year range.

The Borough's investments in debt securities are also subject to "credit risk" – the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured by nationally recognized statistical rating agencies, such as Standard & Poor's, Moody's, and Fitch in the form of credit quality ratings. The Borough's policies limit its investments in debt securities to obligations of the U.S. government, which are to be considered free of any credit risk in accordance with GAAP, and to the highest-rated debt securities where the credit risk is low.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

The Borough also invests in the Alaska Municipal League Investment Pool, Inc. (Pool). The Pool is not SEC-registered, but is a 2a7-like money market fund, operating in a manner consistent with that rule. In June 2013, Standard & Poor's affirmed its AAAm principal stability fund rating to the Pool. Regulatory oversight of the Pool is established by Alaska Statutes 37.23. The Pool must maintain a dollar-weighted average maturity of 90 days or less, and only purchase instruments having remaining maturities of 397 days or less. As of June 30, 2015, the fair value of the investments in the Pool approximates the amortized cost at which the investments were reported.

The School District's carrying value of the equity in the central treasury varies from the balances reported in the various funds by the amount that individual funds have overdrawn their share of the pooled cash. A reconciliation of the carrying value to the reported value in the fund financial statements at June 30, 2015 is as follows:

	Carrying Value of Equity in Central Treasury	Due To/From Other Funds	Reported Equity in Central Treasury
General fund	\$ 26,136,864	\$ (4,931,193)	\$ 21,205,671
Federal programs special revenue fund	(3,538,167)	3,543,937	5,770
Student transportation special revenue fund	2,058,891		2,058,891
State programs special revenue fund	748,591	212,099	960,690
Non-major governmental funds	1,002,925	1,175,157	2,178,082
Total governmental funds	26,409,104		26,409,104
Risk management internal service fund	491,368		491,368
Total governmental activities	\$ 26,900,472	\$	\$ 26,900,472
School District agency fund	\$ 40,801	\$	\$ 40,801

NOTE 5: RECEIVABLES

Detail of accounts receivable reported in the statement of net position at June 30, 2015 were as follows:

	General Fund	Federal Programs Special Revenue Fund	State Programs Special Revenue Fund	Nonmajor Governmental Funds	Risk Management Internal Service Fund	Totals
Governmental activities:						
Local	\$ 454,721	\$ 48,638	\$	\$ 235	\$ 4,275,528	\$ 4,779,122
State		3,304,662	202,052	5,007		3,511,721
Federal	202,745	213,192				415,937
Total receivables	\$ 657,466	\$ 3,566,492	\$ 202,052	\$ 5,242	\$ 4,275,528	\$ 8,706,780

NOTE 6: CAPITAL ASSETS

The Borough owns and accounts for all land, school buildings and improvements other than buildings, which are provided to School District schools without charge. Capital assets recorded in the School District's financial records consist of machinery, equipment and software. Included in the machinery and equipment category are commissioned works of art installed in school buildings.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

The changes in capital assets by major class for the year ended June 30, 2015, were as follows:

Governmental activities:	<u>July 1, 2014 Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Adjustments</u>	<u>June 30, 2015 Balance</u>
Machinery and equipment	\$ 9,563,787	\$ 851,759	\$ (321,805)	\$ (13,146)	\$ 10,080,595
Less accumulated depreciation	<u>(6,343,138)</u>	<u>(665,559)</u>	<u>321,525</u>		<u>(6,687,172)</u>
Total, net of accumulated depreciation	<u>3,220,649</u>	<u>186,200</u>	<u>(280)</u>	<u>(13,146)</u>	<u>3,393,423</u>
 Intangible assets (software)	 1,400,107	 64,740		 13,146	 1,477,993
Less accumulated amortization	<u>(618,842)</u>	<u>(140,080)</u>			<u>(758,922)</u>
Total, net of accumulated amortization	<u>781,265</u>	<u>(75,340)</u>		<u>13,146</u>	<u>719,071</u>
Governmental activities capital assets, net	<u>\$ 4,001,914</u>	<u>\$ 110,860</u>	<u>\$ (280)</u>	<u>\$</u>	<u>\$ 4,112,494</u>

Depreciation/amortization expense was charged to governmental activities as follows:

Instruction	\$ 126,375
Special education instruction	58,624
Special education support services - students	1,135
Support services - students	14,298
Support services - instruction	171,449
School administration support services	2,177
District administration support services	201,675
Operations and maintenance of plant	184,522
Student activities	9,245
Food services	36,139
Total depreciation/amortization expense	<u>\$ 805,639</u>

NOTE 7: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2015 was as follows:

Due To/From Other Funds

Receivable Fund:	Payable Fund:	Amount
General fund	Federal programs special revenue fund	\$ 3,543,937
General fund	State programs special revenue fund	212,099
General fund	Nonmajor governmental funds	1,175,157
Total interfund receivables/payables		<u>\$ 4,931,193</u>

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

Interfund Transfers

Transfers In:	
	Nonmajor Governmental Funds
Transfers Out:	
General fund	<u>\$ 196,808</u>

Transfers are made to use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Due To / From Fairbanks North Star Borough (Borough)

Receivable Entity:	Payable Entity:	Amount
Component unit - School District	Primary government (Borough)	<u>\$ 22,476</u>
Primary government (Borough)	Component unit - School District	<u>\$ 30,526</u>

Amounts due from the Borough are comprised of office rental space in the School District's Administrative Center, services provided to the Borough by the School District EEO officer and charges for equipment and supplies reimbursable from various grants passed through the Borough or proceeds of Borough bonds issued for School District facilities. Amounts due to the Borough are for a Borough payment erroneously paid to the School District.

NOTE 8: LEASES

Operating Lease

The School District is obligated under a building operating lease for a small school facility for the B.R.I.D.G.E. program. The lease terminates June 30, 2022 unless terminated earlier by mutual written consent of both parties or by the School District if there is insufficient or other lack of funds lawfully appropriated for its performance. Operating leases do not give rise to property rights or lease obligations and therefore, the lease agreement is not reflected as an asset or liability. Operating lease expense for fiscal year 2015 was \$296,134.

NOTE 9: GENERAL LONG-TERM LIABILITIES

Long-term liabilities for governmental activities for the year ended June 30, 2015 were as follows:

Governmental activities:	Balance	Additions	Reductions	Balance	One Year
Compensated absences	\$ 4,181,243	\$ 4,557,432	\$ (4,615,855)	\$ 4,122,820	\$ 3,829,225
Claims and reserves	5,652,387	37,738,743	(38,763,290)	4,627,840	4,157,532
Net pension liability		98,755,944	(12,207,242)	86,548,702	
Governmental activity long-term liabilities	<u>\$ 9,833,630</u>	<u>\$ 141,052,119</u>	<u>\$ (55,586,387)</u>	<u>\$ 95,299,362</u>	<u>\$ 7,986,757</u>

The risk management internal service fund serves the governmental funds. Accordingly, long-term liabilities related to claims and reserves are included as part of the above totals for governmental activities. Also, for governmental activities, claims and reserves are generally liquidated by the risk

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

management internal service fund and compensated absences are generally liquidated by the general fund.

NOTE 10: DEBT ON SCHOOL CONSTRUCTION

A summary of general obligation bonds issued for school related debt, for which the School District has no liability either primary or secondary, is included in the Borough financial statements as follows:

	July 1, 2014 Balance	Additions	Reductions	June 30, 2015 Balance	Due Within One Year
2006, Series I	\$ 6,885,000	\$	\$ (440,000)	\$ 6,445,000	\$ 460,000
2007, Series J	8,955,000		(530,000)	8,425,000	550,000
2007, Series K	3,745,000		(1,170,000)	2,575,000	1,255,000
2008, Series L	8,805,000		(465,000)	8,340,000	485,000
2010, Series M	10,170,000		(485,000)	9,685,000	495,000
2010, Series N	8,994,327		(2,131,631)	6,862,696	2,218,440
2011, Series O	8,035,000		(1,475,000)	6,560,000	1,530,000
2012, Series P	4,080,000		(530,000)	3,550,000	540,000
2012, Series Q	17,690,000		(1,745,000)	15,945,000	1,815,000
2012, Series R	10,525,000		(495,000)	10,030,000	500,000
2012, Series S	15,390,000		(1,305,000)	14,085,000	1,335,000
	<u>\$ 103,274,327</u>	<u>\$</u>	<u>\$ (10,771,631)</u>	<u>\$ 92,502,696</u>	<u>\$ 11,183,440</u>

Annual debt service requirements to maturity for school-related general obligation bonds are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2016	\$ 11,183,440	\$ 3,666,921
2017	11,581,135	3,228,493
2018	10,673,121	2,764,287
2019	8,635,000	2,365,750
2020	7,140,000	2,009,723
2021-2025	29,935,000	5,822,306
2026-2030	11,915,000	1,341,625
2031-2032	1,440,000	67,270
Total	<u>\$ 92,502,696</u>	<u>\$ 21,266,375</u>

During the year, the Borough paid total principal and interest of \$14,846,113 for school-related debt service.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

NOTE 11: COMMITMENTS

As of June 30, 2015 the School District has encumbered amounts that they intend to honor in the subsequent year for the following governmental funds:

Major Governmental funds:	
General Fund	\$ 1,658,795
State Programs Special Revenue Fund	4,758
	<u>\$ 1,663,553</u>
Nonmajor Governmental Funds:	
Special Revenue Funds	\$ 26,735
Capital Projects Funds	72,734
	<u>\$ 99,469</u>

NOTE 12: RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to, and illnesses of, employees and their dependents; and natural disasters. The Borough's risk management program includes both the Borough and the School District. The program employs various combinations of insurance policies provided by commercial carriers and self-insured retention amounts, depending upon the type of risk. Commercial insurance, with zero or small deductibles, is secured for the following coverages: employee life insurance, employee fidelity bonds and employee disability insurance. The program self-insures some portion of the following risk exposures: employee and dependent medical, auto and general liability, workers' compensation, errors and omissions/public officials, property, and employment practices. Commercial insurance has also been obtained for excess coverage above self-retention limits for all risk exposures except environmental. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

The Borough has committed fund balance in the amount of \$1,500,000 to provide resources for catastrophic losses up to self-retention limits and for contractual indemnification purposes, as well as to demonstrate financial responsibility to insurance carriers of excess coverage. The adequacy of this committed amount is re-evaluated periodically.

The School District accounts for its self-insurance and risk management program in the risk management internal service fund. The Borough administers the program and charges the School District for claims paid and administration expenses incurred.

Self-insurance liabilities are accrued when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Self-insurance liabilities include estimates for expected future development on claims already reported, as well as considering known and unknown events that might create claims, but for which none have been reported. Based on the type of claim, estimates of the ultimate cost of settling these claims are made by using a case-by-case review of claims or by extrapolating historical experience, and may include specific, incremental claim adjustment expenditures, net of any recoveries. Both methods adjust for current trends and other information and the estimates include the effects of inflation and other economic and social factors.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements
June 30, 2015 (cont.)

Changes in the risk management internal service fund liability amounts in fiscal years 2015 and 2014 were:

	Claims Liability 2014-15	Claims Liability 2013-14
July 1	\$ 5,652,387	\$ 5,322,274
Current year claims	37,738,743	34,382,023
Changes in estimates for claims of prior periods	(787,523)	34,025
Claims payments	(37,975,767)	(34,085,935)
June 30	<u>\$ 4,627,840</u>	<u>\$ 5,652,387</u>

Through various negotiated agreements with employees, the School District has put in place a cost sharing mechanism for health costs. At June 30 of each year, total health costs for the fiscal year are used to calculate an amount expected to be collected from employees in the following calendar year through payroll deductions. The School District records an employee receivable at June 30 of each year for this amount. The employee receivable at June 30, 2015 and 2014 was \$4,275,528 and \$4,330,874, respectively.

NOTE 13: BOROUGH IN-KIND AND ALLOCATED SERVICES

During the year, certain services are provided by the Borough to the School District. These include use of various Borough facilities, debt service on school facilities, certain administrative functions and major facility maintenance. The costs of these services have not been charged to the School District. Other services provided by the Borough during the year are allocated and charged to School District operations as follows:

	Allocated Services 2014-15	Allocated Services 2013-14
Risk management overhead	\$ 604,335	\$ 672,397
Auto/general liability, property and other insurance premiums	853,951	812,284
Workers' compensation insurance premiums	211,133	255,405
Health and workers' compensation claims paid	37,723,420	34,377,170
General/auto liabilities, errors & omissions claims paid	236,927	108,004
Audit	57,142	58,149
	<u>\$ 39,686,908</u>	<u>\$ 36,283,409</u>

NOTE 14: RETIREMENT PLANS

Substantially all regular employees of the School District are either members of the Alaska Public Employees' Retirement System (PERS) or the Alaska Teachers' Retirement System (TRS). Stand-alone financial statements for either plan can be obtained by writing to the Alaska Department of Administration, Division of Retirement and Benefits, P.O. Box 110203, Juneau, Alaska, 99811-0203, by calling 1-800-821-2251, or by sending an email request to doa.drb.accountingsection@alaska.gov. The financial statements are also available on the web at doa.alaska.gov/drb/resources/publications.html. The Borough and the School District participate in the PERS under separate agreements.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

A. Alaska Public Employees' Retirement System

Plan Description

The Alaska Public Employees' Retirement System (PERS) was established and is administered by the State of Alaska (State) to provide pension, postemployment healthcare, survivor, and disability benefits to eligible employees. The PERS is governed by the Alaska Retirement Management Board (ARMB). Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. Membership in the PERS is mandatory for permanent employees scheduled to work at least 15 hours a week and who are not covered by the Alaska Teachers' Retirement System (TRS). PERS consists of a defined benefit plan (Tiers I, II, and III) and a defined contribution plan with a component of defined benefit postemployment healthcare (Tier IV). The defined benefit plan is closed to new members. Eligible employees who first enter PERS after June 30, 2006 participate in the defined contribution plan. Effective July 1, 2008, state legislation changed the defined benefit plan from an agent multiple-employer plan to a cost sharing multiple-employer plan.

Defined Benefit Pension Plan (Tiers I, II and III)

Benefits Provided

For all tiers within the PERS Defined Benefit Pension Plan (DB Pension Plan), full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. The tiers within the PERS DB Pension Plan establish differing criteria regarding normal retirement age, early retirement age, and the criteria for calculation of average monthly salary, cost of living adjustments and other postemployment benefits. A complete benefit chart is available at the website noted above.

Special Funding Situation

Although current statutes call for the State of Alaska to contribute to the PERS Defined Benefit Plan (DB Plan), the Alaska Department of Law has determined that the statutes do not create a legal obligation to assume the liabilities of the PERS DB Plan; rather it establishes a contribution mechanism to provide employer relief against rising contribution rates. This would mean the relief payment is subject to funding availability, and therefore not legally mandated. As a result, the State has determined that the PERS DB Plan is *not* in a special funding situation.

Management of the School District disagrees with the State's position and believes that Alaska Statutes 39.35.255 and 14.25.085 do constitute a special funding situation under GASB 68 rules (see note 15) and has recorded all pension related liabilities, deferred inflows/outflows, and disclosures on this basis.

Contribution Rates

Employee contribution rates for the PERS DB Pension Plan are 6.75 percent (standard option) or 9.6 percent (alternate option) of eligible compensation. The PERS's funding policy provides for actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate the assets necessary to meet both pension and postemployment healthcare benefit obligations when due. In accordance with Alaska Statutes, those actuarially determined rates are paid by a combination of periodic employer contributions and a direct on-behalf contribution by the State.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

The rates for fiscal year ended June 30, 2015 were:

	Employer Statutory Rate	Actuarially Determined Rate		
		Normal Cost Rate	Past Service Rate	Total Rate
Pension	12.54%	2.57%	23.29%	25.86%
Other postemployment healthcare	9.46%	4.25%	13.92%	18.17%
Total PERS contribution rate	22.00%	6.82%	37.21%	44.03%

Contributions

School District and nonemployer on-behalf pension contributions to the PERS DB Pension Plan for fiscal years ended June 30, 2015 and 2014 were as follows:

	Fiscal Year	
	2015	2014
Employer contributions	\$ 3,512,945	\$ 3,195,365
Nonemployer contributions (on-behalf)	16,140,721	2,848,384
	<u>\$ 19,653,666</u>	<u>\$ 6,043,749</u>

On-behalf pension and other postemployment health contributions are recorded in the general fund as revenues from state sources and as expenditures. On the government-wide statement of activities the on-behalf *pension* expenditures and revenue are replaced with nonemployer pension expense as of the measurement date of June 30, 2014 and revenue equal to the nonemployer pension expense.

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

At June 30, 2015, the School District reported a liability for its proportionate share of the PERS net pension liability that reflected a reduction for State pension support provided to the School District. The amount recognized by the School District as its proportionate share of the net pension liability, the related State of Alaska support, and the total portion of the net pension liability that was associated with the School District were as follows:

School District's proportionate share of the net pension liability	\$ 38,961,973
State of Alaska's proportionate share of the net pension liability associated with the School District	34,637,437
Total	<u>\$ 73,599,410</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 which was rolled forward to June 30, 2014. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating PERS employers and the State of Alaska, actuarially determined. At June 30, 2014 the School District's proportion was 0.83535198 percent, which was an increase of 0.00955957 percent from its proportion measured as of June 30, 2013.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

For the year ended June 30, 2015, the School District recognized total pension expense of \$1,111,429 and revenue of \$1,614,992 equal to the nonemployer portion of total pension expense. At June 30, 2015 the School District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$	\$ 4,501,435
Changes in proportion and differences between School district contributions and proportionate share of contributions	283,745	
School District contributions subsequent to the measurement date	3,512,945	
	<u>\$ 3,796,690</u>	<u>\$ 4,501,435</u>

The School District reported \$3,512,945 as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ 907,093
2017	1,059,879
2018	1,125,359
2019	1,125,359
	<u>\$ 4,217,690</u>

Actuarial Assumptions

The total net pension liability was determined by an actuarial valuation as of June 30, 2013, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2014. The actuarial valuations for the year ended June 30, 2014 were prepared by Buck Consultants, LLC. The actuarial assumptions used in the June 30, 2013 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2005 to June 30, 2009, resulting in changes in actuarial assumptions adopted by the ARMB to better reflect expected future experience. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.12%
Salary increases	Graded by age and service, from 9.60% to 3.62%
Investment rate of return	8.00%, net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

Actuarial Assumptions (cont.)

Mortality	Rates based on the 1994 Group Annuity Mortality Table, sex distinct, 1994 Base Year without margin projected to 2013 using Projection Scale AA, 75% for male and 55% for female for pretermination mortality. 100% for males and a 1-year set-forward for females for post-termination mortality.
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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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by an asset allocation percentage, which is based on the nature and mix of current and expected plan investments, and by adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class included in the PERS current and expected asset allocation is summarized in the following table (note that the rates shown below exclude the inflation component):

Asset Class	Rate of Return
Equities:	
Broad domestic equity	5.40%
Large cap	5.25
Small/mid cap	5.60
International equity	5.25
Emerging markets equity	5.65
Global ex-U.S. equity	5.55
Fixed income:	
Domestic fixed	0.75
TIPS	0.75
Other:	
Real estate	3.95
Private equity	6.40
Hedge funds	2.85
Cash equivalents	(0.25)

Discount Rate

The discount rate used to measure the total pension liability was 8.00 percent. The projections of cash flows used to determine the discount rate assumed that employer and nonemployer contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the PERS fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

Discount Rate Sensitivity

The following presents the PERS net pension liability and the School District's proportionate share of the net pension liability calculated using the discount rate of 8.00 percent, as well as what the PERS and the School 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:

	Proportionate Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
PERS net pension liability	100.00%	\$ 6,115,581,980	\$ 4,664,138,458	\$ 3,441,888,494
School District's proportionate share of the net pension liability	0.83535198%	\$ 51,086,635	\$ 38,961,973	\$ 28,751,884

Pension Plan Fiduciary Net Position

Detailed information about the PERS fiduciary net position is available in the separately issued PERS financial report.

Defined Contribution Pension Plan (Tier IV)

Benefits

Employees hired on or after July 1, 2006 participate in the PERS Defined Contribution Plan (DC Plan). Employees are immediately vested in their own contributions and vest 25.00 percent in School District contributions with two years of service, plus an additional 25.00 percent per year thereafter for full vesting at five years of service. Contributions to the DC Plan consist solely of employer and employee contributions with no special funding or other nonemployer contributions.

Contribution Rates

Employee contribution rates for the PERS DC Pension Plan are 8.00 percent of eligible compensation. Effective July 1, 2008, the employer contribution rate is statutorily set at the same rate as the PERS DB Plan. That rate is the greater of 22.00 percent or the actuarially determined normal cost rate of the PERS DB Plan. The 22.00 percent rate for the PERS DC Plan for fiscal year ended June 30, 2015 is comprised of five elements: 5.00 percent to each member's individual pension account, 1.66 percent into the retiree medical plan, 0.22 percent for occupational death and disability benefits, a flat dollar amount per employee based on 3.00 percent of the average annual compensation of all employees of all employers in the plan (into the employee's Health Reimbursement Arrangement account), and a residual contribution applied as a payment to the PERS DB Plan's unfunded liability. The flat dollar amount per employee for fiscal year 2015 was \$75.41 per pay period for full-time employees and \$1.26 per hour for part-time employees.

Contributions

School District contributions to the PERS DC Pension Plan for years ended June 30, 2015 and 2014 were \$729,937 and \$644,269, respectively and employee contributions to the plan were \$1,167,893 and \$1,030,816, respectively. The employer residual contributions for fiscal year 2015, and 2014, applied as a payment to the PERS DB Plan's unfunded liability, were \$859,969, and \$821,935, respectively.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

Defined Benefit Other Postemployment Benefit (OPEB) Plan

As part of its participation in the PERS (Tiers I, II, and III), the School District participates in the Alaska Retiree Healthcare Trust (ARHCT). The ARHCT is self-funded and provides major medical coverage to retirees of the PERS. As with the PERS DB Pension Plan, benefits vary by tier level. The PERS DB OPEB Plan is administered by the State of Alaska, Department of Administration.

Contribution Rates

Employer contribution rates for the PERS DB OPEB Plan are established in concert with the PERS DB Pension Plan rates described earlier in this note. The employer rate for the PERS ARHCT is 9.46% of eligible compensation. Employees do not contribute to the PERS DB OPEB plan.

Contributions

School District contributions to the PERS DB OPEB Plan for fiscal years ended June 30, 2015, 2014 and 2013 were \$2,654,200, \$3,164,938 and \$3,630,592, respectively, equal to the required employer contributions each year. On-behalf nonemployer contributions for PERS OPEB for fiscal years ended June 30, 2015, 2014 and 2013 were \$-0-, \$2,185,937, and \$2,349,421, respectively. The on-behalf nonemployer OPEB payments are recorded in the general fund as revenues from state sources and as expenditures. On the government-wide statement of activities they are recorded as expense and program revenue.

Defined Contribution Other Postemployment Benefit (OPEB) Plan

PERS DC OPEB plan participants (Tier IV) participate in the Occupational Death and Disability Plan (ODD), the Retiree Medical Plan and the Healthcare Reimbursement Arrangement (HRA) Plan.

Contribution Rates

Employer contribution rates to the ODD Plan and the Retiree Medical Plan are 0.22 percent and 1.66 percent, respectively. For the HRA Plan, the employer contribution is a flat dollar amount per employee based on 3.00 percent of the average annual compensation of all employees of all employers in the plan. The flat dollar amount for fiscal year 2015 was \$75.41 per pay period for full-time employees and \$1.26 per hour for part-time employees. Employees do not contribute to the PERS DC OPEB plan.

Contributions

School District contributions to the PERS DC OPEB plan for fiscal years ended June 30, 2015, 2014 and 2013 were \$962,402, \$739,082 and \$671,400, respectively. The employer residual contributions for fiscal year 2015, 2014, and 2013, applied as payment to the PERS DB OPEB Plan's unfunded liability, were \$652,736, \$630,757, and \$743,716, respectively.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

B. Alaska Teachers' Retirement System

Plan Description

The Teachers' Retirement System (TRS) was established and is administered by the State of Alaska (State) to provide pension, postemployment healthcare, survivor, and disability benefits to eligible employees. The TRS is governed by the Alaska Retirement Management Board (ARMB). Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. Membership in the TRS is compulsory for each certificated employee scheduled to work at least 17.5 hours a week in positions that require teaching certificates as a condition of employment. TRS consists of a cost-sharing multiple-employer defined benefit plan (Tiers I and II) and a defined contribution plan with a component of defined benefit postemployment healthcare (Tier III). The defined benefit plan is closed to new members. Eligible employees who first enter TRS after June 30, 2006 participate in the defined contribution plan.

Defined Benefit Plan (Tier I and II)

Benefits Provided

For all tiers within the TRS Defined Benefit Pension Plan (DB Pension Plan), full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. The tiers within the TRS DB Pension Plan establish differing criteria regarding normal retirement age, early retirement age, and the criteria for calculation of average monthly salary, cost of living adjustments and other postemployment benefits. A complete benefit chart is available at the website noted at the beginning of this footnote.

Special Funding Situation

Although current statutes call for the State of Alaska to contribute to the TRS Defined Benefit Plan (DB Plan), the Alaska Department of Law has determined that the statutes do not create a legal obligation to assume the liabilities of the TRS DB Plan; rather it establishes a contribution mechanism to provide employer relief against rising contribution rates. This would mean the relief payment is subject to funding availability, and therefore not legally mandated. As a result, the State has determined that the TRS DB Plan is *not* in a special funding situation.

Management of the School District disagrees with the State's position and believes that Alaska Statutes 39.35.255 and 14.25.085 do constitute a special funding situation under GASB 68 rules (see note 15) and has recorded all pension related liabilities, deferred inflows/outflows, and disclosures on this basis.

Contribution Rates

Employee contribution rates for the TRS DB Pension Plan are 8.65 percent of eligible compensation. The TRS's funding policy provides for actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate the assets necessary to meet both pension and postemployment healthcare benefit obligations when due. In accordance with Alaska Statutes, those actuarially determined rates are paid by a combination of periodic employer contributions and a direct on-behalf contribution by the State.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

The rates for fiscal year ended June 30, 2015 were:

	Employer Statutory Rate	Actuarially Determined Rate		
		Normal Cost Rate	Past Service Rate	Total Rate
Pension	7.22%	2.81%	44.83%	47.64%
Other postemployment healthcare	5.34%	3.59%	19.52%	23.11%
Total TRS contribution rate	<u>12.56%</u>	<u>6.40%</u>	<u>64.35%</u>	<u>70.75%</u>

Contributions

School District and nonemployer on-behalf pension contributions to the TRS DB Pension Plan for fiscal years ended June 30, 2015 and 2014 were as follows:

	Fiscal Year	
	2015	2014
Employer contributions	\$ 3,882,614	\$ 3,928,801
Nonemployer contributions (on-behalf)	<u>162,434,441</u>	<u>20,536,964</u>
	<u>\$ 166,317,055</u>	<u>\$ 24,465,765</u>

On-behalf pension and other postemployment health contributions are recorded in the general fund as revenues from state sources and as expenditures. On the government-wide statement of activities the on-behalf pension expenditures and revenue are replaced with nonemployer pension expense as of the measurement date of June 30, 2014 and revenue equal to the nonemployer pension expense.

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

At June 30, 2015, the School District reported a liability for its proportionate share of the TRS net pension liability that reflected a reduction for State pension support provided to the School District. The amount recognized by the School District as its proportionate share of the net pension liability, the related State of Alaska support, and the total portion of the net pension liability that was associated with the School District were as follows:

School District's proportionate share of the net pension liability	\$ 47,586,729
State of Alaska's proportionate share of the net pension liability associated with the School District	<u>249,903,789</u>
Total	<u>\$ 297,490,518</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 which was rolled forward to June 30, 2014. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating TRS employers and the State of Alaska, actuarially determined. At June 30, 2014 the School District's proportion was 1.58672024 percent, which was a decrease of 0.08648908 percent from its proportion measured as of June 30, 2013.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

For the year ended June 30, 2015, the School District recognized total pension expense of \$14,160,303 and revenue of \$16,051,058 equal to the nonemployer portion of total pension expense. At June 30, 2015 the School District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$	\$ 5,866,627
School District contributions subsequent to the measurement date	3,882,614	
	<u>\$ 3,882,614</u>	<u>\$ 5,866,627</u>

The School District reported \$3,882,614 as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ 2,306,930
2017	1,435,535
2018	1,062,081
2019	1,062,081
	<u>\$ 5,866,627</u>

Actuarial Assumptions

The total net pension liability was determined by an actuarial valuation as of June 30, 2013, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2014. The actuarial valuations for the year ended June 30, 2014 were prepared by Buck Consultants, LLC. The actuarial assumptions used in the June 30, 2013 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2005 to June 30, 2009, resulting in changes in actuarial assumptions adopted by the ARMB to better reflect expected future experience. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.12%
Salary increases	Graded by service, from 6.11% to 3.62%
Investment rate of return	8.00%, net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

Actuarial Assumptions (cont.)

Mortality	Rates based on the 1994 Group Annuity Mortality Table, sex distinct, 1994 Base Year without margin projected to 2013 using Projection Scale AA, 55% for female and 45% for male for pretermination mortality. 3-year setback for females and a 4-year setback for males for post-termination mortality.
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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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by an asset allocation percentage, which is based on the nature and mix of current and expected plan investments, and by adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class included in the TRS current and expected asset allocation is summarized in the following table (note that the rates shown below exclude the inflation component):

Asset Class	Long-Term Expected Real Rate of Return
Equities:	
Broad domestic equity	5.40%
Large cap	5.25
Small/mid cap	5.60
International equity	5.25
Emerging markets equity	5.65
Global ex-U.S. equity	5.55
Fixed income:	
Domestic fixed	0.75
TIPS	0.75
Other:	
Real estate	3.95
Private equity	6.40
Hedge funds	2.85
Cash equivalents	(0.25)

Discount Rate

The discount rate used to measure the total pension liability was 8.00 percent. The projections of cash flows used to determine the discount rate assumed that employer and nonemployer contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the TRS fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

Discount Rate Sensitivity

The following presents the TRS net pension liability and the School District's proportionate share of the net pension liability calculated using the discount rate of 8.00 percent, as well as what the TRS and the School 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:

	Proportionate Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
TRS net pension liability	100.00%	\$ 3,776,983,113	\$ 2,999,062,314	\$ 2,346,163,638
School District's proportionate share of the net pension liability	1.58672024%	\$ 59,930,156	\$ 47,586,729	\$ 37,227,053

Pension Plan Fiduciary Net Position

Detailed information about the TRS fiduciary net position is available in the separately issued TRS financial report.

Defined Contribution Pension Plan (Tier IV)

Benefits

Employees hired on or after July 1, 2006 participate in the TRS Defined Contribution Plan (DC Plan). Employees are immediately vested in their own contributions and vest 25.00 percent in School District's contributions with two years of service, plus an additional 25.00 percent per year thereafter for full vesting at five years of service. Contributions to the DC Plan consist solely of employer and employee contributions with no special funding or other nonemployer contributions.

