

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR JULY 1, 2013 - JUNE 30, 2014



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, 2014**

**Dr. Karen Gaborik
Interim Superintendent of Schools**

**Prepared by
Accounting Services Department**

**Michael Fisher
Chief Financial Officer**

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

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INTRODUCTORY SECTION



FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

(907) 452-2000

520 Fifth Avenue

Fairbanks, AK 99701-4718

www.k12.northstar.org

November 9, 2014

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, 2014, 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, 2014 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, 2014 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 14,041 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 76 students to a 1,074 student high school.

Our diverse student body includes children from over 50 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 2014 district-wide average was 23.6 students per class at the elementary level (grades K-6), 22 at the middle school level (grades 7-8), and 23 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: Star of the North Secondary Charter School (grades 9-12), Effie Kokrine Early College Charter School (grades 9-12), Watershed Charter School (grades K-8), and Chinook Montessori Charter School (grades K-8). All operate under ten year charters with terms expiring in 2014, 2015, 2019, and 2021, 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 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 to the budgetary comparison schedules 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 2014 unemployment rate was 5.5 percent, a decrease of 0.9 percentage points from a year ago, compared to the national average of 6.5 percent which decreased 1.3 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 \$1.553 billion over the last five years. The local contribution to education represents about 21.6 percent of operating fund revenues for the year ended June 30, 2014, and has increased \$3.337 million or 7.5 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 totals \$1.079 million.

Projected Enrollment

Student enrollments generate a majority of district revenues and also dictate personnel needs, which represent over 87 percent of the School District's 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 declined by only 69 students or 0.5% over the five year period ending in 2013-14. Student enrollment counts for 2014-15 are due to the State Department of Education and Early Development in early November, and look to have decreased by about 275 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).

School District Initiatives

The School Board establishes a three year view of primary performance goals and on-going commitments to improve student performance on an annual basis. The primary performance goals approved for 2012-2014 focus on four major areas:

- Student Achievement
- Career Technical Education
- Technology
- 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 five 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 221. 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 87 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, 2013.

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, 2013.

This was the twenty third 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.

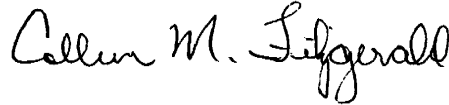
Acknowledgments

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,



Michael Fisher, CPA
Chief Financial Officer



Colleen M. Fitzgerald, CPA
Director of Accounting Services

FAIRBANKS NORTH STAR BOROUGH
SCHOOL DISTRICT

(As of July 1, 2014)

Fairbanks, Alaska

BOARD OF EDUCATION

Heidi Haas, President
Wendy Dominique, Vice-President
John Thies, Treasurer
Allyson Lambert, Clerk
Lisa Gentry, Member
Sue Hull, Member
Sean Rice, Member
Colonel Larry G. Rice Jr., Base Representative
Colonel Sidney Zemp, Post Representative
Colby Freel, Student Representative

ADMINISTRATION

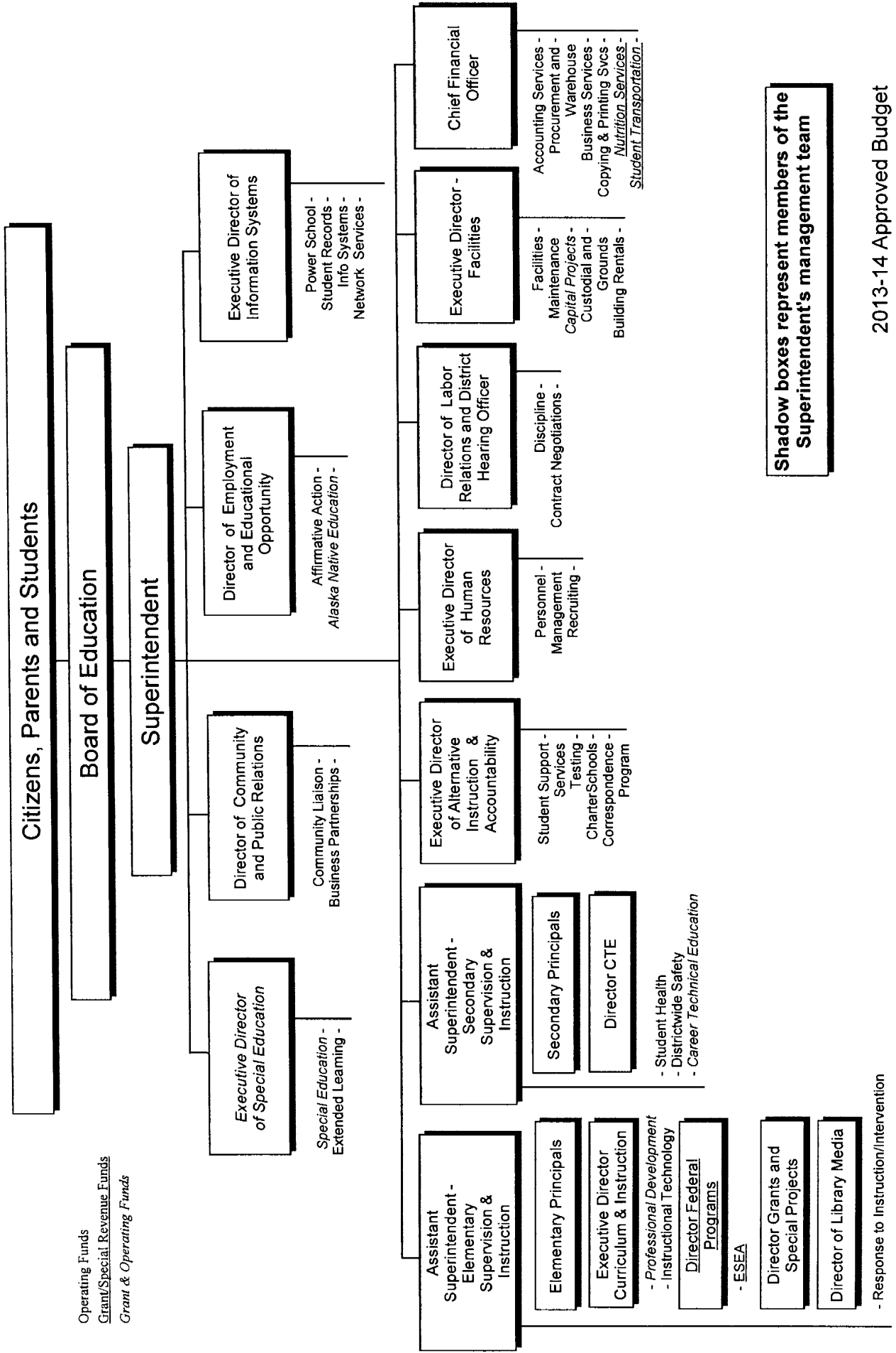
Dr. Karen Gaborik
Interim Superintendent of Schools

Shaun Kraska
Interim Assistant Superintendent
Secondary Supervision & Instruction

Sandra Kowalski
Assistant Superintendent
Elementary Supervision & Instruction

Michael Fisher
Chief Financial Officer

Fairbanks North Star Borough School District Organization Chart



Association of School Business Officials International

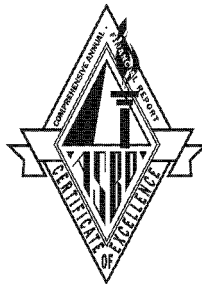


*The Certificate of Excellence in Financial Reporting Award
is presented to*

Fairbanks North Star Borough School District

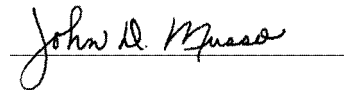
*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2013*

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





Terrie S. Simmons, RSBA, CSBO
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, 2013

Executive Director/CEO

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FINANCIAL SECTION

November 9, 2014

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, 2014, 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 funds, the internal service fund type, and the fiduciary fund type of the School District as of and for the year ended June 30, 2014, 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 the year ended June 30, 2014, 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 funds, the internal service fund type, and the fiduciary fund type of the Fairbanks North Star Borough School District, as of June 30, 2014, 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, 2014, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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, 2014 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fairbanks North Star Borough School District's 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 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 audit of the basic financial

statements for the year ended June 30, 2014, 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 taken as a whole for the year ended June 30, 2014.

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, 2013, (not presented herein), and have issued our report thereon dated November 11, 2013, 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 fiduciary funds. The accompanying supplementary information for the year ended June 30, 2013, including the supplemental reports section; the schedule of expenditures of federal awards, and the schedule of state financial assistance 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, 2013 financial statements. The supplemental reports section has been subjected to the auditing procedures applied in the audit of the June 30, 2013 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 supplemental reports section is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2013. The June 30, 2013 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, 2013 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 fiduciary funds, and the combining and individual nonmajor fund financial statements and schedules in our report dated November 11, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, 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, 2013, 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 November 9, 2014 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, 2014

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, 2014. 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 2014 include the following:

- The School District's assets exceeded its liabilities at June 30, 2014 by \$24.9 million (net position). Of this, \$20.9 million is unrestricted and available to pay obligations of the district. Included in unrestricted net position is \$13.1 million of Federal impact aid revenue for fiscal year 2015 received in advance in fiscal year 2014.
- Revenues saw a net decrease of \$0.6 million. Operating grants and contributions increased \$1.6 million due to a \$0.9 million net increase in State on-behalf payments made to the Teachers' Retirement System (TRS) and the Public Employees' Retirement System (PERS) and a \$0.7 million net increase to Federal and State grant revenues. The local contribution to education from the Fairbanks North Star Borough (Borough) increased \$1.4 million. State Foundation funding decreased \$2.8 million and Federal impact aid decreased \$0.8 million.
- Expenses saw a net decrease of \$0.7 million due to several factors. The largest decreases occurred in the instruction and special education instruction functional categories (\$2.2 million). Thirty eight teaching positions were cut from the fiscal year 2014 budget. The reduction in certified salaries was offset by negotiated increases in the certified salary table and an increase of \$0.6 million in State on-behalf payments made to the Teachers' Retirement System (TRS).
- Among major funds, the general fund had \$220.5 million in current year revenues and \$221.2 million in expenditures and other financing uses. General fund revenues and expenditures are discussed in more detail in the *Financial Analysis of the School District's Funds* section later in this report.

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-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 and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or diminishing.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis June 30, 2014 (cont.)

- 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 22 and 23 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 26 through 33 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 type of information as the government-wide financial statements, only in more detail.

The proprietary fund financial statements can be found on pages 34 through 36 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 37 of this report.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis June 30, 2014 (cont.)

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 39 through 56 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 and the notes to the budgetary schedules. Required supplementary information can be found on pages 58 through 64 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 66 through 155 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 203 through 222 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 assets exceeded liabilities by \$24.9 million as of June 30, 2014, an improvement in our financial position over fiscal year 2013. By far the largest portion of the District's net position is unrestricted and includes \$13.1 million of fiscal year 2015 impact aid received in fiscal year 2014. Investment in capital assets of \$4 million 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. 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

	2014	2013	Increase (Decrease)	Percentage Change
Assets				
Current and other assets	\$ 34,983,880	\$ 32,689,700	\$ 2,294,180	7.0%
Capital assets	4,001,914	4,169,278	(167,364)	-4.0%
Total assets	38,985,794	36,858,978	2,126,816	5.8%
Liabilities				
Long-term liabilities	9,833,630	9,730,401	103,229	1.1%
Other liabilities	4,209,154	3,835,328	373,826	9.7%
Total liabilities	14,042,784	13,565,729	477,055	3.5%

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis June 30, 2014 (cont.)

Table 1
Net Position (continued)
Governmental Activities

	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Net position				
Investment in capital assets	\$ 4,001,914	\$ 4,169,278	\$ (167,364)	-4.0%
Unrestricted	20,941,096	19,123,971	1,817,125	9.5%
Total net position	<u>\$ 24,943,010</u>	<u>\$ 23,293,249</u>	<u>\$ 1,649,761</u>	<u>7.1%</u>

The following are significant current year transactions that have had an impact on the Statement of Net Position:

- A \$3.1 million increase in equity in central treasury cash due to the advance receipt of a student safety and security capital grant from the State of Alaska (\$1.2 million) and favorable cash flow in the risk management internal service fund (\$1.5 million).
- A \$1.7 million decrease in accounts receivable due mostly to a reduction in federal grant revenues in the federal programs special revenue fund (\$2 million).

The results of this year's operations for the School District as a whole are reported in the Statement of Activities on page 23 of this report. Table 2 provides condensed information from the Statement of Activities.

Table 2
Changes in Net Position
Governmental Activities

	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Revenues:				
Program revenues:				
Charges for services	\$ 1,782,643	\$ 1,832,792	\$ (50,149)	-2.7%
Operating grants and contributions	68,202,040	66,613,379	1,588,661	2.4%
Capital grants and contributions	126,935	69,419	57,516	82.9%
General revenues:				
Borough direct appropriation	47,560,000	46,200,000	1,360,000	2.9%
Foundation program	117,038,885	119,814,989	(2,776,104)	-2.3%
Other state revenue	4,691,698	4,705,752	(14,054)	-0.3%
Federal impact aid	13,979,892	14,758,858	(778,966)	-5.3%
Other	1,048,638	995,646	52,992	5.3%
Total revenues	<u>254,430,731</u>	<u>254,990,835</u>	<u>(560,104)</u>	<u>-0.2%</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

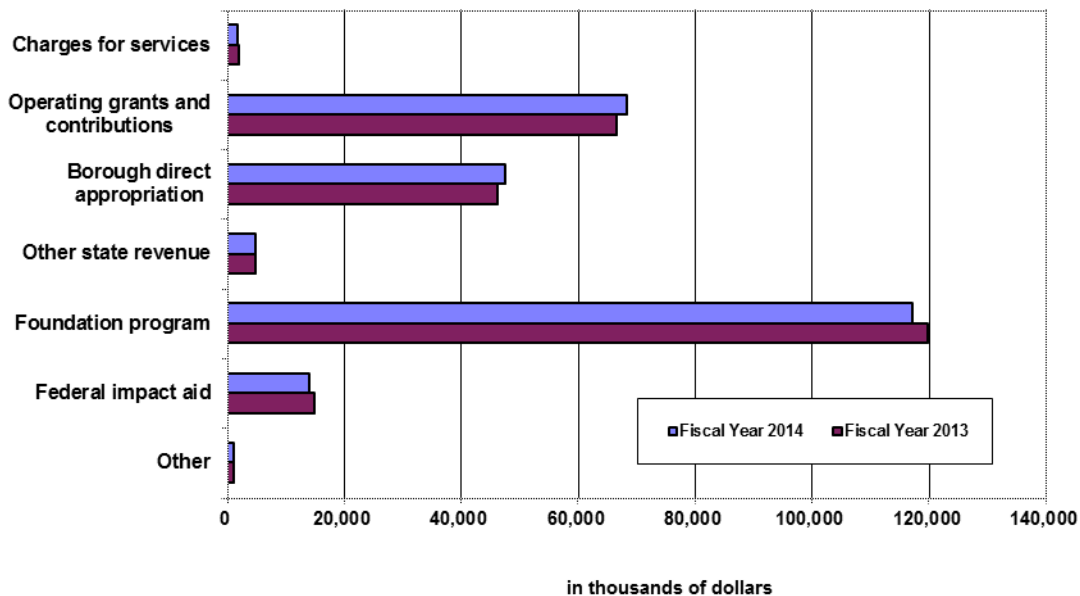
Management's Discussion and Analysis June 30, 2014 (cont.)

Table 2
Changes in Net Position (continued)
Governmental Activities

	2014	2013	Increase (Decrease)	Percentage Change
Expenses:				
Instruction	\$ 109,531,681	\$ 111,205,333	\$ (1,673,652)	-1.5%
Special education instruction	29,236,637	29,783,855	(547,218)	-1.8%
Special education instruction-support services	10,551,365	10,087,672	463,693	4.6%
Support services-students	16,554,098	15,353,243	1,200,855	7.8%
Support services-instruction	12,079,620	12,899,352	(819,732)	-6.4%
School administration	8,712,544	8,384,189	328,355	3.9%
School administration support services	5,724,618	5,645,704	78,914	1.4%
District administration	2,125,738	2,415,563	(289,825)	-12.0%
District administration support services	10,503,523	10,394,306	109,217	1.1%
Operations and maintenance of plant	25,259,547	25,334,946	(75,399)	-0.3%
Student activities	5,293,009	5,182,117	110,892	2.1%
Student transportation - to and from school	11,785,326	11,382,622	402,704	3.5%
Community services	5,000	5,000	5,000	100.0%
Food services	5,418,264	5,400,980	17,284	0.3%
Total expenses	\$ 252,780,970	\$ 253,469,882	\$ (688,912)	-0.3%
Increase in net position	\$ 1,649,761	\$ 1,520,953	\$ 128,808	8.5%
Ending net position	\$ 24,943,010	\$ 23,293,249	\$ 1,649,761	7.1%

Figure A-1 presents a comparative chart of governmental activities revenues for fiscal year 2014 and 2013.

Figure A-1, Governmental Activities Revenues for Fiscal Year 2014 and 2013



Changes in 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
June 30, 2014 (cont.)

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

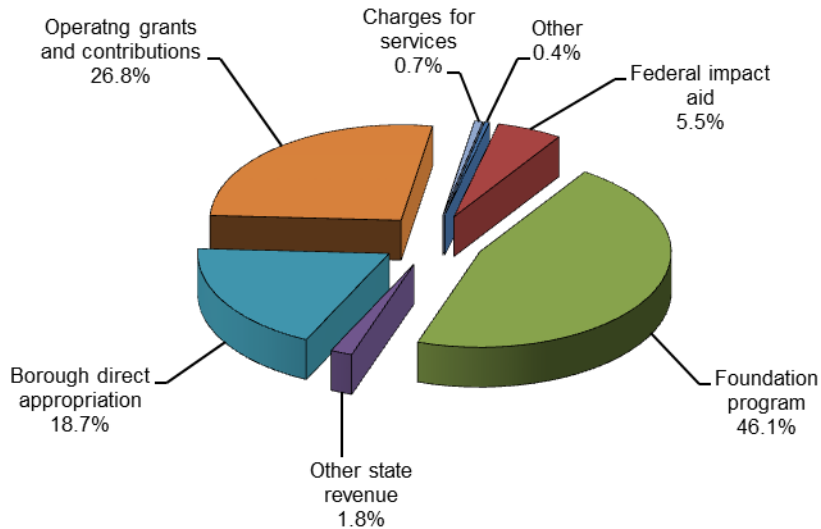
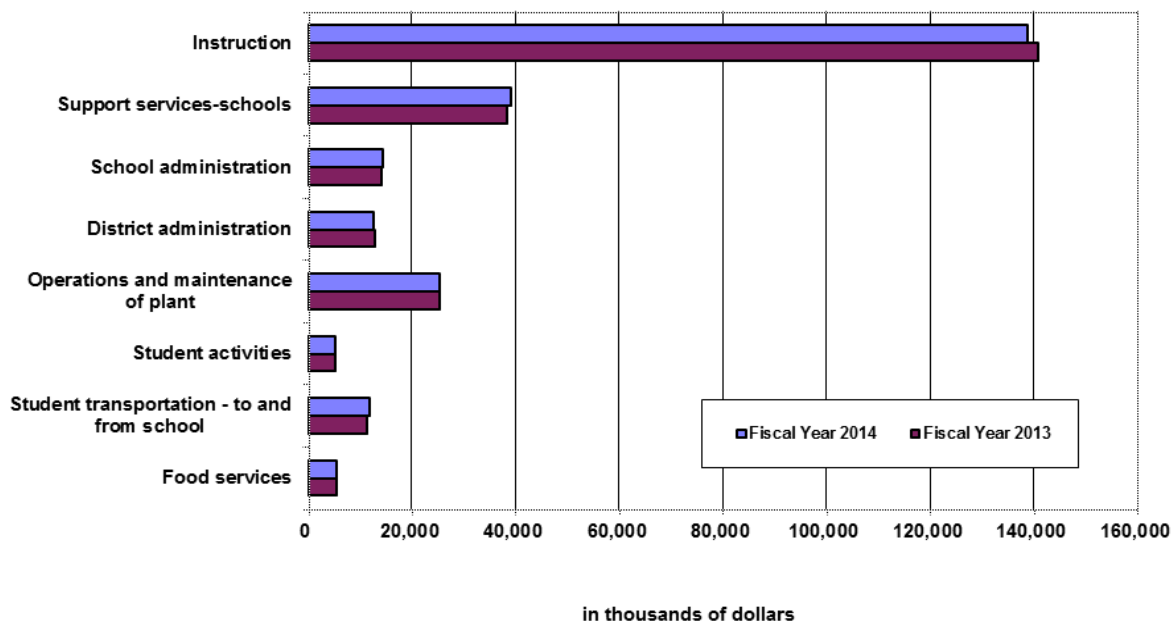


Figure A-3 presents a comparative chart of governmental activities expenses for fiscal year 2014 and 2013.

Figure A-3, Governmental Activities Expenses for Fiscal Year 2014 and 2013



FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis June 30, 2014 (cont.)