Contribution Rates

Employee contribution rates for the TRS DC Pension Plan are 8.00 percent of eligible compensation. Effective July 1, 2008, the employer contribution rate is statutorily set at the same rate as the TRS DB Plan. That rate is the greater of 22.00 percent or the actuarially determined normal cost rate of the TRS DB Plan. The 22.00 percent rate for the TRS DC Plan for fiscal year ended June 30, 2015 is comprised of five elements: 7.00 percent to each member's individual pension account, 2.04 percent into the retiree medical plan, 0.00% percent for occupational death and disability benefits (actual experience shows no claims to date), a flat dollar amount per employee based on 3.00 percent of the average annual compensation of all employees of all employers in the plan (into the employee's Health Reimbursement Arrangement account), and a residual contribution applied as a payment to the TRS DB plan's unfunded liability. The flat dollar amount per employee for fiscal year 2015 was \$75.41 per pay period for full-time employees. The rate for part-time employees is based on the contract percentage worked multiplied by the flat dollar amount per pay period for full-time employees.

Contributions

School District contributions to the TRS DC Pension Plan for years ended June 30, 2015 and 2014 were \$1,613,378 and \$1,449,464, respectively and employee contributions to the plan were \$1,843,858 and \$1,656,529, respectively. The employer residual contributions for fiscal year 2015, and 2014, applied as a payment to the TRS DB Plan's unfunded liability, were \$123,500, and \$294,074, respectively.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015 (cont.)

Defined Benefit Other Postemployment Benefit (OPEB) Plan

As part of its participation in the TRS (Tiers I, II, and III), the School District participates in the Alaska Retiree Healthcare Trust (ARHCT). The ARHCT is self-funded and provides major medical coverage to retirees of the TRS. As with the TRS DB Pension Plan, benefits vary by tier level. The TRS DB OPEB Plan is administered by the State of Alaska, Department of Administration.

Contribution Rates

Employer contribution rates for the TRS DB OPEB Plan are established in concert with the TRS DB Pension Plan rates described earlier in this note. The employer rate for the TRS ARHCT is 5.34% of eligible compensation. Employees do not contribute to the PERS DB OPEB plan.

Contributions

School District contributions to the TRS DB OPEB Plan for fiscal years ended June 30, 2015, 2014 and 2013 were \$2,876,731, \$3,372,054 and \$3,703,736, respectively, equal to the required employer contributions each year. On-behalf nonemployer contributions for TRS OPEB for fiscal years ended June 30, 2015, 2014 and 2013 were \$32,951,841, \$10,613,670, and \$10,566,563, respectively. The on-behalf nonemployer OPEB payments are recorded in the general fund as revenues from state sources and as expenditures. On the government-wide statement of activities they are recorded as expense and program revenue.

Defined Contribution Other Postemployment Benefit (OPEB) Plan

TRS DC OPEB plan participants (Tier IV) participate in the Occupational Death and Disability Plan (ODD), the Retiree Medical Plan and the Healthcare Reimbursement Arrangement (HRA) Plan.

Contribution Rates

The employer contribution rate to the Retiree Medical Plan is 2.04 percent. For the HRA Plan, the employer contribution is a flat dollar amount per employee based on 3.00 percent of the average annual compensation of all employees of all employers in the plan. The flat dollar amount per employee for fiscal year 2015 was \$75.41 per pay period for full-time employees. The rate for part-time employees is based on the contract percentage worked multiplied by the flat dollar amount per pay period for full-time employees. Employees do not contribute to the TRS DC OPEB plan.

Contributions

School District contributions to the TRS DC OPEB plan for fiscal years ended June 30, 2015, 2014 and 2013 were \$1,078,693, \$705,783 and \$645,425, respectively. The employer residual contributions for fiscal year 2015, 2014, and 2013, applied as a payment to the TRS DB OPEB Plan's unfunded liability, were \$91,322, \$151,962, and \$189,389, respectively.

NOTE 15: CHANGE IN ACCOUNTING PRINCIPLE

As discussed in Note 14 to the financial statements, the School District participates in the Alaska Public Employees' Retirement System (PERS) and the Alaska Teachers' Retirement System (TRS). In fiscal year 2015 the School District adopted provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB 68*. GASB 68, among other accounting and reporting criteria, requires the School District to recognize its proportional share of the PERS and TRS Net Pension Liability (and

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2015

related deferred inflow/outflow accounts), as of the beginning of the School District's fiscal year. GASB 71 requires that contributions made by the School District to the PERS and TRS after the measurement date for the beginning net pension liability but before the start of the School District's current fiscal year be reported as deferred outflows of resources. As a result of the implementation of these two statements, the School District has recorded an opening balance adjustment to increase deferred outflows and liabilities and decrease opening net position as follows:

	Governmental Activities
Beginning net position , as previously reported at July 1, 2014	\$ 24,943,010
Deferred outflows of resources - District contributions made July 1, 2013 through June 30, 2014	7,124,166
Net pension liability at June 30, 2013 (measurement date)	<u>(98,755,944)</u>
Opening net position, as restated	<u>\$ (66,688,768)</u>

NOTE 16: CONTINGENCIES

School operations are monitored by the Alaska Department of Education and Early Development; therefore, revenues from State of Alaska sources may be subject to subsequent adjustment. Additionally, amounts received or receivable from grantor agencies are subject to audit by grantor agencies. Any disallowed claims, including amounts already collected, would become a liability of the general fund. The School District, in the normal course of its activities, is involved in various claims and litigation proceedings and seeks to accrue amounts it considers sufficient to cover settlements that may be payable as a result of unfavorable outcomes.

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REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

**Schedule of Revenues, Expenditures and
Changes in Fund Balance – Budget (Non-
GAAP Basis) and Actual – General Fund**

**Schedule of Revenues, Expenditures and
Changes in Fund Balance – Budget (Non-
GAAP Basis) and Actual – Federal Programs
Special Revenue Fund**

**Schedule of Revenues, Expenditures and
Changes in Fund Balance – Budget (Non-
GAAP Basis) and Actual – Student
Transportation Special Revenue Fund**

**Schedule of Revenues, Expenditures and
Changes in Fund Balance – Budget (Non-
GAAP Basis) and Actual – State Programs
Special Revenue Fund**

**Schedule of the School District's Proportionate
Share of the Net Pension Liability – Public
Employees' Retirement System**

**Schedule of the School District's Pension
Contributions – Public Employees' Retirement
System**

**Schedule of the School District's Proportionate
Share of the Net Pension Liability – Teachers'
Retirement System**

**Schedule of the School District's Pension
Contributions – Teachers' Retirement System**

Notes to the Required Supplementary Information

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts			Actual on	
	Original	Final	Actual	Budgetary	Variance with
				Basis	Final Budget
Revenues:					
Local sources	\$ 51,040,800	\$ 51,040,800	\$ 51,087,441	\$ 51,087,441	\$ 46,641
State sources	179,678,090	179,678,090	335,722,334	335,722,334	156,044,244
Federal sources	13,945,020	13,945,020	17,738,637	17,738,637	3,793,617
Total revenues	244,663,910	244,663,910	404,548,412	404,548,412	159,884,502
Expenditures:					
Current:					
Instruction	115,927,583	115,989,881	217,704,934	217,496,585	(101,506,704)
Special education instruction	29,991,087	29,585,835	46,751,249	46,840,705	(17,254,870)
Special education support services - students	11,876,128	11,717,139	19,726,865	19,683,453	(7,966,314)
Support services - students	14,753,940	15,257,093	24,099,465	24,100,484	(8,843,391)
Support services - instruction	12,313,656	12,227,844	16,902,547	16,878,176	(4,650,332)
School administration	9,402,382	9,336,435	18,710,099	18,710,099	(9,373,664)
School administration support services	6,327,217	6,259,660	6,880,327	6,878,901	(619,241)
District administration	3,005,793	2,727,915	3,680,703	3,707,329	(979,414)
District administration support services	11,349,664	11,660,028	12,435,634	12,567,558	(907,530)
Operations and maintenance of plant	27,264,290	27,454,658	27,766,846	28,075,821	(621,163)
Student activities	3,221,820	3,265,801	4,578,101	4,583,800	(1,317,999)
Total expenditures	245,433,560	245,482,289	399,236,770	399,522,911	(154,040,622)
Excess (deficiency) of revenues over expenditures	(769,650)	(818,379)	5,311,642	5,025,501	5,843,880
Other financing sources (uses):					
Proceeds from sale of capital assets			5,738	5,738	5,738
Transfers out	(190,930)	(190,930)	(196,808)	(196,808)	(5,878)
Total other financing sources (uses)	(190,930)	(190,930)	(191,070)	(191,070)	(140)
Net change in fund balance	\$ (960,580)	\$ (1,009,309)	5,120,572	\$ 4,834,431	\$ 5,843,740
Fund balance - beginning			19,854,681		
Fund balance - ending			\$ 24,975,253		

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
Federal Programs Special Revenue
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			<u>Actual on</u>	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Budgetary</u>	<u>Variance with</u>
				<u>Basis</u>	<u>Final Budget</u>
Revenues:					
Local sources	\$	\$	\$ 28,248	\$ 28,248	\$ 28,248
Federal sources	14,958,973	15,609,483	11,929,236	11,909,663	(3,699,820)
Total revenues	14,958,973	15,609,483	11,957,484	11,937,911	(3,671,572)
Expenditures:					
Current:					
Instruction	5,050,270	6,005,846	5,184,548	5,164,975	840,871
Special education instruction	5,556,028	5,556,028	3,733,537	3,733,537	1,822,491
Support services - students	1,399,288	1,641,744	1,415,202	1,415,202	226,542
Support services - instruction	1,012,783	1,581,483	982,832	982,832	598,651
District administration support services	692,677	781,382	599,385	599,385	181,997
Total expenditures	13,746,039	15,609,483	11,957,484	11,937,911	3,671,572
Net change in fund balance	\$ 1,212,934	\$		\$	\$
Fund balance - beginning			1,298		
Fund balance - ending			\$ 1,298		

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
Student Transportation Special Revenue
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>			
Revenues:					
State sources	<u>\$ 11,949,760</u>	<u>\$ 11,934,513</u>	<u>\$ 12,020,252</u>	<u>\$ 12,005,005</u>	<u>\$ 70,492</u>
Expenditures:					
Current:					
Student transportation - to and from school	<u>12,645,700</u>	<u>12,630,453</u>	<u>11,968,995</u>	<u>11,953,748</u>	<u>676,705</u>
Net change in fund balance	<u>\$ (695,940)</u>	<u>\$ (695,940)</u>	<u>51,257</u>	<u>\$ 51,257</u>	<u>\$ 747,197</u>
Fund balance - beginning			<u>1,975,565</u>		
Fund balance - ending			<u>\$ 2,026,822</u>		

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
State Programs Special Revenue
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>			
Revenues:					
State sources	<u>\$ 889,410</u>	<u>\$ 1,676,814</u>	<u>\$ 686,637</u>	<u>\$ 691,395</u>	<u>\$ (985,419)</u>
Expenditures:					
Current:					
Instruction	443,515	746,184	551,693	528,301	217,883
Support services - students	47,908	1,164,091	560,841	502,694	661,397
Support services - instruction	28,410	28,410	24,518	24,518	3,892
District administration support services	23,769	25,457	22,427	22,427	3,030
Operations and maintenance of plant		210,709	14,700	14,700	196,009
Food services	<u>345,808</u>	<u>532,477</u>	<u>12,029</u>	<u>12,029</u>	<u>520,448</u>
Total expenditures	<u>889,410</u>	<u>2,707,328</u>	<u>1,186,208</u>	<u>1,104,669</u>	<u>1,602,659</u>
Net change in fund balance	<u>\$</u>	<u>\$ (1,030,514)</u>	<u>(499,571)</u>	<u>\$ (413,274)</u>	<u>\$ 617,240</u>
Fund balance - beginning			<u>1,116,811</u>		
Fund balance - ending			<u>\$ 617,240</u>		

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Schedule of the School District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System
Defined Benefit Pension Plan
Last Ten Fiscal Years *

	Fiscal Year 2015
School District's proportion of the net pension liability (asset)	0.83535198%
School District's proportionate share of the net pension liability (asset)	\$ 38,961,973
State of Alaska's proportionate share of the net pension liability (asset) associated with the School District	34,637,437
Total	<u>\$ 73,599,410</u>
School District's covered-employee payroll	\$ 36,563,439
School District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	106.56%
Plan fiduciary net position as a percentage of the total pension liability	62.37%

Note:

The amount presented for the current fiscal year was determined as of the PERS pension plan measurement date that occurred one year prior.

* Information for the prior nine years was not available to report.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Schedule of the School District's Pension Contributions
Public Employees' Retirement System
Defined Benefit Pension Plan
Last Ten Fiscal Years *

	Fiscal Year 2015
Contractually required contribution	\$ 3,512,945
Contributions in relation to the contractually required contribution	(3,512,945)
Contribution deficiency (excess)	<u>\$</u>
School District's covered-employee payroll	\$ 37,360,029
Contributions as a percentage of covered-employee payroll	9.40%

* Information for the prior nine years was not available to report.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Schedule of the School District's Proportionate Share of the Net Pension Liability
Teachers' Retirement System
Defined Benefit Pension Plan
Last Ten Fiscal Years *

	Fiscal Year 2015
School District's proportion of the net pension liability (asset)	1.58672024%
School District's proportionate share of the net pension liability (asset)	\$ 47,586,729
State of Alaska's proportionate share of the net pension liability (asset) associated with the School District	249,903,789
Total	<u><u>\$297,490,518</u></u>
School District's covered-employee payroll	\$ 76,128,081
School District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	62.51%
Plan fiduciary net position as a percentage of the total pension liability	55.70%

Note:

The amount presented for the current fiscal year was determined as of the TRS pension plan measurement date that occurred one year prior.

* Information for the prior nine years was not available to report.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Schedule of the School District's Pension Contributions
Teachers' Retirement System
Defined Benefit Pension Plan
Last Ten Fiscal Years *

	Fiscal Year 2015
Contractually required contribution	\$ 3,882,614
Contributions in relation to the contractually required contribution	(3,882,614)
Contribution deficiency (excess)	<u>\$</u>
School District's covered-employee payroll	\$ 75,915,632
Contributions as a percentage of covered-employee payroll	5.11%

* Information for the prior nine years was not available to report.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Required Supplementary Information June 30, 2015

A. Budgetary Comparison Schedules

General Budget Policies

The School District follows these procedures for adoption of the budget for the general fund and special revenue funds:

1. Approval by the Fairbanks North Star Borough School District Board of Education (Board of Education), with community input.
2. Submission to the Fairbanks North Star Borough Assembly (Borough Assembly) for approval of the total budget and appropriation of the local contribution. The deadline for submitting the budget to the Borough Assembly is May 1, in accordance with Alaska Statute section 14.14.060(c) Compiled School Laws. Borough ordinance 3.03.010 however, requires the Board of Education to submit their formally adopted budget to the Borough Assembly by April 1 of each year. The Borough Assembly must furnish the Board of Education with a statement of the local appropriation not more than thirty days after the date on which it first receives the education budget. After the Borough Assembly has set the local appropriation, the Board of Education will again review the budget to make any changes necessitated by the Assembly's action. An opportunity for a public hearing on proposed changes will be provided and at least 24 hours' notice will be given of the meeting at which action is proposed.
3. Submission to the Commissioner of the State of Alaska, Department of Education and Early Development by July 15, in accordance with Alaska Statute section 14.07.170(2) Compiled School Laws.

The original adopted budget for the year ended June 30, 2015, was prepared on the "program" level of budgetary control for information purposes. The budget in these financial statements was approved by the Board of Education by fund and function to comply with the *Alaska Department of Education and Early Development Uniform Chart of Accounts and Account Code Descriptions for Public School Districts, (2014 edition)*.

Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds, and capital project funds. An annual budget is legally adopted for the general fund. Annual budgets are legally adopted for all special revenue funds except the School Activity special revenue fund. Capital projects are controlled through project budgets. Adopted project budgets provide authorization to complete projects that extend beyond one fiscal year. Multi-fiscal year projects are controlled by comparing project-to-date expenditures with project budgets. Differences in accounting for encumbrances, as described later, exist between the basis of accounting used for budgetary purposes and that used for reporting in accordance with U.S. generally accepted accounting principles (GAAP).

The objective of the School District's budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Resources are allocated to and accounted for in individual funds, based upon the purposes for which those funds were created. Transfers between programs in excess of \$20,000 or any transfer in excess of \$25,000 are authorized by the Board of Education. Therefore, the legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the object level. All other transfers are authorized by the superintendent and reported monthly to the Board of Education.

Encumbrances

For budgetary purposes, annual appropriations lapse at year-end, except for that portion related to encumbered amounts. District policy requires recording of an encumbrance as a charge against appropriation in the accounting period in which a purchase order is issued, rather than in the

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Required Supplementary Information (cont.) June 30, 2015

accounting period when goods or services are received as required by generally accepted accounting principles (GAAP). Encumbrances outstanding at year-end are reported as assigned fund balance in the general fund only. All other encumbrances are disclosed in the notes to the basic financial statements. All encumbrances are automatically carried forward to the new fiscal year budget. Appropriations for those capital projects funds with project budgets do not lapse until the purpose of the appropriation has been accomplished.

Basis of Budgeting

Because such encumbrances constitute the equivalent of expenditures for budgetary purposes, the accompanying schedules present comparisons of actual results to the annual budgets of the governmental funds on the basis of budgeting. Adjustments to convert *actual* expenditures to the basis of budgeting are reflected in the *actual on budgetary basis* column in the accompanying Budget (Non-GAAP Basis) and Actual Comparison Schedules for each major fund. The adjustment includes the addition for current year encumbrances and the deduction for expenditures on prior year encumbrances. The same adjustment is reflected in the revenue portion of those special revenue funds where State and Federal grant revenues are considered unearned until actual expenditures are incurred. The *original budget* column is that adopted by the School Board in its annual appropriation. The *final budget* column combines the *original budget* column, a deduction for expenditures on prior year encumbrances, and budget amendments made during the current fiscal year.

The following schedule reconciles revenues and expenditures on the *Statement of Revenues, Expenditures and Changes in Fund Balances* to revenues and expenditures on the *Budget (Non-GAAP Basis) and Actual Comparison Schedules* for each major governmental fund:

	General Fund	Federal Programs Special Revenue Fund	Student Transportation Special Revenue Fund	State Programs Special Revenue Fund
Revenues reported on the basis of budgeting	\$ 404,554,150	\$ 11,937,911	\$ 12,005,005	\$ 691,395
Basis difference		19,573	15,247	(4,758)
Revenues reported on the basis of GAAP	<u>\$ 404,554,150</u>	<u>\$ 11,957,484</u>	<u>\$ 12,020,252</u>	<u>\$ 686,637</u>
Expenditures reported on the basis of budgeting	\$ 399,719,719	\$ 11,937,911	\$ 11,953,748	\$ 1,104,669
Add expenditures on prior year encumbrances	1,372,654	19,573	15,247	86,297
Deduct current year encumbrances	(1,658,795)			(4,758)
Expenditures reported on the basis of GAAP	<u>\$ 399,433,578</u>	<u>\$ 11,957,484</u>	<u>\$ 11,968,995</u>	<u>\$ 1,186,208</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Required Supplementary Information (cont.) June 30, 2015

Expenditures in Excess of Appropriations

For the year ended June 30, 2015, expenditures exceeded budget, in annually approved budgets, for the following major fund:

General Fund:

Instruction	\$ 101,506,704
Special education instruction	17,254,870
Special education support services - students	7,966,314
Support services - students	8,843,391
Support services - instruction	4,650,332
School administration	9,373,664
School administration support services	619,241
District administration	979,414
District administration support services	907,530
Operations and maintenance of plant	621,163
Student activities	1,317,999

Expenditures exceeded budget in all functional areas due to an additional \$3 billion State of Alaska appropriation as a partial pay down of the net pension liability and net other postemployment benefits (OPEB) liability for the entire Public Employees' Retirement System (PERS) and Teacher's Retirement System (TRS). This resulted in School District on-behalf payments in fiscal year 2015 of \$16.1 million for PERS and \$195.4 million for TRS, an increase of \$11.1 million and \$164.2 million, respectively, over the prior year. If you remove the effect of the increase in on-behalf payments, expenditures exceeded budget for special education support services (\$175,818), school administration (\$230,341) and student activities (\$95,642). The overage in special education support services was due to the unexpected addition of several certified staff into hard-to-fill positions within this functional area after the budget to cover those positions was moved elsewhere. The overage in school administration was due to 1) additional preparation days added to contracts of new principals, 2) additional contract days for all principals due to weather closures and 3) the need for substitute principals in various schools throughout the year. And the overage in student activities was due to 1) Alaska School Activities Association (ASAA) statewide dues in excess of budget by \$10,000 and 2) travel for two 3A high schools in the District. The small high school budget for travel was calculated using the same measure as the larger high schools. However, the small schools are required to travel much more in order to compete in their ASAA region and two of the smaller schools exceeded their travel budgets by a combined amount of \$75,745.

B. Alaska Public Employees' Retirement System (PERS)

Schedule of the School District's Proportionate Share of the Net Pension Liability

The information in this schedule is presented based on the PERS defined benefit pension plan measurement date. For June 30, 2015 the plan measurement date is June 30, 2014.

Schedule of the School District's Pension Contributions

This schedule reports the School District's contributions to the PERS defined benefit pension plan during fiscal year ended June 30, 2015. These contributions are reported as a deferred outflow of resources on the June 30, 2015 government-wide statement of net position.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Required Supplementary Information June 30, 2015

Changes in Benefit Terms and Assumptions

There are no changes to PERS benefit terms and assumptions from the prior measurement period.

C. Alaska Teachers' Retirement System (TRS)

Schedule of the School District's Proportionate Share of the Net Pension Liability

The information in this schedule is presented based on the TRS defined benefit pension plan measurement date. For June 30, 2015 the plan measurement date is June 30, 2014.

Schedule of the School District's Pension Contributions

This schedule reports the School District's contributions to the TRS defined benefit pension plan during fiscal year ended June 30, 2015. These contributions are reported as a deferred outflow of resources on the June 30, 2015 government-wide statement of net position.

Changes in Benefit Terms and Assumptions

There are no changes to TRS benefit terms and assumptions from the prior measurement period.

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

MAJOR GOVERNMENTAL FUNDS

General Fund – accounts for resources traditionally associated with school districts which are not required to be accounted for in another fund.

Federal Programs Special Revenue Fund – accounts for programs that are funded by federal sources received directly from the federal government or passed through the State of Alaska.

Student Transportation Special Revenue Fund – this program provides transportation for regular and special education students that are bused to school.

State Programs Special Revenue Fund – accounts for programs that are funded by nonfederal State of Alaska sources.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund

General Fund

Balance Sheet

June 30, 2015

(With comparative totals for 2014)

<u>ASSETS</u>	Totals	
	<u>2015</u>	<u>2014</u>
Equity in central treasury cash	\$ 21,205,671	\$ 18,235,263
Accounts receivable:		
Local	454,721	491,490
Federal	202,745	30,403
Due from other funds	4,931,193	4,171,540
Due from Fairbanks North Star Borough	12,104	6,213
Inventories	425,380	463,606
Prepaid items	199,272	55,185
Total assets	<u>\$ 27,431,086</u>	<u>\$ 23,453,700</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 539,813	\$ 1,159,273
Accrued payroll and liabilities	1,885,494	1,605,890
Due to Fairbanks North Star Borough	30,526	800,000
Due to external groups and agencies		33,856
Total liabilities	<u>2,455,833</u>	<u>3,599,019</u>
Fund balance:		
Nonspendable:		
Inventories	425,380	463,606
Prepaid items	199,272	55,185
Restricted:		
Student allotments	35,108	
Assigned to:		
Encumbrances	1,658,795	1,689,890
Impact aid advance	16,402,515	13,068,830
Subsequent year's expenditures	1,911,426	960,580
Unassigned	4,342,757	3,616,590
Total fund balance	<u>24,975,253</u>	<u>19,854,681</u>
Total liabilities and fund balance	<u>\$ 27,431,086</u>	<u>\$ 23,453,700</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
Major Governmental Fund
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - by Object
For the Year Ended June 30, 2015
(With comparative totals for 2014)

	Totals	
	2015	2014
Revenues:		
Revenue from local sources:		
Borough direct appropriation	\$ 49,906,000	\$ 47,560,000
E-rate revenue	635,436	508,827
Other local revenue	501,725	536,858
Tuition from students	44,280	24,529
Total local sources	<u>51,087,441</u>	<u>48,630,214</u>
Revenue from state sources:		
Foundation program	117,696,672	117,038,885
QSI grant	419,961	426,169
Supplemental aid	4,479,736	2,671,187
TRS on-behalf	195,386,281	31,150,634
PERS on-behalf	16,140,721	5,034,322
On-base schools	1,450,000	1,450,000
Other state revenue	148,963	144,342
Total state sources	<u>335,722,334</u>	<u>157,915,539</u>
Revenue from federal sources - direct	<u>17,738,637</u>	<u>13,979,892</u>
Total revenues	<u>404,548,412</u>	<u>220,525,645</u>
Expenditures - current:		
Instruction:		
Salaries and fringe benefits:		
Certificated salaries	50,986,855	50,915,557
Non-certificated salaries	4,336,614	4,115,228
Employee benefits	<u>157,528,823</u>	<u>45,056,978</u>
Total salaries and fringe benefits	<u>212,852,292</u>	<u>100,087,763</u>
Materials, supplies, services and other:		
Professional and technical services	653,578	695,737
Staff travel	18,843	22,391
Student travel	128,409	115,368
Utility services	11,246	11,524
Other purchased services	407,764	533,322
Supplies, materials and media	3,564,677	3,431,004
Other expenses	<u>3,155</u>	<u>1,735</u>
Total materials, supplies, services and other	<u>4,787,672</u>	<u>4,811,081</u>
Capital outlay:		
Equipment	64,970	67,693
Other capital outlay		<u>65,285</u>
Total capital outlay	<u>64,970</u>	<u>132,978</u>
Total instruction	<u>217,704,934</u>	<u>105,031,822</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
Major Governmental Fund
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - by Object
For the Year Ended June 30, 2015
(With comparative totals for 2014)

	Totals	
	2015	2014
Special education instruction:		
Salaries and fringe benefits:		
Certificated salaries	\$ 7,663,527	\$ 7,773,348
Non-certificated salaries	5,433,380	5,266,524
Employee benefits	30,774,354	10,451,026
Total salaries and fringe benefits	<u>43,871,261</u>	<u>23,490,898</u>
Materials, supplies, services and other:		
Professional and technical services	1,590,153	2,062,967
Staff travel	312	653
Student travel	3,441	1,598
Utility services	6,789	6,532
Other purchased services	332,494	227,689
Supplies, materials and media	900,348	473,229
Tuition and stipends	46,451	23,899
Total materials, supplies, services and other	<u>2,879,988</u>	<u>2,796,567</u>
Total special education instruction	<u>46,751,249</u>	<u>26,287,465</u>
Special education support services - students:		
Salaries and fringe benefits:		
Certificated salaries	3,966,517	3,677,700
Non-certificated salaries	1,302,666	1,476,886
Employee benefits	13,032,225	3,946,198
Total salaries and fringe benefits	<u>18,301,408</u>	<u>9,100,784</u>
Materials, supplies, services and other:		
Professional and technical services	1,110,019	1,273,925
Staff travel	95,915	80,597
Student travel	8,101	5,471
Other purchased services	12,616	26,024
Supplies, materials and media	194,038	121,963
Other expenses	4,768	1,258
Total materials, supplies, services and other	<u>1,425,457</u>	<u>1,509,238</u>
Capital outlay - equipment		<u>6,426</u>
Total special education support services - students	<u>19,726,865</u>	<u>10,616,448</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - by Object

For the Year Ended June 30, 2015

(With comparative totals for 2014)

	Totals	
	2015	2014
Support services - students:		
Salaries and fringe benefits:		
Certificated salaries	\$ 3,647,797	\$ 3,576,968
Non-certificated salaries	3,689,479	3,687,425
Employee benefits	16,274,148	6,043,839
Total salaries and fringe benefits	23,611,424	13,308,232
Materials, supplies, services and other:		
Professional and technical services	269,139	297,456
Staff travel	10,976	10,434
Student travel	9,154	5,806
Other purchased services	4,148	975
Supplies, materials and media	191,636	148,581
Other expenses	2,988	3,541
Total materials, supplies, services and other	488,041	466,793
Total support services - students	24,099,465	13,775,025
Support services - instruction:		
Salaries and fringe benefits:		
Certificated salaries	2,000,599	2,057,227
Non-certificated salaries	3,024,257	3,055,126
Employee benefits	10,040,461	4,113,118
Total salaries and fringe benefits	15,065,317	9,225,471
Materials, supplies, services and other:		
Professional and technical services	623,936	439,206
Staff travel	110,900	125,678
Utility services	275,134	192,148
Other purchased services	4,506	16,199
Supplies, materials and media	656,069	556,273
Other expenses		294
Total materials, supplies, services and other	1,670,545	1,329,798
Capital outlay - equipment	166,685	69,379
Total support services - instruction	16,902,547	10,624,648

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - by Object

For the Year Ended June 30, 2015

(With comparative totals for 2014)

	Totals	
	2015	2014
School administration:		
Salaries and fringe benefits:		
Certificated salaries	\$ 4,649,152	\$ 4,725,790
Non-certificated salaries	61,715	27,880
Employee benefits	13,929,201	3,978,193
Total salaries and fringe benefits	<u>18,640,068</u>	<u>8,731,863</u>
Materials, supplies, services and other:		
Professional and technical services	60	1,681
Staff travel	41,419	34,801
Supplies, materials and media	1,832	2,054
Other expenses	26,720	27,947
Total materials, supplies, services and other	<u>70,031</u>	<u>66,483</u>
Total school administration	<u>18,710,099</u>	<u>8,798,346</u>
School administration support services:		
Salaries and fringe benefits:		
Non-certificated salaries	3,040,537	2,933,827
Employee benefits	3,151,606	2,118,379
Total salaries and fringe benefits	<u>6,192,143</u>	<u>5,052,206</u>
Materials, supplies, services and other:		
Professional and technical services	8,376	5,469
Staff travel	1,854	1,565
Student travel	471	192
Utility services	545,579	571,628
Other purchased services	11,306	13,359
Supplies, materials and media	107,867	118,456
Other expenses	4,055	4,750
Total materials, supplies, services and other	<u>679,508</u>	<u>715,419</u>
Capital outlay - equipment	<u>8,676</u>	
Total school administration support services	<u>6,880,327</u>	<u>5,767,625</u>
District administration:		
Salaries and fringe benefits:		
Certificated salaries	592,012	538,782
Non-certificated salaries	526,317	556,081
Employee benefits	2,252,602	807,382
Total salaries and fringe benefits	<u>3,370,931</u>	<u>1,902,245</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - by Object

For the Year Ended June 30, 2015

(With comparative totals for 2014)

	Totals	
	2015	2014
District administration (continued):		
Materials, supplies, services and other:		
Professional and technical services	\$ 180,064	\$ 148,468
Staff travel	28,989	17,698
Student travel	86	
Utility services	5,297	4,277
Other purchased services	17,860	28,839
Supplies, materials and media	50,469	93,589
Other expenses	27,007	28,587
Total materials, supplies, services and other	<u>309,772</u>	<u>321,458</u>
Total district administration	<u>3,680,703</u>	<u>2,223,703</u>
District administration support services:		
Salaries and fringe benefits:		
Certificated salaries	45,747	45,502
Non-certificated salaries	4,765,023	4,420,666
Employee benefits	5,039,869	3,248,543
Total salaries and fringe benefits	<u>9,850,639</u>	<u>7,714,711</u>
Materials, supplies, services and other:		
Professional and technical services	745,788	621,822
Staff travel	65,092	57,156
Utility services	171,161	284,635
Other purchased services	141,887	228,459
Insurance and bond premiums	1,038,033	1,083,074
Supplies, materials and media	398,137	299,339
Other expenses	306,795	164,703
Indirect costs	(621,811)	(573,061)
Total materials, supplies, services and other	<u>2,245,082</u>	<u>2,166,127</u>
Capital outlay - equipment:	<u>339,913</u>	<u>132,459</u>
Total district administration support services	<u>12,435,634</u>	<u>10,013,297</u>
Operations and maintenance of plant:		
Salaries and fringe benefits:		
Non-certificated salaries	9,049,377	8,909,195
Employee benefits	9,082,553	6,215,612
Total salaries and fringe benefits	<u>18,131,930</u>	<u>15,124,807</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - by Object