The cost of all governmental activities in the current year was \$253 million, a 0.3 percent decrease over the prior year. The following significant increases and decreases are worth noting:

- Net increase in State on-behalf payments made to the Teachers' Retirement System (TRS) and the Public Employees' Retirement System (PERS) of \$0.9 million mostly due to a 3.0 percent increase in the legislative appropriation for on-behalf funding for the TRS defined benefit plan. The actuarially determined rate for the TRS defined benefit plan increased from fiscal year 2013 by 1.0 percentage point and decreased for the PERS defined benefit plan by 0.02 percentage points. There was no change in the required employer statutory rate.
- Increase in self-insured health care costs of \$0.6 million or 2.1 percent. Initial assessments of this increase point to a nation-wide trend that is influenced in part by inflation, an aging workforce and government healthcare reform.
- Decrease in certified and non-certified staff salaries of \$1.6 million due to the reduction of thirty eight teaching positions and 12 classified positions in the fiscal year 2014 budget. The reduction in salaries was offset by negotiated 1.4 percent increases for the teachers' and principals' bargaining units, 1.75 percent for the classified staff bargaining unit, and a Board approved 1 percent increase for exempt management employees. In addition, the aforementioned employee groups received salary/wage table step movement as applicable.

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

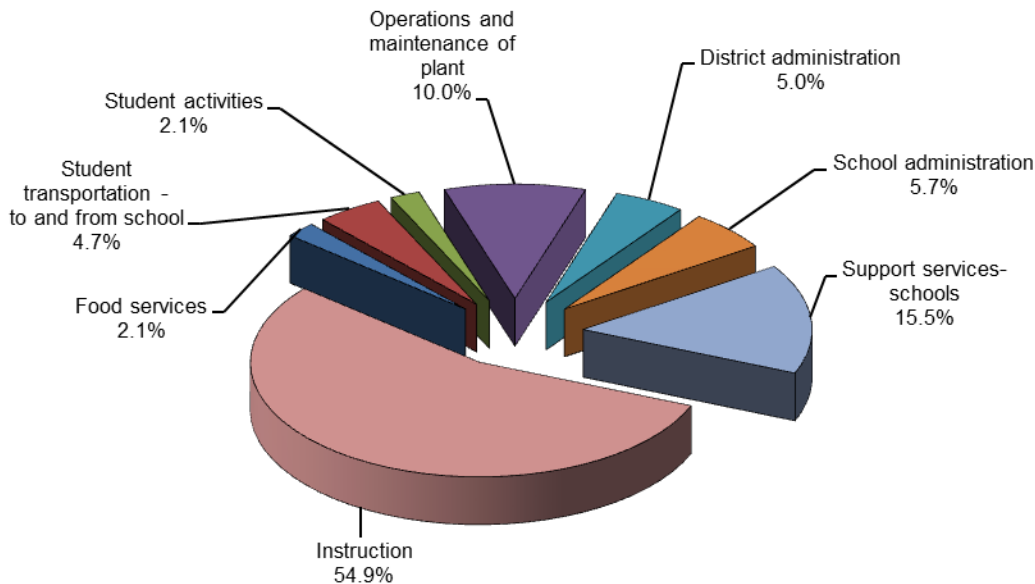


Table 3 condenses the total expenses of the School District's main functional categories – instruction, support services - schools, school administration, district administration, operations and maintenance of plant, student activities, student transportation - to and from school, community services 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 designated for specific programs. Net cost shows the amount to be supported for each of these functions by state foundation funding, other state revenue, federal impact aid and by the taxpayers. Providing this

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis June 30, 2014 (cont.)

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

	2014		2013	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$ 138,768,318	\$ 104,072,798	\$ 140,989,188	\$ 105,487,215
Support services - schools	39,185,083	27,910,644	38,340,267	29,068,278
School administration	14,437,162	12,096,861	14,029,893	11,819,065
District administration	12,629,261	11,705,492	12,809,869	11,827,009
Operations and maintenance of plant	25,259,547	23,913,395	25,334,946	24,071,088
Student activities	5,293,009	2,590,293	5,182,117	2,556,084
Student transportation - to and from school	11,785,326	(99,908)	11,382,622	(424,133)
Community services	5,000	5,000		
Food services	5,418,264	474,777	5,400,980	549,686
Total	<u>\$ 252,780,970</u>	<u>\$ 182,669,352</u>	<u>\$ 253,469,882</u>	<u>\$ 184,954,292</u>

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 \$25 million, a modest increase of \$20,000 or 0.01 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.O. on page 44 of this report.

Approximately \$4.7 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 \$20.2 million is assigned to specific purposes. Fund balance in the general fund is assigned 1) for the purpose of liquidating fiscal year 2014 contracts and purchase orders in fiscal year 2014 (\$1.7 million), 2) for the fiscal year 2015 annual federal impact aid payment received in advance in fiscal year 2014 (\$13.1 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 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.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis June 30, 2014 (cont.)

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

	2014
Total fund balances - governmental funds - at June 30, 2014	\$ 24,985,535
Cost of capital assets (net of accumulated depreciation/amortization)	4,001,914
Internal service fund net position	136,804
Long-term liabilities (compensated absences)	(4,181,243)
Total net position at June 30, 2014	<u>\$ 24,943,010</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 \$19.9 million, down \$0.6 million or 3.1 percent from last fiscal year. Revenues in the general fund decreased \$1.3 million or 0.6 percent and expenditures decreased \$0.3 million or 0.2 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 \$91,377 or 4.8 percent from the prior year due to a 2.3 percent increase in pupil transportation funding provided by the State legislature in fiscal year 2014. Because of additional funding in fiscal years 2012 and 2013, a projected use of assigned fund balance of \$1.2 million was not necessary.
- Fund balance in the state programs special revenue fund increased \$1.1 million in fiscal year 2014 due to the receipt 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

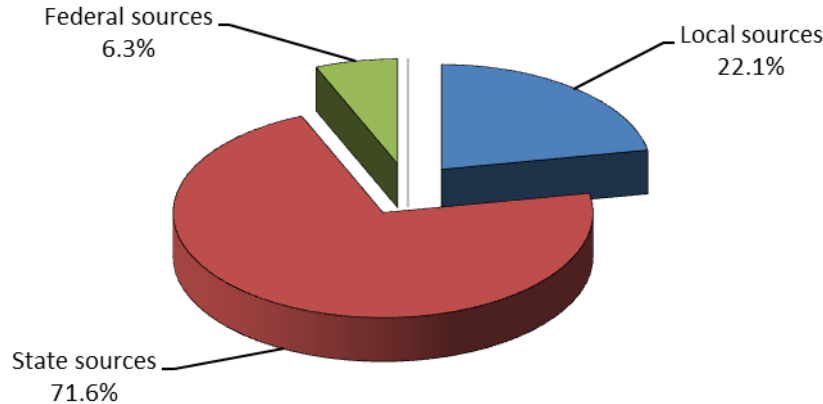
	2014	2013	Increase (Decrease)	Percent Increase (Decrease)
Local sources	\$ 48,630,214	\$ 47,230,182	\$ 1,400,032	3.0%
State sources	157,915,539	159,791,967	(1,876,428)	-1.2%
Federal sources	13,979,892	14,758,858	(778,966)	-5.3%
Other financing sources	2,953	3,430	(477)	-13.9%
Total	<u>\$ 220,528,598</u>	<u>\$ 221,784,437</u>	<u>\$ (1,255,839)</u>	<u>-0.6%</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis June 30, 2014 (cont.)

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 \$47.6 million in fiscal year 2014, a \$1.4 million increase from last year. The original appropriation in both fiscal years 2014 and 2013 was offset by the required \$0.8 million general fund lapse returned to the Borough at year-end. The decrease in revenues from state sources was due to a decrease in foundation funding (\$2.8 million) offset by an increase in on-behalf payments made to our TRS defined benefit plan (\$0.9 million). The decrease in foundation funding was due to 1) a reduction in the official average daily membership count of 210 students (\$1.3 million) and 2) a change in state law which reduced the offset in state funding based on a community's ability to fund education (\$1.4 million). The increase in State on-behalf payments was due to a 1.0 percentage point increase in the actuarially determined rate for the TRS defined benefit plan resulting in a 3.0 percent increase in the School District's portion of the legislative appropriation. The decrease in revenues from federal sources was due to a loss of \$0.8 million in impact aid resulting from a drop in the number of federally connected children eligible for impact aid revenue.

Table 6 presents a summary of general fund expenditures.

Table 6
General Fund Expenditures

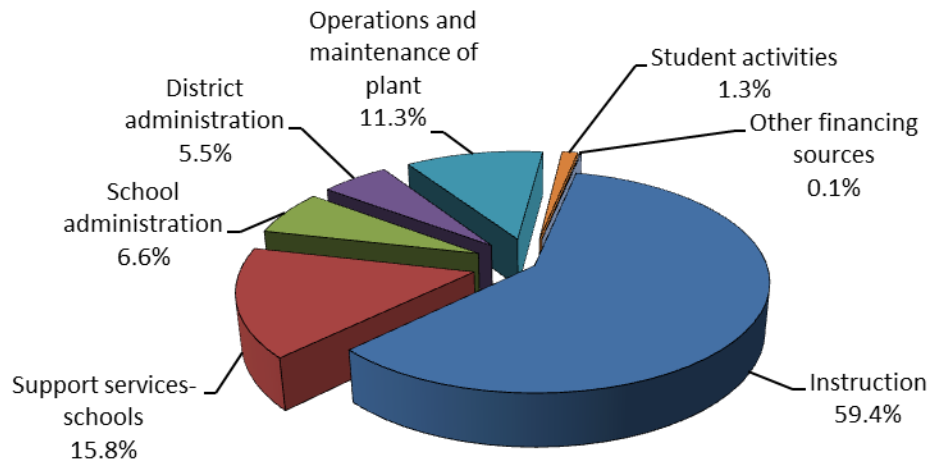
	2014	2013	Increase (Decrease)	Percent Increase (Decrease)
Instruction	\$ 131,319,287	\$ 131,949,415	\$ (630,128)	-0.5%
Support services - schools	35,016,121	34,561,754	454,367	1.3%
School administration	14,565,971	14,118,484	447,487	3.2%
District administration	12,237,000	12,147,591	89,409	0.7%
Operations and maintenance of plant	24,924,249	25,455,301	(531,052)	-2.1%
Student activities	2,872,419	2,889,827	(17,408)	-0.6%
Transfers to other funds	237,100	394,136	(157,036)	-39.8%
Total	<u>\$ 221,172,147</u>	<u>\$ 221,516,508</u>	<u>\$ (344,361)</u>	<u>-0.2%</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis June 30, 2014 (cont.)

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, the largest decreases in expenditures occurred in the instruction and operations and maintenance of plant functions in addition to a small decrease in transfers to other funds. The decrease in the instruction function was mostly caused by a drop in certified salaries (\$1.3 million) due to the loss of teaching positions in the fiscal year 2014 budget offset by a negotiated 1.4 percent increase in the teacher's salary table in addition to the value of salary/wage table step movement. Also offsetting the drop in salaries was an increase in on-behalf payments made to our PERS and TRS defined benefit plans (\$0.6 million) coupled with an increase of 1 percentage point in our health benefit rate. The decrease in the operations and maintenance of plant function was due to favorable weather conditions contributing to the reduction in energy costs discussed below.

The largest categorical decreases in the general fund were in certified salaries (\$1.1 million) and energy (\$0.6 million) offset by an increase in employee benefits (\$1.5 million) as a result of an increase in on-behalf payments made to our TRS defined benefit plan and a 2.0 percentage point increase in the health benefit rate.

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, 2014 of \$136,804, an increase of \$1.6 million from fiscal year 2013. Operating revenues increased \$0.9 million or 2.8 percent from the prior year due to an increase in the health benefit rate of 2 percentage points (\$2 million) offset by a decrease in the additional charge to the general fund to counter a projected deficit in the fund (\$1.2 million). The additional charge was \$0.8 million in fiscal year 2014 and \$2 million in fiscal year 2013. Operating expenses increased \$0.4 million or 1.3 percent from the prior year. Although health care and auto and general liability costs increased \$0.8 million, that increase was offset by a \$0.4 million reduction in worker's compensation costs.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis June 30, 2014 (cont.)

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 2014 were \$1.3 million less than the final budget. Actual expenditures on the budgetary basis (excluding other financing uses) for fiscal year 2014 were \$3.5 million less than the final budget.

Significant budget to actual variances of note were:

- Revenues - local sources – were under budget by \$0.7 million. Most of this variance was due to the required return of a portion of the local appropriation (\$0.8 million) to the Borough. Borough Ordinance 3.01.060, enacted in fiscal year 2010, requires the first 28.5 percent of the 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 at the end of the fiscal year. An amendment to that ordinance in fiscal year 2012 caps the portion of lapse required to be returned to the Borough at \$800,000. Since the amount of the subsequent year lapse is unknown when the budget is prepared, the School District budgets for the full amount of the local appropriation.
- Revenues - state sources – were \$0.8 million under budget due to 1) a reduction in state foundation funding of \$1.2 million due to a decrease in the official student count for fiscal year 2014 of 210 students offset by 2) PERS and TRS on-behalf payments made by the State of Alaska to our defined-benefit plan being over budget by \$0.4 million.
- Total expenditures – were under budget by \$3.5 million. Seven of the eleven functional expenditure categories had expenditures less than budget. Expenditures exceeded budget for special education support services - students, support services – students, school administration and district administration support services primarily in the employee benefits line item (\$0.6 million). The overages were due to a) additional charges made from the risk management internal service fund at June 30th to partially offset the deficit in that fund (\$161,669) and b) state retirement system contributions to the Public Employee Retirement System (PERS) and Teachers' Retirement System (TRS) made on the district's behalf (\$356,642). In addition, the district administration support services function experienced an overage due to higher than expected errors and omissions claims (\$141,107).

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis June 30, 2014 (cont.)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The School District's investment in capital assets for its governmental activities was \$4 million as of June 30, 2014 (net of accumulated depreciation and amortization). This investment in capital assets 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

	2014	2013	Increase (Decrease)	Percent Increase (Decrease)
Machinery and equipment	\$ 3,220,649	\$ 3,340,083	\$ (119,434)	-3.6%
Intangibles (software)	781,265	829,195	(47,930)	-5.8%
Total	\$ 4,001,914	\$ 4,169,278	\$ (167,364)	-4.0%

Additional information on the School District's capital assets can be found in Note 6 on page 49 of this report.

Debt Administration

The School District's long-term obligations include \$4.2 million for compensated absences, a decrease of \$226,884 or 3.7 percent from the prior year due to the payout and use of leave outpacing the value of leave earned. Long-term obligations also include \$5.7 million for insurance claims and reserves, an increase of \$330,113 or 6.2 percent from prior year. Claims and reserves include such items as claims payable and accrued self-insurance reserves. The increase in claims and reserves, reported in the risk management internal service fund, is due mostly to an increase in our required incurred but not reported health claims reserve offset by a decrease in our worker's compensation claims reserve. Additional information about long-term obligations can be found in Note 9 on page 51 and Note 12 on pages 52 through 53 of this report, respectively, and in the risk management internal service fund financial statements on pages 34 through 36.

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 pages 51 through 52 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:

- Two Bills were introduced in the 2013 legislative session that would centralize health insurance for all of Alaska's school employees. SB90 and HB196 would require Alaska's 53 school districts to participate in an insurance program administered by the Alaska Department of Administration. Operating fund health costs total more than \$30 million dollars and are expected to increase at a rate much faster than general inflation. There is much uncertainty if a mandated insurance pool would increase costs or slow down the rate of expected increases.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis June 30, 2014

- Revenues from state sources are largely dependent on a base allocation per student enrollment. The official student count for 2013-14 showed a decrease of over 210 students from 2012-13. Preliminary counts indicate that official student enrollments for funding purposes will decrease another 275 students in 2014-15. In April 2014 the Alaska legislature approved a three-year education funding plan that provided for an increase in year one (2014-15) to state operating aid equivalent to about \$228 on the base student allocation. Although funding variables changed in years two and three, by design state aid in years two and three provides for no increases. Flat or decreasing enrollments and flat state funding along with increasing health and other operating costs will make it difficult to balance a budget without negatively impacting educational programs and services.
- There had been widespread public discussions regarding the Department of Defense's proposed relocation of the F-16 fighter squadron at Eielson Air Force Base near Fairbanks to Joint Base Elmendorf Richardson (JBER) in Anchorage. We believe that the F-16 fighter squadron will remain at Eielson. Currently, Eielson Air Force Base is considered a favored site to house an F-35 squadron. Relocating an F-35 squadron to Eielson would favorably impact school enrollments not only on Eielson Air Force Base, but throughout the community.

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, parents, students, investors and creditors with a general overview of School District finances and show 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:

Michael Fisher
Chief Financial Officer
Fairbanks North Star Borough School District
Department of Administrative Services
520 5th Avenue
Fairbanks, Alaska 99701
Phone (907) 452-2000, Fax (907) 451-6160

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, 2014

(With comparative totals for 2013)

Governmental Activities

2014 2013

ASSETS

Equity in central treasury cash	\$ 25,029,434	\$ 21,940,989
Restricted equity in central treasury cash	193,596	33,650
Accounts receivable	8,048,190	9,554,337
Due from Fairbanks North Star Borough	568,563	143,653
Inventories	1,088,912	936,194
Prepaid items	55,185	80,877
Machinery and equipment	9,563,787	9,455,391
Less accumulated depreciation	(6,343,138)	(6,115,308)
Intangible assets, net of amortization	781,265	829,195
Total assets	\$ 38,985,794	\$ 36,858,978

LIABILITIES

Accounts payable	\$ 1,575,812	\$ 1,370,415
Accrued payroll and liabilities	1,605,890	1,631,263
Unearned revenue	193,596	33,650
Due to external groups and agencies	33,856	
Due to Fairbanks North Star Borough	800,000	800,000
Long-term liabilities (See Note 9):		
Due within one year	8,199,364	7,806,732
Due in more than one year	1,634,266	1,923,669
Total liabilities	14,042,784	13,565,729

NET POSITION

Investment in capital assets	4,001,914	4,169,278
Unrestricted	20,941,096	19,123,971
Total net position	\$ 24,943,010	\$ 23,293,249

See accompanying notes to the basic financial statements

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Statement of Activities

For the Year Ended June 30, 2014

(With comparative totals for 2013)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 109,531,681	\$ 62,715	\$ 27,139,004	\$ 7,215	\$ (82,322,747) \$ (84,250,456)
Special education instruction	29,236,637		7,486,586		(21,750,051) (21,236,759)
Special education support services - students	10,551,365		1,657,822		(8,893,543) (8,556,148)
Support services - students	16,554,098	188,850	6,446,384		(9,918,864) (10,892,000)
Support services - instruction	12,079,620	38,540	2,942,843		(9,098,237) (9,620,130)
School administration	8,712,544		1,926,617		(6,785,927) (6,581,651)
School administration support services	5,724,618		413,684		(5,310,934) (5,237,414)
District administration	2,125,738		289,043		(1,836,695) (2,100,483)
District administration support services	10,503,523		634,726		(9,868,797) (9,726,526)
Operations and maintenance of plant	25,259,547		1,226,432	119,720	(23,913,395) (24,071,088)
Student activities	5,293,009		2,702,716		(2,590,293) (2,556,084)
Student transportation - to and from school	11,785,326		11,885,234		99,908 424,133
Community services	5,000				(5,000)
Food services	5,418,264	1,492,538	3,450,949		(474,777) (549,686)
Total governmental activities	\$ 252,780,970	\$ 1,782,843	\$ 68,202,040	\$ 126,935	(182,669,352) (184,954,292)
General revenues:					
Grants and contributions not restricted to specific programs:					
Borough direct appropriation					47,560,000 46,200,000
Foundation program					117,038,885 119,814,989
Other state revenue					4,691,698 4,705,752
Federal impact aid					13,979,892 14,758,858
Other					508,827 595,346
Miscellaneous					539,811 400,300
Total general revenues					184,319,113 186,475,245
Change in net position					1,649,761 1,520,953
Net position - beginning					23,293,249 21,772,296
Net position - ending					\$ 24,943,010 \$ 23,293,249

See accompanying notes to the basic financial statements

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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, 2014

(With comparative totals for 2013)

	<u>General</u>	<u>Federal Programs Special Revenue</u>	<u>Student Transportation Special Revenue</u>
<u>ASSETS</u>			
Equity in central treasury cash	\$ 18,235,263	\$ 1,298	\$ 2,120,286
Accounts receivable:			
Local	491,490	76,546	
State		2,788,598	
Federal	30,403	242,117	
Due from other funds	4,171,540		
Due from Fairbanks North Star Borough	6,213		
Inventories	463,606		
Prepaid items	55,185		
	<u>\$ 23,453,700</u>	<u>\$ 3,108,559</u>	<u>\$ 2,120,286</u>
Total assets			
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 1,159,273	\$ 44,165	\$ 144,721
Accrued payroll and liabilities	1,605,890		
Unearned revenue			
Due to other funds		3,063,096	
Due to Fairbanks North Star Borough	800,000		
Due to external groups and agencies	33,856		
	<u>3,599,019</u>	<u>3,107,261</u>	<u>144,721</u>
Total liabilities			
Fund balances:			
Nonspendable	518,791		
Restricted		1,298	746,724
Committed			
Assigned	15,719,300		1,228,841
Unassigned	3,616,590		
	<u>19,854,681</u>	<u>1,298</u>	<u>1,975,565</u>
Total fund balances			
Total liabilities and fund balances	<u>\$ 23,453,700</u>	<u>\$ 3,108,559</u>	<u>\$ 2,120,286</u>

See accompanying notes to the basic financial statements

State Programs Special Revenue	Nonmajor Governmental	Total Governmental Funds	
		2014	2013
\$ 1,379,798	\$ 1,944,772	\$ 23,681,417	\$ 21,974,639
9,516	373	577,925	550,891
78,273		2,866,871	4,554,704
		272,520	343,803
		4,171,540	4,770,751
532,682	29,668	568,563	143,653
	625,306	1,088,912	936,194
		55,185	80,877
<u>\$ 2,000,269</u>	<u>\$ 2,600,119</u>	<u>\$ 33,282,933</u>	<u>\$ 33,355,512</u>

\$ 106,578	\$ 37,779	\$ 1,492,516	\$ 1,294,789
		1,605,890	1,631,263
192,751	845	193,596	33,650
584,129	524,315	4,171,540	4,630,333
		800,000	800,000
		33,856	
<u>883,458</u>	<u>562,939</u>	<u>8,297,398</u>	<u>8,390,035</u>

	625,306	1,144,097	1,017,071
1,116,811	41	1,864,874	662,773
	1,726,030	1,726,030	1,794,550
	185,835	17,133,976	20,195,737
	(500,032)	3,116,558	1,295,346
<u>1,116,811</u>	<u>2,037,180</u>	<u>24,985,535</u>	<u>24,965,477</u>
<u>\$ 2,000,269</u>	<u>\$ 2,600,119</u>	<u>\$ 33,282,933</u>	<u>\$ 33,355,512</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, 2014

Total fund balances for governmental funds	\$ 24,985,535
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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	\$ 9,563,787	
Accumulated depreciation to date	(6,343,138)	
Intangible assets, net of amortization	<u>781,265</u>	
		4,001,914

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	136,804
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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, 2014 are:

Compensated absences	<u>(4,181,243)</u>
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Total net position of governmental activities	<u><u>\$ 24,943,010</u></u>
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See accompanying notes to the basic financial statements

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014
(With comparative totals for 2013)

	<u>General</u>	<u>Federal Programs Special Revenue</u>	<u>Student Transportation Special Revenue</u>
Revenues:			
Local sources	\$ 48,630,214	\$ 33,123	\$
State sources	157,915,539		11,885,234
Federal sources	<u>13,979,892</u>	<u>10,976,043</u>	
Total revenues	<u>220,525,645</u>	<u>11,009,166</u>	<u>11,885,234</u>
Expenditures:			
Current:			
Instruction	105,031,822	4,365,425	
Special education instruction	26,287,465	3,087,449	
Special education support services - students	10,616,448		
Support services - students	13,775,025	1,624,159	
Support services - instruction	10,624,648	1,330,154	
School administration	8,798,346		
School administration support services	5,767,625		
District administration	2,223,703		
District administration support services	10,013,297	555,816	
Operations and maintenance of plant	24,924,249		
Student activities	2,872,419		
Student transportation - to and from school			11,793,857
Community services			
Food services		<u>45,176</u>	
Total current	<u>220,935,047</u>	<u>11,008,179</u>	<u>11,793,857</u>
Capital outlay			
Total expenditures	<u>220,935,047</u>	<u>11,008,179</u>	<u>11,793,857</u>
Excess (deficiency) of revenues over expenditures	<u>(409,402)</u>	<u>987</u>	<u>91,377</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	2,953		
Transfers in			
Transfers out	<u>(237,100)</u>		
Total other financing sources (uses)	<u>(234,147)</u>		
Net change in fund balances	<u>(643,549)</u>	<u>987</u>	<u>91,377</u>
Fund balances - beginning	<u>20,498,230</u>	<u>311</u>	<u>1,884,188</u>
Fund balances - ending	<u>\$ 19,854,681</u>	<u>\$ 1,298</u>	<u>\$ 1,975,565</u>

See accompanying notes to the basic financial statements

State Programs Special Revenue	Nonmajor Governmental	Total Governmental Funds	
		2014	2013
\$	\$	\$	\$
3,378,180	4,152,133	52,815,470	51,339,032
	1,200	173,180,153	172,478,357
	3,476,220	28,432,155	31,170,046
3,378,180	7,629,553	254,427,778	254,987,435
1,010,454	50,666	110,458,367	111,908,220
		29,374,914	29,874,926
		10,616,448	10,116,540
1,214,403	131,569	16,745,156	15,436,738
	69,461	12,024,263	12,741,319
		8,798,346	8,452,142
		5,767,625	5,666,342
		2,223,703	2,396,461
17,243		10,586,356	10,381,157
7,473		24,931,722	25,455,301
	2,440,570	5,312,989	5,185,421
		11,793,857	11,377,599
	5,000	5,000	
11,796	5,359,058	5,416,030	5,433,831
2,261,369	8,056,324	254,054,776	254,425,997
	355,897	355,897	39,881
2,261,369	8,412,221	254,410,673	254,465,878
1,116,811	(782,668)	17,105	521,557
		2,953	3,430
	237,100	237,100	394,136
		(237,100)	(394,136)
	237,100	2,953	3,430
1,116,811	(545,568)	20,058	524,987
	2,582,748	24,965,477	24,440,490
\$ 1,116,811	\$ 2,037,180	\$ 24,985,535	\$ 24,965,477

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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, 2014

Net change in fund balances - total governmental funds	\$ 20,058
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	\$ 638,774
Less current year depreciation/amortization	<u>(786,755)</u>
	(147,981)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals and donations) is to decrease net position.	(19,383)
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.	226,884
An internal service fund is used by management to charge the costs of self-insurance and risk management to individual funds. The operating gain of the internal service fund is reported with governmental activities.	<u>1,570,183</u>
Change in net position of governmental activities	<u>\$ 1,649,761</u>

See accompanying notes to the basic financial statements

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
 Statement of Net Position
 Proprietary Fund
 June 30, 2014
 (With comparative totals for 2013)

	Governmental Activities - Risk Management Internal Service Fund Totals	
	2014	2013
<u>ASSETS</u>		
Current assets:		
Equity in central treasury cash	\$ 1,541,613	\$
Accounts receivable - local	4,330,874	4,104,939
Total assets	<u>\$ 5,872,487</u>	<u>\$ 4,104,939</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	\$ 83,296	\$ 75,626
Due to other funds		140,418
Current portion of long-term liabilities:		
Claims payable	4,357,814	3,753,233
Total current liabilities	<u>4,441,110</u>	<u>3,969,277</u>
Noncurrent liabilities:		
Noncurrent portion of long-term liabilities:		
Claims payable	53,117	50,000
Accrued self-insurance reserves	1,241,456	1,519,041
Total noncurrent liabilities	<u>1,294,573</u>	<u>1,569,041</u>
Total liabilities	<u>5,735,683</u>	<u>5,538,318</u>
<u>NET POSITION</u>		
Unrestricted	<u>136,804</u>	<u>(1,433,379)</u>
Total net position	<u>\$ 136,804</u>	<u>\$ (1,433,379)</u>

See accompanying notes to the basic financial statements

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2014
(With comparative totals for 2013)

	Governmental Activities - Risk Management Internal Service Fund Totals	
	2014	2013
Operating revenues:		
Revenue from local sources:		
Charges for services	<u>\$ 34,603,139</u>	<u>\$ 33,664,172</u>
Operating expenses:		
Health and life insurance	31,303,161	30,659,508
Workers' compensation insurance	746,800	1,141,060
Property and other insurance	497,299	530,839
Auto and general liability insurance	<u>485,696</u>	<u>281,332</u>
Total operating expenses	<u>33,032,956</u>	<u>32,612,739</u>
Operating income	1,570,183	1,051,433
Total net position - beginning	<u>(1,433,379)</u>	<u>(2,484,812)</u>
Total net position - ending	<u><u>\$ 136,804</u></u>	<u><u>\$ (1,433,379)</u></u>

See accompanying notes to the basic financial statements

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Statement of Cash Flows

Proprietary Fund

For the Year Ended June 30, 2014

(With comparative totals for 2013)

	Governmental Activities - Risk Management Internal Service Fund Total	
	2014	2013
Cash flows from operating activities:		
Receipts from interfund services provided	\$ 34,518,324	\$ 33,648,720
Receipts from employees	4,287,948	3,973,402
Payments to suppliers	(1,003,710)	(1,090,726)
Payments to employees	(191,359)	(261,533)
Payments to Fairbanks North Star Borough	<u>(35,929,172)</u>	<u>(36,242,518)</u>
Net cash provided by operating activities	1,682,031	27,345
Cash flows from noncapital financing activities:		
Transfers to other funds	<u>(140,418)</u>	<u>(27,345)</u>
Net increase in equity in central treasury cash	1,541,613	
Equity in central treasury cash - beginning		
Equity in central treasury cash - ending	<u><u>\$ 1,541,613</u></u>	<u><u>\$</u></u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	<u>\$ 1,570,183</u>	<u>\$ 1,051,433</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Increase in accounts receivable - local	(225,935)	(442,338)
Increase in accounts payable	7,670	2,449
Increase (decrease) in claims payable, current portion	604,581	(693,631)
Increase in claims payable, non-current portion	3,117	4,020
Increase (decrease) in self-insurance reserves	<u>(277,585)</u>	<u>105,412</u>
Total adjustments	<u>111,848</u>	<u>(1,024,088)</u>
Net cash provided by operating activities	<u><u>\$ 1,682,031</u></u>	<u><u>\$ 27,345</u></u>

See accompanying notes to the basic financial statements

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
 School District Agency Fund
 Statement of Fiduciary Assets and Liabilities
 June 30, 2014
 (With comparative totals for 2013)

	Totals	
	2014	2013
<u>ASSETS</u>		
Equity in central treasury cash	\$ 50,725	\$ 54,177
Accounts receivable - local		300
	<u>\$ 50,725</u>	<u>\$ 54,477</u>
<u>LIABILITIES</u>		
Accounts payable	\$ 45	\$ 2,254
Due to external groups	50,680	52,223
Total liabilities	<u>\$ 50,725</u>	<u>\$ 54,477</u>

See accompanying notes to the basic financial statements

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NOTES TO THE BASIC FINANCIAL STATEMENTS

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements
June 30, 2014

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 addition, the School District may carry over from one year to the next the unreserved 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.

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,

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2014 (cont.)

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.

The School District reports the following 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.

Additionally, the School District reports the following fund types:

Governmental Funds

Special revenue funds – account for proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than capital projects. The School District maintains a separate project cost center for each federal and state grant program as well as other local sources of restricted funding. Those cost centers are assigned to the appropriate special revenue fund based on their purpose and funding source. This comprehensive annual financial

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2014 (cont.)

report includes revenue and expenditure schedules for all grants as required by the *Alaska Department of Education and Early Development Uniform Chart of Accounts and Account Code Descriptions for Public School Districts, 2012 edition*.

Capital projects funds – account for those financial resources that are restricted, committed, or assigned for acquisition, construction, and major maintenance of facilities and equipment. The Borough accounts for most acquisition, construction, and major maintenance projects of school facilities. The School District accounts for expenditures in support of major maintenance projects of school facilities conducted by the Borough as well as our own small maintenance projects.

Proprietary Fund

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

Agency fund – accounts for the assets held by the School District as an agent for various school-related organizations. 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.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2014 (cont.)

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 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.

Restricted equity in central treasury cash, only recorded in the government-wide financial statements, is cash whose use is limited by the legal requirements of grant awards.

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 (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.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2014 (cont.)

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.

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. 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.

L. 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.

M. 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

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2014 (cont.)

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.

N. 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.

O. 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 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

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2014 (cont.)

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.

P. 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 2014.

Q. On-Behalf Pension 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.

R. 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, 2013, 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.

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

The governmental fund statement of revenues, expenditures, and changes in fund balances include a 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

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2014 (cont.)

assets (i.e., sales, disposals and donations) is to decrease net position.” The details of this \$19,383 decrease 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	\$ 2,953
Net loss on the disposal of capital assets	<u>16,430</u>
Net adjustment to decrease <i>net change in fund balances – total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$ 19,383</u>

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 fiscal year. At June 30, 2014 local appropriation fund balance was \$3,509,813 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 five 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	\$ 463,606
Prepaid items	<u>55,185</u>
Total	<u>518,791</u>

Other governmental funds:

Food service special revenue fund - inventories	625,306
Total <i>nonspendable</i>	<u>\$ 1,144,097</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2014 (cont.)

Restricted - the following fund balances are restricted for:

Federal programs special revenue fund	\$ 1,298
Student transportation special revenue fund	746,724
State programs special revenue fund	<u>1,116,811</u>

Nonmajor governmental funds:

Local programs special revenue fund:

Youth Service America	41
Total <i>restricted</i>	<u>\$ 1,864,874</u>

Committed - the following fund balances are committed to:

Nonmajor governmental funds:

Local programs special revenue fund:

Barnette Magnet After School Program	\$ 27,803
University Park After School Program	1,280
Curriculum Staff Development	74,815
Community Donations	71,564
School activities special revenue fund	<u>1,550,568</u>
Total <i>committed</i>	<u>\$ 1,726,030</u>

Assigned - the following fund balances are assigned to:

General fund:

Encumbrances	\$ 1,689,890
Impact aid advance	13,068,830
Subsequent year's expenditures	<u>960,580</u>
Total general fund	<u>15,719,300</u>
Student transportation special revenue fund	<u>1,228,841</u>

Nonmajor governmental funds:

Capital projects funds:

Title VIII Construction	155,879
Districtwide School Projects	4,847
Administrative Center Infrastructure	<u>25,109</u>
Total capital projects funds	<u>185,835</u>
Total <i>assigned</i>	<u>\$ 17,133,976</u>

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 monies, 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.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2014 (cont.)

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.

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 assigned 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, 2014, 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, 2014 is as follows:

	Carrying Value of Equity in Central Treasury	Due To/From Other Funds	Reported Equity in Central Treasury
General fund	\$ 22,406,803	\$ (4,171,540)	\$ 18,235,263
Federal programs special revenue fund	(3,061,798)	3,063,096	1,298
Student transportation special revenue fund	2,120,286		2,120,286
State programs special revenue fund	795,669	584,129	1,379,798
Non-major governmental funds	1,420,457	524,315	1,944,772
Total governmental funds	23,681,417		23,681,417
Risk management internal service fund	1,541,613		1,541,613
Total governmental activities	\$ 25,223,030	\$	\$ 25,223,030
School District agency fund	\$ 50,725	\$	\$ 50,725

Of total reported equity in central treasury cash in the statement of net position at June 30, 2014, \$25,029,434 is unrestricted and \$193,596 is restricted.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2014 (cont.)

NOTE 5: RECEIVABLES

Detail of accounts receivable reported in the statement of net position at June 30, 2014 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	\$ 491,490	\$ 76,546	\$ 9,516	\$ 373	\$ 4,330,874	\$ 4,908,799
State		2,788,598	78,273			2,866,871
Federal	30,403	242,117				272,520
Total receivables	<u>\$ 521,893</u>	<u>\$ 3,107,261</u>	<u>\$ 87,789</u>	<u>\$ 373</u>	<u>\$ 4,330,874</u>	<u>\$ 8,048,190</u>

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.

The changes in capital assets by major class for the year ended June 30, 2014, were as follows:

	July 1, 2013 Balance	Additions	Deductions	Adjustments	June 30, 2014 Balance
Governmental activities:					
Machinery and equipment	\$ 9,455,391	\$ 573,489	\$ (432,762)	\$ (32,331)	\$ 9,563,787
Less accumulated depreciation	<u>(6,115,308)</u>	<u>(659,209)</u>	<u>419,886</u>	<u>11,493</u>	<u>(6,343,138)</u>
Total, net of accumulated depreciation	<u>3,340,083</u>	<u>(85,720)</u>	<u>(12,876)</u>	<u>(20,838)</u>	<u>3,220,649</u>
Intangible assets (software)	1,322,438	65,285	(19,947)	32,331	1,400,107
Less accumulated amortization	<u>(493,243)</u>	<u>(127,546)</u>	<u>13,440</u>	<u>(11,493)</u>	<u>(618,842)</u>
Total, net of accumulated amortization	<u>829,195</u>	<u>(62,261)</u>	<u>(6,507)</u>	<u>20,838</u>	<u>781,265</u>
Governmental activities capital assets, net	<u>\$ 4,169,278</u>	<u>\$ (147,981)</u>	<u>\$ (19,383)</u>	<u>\$</u>	<u>\$ 4,001,914</u>

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

Instruction	\$ 107,191
Special education instruction	59,643
Special education support services - students	546
Support services - students	1,140
Support services - instruction	217,054
School administration support services	1,815
District administration support services	171,740
Operations and maintenance of plant	181,311
Student activities	6,995
Food services	39,320
Total depreciation/amortization expense	<u>\$ 786,755</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements
June 30, 2014 (cont.)

NOTE 7: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2014 was as follows:

Due To/From Other Funds

Receivable Fund:	Payable Fund:	Amount
General fund	Federal programs special revenue fund	\$ 3,063,096
General fund	State programs special revenue fund	584,129
General fund	Nonmajor governmental funds	524,315
Total interfund receivables/payables		<u>\$ 4,171,540</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.

Interfund Transfers

	Transfers In:
	Nonmajor Governmental Funds
Transfers Out:	
General fund	<u>\$ 237,100</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>\$ 568,563</u>
Primary government (Borough)	Component unit - School District	<u>\$ 800,000</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 the return of a portion of the Borough direct appropriation pursuant to Borough Ordinance 3.01.060E (see also Note 1A).

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

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2014 (cont.)

and therefore, the lease agreement is not reflected as an asset or liability. Operating lease expense for fiscal year 2014 was \$216,972.

NOTE 9: GENERAL LONG-TERM LIABILITIES

Long-term liabilities for governmental activities for the year ended June 30, 2014 were as follows:

Governmental activities:	July 1, 2013 Balance	Additions	Reductions	June 30, 2014 Balance	Due Within One Year
Compensated absences	\$ 4,408,127	\$ 3,461,434	\$ (3,688,318)	\$ 4,181,243	\$ 3,841,550
Claims and reserves	5,322,274	34,416,048	(34,085,935)	5,652,387	4,357,814
Governmental activity long-term liabilities	<u>\$ 9,730,401</u>	<u>\$ 37,877,482</u>	<u>\$ (37,774,253)</u>	<u>\$ 9,833,630</u>	<u>\$ 8,199,364</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 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, 2013 Balance	Additions	Reductions	June 30, 2014 Balance	Due Within One Year
2006, Series I	\$ 7,310,000	\$	\$ (425,000)	\$ 6,885,000	\$ 440,000
2007, Series J	9,465,000		(510,000)	8,955,000	530,000
2007, Series K	4,875,000		(1,130,000)	3,745,000	1,170,000
2008, Series L	9,250,000		(445,000)	8,805,000	465,000
2010, Series M	10,645,000		(475,000)	10,170,000	485,000
2010, Series N	11,063,263		(2,068,936)	8,994,327	2,131,631
2011, Series O	9,455,000		(1,420,000)	8,035,000	1,475,000
2012, Series P	4,590,000		(510,000)	4,080,000	530,000
2012, Series Q	19,375,000		(1,685,000)	17,690,000	1,745,000
2012, Series R	11,015,000		(490,000)	10,525,000	495,000
2012, Series S	16,670,000		(1,280,000)	15,390,000	1,305,000
	<u>\$ 113,713,263</u>	<u>\$</u>	<u>\$ (10,438,936)</u>	<u>\$ 103,274,327</u>	<u>\$ 10,771,631</u>

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2015	\$ 10,771,631	\$ 4,074,482
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
2020-2024	32,760,000	7,156,708
2025-2029	14,725,000	1,928,181
2030-2032	2,945,000	156,035
Total	<u>\$ 103,274,327</u>	<u>\$ 25,340,857</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2014 (cont.)

During the year, the Borough paid total principal and interest of \$14,866,703 for school-related debt service.

NOTE 11: COMMITMENTS

As of June 30, 2014 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	\$ 1,689,890
Federal Programs Special Revenue Fund	19,573
Student Transportation Special Revenue Fund	15,247
State Programs Special Revenue Fund	85,760
	<u>\$ 1,810,470</u>
Nonmajor Governmental Funds:	
Special Revenue Funds	\$ 21,754
Capital Projects Funds	152,447
	<u>\$ 174,201</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, 2014 (cont.)

Changes in the risk management internal service fund liability amounts in fiscal years 2014 and 2013 were:

	Claims Liability 2013-14	Claims Liability 2012-13
July 1	\$ 5,322,274	\$ 5,906,473
Current year claims	34,382,023	33,267,569
Changes in estimates for claims of prior periods	34,025	1,156,412
Claims payments	(34,085,935)	(35,008,180)
June 30	<u>\$ 5,652,387</u>	<u>\$ 5,322,274</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, 2014 and 2013 was \$4,330,874 and \$4,104,939, 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 2013-14	Allocated Services 2012-13
Risk management overhead	\$ 672,397	\$ 625,875
Auto/general liability, property and other insurance premiums	812,284	778,587
Workers' compensation insurance premiums	255,405	204,182
Health and workers' compensation claims paid	34,377,170	33,520,463
General/auto liabilities, errors & omissions claims paid	108,004	21,799
Audit	58,149	51,741
	<u>\$ 36,283,409</u>	<u>\$ 35,202,647</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, 2014 (cont.)

A. Alaska Public Employees' Retirement System

Plan Description

The Alaska Public Employees' Retirement System (PERS) is established and administered by the State of Alaska (State) to provide pension, postemployment healthcare, survivor, and disability benefits to eligible employees. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. Employee participation 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 Plan (Tiers I, II and III)

Funding Policy

Employee contribution rates for the defined benefit 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 contribution by the State.

Effective July 1, 2008 the employer rate is statutorily set at the greater of 22.00 percent or the actuarially determined normal cost rate. When the 22.00 percent exceeds the normal cost rate, the excess is applied to the past service liability of the plan. The PERS total employer/State contribution rate for fiscal year 2014 was 35.68 percent (18.38 percent for defined benefit pension costs and 17.30 percent for postemployment healthcare costs). The normal cost rate portion was 8.12 percent (2.79 percent for defined benefit pension costs and 5.33 percent for postemployment healthcare costs) and the past service rate portion was 27.56 percent (15.59 percent for defined benefit pension costs and 11.97 percent for postemployment healthcare costs).