For the Year Ended June 30, 2015

(With comparative totals for 2014)

	Totals	
	2015	2014
Operations and maintenance of plant (continued):		
Materials, supplies, services and other:		
Professional and technical services	\$ 46,232	\$ 42,436
Staff travel	3,772	4,267
Utility services	804,940	757,987
Energy	5,628,797	5,824,467
Other purchased services	1,217,835	1,326,630
Insurance and bond premiums	415,118	396,611
Supplies, materials and media	1,382,261	1,371,081
Other expenses	349	225
Total materials, supplies, services and other	<u>9,499,304</u>	<u>9,723,704</u>
Capital outlay - equipment	<u>135,612</u>	<u>75,738</u>
Total operations and maintenance of plant	<u>27,766,846</u>	<u>24,924,249</u>
Student activities:		
Salaries and fringe benefits:		
Certificated salaries	721,859	714,796
Non-certificated salaries	666,751	644,478
Employee benefits	<u>2,318,530</u>	<u>637,897</u>
Total salaries and fringe benefits	<u>3,707,140</u>	<u>1,997,171</u>
Materials, supplies, services and other:		
Professional and technical services	173,241	196,532
Staff travel	3,514	8,500
Student travel	394,377	405,733
Other purchased services	115,871	71,660
Supplies, materials and media	117,099	115,942
Other expenses	<u>66,859</u>	<u>63,383</u>
Total materials, supplies, services and other	<u>870,961</u>	<u>861,750</u>
Capital outlay - equipment		<u>13,498</u>
Total student activities	<u>4,578,101</u>	<u>2,872,419</u>
Total expenditures	<u>399,236,770</u>	<u>220,935,047</u>
Excess (deficiency) of revenues over expenditures	<u>5,311,642</u>	<u>(409,402)</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - by Object

For the Year Ended June 30, 2015

(With comparative totals for 2014)

	Totals	
	2015	2014
Other financing sources (uses):		
Proceeds from sale of capital assets	\$ 5,738	\$ 2,953
Transfers out	(196,808)	(237,100)
Total other financing sources (uses)	(191,070)	(234,147)
Net change in fund balance	5,120,572	(643,549)
Fund balance - beginning	19,854,681	20,498,230
Fund balance - ending	<u>\$ 24,975,253</u>	<u>\$ 19,854,681</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual - by Object
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Actual on Budgetary Basis	Variance with Final Budget
	Original	Final			
Revenues:					
Revenue from local sources:					
Borough direct appropriation	\$ 49,906,000	\$ 49,906,000	\$ 49,906,000	\$ 49,906,000	\$
E-rate revenue	650,000	650,000	635,436	635,436	(14,564)
Other local revenue	484,800	456,800	501,725	501,725	44,925
Tuition from students		28,000	44,280	44,280	16,280
Total local sources	51,040,800	51,040,800	51,087,441	51,087,441	46,641
Revenue from state sources:					
Foundation program	120,275,250	120,275,250	117,696,672	117,696,672	(2,578,578)
QSI grant	423,710	423,710	419,961	419,961	(3,749)
Supplemental aid	4,570,320	4,570,320	4,479,736	4,479,736	(90,584)
TRS on-behalf	44,607,220	44,607,220	195,386,281	195,386,281	150,779,061
PERS on-behalf	8,239,590	8,239,590	16,140,721	16,140,721	7,901,131
On-base schools	1,450,000	1,450,000	1,450,000	1,450,000	
Other state revenue	112,000	112,000	148,963	148,963	36,963
Total state sources	179,678,090	179,678,090	335,722,334	335,722,334	156,044,244
Revenue from federal sources - direct:	13,945,020	13,945,020	17,738,637	17,738,637	3,793,617
Total revenues	244,663,910	244,663,910	404,548,412	404,548,412	159,884,502
Expenditures - current:					
Instruction:					
Salaries and fringe benefits:					
Certificated salaries	50,801,206	51,282,232	50,986,855	50,986,855	295,377
Non-certificated salaries	3,910,895	4,255,966	4,336,614	4,336,614	(80,648)
Employee benefits	54,784,469	54,915,537	157,528,823	157,528,823	(102,613,286)
Total salaries and fringe benefits	109,496,570	110,453,735	212,852,292	212,852,292	(102,398,557)
Materials, supplies, services and other:					
Professional and technical services	834,000	885,073	653,578	654,178	230,895
Staff travel	88,400	30,994	18,843	18,843	12,151
Student travel	142,216	152,529	128,409	128,409	24,120
Utility services	7,000	7,000	11,246	11,246	(4,246)
Other purchased services	1,228,864	562,199	407,764	407,774	154,425
Supplies, materials and media	4,090,233	3,780,851	3,564,677	3,280,461	500,390
Other expenses	300		3,155	3,155	(3,155)
Total materials, supplies, services and other	6,391,013	5,418,646	4,787,672	4,504,066	914,580
Capital outlay - equipment	40,000	117,500	64,970	140,227	(22,727)
Total instruction	115,927,583	115,989,881	217,704,934	217,496,585	(101,506,704)

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual - by Object

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Actual on Budgetary Basis	Variance with Final Budget
	Original	Final			
Special education instruction:					
Salaries and fringe benefits:					
Certificated salaries	\$ 8,164,109	\$ 7,621,059	\$ 7,663,527	\$ 7,663,527	\$ (42,468)
Non-certificated salaries	5,469,197	5,707,326	5,433,380	5,433,380	273,946
Employee benefits	13,360,932	13,127,136	30,774,354	30,774,354	(17,647,218)
Total salaries and fringe benefits	<u>26,994,238</u>	<u>26,455,521</u>	<u>43,871,261</u>	<u>43,871,261</u>	<u>(17,415,740)</u>
Materials, supplies, services and other:					
Professional and technical services	2,222,174	1,829,394	1,590,153	1,677,573	151,821
Staff travel		250	312	312	(62)
Student travel		4,084	3,441	3,441	643
Utility services	6,575	6,575	6,789	6,789	(214)
Other purchased services	303,900	329,602	332,494	332,494	(2,892)
Supplies, materials and media	453,000	914,174	900,348	902,384	11,790
Tuition and stipends		46,235	46,451	46,451	(216)
Total materials, supplies, services and other	<u>2,985,649</u>	<u>3,130,314</u>	<u>2,879,988</u>	<u>2,969,444</u>	<u>160,870</u>
Capital outlay - other	<u>11,200</u>				
Total special education instruction	<u>29,991,087</u>	<u>29,585,835</u>	<u>46,751,249</u>	<u>46,840,705</u>	<u>(17,254,870)</u>
Special education support services - students:					
Salaries and fringe benefits:					
Certificated salaries	4,332,677	3,864,827	3,966,517	3,966,517	(101,690)
Non-certificated salaries	1,270,042	1,245,819	1,302,666	1,302,666	(56,847)
Employee benefits	5,536,193	5,212,767	13,032,225	13,032,225	(7,819,458)
Total salaries and fringe benefits	<u>11,138,912</u>	<u>10,323,413</u>	<u>18,301,408</u>	<u>18,301,408</u>	<u>(7,977,995)</u>
Materials, supplies, services and other:					
Professional and technical services	425,913	1,151,430	1,110,019	1,136,419	15,011
Staff travel	75,000	92,650	95,915	95,915	(3,265)
Student travel	6,000	9,006	8,101	8,101	905
Other purchased services	24,000	12,659	12,616	12,616	43
Supplies, materials and media	197,303	120,187	194,038	121,200	(1,013)
Other expenses	9,000	7,794	4,768	7,794	
Total materials, supplies, services and other	<u>737,216</u>	<u>1,393,726</u>	<u>1,425,457</u>	<u>1,382,045</u>	<u>11,681</u>
Total special education support services - students	<u>11,876,128</u>	<u>11,717,139</u>	<u>19,726,865</u>	<u>19,683,453</u>	<u>(7,966,314)</u>
Support services - students:					
Salaries and fringe benefits:					
Certificated salaries	3,275,964	3,479,054	3,647,797	3,647,797	(168,743)
Non-certificated salaries	3,881,658	4,038,630	3,689,479	3,689,479	349,151
Employee benefits	7,128,280	7,289,319	16,274,148	16,274,148	(8,984,829)
Total salaries and fringe benefits	<u>14,285,902</u>	<u>14,807,003</u>	<u>23,611,424</u>	<u>23,611,424</u>	<u>(8,804,421)</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual - by Object

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Actual on Budgetary Basis	Variance with Final Budget
	Original	Final			
Support services - students (continued):					
Materials, supplies, services and other:					
Professional and technical services	\$ 105,710	\$ 166,059	\$ 269,139	\$ 270,223	\$ (104,164)
Staff travel	14,144	14,268	10,976	10,976	3,292
Student travel	1,500	2,610	9,154	9,154	(6,544)
Other purchased services	90,250	26,059	4,148	5,499	20,560
Supplies, materials and media	256,008	237,140	191,636	190,220	46,920
Other expenses	426	3,954	2,988	2,988	966
Total materials, supplies, services and other	468,038	450,090	488,041	489,060	(38,970)
Total support services - students	14,753,940	15,257,093	24,099,465	24,100,484	(8,843,391)
Support services - instruction:					
Salaries and fringe benefits:					
Certificated salaries	1,981,398	2,015,177	2,000,599	2,000,599	14,578
Non-certificated salaries	3,270,917	3,193,481	3,024,257	3,024,257	169,224
Employee benefits	5,017,233	4,974,902	10,040,461	10,040,461	(5,065,559)
Total salaries and fringe benefits	10,269,548	10,183,560	15,065,317	15,065,317	(4,881,757)
Materials, supplies, services and other:					
Professional and technical services	800,773	762,038	623,936	625,917	136,121
Staff travel	50,550	116,449	110,900	110,900	5,549
Utility services	322,200	272,200	275,134	275,134	(2,934)
Other purchased services	11,300	11,787	4,506	4,437	7,350
Supplies, materials and media	723,985	706,510	656,069	629,786	76,724
Other expenses	300	300			300
Total materials, supplies, services and other	1,909,108	1,869,284	1,670,545	1,646,174	223,110
Capital outlay - equipment	135,000	175,000	166,685	166,685	8,315
Total support services - instruction	12,313,656	12,227,844	16,902,547	16,878,176	(4,650,332)
School administration:					
Salaries and fringe benefits:					
Certificated salaries	4,533,707	4,487,207	4,649,152	4,649,152	(161,945)
Non-certificated salaries			61,715	61,715	(61,715)
Employee benefits	4,779,837	4,758,586	13,929,201	13,929,201	(9,170,615)
Total salaries and fringe benefits	9,313,544	9,245,793	18,640,068	18,640,068	(9,394,275)
Materials, supplies, services and other:					
Professional and technical services	2,000	2,000	60	60	1,940
Staff travel	53,500	55,304	41,419	41,419	13,885
Supplies, materials and media	5,000	5,000	1,832	1,832	3,168
Other expenses	28,338	28,338	26,720	26,720	1,618
Total materials, supplies, services and other	88,838	90,642	70,031	70,031	20,611
Total school administration	9,402,382	9,336,435	18,710,099	18,710,099	(9,373,664)

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual - by Object

For the Year Ended June 30, 2015

	Budgeted Amounts			Actual on	
	Original	Final	Actual	Budgetary	Variance with
				Basis	Final Budget
School administration support services:					
Salaries and fringe benefits:					
Non-certificated salaries	\$ 3,050,911	\$ 3,000,016	\$ 3,040,537	\$ 3,040,537	\$ (40,521)
Employee benefits	2,499,489	2,467,136	3,151,606	3,151,606	(684,470)
Total salaries and fringe benefits	5,550,400	5,467,152	6,192,143	6,192,143	(724,991)
Materials, supplies, services and other:					
Professional and technical services	8,000	12,222	8,376	8,376	3,846
Staff travel	4,000	4,662	1,854	1,854	2,808
Student travel		16	471	471	(455)
Utility services	587,291	587,291	545,579	545,579	41,712
Other purchased services	5,500	9,269	11,306	13,697	(4,428)
Insurance and bond premiums	8,000	8,000			8,000
Supplies, materials and media	163,026	169,073	107,867	104,050	65,023
Other expenses	1,000	1,975	4,055	4,055	(2,080)
Total materials, supplies, services and other	776,817	792,508	679,508	678,082	114,426
Capital outlay - equipment			8,676	8,676	(8,676)
Total school administration support services	6,327,217	6,259,660	6,880,327	6,878,901	(619,241)
District administration:					
Salaries and fringe benefits:					
Certificated salaries	592,235	592,235	592,012	592,012	223
Non-certificated salaries	546,209	557,809	526,317	526,317	31,492
Employee benefits	1,053,756	1,042,156	2,252,602	2,252,602	(1,210,446)
Total salaries and fringe benefits	2,192,200	2,192,200	3,370,931	3,370,931	(1,178,731)
Materials, supplies, services, and other:					
Professional and technical services	89,100	152,463	180,064	207,166	(54,703)
Staff travel	47,100	47,100	28,989	28,989	18,111
Student travel			86	86	(86)
Utility services	6,500	6,500	5,297	5,297	1,203
Other purchased services	26,901	26,901	17,860	17,541	9,360
Supplies, materials and media	54,522	54,522	50,469	50,312	4,210
Other expenses	589,470	248,229	27,007	27,007	221,222
Total materials, supplies, services, and other	813,593	535,715	309,772	336,398	199,317
Total district administration	3,005,793	2,727,915	3,680,703	3,707,329	(979,414)
District administration support services:					
Salaries and fringe benefits:					
Certificated salaries	44,302	46,302	45,747	45,747	555
Non-certificated salaries	4,651,185	4,813,207	4,765,023	4,765,023	48,184
Employee benefits	3,973,547	4,067,166	5,039,869	5,039,869	(972,703)
Total salaries and fringe benefits	8,669,034	8,926,675	9,850,639	9,850,639	(923,964)

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual - by Object

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Actual on Budgetary Basis	Variance with Final Budget
	Original	Final			
District administration support services (continued):					
Materials, supplies, services and other:					
Professional and technical services	\$ 1,045,565	\$ 1,095,874	\$ 745,788	\$ 736,660	\$ 359,214
Staff travel	30,450	28,587	65,092	65,092	(36,505)
Utility services	345,380	345,380	171,161	171,161	174,219
Other purchased services	286,315	281,065	141,887	141,887	139,178
Insurance and bond premiums	1,015,000	1,015,000	1,038,033	1,038,033	(23,033)
Supplies, materials and media	322,850	333,373	398,137	366,626	(33,253)
Other expenses	24,070	23,074	306,795	479,358	(456,284)
Indirect costs	(610,000)	(610,000)	(621,811)	(621,811)	11,811
Total materials, supplies, services and other	<u>2,459,630</u>	<u>2,512,353</u>	<u>2,245,082</u>	<u>2,377,006</u>	<u>135,347</u>
Capital outlay - equipment	<u>221,000</u>	<u>221,000</u>	<u>339,913</u>	<u>339,913</u>	<u>(118,913)</u>
Total district administration support services	<u>11,349,664</u>	<u>11,660,028</u>	<u>12,435,634</u>	<u>12,567,558</u>	<u>(907,530)</u>
Operations and maintenance of plant:					
Salaries and fringe benefits:					
Non-certificated salaries	9,291,416	9,391,211	9,049,377	9,049,377	341,834
Employee benefits	7,339,885	7,401,138	9,082,553	9,082,553	(1,681,415)
Total salaries and fringe benefits	<u>16,631,301</u>	<u>16,792,349</u>	<u>18,131,930</u>	<u>18,131,930</u>	<u>(1,339,581)</u>
Materials, supplies, services and other:					
Professional and technical services	51,000	46,864	46,232	54,232	(7,368)
Staff travel	9,000	6,000	3,772	3,772	2,228
Utility services	863,079	863,079	804,940	804,940	58,139
Energy	6,593,030	6,593,030	5,628,797	5,628,797	964,233
Other purchased services	1,121,713	1,102,028	1,217,835	1,509,312	(407,284)
Insurance and bond premiums	409,097	416,502	415,118	415,118	1,384
Supplies, materials and media	1,495,620	1,508,692	1,382,261	1,392,472	116,220
Other expenses	450	450	349	349	101
Total materials, supplies, services and other	<u>10,542,989</u>	<u>10,536,645</u>	<u>9,499,304</u>	<u>9,808,992</u>	<u>727,653</u>
Capital outlay - equipment	<u>90,000</u>	<u>125,664</u>	<u>135,612</u>	<u>134,899</u>	<u>(9,235)</u>
Total operations and maintenance of plant	<u>27,264,290</u>	<u>27,454,658</u>	<u>27,766,846</u>	<u>28,075,821</u>	<u>(621,163)</u>
Student activities:					
Salaries and fringe benefits:					
Certificated salaries	1,254,917	1,272,698	721,859	721,859	550,839
Non-certificated salaries	172,599	166,270	666,751	666,751	(500,481)
Employee benefits	1,093,026	1,117,884	2,318,530	2,318,530	(1,200,646)
Total salaries and fringe benefits	<u>2,520,542</u>	<u>2,556,852</u>	<u>3,707,140</u>	<u>3,707,140</u>	<u>(1,150,288)</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual - by Object

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Actual on Budgetary Basis	Variance with Final Budget
	Original	Final			
Student activities (continued):					
Materials, supplies, services and other:					
Professional and technical services	\$ 212,801	\$ 214,011	\$ 173,241	\$ 173,241	\$ 40,770
Staff travel	5,000	5,000	3,514	3,514	1,486
Student travel	329,169	323,155	394,377	394,449	(71,294)
Other purchased services	20,450	20,950	115,871	115,871	(94,921)
Supplies, materials and media	90,786	102,761	117,099	122,726	(19,965)
Other expenses	43,072	43,072	66,859	66,859	(23,787)
Total materials, supplies, services and other	701,278	708,949	870,961	876,660	(167,711)
Total student activities	3,221,820	3,265,801	4,578,101	4,583,800	(1,317,999)
Total expenditures	245,433,560	245,482,289	399,236,770	399,522,911	(154,040,622)
Excess (deficiency) of revenues over expenditures	(769,650)	(818,379)	5,311,642	5,025,501	5,843,880
Other financing sources (uses):					
Proceeds from sale of capital assets			5,738	5,738	5,738
Transfers out	(190,930)	(190,930)	(196,808)	(196,808)	(5,878)
Total other financing sources (uses)	(190,930)	(190,930)	(191,070)	(191,070)	(140)
Net change in fund balance	<u>\$ (960,580)</u>	<u>\$ (1,009,309)</u>	5,120,572	<u>\$ 4,834,431</u>	<u>\$ 5,843,740</u>
Fund balance - beginning			19,854,681		
Fund balance - ending			<u>\$ 24,975,253</u>		

See accompanying notes to the basic financial statements

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund
Federal Programs Special Revenue
Combining Balance Sheet
For the Year Ended June 30, 2015
(With comparative totals for 2014)

	<u>Alaska Native Education</u>	<u>Title I-A Basic Grant</u>	<u>Title I-D Golden Heart Academy</u>	<u>Title I-C Migrant Regular</u>
<u>ASSETS</u>				
Equity in central treasury cash	\$	\$	\$	\$
Accounts receivable:				
Local				
State		1,275,924	2,700	66,302
Federal	203,901			
Total assets	<u>\$ 203,901</u>	<u>\$ 1,275,924</u>	<u>\$ 2,700</u>	<u>\$ 66,302</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$	\$ 2,661	\$	\$ 458
Due to other funds	203,901	1,273,263	2,700	65,844
Total liabilities	<u>203,901</u>	<u>1,275,924</u>	<u>2,700</u>	<u>66,302</u>
Fund balances:				
Restricted				
Total liabilities and fund balances	<u>\$ 203,901</u>	<u>\$ 1,275,924</u>	<u>\$ 2,700</u>	<u>\$ 66,302</u>

Carl Perkins Secondary	Title III-A English Language Acquisition	Title I-A Neglected & Delinquent	Migrant Education Summer	Air Force ROTC - North Pole HS	Air Force ROTC- Ben Eielson Jr/Sr
\$	\$	\$	\$	\$	\$
104,082	26,057	44,694	11,479	6,073	1,678
<u>\$ 104,082</u>	<u>\$ 26,057</u>	<u>\$ 44,694</u>	<u>\$ 11,479</u>	<u>\$ 6,073</u>	<u>\$ 1,678</u>
\$	\$	\$ 1,003	\$	\$	\$
104,082	26,057	43,691	11,479	6,073	1,678
<u>104,082</u>	<u>26,057</u>	<u>44,694</u>	<u>11,479</u>	<u>6,073</u>	<u>1,678</u>
<u>\$ 104,082</u>	<u>\$ 26,057</u>	<u>\$ 44,694</u>	<u>\$ 11,479</u>	<u>\$ 6,073</u>	<u>\$ 1,678</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund
Federal Programs Special Revenue
Combining Balance Sheet
For the Year Ended June 30, 2015
(With comparative totals for 2014)

	Marines ROTC - West Valley HS	Title III-A English Language Acquisition Immigrant	Title VI-B	Preschool Disabled Section 619
<u>ASSETS</u>				
Equity in central treasury cash	\$	\$	\$	\$
Accounts receivable:				
Local				
State		14,004	1,000,592	21,903
Federal	1,540			
Total assets	<u>\$ 1,540</u>	<u>\$ 14,004</u>	<u>\$ 1,000,592</u>	<u>\$ 21,903</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$	\$	\$ 2,252	\$
Due to other funds	1,540	14,004	998,340	21,903
Total liabilities	<u>1,540</u>	<u>14,004</u>	<u>1,000,592</u>	<u>21,903</u>
Fund balances:				
Restricted				
Total liabilities and fund balances	<u>\$ 1,540</u>	<u>\$ 14,004</u>	<u>\$ 1,000,592</u>	<u>\$ 21,903</u>

<u>Options Child Care Grant</u>	<u>Alaska Community Learning Centers</u>	<u>Title I-A Parent Involvement</u>	<u>Migrant Education Book Program</u>	<u>McKinney Vento Homeless Education</u>	<u>Title II-A Teacher & Principal Training</u>
\$ 1,298	\$	\$	\$	\$	\$
	437,687	19,712	8,663	11,989	258,874
<u>\$ 1,298</u>	<u>\$ 437,687</u>	<u>\$ 19,712</u>	<u>\$ 8,663</u>	<u>\$ 11,989</u>	<u>\$ 258,874</u>
\$	\$	\$	\$	\$	\$
	437,687	19,712	8,663	11,989	16,181
	437,687	19,712	8,663	11,989	242,693
					258,874
1,298					
<u>\$ 1,298</u>	<u>\$ 437,687</u>	<u>\$ 19,712</u>	<u>\$ 8,663</u>	<u>\$ 11,989</u>	<u>\$ 258,874</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund
Federal Programs Special Revenue
Combining Balance Sheet
For the Year Ended June 30, 2015
(With comparative totals for 2014)

	Statewide Mentor Urban Growth Project	Fresh Fruit & Vegetable Program	Totals	
			2015	2014
<u>ASSETS</u>				
Equity in central treasury cash	\$	\$ 4,472	\$ 5,770	\$ 1,298
Accounts receivable:				
Local	48,638		48,638	76,546
State			3,304,662	2,788,598
Federal			213,192	242,117
Total assets	<u>\$ 48,638</u>	<u>\$ 4,472</u>	<u>\$ 3,572,262</u>	<u>\$ 3,108,559</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$	\$ 4,472	\$ 27,027	\$ 44,165
Due to other funds	48,638		3,543,937	3,063,096
Total liabilities	<u>48,638</u>	<u>4,472</u>	<u>3,570,964</u>	<u>3,107,261</u>
Fund balances:				
Restricted			1,298	1,298
Total liabilities and fund balances	<u>\$ 48,638</u>	<u>\$ 4,472</u>	<u>\$ 3,572,262</u>	<u>\$ 3,108,559</u>

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FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund

Federal Programs Special Revenue

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - by Function

For the Year Ended June 30, 2015

(With comparative totals for 2014)

	Alaska Native Education	Title I-A Basic Grant	Title I-D Golden Heart Academy	Title I-C Migrant Regular
Revenues:				
Revenue from local sources:				
Other local revenue	\$	\$	\$	\$
Revenue from federal sources:				
Direct	824,926			
Through the State of Alaska		3,901,735	14,205	202,110
Other intermediate agencies				
Total federal sources	824,926	3,901,735	14,205	202,110
Total revenues	824,926	3,901,735	14,205	202,110
Expenditures - current:				
Instruction	782,811	3,702,559	13,480	191,792
Special education instruction				
Support services - students				
Support services - instruction				
District administration support services	42,115	199,176	725	10,318
Food services				
Total expenditures	824,926	3,901,735	14,205	202,110
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

<u>Carl Perkins Secondary</u>	<u>Title III-A English Language Acquisition</u>	<u>Title I-A Neglected & Delinquent</u>	<u>Migrant Education Summer</u>	<u>Air Force ROTC - North Pole HS</u>	<u>Air Force ROTC- Ben Eielson Jr/Sr</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
289,900	30,759	115,205	30,951	9,994	1,678
<u>289,900</u>	<u>30,759</u>	<u>115,205</u>	<u>30,951</u>	<u>9,994</u>	<u>1,678</u>
<u>289,900</u>	<u>30,759</u>	<u>115,205</u>	<u>30,951</u>	<u>9,994</u>	<u>1,678</u>
277,653	30,156	109,323	29,371	9,994	1,678
12,247	603	5,882	1,580		
<u>289,900</u>	<u>30,759</u>	<u>115,205</u>	<u>30,951</u>	<u>9,994</u>	<u>1,678</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund

Federal Programs Special Revenue

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - by Function

For the Year Ended June 30, 2015

(With comparative totals for 2014)

	Marines ROTC - West Valley HS	Success Through Education & Cultural Connections	Title III-A English Language Acquisition Immigrant	Title VI-B
Revenues:				
Revenue from local sources:				
Other local revenue	\$	\$	\$	\$
Revenue from federal sources:				
Direct	9,947			
Through the State of Alaska			14,004	3,827,857
Other intermediate agencies		12,704		
Total federal sources	9,947	12,704	14,004	3,827,857
Total revenues	9,947	12,704	14,004	3,827,857
Expenditures - current:				
Instruction	9,947	12,055	13,729	
Special education instruction				3,632,432
Support services - students				
Support services - instruction				
District administration support services		649	275	195,425
Food services				
Total expenditures	9,947	12,704	14,004	3,827,857
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

Preschool Disabled Section 619	Options Child Care Grant	Alaska Community Learning Centers	Title I-A Parent Involvement	Migrant Education Book Program	Lathrop Smaller Learning Communities
<u>\$</u>	<u>\$</u>	<u>\$ 28,248</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
106,545		1,360,395	40,983	11,725	28,004
<u>106,545</u>		<u>1,360,395</u>	<u>40,983</u>	<u>11,725</u>	<u>28,004</u>
<u>106,545</u>		<u>1,388,643</u>	<u>40,983</u>	<u>11,725</u>	<u>28,004</u>
101,105		1,319,190	38,891	11,126	26,574
5,440		69,453	2,092	599	1,430
<u>106,545</u>		<u>1,388,643</u>	<u>40,983</u>	<u>11,725</u>	<u>28,004</u>
	1,298				
<u>\$</u>	<u>\$ 1,298</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund

Federal Programs Special Revenue

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - by Function

For the Year Ended June 30, 2015

(With comparative totals for 2014)

	McKinney Vento Homeless Education	Title II-A Teacher & Principal Training	Statewide Mentor Urban Growth Project	Fresh Fruit & Vegetable Program
Revenues:				
Revenue from local sources:				
Other local revenue	\$	\$	\$	\$
Revenue from federal sources:				
Direct				
Through the State of Alaska	20,466	841,363		41,980
Other intermediate agencies			191,800	
Total federal sources	20,466	841,363	191,800	41,980
Total revenues	20,466	841,363	191,800	41,980
Expenditures - current:				
Instruction				
Special education instruction				
Support services - students	19,421			
Support services - instruction		798,409	184,423	
District administration support services	1,045	42,954	7,377	
Food services				41,980
Total expenditures	20,466	841,363	191,800	41,980
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

Totals	
2015	2014
\$ 28,248	\$ 33,123
874,549	941,577
10,850,183	9,755,771
204,504	278,695
11,929,236	10,976,043
11,957,484	11,009,166
5,184,548	4,365,425
3,733,537	3,087,449
1,415,202	1,624,159
982,832	1,330,154
599,385	555,816
41,980	45,176
11,957,484	11,008,179
987	
1,298	311
\$ 1,298	\$ 1,298

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund

Federal Programs Special Revenue

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - by Object

For the Year Ended June 30, 2015

(With comparative totals for 2014)

	Alaska Native Education	Title I-A Basic Grant	Title I-D Golden Heart Academy	Title I-C Migrant Regular
Revenues:				
Revenue from local sources:				
Other local revenue	\$	\$	\$	\$
Revenue from federal sources:				
Direct	824,926			
Through the State of Alaska		3,901,735	14,205	202,110
Other intermediate agencies				
Total federal sources	824,926	3,901,735	14,205	202,110
Total revenues	824,926	3,901,735	14,205	202,110
Expenditures - current:				
Salaries and fringe benefits:				
Certificated salaries	77,984	746,831		7,377
Non-certificated salaries	407,015	1,005,144	6,809	85,452
Employee benefits	278,212	894,915	4,109	49,872
Total salaries and fringe benefits	763,211	2,646,890	10,918	142,701
Materials, supplies, services and other:				
Professional and technical services	1,110	145,521		37,628
Staff travel	9,017	235,507		2,265
Student travel	1,050	115,809		24
Other purchased services	491	11,197		
Supplies, materials and media	7,932	546,939	2,562	9,174
Other expenses		696		
Indirect costs	42,115	199,176	725	10,318
Total materials, supplies, services and other	61,715	1,254,845	3,287	59,409
Capital outlay:				
Equipment				
Total expenditures	824,926	3,901,735	14,205	202,110
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

Carl Perkins Secondary	Title III-A English Language Acquisition	Title I-A Neglected & Delinquent	Migrant Education Summer	Air Force ROTC - North Pole HS	Air Force ROTC- Ben Eielson Jr/Sr
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
289,900	30,759	115,205	30,951	9,994	1,678
<u>289,900</u>	<u>30,759</u>	<u>115,205</u>	<u>30,951</u>	<u>9,994</u>	<u>1,678</u>
<u>289,900</u>	<u>30,759</u>	<u>115,205</u>	<u>30,951</u>	<u>9,994</u>	<u>1,678</u>
17,753	18,117				
8,359	650	54,433	4,820		
<u>26,112</u>	<u>2,758</u>	<u>33,735</u>	<u>1,328</u>		
	21,525	88,168	6,148		
55,917	150	7,820	8,333		
90,391	3,838	61	2		
2,000		975		1,742	1,540
70,512	4,643	12,299	14,888	2,880	
				5,372	138
<u>12,247</u>	<u>603</u>	<u>5,882</u>	<u>1,580</u>		
<u>231,067</u>	<u>9,234</u>	<u>27,037</u>	<u>24,803</u>	<u>9,994</u>	<u>1,678</u>
32,721					
<u>289,900</u>	<u>30,759</u>	<u>115,205</u>	<u>30,951</u>	<u>9,994</u>	<u>1,678</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund

Federal Programs Special Revenue

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - by Object

For the Year Ended June 30, 2015

(With comparative totals for 2014)

	Marines ROTC - West Valley HS	Success Through Education & Cultural Connections	Title III-A English Language Acquisition Immigrant	Title VI-B
Revenues:				
Revenue from local sources:				
Other local revenue	\$	\$	\$	\$
Revenue from federal sources:				
Direct	9,947			
Through the State of Alaska			14,004	3,827,857
Other intermediate agencies		12,704		
Total federal sources	9,947	12,704	14,004	3,827,857
Total revenues	9,947	12,704	14,004	3,827,857
Expenditures - current:				
Salaries and fringe benefits:				
Certificated salaries			353	849,100
Non-certificated salaries		7,437	3,298	1,133,020
Employee benefits		4,574	1,092	1,012,312
Total salaries and fringe benefits		12,011	4,743	2,994,432
Materials, supplies, services and other:				
Professional and technical services				382,099
Staff travel		34		220,014
Student travel	7,577		8,986	9,152
Other purchased services				
Supplies, materials and media	2,370	10		26,735
Other expenses				
Indirect costs		649	275	195,425
Total materials, supplies, services and other	9,947	693	9,261	833,425
Capital outlay:				
Equipment				
Total expenditures	9,947	12,704	14,004	3,827,857
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

Preschool Disabled Section 619	Options Child Care Grant	Alaska Community Learning Centers	Title I-A Parent Involvement	Migrant Education Book Program	Lathrop Smaller Learning Communities
\$	\$	\$ 28,248	\$	\$	\$
106,545		1,360,395	40,983	11,725	28,004
106,545		1,360,395	40,983	11,725	28,004
106,545		1,388,643	40,983	11,725	28,004
58,506		228,227	9,778		1,579
35,548		604,263	3,231		8,679
94,054		283,971	1,095		5,777
		1,116,461	14,104		16,035
7,051		51,705			
		37,595			7,760
		24,919			
		2,616	199		
		85,894	24,588	11,126	2,779
5,440		69,453	2,092	599	1,430
12,491		272,182	26,879	11,725	11,969
106,545		1,388,643	40,983	11,725	28,004
	1,298				
\$	\$ 1,298	\$	\$	\$	\$

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund

Federal Programs Special Revenue

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - by Object

For the Year Ended June 30, 2015

(With comparative totals for 2014)

	McKinney Vento Homeless Education	Title II-A Teacher & Principal Training	Statewide Mentor Urban Growth Project	Fresh Fruit & Vegetable Program
Revenues:				
Revenue from local sources:				
Other local revenue	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Revenue from federal sources:				
Direct				
Through the State of Alaska	20,466	841,363		41,980
Other intermediate agencies			191,800	
Total federal sources	<u>20,466</u>	<u>841,363</u>	<u>191,800</u>	<u>41,980</u>
Total revenues	<u>20,466</u>	<u>841,363</u>	<u>191,800</u>	<u>41,980</u>
Expenditures - current:				
Salaries and fringe benefits:				
Certificated salaries		292,837	111,905	
Non-certificated salaries	13,490	115,983	38,366	
Employee benefits	<u>1,576</u>	<u>205,436</u>	<u>14,291</u>	
Total salaries and fringe benefits	<u>15,066</u>	<u>614,256</u>	<u>164,562</u>	
Materials, supplies, services and other:				
Professional and technical services	1,500	17,480		
Staff travel	24	133,982	17,208	
Student travel				
Other purchased services		400		
Supplies, materials and media	2,831	31,112	2,653	41,980
Other expenses		1,179		
Indirect costs	<u>1,045</u>	<u>42,954</u>	<u>7,377</u>	
Total materials, supplies, services and other	<u>5,400</u>	<u>227,107</u>	<u>27,238</u>	<u>41,980</u>
Capital outlay:				
Equipment				
Total expenditures	<u>20,466</u>	<u>841,363</u>	<u>191,800</u>	<u>41,980</u>
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Totals	
2015	2014
\$ 28,248	\$ 33,123
874,549	941,577
10,850,183	9,755,771
204,504	278,695
11,929,236	10,976,043
11,957,484	11,009,166
2,344,088	2,385,220
3,568,349	3,200,579
2,838,960	2,567,930
8,751,397	8,153,729
716,314	977,643
757,698	516,499
170,799	95,633
20,758	14,485
906,537	652,097
1,875	1,499
599,385	555,816
3,173,366	2,813,672
32,721	40,778
11,957,484	11,008,179
	987
1,298	311
\$ 1,298	\$ 1,298

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
Major Governmental Fund
Federal Programs Special Revenue
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual - by Object
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			<u>Actual on</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Budgetary</u>	<u>Final Budget</u>
Revenues:					
Revenue from local sources:					
Other local revenue	\$	\$	\$ 28,248	\$ 28,248	\$ 28,248
Revenue from federal sources:					
Direct	838,983	878,392	874,549	874,549	(3,843)
Through the State of Alaska	14,079,990	14,407,536	10,850,183	10,830,610	(3,576,926)
Other intermediate agencies	40,000	323,555	204,504	204,504	(119,051)
	<u>14,958,973</u>	<u>15,609,483</u>	<u>11,929,236</u>	<u>11,909,663</u>	<u>(3,699,820)</u>
Total revenues	<u>14,958,973</u>	<u>15,609,483</u>	<u>11,957,484</u>	<u>11,937,911</u>	<u>(3,671,572)</u>
Expenditures - current:					
Salaries and fringe benefits:					
Certificated salaries	2,685,563	2,909,799	2,344,088	2,344,088	565,711
Non-certificated salaries	3,722,352	3,915,889	3,568,349	3,568,349	347,540
Employee benefits	3,137,320	3,243,975	2,838,960	2,838,960	405,015
Total salaries and fringe benefits	<u>9,545,235</u>	<u>10,069,663</u>	<u>8,751,397</u>	<u>8,751,397</u>	<u>1,318,266</u>
Materials, supplies, services and other:					
Professional and technical services	1,768,925	1,827,528	716,314	716,314	1,111,214
Staff travel	636,022	912,901	757,698	757,698	155,203
Student travel	158,388	214,760	170,799	170,799	43,961
Other purchased services	13,165	28,342	20,758	20,758	7,584
Supplies, materials and media	911,475	1,667,756	906,537	900,679	767,077
Other expenses	4,200	5,199	1,875	1,875	3,324
Indirect costs	692,677	781,382	599,385	599,385	181,997
Total materials, supplies, services and other	<u>4,184,852</u>	<u>5,437,868</u>	<u>3,173,366</u>	<u>3,167,508</u>	<u>2,270,360</u>
Capital outlay:					
Equipment	15,952	101,952	32,721	19,006	82,946
Total expenditures	<u>13,746,039</u>	<u>15,609,483</u>	<u>11,957,484</u>	<u>11,937,911</u>	<u>3,671,572</u>
Net change in fund balance	<u>\$ 1,212,934</u>	<u>\$</u>		<u>\$</u>	<u>\$</u>
Fund balance - beginning			1,298		
Fund balance - ending			<u>\$ 1,298</u>		

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund
Student Transportation Special Revenue
Balance Sheet
June 30, 2015
(With comparative totals for 2014)

	Totals	
	2015	2014
<u>ASSETS</u>		
Equity in central treasury cash	<u>\$ 2,058,891</u>	<u>\$ 2,120,286</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 32,069	\$ 144,721
Fund balance:		
Restricted	797,981	746,724
Assigned	<u>1,228,841</u>	<u>1,228,841</u>
Total fund balance	<u>2,026,822</u>	<u>1,975,565</u>
Total liabilities and fund balance	<u>\$ 2,058,891</u>	<u>\$ 2,120,286</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
Major Governmental Fund
Student Transportation Special Revenue
Statement of Revenues, Expenditures and Changes in Fund Balance - by Object
For the Year Ended June 30, 2015
(With comparative totals for 2014)

	Totals	
	2015	2014
Revenues:		
Revenue from state sources	<u>\$ 12,020,252</u>	<u>\$ 11,885,234</u>
Expenditures - current:		
Salaries and fringe benefits:		
Non-certificated salaries	174,879	170,754
Employee benefits	<u>107,366</u>	<u>101,307</u>
Total salaries and fringe benefits	<u>282,245</u>	<u>272,061</u>
Materials, supplies, services and other:		
Professional and technical services	4,605	6,580
Staff travel	1,233	954
Student travel		28
Other purchased services	11,672,909	11,506,432
Supplies, materials and media	<u>8,003</u>	<u>7,802</u>
Total materials, supplies, services and other	<u>11,686,750</u>	<u>11,521,796</u>
Total expenditures	<u>11,968,995</u>	<u>11,793,857</u>
Net change in fund balance	51,257	91,377
Fund balance - beginning	<u>1,975,565</u>	<u>1,884,188</u>
Fund balance - ending	<u><u>\$ 2,026,822</u></u>	<u><u>\$ 1,975,565</u></u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund
Student Transportation Special Revenue
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual - by Object
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Actual on Budgetary Basis	Variance with Final Budget
	Original	Final			
Revenues:					
Revenue from state sources	\$ 11,949,760	\$ 11,934,513	\$ 12,020,252	\$ 12,005,005	\$ 70,492
Expenditures - current:					
Salaries and fringe benefits:					
Non-certificated salaries	170,080	170,080	174,879	174,879	(4,799)
Employee benefits	104,600	104,600	107,366	107,366	(2,766)
Total salaries and fringe benefits	274,680	274,680	282,245	282,245	(7,565)
Materials, supplies, services and other:					
Professional and technical services	7,000	7,000	4,605	4,605	2,395
Staff travel	5,400	5,400	1,233	1,233	4,167
Other purchased services	12,355,420	12,340,173	11,672,909	11,657,662	682,511
Supplies, materials and media	3,200	3,200	8,003	8,003	(4,803)
Total materials, supplies, services and other	12,371,020	12,355,773	11,686,750	11,671,503	684,270
Total expenditures	12,645,700	12,630,453	11,968,995	11,953,748	676,705
Net change in fund balance	\$ (695,940)	\$ (695,940)	51,257	\$ 51,257	\$ 747,197
Fund balance - beginning			1,975,565		
Fund balance - ending			\$ 2,026,822		

See accompanying notes to the basic financial statements

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund
State Programs Special Revenue
Combining Balance Sheet
For the Year Ended June 30, 2015
(With comparative totals for 2014)

	<u>Staff Development Mini-grants</u>	<u>Alaska Construction Academy</u>	<u>Legislative Small Grants FY13</u>	<u>Classroom Digital Technology Upgrade</u>
<u>ASSETS</u>				
Equity in central treasury cash	\$	\$	\$ 6,082	\$
Accounts receivable:				
Local				
State	7,266	90,682		
Due from Fairbanks North Star Borough				5,090
Total assets	<u>\$ 7,266</u>	<u>\$ 90,682</u>	<u>\$ 6,082</u>	<u>\$ 5,090</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$	\$	\$	\$
Unearned revenue			6,082	
Due to other funds	7,266	90,682		5,090
Total liabilities	<u>7,266</u>	<u>90,682</u>	<u>6,082</u>	<u>5,090</u>
Fund balances:				
Restricted				
Total liabilities and fund balances	<u>\$ 7,266</u>	<u>\$ 90,682</u>	<u>\$ 6,082</u>	<u>\$ 5,090</u>

Legislative Small Grants FY15	We the People Competition	Youth Risk Behavior Survey	Student Safety and Security	Capacity Bldg Suicide Prevention	Ticasuk Security Systems
\$	\$	\$ 22	\$ 628,758	\$	\$
81,699	100			16,655	3,862
<u>\$ 81,699</u>	<u>\$ 100</u>	<u>\$ 22</u>	<u>\$ 628,758</u>	<u>\$ 16,655</u>	<u>\$ 3,862</u>
\$	\$ 50	\$ 22	\$ 11,518	\$	\$
81,699	50			16,655	3,862
<u>81,699</u>	<u>100</u>	<u>22</u>	<u>11,518</u>	<u>16,655</u>	<u>3,862</u>
			617,240		
<u>\$ 81,699</u>	<u>\$ 100</u>	<u>\$ 22</u>	<u>\$ 628,758</u>	<u>\$ 16,655</u>	<u>\$ 3,862</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund
State Programs Special Revenue
Combining Balance Sheet
For the Year Ended June 30, 2015
(With comparative totals for 2014)

	State Training & Employment Program	WVHS/NPHS Headbolt Plug-In O&M	Nutritional AK Foods for Schools FY13
<u>ASSETS</u>			
Equity in central treasury cash	\$	\$	\$ 325,828
Accounts receivable:			
Local			
State	5,750		
Due from Fairbanks North Star Borough		1,320	
Total assets	<u>\$ 5,750</u>	<u>\$ 1,320</u>	<u>\$ 325,828</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 275	\$	\$
Unearned revenue			325,828
Due to other funds	5,475	1,320	
Total liabilities	<u>5,750</u>	<u>1,320</u>	<u>325,828</u>
Fund balances:			
Restricted			
Total liabilities and fund balances	<u>\$ 5,750</u>	<u>\$ 1,320</u>	<u>\$ 325,828</u>

Totals	
2015	2014
\$ 960,690	\$ 1,379,798
	9,516
202,052	78,273
10,372	532,682
<u>\$ 1,173,114</u>	<u>\$ 2,000,269</u>

\$ 11,843	\$ 106,578
331,932	192,751
212,099	584,129
<u>555,874</u>	<u>883,458</u>

617,240	1,116,811
<u>\$ 1,173,114</u>	<u>\$ 2,000,269</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund

State Programs Special Revenue

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - by Function

For the Year Ended June 30, 2015

(With comparative totals for 2014)

	Staff Development Mini-grants	Alaska Construction Academy	Legislative Small Grants 11-12	Classroom Technology Upgrade FY13
Revenues:				
Revenue from state sources	\$ 35,556	\$ 161,380	\$ 14,606	\$ 17,963
Expenditures - current:				
Instruction	35,556	153,141	14,606	17,963
Support services - students				
Support services - instruction				
District administration support services		8,239		
Operations and maintenance of plant				
Food service				
Total expenditures	35,556	161,380	14,606	17,963
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

Classroom Digital Technology Upgrade	We the People 13-14	Two Rivers Classroom Upgrades	Ryan Classroom Digital Technology	Lathrop Classroom Technology & PE Equipment	B.E.S.T Classroom Digital Technology
\$ 36,469	\$ 72	\$ 8,399	\$ 21,309	\$ 12,160	\$ 15,455
36,469	72	8,399	21,309	12,160	15,455
36,469	72	8,399	21,309	12,160	15,455
\$	\$	\$	\$	\$	\$

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund

State Programs Special Revenue

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - by Function

For the Year Ended June 30, 2015

(With comparative totals for 2014)

	Chinook Classroom Digital Technology	Legislative Small Grants FY 15	We the People Competition	Youth Risk Behavior Survey
Revenues:				
Revenue from state sources	\$ 15,244	\$ 206,009	\$ 25,750	\$ 5,978
Expenditures - current:				
Instruction	15,244	195,569	25,750	
Support services - students				5,673
Support services - instruction				
District administration support services		10,440		305
Operations and maintenance of plant				
Food service				
Total expenditures	15,244	206,009	25,750	5,978
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

Student Safety and Security	Capacity Bldg Suicide Prevention	Big Brothers Big Sisters Mentoring	Arctic Light Security Systems	Ladd School Security Systems	Ticasuk Security Systems
<u>\$</u>	<u>\$ 27,214</u>	<u>\$ 14,403</u>	<u>\$ 7,709</u>	<u>\$ 3,164</u>	<u>\$ 5,231</u>
499,571	25,825	13,668	7,709	3,164	5,231
	1,389	735			
<u>499,571</u>	<u>27,214</u>	<u>14,403</u>	<u>7,709</u>	<u>3,164</u>	<u>5,231</u>
(499,571)					
1,116,811					
<u><u>\$ 617,240</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund

State Programs Special Revenue

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - by Function

For the Year Ended June 30, 2015

(With comparative totals for 2014)

	State Training & Employment Program	WVHS/NPHS Headbolt Plug-In O&M	Nutritional AK Foods for Schools FY12
Revenues:			
Revenue from state sources	\$ 25,837	\$ 14,700	\$ 12,029
Expenditures - current:			
Instruction			
Support services - students			
Support services - instruction	24,518		
District administration support services	1,319		
Operations and maintenance of plant		14,700	
Food service			12,029
Total expenditures	25,837	14,700	12,029
Net change in fund balances			
Fund balances - beginning			
Fund balances - ending	\$	\$	\$

Totals	
2015	2014
\$ 686,637	\$ 3,378,180
551,693	1,010,454
560,841	1,214,403
24,518	
22,427	17,243
14,700	7,473
12,029	11,796
1,186,208	2,261,369
(499,571)	1,116,811
1,116,811	
\$ 617,240	\$ 1,116,811

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund

State Programs Special Revenue

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - by Object

For the Year Ended June 30, 2015

(With comparative totals for 2014)

	Staff Development Mini-grants	Alaska Construction Academy	Legislative Small Grants 11-12	Classroom Technology Upgrade FY13
Revenues:				
Revenue from state sources	\$ 35,556	\$ 161,380	\$ 14,606	\$ 17,963
Expenditures - current:				
Salaries and fringe benefits:				
Certificated salaries		58,338		
Non-certificated salaries	2,889			
Employee benefits	274	8,834		
Total salaries and fringe benefits	3,163	67,172		
Materials, supplies, services and other:				
Professional and technical services		51,884		
Staff travel	32,393			
Student travel		590		
Energy				
Other purchased services			507	
Supplies, materials and media		33,495	14,099	17,963
Indirect costs		8,239		
Total materials, supplies, services and other	32,393	94,208	14,606	17,963
Capital outlay				
Equipment				
Other capital outlay				
Total capital outlay				
Total expenditures	35,556	161,380	14,606	17,963
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

<u>Classroom Digital Technology Upgrade</u>	<u>We the People 13-14</u>	<u>Two Rivers Classroom Upgrades</u>	<u>Ryan Classroom Digital Technology</u>	<u>Lathrop Classroom Technology & PE Equipment</u>	<u>B.E.S.T Classroom Digital Technology</u>
<u>\$ 36,469</u>	<u>\$ 72</u>	<u>\$ 8,399</u>	<u>\$ 21,309</u>	<u>\$ 12,160</u>	<u>\$ 15,455</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>34,911</u>	<u>72</u>	<u>6,997</u>	<u>21,309</u>	<u>5,617</u>	<u>15,455</u>
<u>34,911</u>	<u>72</u>	<u>6,997</u>	<u>21,309</u>	<u>5,617</u>	<u>15,455</u>
<u>1,558</u>	<u> </u>	<u>1,402</u>	<u> </u>	<u>6,543</u>	<u> </u>
<u>1,558</u>	<u> </u>	<u>1,402</u>	<u> </u>	<u>6,543</u>	<u> </u>
<u>36,469</u>	<u>72</u>	<u>8,399</u>	<u>21,309</u>	<u>12,160</u>	<u>15,455</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund

State Programs Special Revenue

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - by Object

For the Year Ended June 30, 2015

(With comparative totals for 2014)

	Chinook Classroom Digital Technology	Legislative Small Grants FY 15	We the People Competition	Youth Risk Behavior Survey
Revenues:				
Revenue from state sources	\$ 15,244	\$ 206,009	\$ 25,750	\$ 5,978
Expenditures - current:				
Salaries and fringe benefits:				
Certificated salaries				5,499
Non-certificated salaries				
Employee benefits				174
Total salaries and fringe benefits				5,673
Materials, supplies, services and other:				
Professional and technical services			5,450	
Staff travel				
Student travel			16,602	
Energy				
Other purchased services			3,092	
Supplies, materials and media	15,244	180,813	606	
Indirect costs		10,440		305
Total materials, supplies, services and other	15,244	191,253	25,750	305
Capital outlay				
Equipment				
Other capital outlay		14,756		
Total capital outlay		14,756		
Total expenditures	15,244	206,009	25,750	5,978
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

<u>Student Safety and Security</u>	<u>Capacity Bldg Suicide Prevention</u>	<u>Big Brothers Big Sisters Mentoring</u>	<u>Arctic Light Security Systems</u>	<u>Ladd School Security Systems</u>	<u>Ticasuk Security Systems</u>
\$	\$ 27,214	\$ 14,403	\$ 7,709	\$ 3,164	\$ 5,231
		8,437			
		5,189			
		13,626			
9,891	2,402	12			
	661				
	600				
414,971	22,162	30	7,709	3,164	5,231
	1,389	735			
424,862	27,214	777	7,709	3,164	5,231
21,081					
53,628					
74,709					
499,571	27,214	14,403	7,709	3,164	5,231
(499,571)					
1,116,811					
\$ 617,240	\$	\$	\$	\$	\$

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund

State Programs Special Revenue

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - by Object

For the Year Ended June 30, 2015

(With comparative totals for 2014)

	State Training & Employment Program	WVHS/NPHS Headbolt Plug-In O&M	Nutritional AK Foods for Schools FY12
Revenues:			
Revenue from state sources	<u>\$ 25,837</u>	<u>\$ 14,700</u>	<u>\$ 12,029</u>
Expenditures - current:			
Salaries and fringe benefits:			
Certificated salaries			
Non-certificated salaries			
Employee benefits			
Total salaries and fringe benefits			
Materials, supplies, services and other:			
Professional and technical services	24,227		
Staff travel			
Student travel			
Energy		14,700	
Other purchased services			
Supplies, materials and media	291		12,029
Indirect costs	1,319		
Total materials, supplies, services and other	<u>25,837</u>	<u>14,700</u>	<u>12,029</u>
Capital outlay			
Equipment			
Other capital outlay			
Total capital outlay			
Total expenditures	<u>25,837</u>	<u>14,700</u>	<u>12,029</u>
Net change in fund balances			
Fund balances - beginning			
Fund balances - ending	<u>\$</u>	<u>\$</u>	<u>\$</u>

Totals	
2015	2014
<hr/>	
\$ 686,637	\$ 3,378,180
<hr/>	
63,837	54,706
11,326	65,515
14,471	46,539
<hr/>	
89,634	166,760
<hr/>	
91,452	54,852
34,807	25,774
17,853	25,425
14,700	7,473
4,199	12,139
812,168	1,848,222
22,427	17,243
<hr/>	
997,606	1,991,128
<hr/>	
21,081	103,481
77,887	
<hr/>	
98,968	103,481
<hr/>	
1,186,208	2,261,369
<hr/>	
(499,571)	1,116,811
1,116,811	
<hr/>	
\$ 617,240	\$ 1,116,811
<hr/>	

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
Major Governmental Fund
State Programs Special Revenue
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual - by Object
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			<u>Actual on</u>	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Budgetary</u>	<u>Variance with</u>
				<u>Basis</u>	<u>Final Budget</u>
Revenues:					
Revenue from state sources	\$ 889,410	\$ 1,676,814	\$ 686,637	\$ 691,395	\$ (985,419)
Expenditures-current:					
Salaries and fringe benefits:					
Certificated salaries	70,785	70,786	63,837	63,837	6,949
Non-certificated salaries	16,156	21,156	11,326	11,326	9,830
Employee benefits	19,319	19,794	14,471	14,471	5,323
Total salaries and fringe benefits	106,260	111,736	89,634	89,634	22,102
Materials, supplies, services and other:					
Professional and technical services	112,447	82,989	91,452	92,918	(9,929)
Staff travel	10,624	65,337	34,807	34,807	30,530
Student travel	18,700	19,500	17,853	17,853	1,647
Energy		210,709	14,700	14,700	196,009
Other purchased services	3,400	4,400	4,199	4,199	201
Supplies, materials and media	614,210	2,005,281	812,168	750,244	1,255,037
Indirect cost	23,769	25,457	22,427	22,427	3,030
Total materials, supplies, services and other	783,150	2,413,673	997,606	937,148	1,476,525
Capital outlay					
Equipment		181,919	21,081		181,919
Other capital outlay			77,887	77,887	(77,887)
Total capital outlay		181,919	98,968	77,887	104,032
Total expenditures	889,410	2,707,328	1,186,208	1,104,669	1,602,659
Net change in fund balance	<u>\$</u>	<u>\$ (1,030,514)</u>	<u>(499,571)</u>	<u>\$ (413,274)</u>	<u>\$ 617,240</u>
Fund balance - beginning			1,116,811		
Fund balance - ending			<u>\$ 617,240</u>		

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR GOVERNMENTAL FUNDS – BY FUND TYPE

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Nonmajor Governmental Funds
Combining Balance Sheet - by Fund Type
June 30, 2015
(With comparative totals for 2014)

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals</u>	
			<u>2015</u>	<u>2014</u>
<u>ASSETS</u>				
Equity in central treasury cash	\$ 1,645,904	\$ 532,178	\$ 2,178,082	\$ 1,994,772
Accounts receivable:				
Local	235		235	373
State	5,007		5,007	
Due from Fairbanks North Star Borough				29,668
Inventories	480,711		480,711	625,306
Total assets	<u>\$ 2,131,857</u>	<u>\$ 532,178</u>	<u>\$ 2,664,035</u>	<u>\$ 2,650,119</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 9,285	\$ 142,728	\$ 152,013	\$ 37,779
Unearned revenue	2,006		2,006	845
Due to other funds	1,175,157		1,175,157	524,315
Total liabilities	<u>1,186,448</u>	<u>142,728</u>	<u>1,329,176</u>	<u>562,939</u>
Fund balances:				
Nonspendable - inventories	480,711		480,711	625,306
Restricted	7		7	41
Committed	1,634,796		1,634,796	1,726,030
Assigned		389,450	389,450	185,835
Unassigned	(1,170,105)		(1,170,105)	(500,032)
Total fund balances	<u>945,409</u>	<u>389,450</u>	<u>1,334,859</u>	<u>2,037,180</u>
Total liabilities and fund balances	<u>\$ 2,131,857</u>	<u>\$ 532,178</u>	<u>\$ 2,664,035</u>	<u>\$ 2,600,119</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - by Fund Type

For the Year Ended June 30, 2015

(With comparative totals for 2014)

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>	
			<u>2015</u>	<u>2014</u>
Revenues:				
Revenue from local sources:				
Food service	\$ 1,353,596	\$	\$ 1,353,596	\$ 1,492,538
Other local revenue	<u>2,700,105</u>	<u>437,085</u>	<u>3,137,190</u>	<u>2,659,595</u>
Total local sources	4,053,701	437,085	4,490,786	4,152,133
Revenue from state sources				1,200
Revenue from federal sources:				
Through the State of Alaska	<u>3,393,873</u>	<u>474,477</u>	<u>3,868,350</u>	<u>3,476,220</u>
Total revenues	<u>7,447,574</u>	<u>911,562</u>	<u>8,359,136</u>	<u>7,629,553</u>
Expenditures:				
Current:				
Instruction	34		34	50,666
Support services - students	161,714		161,714	131,569
Support services - instruction	53,152		53,152	69,461
Student activities	2,552,586		2,552,586	2,440,570
Community service				5,000
Food services	<u>5,782,832</u>		<u>5,782,832</u>	<u>5,359,058</u>
Total current	<u>8,550,318</u>		<u>8,550,318</u>	<u>8,056,324</u>
Capital outlay		<u>707,947</u>	<u>707,947</u>	<u>355,897</u>
Total expenditures	<u>8,550,318</u>	<u>707,947</u>	<u>9,258,265</u>	<u>8,412,221</u>
Excess (deficiency) of revenues over expenditures	<u>(1,102,744)</u>	<u>203,615</u>	<u>(899,129)</u>	<u>(782,668)</u>
Other financing sources:				
Transfers in	<u>196,808</u>		<u>196,808</u>	<u>237,100</u>
Net change in fund balances	(905,936)	203,615	(702,321)	(545,568)
Fund balances - beginning	<u>1,851,345</u>	<u>185,835</u>	<u>2,037,180</u>	<u>2,582,748</u>
Fund balances - ending	<u>\$ 945,409</u>	<u>\$ 389,450</u>	<u>\$ 1,334,859</u>	<u>\$ 2,037,180</u>

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NONMAJOR SPECIAL REVENUE FUNDS

Local Programs – accounts for transactions of programs funded by nonfederal and nonstate sources.

Food Service – accounts for the operations of the School District's Student Nutrition program. Financing is provided by user fees and proceeds received under the National School Lunch and Breakfast programs.

School Activities – accounts for transactions of district controlled school activity programs. School activity funds are not budgeted and are non-lapsing.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Nonmajor Special Revenue Funds

Combining Balance Sheet

June 30, 2015

(With comparative totals for 2014)

	Local Programs	Food Service	School Activities	Totals	
				2015	2014
<u>ASSETS</u>					
Equity in central treasury cash	\$ 173,786	\$	\$ 1,472,118	\$ 1,645,904	\$ 1,756,963
Accounts receivable:					
Local	138		97	235	373
State		5,007		5,007	
Inventories		480,711		480,711	625,306
Total assets	<u>\$ 173,924</u>	<u>\$ 485,718</u>	<u>\$ 1,472,215</u>	<u>\$ 2,131,857</u>	<u>\$ 2,382,642</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$	\$ 93	\$ 9,192	\$ 9,285	\$ 31,132
Unearned revenue	2,006			2,006	845
Due to other funds	138	1,175,019		1,175,157	499,320
Total liabilities	<u>2,144</u>	<u>1,175,112</u>	<u>9,192</u>	<u>1,186,448</u>	<u>531,297</u>
Fund balances:					
Nonspendable - inventories		480,711		480,711	625,306
Restricted	7			7	41
Committed	171,773		1,463,023	1,634,796	1,726,030
Unassigned		(1,170,105)		(1,170,105)	(500,032)
Total fund balances	<u>171,780</u>	<u>(689,394)</u>	<u>1,463,023</u>	<u>945,409</u>	<u>1,851,345</u>
Total liabilities and fund balances	<u>\$ 173,924</u>	<u>\$ 485,718</u>	<u>\$ 1,472,215</u>	<u>\$ 2,131,857</u>	<u>\$ 2,382,642</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2015
(With comparative totals for 2014)

	Local Programs	Food Service	School Activities	Totals	
				2015	2014
Revenues:					
Revenue from local sources:					
Food service	\$	\$ 1,353,596	\$	\$ 1,353,596	\$ 1,492,538
Other local revenue	235,064		2,465,041	2,700,105	2,611,306
Total local sources	235,064	1,353,596	2,465,041	4,053,701	4,103,844
Revenue from federal sources:					
Through the State of Alaska	4,496	3,389,377		3,393,873	3,398,774
Total revenues	239,560	4,742,973	2,465,041	7,447,574	7,502,618
Expenditures:					
Current:					
Instruction	34			34	50,666
Support services - students	161,714			161,714	131,569
Support services - instruction	53,152			53,152	69,461
Student activities			2,552,586	2,552,586	2,440,570
Community service					5,000
Food services		5,782,832		5,782,832	5,359,058
Total expenditures	214,900	5,782,832	2,552,586	8,550,318	8,056,324
Excess (deficiency) of revenues over expenditures	24,660	(1,039,859)	(87,545)	(1,102,744)	(553,706)
Other financing sources:					
Transfers in		196,808		196,808	237,100
Net change in fund balances	24,660	(843,051)	(87,545)	(905,936)	(316,606)
Fund balances - beginning	147,120	153,657	1,550,568	1,851,345	2,167,951
Fund balances - ending	\$ 171,780	\$ (689,394)	\$ 1,463,023	\$ 945,409	\$ 1,851,345

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Nonmajor Special Revenue Fund

Local Programs

Combining Balance Sheet

June 30, 2015

(With comparative totals for 2014)

	<u>Youth Service America</u>	<u>Options Child Care</u>	<u>Barnette Magnet After School Program</u>	<u>University Park After School Program</u>
<u>ASSETS</u>				
Equity in central treasury cash	\$ 7	\$ 347	\$ 26,483	\$ 13,118
Accounts receivable:				
Local				
Total assets	<u>\$ 7</u>	<u>\$ 347</u>	<u>\$ 26,483</u>	<u>\$ 13,118</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$	\$	\$	\$
Unearned revenue			305	1,701
Due to other funds				
Total liabilities			<u>305</u>	<u>1,701</u>
Fund balances:				
Restricted	7			
Committed		347	26,178	11,417
Unassigned				
Total fund balances	<u>7</u>	<u>347</u>	<u>26,178</u>	<u>11,417</u>
Total liabilities and fund balances	<u>\$ 7</u>	<u>\$ 347</u>	<u>\$ 26,483</u>	<u>\$ 13,118</u>

Curriculum Staff Development	Rose Urban Rural Exchange	Community Donations	Totals	
			2015	2014
\$ 56,661	\$	\$ 77,170	\$ 173,786	\$ 176,348
	138		138	276
<u>\$ 56,661</u>	<u>\$ 138</u>	<u>\$ 77,170</u>	<u>\$ 173,924</u>	<u>\$ 176,624</u>
\$	\$	\$	\$	\$
			2,006	204
	138		138	845
	138		2,144	28,455
				29,504
56,661		77,170	7	41
			171,773	175,462
				(28,383)
<u>56,661</u>		<u>77,170</u>	<u>171,780</u>	<u>147,120</u>
<u>\$ 56,661</u>	<u>\$ 138</u>	<u>\$ 77,170</u>	<u>\$ 173,924</u>	<u>\$ 176,624</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Nonmajor Special Revenue Fund

Local Programs

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - by Function

For the Year Ended June 30, 2015

(With comparative totals for 2014)

	Youth Service America	Options Child Care	Barnette Magnet After School Program	University Park After School Program
Revenues:				
Revenue from local sources:				
Other local revenue	\$	\$ 30,832	\$ 81,699	\$ 81,929
Revenue from federal sources:				
Through the State of Alaska		4,496		
Total revenues		35,328	81,699	81,929
Expenditures				
Current:				
Instruction	34			
Support services - students		6,598	83,324	71,792
Support services - instruction				
Community service				
Total expenditures	34	6,598	83,324	71,792
Net change in fund balances	(34)	28,730	(1,625)	10,137
Fund balances - beginning	41	(28,383)	27,803	1,280
Fund balances - ending	\$ 7	\$ 347	\$ 26,178	\$ 11,417

Curriculum Staff Development	Rose Urban Rural Exchange	Community Donations	Totals	
			2015	2014
\$ 34,860	\$ 138	\$ 5,606	\$ 235,064	\$ 239,719
			4,496	4,798
34,860	138	5,606	239,560	244,517
			34	50,666
			161,714	131,569
53,014	138		53,152	69,461
				5,000
53,014	138		214,900	256,696
(18,154)		5,606	24,660	(12,179)
74,815		71,564	147,120	159,299
\$ 56,661	\$	\$ 77,170	\$ 171,780	\$ 147,120

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Nonmajor Special Revenue Fund

Local Programs

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - by Object

For the Year Ended June 30, 2015

(With comparative totals for 2014)

	<u>Youth Service America</u>	<u>Options Child Care</u>	<u>Barnette Magnet After School Program</u>	<u>University Park After School Program</u>
Revenues:				
Revenue from local sources:				
Other local revenue	\$	\$ 30,832	\$ 81,699	\$ 81,929
Revenue from federal sources:				
Through the State of Alaska		4,496		
Total revenues		<u>35,328</u>	<u>81,699</u>	<u>81,929</u>
Expenditures:				
Current:				
Salaries and fringe benefits:				
Certificated salaries			12,221	12,607
Non-certificated salaries			42,527	35,181
Employee benefits			23,907	19,839
Total salaries and fringe benefits			<u>78,655</u>	<u>67,627</u>
Materials, supplies, services and other:				
Professional and technical services		250	500	1,085
Staff travel				110
Student travel				
Supplies, materials and media	34	6,348	4,169	2,970
Total materials, supplies, services and other	<u>34</u>	<u>6,598</u>	<u>4,669</u>	<u>4,165</u>
Total expenditures	<u>34</u>	<u>6,598</u>	<u>83,324</u>	<u>71,792</u>
Net change in fund balances	(34)	28,730	(1,625)	10,137
Fund balances - beginning	<u>41</u>	<u>(28,383)</u>	<u>27,803</u>	<u>1,280</u>
Fund balances - ending	<u>\$ 7</u>	<u>\$ 347</u>	<u>\$ 26,178</u>	<u>\$ 11,417</u>

Curriculum Staff Development	Rose Urban Rural Exchange	Community Donations	Totals	
			2015	2014
\$ 34,860	\$ 138	\$ 5,606	\$ 235,064	\$ 239,719
			4,496	4,798
34,860	138	5,606	239,560	244,517
10,474			35,302	25,530
	126		77,834	97,264
340	12		44,098	52,169
10,814	138		157,234	174,963
41,635			43,470	61,703
565			675	3,300
			13,521	2,114
				14,616
42,200			57,666	81,733
53,014	138		214,900	256,696
(18,154)		5,606	24,660	(12,179)
74,815		71,564	147,120	159,299
\$ 56,661	\$	\$ 77,170	\$ 171,780	\$ 147,120

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
Nonmajor Special Revenue Fund
Local Programs
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual - by Object
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			<u>Actual on</u>	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Budgetary</u>	<u>Variance with</u>
				<u>Basis</u>	<u>Final Budget</u>
Revenues:					
Revenue from local sources:					
Other local revenue	\$ 81,367	\$ 81,367	\$ 235,064	\$ 235,064	\$ 153,697
Revenue from federal sources:					
Through the State of Alaska	4,496	4,496	4,496	4,496	
Total revenues	<u>85,863</u>	<u>85,863</u>	<u>239,560</u>	<u>239,560</u>	<u>153,697</u>
Expenditures:					
Current					
Salaries and fringe benefits:					
Certificated salaries	22,695	22,695	35,302	35,302	(12,607)
Non-certificated salaries	42,653	42,653	77,834	77,834	(35,181)
Employee benefits	<u>24,259</u>	<u>24,259</u>	<u>44,098</u>	<u>44,098</u>	<u>(19,839)</u>
Total salaries and fringe benefits	<u>89,607</u>	<u>89,607</u>	<u>157,234</u>	<u>157,234</u>	<u>(67,627)</u>
Materials, supplies, services and other:					
Professional and technical services	42,475	42,475	43,470	43,470	(995)
Staff travel	565	565	675	675	(110)
Supplies, materials and media	<u>17,444</u>	<u>17,444</u>	<u>13,521</u>	<u>13,521</u>	<u>3,923</u>
Total materials, supplies, services and other	<u>60,484</u>	<u>60,484</u>	<u>57,666</u>	<u>57,666</u>	<u>2,818</u>
Total expenditures	<u>150,091</u>	<u>150,091</u>	<u>214,900</u>	<u>214,900</u>	<u>(64,809)</u>
Net change in fund balance	<u>\$ (64,228)</u>	<u>\$ (64,228)</u>	24,660	<u>\$ 24,660</u>	<u>\$ 88,888</u>
Fund balance - beginning			147,120		
Fund balance - ending			<u>\$ 171,780</u>		

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Nonmajor Special Revenue Fund

Food Service

Balance Sheet

June 30, 2015

(With comparative totals for 2014)

	Totals	
	2015	2014
<u>ASSETS</u>		
Accounts receivable:		
State	\$ 5,007	\$
Inventories	480,711	625,306
Total assets	<u>\$ 485,718</u>	<u>\$ 625,306</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 93	\$ 784
Due to other funds	1,175,019	470,865
Total liabilities	<u>1,175,112</u>	<u>471,649</u>
Fund balance:		
Nonspendable - inventories	480,711	625,306
Unassigned	(1,170,105)	(471,649)
Total fund balance (deficit)	<u>(689,394)</u>	<u>153,657</u>
Total liabilities and fund balance	<u>\$ 485,718</u>	<u>\$ 625,306</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Nonmajor Special Revenue Fund

Food Service

Statement of Revenues, Expenditures and Changes in Fund Balance - by Function

For the Year Ended June 30, 2015

(With comparative totals for 2014)

	Totals	
	2015	2014
Revenues:		
Revenue from local sources:		
Food service	\$ 1,353,596	\$ 1,492,538
Revenue from federal sources:		
Through the State of Alaska	3,389,377	3,393,976
Total revenues	4,742,973	4,886,514
Expenditures - current:		
Food services	5,782,832	5,359,058
Deficiency of revenues over expenditures	(1,039,859)	(472,544)
Other financing sources:		
Transfers in	196,808	237,100
Net change in fund balance	(843,051)	(235,444)
Fund balance - beginning	153,657	389,101
Fund balance (deficit) - ending	\$ (689,394)	\$ 153,657

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Nonmajor Special Revenue Fund

Food Service

Statement of Revenues, Expenditures and Changes in Fund Balance - by Object

For the Year Ended June 30, 2015

(With comparative totals for 2014)

	Totals	
	2015	2014
Revenues:		
Revenue from local sources:		
Food service	\$ 1,353,596	\$ 1,492,538
Revenue from federal sources:		
Through the State of Alaska	3,389,377	3,393,976
Total revenues	<u>4,742,973</u>	<u>4,886,514</u>
Expenditures - current:		
Salaries and fringe benefits:		
Non-certificated salaries	1,991,247	1,956,273
Employee benefits	<u>1,117,786</u>	<u>1,062,600</u>
Total salaries and fringe benefits	<u>3,109,033</u>	<u>3,018,873</u>
Materials, supplies, services and other:		
Professional and technical services	23,647	24,217
Staff travel	10,127	13,646
Utility services	11,329	11,351
Energy	205,982	201,533
Other purchased services	1,125	2,746
Supplies, materials and media	2,421,318	2,068,525
Other expenses	<u>271</u>	<u>263</u>
Total materials, supplies, services and other	<u>2,673,799</u>	<u>2,322,281</u>
Capital outlay - equipment		<u>17,904</u>
Total expenditures	<u>5,782,832</u>	<u>5,359,058</u>
Deficiency of revenues over expenditures	<u>(1,039,859)</u>	<u>(472,544)</u>
Other financing sources:		
Transfers in	<u>196,808</u>	<u>237,100</u>
Net change in fund balance	(843,051)	(235,444)
Fund balance - beginning	<u>153,657</u>	<u>389,101</u>
Fund balance (deficit) - ending	<u><u>\$ (689,394)</u></u>	<u><u>\$ 153,657</u></u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
Nonmajor Special Revenue Fund
Food Service
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual - by Object
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			<u>Actual on</u>	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Budgetary</u>	<u>Variance with</u>
				<u>Basis</u>	<u>Final Budget</u>
Revenues:					
Revenue from local sources:					
Food Service	\$ 2,227,240	\$ 2,230,694	\$ 1,353,596	\$ 1,353,596	\$ (877,098)
Revenue from federal sources:					
Through the State of Alaska	3,377,790	3,374,036	3,389,377	3,389,952	15,916
Total revenues	5,605,030	5,604,730	4,742,973	4,743,548	(861,182)
Expenditures - current:					
Salaries and fringe benefits:					
Non-certificated salaries	2,099,639	2,099,639	1,991,247	1,991,247	108,392
Employee benefits	1,173,384	1,173,384	1,117,786	1,117,786	55,598
Total salaries and fringe benefits	3,273,023	3,273,023	3,109,033	3,109,033	163,990
Materials, supplies, services and other:					
Professional and technical services	25,000	25,000	23,647	23,647	1,353
Staff travel	12,000	12,000	10,127	10,127	1,873
Utility services	15,000	15,000	11,329	11,329	3,671
Energy	250,000	250,000	205,982	205,982	44,018
Other purchased services	8,000	7,700	1,125	825	6,875
Supplies, materials and media	2,187,537	2,187,537	2,421,318	2,422,193	(234,656)
Other expenses	400	400	271	271	129
Total materials, supplies, services and other	2,497,937	2,497,637	2,673,799	2,674,374	(176,737)
Capital outlay - equipment	25,000	25,000			25,000
Total expenditures	5,795,960	5,795,660	5,782,832	5,783,407	12,253
Deficiency of revenues over expenditures	(190,930)	(190,930)	(1,039,859)	(1,039,859)	(848,929)
Other financing sources:					
Transfers in	190,930	190,930	196,808	196,808	5,878
Net change in fund balance	\$	\$	(843,051)	\$ (843,051)	\$ (843,051)
Fund balance - beginning			153,657		
Fund deficit - ending			\$ (689,394)		

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Nonmajor Special Revenue Fund

School Activities

Balance Sheet

June 30, 2015

(With comparative totals for 2014)

	Totals	
	2015	2014
<u>ASSETS</u>		
Equity in central treasury cash	\$ 1,472,118	\$ 1,580,615
Accounts receivable:		
Local	97	97
Total assets	<u>\$ 1,472,215</u>	<u>\$ 1,580,712</u>
<u>LIABILITIES & FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 9,192	\$ 30,144
Fund balance:		
Committed	1,463,023	1,550,568
Total liabilities and fund balance	<u>\$ 1,472,215</u>	<u>\$ 1,580,712</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Nonmajor Special Revenue Fund

School Activities

Statement of Revenues, Expenditures and Changes in Fund Balance - by Function

For the Year Ended June 30, 2015

(With comparative totals for 2014)

	Totals	
	2015	2014
Revenues:		
Revenue from local sources:		
Other local revenue	<u>\$ 2,465,041</u>	<u>\$ 2,371,587</u>
Expenditures - current:		
Student activities	<u>2,552,586</u>	<u>2,440,570</u>
Net change in fund balance	<u>(87,545)</u>	<u>(68,983)</u>
Fund balance - beginning	<u>1,550,568</u>	<u>1,619,551</u>
Fund balance - ending	<u><u>\$ 1,463,023</u></u>	<u><u>\$ 1,550,568</u></u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Nonmajor Special Revenue Fund

School Activities

Statement of Revenues, Expenditures and Changes in Fund Balance - by Object

For the Year Ended June 30, 2015

(With comparative totals for 2014)

	Totals	
	2015	2014
Revenues:		
Revenue from local sources:		
Other local revenue	\$ 2,465,041	\$ 2,371,587
Expenditures - current:		
Salaries and fringe benefits:		
Certificated salaries	20,850	12,870
Non-certificated salaries	36,527	36,941
Employee benefits	7,313	6,506
Total salaries and fringe benefits	64,690	56,317
Materials, supplies, services and other:		
Professional and technical services	85,274	65,168
Staff travel	4,994	2,531
Student travel	1,127,384	1,011,471
Other purchased services	40,622	45,571
Supplies, materials and media	1,190,579	1,218,113
Other expenses	39,043	41,399
Total materials, supplies, services and other	2,487,896	2,384,253
Total expenditures	2,552,586	2,440,570
Net change in fund balance	(87,545)	(68,983)
Fund balance - beginning	1,550,568	1,619,551
Fund balance - ending	\$ 1,463,023	\$ 1,550,568

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NONMAJOR CAPITAL PROJECTS FUNDS

**Title VIII Construction
Districtwide School Projects
Administrative Center Infrastructure
Barnette Magnet School Art
Woodriver Gym Upgrades
Ryan School Equipment
Ryan Middle School Art
North Pole High Voc Ed Wing Renovation
Ryan Middle School Replacement Art
Ryan Middle School Replacement**

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Nonmajor Capital Projects Funds

Combining Balance Sheet

June 30, 2015

(With comparative totals for 2014)

	<u>Title VIII Construction</u>	<u>Districtwide School Projects</u>	<u>Administrative Center Infrastructure</u>
<u>ASSETS</u>			
Equity in central treasury cash	\$ 502,222	\$ 4,847	\$ 25,109
Due from Fairbanks North Star Borough			
Total assets	<u>\$ 502,222</u>	<u>\$ 4,847</u>	<u>\$ 25,109</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 142,728	\$	\$
Due to other funds			
Total liabilities	<u>142,728</u>		
Fund balances:			
Assigned	<u>359,494</u>	<u>4,847</u>	<u>25,109</u>
Total liabilities and fund balances	<u>\$ 502,222</u>	<u>\$ 4,847</u>	<u>\$ 25,109</u>

Totals	
2015	2014
\$ 532,178	\$ 187,809
	29,668
<u>\$ 532,178</u>	<u>\$ 217,477</u>

\$ 142,728	\$ 6,647
	24,995
<u>142,728</u>	<u>31,642</u>

389,450	185,835
<u>\$ 532,178</u>	<u>\$ 217,477</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2015
(With comparative totals for 2014)

	<u>Title VIII Construction</u>	<u>Districtwide School Projects</u>	<u>Administrative Center Infrastructure</u>	<u>Woodriver Gym Upgrades</u>
Revenues:				
Revenue from local sources:				
Other local revenue	\$	\$	\$	\$ 12,924
Revenue from state sources				
Revenue from federal sources:				
Through the State of Alaska	474,477			
Total revenues	<u>474,477</u>			<u>12,924</u>
Expenditures:				
Capital outlay:				
Professional and technical services	18,669			
Other purchased services	251,027			
Supplies, materials and media	1,166			12,924
Equipment				
Buildings and improvements purchased				
Total expenditures	<u>270,862</u>			<u>12,924</u>
Net change in fund balances	203,615			
Fund balances - beginning	<u>155,879</u>	<u>4,847</u>	<u>25,109</u>	
Fund balances - ending	<u>\$ 359,494</u>	<u>\$ 4,847</u>	<u>\$ 25,109</u>	<u>\$</u>

Ryan School Equipment	North Pole High Voc Ed Wing Renovation	Totals	
		2015	2014
\$ 174,248	\$ 249,913	\$ 437,085	\$ 48,289
			1,200
		474,477	77,446
174,248	249,913	911,562	126,935
2,455		21,124	
		251,027	176,298
164,147	235,168	413,405	145,946
7,646	14,745	22,391	32,453
			1,200
174,248	249,913	707,947	355,897
		203,615	(228,962)
		185,835	414,797
\$	\$	\$ 389,450	\$ 185,835

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Nonmajor Capital Projects Funds

Project Length Schedule of Revenues and Expenditures

Beginning of Projects to June 30, 2015

	Title VIII Construction	Barnette Magnet School Art	Woodriver Gym Upgrades	Ryan School Equipment
Project Authorizations:	<u>\$ 861,380</u>	<u>\$ 25,000</u>	<u>\$ 61,364</u>	<u>\$ 228,461</u>
Revenues:				
Revenue from local sources:				
Other local revenue	\$	\$	\$ 43,102	\$ 181,463
Revenue from state sources		1,200		
Through the State of Alaska	<u>948,588</u>			
Total revenues	<u>948,588</u>	<u>1,200</u>	<u>43,102</u>	<u>181,463</u>
Expenditures:				
Capital outlay:				
Professional and technical services	18,669			2,455
Other purchased services	427,325			
Supplies, materials and media	143,100		33,102	171,362
Equipment			10,000	7,646
Buildings and improvements purchased		<u>1,200</u>		
Total expenditures	<u>589,094</u>	<u>1,200</u>	<u>43,102</u>	<u>181,463</u>
Excess of revenues over expenditures	<u>\$ 359,494</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Ryan Middle School Art	North Pole High Voc Ed Wing Renovation	Ryan Middle School Replacement Art	Ryan Middle School Replacement	Project To Date Totals
<u>\$ 76,154</u>	<u>\$ 272,993</u>	<u>\$ 294,737</u>	<u>\$ 600,000</u>	<u>\$ 2,420,089</u>
\$	\$ 272,366	\$	\$	\$ 496,931
				1,200
				948,588
	272,366			1,446,719
				21,124
				427,325
	235,168			582,732
	37,198			54,844
				1,200
	272,366			1,087,225
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 359,494</u>

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AGENCY FUND

AGENCY FUND

School District Agency Fund

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FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

School District Agency Fund
Statement of Changes in Assets and Liabilities
Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<u>ASSETS</u>				
Equity in central treasury cash	<u>\$ 50,725</u>	<u>\$ 32,837</u>	<u>\$ 42,761</u>	<u>\$ 40,801</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 45	\$ 42,716	\$ 42,761	\$
Due to external groups	<u>50,680</u>	<u>32,837</u>	<u>42,716</u>	<u>40,801</u>
Total liabilities	<u>\$ 50,725</u>	<u>\$ 75,553</u>	<u>\$ 85,477</u>	<u>\$ 40,801</u>

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STATISTICAL SECTION

STATISTICAL SECTION

Statistical tables give readers detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health. Some tables provide data from the Fairbanks North Star Borough (Borough), the primary government, to give a consolidated overview of the School District's financial status.

Financial Trends – pages 174-185

These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.

Revenue Capacity – pages 186-196

These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax levied by the Borough, and the School District's most significant own-sourced revenue.

Debt Capacity – page 197

These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the Borough's ability to issue additional debt in the future.

Demographic and Economic Information – pages 198-199

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.

Operating Information – pages 200-215

These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Net Position by Component
Last Ten Fiscal Years
(*accrual basis of accounting*)

	Fiscal Year			
	2005-06	2006-07	2007-08	2008-09^a
Governmental activities:				
Investment in capital assets	\$ 4,235,371	\$ 4,080,319	\$ 3,967,368	\$ 2,941,680
Restricted for:				
Grant-funded programs				
Student allotments				
Unrestricted	<u>16,687,930</u>	<u>18,453,760</u>	<u>18,535,860</u>	<u>20,059,660</u>
Total net position	<u><u>\$ 20,923,301</u></u>	<u><u>\$ 22,534,079</u></u>	<u><u>\$ 22,503,228</u></u>	<u><u>\$ 23,001,340</u></u>

Note:

^a The School District decreased the fiscal year 2008-09 net position by \$730,586 due to a change in capitalization threshold from \$2,500 to \$5,000.

^b Beginning net position at July 1, 2014 has been adjusted for the implementation of GASB Statements No. 68 and 71. See Note 15.

Fiscal Year					
2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 ^b
\$ 4,180,344	\$ 4,449,676	\$ 4,391,797	\$ 4,169,278	\$ 4,001,914	\$ 4,112,494
					1,416,526
					35,108
20,954,280	20,747,031	17,380,499	19,123,971	20,941,096	(65,801,513)
<u>\$ 25,134,624</u>	<u>\$ 25,196,707</u>	<u>\$ 21,772,296</u>	<u>\$ 23,293,249</u>	<u>\$ 24,943,010</u>	<u>\$ (60,237,385)</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2005-06	2006-07	2007-08	2008-09
Expenses				
Governmental activities:				
Instruction	\$ 74,278,540	\$ 77,265,162	\$ 96,385,094	\$ 92,008,786
Special education instruction	18,431,818	17,856,399	20,936,726	21,632,095
Special education support services - students	2,299,016	2,516,909	3,053,826	3,882,736
Support services - students	10,346,229	10,458,934	12,056,303	12,016,292
Support Services - instruction	10,253,369	9,349,009	10,205,791	10,973,700
School administration	5,357,561	5,915,223	7,354,532	7,066,719
School administration support services	3,950,664	3,989,781	4,164,728	4,084,016
District administration	1,714,097	1,757,915	2,055,996	2,150,747
District administration support services	7,330,027	7,834,722	8,989,152	9,013,588
Operations and maintenance of plant	19,346,287	20,266,837	21,913,361	24,692,687
Student activities	2,227,743	4,665,546	4,889,861	4,869,918
Student transportation - to and from school	9,160,416	8,841,162	9,113,672	9,475,472
Adult and continuing education instruction	17,333	567		5,118
Community services				
Food services	4,598,738	4,522,847	4,979,963	4,823,175
Interest expense				40,458
Total expenses	<u>169,311,838</u>	<u>175,241,013</u>	<u>206,099,005</u>	<u>206,735,507</u>
Program Revenues				
Governmental activities:				
Charges for Services:				
Instruction	22,835	28,827	39,225	42,227
Support services - students	39,610	55,650	62,002	73,749
Support services - instruction		86,644	69,246	69,971
Student transportation - to and from school			18,450	17,300
Adult and continuing education instruction				
Food services	1,832,119	1,863,410	1,973,615	2,162,348
Operating grants and contributions	27,354,672	27,084,712	55,175,797	50,760,894
Capital grants and contributions	1,544,726	676,148	511,057	2,515,129
Total program revenues	<u>30,793,962</u>	<u>29,795,391</u>	<u>57,849,392</u>	<u>55,641,618</u>
Net expense - governmental activities	<u>(138,517,876)</u>	<u>(145,445,622)</u>	<u>(148,249,613)</u>	<u>(151,093,889)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Grants and contributions not restricted to specific programs:				
Borough direct appropriation	38,022,700	40,022,700	42,222,700	44,222,700
Foundation program	80,045,140	88,513,723	85,688,097	96,001,077
Other state revenue		2,965,437	7,919,269	1,821,871
Federal impact aid	12,257,249	11,405,933	11,118,081	9,596,676
Other	1,831,103	634,592	709,756	295,993
Miscellaneous	940,052	1,734,768	560,859	384,270
Total general revenue	<u>133,096,244</u>	<u>145,277,153</u>	<u>148,218,762</u>	<u>152,322,587</u>
Change in net position	<u>\$ (5,421,632)</u>	<u>\$ (168,469)</u>	<u>\$ (30,851)</u>	<u>\$ 1,228,698</u>

Fiscal Year					
2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
\$ 96,924,540	\$ 100,600,464	\$ 107,518,432	\$ 111,205,333	\$ 109,531,681	\$ 122,257,659
25,847,781	24,870,238	25,693,963	29,783,855	29,236,637	31,589,337
4,787,664	7,376,804	7,840,679	10,087,672	10,551,365	11,614,210
13,485,882	13,959,359	14,645,274	15,353,243	16,554,098	16,113,199
12,292,803	15,414,500	13,656,552	12,899,352	12,079,620	12,093,473
7,283,846	7,164,900	7,683,508	8,384,189	8,712,544	9,734,249
4,774,903	4,908,392	6,109,394	5,645,704	5,724,618	5,627,274
2,326,390	2,205,571	2,460,180	2,415,563	2,125,738	2,368,596
10,161,958	10,700,442	11,302,391	10,394,306	10,503,523	10,876,471
22,831,870	24,374,735	26,259,233	25,334,946	25,259,547	27,052,784
4,969,303	4,959,591	5,004,579	5,182,117	5,293,009	3,052,086
9,856,507	10,010,640	11,222,482	11,382,622	11,785,326	11,974,378
321				5,000	
5,386,119	5,399,896	5,510,680	5,400,980	5,418,264	5,910,012
46,119	33,227				
220,976,006	231,978,759	244,907,347	253,469,882	252,780,970	270,263,728
61,343	43,895	51,492	69,392	62,715	44,280
66,813	116,542	112,795	19,703	188,850	222,709
77,079	41,850	65,844	145,416	38,540	34,860
2,010,908	1,926,416	1,897,853	1,598,281	1,492,538	1,353,596
52,835,590	54,664,159	59,782,158	66,613,379	68,202,040	81,118,672
369,871	69,000	378,803	69,419	126,935	911,562
55,421,604	56,861,862	62,288,945	68,515,590	70,111,618	83,685,679
(165,554,402)	(175,116,897)	(182,618,402)	(184,954,292)	(182,669,352)	(186,578,049)
43,339,901	45,299,502	46,586,695	46,200,000	47,560,000	49,906,000
109,730,232	112,387,761	113,227,755	119,814,989	117,038,885	117,696,672
1,856,765	1,974,562	4,144,172	4,705,752	4,691,698	6,498,660
12,005,572	14,428,645	14,051,688	14,758,858	13,979,892	17,420,489
386,120	739,636	643,721	595,346	508,827	953,584
369,096	348,874	539,960	400,300	539,811	554,027
167,687,686	175,178,980	179,193,991	186,475,245	184,319,113	193,029,432
\$ 2,133,284	\$ 62,083	\$ (3,424,411)	\$ 1,520,953	\$ 1,649,761	\$ 6,451,383

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2005-06	2006-07	2007-08	2008-09
General fund				
Nonspendable				
Restricted				
Assigned				
Unassigned				
Total general fund				
All other governmental funds				
Nonspendable				
Restricted				
Committed				
Assigned				
Unassigned				
Total all other governmental funds				
General fund				
Reserved	\$ 13,728,824	\$ 12,545,992	\$ 11,939,473	\$ 10,824,456
Unreserved	11,029,488	9,375,513	11,954,019	10,674,176
Total general fund	<u>\$ 24,758,312</u>	<u>\$ 21,921,505</u>	<u>\$ 23,893,492</u>	<u>\$ 21,498,632</u>
All other governmental funds				
Reserved	\$ 482,925	\$ 524,990	\$ 617,788	\$ 669,418
Unreserved, reported in:				
Special revenue funds	561,167	2,317,062	2,320,976	2,894,987
Capital projects funds	1,256,796	1,758,240	2,044,803	510,269
Total all other governmental funds	<u>\$ 2,300,888</u>	<u>\$ 4,600,292</u>	<u>\$ 4,983,567</u>	<u>\$ 4,074,674</u>

^a In fiscal year 2011, the School District implemented Governmental Accounting Standards Board Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and restated fiscal year 2010 balances. Balances prior to fiscal year 2010 reflect fund balance terminology in place at that time.