Plan Contributions

School District contributions to the PERS defined benefit plan for fiscal years ended June 30, 2014, 2013, and 2012 were \$5,015,753, \$5,149,965, and \$5,219,783, respectively, equal to the required employer contributions for each year. On-behalf payments made by the State of Alaska for fiscal year 2014, 2013, and 2012 were \$5,034,322, \$5,041,243, and \$4,003,866, respectively. The on-behalf 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 Plan (Tier IV)

Funding Policy

Employee contribution rates for the defined contribution 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 defined benefit plan. That rate is the greater of 22.00 percent or the actuarially determined normal cost rate of the defined benefit plan. The 22.00 percent rate for the defined

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2014 (cont.)

contribution plan is comprised of five elements: 5.00 percent to each member's individual pension account, 0.48 percent into the retiree medical plan, 0.20 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 defined benefit plan's unfunded liability. The flat dollar amount per employee for fiscal year 2014 was \$72.95 per pay period for full-time employees and \$1.22 per hour for part-time employees.

Plan Contributions

School District contributions to the PERS defined contribution plan for years ended June 30, 2014, 2013, and 2012 were \$1,398,166, \$1,258,214, and \$1,151,340, respectively and employee contributions to the plan were \$1,043,008, \$938,835, and \$861,019, respectively. The employer residual contributions for fiscal year 2014, 2013, and 2012, applied as a payment to the defined benefit plan's unfunded liability, were \$1,471,405, \$1,324,551, and \$1,217,464, respectively.

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. 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)

Funding Policy

Employee contribution rates for the defined benefit 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 to pay both pension and postemployment healthcare benefits when due. In accordance with Alaska Statutes, those actuarially determined rates are paid by a combination of periodic employer contributions and a direct contribution by the State. Effective July 1, 2008 the employer rate is statutorily set at the greater of 12.56 percent or the actuarially determined normal cost rate. When the 12.56 percent exceeds the normal cost rate, the excess is applied to the past service liability of the plan. The actuarially determined employer/State contribution rate for fiscal year 2014 was 53.62 percent (33.72 percent for pension costs and 19.90 percent for postemployment healthcare costs). The normal cost rate portion was 6.59 percent (2.72 percent for pension costs and 3.87 percent for postemployment healthcare costs) and the past service rate portion was 47.03 percent (31 percent for pension costs and 16.03 percent for postemployment healthcare costs).

Plan Contributions

School District contributions to the TRS defined benefit plan for fiscal years ended June 30, 2014, 2013, and 2012 were \$6,875,256, \$7,234,005, and \$7,374,940, respectively, equal to the required employer contributions for each year. On-behalf payments made by the State of Alaska for fiscal year 2014, 2013 and 2012 were \$31,150,634, \$30,229,983, and \$22,767,876, respectively. The on-behalf payments are recorded in the general fund as revenues from state sources and as

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements June 30, 2014

expenditures. On the government-wide statement of activities they are recorded as expense and program revenue.

Defined Contribution Plan (Tier III)

Funding Policy

Employee contribution rates for the defined contribution 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 defined benefit plan. That rate is the greater of 12.56 percent or the actuarially determined normal cost rate of the defined benefit plan. The 12.56 percent rate for the defined contribution plan is comprised of four elements: 7.00 percent to each member's individual pension account, 0.47 percent into the retiree medical plan, 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 defined benefit plan's unfunded liability. The flat dollar amount per employee for fiscal year 2014 was \$72.95 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.

Plan Contributions

School District contributions to the TRS defined contribution plan for years ended June 30, 2014, 2013, and 2012 were \$2,161,009, \$1,947,632, and \$1,755,806, respectively and employee contributions to the plan were \$1,662,075, \$1,488,170, and \$1,328,273, respectively. The employer residual contributions for fiscal year 2014, 2013, and 2012, applied as a payment to the defined benefit plan's unfunded liability, were \$448,983, \$389,467, and \$330,009, respectively.

NOTE 15: 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 has accrued amounts it considers sufficient to cover settlements that may be payable as a result of unfavorable outcomes.

The Alaska Division of Retirement and Benefits (DRB) recently raised concerns during a compliance audit about Medicare eligibility of certain teachers who received letters of doubtful status in the spring of 1987 but were ultimately retained for the subsequent school year. There is a question about whether there was a break in service for the teachers and how that may affect their Medicare eligibility. The School District is working with the DRB to file amended returns with various regulatory agencies where necessary and resolve any outstanding Medicare tax liability.

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**

Notes to Budgetary Comparison Schedules

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, 2014

	Budgeted Amounts		Actual	Actual on Budgetary Basis	Variance with Final Budget
	Original	Final			
Revenues:					
Local sources	\$ 49,384,800	\$ 49,366,804	\$ 48,630,214	\$ 48,630,214	\$ (736,590)
State sources	158,723,360	158,723,360	157,915,539	157,915,539	(807,821)
Federal sources	13,690,530	13,690,530	13,979,892	13,979,892	289,362
Total revenues	<u>221,798,690</u>	<u>221,780,694</u>	<u>220,525,645</u>	<u>220,525,645</u>	<u>(1,255,049)</u>
Expenditures:					
Current:					
Instruction	105,427,356	105,887,365	105,031,822	104,812,063	1,075,302
Special education instruction	27,139,403	26,643,318	26,287,465	26,288,230	355,088
Special education support services - students	10,803,777	10,675,831	10,616,448	10,693,270	(17,439)
Support services - students	13,553,764	13,438,804	13,775,025	13,592,607	(153,803)
Support services - instruction	11,795,835	11,332,666	10,624,648	10,523,562	809,104
School administration	8,576,332	8,605,858	8,798,346	8,797,504	(191,646)
School administration support services	6,030,534	5,990,509	5,767,625	5,775,279	215,230
District administration	2,236,026	2,209,051	2,223,703	2,167,942	41,109
District administration support services	9,407,533	9,958,229	10,013,297	10,070,632	(112,403)
Operations and maintenance of plant	26,272,166	26,192,683	24,924,249	24,812,720	1,379,963
Student activities	2,945,434	2,908,664	2,872,419	2,851,352	57,312
Total expenditures	<u>224,188,160</u>	<u>223,842,978</u>	<u>220,935,047</u>	<u>220,385,161</u>	<u>3,457,817</u>
Excess (deficiency) of revenues over expenditures	<u>(2,389,470)</u>	<u>(2,062,284)</u>	<u>(409,402)</u>	<u>140,484</u>	<u>2,202,768</u>
Other financing sources (uses):					
Proceeds from sale of capital assets			2,953	2,953	2,953
Transfers out	<u>(237,100)</u>	<u>(237,100)</u>	<u>(237,100)</u>	<u>(237,100)</u>	
Total other financing sources (uses)	<u>(237,100)</u>	<u>(237,100)</u>	<u>(234,147)</u>	<u>(234,147)</u>	<u>2,953</u>
Net change in fund balance	<u>\$ (2,626,570)</u>	<u>\$ (2,299,384)</u>	<u>(643,549)</u>	<u>\$ (93,663)</u>	<u>\$ 2,205,721</u>
Fund balance - beginning			20,498,230		
Fund balance - ending			<u>\$ 19,854,681</u>		

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, 2014

	<u>Budgeted Amounts</u>			<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>		
Revenues:					
Local sources	\$	\$	\$ 33,123	\$ 33,123	\$ 33,123
Federal sources	12,682,644	14,798,052	10,976,043	10,846,002	(3,952,050)
Total revenues	12,682,644	14,798,052	11,009,166	10,879,125	(3,918,927)
Expenditures:					
Current:					
Instruction	5,252,284	5,274,427	4,365,425	4,311,550	962,877
Special education instruction	5,076,130	5,014,898	3,087,449	3,024,499	1,990,399
Support services - students	292,365	1,832,086	1,624,159	1,623,440	208,646
Support services - instruction	1,392,369	1,862,951	1,330,154	1,317,657	545,294
District administration support services	658,600	765,940	555,816	555,816	210,124
Food services	7,162	47,750	45,176	45,176	2,574
Total expenditures	12,678,910	14,798,052	11,008,179	10,878,138	3,919,914
Net change in fund balance	\$ 3,734	\$	987	\$ 987	\$ 987
Fund balance - beginning			311		
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, 2014

	<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:					
State sources	<u>\$ 11,976,290</u>	<u>\$ 11,841,364</u>	<u>\$ 11,885,234</u>	<u>\$ 11,765,555</u>	<u>\$ (75,809)</u>
Expenditures:					
Current:					
Student transportation - to and from school	<u>12,455,770</u>	<u>12,322,243</u>	<u>11,793,857</u>	<u>11,674,178</u>	<u>648,065</u>
Net change in fund balance	<u>\$ (479,480)</u>	<u>\$ (480,879)</u>	<u>91,377</u>	<u>\$ 91,377</u>	<u>\$ 572,256</u>
Fund balance - beginning			<u>1,884,188</u>		
Fund balance - ending			<u>\$ 1,975,565</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, 2014

	<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>\$ 3,869,749</u>	<u>\$ 4,247,918</u>	<u>\$ 3,378,180</u>	<u>\$ 3,379,602</u>	<u>\$ (868,316)</u>
Expenditures:					
Current:					
Instruction	1,048,021	1,216,246	1,010,454	949,490	266,756
Support services - students	2,325,564	2,307,655	1,214,403	1,276,789	1,030,866
District administration support services	112,437	122,108	17,243	17,243	104,865
Operations and maintenance of plant		218,182	7,473	7,473	210,709
Food services	<u>383,727</u>	<u>383,727</u>	<u>11,796</u>	<u>11,796</u>	<u>371,931</u>
Total expenditures	<u>3,869,749</u>	<u>4,247,918</u>	<u>2,261,369</u>	<u>2,262,791</u>	<u>1,985,127</u>
Net change in fund balance	<u>\$</u>	<u>\$</u>	<u>1,116,811</u>	<u>\$ 1,116,811</u>	<u>\$ 1,116,811</u>
Fund balance - beginning					
Fund balance - ending			<u>\$ 1,116,811</u>		

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to Budgetary Comparison Schedules June 30, 2014

A. Budgets, Budgetary Accounting, and Encumbrances

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, 2014, 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, (2012 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 Budgetary Comparison Schedules (cont.) June 30, 2014

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	\$ 220,528,598	\$ 10,879,125	\$ 11,765,555	\$ 3,379,602
Basis difference		130,041	119,679	(1,422)
Revenues reported on the basis of GAAP	<u>\$ 220,528,598</u>	<u>\$ 11,009,166</u>	<u>\$ 11,885,234</u>	<u>\$ 3,378,180</u>
Expenditures reported on the basis of budgeting	\$ 220,385,161	\$ 10,878,138	\$ 11,674,178	\$ 2,262,791
Add expenditures on prior year encumbrances	2,239,776	149,614	134,926	84,338
Deduct current year encumbrances	(1,689,890)	(19,573)	(15,247)	(85,760)
Expenditures reported on the basis of GAAP	<u>\$ 220,935,047</u>	<u>\$ 11,008,179</u>	<u>\$ 11,793,857</u>	<u>\$ 2,261,369</u>

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2014, expenditures exceeded budget, in annually approved budgets, for the following major fund:

General Fund:

Special education support services - students	\$ 17,439
Support services - students	153,803
School administration	191,646
District administration support services	112,403

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to Budgetary Comparison Schedules June 30, 2014

Expenditures exceeded budget for special education support services – students, support services – students, school administration and district administration support services primarily in the employee benefits line item (\$564,193). The overages here were due to 1) additional charges made from the risk management internal service fund at June 30th to partially offset the deficit in that fund related to health insurance costs (\$161,669) and 2) state retirement system contributions to the Public Employee Retirement System (PERS) and Teachers' Retirement System (TRS) made on the School District's behalf (\$356,642). In addition, the school administration function experienced an overage in the Certified Salaries line item due to settlement of the Fairbanks Principals' Association negotiated agreement after the fiscal year 2014 budget was adopted and the addition of three paid days due to weather closures. Further, the district administration support services function experienced an overage in the Other Expense line item due to higher than expected errors and omissions claims (\$141,107).

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, 2014

(With comparative totals for 2013)

<u>ASSETS</u>	Totals	
	2014	2013
Equity in central treasury cash	\$ 18,235,263	\$ 17,781,953
Accounts receivable:		
Local	491,490	521,369
Federal	30,403	29,802
Due from other funds	4,171,540	4,770,751
Due from Fairbanks North Star Borough	6,213	7,521
Inventories	463,606	492,406
Prepayments	55,185	80,877
Total assets	<u>\$ 23,453,700</u>	<u>\$ 23,684,679</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1,159,273	\$ 755,186
Accrued payroll and liabilities	1,605,890	1,631,263
Due to Fairbanks North Star Borough	800,000	800,000
Due to external groups and agencies	33,856	
Total liabilities	<u>3,599,019</u>	<u>3,186,449</u>
Fund balance:		
Nonspendable:		
Inventories	463,606	492,406
Prepayments	55,185	80,877
Assigned to:		
Encumbrances	1,689,890	2,243,760
Impact aid advance	13,068,830	13,681,769
Subsequent year's expenditures	960,580	2,626,570
Unassigned	3,616,590	1,372,848
Total fund balance	<u>19,854,681</u>	<u>20,498,230</u>
Total liabilities and fund balance	<u>\$ 23,453,700</u>	<u>\$ 23,684,679</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, 2014

(With comparative totals for 2013)

	Totals	
	2014	2013
Revenues:		
Revenue from local sources:		
Borough direct appropriation	\$ 47,560,000	\$ 46,200,000
E-rate revenue	508,827	595,346
Other local revenue	536,858	396,900
Tuition from students	24,529	37,936
Total local sources	<u>48,630,214</u>	<u>47,230,182</u>
Revenue from state sources:		
Foundation program	117,038,885	119,814,989
QSI grant	426,169	431,321
Supplemental aid	2,671,187	2,711,634
TRS on-behalf	31,150,634	30,229,983
PERS on-behalf	5,034,322	5,041,243
On-base schools	1,450,000	1,450,000
Other state revenue	144,342	112,797
Total state sources	<u>157,915,539</u>	<u>159,791,967</u>
Revenue from federal sources:		
Direct - impact aid	<u>13,979,892</u>	<u>14,758,858</u>
Total revenues	<u>220,525,645</u>	<u>221,781,007</u>
Expenditures - current:		
Instruction:		
Salaries and fringe benefits:		
Certificated salaries	50,915,557	52,549,453
Non-certificated salaries	4,115,228	4,339,918
Employee benefits	45,056,978	44,954,843
Total salaries and fringe benefits	<u>100,087,763</u>	<u>101,844,214</u>
Materials, supplies, services and other:		
Professional and technical services	695,737	757,282
Staff travel	22,391	22,672
Student travel	115,368	129,423
Utility services	11,524	12,864
Other purchased services	533,322	557,069
Supplies, materials and media	3,431,004	2,989,734
Other expenses	1,735	970
Total materials, supplies, services and other	<u>4,811,081</u>	<u>4,470,014</u>
Capital outlay:		
Equipment	67,693	158,010
Other capital outlay	65,285	8,345
Total capital outlay	<u>132,978</u>	<u>166,355</u>
Total instruction	<u>105,031,822</u>	<u>106,480,583</u>

(continued)

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, 2014

(With comparative totals for 2013)

	Totals	
	2014	2013
Special education instruction:		
Salaries and fringe benefits:		
Certificated salaries	\$ 7,773,348	\$ 7,427,693
Non-certificated salaries	5,266,524	5,138,743
Employee benefits	10,451,026	9,803,049
Total salaries and fringe benefits	<u>23,490,898</u>	<u>22,369,485</u>
Materials, supplies, services and other:		
Professional and technical services	2,062,967	2,344,932
Staff travel	653	267
Student travel	1,598	825
Utility services	6,532	6,482
Other purchased services	227,689	212,385
Supplies, materials and media	473,229	534,456
Tuition and stipends	23,899	
Total materials, supplies, services and other	<u>2,796,567</u>	<u>3,099,347</u>
Total special education instruction	<u>26,287,465</u>	<u>25,468,832</u>
Special education support services - students:		
Salaries and fringe benefits:		
Certificated salaries	3,677,700	3,594,235
Non-certificated salaries	1,476,886	1,594,653
Employee benefits	3,946,198	3,642,627
Total salaries and fringe benefits	<u>9,100,784</u>	<u>8,831,515</u>
Materials, supplies, services and other:		
Professional and technical services	1,273,925	1,006,220
Staff travel	80,597	118,887
Student travel	5,471	10,640
Other purchased services	26,024	5,285
Supplies, materials and media	121,963	137,248
Other expenses	1,258	1,824
Total materials, supplies, services and other	<u>1,509,238</u>	<u>1,280,104</u>
Capital outlay - equipment	<u>6,426</u>	<u>4,921</u>
Total special education support services - students	<u>10,616,448</u>	<u>10,116,540</u>

(continued)

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, 2014

(With comparative totals for 2013)

	Totals	
	2014	2013
Support services - students:		
Salaries and fringe benefits:		
Certificated salaries	\$ 3,576,968	\$ 3,562,037
Non-certificated salaries	3,687,425	3,700,860
Employee benefits	6,043,839	5,916,645
Total salaries and fringe benefits	<u>13,308,232</u>	<u>13,179,542</u>
Materials, supplies, services and other:		
Professional and technical services	297,456	167,083
Staff travel	10,434	10,419
Student travel	5,806	2,964
Other purchased services	975	5,370
Supplies, materials and media	148,581	153,168
Other expenses	3,541	3,451
Total materials, supplies, services and other	<u>466,793</u>	<u>342,455</u>
Total support services - students	<u>13,775,025</u>	<u>13,521,997</u>
Support services - instruction:		
Salaries and fringe benefits:		
Certificated salaries	2,057,227	1,954,744
Non-certificated salaries	3,055,126	3,081,586
Employee benefits	4,113,118	3,979,983
Total salaries and fringe benefits	<u>9,225,471</u>	<u>9,016,313</u>
Materials, supplies, services and other:		
Professional and technical services	439,206	722,378
Staff travel	125,678	213,260
Student travel		65
Utility services	192,148	137,500
Other purchased services	16,199	44,511
Supplies, materials and media	556,273	735,179
Other expenses	294	
Total materials, supplies, services and other	<u>1,329,798</u>	<u>1,852,893</u>
Capital outlay - equipment	<u>69,379</u>	<u>54,011</u>
Total support services - instruction	<u>10,624,648</u>	<u>10,923,217</u>

(continued)

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, 2014

(With comparative totals for 2013)

	Totals	
	2014	2013
School administration:		
Salaries and fringe benefits:		
Certificated salaries	\$ 4,725,790	\$ 4,608,461
Non-certificated salaries	27,880	
Employee benefits	3,978,193	3,761,845
Total salaries and fringe benefits	<u>8,731,863</u>	<u>8,370,306</u>
Materials, supplies, services and other:		
Professional and technical services	1,681	4,268
Staff travel	34,801	47,060
Supplies, materials and media	2,054	3,504
Other expenses	27,947	27,004
Total materials, supplies, services and other	<u>66,483</u>	<u>81,836</u>
Total school administration	<u>8,798,346</u>	<u>8,452,142</u>
School administration support services:		
Salaries and fringe benefits:		
Non-certificated salaries	2,933,827	2,874,830
Employee benefits	2,118,379	2,061,537
Total salaries and fringe benefits	<u>5,052,206</u>	<u>4,936,367</u>
Materials, supplies, services and other:		
Professional and technical services	5,469	4,459
Staff travel	1,565	3,932
Student travel	192	35
Utility services	571,628	572,868
Other purchased services	13,359	19,572
Supplies, materials and media	118,456	124,003
Other expenses	4,750	5,106
Total materials, supplies, services and other	<u>715,419</u>	<u>729,975</u>
Total school administration support services	<u>5,767,625</u>	<u>5,666,342</u>
District administration:		
Salaries and fringe benefits:		
Certificated salaries	538,782	587,359
Non-certificated salaries	556,081	629,972
Employee benefits	807,382	915,665
Total salaries and fringe benefits	<u>1,902,245</u>	<u>2,132,996</u>

(continued)

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, 2014
(With comparative totals for 2013)

	Totals	
	2014	2013
District administration (continued):		
Materials, supplies, services and other:		
Professional and technical services	\$ 148,468	\$ 100,127
Staff travel	17,698	47,914
Utility services	4,277	
Other purchased services	28,839	32,242
Supplies, materials and media	93,589	57,098
Other expenses	28,587	26,084
Total materials, supplies, services and other	321,458	263,465
Total district administration	2,223,703	2,396,461
District administration support services:		
Salaries and fringe benefits:		
Certificated salaries	45,502	51,625
Non-certificated salaries	4,420,666	4,626,482
Employee benefits	3,248,543	3,369,572
Total salaries and fringe benefits	7,714,711	8,047,679
Materials, supplies, services and other:		
Professional and technical services	621,822	464,631
Staff travel	57,156	46,407
Utility services	284,635	307,209
Other purchased services	228,459	183,540
Insurance and bond premiums	1,083,074	959,644
Supplies, materials and media	299,339	248,596
Other expenses	164,703	59,055
Indirect costs	(573,061)	(630,027)
Total materials, supplies, services and other	2,166,127	1,639,055
Capital outlay:		
Equipment	132,459	63,896
Other capital outlay		500
Total capital outlay	132,459	64,396
Total district administration support services	10,013,297	9,751,130
Operations and maintenance of plant:		
Salaries and fringe benefits:		
Non-certificated salaries	8,909,195	8,752,428
Employee benefits	6,215,612	6,034,641
Total salaries and fringe benefits	15,124,807	14,787,069