Fiscal Year					
2009-10 ^a	2010-11 ^a	2011-12	2012-13	2013-14	2014-15
\$ 966,466	\$ 555,592	\$ 602,804	\$ 573,283	\$ 518,791	\$ 624,652
					35,108
20,712,010	21,080,111	19,556,139	18,552,099	15,719,300	19,972,736
743,899		71,358	1,372,848	3,616,590	4,342,757
<u>\$ 22,422,375</u>	<u>\$ 21,635,703</u>	<u>\$ 20,230,301</u>	<u>\$ 20,498,230</u>	<u>\$ 19,854,681</u>	<u>\$ 24,975,253</u>
\$ 676,166	\$ 499,732	\$ 432,994	\$ 443,788	\$ 625,306	\$ 480,711
25,736	2,954	377,814	662,773	1,864,874	1,416,526
2,430,074	1,760,378	1,796,551	1,794,550	1,726,030	1,634,796
700,444	1,315,325	1,614,100	1,643,638	1,414,676	1,618,291
(764,901)	(88,626)	(11,270)	(77,502)	(500,032)	(1,170,105)
<u>\$ 3,067,519</u>	<u>\$ 3,489,763</u>	<u>\$ 4,210,189</u>	<u>\$ 4,467,247</u>	<u>\$ 5,130,854</u>	<u>\$ 3,980,219</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Governmental Funds Revenues
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2005-06	2006-07	2007-08	2008-09
Revenues from local sources:				
Borough direct appropriation	\$ 38,022,700	\$ 40,022,700	\$ 42,222,700	\$ 44,222,700
E-rate revenue	250,778	263,343	297,666	295,993
Food services	1,829,036	1,863,410	1,973,615	2,162,348
Earnings on investments	11	16		
Other local revenue	1,720,043	3,840,887	3,266,067	3,137,102
Tuition from students				
Total revenue from local sources	<u>41,822,568</u>	<u>45,990,356</u>	<u>47,760,048</u>	<u>49,818,143</u>
Revenue from state sources:				
Foundation program	80,045,140	88,513,723	85,688,097	96,001,077
QSI grant	347,525	345,636	342,123	371,871
Supplemental aid		1,169,801	6,127,146	
TRS on-behalf			26,641,081	19,640,125
PERS on-behalf			2,181,753	3,753,051
On-base schools	1,450,000	1,450,000	1,450,000	1,450,000
Other state revenue	<u>9,724,556</u>	<u>9,522,084</u>	<u>9,641,697</u>	<u>10,169,267</u>
Total revenue from state sources	<u>91,567,221</u>	<u>101,001,244</u>	<u>132,071,897</u>	<u>131,385,391</u>
Revenue from federal sources:				
Direct	14,901,229	12,822,378	12,208,857	13,141,295
Through the State of Alaska and other intermediate agencies	<u>15,352,315</u>	<u>14,018,936</u>	<u>13,818,299</u>	<u>13,494,924</u>
Total revenue from federal sources	<u>30,253,544</u>	<u>26,841,314</u>	<u>26,027,156</u>	<u>26,636,219</u>
Total revenues	<u><u>\$ 163,643,333</u></u>	<u><u>\$ 173,832,914</u></u>	<u><u>\$ 205,859,101</u></u>	<u><u>\$ 207,839,753</u></u>

Fiscal Year					
2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
\$ 43,339,901	\$ 45,299,502	\$ 46,586,695	\$ 46,200,000	\$ 47,560,000	\$ 49,906,000
369,002	725,861	643,721	595,346	508,827	635,436
2,010,908	1,926,416	1,897,853	1,598,281	1,492,538	1,353,596
3,102,069	3,020,007	3,180,689	2,907,469	3,229,576	3,667,163
		30,961	37,936	24,529	44,280
48,821,880	50,971,786	52,339,919	51,339,032	52,815,470	55,606,475
109,730,232	112,387,761	113,227,755	119,814,989	117,038,885	117,696,672
406,765	412,969	421,134	431,321	426,169	419,961
		2,162,030	2,711,634	2,671,187	4,479,736
16,615,652	18,728,033	22,767,876	30,229,983	31,150,634	195,386,281
1,750,178	2,772,197	4,003,866	5,041,243	5,034,322	16,140,721
1,450,000	1,450,000	1,450,000	1,450,000	1,450,000	1,450,000
10,576,761	10,964,714	12,293,304	12,799,187	15,408,956	12,855,852
140,529,588	146,715,674	156,325,965	172,478,357	173,180,153	348,429,223
13,105,128	15,710,159	15,475,729	15,929,448	14,921,469	18,613,186
20,647,414	18,640,095	17,337,965	15,240,598	13,510,686	14,923,037
33,752,542	34,350,254	32,813,694	31,170,046	28,432,155	33,536,223
<u>\$ 223,104,010</u>	<u>\$ 232,037,714</u>	<u>\$ 241,479,578</u>	<u>\$ 254,987,435</u>	<u>\$ 254,427,778</u>	<u>\$ 437,571,921</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Governmental Funds Expenditures and Debt Service Ratio Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year			
	2005-06	2006-07	2007-08	2008-09
Instruction	\$ 70,789,698	\$ 78,785,644	\$ 95,429,216	\$ 92,319,548
Special education instruction	17,600,175	18,108,218	20,768,748	22,307,877
Special education support services - students	2,189,892	2,537,779	3,054,051	3,956,716
Support services - students	9,781,117	10,559,783	11,988,071	12,669,547
Support services - instruction	9,955,245	9,490,060	10,131,281	11,452,623
School administration	5,162,345	6,066,905	7,285,455	7,071,644
School administration support services	3,662,612	3,973,048	4,155,048	4,487,658
District administration	1,626,251	1,783,260	2,101,406	2,223,108
District administration support services	6,678,883	7,789,156	8,838,960	9,470,375
Operations and maintenance of plant	18,309,436	20,043,520	21,775,769	22,049,314
Student activities	2,148,068	4,691,257	4,891,073	4,921,666
Student transportation - to and from school	9,135,639	8,837,951	9,106,723	9,488,016
Adult and continuing education instruction	15,469	472		5,118
Community services				
Food services	4,266,661	4,280,890	4,719,021	4,829,664
Debt service:				
Interest				40,458
Principal			318,968	419,967
Capital outlay	1,362,695	259,075	165,733	3,969,640
Total expenditures	<u>\$ 162,684,186</u>	<u>\$ 177,207,018</u>	<u>\$ 204,729,523</u>	<u>\$ 211,682,939</u>
Capital expenditures ^a	<u>\$ 1,092,234</u>	<u>\$ 531,325</u>	<u>\$ 629,531</u>	<u>\$ 736,938</u>
Noncapital expenditures	<u>\$ 161,591,952</u>	<u>\$ 176,675,693</u>	<u>\$ 204,099,992</u>	<u>\$ 210,946,001</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.16%	0.22%

Notes:

^a Source: *Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities* in the School District's CAFR.

Fiscal Year					
2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
\$ 97,534,169	\$ 100,456,233	\$ 106,245,188	\$ 111,908,220	\$ 110,458,367	\$ 223,441,209
26,434,567	24,813,218	25,299,652	29,874,926	29,374,914	50,484,786
4,784,941	7,351,847	7,765,973	10,116,540	10,616,448	19,726,865
13,523,654	13,917,100	14,464,374	15,436,738	16,745,156	26,237,222
12,580,996	14,986,928	13,384,278	12,741,319	12,024,263	17,963,049
7,327,490	7,127,341	7,604,630	8,452,142	8,798,346	18,710,099
4,754,818	4,897,659	6,050,059	5,666,342	5,767,625	6,880,327
2,302,737	2,209,647	2,433,594	2,396,461	2,223,703	3,680,703
10,516,123	10,828,683	11,153,362	10,381,157	10,586,356	13,057,446
22,678,492	24,153,731	25,959,798	25,455,301	24,931,722	27,781,546
4,981,827	4,977,656	4,992,296	5,185,421	5,312,989	7,130,687
9,873,929	10,009,855	11,214,750	11,377,599	11,793,857	11,968,995
321				5,000	
5,252,103	5,361,214	5,519,986	5,433,831	5,416,030	5,836,841
46,119	33,227				
414,306	568,656				
186,110	713,647	80,028	39,881	355,897	707,947
<u>\$ 223,192,702</u>	<u>\$ 232,406,642</u>	<u>\$ 242,167,968</u>	<u>\$ 254,465,878</u>	<u>\$ 254,410,673</u>	<u>\$ 433,607,722</u>
<u>\$ 1,779,080</u>	<u>\$ 984,085</u>	<u>\$ 734,274</u>	<u>\$ 607,782</u>	<u>\$ 638,774</u>	
<u>\$ 221,413,622</u>	<u>\$ 231,422,557</u>	<u>\$ 241,433,694</u>	<u>\$ 253,858,096</u>	<u>\$ 253,771,899</u>	<u>\$ 433,607,722</u>
0.21%	0.26%	0.00%	0.00%	0.00%	0.00%

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Other Financing Sources and Uses and Net Change in Fund Balances of Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2005-06	2006-07	2007-08	2008-09
Excess (deficiency) of revenues over expenditures	\$ 959,147	\$ (3,374,104)	\$ 1,129,578	\$ (3,843,186)
Other financing sources (uses):				
Proceeds from sale of capital assets	24,407	8,373	31,960	11,260
Proceeds from insurance recovery		1,049,081		
Issuance of capital leases			1,193,724	528,173
Transfers in	618,073	614,025	3,691,292	1,877,959
Transfers out	(618,073)	(614,025)	(3,691,292)	(1,877,959)
Total other financing sources (uses)	24,407	1,057,454	1,225,684	539,433
Net change in fund balances	<u>\$ 983,554</u>	<u>\$ (2,316,650)</u>	<u>\$ 2,355,262</u>	<u>\$ (3,303,753)</u>

Fiscal Year					
2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
\$ (88,692)	\$ (368,928)	\$ (688,390)	\$ 521,557	\$ 17,105	\$ 3,964,199
5,280	4,500	3,414	3,430	2,953	5,738
718,076	1,880,057	481,000	394,136	237,100	196,808
(718,076)	(1,880,057)	(481,000)	(394,136)	(237,100)	(196,808)
5,280	4,500	3,414	3,430	2,953	5,738
<u>\$ (83,412)</u>	<u>\$ (364,428)</u>	<u>\$ (684,976)</u>	<u>\$ 524,987</u>	<u>\$ 20,058</u>	<u>\$ 3,969,937</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
As Reported by the Fairbanks North Star Borough

Assessed and Estimated Actual Value of Taxable Property
Last Ten Calendar Years

Calendar Year of Assessed Value	Residential Property	Commercial Property	Industrial Property	Pipeline and Personal Property (a)	Vacant Land
2004	\$ 3,265,296,769	\$ 686,178,389	\$ 703,988,463	\$ 271,188,340	\$ 312,728,247
2005	3,690,431,430	757,571,240	699,161,448	275,302,600	317,147,285
2006	4,118,775,754	875,014,529	733,298,427	377,817,080	312,650,776
2007	4,595,949,320	943,261,759	767,721,675	369,500,480	367,089,029
2008	4,863,123,964	1,033,947,976	812,797,405	508,804,970	377,730,452
2009	4,904,177,806	1,084,908,136	925,518,536	694,077,720	373,581,218
2010	4,920,676,560	1,140,775,454	1,169,072,197	744,241,210	374,354,328
2011	5,092,908,211	1,219,689,461	1,220,419,599	705,617,790	377,340,540
2012	5,537,719,131	1,171,130,143	1,028,359,940	669,165,790	366,769,285
2013	5,754,930,300	1,308,735,243	1,297,245,790	951,651,030	374,152,474

Note: Property taxes are assessed on a calendar year basis. Estimated actual values are derived using the State-confirmed sales ratio plus State-assessed trans-Alaska pipeline system (TAPS) value. Assessed values are from certified assessment rolls of the Fairbanks North Star Borough. All values are for real property only unless otherwise noted.

(a) TAPS assessments, for all calendar years, are based on State Assessment Review Board (SARB) values. Valuations were disputed beginning in 2006. See Note 17.A. The 2006 valuation has been settled by the Alaska Supreme Court at \$9,977,934,000.

(b) This column is the areawide mill rate.

(c) This column includes tax-exempt property.

Source: Fairbanks North Star Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2014. Historically, information for the most recent fiscal year is not available until after the publication date of the School District's CAFR.

Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
		(b)		(c)
\$ 438,116,409	\$ 4,801,263,799	13.606	\$ 5,020,392,059	95.635%
479,593,358	5,260,020,645	13.219	5,522,981,852	95.239%
652,965,644	5,764,590,922	12.923	6,102,033,479	94.470%
691,802,402	6,351,719,861	12.209	6,732,886,695	94.339%
721,729,006	6,874,675,761	11.287	7,410,674,986	92.767%
769,391,011	7,212,872,405	11.186	7,705,203,789	93.610%
810,393,521	7,538,726,228	11.432	7,976,571,504	94.511%
847,484,868	7,768,490,733	11.294	8,245,058,799	94.220%
878,253,061	7,894,891,228	11.216	8,325,157,990	94.832%
904,270,216	8,782,444,621	11.216	9,235,983,336	95.089%

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

As Reported by the Fairbanks North Star Borough

Property Tax Rates and Tax Levies - This Borough and All Underlying Governments Last Ten Calendar Years

	Tax Rates - Millage									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Direct:										
Borough areawide	13.606	13.219	12.923	12.209	11.287	11.186	11.432	11.294	11.216	11.216
Overlapping special Borough taxing jurisdictions except service areas										
Non-Areawide	0.435	0.425	0.418	0.409	0.400	0.393	0.400	0.511	0.525	0.523
Solid Waste Collection District	1.183	1.167	1.150	1.126	1.103	1.121	1.141	1.194	1.229	1.232
Borough direct and overlapping except service areas total (a)	15.224	14.811	14.491	13.744	12.790	12.700	12.973	12.999	12.970	12.971
Airway S.A.	1.210	1.173	1.120	1.089	1.089	1.207	1.256	1.287	1.324	1.387
Arctic Fox S.A.	2.272	2.089	1.944	1.864	1.804	1.861	1.787	1.708	1.850	1.945
Aztec S.A.	1.576	1.531	1.431	1.339	1.257	1.259	1.319	1.342	1.406	1.469
Ballaine Lake S.A.	11.758	13.268	13.775	12.828	12.413	12.671	13.162	14.920	16.054	17.222
Bear's Den Road S.A.										0.329
Becker Ridge S.A.	1.500	1.412	1.359	1.346	1.376	1.450	1.486	1.496	1.440	1.509
Birch Hill S.A.	1.986	1.910	1.861	1.832	1.814	1.939	1.995	2.023	2.101	2.195
Bluebird Road S.A.	2.408	2.228	2.187	2.004	2.054	2.333	2.447	2.792	2.883	3.138
Borda Road S.A.	1.152	1.159	1.131	1.067	1.079	1.119	1.171	1.157	1.204	1.253
Brookside S.A.	0.482	0.465	0.457	0.435	0.437	0.479	0.498	0.503	0.526	0.546
Chena Goldstream Fire S.A.	1.615	1.544	1.483	1.434	1.473	1.547	1.603	1.644	2.142	2.241
Chena Hills Road S.A.	1.068	1.032	1.001	0.987	0.985	1.047	1.060	1.076	1.115	1.152
Chena Hot Springs II S.A.		2.991	0.681	0.888	0.698	0.713	0.732	0.746	0.412	0.312
Chena Marina S.A.	0.918	0.880	0.825	0.792	0.756	0.796	0.830	0.857	0.880	0.966
Chena Point Road S.A.	1.705	2.957	3.176	3.154	2.958	3.064	3.065	3.128	3.247	3.352
Chena Spur S.A.	0.897	1.729	2.354	2.407	2.329	2.606	2.671	2.679	2.837	2.957
Cleary Summit S.A.		0.365		0.189	0.183	0.190	0.191	0.158	0.132	
College S.A.	1.391	1.342	1.292	1.249	1.257	1.391	1.437	1.427	1.457	1.216
College Hills S.A.	0.922	0.881	0.789	0.754	0.785	0.835	0.871	0.912	0.950	1.016
Cooper Estates S.A.	3.045	3.040	2.709	2.717	2.614	2.821	2.899	2.915	3.048	3.087
Cordes Drive S.A.	1.337	1.232	1.150	1.060	1.074	1.112	1.201	1.232	1.283	1.374
Cripple Creek S.A.	1.754	1.691	1.679	1.477	1.520	1.601	1.636	1.668	1.717	1.814
Deep Forest S.A. (a)	6.228	6.017	0.759	0.714	0.707	0.724	0.743	0.758	0.795	0.977
Diane Subdivision S.A.	0.351	0.336	0.322	0.303	0.310	0.333	0.348	0.345	0.357	0.374
Drake Estates S.A. (b)	1.905	1.885	1.783	0.688	0.719	0.762	0.760	0.753	0.777	0.792
Edanella Heights Road S.A.	0.977	1.292	1.281	1.273	1.249	1.388	1.425	1.457	1.485	2.130
Ester Lump Road S.A.	2.021	1.922	1.881	1.710	1.741	1.773	3.093	3.160	3.333	3.550
Ester Volunteer Fire S.A.	2.590	2.492	2.501	2.270	2.384	2.444	2.568	2.619	2.726	2.887
Fairfields S.A.	0.812	0.762	0.707	0.683	0.675	0.713	0.752	0.750	0.789	0.834
Fairhill S.A.	1.211	1.173	1.170	1.163	1.093	1.188	2.255	2.294	2.315	1.156
Fairwest S.A.	2.017	1.939	1.878	1.850	1.789	1.896	1.948	1.903	1.989	2.082
Garden S.A.	1.158	1.136	1.103	1.074	1.035	1.089	1.126	1.099	1.135	1.188
Golden Valley Road S.A.	2.618	2.565	2.695	2.665	4.285	4.483	4.555	4.704	4.945	5.085
Goldstream Alaska S.A.	1.512	1.430	2.294	2.109	2.171	2.246	2.333	2.422	2.435	2.591
Goldstream Moose Creek S.A.(c)	1.873	1.763	1.723	1.586	1.635	1.598	1.682	1.694	1.720	1.758
Gordon S.A.	1.245	1.199	1.167	1.112	1.028	1.096	1.143	1.135	1.158	1.238
Granola Estates S.A.	1.210	1.298	1.323	1.117	1.089	1.239	1.281	1.321	1.441	1.534
Grieme Road S.A.	3.144	3.466	3.486	3.418	3.466	3.780	3.833	3.852	3.899	4.067
Haystack S.A.	3.285	3.219	3.106	2.875	2.901	3.231	3.324	3.615	3.767	3.815

Tax Levies (In 000's)									
2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
\$69,324	\$74,094	\$79,537	\$82,628	\$82,551	\$86,102	\$92,077	\$93,726	\$94,876	\$98,349
1,424	1,543	1,672	1,812	1,921	1,991	2,126	2,773	2,910	3,053
4,194	4,536	4,912	5,319	5,636	6,038	6,422	6,870	7,214	7,562
10	10	11	12	12	14	14	15	15	16
5	5	5	5	5	5	6	5	6	6
16	17	19	18	20	21	23	26	28	30
19	22	25	26	26	28	29	34	37	38
									1
70	82	90	98	105	113	116	122	128	135
68	75	87	100	104	111	116	122	129	143
6	6	6	6	7	7	8	9	9	10
21	23	25	27	28	29	30	30	32	33
7	7	8	8	9	9	10	10	10	11
637	710	779	853	933	1,007	1,057	1,111	1,498	1,579
54	63	71	80	88	95	100	103	109	114
	1	1	1	1	1	1	1	1	
15	17	19	20	21	22	24	25	26	30
24	48	60	86	90	95	99	112	124	137
10	23	35	38	39	43	45	47	51	52
	1		1	1	1	7	1	1	
390	419	447	474	493	530	544	561	586	481
22	21	22	23	25	27	28	29	31	32
16	18	20	23	24	26	28	29	32	33
17	18	20	21	24	26	27	28	30	31
37	41	46	52	55	62	66	70	74	81
46	46	17	18	19	20	21	21	22	29
3	3	3	3	3	4	4	4	4	4
12	13	15	7	7	8	8	8	9	9
17	26	27	29	31	34	34	36	37	53
14	15	15	17	18	20	35	38	40	42
228	255	277	318	344	379	401	427	457	487
14	14	14	15	15	16	17	17	18	19
10	11	11	12	12	13	25	25	27	13
18	19	21	23	24	26	26	26	27	28
12	20	26	32	36	39	4	43	45	48
5	6	7	7	12	13	15	16	17	18
11	11	22	23	24	26	27	29	30	32
33	36	40	42	45	49	52	54	58	61
29	35	39	47	50	54	57	60	62	66
4	4	4	5	5	6	6	6	8	8
9	11	13	15	16	19	20	22	24	25
18	19	21	27	34	37	38	41	43	46

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

As Reported by the Fairbanks North Star Borough

Property Tax Rates and Tax Levies - This Borough and All Underlying Governments Last Ten Calendar Years

	Tax Rates - Millage									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Herning Hills S.A.	1.482	1.376	1.382	1.318	1.258	1.368	1.394	1.441	1.501	1.506
Hopeless S.A.			0.869	0.833	0.838	0.889	0.941	0.940	0.970	1.014
Horseshoe Downs S.A.	2.591	2.522	2.384	2.278	2.297	2.447	3.376	3.315	3.462	3.745
Jennifer Drive S.A.	0.500	1.745	1.695	1.533	1.554	1.654	1.742	1.816	2.019	2.202
Jones Road S.A.	1.697	1.641	1.570	1.447	1.470	1.522	1.630	1.689	1.737	1.815
Joy Road S.A.	1.401	1.355	1.274	1.186	1.189	1.265	1.271	1.271	1.314	1.313
Keeney Road S.A.	0.646	0.676	0.549	0.552	0.545	0.561	0.616	0.657	0.671	0.714
Kendall S.A.	0.958	0.958	0.939	0.874	0.854	0.903	0.957	1.021	1.045	1.073
Keystone S.A.	2.976	3.203	3.125	3.065	3.002	3.088	3.184	3.328	3.440	3.861
Kris Kringle S.A.	2.077	2.053	1.938	1.871	1.911	2.023	2.091	2.139	2.211	2.315
Lakloey Hill S.A.	1.130	1.074	1.030	0.992	0.933	1.003	1.036	1.059	1.110	1.177
Lee Lane S.A.	1.649	1.684	1.598	1.615	1.561	1.623	1.673	1.641	1.738	1.806
Loose Moose S.A.	0.918	0.901	0.875	0.786	0.808	0.905	1.002	0.982	1.034	1.042
Martin S.A.	5.934	5.857	7.714	8.034	8.555	8.190	8.588	8.833	9.417	9.943
McCloud S.A.	8.237	14.807	14.746	14.787	15.075	15.055	9.972	10.458	10.481	11.409
McGrath Estates S.A.	1.431	1.231	1.207	1.176	1.212	1.302	1.342	1.381	1.431	1.528
McKinley View S.A.	2.055	1.910	1.808	1.644	1.692	1.590	2.831	2.847	2.979	2.969
Mellow Woods Road S.A.	1.330	1.303	1.253	1.161	1.194	1.242	1.329	1.271	1.273	1.346
Miller Hill Extension S.A.	5.597	4.829	4.607	4.354	4.400	4.481	4.808	4.945	4.995	5.357
Moose Creek S.A.	0.572	0.475	0.421	0.434	0.373	0.350	0.344	0.380	0.387	0.344
Moose Meadows S.A.	0.886	0.856	0.818	0.784	0.774	0.829	0.869	0.877	0.910	0.923
Mt. View S.A.	1.247	1.137	1.143	1.083	1.119	1.191	1.297	1.358	1.399	1.504
Murphy S.A.	1.593	1.622	1.571	1.456	1.506	1.564	1.618	1.642	1.692	1.784
Musk Ox S.A.	1.320	1.239	1.174	1.133	1.163	1.290	1.337	1.354	1.390	1.462
Newby Park S.A.	0.477	0.435	0.722	0.656	0.676	0.710	0.758	0.797	0.823	0.853
North Ridge S.A.	3.921	4.552	4.534	4.500	4.009	4.298	4.423	4.507	4.830	4.889
North Star Fire S.A.	1.462	1.316	1.257	1.205	1.153	1.198	1.241	1.258	1.306	1.329
O'Connor Creek S.A.	16.029	16.419	12.475	13.939	9.770	7.831	7.389	8.875	8.893	6.641
Old Wood Road S.A.	1.988	1.666	1.672	1.619	1.733	1.771	1.786	1.790	2.039	2.194
Our S.A.	0.986	0.887	0.929	0.860	0.838	0.828	1.092	1.087	1.209	1.329
Parkside S.A.	1.584	1.538	1.558	1.428	1.446	1.552	1.576	1.602	1.674	1.736
Peede Country Estates S.A.	1.475	1.488	1.402	1.345	1.287	1.409	1.482	1.326	1.357	1.446
Pine Stream S.A.	0.975	0.955	0.902	0.911	0.928	0.981	1.022	1.001	1.034	1.070
Pleasureland S.A.	0.998	0.989	0.976	0.916	0.881	0.962	0.995	0.970	0.998	1.023
Polar Heights S.A.	1.166	1.110	1.027	1.014	0.926	0.926	0.952	1.016	1.027	0.964
Potlatch S.A. (d)	2.432	3.260	2.374	2.277	2.436	4.553	2.705	2.665	2.755	2.885
Prospect Park S.A.	0.891	0.737	1.142	1.083	1.095	1.121	1.140	1.258	1.281	1.371
Reed Acres Road S.A.	1.359	1.302	1.259	1.145	1.146	1.206	1.260	1.355	1.382	1.476
Ridgecrest S.A.	0.887	0.907	0.899	0.890	0.840	0.975	1.078	1.099	1.129	1.172
Salchaket Heights S.A.	4.292	4.444	4.590	4.806	4.966	5.162	3.863	3.972	4.357	4.472
Scenic Heights S.A.	1.527	1.395	1.377	1.370	1.415	1.497	1.589	1.600	1.707	1.759
Seavy S.A.	0.418	0.366	0.349	0.335	0.294	0.299	0.303	0.311	0.320	0.316
Secluded Acres S.A.	1.442	1.428	1.451	1.416	1.310	1.365	1.396	1.452	1.495	1.567
Serendipity Hill S.A.	3.153	3.077	3.029	2.716	2.998	3.069	3.154	2.901	2.976	3.162
Six-Mile Village Road S.A..	1.354	1.280	1.226	1.223	1.167	1.234	1.255	1.232	1.262	1.412
Smallwood Trail Road S.A.	0.743	0.625	0.613	0.600	0.596	0.673	0.742	0.751	0.756	0.794
Smith Ranch S.A.					1.299	1.372	1.417	1.343	0.249	0.267
Spring Glade S.A.	0.893	0.827	0.826	0.779	0.813	0.850	0.877	0.898	0.926	0.981

Tax Levies (In 000's)										
2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
\$ 20	\$ 21	\$ 23	\$ 25	\$ 26	\$ 28	\$ 28	\$ 30	\$ 32	\$ 33	
		19	20	22	23	24	25	27	28	
10	10	11	11	12	13	19	20	26	29	
1	4	4	5	5	5	6	6	6	7	
37	44	49	53	57	61	64	67	71	75	
5	6	6	6	7	8	8	9	9	9	
2	2	2	2	2	2	2	3	3	3	
9	10	10	10	12	12	13	14	14	15	
8	10	11	11	11	12	15	16	17	18	
10	11	11	12	12	13	14	15	15	16	
26	28	31	33	36	39	39	41	44	46	
4	5	5	5	5	6	6	7	7	8	
5	5	6	6	7	7	8	8	9	8	
9	11	16	21	22	23	29	34	39	42	
11	23	24	25	29	31	20	21	23	26	
58	55	58	61	65	69	72	74	77	81	
4	5	5	5	5	5	8	8	9	9	
15	15	16	16	18	18	19	19	19	20	
37	41	44	49	51	57	61	64	67	69	
14	13	13	14	15	15	16	17	17	17	
48	53	59	65	69	74	77	81	86	88	
23	24	26	27	28	30	32	34	35	36	
7	9	10	11	12	12	14	15	16	16	
21	22	23	24	25	41	42	43	45	47	
9	9	15	16	17	17	18	19	21	21	
5	8	8	10	10	11	11	13	15	16	
1,110	1,135	1,269	1,387	1,484	1,596	1,739	1,831	1,940	2,030	
87	90	95	106	107	112	118	130	125	128	
9	8	8	10	11	12	13	14	16	17	
2	3	3	3	4	4	4	4	5	5	
5	7	8	9	10	11	12	13	13	14	
4	4	5	5	5	5	6	6	8	9	
15	18	19	21	22	23	24	25	26	35	
6	6	7	7	7	8	8	8	8	9	
15	16	17	17	18	19	20	21	21	22	
7	11	9	10	15	16	12	12	13	14	
5	4	7	8	8	8	8	9	9	10	
6	6	7	8	8	8	9	10	10	11	
2	2	2	2	2	2	3	3	3	3	
2	2	2	2	2	2	4	5	5	5	
16	16	17	18	18	19	20	21	23	24	
9	8	9	9	9	10	10	10	11	11	
6	7	7	7	8	8	8	8	13	14	
6	6	6	6	7	7	7	8	8	8	
5	8	8	8	9	9	10	10	10	11	
5	5	5	5	5	6	7	7	8	8	
				36	40	45	47	9	9	
20	22	24	26	27	29	31	32	34	35	

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

As Reported by the Fairbanks North Star Borough

Property Tax Rates and Tax Levies - This Borough and All Underlying Governments Last Ten Calendar Years

	Tax Rates - Millage									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Spruce Acres S.A.	1.698	1.633	1.568	1.515	1.470	1.614	1.692	1.610	1.562	1.573
Steamboat Landing S.A.	1.317	1.237	1.171	1.176	1.192	1.307	1.386	1.339	1.385	1.490
Steese Volunteer Fire S.A.	1.809	1.733	1.693	1.628	1.600	1.690	1.739	1.789	1.849	1.893
Straight Creek S.A.	3.315	3.155	3.393	2.963	3.926	3.776	3.867	4.096	3.701	4.050
Summerwood S.A.	2.506	2.357	2.340	2.185	2.258	2.395	2.470	2.560	2.662	2.819
Summit Drive S.A.	1.037	1.483	1.450	1.375	1.381	1.447	1.496	1.542	1.603	1.690
Sunny Hills Terrace S.A.	2.432	2.380	2.355	2.249	2.367	2.498	2.702	2.772	2.946	3.120
Sunrise S.A.	2.349	2.069	2.078	1.865	1.926	2.031	2.136	2.171	2.198	2.381
Tan Terra S.A.	0.926	0.859	1.624	1.559	1.559	1.478	1.553	1.592	1.754	1.885
Thomas S.A.	1.209	2.538	2.442	2.485	2.460	2.759	2.842	2.791	2.861	3.008
Timberlane Road S.A.	1.485	1.420	1.347	1.251	1.274	1.371	1.485	1.464	1.448	1.594
Tungsten S.A.	2.737	2.681	2.687	2.682	2.648	2.814	2.875	2.921	2.992	3.165
Twenty Three Mile Slough S.A.	2.489	3.718	3.887	3.698	3.986	3.977	4.587	3.424	3.557	3.652
Ullrhaven S.A.	1.835	1.758	1.910	1.787	1.658	1.827	1.714	1.706	1.858	2.076
University Fire S.A.	2.285	2.215	2.163	2.108	2.138	2.301	2.370	2.464	2.510	2.643
University Heights S.A.	1.600	1.550	1.533	1.475	1.520	1.617	1.725	1.742	1.755	1.848
University West Street Lights S.A.	0.485	0.468	0.443	0.418	0.419	0.447	0.467	0.472	0.485	0.512
Vienna Woods S.A.	0.904	0.878	0.856	0.815	0.772	0.794	0.815	0.836	0.860	0.809
Viewpointe S.A.	1.021	0.972	0.971	0.956	0.982	1.019	1.056	1.104	1.129	1.201
Violet Drive S.A.	2.118	2.780	2.711	2.667	2.572	2.798	2.912	2.990	3.075	3.265
Vista Gold Road S.A.	2.733	2.580	2.459	2.298	2.390	2.377	2.462	2.549	2.622	2.758
Vue Crest, S.A.	1.463	1.418	1.389	1.310	1.303	1.429	1.479	1.497	1.517	1.587
Whitman S.A.	1.623	1.553	1.485	1.424	1.369	1.442	1.428	1.385	1.562	1.625
Wildview S.A.	2.896	2.776	2.790	2.579	2.651	2.898	2.999	2.975	3.052	3.215
Woodland S.A.	1.189	1.089	0.999	0.980	0.964	1.036	1.073	1.068	1.097	1.152
Yak Road S.A.	0.934	0.900	0.888	0.889	0.900	0.976	0.984	1.009	1.035	1.077
Overlapping Separate City Governments										
City of Fairbanks	7.171	6.804	6.700	6.594	5.991	5.927	5.803	5.843	5.734	5.716
Borough areawide	<u>13.606</u>	<u>13.219</u>	<u>12.923</u>	<u>12.209</u>	<u>11.287</u>	<u>11.186</u>	<u>11.432</u>	<u>11.294</u>	<u>11.216</u>	<u>11.216</u>
City of Fairbanks total (a)	<u>20.777</u>	<u>20.023</u>	<u>19.623</u>	<u>18.803</u>	<u>17.278</u>	<u>17.113</u>	<u>17.235</u>	<u>17.137</u>	<u>16.950</u>	<u>16.932</u>
City of North Pole	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.500
Borough areawide	13.606	13.219	12.923	12.209	11.287	11.186	11.432	11.294	11.216	11.216
Borough Solid Waste Collection District	<u>1.183</u>	<u>1.167</u>	<u>1.150</u>	<u>1.126</u>	<u>1.103</u>	<u>1.121</u>	<u>1.141</u>	<u>1.194</u>	<u>1.229</u>	<u>1.232</u>
City of North Pole total (a)	<u>17.789</u>	<u>17.386</u>	<u>17.073</u>	<u>16.335</u>	<u>15.390</u>	<u>15.307</u>	<u>15.573</u>	<u>15.488</u>	<u>15.445</u>	<u>15.948</u>

Note: Alaska Statute 29.45.090 limits the amount of taxes levied to 3% of the assessed value of the property within the municipality. Furthermore, no municipality, or combination of municipalities occupying the same geographic area, may levy taxes which result in tax revenues from all sources exceeding \$1,500 a year for each person residing in the Borough or which exceed the product of 225% of the average per capita full and true value in the state multiplied by the number of residents of the taxing municipality. However, there is no taxing limitation for debt service per Alaska Statute 29.45.100. With some exceptions, the total amount of tax that can be levied during a year cannot exceed the total amount approved for the preceding year by more than a percentage determined by adding the percentage increase in the Consumer Price index for Fairbanks from the preceding year per FNSBC 3.08.141

Air Park S.A. and Cleary Summit S.A. do not levy taxes.

Tax Levies (In 000's)									
2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
\$ 5	\$ 5	\$ 6	\$ 6	\$ 6	\$ 7	\$ 7	\$ 7	\$ 7	\$ 8
10	12	13	15	17	18	19	20	21	23
862	935	1,018	1,097	1,172	1,279	1,380	1,452	1,536	1,619
9	9	10	13	18	19	18	19	19	20
26	28	30	32	34	38	39	42	44	46
48	79	89	99	108	115	121	129	137	145
23	25	27	28	30	33	35	36	40	41
9	10	11	11	12	12	13	13	14	15
9	9	19	19	20	27	29	31	35	39
4	10	10	11	11	12	13	13	14	14
7	7	7	7	8	8	9	9	9	10
22	25	26	29	32	42	43	46	49	53
12	19	23	24	29	41	52	43	50	52
3	3	3	4	4	4	4	4	5	5
1,609	1,727	1,866	2,020	2,135	2,337	2,434	2,590	2,724	2,871
44	46	49	52	55	58	62	63	65	67
49	52	57	60	62	66	68	70	72	75
14	16	19	20	21	23	25	25	26	27
15	15	16	17	18	18	19	20	21	23
29	44	48	53	57	61	64	69	74	79
28	29	31	33	35	38	40	42	44	47
22	23	25	27	30	32	33	34	36	38
3	3	3	3	4	4	4	4	5	5
120	131	145	158	171	184	193	202	212	224
2	2	2	2	2	2	2	2	3	3
56	62	66	70	73	78	81	84	87	90
11,113	11,688	12,619	13,477	13,210	13,701	14,876	14,960	14,945	15,155
813	770	815	883	924	959	938	982	980	1,054

- (a) The Borough direct and overlapping except service areas total rate applies to all areas of the Borough outside the cities of Fairbanks and North Pole. Some neighborhoods of the Borough are also in one or more service area(s) and pay service area rate(s) in addition. Other areas of the Borough, including the cities of Fairbanks and North Pole, are not in any service areas.
- (b) Deep Forest S.A. includes a two-year road project under a differential tax zone in 2004 and 2005.
- (c) Potlatch S.A.. starting in 2008, includes a two-year road project under a differential tax zone.

Source: Fairbanks North Star Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2014. Historically, information for the most recent fiscal year is not available until after the publication date of the School District's CAFR.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

As Reported by Fairbanks North Star Borough

Principal Taxable Properties
Current Year and Nine Years Ago

Taxpayer	Type of Business	2013			2004		
		Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation ^a	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation ^b
Alyeska and related activities	oil transportation	\$ 951,651,030	1	10.84%	\$ 271,188,340	1	5.65%
Fairbanks Gold Mining, Inc. ^c	gold mining	403,028,272	2	4.59%	230,374,288	2	4.80%
Doyon Utilities, LLC	utilities	266,025,418	3	3.03%			
Flint Hills Resources, LLC ^d	oil refining	195,752,270	4	2.23%	170,086,566	3	3.54%
Alaska Communications Systems	communications	47,776,051	5	0.54%	35,258,261	5	0.73%
GCI Cable Fairbanks, Inc.	utilities	39,271,357	6	0.45%			
Wal-Mart	shopping center	33,495,477	7	0.38%	19,196,838	10	0.40%
Westmark Hotel	hotel	33,251,338	8	0.38%	23,704,469	7	0.49%
Fred Meyer Stores, Inc. (west)	shopping center	29,425,306	9	0.34%	21,148,711	9	0.44%
Alaska Hotel Properties, Inc. ^e	hotel	27,753,848	10	0.32%	26,303,560	6	0.55%
HEBL Housing (Eielson AFB)	military housing				40,074,296	4	0.83%
North Star Alaska Housing Corp.	military housing				23,032,765	8	0.48%
		<u>\$ 2,027,430,367</u>		<u>23.10%</u>	<u>\$ 860,368,094</u>		<u>17.91%</u>

Notes:

The table presented reports principal taxable properties rather than taxpayers. Cumulative totals for individual taxpayers are not stored or readily available.

^a \$8,782,444,621

^b \$4,801,263,799

^c Fort Knox

^d Williams Alaska Petroleum, Inc. in 2004

^e Fairbanks Princess Riverside Lodge

Source: Fairbanks North Star Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2014. Historically, information for the most recent calendar year is not available until after the publication date of the School District's CAFR.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

As Reported by the Fairbanks North Star Borough

Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year ^{a,c}	Net Tax Levy ^b	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Net Levy
2004-05	\$ 69,324,447	\$ 65,291,295	\$ 64,576,590	98.91%	\$ 615,975	\$ 65,192,565	99.85%
2005-06	74,094,284	69,496,812	68,689,017	98.84%	791,905	69,480,923	99.98%
2006-07	79,536,709	74,585,658	73,722,859	98.84%	581,806	74,304,665	99.62%
2007-08	82,627,871	77,824,971	76,752,199	98.62%	1,035,084	77,787,282	99.95%
2008-09	82,550,860	77,549,577	76,584,066	98.75%	809,781	77,393,847	99.80%
2009-10	86,102,429	80,813,908	79,648,773	98.56%	1,144,905	80,793,678	99.97%
2010-11	92,077,064	86,709,188	85,643,722	98.77%	1,000,747	86,644,469	99.93%
2011-12	93,725,808	87,756,597	86,666,871	98.76%	579,142	87,246,013	99.42%
2012-13	94,876,332	88,499,301	87,427,560	98.79%	567,062	87,994,622	99.43%
2013-14	98,348,591	91,667,611	90,579,521	98.81%		90,579,521	98.91%

Notes: Only the areawide taxes levied by the Borough are included in this table. Collections for non-areawide functions, service areas, and other governmental units are not included.

Penalties, interest and legal fees are not included in the tax amounts above.

Farm use lands that have been sold, leased, or otherwise disposed of have been excluded from the tax amounts shown above.

^a Taxes levied for the fiscal year are the taxes levied after local exemptions, but before state mandated exemptions are applied.

^b Net tax levy is the taxes levied for the fiscal year after the application of state exemptions. Fiscal years 2008 through 2011 include a special retroactive State adjustment for pipeline properties.

^c For the trans-Alaska pipeline system, taxes levied for a fiscal year are based on State Assessment Review Board (SARB) assessed values. Valuations were disputed beginning in 2006-07. See Note 17.A. The 2006-07 valuation has been settled by the Alaska Supreme Court at \$9,977,934,000.

Source: Fairbanks North Star Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2014. Historically, information for the most recent fiscal year is not available until after the publication date of the School District's CAFR.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Significant Own-Sourced Revenue
Last Ten Fiscal Years

Fiscal Year	Food Services Local Revenue	Cost of Full- Priced Meals		Percentage of Students Eligible for Free or Reduced-Price Meals
		Breakfast	Lunch	
2005-06	\$ 1,832,119	\$ 1.25	\$ 2.50	32%
2006-07	1,863,410	1.25	2.50	32%
2007-08	1,973,615	1.25	2.50	36%
2008-09	2,162,348	1.75	3.00	31%
2009-10	2,010,908	1.75	3.00	31%
2010-11	1,926,416	1.75	3.00	33%
2011-12	1,897,853	2.00	3.50	34%
2012-13	1,598,281	2.00	3.50	35%
2013-14	1,492,538	2.00	3.50	36%
2014-15	1,353,596	2.00	3.50	35%

Source (non-accounting data): Nutrition Services Department

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Capital Leases	Percentage of Personal Income^a	Per Capita^a
2005-06	\$		\$
2006-07			
2007-08	874,756	0.02%	9.35
2008-09	982,962	0.02%	10.40
2009-10	568,656	0.01%	5.97
2010-11			
2011-12			
2012-13			
2013-14			
2014-15			

Note:

^a See page 198, Demographic and Economic Statistics, for personal income and population data. These ratios are calculated using personal income and population from the most recent calendar year available.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
As Reported by Fairbanks North Star Borough

Demographic and Economic Statistics
Last Ten Calendar Years

<u>Year</u>	<u>Population</u>	<u>Personal Income in 000's</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
	(a)	(a)	(a)	(b)
2003	86,885	\$ 2,780,293	\$ 32,000	6.9%
2004	89,043	2,907,392	32,652	6.4%
2005	90,431	3,144,149	34,768	5.8%
2006	90,545	3,381,329	37,344	5.6%
2007	93,545	3,633,888	38,846	6.1%
2008	94,552	3,969,462	41,982	5.8%
2009	95,238	3,971,879	41,705	7.1%
2010	98,267	4,125,251	41,980	6.9%
2011	99,286	4,453,043	44,851	6.7%
2012	100,272	4,555,544	45,432	6.2%

(a) U.S. Department of Commerce: Bureau of Economic Analysis

(b) State of Alaska Department of Labor and Workforce Development: Research and Analysis Section.

Note:

Population data is available from multiple sources for the State of Alaska, and the numbers can vary widely. The source for this table has been selected because it also provides the personal income and per capita data.

This table has been restated to incorporate new estimates and revisions released in March 2013 by the U.S. Department of Commerce's Bureau of Economic Analysis. Personal income and per capita personal income have been restated back to 2003.

Data for calendar year 2013 is not available until April 2015.

Source:

Fairbanks North Star Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2014. Historically, information for the most recent calendar year is not available until after the publication date of the School District's CAFR. However, data for the most recent two years was not available for this schedule.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
As Reported by the Fairbanks North Star Borough

Employment by Industry
Current Year and Nine Years Ago

Employer	2013			2004		
	Rank	Annual Average Monthly Employment ^a	Percentage of Total Borough Employment	Rank	Annual Average Monthly Employment ^a	Percentage of Total Borough Employment
Government ^b	1	11,700	29.85%	1	11,600	31.18%
Trade, transportation, utilities	2	7,900	20.15%	2	7,400	19.89%
Educational and health services	3	5,400	13.78%	4	4,100	11.02%
Leisure and hospitality	4	4,200	10.71%	3	4,200	11.29%
Construction	5	2,400	6.12%	5	2,800	7.53%
Professional and business services	6	2,400	6.12%	6	2,200	5.91%
Information, other services	7	1,800	4.59%	7	2,000	5.38%
Mining and logging ^c	8	1,500	3.83%	9	1,000	2.69%
Financial activities	9	1,300	3.32%	8	1,300	3.49%
Manufacturing	10	600	1.53%	10	600	1.61%
		<u>39,200</u>	<u>100.00%</u>		<u>37,200</u>	<u>100.00%</u>

Notes:

^a for the 12 months ended December 31

^b federal government 3000 (2013)

state government 5500 (2013)

local government 3200 (2013)

^c Natural resources and mining in 2004

Source: Fairbanks North Star Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2014. Historically, information for the most recent calendar year is not available until after the publication date of the School District CAFR.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Full-time Equivalent Operating Fund Employees by Department and Type
Last Ten Years and Projected Next Year

	Actual as of June 30					
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Personnel by Department						
Board / Superintendent	7.50	8.50	8.50	8.50	9.50	8.50
Research & Accountability ^a	3.00	3.50	4.50	4.50	3.50	3.50
Administrative Services	39.04	39.04	39.04	39.50	38.50	38.50
Human Resources	18.00	16.50	16.50	16.50	15.50	9.00
Facilities Management	189.60	189.60	189.60	189.60	187.60	187.60
Instruction and Supervision	43.20	46.20	27.60	33.30	38.80	37.85
Student Support Services			15.20	15.20	13.65	14.40
Instructional Technology Services			5.00	12.00		
Curriculum	4.50	4.50	5.50	5.50	5.00	15.25
Special Education	251.20	247.39	249.82	259.32	270.50	343.73
Technology and Information Systems	29.80	31.00	31.00	35.00	39.50	33.00
Non-Departmental ^b						7.00
Elementary Schools	469.64	509.64	503.14	488.14	494.14	535.14
Middle Schools	142.30	133.00	136.00	142.00	152.00	157.00
Junior/Senior High School	50.50	48.50	49.60	47.10	47.00	47.00
Senior High Schools	275.00	277.50	276.40	274.40	273.00	270.00
Charter Schools ^c	48.58	45.70	46.70	47.00	55.00	56.25
Total Personnel	<u>1,571.86</u>	<u>1,600.57</u>	<u>1,604.10</u>	<u>1,617.56</u>	<u>1,643.19</u>	<u>1,763.72</u>
Personnel by Employee Type						
Districtwide Administration	4.00	4.00	4.00	5.00	5.00	5.00
Professional Staff	61.04	65.54	67.54	68.00	69.65	70.65
Principals / Assistant Principals	43.00	43.00	43.00	43.00	43.00	43.00
Certified Staff	897.20	894.69	902.12	903.42	920.95	951.03
Support Staff	567.62	593.34	587.44	598.14	604.59	694.04
Total Personnel	<u>1,572.86</u>	<u>1,600.57</u>	<u>1,604.10</u>	<u>1,617.56</u>	<u>1,643.19</u>	<u>1,763.72</u>

Notes:

School-term employees of the district work between 190 and 200 days at seven to seven and a half hours per day
All other district employees are based on 261 days at seven and a half to eight hours per day

^a Prior to fiscal year 2008-09 Research & Accountability was known as Program, Planning & Evaluation.

^b Non-Departmental consists of 0.5 FTE for the FEA President and 0.5 FTE for the ESSA President. Any additional FTEs are for reserve teaching positions. Prior to fiscal year 2010-11 these positions were budgeted in the Human Resources Department.

^c During fiscal year 2009-10 Watershed Charter School opened, bringing the total number of Charter Schools to four.

Source: Fairbanks North Star Borough School District Approved Budget for fiscal years 2005-06 through 2015-16.

				Budgeted Positions
2011-12	2012-13	2013-14	2014-15	2015-16
8.50	8.50	5.00	5.00	5.00
3.50	3.50	3.00	3.00	1.00
38.50	35.50	32.50	32.50	33.00
10.00	10.00	12.50	13.50	17.50
187.60	172.60	168.60	172.80	171.80
36.85	36.85	35.85	36.05	31.05
19.40	18.80	19.80	19.80	20.85
16.50	14.00	15.00	15.00	12.00
343.73	366.50	381.90	381.40	380.20
32.00	32.00	29.00	30.00	29.00
7.00	6.00	3.00	1.00	1.00
519.14	526.14	519.64	518.64	497.69
158.00	149.20	144.00	139.20	136.20
45.50	45.50	39.50	39.50	37.70
259.80	267.10	245.00	241.50	235.60
55.00	59.02	60.77	61.37	63.79
<u>1,741.02</u>	<u>1,751.21</u>	<u>1,715.06</u>	<u>1,710.26</u>	<u>1,673.38</u>
5.00	5.00	4.00	4.00	4.00
66.65	66.85	64.05	68.05	69.65
43.00	43.00	44.00	43.00	41.00
931.83	950.93	915.40	905.00	890.95
694.54	685.43	687.61	690.21	667.78
<u>1,741.02</u>	<u>1,751.21</u>	<u>1,715.06</u>	<u>1,710.26</u>	<u>1,673.38</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures^a	Cost Per Pupil	Percentage Change	Employer's Contribution to PERS / TRS	State of Alaska's Contribution to PERS/TRS on Behalf of the School District
2005-06	14,516	\$ 162,684,186	\$ 11,207	7.15%	\$ 16,935,386	\$
2006-07	14,466	177,207,018	12,250	9.31%	21,204,764	
2007-08	14,103	204,729,523	14,517	18.51%	14,149,199	28,822,834
2008-09	14,132	211,682,939	14,979	3.13%	14,497,208	23,393,176
2009-10	14,397	223,192,702	15,503	3.49%	15,782,536	18,365,830
2010-11	14,218	232,406,642	16,346	5.44%	16,696,996	21,500,230
2011-12	14,260	242,167,968	16,982	3.89%	17,049,613	26,771,742
2012-13	14,256	254,465,878	17,850	5.05%	17,303,835	35,271,226
2013-14	14,041	254,410,673	18,119	1.51%	17,370,572	36,184,956
2014-15	13,762	433,607,722	31,508	73.89%	17,303,899	211,527,002

Notes:

^a Operating expenditures are total expenditures in governmental funds.

^b Each year the Fairbanks North Star Borough School District reports the average number of students enrolled in elementary, middle, and high school classes. Average class size reflects the number of students enrolled in regular classes throughout the district, and does not include self-contained special education classes, bilingual classes, correspondence study, charter schools, or other alternative programs.

Source: Average Class Size: Fairbanks North Star Borough School District 2015-16 Approved Budget
Enrollment: 2014-15 20 Day ADM Official Enrollment as reported to the State of Alaska

Percentage of Students Eligible for Free or Reduced-Price Meals: Nutrition Services Department

Total Cost of Contribution to PERS/TRS Per Pupil		Percentage Change	Average Class Size ^b			Percentage of Students Eligible for Free or Reduced-Price Meals
			Elementary Schools	Middle Schools	Senior High Schools	
\$	1,167	41.20%	23.4	21.8	23.5	32%
	1,466	25.62%	22.6	22.9	23.8	32%
	3,047	108.25%	22.1	21.7	21.4	36%
	2,681	-12.04%	23.5	21.5	22.0	31%
	2,372	-11.56%	23.7	23.6	21.6	31%
	2,687	13.28%	22.9	20.9	21.7	33%
	3,073	14.36%	23.1	20.6	21.6	34%
	3,688	19.56%	23.3	21.2	21.2	35%
	3,814	3.09%	23.6	22.0	23.0	36%
	16,628	335.94%	23.3	22.6	23.5	35%

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Teacher Salary Information Last Ten School Years

School Year	Entry Level Salary ^a	Maximum Teacher Salary ^b	Average Teacher Salary ^c	Percent of Teachers at Maximum on Column(s) ^d
2005-06	\$ 36,317	\$ 72,270	\$ 58,726	37%
2006-07	37,043	73,715	59,894	39%
2007-08	37,969	75,558	61,431	41%
2008-09	41,110	80,537 ^e	63,979	42%
2009-10	42,961	83,571	66,398	44%
2010-11	44,679	86,914	68,992	45%
2011-12	45,349	88,218	70,188	44%
2012-13	46,244	89,864	71,977	46%
2013-14	46,891	91,122	73,258	49%
2014-15	47,478	92,261	74,143	49%

Notes:

^a Entry level salary represents a teacher with a bachelor's degree and no experience.

^b Maximum teacher salary represents teachers filling a position which requires a master's degree and a certification for a therapist or psychologist position, or teachers who hold a master's degree with National Board Certification.

^c Average teacher salary is based on a scattergram of contracted certificated salaries for that school year.

^d The teacher salary schedule has six columns:

1. Bachelor's
2. Bachelor's plus 18 credits
3. Master's or Bachelor's plus 36 credits
4. Master's plus 18 credits
5. Master's plus 36 credits
6. Master's plus specified certification

The percent of teachers at maximum represents teachers topped out at each of those columns.

^e Beginning with school year 2008-09 a new column was added to the teacher salary schedule. The M+Spec Cert column is for therapists, psychologists and those teachers and certified staff holding National Board Certification.

Source: School District records.

FAIRBANKS NORTH BOROUGH SCHOOL DISTRICT

Comparative Results from College Entrance and Advance Placement (AP) Exams
Last Ten School Years

School Year	American College Test (ACT)		Scholastic Assessment Test (SAT) ^a		AP Exam results		
	Fairbanks	Alaska	Nation	Fairbanks	Alaska	Nation	Global
2004-05	21.8	21.3	20.9	1,049	1,042	1,028	2.90
2005-06	21.9	21.1	21.1	1,553	1,527	1,518	2.90
2006-07	21.8	21.2	21.2	1,542	1,527	1,511	2.89
2007-08	21.8	21.2	21.1	1,524	1,533	1,511	2.85
2008-09	22.3	21.0	21.1	1,548	1,528	1,509	2.89
2009-10	21.9	21.1	21.0	1,541	1,524	1,509	2.84
2010-11	21.9	21.2	21.1	1,507	1,513	1,500	2.86
2011-12	22.3	21.2	21.1	1,556	1,504	1,498	2.91
2012-13	21.9	21.1	20.9	1,494	1,495	1,498	2.89
2013-14	22.2	21.0	21.0	1,505	1,485	1,497	2.89

Notes:

^a Prior to 2005-06, the SAT test was comprised of reading and math components. In 2005-06, a writing component was added.

Source:

Results of the American College Test (ACT), the Scholastic Assessment Test (SAT), and Advanced Placement (AP) Exams, prepared by the Research and Accountability Department.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Miscellaneous Statistical Data
June 30, 2015

Number of Personnel ^a

Districtwide administration	4.00
Professional staff	68.05
Principals and assistant principals	43.00
Certified staff	905.00
Support staff	690.21
Number of schools	35

Enrollment ^b

Elementary Schools - District	
Anne Wien	411
Badger Road	474
Barnette	409
Chinook Charter School	150
Denali	393
Hunter	324
Joy	443
Ladd	508
Nordale	312
North Pole Elementary	515
Pearl Creek	482
Salcha	68
Ticasuk Brown	504
Two Rivers	87
University Park	503
Watershed Charter School	199
Weller	464
Woodriver	450
Secondary Schools - District	
Effie Kokrine Charter School	156
Hutchison High	386
Lathrop Senior High	1,037
North Pole Middle	664
North Pole Senior High	758
Randy Smith Middle	326
Ryan Middle	350
Star of the North Charter	196
Tanana Middle	462
West Valley Senior High	989
Alternative Learning System	113
Elementary Schools - On-Base	
Anderson	235
Arctic Light	525
Crawford	266
Secondary Schools - On-Base	
Ben Eielson Junior/Senior High	353
B.E.S.T. (Correspondence)	234
Golden Heart Academy	16
Total	<u><u>13,762</u></u>

Sources:

^a Fairbanks North Star Borough School District Approved Budget for fiscal year 2015-16

^b 2014-15 20 Day ADM Official Enrollment as reported to the State of Alaska.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Enrollment History by Grade Level
Last Fifteen Fiscal Years

Year	PK	KG	1	2	3	4	5	6	Total Elem	7	8	Total JR	9	10	11	12	Total SR	Grand Total	Change	Percentage Change
15 Years Actual Enrollments																				
00-01	50	1,060	1,193	1,141	1,245	1,292	1,262	1,248	8,491	1,236	1,187	2,423	1,657	1,228	925	829	4,639	15,553	(251)	-1.6%
01-02	86	1,031	1,155	1,183	1,147	1,222	1,266	1,201	8,291	1,245	1,171	2,416	1,583	1,168	997	819	4,567	15,274	(279)	-1.8%
02-03	84	1,032	1,086	1,131	1,161	1,145	1,200	1,276	8,115	1,195	1,221	2,416	1,528	1,181	959	945	4,613	15,144	(130)	-0.9%
03-04	86	1,037	1,079	1,070	1,095	1,096	1,107	1,171	7,741	1,227	1,139	2,366	1,486	1,175	951	874	4,486	14,593	(551)	-3.6%
04-05	87	1,104	1,082	1,074	1,076	1,089	1,069	1,123	7,704	1,160	1,167	2,327	1,504	1,202	964	875	4,545	14,576	(17)	-0.1%
05-06	72	1,195	1,108	1,046	1,066	1,058	1,089	1,054	7,688	1,105	1,133	2,238	1,233	1,157	1,138	1,062	4,590	14,516	(60)	-0.4%
06-07	101	1,080	1,230	1,081	1,027	1,049	1,052	1,083	7,703	1,071	1,060	2,131	1,167	1,212	1,057	1,196	4,632	14,466	(50)	-0.3%
07-08	124	1,077	1,080	1,146	1,060	1,008	1,025	1,032	7,552	1,062	1,040	2,102	1,075	1,131	1,104	1,139	4,449	14,103	(363)	-2.5%
08-09	115	1,131	1,143	1,101	1,133	1,050	1,031	1,023	7,727	1,023	1,054	2,077	1,057	1,066	1,235	970	4,328	14,132	29	0.2%
09-10	142	1,121	1,242	1,144	1,147	1,160	1,086	1,046	8,088	1,044	1,045	2,089	1,073	1,018	1,199	930	4,220	14,397	265	1.9%
10-11	125	1,140	1,144	1,227	1,088	1,078	1,150	1,067	8,019	1,037	1,036	2,073	1,040	1,059	1,167	860	4,126	14,218	(179)	-1.2%
11-12	132	1,153	1,191	1,128	1,210	1,059	1,082	1,128	8,083	1,081	1,014	2,095	1,028	1,057	1,189	808	4,082	14,260	42	0.3%
12-13	132	1,162	1,182	1,151	1,142	1,194	1,053	1,062	8,078	1,110	1,083	2,193	1,010	945	1,184	846	3,985	14,256	(4)	0.0%
13-14	116	1,219	1,205	1,134	1,105	1,097	1,130	1,020	8,026	1,015	1,075	2,090	1,040	980	1,045	860	3,925	14,041	(215)	-1.5%
14-15	113	1,122	1,227	1,160	1,077	1,053	1,055	1,081	7,888	995	983	1,978	1,040	987	1,066	803	3,896	13,762	(279)	-2.0%
2015-16 Projected Enrollment																				
15-16	113	1,105	1,150	1,195	1,118	1,047	1,014	974	7,716	1,121	951	2,072	916	1,019	1,137	800	3,872	13,660	(102)	-0.7%

Source:
Historic 20 Day ADM Official Enrollment as reported to the State of Alaska.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Capital Assets by Type and Function
Last Ten Fiscal Years

	Fiscal Year			
	2005-06	2006-07	2007-08	2008-09
Capital Assets by Type				
Building improvements	\$	\$ 318,102	\$ 318,102	\$
Machinery and equipment	11,212,351	11,558,422	11,670,579	8,756,504
Intangible assets (software)	205,056	205,056	205,056	190,993
Total by type	<u>\$ 11,417,407</u>	<u>\$ 12,081,580</u>	<u>\$ 12,193,737</u>	<u>\$ 8,947,497</u>
Capital Assets by Function				
Instruction	\$ 3,351,793	\$ 3,322,276	\$ 3,429,971	\$ 1,830,758
Special education instruction	117,075	107,066	85,634	53,922
Special education support services-students	29,322	29,322	38,257	25,795
Support services-students	58,730	61,717	65,440	30,802
Support services-instruction	1,356,760	1,521,488	1,659,872	1,325,365
School administration	76,915	76,915	43,915	16,268
School administration support services	66,707	77,226	69,306	56,625
District administration	83,284	86,037	99,496	43,200
District administration support services	1,954,587	2,435,480	2,223,433	1,600,649
Operations and maintenance of plant	3,399,281	3,473,084	3,545,608	3,332,217
Student activities	49,850	49,850	78,149	22,006
Student transportation - to and from school	8,868	4,067	4,067	
Adult and continuing education	2,749	2,749	2,749	
Community services	2,855	2,855	2,855	
Food services	858,631	831,448	844,985	609,890
Total by function	<u>\$ 11,417,407</u>	<u>\$ 12,081,580</u>	<u>\$ 12,193,737</u>	<u>\$ 8,947,497</u>

Source:

Capital Assets by Function is derived from the District's fixed assets software subsystem.