(continued)

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, 2014
(With comparative totals for 2013)

	Totals	
	2014	2013
Operations and maintenance of plant (continued):		
Materials, supplies, services and other:		
Professional and technical services	\$ 42,436	\$ 140,354
Staff travel	4,267	6,651
Utility services	757,987	913,503
Energy	5,824,467	6,420,421
Other purchased services	1,326,630	1,179,979
Insurance and bond premiums	396,611	439,207
Supplies, materials and media	1,371,081	1,371,313
Other expenses	225	450
Total materials, supplies, services and other	<u>9,723,704</u>	<u>10,471,878</u>
Capital outlay - equipment	<u>75,738</u>	<u>196,354</u>
Total operations and maintenance of plant	<u>24,924,249</u>	<u>25,455,301</u>
Student activities:		
Salaries and fringe benefits:		
Certificated salaries	714,796	747,338
Non-certificated salaries	644,478	613,366
Employee benefits	637,897	633,103
Total salaries and fringe benefits	<u>1,997,171</u>	<u>1,993,807</u>
Materials, supplies, services and other:		
Professional and technical services	196,532	199,293
Staff travel	8,500	11,905
Student travel	405,733	412,076
Other purchased services	71,660	92,158
Supplies, materials and media	115,942	133,712
Other expenses	63,383	46,876
Total materials, supplies, services and other	<u>861,750</u>	<u>896,020</u>
Capital outlay - equipment	<u>13,498</u>	
Total student activities	<u>2,872,419</u>	<u>2,889,827</u>
Total expenditures	<u>220,935,047</u>	<u>221,122,372</u>
Excess (deficiency) of revenues over expenditures	<u>(409,402)</u>	<u>658,635</u>

(continued)

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, 2014
(With comparative totals for 2013)

	Totals	
	2014	2013
Other financing sources (uses):		
Proceeds from sale of capital assets	\$ 2,953	\$ 3,430
Transfers out	(237,100)	(394,136)
Total other financing sources (uses)	(234,147)	(390,706)
Net change in fund balance	(643,549)	267,929
Fund balance - beginning	20,498,230	20,230,301
Fund balance - ending	<u>\$ 19,854,681</u>	<u>\$ 20,498,230</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, 2014

	<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:					
Borough direct appropriation	\$ 48,360,000	\$ 48,360,000	\$ 47,560,000	\$ 47,560,000	\$ (800,000)
E-rate revenue	650,000	650,000	508,827	508,827	(141,173)
Other local revenue	374,800	328,804	536,858	536,858	208,054
Tuition from students		28,000	24,529	24,529	(3,471)
Total local sources	49,384,800	49,366,804	48,630,214	48,630,214	(736,590)
Revenue from state sources:					
Foundation program	118,241,900	118,241,900	117,038,885	117,038,885	(1,203,015)
QSI grant	426,680	426,680	426,169	426,169	(511)
Supplemental aid	2,693,960	2,693,960	2,671,187	2,671,187	(22,773)
TRS on-behalf	30,816,830	30,816,830	31,150,634	31,150,634	333,804
PERS on-behalf	4,981,990	4,981,990	5,034,322	5,034,322	52,332
On-base schools	1,450,000	1,450,000	1,450,000	1,450,000	
Other state revenue	112,000	112,000	144,342	144,342	32,342
Total state sources	158,723,360	158,723,360	157,915,539	157,915,539	(807,821)
Revenue from federal sources:					
Direct - impact aid	13,690,530	13,690,530	13,979,892	13,979,892	289,362
Total revenues	221,798,690	221,780,694	220,525,645	220,525,645	(1,255,049)
Expenditures - current:					
Instruction:					
Salaries and fringe benefits:					
Certificated salaries	50,988,942	51,192,855	50,915,557	50,915,557	277,298
Non-certificated salaries	3,869,985	4,251,157	4,115,228	4,115,228	135,929
Employee benefits	44,466,849	44,818,044	45,056,978	45,056,978	(238,934)
Total salaries and fringe benefits	99,325,776	100,262,056	100,087,763	100,087,763	174,293
Materials, supplies, services and other:					
Professional and technical services	806,000	796,533	695,737	680,323	116,210
Staff travel	134,150	36,180	22,391	22,391	13,789
Student travel	127,410	114,025	115,368	115,176	(1,151)
Utility services	5,400	5,400	11,524	11,524	(6,124)
Other purchased services	1,186,435	555,674	533,322	534,879	20,795
Supplies, materials and media	3,801,885	3,986,297	3,431,004	3,237,993	748,304
Other expenses	300	1,200	1,735	1,735	(535)
Total materials, supplies, services and other	6,061,580	5,495,309	4,811,081	4,604,021	891,288
Capital outlay:					
Equipment	40,000	103,000	67,693	54,994	48,006
Other capital outlay		27,000	65,285	65,285	(38,285)
Total capital outlay	40,000	130,000	132,978	120,279	9,721
Total instruction	105,427,356	105,887,365	105,031,822	104,812,063	1,075,302

(continued)

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, 2014

	<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>			
Special education instruction:					
Salaries and fringe benefits:					
Certificated salaries	\$ 8,116,228	\$ 7,865,378	\$ 7,773,348	\$ 7,773,348	\$ 92,030
Non-certificated salaries	5,312,027	5,256,739	5,266,524	5,266,524	(9,785)
Employee benefits	10,527,568	10,297,188	10,451,026	10,451,026	(153,838)
Total salaries and fringe benefits	<u>23,955,823</u>	<u>23,419,305</u>	<u>23,490,898</u>	<u>23,490,898</u>	<u>(71,593)</u>
Materials, supplies, services and other:					
Professional and technical services	2,397,200	2,405,534	2,062,967	2,064,202	341,332
Staff travel			653	653	(653)
Student travel		194	1,598	1,598	(1,404)
Utility services	6,825	6,825	6,532	6,532	293
Other purchased services	206,868	227,967	227,689	227,689	278
Supplies, materials and media	561,487	555,332	473,229	472,759	82,573
Tuition and stipends		28,161	23,899	23,899	4,262
Total materials, supplies, services and other	<u>3,172,380</u>	<u>3,224,013</u>	<u>2,796,567</u>	<u>2,797,332</u>	<u>426,681</u>
Capital outlay - other	11,200				
Total special education instruction	<u>27,139,403</u>	<u>26,643,318</u>	<u>26,287,465</u>	<u>26,288,230</u>	<u>355,088</u>
Special education support services - students:					
Salaries and fringe benefits:					
Certificated salaries	4,592,635	3,836,939	3,677,700	3,677,700	159,239
Non-certificated salaries	1,143,606	1,366,996	1,476,886	1,476,886	(109,890)
Employee benefits	4,311,623	3,748,569	3,946,198	3,946,198	(197,629)
Total salaries and fringe benefits	<u>10,047,864</u>	<u>8,952,504</u>	<u>9,100,784</u>	<u>9,100,784</u>	<u>(148,280)</u>
Materials, supplies, services and other:					
Professional and technical services	525,913	1,388,366	1,273,925	1,266,363	122,003
Staff travel	75,000	82,750	80,597	80,597	2,153
Student travel	2,500	6,500	5,471	6,495	5
Other purchased services	12,000	27,891	26,024	26,974	917
Supplies, materials and media	131,500	210,196	121,963	204,373	5,823
Other expenses	9,000	1,258	1,258	1,258	
Total materials, supplies, services and other	<u>755,913</u>	<u>1,716,961</u>	<u>1,509,238</u>	<u>1,586,060</u>	<u>130,901</u>
Capital outlay - equipment		6,366	6,426	6,426	(60)
Total special education support services - students	<u>10,803,777</u>	<u>10,675,831</u>	<u>10,616,448</u>	<u>10,693,270</u>	<u>(17,439)</u>
Support services - students:					
Salaries and fringe benefits:					
Certificated salaries	3,466,007	3,502,930	3,576,968	3,576,968	(74,038)
Non-certificated salaries	3,830,826	3,785,921	3,687,425	3,687,425	98,496
Employee benefits	5,887,299	5,881,585	6,043,839	6,043,839	(162,254)
Total salaries and fringe benefits	<u>13,184,132</u>	<u>13,170,436</u>	<u>13,308,232</u>	<u>13,308,232</u>	<u>(137,796)</u>

(continued)

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, 2014

	<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>
Support services - students (continued):					
Materials, supplies, services and other:					
Professional and technical services	\$ 88,150	\$ 66,329	\$ 297,456	\$ 114,762	\$ (48,433)
Staff travel	4,100	4,808	10,434	10,434	(5,626)
Student travel	1,500	1,500	5,806	5,806	(4,306)
Other purchased services	78,375	7,375	975	975	6,400
Supplies, materials and media	197,207	187,930	148,581	148,857	39,073
Other expenses	300	426	3,541	3,541	(3,115)
Total materials, supplies, services and other	369,632	268,368	466,793	284,375	(16,007)
Total support services - students	13,553,764	13,438,804	13,775,025	13,592,607	(153,803)
Support services - instruction:					
Salaries and fringe benefits:					
Certificated salaries	2,039,074	2,052,774	2,057,227	2,057,227	(4,453)
Non-certificated salaries	3,243,810	3,235,620	3,055,126	3,055,126	180,494
Employee benefits	4,540,795	4,551,766	4,113,118	4,113,118	438,648
Total salaries and fringe benefits	9,823,679	9,840,160	9,225,471	9,225,471	614,689
Materials, supplies, services and other:					
Professional and technical services	845,060	593,074	439,206	448,077	144,997
Staff travel	36,750	112,826	125,678	125,488	(12,662)
Utility services	346,500	214,000	192,148	192,148	21,852
Other purchased services	18,300	14,476	16,199	1,765	12,711
Supplies, materials and media	636,968	500,143	556,273	472,935	27,208
Other expenses	300	599	294	294	305
Total materials, supplies, services and other	1,883,878	1,435,118	1,329,798	1,240,707	194,411
Capital outlay - equipment	88,278	57,388	69,379	57,384	4
Total support services - instruction	11,795,835	11,332,666	10,624,648	10,523,562	809,104
School administration:					
Salaries and fringe benefits:					
Certificated salaries	4,664,927	4,664,927	4,725,790	4,725,790	(60,863)
Non-certificated salaries		27,000	27,880	27,880	(880)
Employee benefits	3,822,717	3,825,292	3,978,193	3,978,193	(152,901)
Total salaries and fringe benefits	8,487,644	8,517,219	8,731,863	8,731,863	(214,644)
Materials, supplies, services and other:					
Professional and technical services	5,000	4,951	1,681	1,632	3,319
Staff travel	57,750	57,750	34,801	34,076	23,674
Supplies, materials and media			2,054	1,986	(1,986)
Other expenses	25,938	25,938	27,947	27,947	(2,009)
Total materials, supplies, services and other	88,688	88,639	66,483	65,641	22,998
Total school administration	8,576,332	8,605,858	8,798,346	8,797,504	(191,646)

(continued)

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, 2014

	<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>
				<u>Basis</u>	
School administration support services:					
Salaries and fringe benefits:					
Non-certificated salaries	\$ 3,020,328	\$ 2,988,187	\$ 2,933,827	\$ 2,933,827	\$ 54,360
Employee benefits	2,159,406	2,154,535	2,118,379	2,118,379	36,156
Total salaries and fringe benefits	5,179,734	5,142,722	5,052,206	5,052,206	90,516
Materials, supplies, services and other:					
Professional and technical services	4,000	7,000	5,469	5,319	1,681
Staff travel	1,000	1,000	1,565	1,565	(565)
Student travel	100	100	192	192	(92)
Utility services	668,073	668,073	571,628	571,628	96,445
Other purchased services	6,800	7,035	13,359	12,594	(5,559)
Supplies, materials and media	169,827	162,579	118,456	127,025	35,554
Other expenses	1,000	2,000	4,750	4,750	(2,750)
Total materials, supplies, services and other	850,800	847,787	715,419	723,073	124,714
Total school administration support services	6,030,534	5,990,509	5,767,625	5,775,279	215,230
District administration:					
Salaries and fringe benefits:					
Certificated salaries	533,373	533,373	538,782	538,782	(5,409)
Non-certificated salaries	531,925	531,925	556,081	556,081	(24,156)
Employee benefits	858,618	858,618	807,382	807,382	51,236
Total salaries and fringe benefits	1,923,916	1,923,916	1,902,245	1,902,245	21,671
Materials, supplies, services, and other:					
Professional and technical services	56,650	114,693	148,468	132,293	(17,600)
Staff travel	3,100	19,626	17,698	17,073	2,553
Utility services		4,500	4,277	5,277	(777)
Other purchased services	29,000	37,052	28,839	28,008	9,044
Supplies, materials and media	46,375	15,563	93,589	54,459	(38,896)
Other expenses	176,985	93,701	28,587	28,587	65,114
Total materials, supplies, services, and other	312,110	285,135	321,458	265,697	19,438
Total district administration	2,236,026	2,209,051	2,223,703	2,167,942	41,109
District administration support services:					
Salaries and fringe benefits:					
Certificated salaries	36,795	36,795	45,502	45,502	(8,707)
Non-certificated salaries	4,250,012	4,281,621	4,420,666	4,420,666	(139,045)
Employee benefits	3,209,034	3,197,134	3,248,543	3,248,543	(51,409)
Total salaries and fringe benefits	7,495,841	7,515,550	7,714,711	7,714,711	(199,161)

(continued)

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, 2014

	<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>			
District administration support services (continued):					
Materials, supplies, services and other:					
Professional and technical services	\$ 665,870	\$ 827,201	\$ 621,822	\$ 624,489	\$ 202,712
Staff travel	52,010	37,443	57,156	57,156	(19,713)
Utility services	359,565	348,456	284,635	281,716	66,740
Other purchased services	215,350	279,296	228,459	261,180	18,116
Insurance and bond premiums	1,005,000	1,005,000	1,083,074	1,083,074	(78,074)
Supplies, materials and media	155,637	328,027	299,339	324,205	3,822
Other expenses	23,260	23,596	164,703	164,703	(141,107)
Indirect costs	(580,000)	(580,000)	(573,061)	(573,061)	(6,939)
Total materials, supplies, services and other	1,896,692	2,269,019	2,166,127	2,223,462	45,557
Capital outlay - equipment	15,000	173,660	132,459	132,459	41,201
Total district administration support services	9,407,533	9,958,229	10,013,297	10,070,632	(112,403)
Operations and maintenance of plant:					
Salaries and fringe benefits:					
Non-certificated salaries	9,003,729	9,180,450	8,909,195	8,909,195	271,255
Employee benefits	6,187,192	6,254,960	6,215,612	6,215,612	39,348
Total salaries and fringe benefits	15,190,921	15,435,410	15,124,807	15,124,807	310,603
Materials, supplies, services and other:					
Professional and technical services	133,000	42,871	42,436	36,205	6,666
Staff travel	3,000	5,852	4,267	4,267	1,585
Utility services	886,302	814,117	757,987	762,908	51,209
Energy	6,879,645	6,880,145	5,824,467	5,829,937	1,050,208
Other purchased services	1,114,103	1,105,529	1,326,630	1,238,676	(133,147)
Insurance and bond premiums	466,590	473,440	396,611	396,611	76,829
Supplies, materials and media	1,548,155	1,404,869	1,371,081	1,371,813	33,056
Other expenses	450	450	225	225	225
Total materials, supplies, services and other	11,031,245	10,727,273	9,723,704	9,640,642	1,086,631
Capital outlay - equipment	50,000	30,000	75,738	47,271	(17,271)
Total operations and maintenance of plant	26,272,166	26,192,683	24,924,249	24,812,720	1,379,963
Student activities:					
Salaries and fringe benefits:					
Certificated salaries	1,262,442	1,233,541	714,796	714,796	518,745
Non-certificated salaries	147,008	151,306	644,478	644,478	(493,172)
Employee benefits	840,985	842,496	637,897	637,897	204,599
Total salaries and fringe benefits	2,250,435	2,227,343	1,997,171	1,997,171	230,172

(continued)

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, 2014

	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	\$ 217,461	\$ 201,583	\$ 196,532	\$ 187,737	\$ 13,846
Staff travel	5,000	5,000	8,500	8,500	(3,500)
Student travel	313,935	312,789	405,733	402,733	(89,944)
Other purchased services	20,450	11,740	71,660	62,040	(50,300)
Supplies, materials and media	101,694	113,750	115,942	116,240	(2,490)
Other expenses	36,459	36,459	63,383	63,433	(26,974)
Total materials, supplies, services and other	694,999	681,321	861,750	840,683	(159,362)
Capital outlay - equipment			13,498	13,498	(13,498)
Total student activities	2,945,434	2,908,664	2,872,419	2,851,352	57,312
Total expenditures	224,188,160	223,842,978	220,935,047	220,385,161	3,457,817
Excess (deficiency) of revenues over expenditures	(2,389,470)	(2,062,284)	(409,402)	140,484	2,202,768
Other financing sources (uses):					
Proceeds from sale of capital assets			2,953	2,953	2,953
Transfers out	(237,100)	(237,100)	(237,100)	(237,100)	
Total other financing sources (uses)	(237,100)	(237,100)	(234,147)	(234,147)	2,953
Net change in fund balance	\$ (2,626,570)	\$ (2,299,384)	(643,549)	\$ (93,663)	\$ 2,205,721
Fund balance - beginning			20,498,230		
Fund balance - ending			\$ 19,854,681		

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund
Federal Programs Special Revenue
Combining Balance Sheet
For the Year Ended June 30, 2014
(With comparative totals for 2013)

	Alaska Native Education	Title I-A Basic Grant	Title I-D Youth Facility	Title I-C Migrant Regular
<u>ASSETS</u>				
Equity in central treasury cash	\$	\$	\$	\$
Accounts receivable:				
Local				
State		870,049	9,087	74,947
Federal	198,331			
Total assets	<u>\$ 198,331</u>	<u>\$ 870,049</u>	<u>\$ 9,087</u>	<u>\$ 74,947</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$	\$ 7,114	\$ 4,557	\$
Due to other funds	198,331	862,935	4,530	74,947
Total liabilities	<u>198,331</u>	<u>870,049</u>	<u>9,087</u>	<u>74,947</u>
Fund balances:				
Restricted				
Total liabilities and fund balances	<u>\$ 198,331</u>	<u>\$ 870,049</u>	<u>\$ 9,087</u>	<u>\$ 74,947</u>

Carl Perkins Secondary	Title III-A English Language Acquisition	Title I-A Neglected & Delinquent	Air Force ROTC - North Pole HS	Air Force ROTC- Ben Eielson Jr/Sr	Marines ROTC - West Valley HS
\$	\$	\$	\$	\$	\$
225,892	14,883	20,205	2,880	2,308	1,564
<u>\$ 225,892</u>	<u>\$ 14,883</u>	<u>\$ 20,205</u>	<u>\$ 2,880</u>	<u>\$ 2,308</u>	<u>\$ 1,564</u>
\$ 11,560	\$	\$	\$	\$	\$
214,332	14,883	20,205	2,880	2,308	1,564
<u>225,892</u>	<u>14,883</u>	<u>20,205</u>	<u>2,880</u>	<u>2,308</u>	<u>1,564</u>
<u>\$ 225,892</u>	<u>\$ 14,883</u>	<u>\$ 20,205</u>	<u>\$ 2,880</u>	<u>\$ 2,308</u>	<u>\$ 1,564</u>

(continued)

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund
Federal Programs Special Revenue
Combining Balance Sheet
For the Year Ended June 30, 2014
(With comparative totals for 2013)

	Success Through Education & Cultural Connections	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	13,238			
State		13,315	718,248	36,617
Federal				
Total assets	<u>\$ 13,238</u>	<u>\$ 13,315</u>	<u>\$ 718,248</u>	<u>\$ 36,617</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 1,308	\$ 8,647	\$ 2,046	\$
Due to other funds	11,930	4,668	716,202	36,617
Total liabilities	<u>13,238</u>	<u>13,315</u>	<u>718,248</u>	<u>36,617</u>
Fund balances:				
Restricted				
Total liabilities and fund balances	<u>\$ 13,238</u>	<u>\$ 13,315</u>	<u>\$ 718,248</u>	<u>\$ 36,617</u>

<u>Options Child Care Grant</u>	<u>Alaska Community Learning Centers</u>	<u>Title I-A Parent Involvement</u>	<u>Lathrop Smaller Learning Communities</u>	<u>McKinney Vento Homeless Education</u>	<u>Title II-A Teacher & Principal Training</u>
\$ 1,298	\$	\$	\$	\$	\$
	200 422,057	14,120	37,034	12,163	317,223
<u>\$ 1,298</u>	<u>\$ 422,257</u>	<u>\$ 14,120</u>	<u>\$ 37,034</u>	<u>\$ 12,163</u>	<u>\$ 317,223</u>
\$	\$ 7,427	\$	\$ 811	\$ 351	\$ 115
	414,830	14,120	36,223	11,812	317,108
	422,257	14,120	37,034	12,163	317,223
1,298					
<u>\$ 1,298</u>	<u>\$ 422,257</u>	<u>\$ 14,120</u>	<u>\$ 37,034</u>	<u>\$ 12,163</u>	<u>\$ 317,223</u>

(continued)

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund
Federal Programs Special Revenue
Combining Balance Sheet
For the Year Ended June 30, 2014
(With comparative totals for 2013)

	Title I-A Professional Development	Title I-A School Improvement	Statewide Mentor Urban Growth Project
<u>ASSETS</u>			
Equity in central treasury cash	\$	\$	\$
Accounts receivable:			
Local			63,108
State	34,250	5,542	
Federal			
Total assets	<u>\$ 34,250</u>	<u>\$ 5,542</u>	<u>\$ 63,108</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 229
Due to other funds	<u>34,250</u>	<u>5,542</u>	<u>62,879</u>
Total liabilities	<u>34,250</u>	<u>5,542</u>	<u>63,108</u>
Fund balances:			
Restricted			
Total liabilities and fund balances	<u>\$ 34,250</u>	<u>\$ 5,542</u>	<u>\$ 63,108</u>

Totals	
2014	2013
\$ 1,298	\$ 311
76,546	19,842
2,788,598	4,494,090
242,117	314,001
<u>\$ 3,108,559</u>	<u>\$ 4,828,244</u>

\$ 44,165	\$ 422,512
<u>3,063,096</u>	<u>4,405,421</u>
<u>3,107,261</u>	<u>4,827,933</u>

1,298	311
<u>\$ 3,108,559</u>	<u>\$ 4,828,244</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, 2014

(With comparative totals for 2013)

	Alaska Native Education	Title I-A Basic Grant	Title I-D Youth Facility	Title I-C Migrant Regular
Revenues:				
Revenue from local sources:				
Other local revenue	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Revenue from federal sources:				
Direct	744,703			
Through the State of Alaska		3,040,296	22,465	250,131
Other intermediate agencies				
Total federal sources	<u>744,703</u>	<u>3,040,296</u>	<u>22,465</u>	<u>250,131</u>
Total revenues	<u>744,703</u>	<u>3,040,296</u>	<u>22,465</u>	<u>250,131</u>
Expenditures - current:				
Instruction	714,173	2,880,707	21,286	237,001
Special education instruction				
Support services - students				
Support services - instruction				
District administration support services	30,530	159,589	1,179	13,130
Food services				
Total expenditures	<u>744,703</u>	<u>3,040,296</u>	<u>22,465</u>	<u>250,131</u>
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Carl Perkins Secondary	Title III-A English Language Acquisition	Title I-A Neglected & Delinquent	Title I-A Neglected & Delinquent CFWD	Migrant Education Summer	Air Force ROTC - North Pole HS
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
					4,504
345,563	23,983	91,426	5,434	20,510	
<u>345,563</u>	<u>23,983</u>	<u>91,426</u>	<u>5,434</u>	<u>20,510</u>	<u>4,504</u>
<u>345,563</u>	<u>23,983</u>	<u>91,426</u>	<u>5,434</u>	<u>20,510</u>	<u>4,504</u>
331,049	23,513	86,627	5,149	19,434	4,504
14,514	470	4,799	285	1,076	
<u>345,563</u>	<u>23,983</u>	<u>91,426</u>	<u>5,434</u>	<u>20,510</u>	<u>4,504</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(continued)

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, 2014

(With comparative totals for 2013)

	Air Force ROTC- Ben Eielson Jr/Sr	Marines ROTC - West Valley HS	Success Through Education & Cultural Connections	Title III-A English Language Acquisition Immigrant
Revenues:				
Revenue from local sources:				
Other local revenue	\$	\$	\$	\$
Revenue from federal sources:				
Direct	2,308	5,349		
Through the State of Alaska				13,315
Other intermediate agencies			21,271	
Total federal sources	2,308	5,349	21,271	13,315
Total revenues	2,308	5,349	21,271	13,315
Expenditures - current:				
Instruction	2,308	5,349	21,271	13,054
Special education instruction				
Support services - students				
Support services - instruction				
District administration support services				261
Food services				
Total expenditures	2,308	5,349	21,271	13,315
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

<u>Title VI-B</u>	<u>Preschool Disabled Section 619</u>	<u>Options Child Care Grant</u>	<u>Alaska Community Learning Centers</u>	<u>Title I-A Parent Involvement</u>	<u>DoDEA 2010 Invitation Grant Program</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 33,123</u>	<u>\$</u>	<u>\$</u>
3,157,138	101,350	987	1,431,534	31,823	45
<u>3,157,138</u>	<u>101,350</u>	<u>987</u>	<u>1,431,534</u>	<u>31,823</u>	<u>45</u>
<u>3,157,138</u>	<u>101,350</u>	<u>987</u>	<u>1,464,657</u>	<u>31,823</u>	<u>45</u>
2,991,417	96,032		1,389,513	30,153	45
165,721	5,318		75,144	1,670	
<u>3,157,138</u>	<u>101,350</u>		<u>1,464,657</u>	<u>31,823</u>	<u>45</u>
		987			
		311			
<u>\$</u>	<u>\$</u>	<u>\$ 1,298</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(continued)

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, 2014

(With comparative totals for 2013)

	<u>Migrant Education Book Program</u>	<u>Lathrop Smaller Learning Communities</u>	<u>McKinney Vento Homeless Education</u>	<u>Title II-A Teacher & Principal Training</u>
Revenues:				
Revenue from local sources:				
Other local revenue	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Revenue from federal sources:				
Direct		184,668		
Through the State of Alaska	3,600		27,507	1,039,880
Other intermediate agencies				
Total federal sources	<u>3,600</u>	<u>184,668</u>	<u>27,507</u>	<u>1,039,880</u>
Total revenues	<u>3,600</u>	<u>184,668</u>	<u>27,507</u>	<u>1,039,880</u>
Expenditures - current:				
Instruction				
Special education instruction				
Support services - students	3,411	174,974	26,063	
Support services - instruction				985,295
District administration support services	189	9,694	1,444	54,585
Food services				
Total expenditures	<u>3,600</u>	<u>184,668</u>	<u>27,507</u>	<u>1,039,880</u>
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Title I-A Professional Development	Title I-A School Improvement	Statewide Mentor Urban Growth Project	Fresh Fruit & Vegetable Program	Totals	
				2014	2013
\$	\$	\$	\$	\$ 33,123	\$ 19,703
				941,577	1,170,590
87,493	16,160		45,176	9,755,771	11,804,742
		257,424		278,695	125,539
87,493	16,160	257,424	45,176	10,976,043	13,100,871
87,493	16,160	257,424	45,176	11,009,166	13,120,574
				4,365,425	4,518,395
				3,087,449	4,406,094
				1,624,159	1,906,741
82,902	15,320	246,637		1,330,154	1,663,842
4,591	840	10,787		555,816	625,191
			45,176	45,176	
87,493	16,160	257,424	45,176	11,008,179	13,120,263
				987	311
				311	
\$	\$	\$	\$	\$ 1,298	\$ 311

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, 2014

(With comparative totals for 2013)

	Alaska Native Education	Title I-A Basic Grant	Title I-D Youth Facility	Title I-C Migrant Regular
Revenues:				
Revenue from local sources:				
Other local revenue	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Revenue from federal sources:				
Direct	744,703			
Through the State of Alaska		3,040,296	22,465	250,131
Other intermediate agencies				
Total federal sources	<u>744,703</u>	<u>3,040,296</u>	<u>22,465</u>	<u>250,131</u>
Total revenues	<u>744,703</u>	<u>3,040,296</u>	<u>22,465</u>	<u>250,131</u>
Expenditures - current:				
Salaries and fringe benefits:				
Certificated salaries	74,994	693,493		5,912
Non-certificated salaries	362,456	894,863	10,134	118,733
Employee benefits	<u>241,096</u>	<u>789,377</u>	<u>5,905</u>	<u>66,833</u>
Total salaries and fringe benefits	<u>678,546</u>	<u>2,377,733</u>	<u>16,039</u>	<u>191,478</u>
Materials, supplies, services and other:				
Professional and technical services	274	123,589	690	29,963
Staff travel	12,987	217,248		5,862
Student travel	14,080	34,382		
Other purchased services	659	621		300
Supplies, materials and media	7,627	126,996	4,557	9,398
Other expenses		138		
Indirect costs	<u>30,530</u>	<u>159,589</u>	<u>1,179</u>	<u>13,130</u>
Total materials, supplies, services and other	<u>66,157</u>	<u>662,563</u>	<u>6,426</u>	<u>58,653</u>
Capital outlay:				
Equipment				
Total expenditures	<u>744,703</u>	<u>3,040,296</u>	<u>22,465</u>	<u>250,131</u>
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Carl Perkins Secondary	Title III-A English Language Acquisition	Title I-A Neglected & Delinquent	Title I-A Neglected & Delinquent CFWD	Migrant Education Summer	Air Force ROTC - North Pole HS
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
					4,504
345,563	23,983	91,426	5,434	20,510	
<u>345,563</u>	<u>23,983</u>	<u>91,426</u>	<u>5,434</u>	<u>20,510</u>	<u>4,504</u>
<u>345,563</u>	<u>23,983</u>	<u>91,426</u>	<u>5,434</u>	<u>20,510</u>	<u>4,504</u>
11,338	5,364				
11,900	6,438	56,080	3,228	1,919	
8,061	2,450	27,292	1,921	510	
<u>31,299</u>	<u>14,252</u>	<u>83,372</u>	<u>5,149</u>	<u>2,429</u>	
61,104		3,170		1,305	
83,531	2,963				(155)
3,000					
2,000					
109,337	6,298	85		15,700	4,659
14,514	470	4,799	285	1,076	
<u>273,486</u>	<u>9,731</u>	<u>8,054</u>	<u>285</u>	<u>18,081</u>	<u>4,504</u>
40,778					
<u>345,563</u>	<u>23,983</u>	<u>91,426</u>	<u>5,434</u>	<u>20,510</u>	<u>4,504</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(continued)

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, 2014

(With comparative totals for 2013)

	Air Force ROTC- Ben Eielson Jr/Sr	Marines ROTC - West Valley HS	Success Through Education & Cultural Connections	Title III-A English Language Acquisition Immigrant
Revenues:				
Revenue from local sources:				
Other local revenue	\$	\$	\$	\$
Revenue from federal sources:				
Direct	2,308	5,349		
Through the State of Alaska				13,315
Other intermediate agencies			21,271	
Total federal sources	2,308	5,349	21,271	13,315
Total revenues	2,308	5,349	21,271	13,315
Expenditures - current:				
Salaries and fringe benefits:				
Certificated salaries			12,528	
Non-certificated salaries			7,435	
Employee benefits			19,963	
Total salaries and fringe benefits				
Materials, supplies, services and other:				
Professional and technical services				
Staff travel				
Student travel	1,891			13,054
Other purchased services				
Supplies, materials and media	417	5,349	1,308	
Other expenses				261
Indirect costs				
Total materials, supplies, services and other	2,308	5,349	1,308	13,315
Capital outlay:				
Equipment				
Total expenditures	2,308	5,349	21,271	13,315
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

<u>Title VI-B</u>	<u>Preschool Disabled Section 619</u>	<u>Options Child Care Grant</u>	<u>Alaska Community Learning Centers</u>	<u>Title I-A Parent Involvement</u>	<u>DoDEA 2010 Invitation Grant Program</u>
\$	\$	\$	\$ 33,123	\$	\$
					45
3,157,138	101,350	987	1,431,534	31,823	
3,157,138	101,350	987	1,431,534	31,823	45
3,157,138	101,350	987	1,464,657	31,823	45
599,890	975		272,628	7,288	
786,088	51,488		635,144	4,820	
720,661	29,963		296,323	1,398	
2,106,639	82,426		1,204,095	13,506	
696,431			32,823		
67,231			26,129		
3,299			25,744		
828			10,077		
116,989	13,606		90,495	16,647	45
			150		
165,721	5,318		75,144	1,670	
1,050,499	18,924		260,562	18,317	45
3,157,138	101,350		1,464,657	31,823	45
		987			
		311			
\$	\$	\$ 1,298	\$	\$	\$

(continued)

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, 2014

(With comparative totals for 2013)

	<u>Migrant Education Book Program</u>	<u>Lathrop Smaller Learning Communities</u>	<u>McKinney Vento Homeless Education</u>	<u>Title II-A Teacher & Principal Training</u>
Revenues:				
Revenue from local sources:				
Other local revenue	\$	\$	\$	\$
Revenue from federal sources:				
Direct		184,668		
Through the State of Alaska	3,600		27,507	1,039,880
Other intermediate agencies				
Total federal sources	3,600	184,668	27,507	1,039,880
Total revenues	3,600	184,668	27,507	1,039,880
Expenditures - current:				
Salaries and fringe benefits:				
Certificated salaries		10,664		519,569
Non-certificated salaries		87,264	11,219	109,906
Employee benefits		50,556	1,066	292,078
Total salaries and fringe benefits		148,484	12,285	921,553
Materials, supplies, services and other:				
Professional and technical services			2,986	9,260
Staff travel		26,119		51,752
Student travel			338	
Other purchased services				
Supplies, materials and media	3,411	371	10,454	1,641
Other expenses				1,089
Indirect costs	189	9,694	1,444	54,585
Total materials, supplies, services and other	3,600	36,184	15,222	118,327
Capital outlay:				
Equipment				
Total expenditures	3,600	184,668	27,507	1,039,880
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

Title I-A Professional Development	Title I-A School Improvement	Statewide Mentor Urban Growth Project	Fresh Fruit & Vegetable Program	Totals	
				2014	2013
\$	\$	\$	\$	\$ 33,123	\$ 19,703
				941,577	1,170,590
87,493	16,160		45,176	9,755,771	11,804,742
		257,424		278,695	125,539
87,493	16,160	257,424	45,176	10,976,043	13,100,871
87,493	16,160	257,424	45,176	11,009,166	13,120,574
8,693		174,412		2,385,220	2,242,728
23,758		12,613		3,200,579	3,638,617
4,143		20,862		2,567,930	2,664,725
36,594		207,887		8,153,729	8,546,070
16,048				977,643	1,222,638
	3,133	19,544		516,499	842,612
				95,633	274,973
				14,485	24,917
30,260	12,187	19,084	45,176	652,097	1,536,164
		122		1,499	15,334
4,591	840	10,787		555,816	625,191
50,899	16,160	49,537	45,176	2,813,672	4,541,829
				40,778	32,364
87,493	16,160	257,424	45,176	11,008,179	13,120,263
				987	311
				311	
\$	\$	\$	\$	\$ 1,298	\$ 311

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, 2014

	Budgeted Amounts		Actual	Actual on Budgetary Basis	Variance with Final Budget
	Original	Final			
Revenues:					
Revenue from local sources:					
Other local revenue	\$	\$	\$ 33,123	\$ 33,123	\$ 33,123
Revenue from federal sources:					
Direct	982,983	982,983	941,577	941,577	(41,406)
Through the State of Alaska	11,659,661	13,273,353	9,755,771	9,625,730	(3,647,623)
Other intermediate agencies	40,000	541,716	278,695	278,695	(263,021)
	<u>12,682,644</u>	<u>14,798,052</u>	<u>10,976,043</u>	<u>10,846,002</u>	<u>(3,952,050)</u>
Total revenues	<u>12,682,644</u>	<u>14,798,052</u>	<u>11,009,166</u>	<u>10,879,125</u>	<u>(3,918,927)</u>
Expenditures - current:					
Salaries and fringe benefits:					
Certificated salaries	2,197,840	2,728,019	2,385,220	2,385,220	342,799
Non-certificated salaries	3,025,369	3,757,267	3,200,579	3,200,579	556,688
Employee benefits	<u>2,581,702</u>	<u>2,922,162</u>	<u>2,567,930</u>	<u>2,567,930</u>	<u>354,232</u>
Total salaries and fringe benefits	<u>7,804,911</u>	<u>9,407,448</u>	<u>8,153,729</u>	<u>8,153,729</u>	<u>1,253,719</u>
Materials, supplies, services and other:					
Professional and technical services	1,327,598	1,561,546	977,643	934,521	627,025
Staff travel	654,962	663,688	516,499	515,867	147,821
Student travel	111,355	158,383	95,633	94,974	63,409
Other purchased services	29,150	45,113	14,485	14,485	30,628
Supplies, materials and media	2,089,524	2,143,991	652,097	562,711	1,581,280
Other expenses	2,810	3,410	1,499	1,499	1,911
Indirect costs	<u>658,600</u>	<u>765,940</u>	<u>555,816</u>	<u>555,816</u>	<u>210,124</u>
Total materials, supplies, services and other	<u>4,873,999</u>	<u>5,342,071</u>	<u>2,813,672</u>	<u>2,679,873</u>	<u>2,662,198</u>
Capital outlay:					
Equipment		48,533	40,778	44,536	3,997
Total expenditures	<u>12,678,910</u>	<u>14,798,052</u>	<u>11,008,179</u>	<u>10,878,138</u>	<u>3,919,914</u>
Net change in fund balance	<u>\$ 3,734</u>	<u>\$</u>	<u>987</u>	<u>\$ 987</u>	<u>\$ 987</u>
Fund balance - beginning			311		
Fund balance - ending			<u>\$ 1,298</u>		

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund
Student Transportation Special Revenue
Balance Sheet
June 30, 2014
(With comparative totals for 2013)

	Totals	
	2014	2013
<u>ASSETS</u>		
Equity in central treasury cash	<u>\$ 2,120,286</u>	<u>\$ 1,895,476</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 144,721	\$ 11,288
Fund balance:		
Restricted	746,724	655,347
Assigned	<u>1,228,841</u>	<u>1,228,841</u>
Total fund balance	<u>1,975,565</u>	<u>1,884,188</u>
Total liabilities and fund balance	<u>\$ 2,120,286</u>	<u>\$ 1,895,476</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, 2014
(With comparative totals for 2013)

	Totals	
	2014	2013
Revenues:		
Revenue from state sources	<u>\$ 11,885,234</u>	<u>\$ 11,806,755</u>
Expenditures - current:		
Salaries and fringe benefits:		
Non-certificated salaries	170,754	164,856
Employee benefits	<u>101,307</u>	<u>94,592</u>
Total salaries and fringe benefits	<u>272,061</u>	<u>259,448</u>
Materials, supplies, services and other:		
Professional and technical services	6,580	8,530
Staff travel	954	610
Student travel	28	45
Other purchased services	11,506,432	11,104,228
Supplies, materials and media	7,802	4,638
Other expenses		<u>100</u>
Total materials, supplies, services and other	<u>11,521,796</u>	<u>11,118,151</u>
Total expenditures	<u>11,793,857</u>	<u>11,377,599</u>
Net change in fund balance	91,377	429,156
Fund balance - beginning	<u>1,884,188</u>	<u>1,455,032</u>
Fund balance - ending	<u><u>\$ 1,975,565</u></u>	<u><u>\$ 1,884,188</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, 2014

	<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:					
Revenue from state sources	<u>\$ 11,976,290</u>	<u>\$ 11,841,364</u>	<u>\$ 11,885,234</u>	<u>\$ 11,765,555</u>	<u>\$ (75,809)</u>
Expenditures - current:					
Salaries and fringe benefits:					
Non-certificated salaries	167,997	167,997	170,754	170,754	(2,757)
Employee benefits	<u>96,023</u>	<u>96,023</u>	<u>101,307</u>	<u>101,307</u>	<u>(5,284)</u>
Total salaries and fringe benefits	<u>264,020</u>	<u>264,020</u>	<u>272,061</u>	<u>272,061</u>	<u>(8,041)</u>
Materials, supplies, services and other:					
Professional and technical services	7,000	7,000	6,580	6,580	420
Staff travel	5,400	5,400	954	954	4,446
Student travel			28	28	(28)
Other purchased services	12,176,150	12,042,623	11,506,432	11,386,753	655,870
Supplies, materials and media	<u>3,200</u>	<u>3,200</u>	<u>7,802</u>	<u>7,802</u>	<u>(4,602)</u>
Total materials, supplies, services and other	<u>12,191,750</u>	<u>12,058,223</u>	<u>11,521,796</u>	<u>11,402,117</u>	<u>656,106</u>
Total expenditures	<u>12,455,770</u>	<u>12,322,243</u>	<u>11,793,857</u>	<u>11,674,178</u>	<u>648,065</u>
Net change in fund balance	<u>\$ (479,480)</u>	<u>\$ (480,879)</u>	<u>91,377</u>	<u>\$ 91,377</u>	<u>\$ 572,256</u>
Fund balance - beginning			<u>1,884,188</u>		
Fund balance - ending			<u>\$ 1,975,565</u>		

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund
State Programs Special Revenue
Combining Balance Sheet
For the Year Ended June 30, 2014
(With comparative totals for 2013)

	<u>Staff Development Mini-grants</u>	<u>Youth First</u>	<u>Alaska Construction Academy</u>	<u>Legislative Small Grants 11-12</u>
<u>ASSETS</u>				
Equity in central treasury cash	\$	\$	\$	\$
Accounts receivable:				
Local				
State	641	1,727	70,440	1,592
Due from Fairbanks North Star Borough				
Total assets	<u>\$ 641</u>	<u>\$ 1,727</u>	<u>\$ 70,440</u>	<u>\$ 1,592</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$	\$	\$ 1,859	\$ 704
Unearned revenue				
Due to other funds	641	1,727	68,581	888
Total liabilities	<u>641</u>	<u>1,727</u>	<u>70,440</u>	<u>1,592</u>
Fund balances:				
Restricted				
Total liabilities and fund balances	<u>\$ 641</u>	<u>\$ 1,727</u>	<u>\$ 70,440</u>	<u>\$ 1,592</u>