Fiscal Year					
2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
\$	\$	\$	\$	\$	\$
9,256,859	8,947,432	9,415,625	9,455,391	9,563,787	10,080,596
1,121,733	1,236,923	1,313,593	1,322,438	1,400,107	1,477,993
<u>\$ 10,378,592</u>	<u>\$ 10,184,355</u>	<u>\$ 10,729,218</u>	<u>\$ 10,777,829</u>	<u>\$ 10,963,894</u>	<u>\$ 11,558,589</u>
\$ 1,915,692	\$ 1,901,665	\$ 1,969,249	\$ 1,822,714	\$ 1,833,217	\$ 1,928,436
585,295	584,895	579,708	612,072	612,072	606,877
25,795	25,795	25,795	11,316	17,742	17,742
12,721	12,721	12,722	12,722	97,143	171,852
1,810,679	1,579,500	1,783,764	1,811,941	1,965,755	2,101,124
5,615					
56,625	56,625	69,334	12,709	12,709	21,385
40,229	28,130	28,130	22,000		
1,969,133	2,041,017	2,211,557	2,229,457	2,116,549	2,448,399
3,361,248	3,334,777	3,377,305	3,516,293	3,556,733	3,650,730
22,006	45,676	64,324	69,419	82,917	82,917
573,554	573,554	607,330	657,186	669,057	529,127
<u>\$ 10,378,592</u>	<u>\$ 10,184,355</u>	<u>\$ 10,729,218</u>	<u>\$ 10,777,829</u>	<u>\$ 10,963,894</u>	<u>\$ 11,558,589</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

School Building Information
Last Ten Fiscal Years

	Fiscal Year				
	2005-06	2006-07	2007-08	2008-09	2009-10
<u>School</u>					
Elementary					
Anderson Elementary					
Square Feet	43,996	43,996	43,996	43,996	43,996
Capacity	372	372	372	372	372
Enrollment	361	348	294	310	328
Anne Wien Elementary					
Square Feet	63,532	63,532	63,532	63,532	63,532
Capacity	553	553	553	553	553
Enrollment	447	467	470	431	398
Arctic Light Elementary					
Square Feet	68,272	68,272	68,272	68,272	68,272
Capacity	596	596	596	596	596
Enrollment	416	508	533	531	524
Badger Road Elementary					
Square Feet	61,686	61,686	61,686	61,686	61,686
Capacity	537	537	537	537	537
Enrollment	559	577	591	565	550
Barnette Elementary ^a					
Square Feet	52,625	52,625	52,625	54,895	54,895
Capacity	396	396	417	417	417
Enrollment	330	370	379	392	403
Crawford Elementary					
Square Feet	63,532	63,532	63,532	63,532	63,532
Capacity	553	553	553	553	553
Enrollment	409	378	309	280	306
Denali Elementary					
Square Feet	49,210	49,210	49,210	49,210	49,210
Capacity	422	422	422	422	422
Enrollment	390	398	379	395	370
Hunter Elementary					
Square Feet	57,047	57,047	57,047	57,047	57,047
Capacity	494	494	494	494	494
Enrollment	339	317	313	321	350
Joy Elementary					
Square Feet	60,642	60,642	60,642	60,642	60,642
Capacity	527	527	527	527	527
Enrollment	369	372	355	368	384
Ladd Elementary					
Square Feet	63,455	63,455	63,455	63,455	63,455
Capacity	553	553	553	553	553
Enrollment	371	333	305	381	542
Nordale Elementary					
Square Feet	49,210	49,210	49,210	49,210	49,210
Capacity	422	422	422	422	422
Enrollment	382	378	365	396	333
North Pole Elementary					
Square Feet	57,154	57,154	57,154	57,154	57,154
Capacity	495	495	495	495	495
Enrollment	458	516	531	533	532

Fiscal Year				
2010-11	2011-12	2012-13	2013-14	2014-15
43,996	43,996	43,996	43,996	43,996
372	372	372	372	372
328	283	269	252	235
63,532	63,532	63,532	63,532	63,532
553	553	553	553	553
372	385	401	412	411
68,272	68,272	68,272	68,272	68,272
596	596	596	596	596
475	570	569	530	525
61,686	61,686	61,686	61,686	61,686
537	537	537	537	537
593	514	505	496	474
54,895	54,895	54,895	54,895	54,895
417	417	417	417	417
408	404	412	413	409
63,532	63,532	63,532	63,532	63,532
553	553	553	553	553
292	297	301	297	266
49,210	49,210	49,210	49,210	49,210
422	422	422	422	422
375	365	397	402	393
57,047	57,047	57,047	57,047	57,047
494	494	494	494	494
387	392	353	352	324
60,642	60,642	60,642	60,642	60,642
527	527	527	527	527
379	423	443	464	443
63,455	63,455	63,455	63,455	63,455
553	553	553	553	553
499	496	497	539	508
49,210	49,210	49,210	49,210	49,210
422	422	422	422	422
342	344	359	316	312
57,154	57,154	57,154	57,154	57,154
495	495	495	495	495
482	413	453	459	515

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

School Building Information
Last Ten Fiscal Years

	Fiscal Year				
	2005-06	2006-07	2007-08	2008-09	2009-10
<u>School</u>					
Elementary (cont.)					
Pearl Creek Elementary					
Square Feet	62,982	62,982	62,982	62,982	62,982
Capacity	548	548	548	548	548
Enrollment	448	420	410	406	443
Salcha Elementary					
Square Feet	13,608	13,608	13,608	13,608	13,608
Capacity	76	76	76	76	76
Enrollment	89	100	87	97	101
Ticasuk Brown Elementary					
Square Feet	63,761	63,761	63,761	63,761	63,761
Capacity	556	556	556	556	556
Enrollment	545	525	501	516	554
Two Rivers Elementary ^a					
Square Feet	22,200	22,200	22,200	22,200	22,200
Capacity	98	98	98	98	98
Enrollment	113	91	109	99	93
University Park Elementary					
Square Feet	64,699	64,699	64,699	64,699	64,699
Capacity	564	564	564	564	564
Enrollment	543	533	515	489	460
Weller Elementary					
Square Feet	65,259	65,259	65,259	65,259	65,259
Capacity	569	569	569	569	569
Enrollment	510	474	489	502	520
Woodriver Elementary					
Square Feet	64,408	64,408	64,408	64,408	64,408
Capacity	561	561	561	561	561
Enrollment	465	470	443	440	414
Secondary					
Ben Eielson Jr. Sr. High					
Square Feet	103,200	103,200	103,200	103,200	103,200
Capacity	616	616	616	616	616
Enrollment	572	597	547	512	474
Howard Luke ^d					
Square Feet	30,856	30,856	30,856	30,856	30,856
Capacity	-	-	-	-	-
Enrollment	-	-	-	-	-
Hutchison High ^c					
Square Feet	87,190	87,190	87,190	87,190	87,190
Capacity	510	510	510	510	510
Enrollment	317	348	349	362	358
Lathrop High					
Square Feet	234,412	234,412	234,412	234,412	234,412
Capacity	1,421	1,421	1,421	1,421	1,421
Enrollment	1,304	1,278	1,146	1,186	1,199

Fiscal Year				
2010-11	2011-12	2012-13	2013-14	2014-15
62,982	62,982	62,982	62,982	62,982
548	548	548	548	548
479	484	470	479	482
13,608	13,608	13,608	13,608	13,608
76	76	76	76	76
88	83	84	76	68
63,761	63,761	63,761	63,761	63,761
556	556	556	556	556
548	510	545	514	504
22,200	22,200	22,200	22,200	22,200
98	98	98	98	98
93	88	88	97	87
64,699	64,699	64,699	64,699	64,699
564	564	564	564	564
474	525	528	502	503
65,259	65,259	65,259	65,259	65,259
569	569	569	569	569
542	540	485	477	464
64,408	64,408	64,408	64,408	64,408
561	561	561	561	561
446	436	444	438	450
103,200	103,200	103,200	103,200	103,200
616	616	616	616	616
472	436	403	399	353
30,856	30,856	30,856	30,856	30,856
-	-	-	-	-
-	-	-	-	-
87,190	87,190	87,190	87,190	87,190
510	510	510	510	510
363	363	372	362	386
234,412	234,412	234,412	234,412	234,412
1,421	1,421	1,421	1,421	1,421
1,125	1,184	1,101	1,074	1,037

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

School Building Information
Last Ten Fiscal Years

	Fiscal Year				
	2005-06	2006-07	2007-08	2008-09	2009-10
<u>School</u>					
Secondary (cont.)					
North Pole Middle					
Square Feet	113,306	113,306	113,306	113,306	113,306
Capacity	680	680	680	680	680
Enrollment	511	442	509	599	633
North Pole High					
Square Feet	156,362	156,362	156,362	156,362	156,362
Capacity	946	946	946	946	946
Enrollment	883	885	834	823	814
Randy Smith Middle					
Square Feet	74,589	74,589	74,589	74,589	74,589
Capacity	422	422	422	422	422
Enrollment	410	392	408	366	335
Ryan Middle					
Square Feet	99,880	99,880	99,880	99,880	99,880
Capacity	594	594	594	594	594
Enrollment	342	374	391	361	375
Tanana Middle					
Square Feet	101,069	101,069	101,069	101,069	101,069
Capacity	602	602	602	602	602
Enrollment	558	505	467	503	523
West Valley High					
Square Feet	216,884	216,884	216,884	216,884	216,884
Capacity	1,314	1,314	1,314	1,314	1,314
Enrollment	1,219	1,221	1,190	1,095	1,080

Notes:

- ^a Barnette and Two Rivers are K-8 schools. Capacities will vary from year to year depending on the mix of elementary and secondary (grades 7 & 8) students.
- ^b During fiscal year 2005-06, Howard Luke became home to Effie Kokrine Charter School. The District leases the Howard Luke building to the Charter School; therefore, square footage information is included after this date, but capacity and enrollment data are not.
- ^c Hutchison is a joint-use facility with University of Alaska Fairbanks, Tanana Valley Campus. Total building size is 137,524 square feet. Hutchison High comprises 63.4% of the building, or 87,190 square feet.

Source:

School District Facilities & Maintenance Department.

Fiscal Year				
2010-11	2011-12	2012-13	2013-14	2014-15
113,306	113,306	113,306	113,306	113,306
680	680	680	680	680
585	652	679	655	664
156,362	156,362	156,362	156,362	156,362
946	946	946	946	946
781	721	729	752	758
74,589	74,589	74,589	74,589	74,589
422	422	422	422	422
293	313	326	338	326
99,880	99,880	99,880	99,880	99,880
594	594	594	594	594
390	396	394	386	350
101,069	101,069	101,069	101,069	101,069
602	602	602	602	602
514	501	513	472	462
216,884	216,884	216,884	216,884	216,884
1,314	1,314	1,314	1,314	1,314
1,070	1,035	1,019	967	989

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SINGLE AUDIT

FEDERAL SINGLE AUDIT

Reports on Federal Single Audit Requirements

Schedule of Expenditures of Federal Awards

Notes to Schedule of Expenditures of Federal Awards

Schedule of Findings and Questioned Costs

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January 4, 2016

REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

Members of the Board of Education
Fairbanks North Star Borough School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements and schedules of the governmental activities, each major fund, and the aggregate remaining fund information of the Fairbanks North Star Borough School District (School District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents. We also have audited the financial statements and schedules of each of the School District's nonmajor governmental funds, the internal service fund type, and the fiduciary fund type of the School District as of and for the year ended June 30, 2015, as displayed in the School District's basic financial statements. In addition we also have audited the financial statements and schedules of the School District's nonmajor governmental funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2015, and have issued our report thereon dated January 4, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal

control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cook & Haugeberg LLC

Fairbanks, Alaska
January 4, 2016

January 4, 2016

REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL
CONTROL OVER COMPLIANCE

Independent Auditor's Report

Members of the Board of Education
Fairbanks North Star Borough School District

Report on Compliance for Each Major Federal Program

We have audited Fairbanks North Star Borough School District's (School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2015. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

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Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Cook - Haugeberg LLC

Fairbanks, Alaska
January 4, 2016

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2015

Federal Agency/ CFDA Grant or Cluster Title/ Pass-through Grantor/ Award Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U. S. Department of Agriculture</u>			
<u>Child Nutrition Cluster</u>			
<u>School Breakfast Program</u>			
Passed through the State of Alaska Department of Education and Early Development: School Breakfast	10.553	MA1501601	\$ 773,234
<u>National School Lunch Program</u>			
Passed through the State of Alaska Department of Education and Early Development: School Lunch	10.555	MA1501601	2,616,143
Total Child Nutrition Cluster			<u>3,389,377</u>
<u>Child and Adult Care Food Program</u>			
Passed through the State of Alaska Department of Education and Early Development: Child Nutrition Services	10.558	MA1533401	4,496
<u>Fresh Fruit & Vegetable Program</u>			
Passed through the State of Alaska Department of Education and Early Development: Child Nutrition Services	10.582	FF1501601	9,604
Child Nutrition Services	10.582	FF1501602	32,376
			<u>41,980</u>
Total U.S. Department of Agriculture			<u>\$ 3,435,853</u>
<u>U. S. Department of Education</u>			
<u>Title I Grants to Local Educational Agencies</u>			
Passed through the State of Alaska Department of Education and Early Development:			
Title I-A, Neglected & Delinquent	84.010	ND1501601	\$ 115,205
Title I-A Parent Involvement	84.010	IP1501601	40,983
Title I-A, Basic Grant	84.010	IP1501601	3,901,735
Subtotal 84.010			<u>4,057,923</u>
<u>Migrant Education State Grant Program</u>			
Passed through the State of Alaska Department of Education and Early Development:			
Migrant Ed Book Program	84.011	MB1501601	11,725
Migrant Education Summer	84.011	MS1501601	30,951
Title I-C, Migrant Regular	84.011	IP1501601	202,110
Subtotal 84.011			<u>244,786</u>
<u>Title I Program for Neglected and Delinquent Children</u>			
Passed through the State of Alaska Department of Education and Early Development:			
Title I-D Youth Facility	84.013	IP1501601	14,205

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2015

Federal Agency/ CFDA Grant or Cluster Title/ Pass-through Grantor/ Award Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>Special Education Cluster (IDEA)</u>			
<u>Special Education Grants to States</u>			
Passed through the State of Alaska Department of Education and Early Development:			
Title VI-B	84.027	SE1501601	\$ 3,827,857
<u>Special Education Preschool Grants</u>			
Passed through the State of Alaska Department of Education and Early Development:			
Preschool Disabled Section 619	84.173	SE1501601	106,545
<u>Total Special Education Cluster (IDEA)</u>			<u>3,934,402</u>
<u>Impact Aid</u>			
Passed through the State of Alaska Department of Education and Early Development			
Title VIII Impact Aid	84.041	N/A	14,086,804
Title VIII Impact Aid for Construction	84.041	N/A	270,862
<u>Subtotal 84.041</u>			<u>14,357,666</u>
<u>Vocational Education Basic Grants to States</u>			
Passed through the State of Alaska Department of Education and Early Development:			
Carl Perkins Secondary	84.048	EK1501601	289,900
<u>Indian Education Grants to Local Educational Agencies</u>			
Direct Program:			
Indian Education	84.060	S006A140496	824,926
<u>Education for Homeless Children and Youth</u>			
Passed through the State of Alaska Department of Education and Early Development			
McKinney-Vento Homeless Education	84.196	FR1501601	20,466
<u>Fund for the Improvement of Education</u>			
Direct Program:			
LTHS Smaller Learning Communities Project	84.215	S215L100008	28,004
<u>Twenty-First Century Community Learning Centers</u>			
Passed through the State of Alaska Department of Education and Early Development:			
AK Community Learning Centers Program	84.287	AC1501601	1,360,395
<u>Alaska Native Educational Programs</u>			
Passed through the Big Brothers and Big Sisters of Alaska			
Success through Education and Cultural Connections	84.356	NA	12,704
<u>English Language Acquisition Grants</u>			
Passed through the State of Alaska Department of Education and Early Development:			
Title III-A, English Language Acquisition	84.365	IP1501601	30,759
Title III-A, English Language Acquisition, Immigrant	84.365	LA1501601	14,004
<u>Subtotal 84.365</u>			<u>44,763</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2015

Federal Agency/ CFDA Grant or Cluster Title/ Pass-through Grantor/ Award Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<i>Improving Teacher Quality State Grants</i>			
Passed through the State of Alaska Department of Education and Early Development:			
Title II-A, Teacher & Principal Training	84.367	IP1501601	\$ 841,363
<i>Investing in Innovation (i3) Fund</i>			
Passed through the University of Alaska Fairbanks Office of Academic Affairs			
Alaska Statewide Mentor Project Urban Growth	84.411	UAF-13-0029	<u>191,800</u>
Total U. S. Department of Education			<u>\$ 26,223,303</u>
Grand Total - Expenditures of Federal Awards			<u><u>\$ 29,659,156</u></u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2015

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Fairbanks North Star Borough School District under programs of the federal government for the year ended June 30, 2015. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of Fairbanks North Star Borough School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Fairbanks North Star Borough School District.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3: U.S. DEPARTMENT OF AGRICULTURE (USDA) DONATED FOOD PROGRAM

The USDA makes food commodities available to State agencies, at a nominal cost, for donation to schools for the school lunch program. Because governmental funds are uniquely concerned with flows of *financial* resources, food commodities are recorded at cost rather than fair market value in governmental funds. Food commodities are considered expended when consumed in the school lunch program. The fair market value of food commodities received in fiscal year 2015 was \$116,792.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2015

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes ☐ ☒ No

Significant deficiency(ies) identified? Yes ☐ ☒ None reported

Noncompliance material to financial statements noted? Yes ☐ ☒ No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? Yes ☐ ☒ No

Significant deficiency(ies) identified? Yes ☐ ☒ None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? Yes ☐ ☒ No

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.041	Impact Aid
84.048	Vocational Education_Basic Grants to States
84.287	Twenty-First Century Community Learning Centers

Dollar threshold used to distinguish between type A and type B programs: \$ 893,278

Auditee qualified as low-risk auditee? Yes ☒ ☐ No

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No matters were reported.

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STATE SINGLE AUDIT

Reports on State Single Audit Requirements

Schedule of State Financial Assistance

Notes to Schedule of State Financial Assistance

Schedule of Findings and Questioned Costs

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January 4, 2016

REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

Members of the Board of Education
Fairbanks North Star Borough School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements and schedules of the governmental activities, each major fund, and the aggregate remaining fund information of the Fairbanks North Star Borough School District (School District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents. We also have audited the financial statements and schedules of each of the School District's nonmajor governmental funds, the internal service fund type, and the fiduciary fund type of the School District as of and for the year ended June 30, 2015, as displayed in the School District's basic financial statements. In addition we also have audited the financial statements and schedules of the School District's nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2015, and have issued our report thereon dated January 4, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material

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weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurances about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cook + Haugeberg LLC

January 4, 2016

Fairbanks, Alaska

January 4, 2016

REPORT ON COMPLIANCE FOR EACH MAJOR STATE
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE STATE
OF ALASKA AUDIT GUIDE AND COMPLIANCE SUPPLEMENT FOR STATE SINGLE AUDITS

Independent Auditor's Report

Members of the Board of Education
Fairbanks North Star Borough School District

Report on Compliance for Each Major State Program

We have audited Fairbanks North Star Borough School District's (School District) compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of the School District's major state programs for the year ended June 30, 2015. The School District's major state programs are identified in the accompanying schedule of state financial assistance.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major State Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Accordingly, this report is not suitable for any other purpose.

Cook - Haugeberg LLC

January 4, 2016
Fairbanks, Alaska

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Schedule of State Financial Assistance

For the Year Ended June 30, 2015

State Agency/ Pass-through Grantor/ Award Title	Grant ID Number	State Expenditures
<u>State of Alaska Department of Education and Early Development</u>		
Direct Program:		
Public School Foundation Funding Program *	N/A	\$ 117,696,672
Supplemental Aid *	N/A	4,479,736
On-Base Schools *	N/A	1,450,000
Quality Schools *	N/A	419,961
Pupil Transportation *	N/A	12,020,252
Youth in Detention	EY15001601	112,797
Youth Risk Behavior Survey	YR15001601	5,978
Student Safety & Security *	NA	499,571
Suicide Awareness, Prevention and Postvention	SP1501601	27,214
Early Literacy K-3	LE1401601	36,166
Total State of Alaska Department of Education and Early Development		\$ 136,748,347
<u>State of Alaska Department of Administration</u>		
Direct Program:		
Alaska Teachers' Retirement System (TRS) On-Behalf Funding *	N/A	\$ 195,386,281
Alaska Public Employees' Retirement System (PERS) On-Behalf Funding *	N/A	16,140,721
Total State of Alaska Department of Administration		\$ 211,527,002
<u>State of Alaska Department of Commerce, Community and Economic Development-</u>		
<u>Division of Community Advocacy</u>		
Passed through the Fairbanks North Star Borough:		
Designated Legislative Grant Program:		
Badger Road ES Classroom Chalkboard Replacement	11-DC-214 230BGC	\$ 9,723
Weller ES Classroom Improvements	11-DC-228 230WLC	798
Hutchison HS Distance Learning	11-DC-217 230HDL	4,085
Senate District D Classroom Technology Upgrade	13-DC-279 160DCT	17,963
Classroom Digital Technology Upgrade	13-DC-339 160CDT	36,469
We the People Competition	14-DM-017 S18PEP	72
Arctic Light Elementary School Security Systems	14-DM-008 S18ALR	7,709
Ladd Elementary School Security Systems	14-DM-014 S18LSS	3,164
Ticasuk Brown Elementary School Security Systems	14-DM-018 S18TBQ	5,231
Two Rivers ES Classroom Improvements	14-RR-008 S18TCU	8,399
Ryan Middle School Classroom Digital Technology	14-DM-016 S18RDT	21,309
Lathrop High School Classroom Technology & PE Equipment	14-DC-052 S18LSS	12,160
B.E.S.T Correspondence School Classroom Digital Technology	14-DM-009 S18BDT	15,455
Chinook Charter School Classroom Digital Technology	14-DM-012 S18CHN	15,244
Headbolt Electric Plug-in WVH & NPH	AKSAS-61041	14,700
We The People	15-DC-053 119PEQ	25,750
		198,231
<u>Division of Community and Regional Affairs</u>		
Direct Program:		
Designated Legislative Grants:		
Big Brothers, Big Sisters of Alaska (MES)	N/A	14,403
Nutritional Alaskan Foods in Schools	15-NAFS-016	12,029
University Park Elementary Digital Technology & Safety Upgrades	15-DC-382	42,583
Woodriver Elementary Digital Technology & Safety Upgrades	15-DC-384	18,720
Hutchison High School Digital Technology & Safety Upgrades	15-DC-381	8,706
West Valley High School Digital Technology & Safety Upgrades	15-DC-383	61,000

* State Major Program-FY15

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Schedule of State Financial Assistance

For the Year Ended June 30, 2015

State Agency/ Pass-through Grantor/ Award Title	Grant ID Number	State Expenditures
<u>Division of Community and Regional Affairs (continued)</u>		
Direct Program:		
BEST Program Digital Technology & Safety Upgrades	15-DC-379	\$ 15,000
Chinook Charter School Digital Technology & Safety Upgrades	15-DC-380	60,000
		<u>232,441</u>
Total State of Alaska Department of Commerce, Community, and Economic Development		<u>\$ 430,672</u>
<u>State of Alaska Department of Labor & Workforce Development</u>		
<u>Division of Business Partnerships</u>		
Direct Program:		
State Training & Employment Program (STEP)	NA	\$ 25,837
Passed through the Construction Education Foundation, Inc. Alaska Construction Academy FY15	N/A	<u>161,380</u>
Total State of Alaska Department of Labor & Workforce Development		<u>\$ 187,217</u>
Grand Total - State Financial Assistance		<u>\$ 348,893,238</u>

* State Major Program-FY15

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to Schedule of State Financial Assistance For the Year Ended June 30, 2015

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of state financial assistance (the "Schedule") includes the state grant activity of the Fairbanks North Star Borough School District under programs of the State of Alaska for the year ended June 30, 2015. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the schedule presents only a selected portion of the operations of Fairbanks North Star Borough School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Fairbanks North Star Borough School District.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* and in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Grantor's identifying numbers are presented where available.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2015

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Significant deficiency(ies) identified?

Yes ☐ ☒ No

Material weakness(es) identified?

Yes ☐ ☒ No

Noncompliance material to financial statements?

Yes ☐ ☒ No

State Financial Assistance

Type of auditor's report issued on compliance for major programs:

Unmodified

Internal control over major programs:

Significant deficiency(ies) identified?

Yes ☐ ☒ No

Material weakness(es) identified?

Yes ☐ ☒ No

Dollar threshold used to distinguish a state major program:

\$ 300,000

SECTION II - FINANCIAL STATEMENT FINDINGS

The Fairbanks North Star Borough School District did not have any findings that relate to the financial statements.

SECTION III - STATE AWARDS FINDINGS AND QUESTIONED COSTS

No matters were reported.

SUPPLEMENTAL REPORTS

SUPPLEMENTAL REPORTS

Statements of Compliance

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January 4, 2016

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON FUND BALANCE
COMPLIANCE REQUIREMENTS

Members of the Board of Education
Fairbanks North Star Borough School District

We have audited the financial statements and schedules of the governmental activities, each major fund, and the aggregate remaining fund information of the Fairbanks North Star Borough School District (School District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents. We also have audited the internal service and agency funds as of and for the year ended June 30, 2015, as displayed in the School District's basic financial statements. In addition we also have audited the financial statements and schedules of the School District's nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2015. Our audit was made in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our audit, as presented in the Statement of Compliance - AS 14.17.505, nothing came to our attention which caused us to believe that the School District had failed to comply with the accumulated fund balance restriction in AS 14.17.505 as interpreted by the State of Alaska, Department of Education and Early Development. However, it should be noted that our audit was not directed primarily toward obtaining knowledge of noncompliance with such requirements.

This report is intended solely for the information and use of the members of the Board of Education, audit committee and management of the Fairbanks North Star Borough School District and the State of Alaska, Department of Education and Early Development and is not intended to be, and should not be, used by anyone other than these specified parties.

Cook & Haugeberg LLC

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FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Statement of Compliance - AS 14.17.505

Year Ended June 30, 2015

Total General Fund Balance (All Classifications): \$ 24,975,253

Items Deducted in 4 AAC 09.160:

Encumbrances	\$ 1,658,795	
Inventory	425,380	
Prepaid Expenses	199,272	
Impact Aid	16,402,515	
Student Allotments	35,108	
		18,721,070

Remaining General Fund Balance Subject to 10% Limit:

\$ 6,254,183

(AS 14.17.505 - "unreserved")

General fund balance as a percentage of current year expenditures:

General fund balance subject to 10%	=	\$ 6,254,183	=	1.57%
Current year general fund expenditures		\$ 399,236,770		

Note: Per DEED expenditures should not include other financing sources/uses.

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January 4, 2016

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON CERTAIN STATE
COMPLIANCE REQUIREMENTS

Members of the Board of Education
Fairbanks North Star Borough School District

We have audited the financial statements and schedules of the governmental activities, each major fund, and the aggregate remaining fund information of the Fairbanks North Star Borough School District (School District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents. We also have audited the internal service and agency funds as of and for the year ended June 30, 2015, as displayed in the School District's basic financial statements. In addition we also have audited the financial statements and schedules of the School District's nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2015 and have issued our report thereon dated January 4, 2016. Our audit was made in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In the course of our audit, nothing came to our attention that caused us to believe that:

- a) The statements of revenues and expenditures of the Special Revenue Funds do not present fairly the allowable funds expended within the limits of program budgets.
- b) The Fairbanks North Star Borough School District has not complied with the State of Alaska, Department of Education and Early Development State Chart of Accounts.
- c) The Fairbanks North Star Borough School District has not complied with the bonding requirements of AS 14.14.020.

However, it should be noted that our audit was not directed primarily toward obtaining knowledge of noncompliance with the foregoing requirements.

This report is intended solely for the information and use of the members of the Board of Education, audit committee and management of the Fairbanks North Star Borough School District and the State of Alaska, Department of Education and Early Development and is not intended to be, and should not be, used by anyone other than these specified parties.

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SUPPLEMENTAL REPORTS

Other Reports

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January 4, 2016

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON
THE SUMMARY REPORT OF REIMBURSABLE EXPENDITURES

Members of the Board of Education
Fairbanks North Star Borough School District

We have audited the accompanying Summary Report of Reimbursable Expenditures of the Fairbanks North Star Borough School District (School District) as of and for the year ended June 30, 2015. This report is the responsibility of the School District's management. Our responsibility is to express an opinion on this report based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Summary Report of Reimbursable Expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Summary Report of Reimbursable Expenditures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Summary Report of Reimbursable Expenditures presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the report referred to above presents fairly, in all material respects, the reimbursable expenditures of the Fairbanks North Star Borough School District for the year ended June 30, 2015.

This report is intended solely for the information and use of the members of the Board of Education, audit committee and management of the Fairbanks North Star Borough School District and the State of Alaska, Department of Education and Early Development and is not intended to be, and should not be, used by anyone other than these specified parties.

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**SCHEDULE OF PAYMENTS MADE FOR PRINCIPAL AND INTEREST ON BONDS
TO FUND SCHOOL CONSTRUCTION FOR THE FISCAL YEAR ENDING JUNE 30, 2015
For the Fairbanks North Star Borough School District**

1. Payments made for retirement of principal and interest on outstanding bonds incurred before July 1, 1977, to pay costs of school construction:

Bond Issue	Payor	Principal	Interest	Total

2. Payments made for retirement of principal and interest on outstanding bonds incurred after June 30, 1977, and before January 1, 1982, to pay costs of school construction:

Bond Issue	Payor	Principal	Interest	Total

3. Cash payments to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved by the department by July 1, 1990, under AS 14.07.020 (a) (11):

DOE Project #	Amount Authorized	Prior Year Expenditures	Current Exp. Claim for Reimb.	Total
05-90-125	4,526,000	4,092,706	4,346	4,097,052

4. Payments made for retirement of principal and interest on outstanding bonds incurred after December 31, 1981, and authorized by the qualified voters before July 1, 1983, to pay costs of school construction:

Bond Issue	Payor	Principal	Interest	Total

5. Payments made for retirement of principal and interest on outstanding bonds authorized by the qualified voters after June 30, 1983, and before March 31, 1990, to pay costs of school construction:

Bond Issue	Payor	Principal	Interest	Total

6. Payments made for the retirement of principal and interest on outstanding bonds authorized by the qualified voters after March 31, 1990 and before June 30, 1996 to pay costs of school construction:

Bond Issue	Payor	Principal	Interest	Total
K- Refunding*	US Bank NA	419,350	45,304	464,654

7. Payments made for the retirement of principal and interest on outstanding bonds authorized by the qualified voters after July 1, 1995, to pay costs of school construction:

Project Name/Number	Bond Issue	Payor	Principal	Interest	Total
05-96-102 to 110,114	K- Refunding *	US Bank NA	136,154	14,709	150,863
DR-05-101	2006 I	US Bank NA	235,000	152,856	387,856
DR-07-103 to 105	2007 J	US Bank NA	530,000	379,138	909,138
DR-07-103 to 105	2008 L	US Bank NA	465,000	346,494	811,494
DR-10-103 to 106	2010 M	US Bank NA	485,000	480,305	965,305
05-96-102 to 110,114	N Refunding	US Bank NA	2,131,631	396,426	2,528,057
05-96-102 to 110,114	O Refunding	Bank of New York Mellon Trust	1,421,059	358,107	1,779,166
05-99-141 to 144, 146, 147, 150	P Refunding	Bank of New York Mellon Trust	530,000	106,400	636,400
05-96-102 to 110,114	Q Refunding	Bank of New York Mellon Trust	1,745,000	814,000	2,559,000
DR-12-102 to 106	2012 R	US Bank NA	495,000	307,240	802,240
05-03-102 to 104; DR-05-101	S Refunding	US Bank NA	1,305,000	462,400	1,767,400

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January 4, 2016

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON
THE TUITION RATE REPORT

Members of the Board of Education
Fairbanks North Star Borough School District

We have audited the accompanying Tuition Rate Report of the Fairbanks North Star Borough School District (School District) as of and for the year ended June 30, 2015. This report is the responsibility of the School District's management. Our responsibility is to express an opinion on this report based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Tuition Rate Report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Tuition Rate Report. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Tuition Rate Report presentation. We believe that our audit provides a reasonable basis for our opinion.

Since our audit did not include tests of the average daily membership, we do not express an opinion thereon or upon the resulting tuition rate (2014-2015 fiscal year). However, in our opinion, except for the average daily membership described in the preceding sentence and the resulting tuition rate (2014-2015 fiscal year), the accompanying report presents fairly, in all material respects, the information required in the related instructions from the State of Alaska, Department of Education and Early Development.

This report is intended solely for the information and use of the members of the Board of Education, audit committee and management of the Fairbanks North Star Borough School District and the State of Alaska, Department of Education and Early Development and is not intended to be, and should not be, used by anyone other than these specified parties.

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STATE OF ALASKA
Department of Education and Early Development (DEED)
Tuition Rate Report
2015-16 Fiscal Year

Fairbanks North Star Borough School District

Local Revenues for Support of Schools:	
Borough contribution to school district general fund	\$ 49,906,000
Direct Expenditures by Borough for School Purposes:	
From: <i>Summary Report of Reimbursable Expenditures</i>	
Capital outlay	4,346
Bond redemption	13,761,573
Less: State aid for school construction	(10,301,518)
Total expenditures from local sources	<u>53,370,401</u>
Plus:	
Title VIII Impact Aid	17,420,489
On-base tuition	1,450,000
	<u>18,870,489</u>
Total local cost for tuition purposes	<u><u>\$ 72,240,890</u></u>
 Average daily membership as approved by the DEED for foundation support in FY 2014-15 (Form No. 05-00-033)	 13,770.11
 Tuition Rate	 <u><u>\$ 5,246.21</u></u>

Auditor's Certification
See Accountant's Report

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