<u>Legislative Small Grants FY13</u>	<u>Classroom Technology Upgrade FY13</u>	<u>Classroom Digital Technology Upgrade</u>	<u>We the People 13-14</u>	<u>Weller Classroom Upgrades</u>	<u>Ryan Classroom Digital Technology</u>
\$ 6,082	\$	\$	\$	\$	\$
	160,765	190,432	1,200	34,545	5,943
<u>\$ 6,082</u>	<u>\$ 160,765</u>	<u>\$ 190,432</u>	<u>\$ 1,200</u>	<u>\$ 34,545</u>	<u>\$ 5,943</u>
\$ 6,082	\$ 18,650	\$	\$ 1,200	\$ 128	\$
	142,115	190,432		34,417	5,943
<u>6,082</u>	<u>160,765</u>	<u>190,432</u>	<u>1,200</u>	<u>34,545</u>	<u>5,943</u>
<u>\$ 6,082</u>	<u>\$ 160,765</u>	<u>\$ 190,432</u>	<u>\$ 1,200</u>	<u>\$ 34,545</u>	<u>\$ 5,943</u>

(continued)

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund
State Programs Special Revenue
Combining Balance Sheet
For the Year Ended June 30, 2014
(With comparative totals for 2013)

	<u>Hutchison Classroom Tech/Voc Upgrades</u>	<u>Lathrop Classroom Technology & PE Equipment</u>	<u>Student Safety and Security</u>	<u>Capacity Bldg Suicide Prevention</u>
<u>ASSETS</u>				
Equity in central treasury cash	\$	\$	\$ 1,187,047	\$
Accounts receivable:				
Local				
State				4,441
Due from Fairbanks North Star Borough	31,818	27,968		
Total assets	<u>\$ 31,818</u>	<u>\$ 27,968</u>	<u>\$ 1,187,047</u>	<u>\$ 4,441</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$	\$ 9,360	\$ 70,236	\$ 4,441
Unearned revenue				
Due to other funds	31,818	18,608		
Total liabilities	<u>31,818</u>	<u>27,968</u>	<u>70,236</u>	<u>4,441</u>
Fund balances:				
Restricted			1,116,811	
Total liabilities and fund balances	<u>\$ 31,818</u>	<u>\$ 27,968</u>	<u>\$ 1,187,047</u>	<u>\$ 4,441</u>

Big Brothers Big Sisters Mentoring	Arctic Light Security Systems	Badger Security Systems	Ladd School Security Systems	WVHS/NPHS Headbolt Plug-In O&M	Nutritional AK Foods for Schools FY12
\$	\$	\$	\$	\$	\$
9,516					1,024
	19,564	27,273	24,109	7,473	
<u>\$ 9,516</u>	<u>\$ 19,564</u>	<u>\$ 27,273</u>	<u>\$ 24,109</u>	<u>\$ 7,473</u>	<u>\$ 1,024</u>

\$	\$	\$	\$	\$	\$
9,516	19,564	27,273	24,109	7,473	1,024
<u>9,516</u>	<u>19,564</u>	<u>27,273</u>	<u>24,109</u>	<u>7,473</u>	<u>1,024</u>

<u>\$ 9,516</u>	<u>\$ 19,564</u>	<u>\$ 27,273</u>	<u>\$ 24,109</u>	<u>\$ 7,473</u>	<u>\$ 1,024</u>
-----------------	------------------	------------------	------------------	-----------------	-----------------

(continued)

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Major Governmental Fund
State Programs Special Revenue
Combining Balance Sheet
For the Year Ended June 30, 2014
(With comparative totals for 2013)

	Nutritional AK Foods for Schools FY13	Totals	
		2014	2013
<u>ASSETS</u>			
Equity in central treasury cash	\$ 186,669	\$ 1,379,798	\$ 34,684
Accounts receivable:			
Local		9,516	8,317
State		78,273	60,614
Due from Fairbanks North Star Borough		532,682	124,575
Total assets	<u>\$ 186,669</u>	<u>\$ 2,000,269</u>	<u>\$ 228,190</u>

LIABILITIES AND FUND BALANCES

Liabilities:			
Accounts payable	\$	\$ 106,578	\$ 37,071
Unearned revenue	186,669	192,751	33,650
Due to other funds		584,129	157,469
Total liabilities	<u>186,669</u>	<u>883,458</u>	<u>228,190</u>
Fund balances:			
Restricted		<u>1,116,811</u>	
Total liabilities and fund balances	<u>\$ 186,669</u>	<u>\$ 2,000,269</u>	<u>\$ 228,190</u>

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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, 2014

(With comparative totals for 2013)

	Staff Development Mini-grants	Youth First	Alaska Construction Academy	Legislative Small Grants 11-12
Revenues:				
Revenue from state sources	<u>\$ 21,515</u>	<u>\$ 100,000</u>	<u>\$ 149,933</u>	<u>\$ 19,070</u>
Expenditures - current:				
Instruction	21,515	94,751	142,063	19,070
Support services - students				
District administration support services		5,249	7,870	
Operations and maintenance of plant				
Food service				
Total expenditures	<u>21,515</u>	<u>100,000</u>	<u>149,933</u>	<u>19,070</u>
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>

SD Classroom Technology Upgrades	Legislative Small Grants FY13	Salcha Classroom Equipment	We the People 12-13	Classroom Technology Upgrade FY13	Barnette Furniture & Equipment
<u>\$ 16,647</u>	<u>\$ 27,437</u>	<u>\$ 2,104</u>	<u>\$ 118</u>	<u>\$ 160,765</u>	<u>\$ 155,691</u>
16,647	23,313	2,104	118	160,765	155,691
	4,124				
<u>16,647</u>	<u>27,437</u>	<u>2,104</u>	<u>118</u>	<u>160,765</u>	<u>155,691</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(continued)

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, 2014

(With comparative totals for 2013)

	Classroom Digital Technology Upgrade	We the People 13-14	Weller Classroom Upgrades	Ryan Classroom Digital Technology
Revenues:				
Revenue from state sources	<u>\$ 231,533</u>	<u>\$ 42,610</u>	<u>\$ 34,545</u>	<u>\$ 5,943</u>
Expenditures - current:				
Instruction	231,533	42,610	34,545	5,943
Support services - students				
District administration support services				
Operations and maintenance of plant				
Food service				
Total expenditures	<u>231,533</u>	<u>42,610</u>	<u>34,545</u>	<u>5,943</u>
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>

Hutchison Classroom Tech/Voc Upgrades	Lathrop Classroom Technology & PE Equipment	Student Safety and Security	Capacity Bldg Suicide Prevention	Big Brothers Big Sisters Mentoring	Arctic Light Security Systems
<u>\$ 31,818</u>	<u>\$ 27,968</u>	<u>\$ 2,243,796</u>	<u>\$ 6,956</u>	<u>\$ 9,516</u>	<u>\$ 19,564</u>
31,818	27,968	1,126,985	6,956	9,516	19,564
<u>31,818</u>	<u>27,968</u>	<u>1,126,985</u>	<u>6,956</u>	<u>9,516</u>	<u>19,564</u>
		1,116,811			
<u>\$</u>	<u>\$</u>	<u>\$ 1,116,811</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(continued)

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, 2014

(With comparative totals for 2013)

	<u>Badger Security Systems</u>	<u>Ladd School Security Systems</u>	<u>WVHS/NPHS Headbolt Plug-In O&M</u>	<u>Nutritional AK Foods for Schools FY12</u>
Revenues:				
Revenue from state sources	<u>\$ 27,273</u>	<u>\$ 24,109</u>	<u>\$ 7,473</u>	<u>\$ 11,796</u>
Expenditures - current:				
Instruction				
Support services - students	27,273	24,109		
District administration support services				
Operations and maintenance of plant			7,473	
Food service				11,796
Total expenditures	<u>27,273</u>	<u>24,109</u>	<u>7,473</u>	<u>11,796</u>
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>

Totals	
2014	2013
<u>\$ 3,378,180</u>	<u>\$ 879,635</u>
1,010,454	858,713
1,214,403	8,000
17,243	4,836
7,473	
<u>11,796</u>	<u>8,086</u>
<u>2,261,369</u>	<u>879,635</u>
1,116,811	
<u><u>\$ 1,116,811</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, 2014

(With comparative totals for 2013)

	<u>Staff Development Mini-grants</u>	<u>Youth First</u>	<u>Alaska Construction Academy</u>	<u>Legislative Small Grants 11-12</u>
Revenues:				
Revenue from state sources	\$ 21,515	\$ 100,000	\$ 149,933	\$ 19,070
Expenditures - current:				
Salaries and fringe benefits:				
Certificated salaries	150		54,556	
Non-certificated salaries	1,365	59,644		
Employee benefits	135	35,107	8,616	
Total salaries and fringe benefits	<u>1,650</u>	<u>94,751</u>	<u>63,172</u>	
Materials, supplies, services and other:				
Professional and technical services			37,231	
Staff travel	19,865			
Student travel			2,978	
Energy				
Other purchased services				
Supplies, materials and media			38,682	19,070
Indirect costs		5,249	7,870	
Total materials, supplies, services and other	<u>19,865</u>	<u>5,249</u>	<u>86,761</u>	<u>19,070</u>
Capital outlay - equipment				
Total expenditures	<u>21,515</u>	<u>100,000</u>	<u>149,933</u>	<u>19,070</u>
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	<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, 2014

(With comparative totals for 2013)

	<u>Classroom Digital Technology Upgrade</u>	<u>We the People 13-14</u>	<u>Weller Classroom Upgrades</u>	<u>Ryan Classroom Digital Technology</u>
Revenues:				
Revenue from state sources	\$ 231,533	\$ 42,610	\$ 34,545	\$ 5,943
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		8,545		
Staff travel		3,394		
Student travel		22,447		
Energy				
Other purchased services	1,151	8,224		
Supplies, materials and media	213,300		34,545	5,943
Indirect costs				
Total materials, supplies, services and other	214,451	42,610	34,545	5,943
Capital outlay - equipment	17,082			
Total expenditures	231,533	42,610	34,545	5,943
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

<u>Hutchison Classroom Tech/Voc Upgrades</u>	<u>Lathrop Classroom Technology & PE Equipment</u>	<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>\$ 31,818</u>	<u>\$ 27,968</u>	<u>\$ 2,243,796</u>	<u>\$ 6,956</u>	<u>\$ 9,516</u>	<u>\$ 19,564</u>
				4,506	
				2,681	
				7,187	
		9,076	2,515		
31,818	19,648	1,055,940	4,441	2,329	19,564
<u>31,818</u>	<u>19,648</u>	<u>1,065,016</u>	<u>6,956</u>	<u>2,329</u>	<u>19,564</u>
	8,320	61,969			
<u>31,818</u>	<u>27,968</u>	<u>1,126,985</u>	<u>6,956</u>	<u>9,516</u>	<u>19,564</u>
		1,116,811			
<u>\$</u>	<u>\$</u>	<u>\$ 1,116,811</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(continued)

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, 2014

(With comparative totals for 2013)

	<u>Badger Security Systems</u>	<u>Ladd School Security Systems</u>	<u>WVHS/NPHS Headbolt Plug-In O&M</u>	<u>Nutritional AK Foods for Schools FY12</u>
Revenues:				
Revenue from state sources	<u>\$ 27,273</u>	<u>\$ 24,109</u>	<u>\$ 7,473</u>	<u>\$ 11,796</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				
Staff travel				
Student travel				
Energy			7,473	
Other purchased services				
Supplies, materials and media	27,273	24,109		11,796
Indirect costs				
Total materials, supplies, services and other	<u>27,273</u>	<u>24,109</u>	<u>7,473</u>	<u>11,796</u>
Capital outlay - equipment				
Total expenditures	<u>27,273</u>	<u>24,109</u>	<u>7,473</u>	<u>11,796</u>
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Totals	
2014	2013
<hr/>	
\$ 3,378,180	\$ 879,635
<hr/>	
54,706	78,348
65,515	63,638
46,539	46,659
<hr/>	
166,760	188,645
<hr/>	
54,852	52,186
25,774	30,670
25,425	3,612
7,473	
12,139	2,139
1,848,222	566,310
17,243	4,836
<hr/>	
1,991,128	659,753
<hr/>	
103,481	31,237
<hr/>	
2,261,369	879,635
<hr/>	
1,116,811	
<hr/>	
\$ 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, 2014

	<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:					
Revenue from state sources	<u>\$ 3,869,749</u>	<u>\$ 4,247,918</u>	<u>\$ 3,378,180</u>	<u>\$ 3,379,602</u>	<u>\$ (868,316)</u>
Expenditures-current:					
Salaries and fringe benefits:					
Certificated salaries	85,583	61,706	54,706	54,706	7,000
Non-certificated salaries	74,750	76,150	65,515	65,515	10,635
Employee benefits	57,786	54,247	46,539	46,539	7,708
Total salaries and fringe benefits	<u>218,119</u>	<u>192,103</u>	<u>166,760</u>	<u>166,760</u>	<u>25,343</u>
Materials, supplies, services and other:					
Professional and technical services	38,436	45,331	54,852	54,852	(9,521)
Staff travel	15,719	34,410	25,774	25,774	8,636
Student travel	23,692	23,692	25,425	25,425	(1,733)
Energy		218,182	7,473	7,473	210,709
Other purchased services	8,224	10,989	12,139	12,139	(1,150)
Supplies, materials and media	2,953,122	3,099,293	1,848,222	1,842,863	1,256,430
Indirect cost	112,437	122,108	17,243	17,243	104,865
Total materials, supplies, services and other	<u>3,151,630</u>	<u>3,554,005</u>	<u>1,991,128</u>	<u>1,985,769</u>	<u>1,568,236</u>
Capital outlay - equipment	<u>500,000</u>	<u>501,810</u>	<u>103,481</u>	<u>110,262</u>	<u>391,548</u>
Total expenditures	<u>3,869,749</u>	<u>4,247,918</u>	<u>2,261,369</u>	<u>2,262,791</u>	<u>1,985,127</u>
Net change in fund balance	<u>\$</u>	<u>\$</u>	<u>1,116,811</u>	<u>\$ 1,116,811</u>	<u>\$ 1,116,811</u>
Fund balance - beginning					
Fund balance - ending			<u>\$ 1,116,811</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, 2014
(With comparative totals for 2013)

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals</u>	
			<u>2014</u>	<u>2013</u>
<u>ASSETS</u>				
Equity in central treasury cash	\$ 1,756,963	\$ 187,809	\$ 1,944,772	\$ 2,296,899
Accounts receivable:				
Local	373		373	9,680
State				60,614
Due from Fairbanks North Star Borough		29,668	29,668	136,132
Inventories	625,306		625,306	443,788
Total assets	<u>\$ 2,382,642</u>	<u>\$ 217,477</u>	<u>\$ 2,600,119</u>	<u>\$ 2,947,113</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 31,132	\$ 6,647	\$ 37,779	\$ 105,803
Unearned revenue	845		845	33,650
Due to other funds	499,320	24,995	524,315	224,912
Total liabilities	<u>531,297</u>	<u>31,642</u>	<u>562,939</u>	<u>364,365</u>
Fund balances:				
Nonspendable - inventories	625,306		625,306	443,788
Restricted	41		41	7,115
Committed	1,726,030		1,726,030	1,794,550
Assigned		185,835	185,835	414,797
Unassigned	(500,032)		(500,032)	(77,502)
Total fund balances	<u>1,851,345</u>	<u>185,835</u>	<u>2,037,180</u>	<u>2,582,748</u>
Total liabilities and fund balances	<u>\$ 2,382,642</u>	<u>\$ 217,477</u>	<u>\$ 2,600,119</u>	<u>\$ 2,947,113</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, 2014

(With comparative totals for 2013)

	Special Revenue	Capital Projects	Total	
			2014	2013
Revenues:				
Revenue from local sources:				
Food service	\$ 1,492,538	\$	\$ 1,492,538	\$ 1,598,281
Other local revenue	2,611,306	48,289	2,659,595	2,490,866
Total local sources	4,103,844	48,289	4,152,133	4,089,147
Revenue from state sources		1,200	1,200	879,635
Revenue from federal sources:				
Through the State of Alaska	3,398,774	77,446	3,476,220	3,310,317
Total revenues	7,502,618	126,935	7,629,553	8,279,099
Expenditures:				
Current:				
Instruction	50,666		50,666	909,242
Support services - students	131,569		131,569	8,000
Support services - instruction	69,461		69,461	154,260
District administration support services				4,836
Student activities	2,440,570		2,440,570	2,295,594
Community service	5,000		5,000	
Food services	5,359,058		5,359,058	5,433,831
Total current	8,056,324		8,056,324	8,805,763
Capital outlay		355,897	355,897	39,881
Total expenditures	8,056,324	355,897	8,412,221	8,845,644
Excess (deficiency) of revenues over expenditures	(553,706)	(228,962)	(782,668)	(566,545)
Other financing sources:				
Transfers in	237,100		237,100	394,136
Net change in fund balances	(316,606)	(228,962)	(545,568)	(172,409)
Fund balances - beginning	2,167,951	414,797	2,582,748	2,755,157
Fund balances - ending	\$ 1,851,345	\$ 185,835	\$ 2,037,180	\$ 2,582,748

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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, 2014
(With comparative totals for 2013)

	<u>Local Programs</u>	<u>Food Service</u>	<u>School Activities</u>	<u>Totals</u>	
				<u>2014</u>	<u>2013</u>
<u>ASSETS</u>					
Equity in central treasury cash	\$ 176,348	\$	\$ 1,580,615	\$ 1,756,963	\$ 1,882,102
Accounts receivable:					
Local	276		97	373	9,680
State					60,614
Due from Fairbanks North Star Borough					124,575
Inventories		625,306		625,306	443,788
Total assets	<u>\$ 176,624</u>	<u>\$ 625,306</u>	<u>\$ 1,580,712</u>	<u>\$ 2,382,642</u>	<u>\$ 2,520,759</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 204	\$ 784	\$ 30,144	\$ 31,132	\$ 94,246
Unearned revenue	845			845	33,650
Due to other funds	28,455	470,865		499,320	224,912
Total liabilities	<u>29,504</u>	<u>471,649</u>	<u>30,144</u>	<u>531,297</u>	<u>352,808</u>
Fund balances:					
Nonspendable - inventories		625,306		625,306	443,788
Restricted	41			41	7,115
Committed	175,462		1,550,568	1,726,030	1,794,550
Unassigned	(28,383)	(471,649)		(500,032)	(77,502)
Total fund balances	<u>147,120</u>	<u>153,657</u>	<u>1,550,568</u>	<u>1,851,345</u>	<u>2,167,951</u>
Total liabilities and fund balances	<u>\$ 176,624</u>	<u>\$ 625,306</u>	<u>\$ 1,580,712</u>	<u>\$ 2,382,642</u>	<u>\$ 2,520,759</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, 2014
(With comparative totals for 2013)

	Local Programs	Food Service	School Activities	Totals	
				2014	2013
Revenues:					
Revenue from local sources:					
Food service	\$	\$ 1,492,538	\$	\$ 1,492,538	\$ 1,598,281
Other local revenue	239,719		2,371,587	2,611,306	2,479,309
Total local sources	239,719	1,492,538	2,371,587	4,103,844	4,077,590
Revenue from state sources					879,635
Revenue from federal sources:					
Through the State of Alaska	4,798	3,393,976		3,398,774	3,252,455
Total revenues	244,517	4,886,514	2,371,587	7,502,618	8,209,680
Expenditures:					
Current:					
Instruction	50,666			50,666	909,242
Support services - students	131,569			131,569	8,000
Support services - instruction	69,461			69,461	154,260
District administration support services					4,836
Student activities			2,440,570	2,440,570	2,295,594
Community service	5,000			5,000	
Food services		5,359,058		5,359,058	5,433,831
Total expenditures	256,696	5,359,058	2,440,570	8,056,324	8,805,763
Excess (deficiency) of revenues over expenditures	(12,179)	(472,544)	(68,983)	(553,706)	(596,083)
Other financing sources:					
Transfers in		237,100		237,100	394,136
Net change in fund balances	(12,179)	(235,444)	(68,983)	(316,606)	(201,947)
Fund balances - beginning	159,299	389,101	1,619,551	2,167,951	2,369,898
Fund balances - ending	\$ 147,120	\$ 153,657	\$ 1,550,568	\$ 1,851,345	\$ 2,167,951

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Nonmajor Special Revenue Fund

Local Programs

Combining Balance Sheet

June 30, 2014

(With comparative totals for 2013)

	<u>Options Child Care</u>	<u>Youth Service America</u>	<u>Barnette Magnet After School Program</u>	<u>University Park After School Program</u>
<u>ASSETS</u>				
Equity in central treasury cash	\$	\$ 41	\$ 28,108	\$ 1,820
Accounts receivable:				
Local				
Total assets	<u>\$</u>	<u>\$ 41</u>	<u>\$ 28,108</u>	<u>\$ 1,820</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 204	\$	\$ 305	\$ 540
Unearned revenue				
Due to other funds	<u>28,179</u>			
Total liabilities	<u>28,383</u>		<u>305</u>	<u>540</u>
Fund balances:				
Restricted		41		
Committed			27,803	1,280
Unassigned	<u>(28,383)</u>			
Total fund balances	<u>(28,383)</u>	<u>41</u>	<u>27,803</u>	<u>1,280</u>
Total liabilities and fund balances	<u>\$</u>	<u>\$ 41</u>	<u>\$ 28,108</u>	<u>\$ 1,820</u>

Curriculum Staff Development	Rose Urban Rural Exchange	Community Donations	Totals	
			2014	2013
\$ 74,815	\$	\$ 71,564	\$ 176,348	\$ 182,649
	276		276	1,363
<u>\$ 74,815</u>	<u>\$ 276</u>	<u>\$ 71,564</u>	<u>\$ 176,624</u>	<u>\$ 184,012</u>
\$	\$	\$	\$ 204	\$ 604
			845	
	276		28,455	24,109
	276		29,504	24,713
74,815		71,564	41	7,115
			175,462	174,999
			(28,383)	(22,815)
<u>74,815</u>		<u>71,564</u>	<u>147,120</u>	<u>159,299</u>
<u>\$ 74,815</u>	<u>\$ 276</u>	<u>\$ 71,564</u>	<u>\$ 176,624</u>	<u>\$ 184,012</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, 2014

(With comparative totals for 2013)

	<u>Options Child Care</u>	<u>Alaskan Coastal Studies</u>	<u>Office Max Grant</u>	<u>Youth Service America</u>
Revenues:				
Revenue from local sources:				
Other local revenue	\$ 38,186	\$ (960)	\$	\$ 1,000
Revenue from federal sources:				
Through the State of Alaska	4,798			
Total revenues	<u>42,984</u>	<u>(960)</u>		<u>1,000</u>
Expenditures				
Current:				
Instruction	48,552		1,155	959
Support services - students				
Support services - instruction				
Community service				
Total expenditures	<u>48,552</u>		<u>1,155</u>	<u>959</u>
Net change in fund balances	(5,568)	(960)	(1,155)	41
Fund balances - beginning	<u>(22,815)</u>	<u>960</u>	<u>1,155</u>	
Fund balances - ending	<u>\$ (28,383)</u>	<u>\$</u>	<u>\$</u>	<u>\$ 41</u>

<u>Barnette Magnet After School Program</u>	<u>University Park After School Program</u>	<u>Curriculum Staff Development</u>	<u>Rose Urban Rural Exchange</u>	<u>Community Donations</u>	<u>Burnley Scholarship</u>
\$ 92,769	\$ 62,958	\$ 38,540	\$ 1,074	\$ 6,152	\$
<u>92,769</u>	<u>62,958</u>	<u>38,540</u>	<u>1,074</u>	<u>6,152</u>	
69,891	61,678	68,387	1,074		5,000
<u>69,891</u>	<u>61,678</u>	<u>68,387</u>	<u>1,074</u>		<u>5,000</u>
22,878	1,280	(29,847)		6,152	(5,000)
4,925		104,662		65,412	5,000
<u>\$ 27,803</u>	<u>\$ 1,280</u>	<u>\$ 74,815</u>	<u>\$</u>	<u>\$ 71,564</u>	<u>\$</u>

(continued)

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, 2014

(With comparative totals for 2013)

	Totals	
	2014	2013
Revenues:		
Revenue from local sources:		
Other local revenue	\$ 239,719	\$ 185,449
Revenue from federal sources:		
Through the State of Alaska	4,798	7,528
Total revenues	244,517	192,977
Expenditures		
Current:		
Instruction	50,666	50,529
Support services - students	131,569	
Support services - instruction	69,461	154,260
Community service	5,000	
Total expenditures	256,696	204,789
Net change in fund balances	(12,179)	(11,812)
Fund balances - beginning	159,299	171,111
Fund balances - ending	\$ 147,120	\$ 159,299

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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, 2014

(With comparative totals for 2013)

	<u>Options Child Care</u>	<u>Alaskan Coastal Studies</u>	<u>Office Max Grant</u>	<u>Youth Service America</u>
Revenues:				
Revenue from local sources:				
Other local revenue	\$ 38,186	\$ (960)	\$	\$ 1,000
Revenue from federal sources:				
Through the State of Alaska	<u>4,798</u>			
Total revenues	<u>42,984</u>	<u>(960)</u>		<u>1,000</u>
Expenditures:				
Current:				
Salaries and fringe benefits:				
Certificated salaries				
Non-certificated salaries	25,580			
Employee benefits	<u>15,091</u>			
Total salaries and fringe benefits	<u>40,671</u>			
Materials, supplies, services and other:				
Professional and technical services	327			
Staff travel				
Student travel			1,155	959
Supplies, materials and media	<u>7,554</u>			
Total materials, supplies, services and other	<u>7,881</u>		<u>1,155</u>	<u>959</u>
Total expenditures	<u>48,552</u>		<u>1,155</u>	<u>959</u>
Net change in fund balances	(5,568)	(960)	(1,155)	41
Fund balances - beginning	<u>(22,815)</u>	<u>960</u>	<u>1,155</u>	
Fund balances - ending	<u>\$ (28,383)</u>	<u>\$</u>	<u>\$</u>	<u>\$ 41</u>

<u>Barnette Magnet After School Program</u>	<u>University Park After School Program</u>	<u>Curriculum Staff Development</u>	<u>Rose Urban Rural Exchange</u>	<u>Community Donations</u>	<u>Burnley Scholarship</u>
\$ 92,769	\$ 62,958	\$ 38,540	\$ 1,074	\$ 6,152	\$
<u>92,769</u>	<u>62,958</u>	<u>38,540</u>	<u>1,074</u>	<u>6,152</u>	
8,048	8,532	8,950			
38,191	32,512		981		
18,978	17,716	291	93		
<u>65,217</u>	<u>58,760</u>	<u>9,241</u>	<u>1,074</u>		
200	330	55,846 3,300			5,000
<u>4,474</u>	<u>2,588</u>				
<u>4,674</u>	<u>2,918</u>	<u>59,146</u>			<u>5,000</u>
<u>69,891</u>	<u>61,678</u>	<u>68,387</u>	<u>1,074</u>		<u>5,000</u>
22,878	1,280	(29,847)		6,152	(5,000)
<u>4,925</u>		<u>104,662</u>		<u>65,412</u>	<u>5,000</u>
<u>\$ 27,803</u>	<u>\$ 1,280</u>	<u>\$ 74,815</u>	<u>\$</u>	<u>\$ 71,564</u>	<u>\$</u>

(continued)

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, 2014

(With comparative totals for 2013)

	Totals	
	2014	2013
Revenues:		
Revenue from local sources:		
Other local revenue	\$ 239,719	\$ 185,449
Revenue from federal sources:		
Through the State of Alaska	4,798	7,528
Total revenues	244,517	192,977
Expenditures:		
Current:		
Salaries and fringe benefits:		
Certificated salaries	25,530	28,927
Non-certificated salaries	97,264	63,186
Employee benefits	52,169	31,820
Total salaries and fringe benefits	174,963	123,933
Materials, supplies, services and other:		
Professional and technical services	61,703	61,788
Staff travel	3,300	
Student travel	2,114	
Supplies, materials and media	14,616	19,068
Total materials, supplies, services and other	81,733	80,856
Total expenditures	256,696	204,789
Net change in fund balances	(12,179)	(11,812)
Fund balances - beginning	159,299	171,111
Fund balances - ending	\$ 147,120	\$ 159,299

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, 2014

	<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:					
Revenue from local sources:					
Other local revenue	\$ 148,868	\$ 201,697	\$ 239,719	\$ 239,719	\$ 38,022
Revenue from federal sources:					
Through the State of Alaska			4,798	4,798	4,798
Total revenues	<u>148,868</u>	<u>201,697</u>	<u>244,517</u>	<u>244,517</u>	<u>42,820</u>
Expenditures:					
Current					
Salaries and fringe benefits:					
Certificated salaries	17,482	25,530	25,530	25,530	
Non-certificated salaries	59,337	97,264	97,264	97,264	
Employee benefits	<u>33,216</u>	<u>52,169</u>	<u>52,169</u>	<u>52,169</u>	
Total salaries and fringe benefits	<u>110,035</u>	<u>174,963</u>	<u>174,963</u>	<u>174,963</u>	
Materials, supplies, services and other:					
Professional and technical services	61,503	43,703	61,703	61,703	(18,000)
Staff travel	3,300	3,300	3,300	3,300	
Student travel	1,855	1,855	2,114	2,114	(259)
Supplies, materials and media	<u>153,659</u>	<u>159,990</u>	<u>14,616</u>	<u>14,616</u>	<u>145,374</u>
Total materials, supplies, services and other	<u>220,317</u>	<u>208,848</u>	<u>81,733</u>	<u>81,733</u>	<u>127,115</u>
Total expenditures	<u>330,352</u>	<u>383,811</u>	<u>256,696</u>	<u>256,696</u>	<u>127,115</u>
Net change in fund balance	<u>\$ (181,484)</u>	<u>\$ (182,114)</u>	<u>(12,179)</u>	<u>\$ (12,179)</u>	<u>\$ 169,935</u>
Fund balance - beginning			159,299		
Fund balance - ending			<u>\$ 147,120</u>		

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Nonmajor Special Revenue Fund

Food Service

Balance Sheet

June 30, 2014

(With comparative totals for 2013)

	Totals	
	2014	2013
<u>ASSETS</u>		
Equity in central treasury cash	\$	\$ 267
Inventories	625,306	443,788
Total assets	<u>\$ 625,306</u>	<u>\$ 444,055</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 784	\$ 11,620
Due to other funds	470,865	43,334
Total liabilities	<u>471,649</u>	<u>54,954</u>
Fund balance:		
Nonspendable - inventories	625,306	443,788
Unassigned	<u>(471,649)</u>	<u>(54,687)</u>
Total fund balance	<u>153,657</u>	<u>389,101</u>
Total liabilities and fund balance	<u>\$ 625,306</u>	<u>\$ 444,055</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, 2014

(With comparative totals for 2013)

	Totals	
	2014	2013
Revenues:		
Revenue from local sources:		
Food service	\$ 1,492,538	\$ 1,598,281
Revenue from federal sources:		
Through the State of Alaska	3,393,976	3,244,927
Total revenues	4,886,514	4,843,208
Expenditures - current:		
Food services	5,359,058	5,425,745
Deficiency of revenues over expenditures	(472,544)	(582,537)
Other financing sources:		
Transfers in	237,100	394,136
Net change in fund balance	(235,444)	(188,401)
Fund balance - beginning	389,101	577,502
Fund balance - ending	\$ 153,657	\$ 389,101

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, 2014
(With comparative totals for 2013)

	Totals	
	2014	2013
Revenues:		
Revenue from local sources:		
Food service	\$ 1,492,538	\$ 1,598,281
Revenue from federal sources:		
Through the State of Alaska	3,393,976	3,244,927
Total revenues	<u>4,886,514</u>	<u>4,843,208</u>
Expenditures - current:		
Salaries and fringe benefits:		
Non-certificated salaries	1,956,273	1,951,418
Employee benefits	<u>1,062,600</u>	<u>1,021,710</u>
Total salaries and fringe benefits	<u>3,018,873</u>	<u>2,973,128</u>
Materials, supplies, services and other:		
Professional and technical services	24,217	23,653
Staff travel	13,646	4,890
Utility services	11,351	11,702
Energy	201,533	229,587
Other purchased services	2,746	3,830
Supplies, materials and media	2,068,525	2,128,850
Other expenses	<u>263</u>	<u>249</u>
Total materials, supplies, services and other	<u>2,322,281</u>	<u>2,402,761</u>
Capital outlay - equipment	<u>17,904</u>	<u>49,856</u>
Total expenditures	<u>5,359,058</u>	<u>5,425,745</u>
Deficiency of revenues over expenditures	<u>(472,544)</u>	<u>(582,537)</u>
Other financing sources:		
Transfers in	<u>237,100</u>	<u>394,136</u>
Net change in fund balance	(235,444)	(188,401)
Fund balance - beginning	<u>389,101</u>	<u>577,502</u>
Fund balance - ending	<u>\$ 153,657</u>	<u>\$ 389,101</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, 2014

	<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:					
Revenue from local sources:					
Food Service	\$ 2,406,300	\$ 2,406,300	\$ 1,492,538	\$ 1,492,538	\$ (913,762)
Revenue from federal sources:					
Through the State of Alaska	3,445,460	3,415,431	3,393,976	3,367,701	(47,730)
Total revenues	<u>5,851,760</u>	<u>5,821,731</u>	<u>4,886,514</u>	<u>4,860,239</u>	<u>(961,492)</u>
Expenditures - current:					
Salaries and fringe benefits:					
Non-certificated salaries	2,080,508	2,080,508	1,956,273	1,956,273	124,235
Employee benefits	1,121,877	1,121,877	1,062,600	1,062,600	59,277
Total salaries and fringe benefits	<u>3,202,385</u>	<u>3,202,385</u>	<u>3,018,873</u>	<u>3,018,873</u>	<u>183,512</u>
Materials, supplies, services and other:					
Professional and technical services	25,000	25,000	24,217	24,217	783
Staff travel	12,000	12,000	13,646	13,646	(1,646)
Utility services	13,000	12,700	11,351	11,051	1,649
Energy	250,000	250,000	201,533	201,533	48,467
Other purchased services	9,000	9,000	2,746	3,046	5,954
Supplies, materials and media	2,552,075	2,552,075	2,068,525	2,060,654	491,421
Other expenses	400	400	263	263	137
Total materials, supplies, services and other	<u>2,861,475</u>	<u>2,861,175</u>	<u>2,322,281</u>	<u>2,314,410</u>	<u>546,765</u>
Capital outlay - equipment	<u>25,000</u>	<u>25,000</u>	<u>17,904</u>	<u>(500)</u>	<u>25,500</u>
Total expenditures	<u>6,088,860</u>	<u>6,088,560</u>	<u>5,359,058</u>	<u>5,332,783</u>	<u>755,777</u>
Deficiency of revenues over expenditures	<u>(237,100)</u>	<u>(266,829)</u>	<u>(472,544)</u>	<u>(472,544)</u>	<u>(205,715)</u>
Other financing sources:					
Transfers in	<u>237,100</u>	<u>237,100</u>	<u>237,100</u>	<u>237,100</u>	
Net change in fund balance	<u>\$</u>	<u>\$ (29,729)</u>	<u>(235,444)</u>	<u>\$ (235,444)</u>	<u>\$ (205,715)</u>
Fund balance - beginning			389,101		
Fund balance - ending			<u>\$ 153,657</u>		

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Nonmajor Special Revenue Fund

School Activities

Balance Sheet

June 30, 2014

(With comparative totals for 2013)

	Totals	
	2014	2013
<u>ASSETS</u>		
Equity in central treasury cash	\$ 1,580,615	\$ 1,664,502
Accounts receivable:		
Local	97	
Total assets	<u>\$ 1,580,712</u>	<u>\$ 1,664,502</u>
<u>LIABILITIES & FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 30,144	\$ 44,951
Fund balance:		
Committed	<u>1,550,568</u>	<u>1,619,551</u>
Total liabilities and fund balance	<u>\$ 1,580,712</u>	<u>\$ 1,664,502</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, 2014

(With comparative totals for 2013)

	Totals	
	2014	2013
Revenues:		
Revenue from local sources:		
Other local revenue	<u>\$ 2,371,587</u>	<u>\$ 2,293,860</u>
Expenditures - current:		
Student activities	<u>2,440,570</u>	<u>2,295,594</u>
Net change in fund balance	<u>(68,983)</u>	<u>(1,734)</u>
Fund balance - beginning	<u>1,619,551</u>	<u>1,621,285</u>
Fund balance - ending	<u><u>\$ 1,550,568</u></u>	<u><u>\$ 1,619,551</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, 2014
(With comparative totals for 2013)

	Totals	
	2014	2013
Revenues:		
Revenue from local sources:		
Other local revenue	\$ 2,371,587	\$ 2,293,860
Expenditures - current:		
Salaries and fringe benefits:		
Certificated salaries	12,870	16,913
Non-certificated salaries	36,941	19,348
Employee benefits	6,506	5,925
Total salaries and fringe benefits	56,317	42,186
Materials, supplies, services and other:		
Professional and technical services	65,168	72,578
Staff travel	2,531	3,775
Student travel	1,011,471	925,732
Other purchased services	45,571	41,281
Supplies, materials and media	1,218,113	1,181,276
Other expenses	41,399	23,671
Total materials, supplies, services and other	2,384,253	2,248,313
Capital outlay - equipment		5,095
Total expenditures	2,440,570	2,295,594
Net change in fund balance	(68,983)	(1,734)
Fund balance - beginning	1,619,551	1,621,285
Fund balance - ending	\$ 1,550,568	\$ 1,619,551

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**

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Nonmajor Capital Projects Funds

Combining Balance Sheet

June 30, 2014

(With comparative totals for 2013)

	<u>Title VIII Construction</u>	<u>Districtwide School Projects</u>	<u>Administrative Center Infrastructure</u>	<u>Ryan School Equipment</u>
<u>ASSETS</u>				
Equity in central treasury cash	\$ 157,853	\$ 4,847	\$ 25,109	\$
Due from Fairbanks North Star Borough				7,215
Total assets	<u>\$ 157,853</u>	<u>\$ 4,847</u>	<u>\$ 25,109</u>	<u>\$ 7,215</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 1,974	\$	\$	\$ 4,673
Due to other funds				2,542
Total liabilities	<u>1,974</u>			<u>7,215</u>
Fund balances:				
Assigned	<u>155,879</u>	<u>4,847</u>	<u>25,109</u>	
Total liabilities and fund balances	<u>\$ 157,853</u>	<u>\$ 4,847</u>	<u>\$ 25,109</u>	<u>\$ 7,215</u>

North Pole High
Voc Ed Wing
Renovation

Totals

	2014	2013
\$ 22,453	\$ 187,809	\$ 414,797
	29,668	11,557
\$ 22,453	\$ 217,477	\$ 426,354

\$ 22,453	\$ 6,647	\$ 11,557
	24,995	
22,453	31,642	11,557

	185,835	414,797
\$ 22,453	\$ 217,477	\$ 426,354

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, 2014
(With comparative totals for 2013)

	<u>Title VIII Construction</u>	<u>Districtwide School Projects</u>	<u>Administrative Center Infrastructure</u>	<u>Barnette Magnet School Art</u>
Revenues:				
Revenue from local sources:				
Other local revenue	\$	\$	\$	\$
Revenue from state sources				1,200
Revenue from federal sources:				
Through the State of Alaska	<u>77,446</u>	<u></u>	<u></u>	<u></u>
Total revenues	<u>77,446</u>	<u></u>	<u></u>	<u>1,200</u>
Expenditures:				
Capital outlay:				
Other purchased services	176,298			
Supplies, materials and media	130,110			
Equipment				
Buildings and improvements purchased	<u></u>	<u></u>	<u></u>	<u>1,200</u>
Total expenditures	<u>306,408</u>	<u></u>	<u></u>	<u>1,200</u>
Net change in fund balances	(228,962)			
Fund balances - beginning	<u>384,841</u>	<u>4,847</u>	<u>25,109</u>	<u></u>
Fund balances - ending	<u>\$ 155,879</u>	<u>\$ 4,847</u>	<u>\$ 25,109</u>	<u>\$</u>

Woodriver Gym Upgrades	Ryan School Equipment	North Pole High Voc Ed Wing Renovation	Totals	
			2014	2013
\$ 18,621	\$ 7,215	\$ 22,453	\$ 48,289	\$ 11,557
			1,200	
			77,446	57,862
18,621	7,215	22,453	126,935	69,419
8,621	7,215		176,298	16,500
10,000		22,453	145,946	23,381
			32,453	
			1,200	
18,621	7,215	22,453	355,897	39,881
			(228,962)	29,538
			414,797	385,259
\$	\$	\$	\$ 185,835	\$ 414,797

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Nonmajor Capital Projects Funds
Project Length Schedule of Revenues and Expenditures
Beginning of Projects to June 30, 2014

	Title VIII Construction	Districtwide School Projects	Administrative Center Infrastructure	Barnette Magnet School Art
Project Authorizations:	<u>\$ 396,665</u>	<u>\$ 809,023</u>	<u>\$ 431,820</u>	<u>\$ 25,000</u>
Revenues:				
Revenue from local sources:				
Other local revenue	\$	\$	\$	\$
Revenue from state sources				1,200
Revenue from federal sources:				
Through the State of Alaska	474,111			
Transfers from other funds		809,023	413,702	
Total revenues	<u>474,111</u>	<u>809,023</u>	<u>413,702</u>	<u>1,200</u>
Expenditures:				
Capital outlay:				
Professional and technical services		82,705	27,198	
Other purchased services	176,298	46,521	20,651	
Supplies, materials and media	141,934	379,495	37,873	
Equipment		243,362	2,887	
Buildings and improvements purchased			318,102	1,200
Other capital outlay		52,093		
Total expenditures	<u>318,232</u>	<u>804,176</u>	<u>406,711</u>	<u>1,200</u>
Excess of revenues over expenditures	<u>\$ 155,879</u>	<u>\$ 4,847</u>	<u>\$ 6,991</u>	<u>\$</u>

Woodriver Gym Upgrades	Ryan School Equipment	Ryan Middle School Art	North Pole High Voc Ed Wing Renovation	Project To Date Totals
<u>\$ 61,364</u>	<u>\$ 228,461</u>	<u>\$ 76,154</u>	<u>\$ 272,993</u>	<u>\$ 2,301,480</u>
 \$ 30,178	 \$ 7,215	 \$	 \$ 22,453	 \$ 59,846 1,200
				474,111 1,222,725
<u>30,178</u>	<u>7,215</u>		<u>22,453</u>	<u>1,757,882</u>
				109,903 243,470 586,695 278,702 319,302 52,093
 20,178 10,000	 7,215		 22,453	
<u>30,178</u>	<u>7,215</u>		<u>22,453</u>	<u>1,590,165</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 167,717</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, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
<u>ASSETS</u>				
Equity in central treasury cash	\$ 54,177	\$ 40,425	\$ 43,877	\$ 50,725
Accounts receivable - local	<u>300</u>		<u>300</u>	
Total assets	<u>\$ 54,477</u>	<u>\$ 40,425</u>	<u>\$ 44,177</u>	<u>\$ 50,725</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 2,254	\$ 41,668	\$ 43,877	\$ 45
Due to external groups	<u>52,223</u>	<u>40,425</u>	<u>41,968</u>	<u>50,680</u>
Total liabilities	<u>\$ 54,477</u>	<u>\$ 82,093</u>	<u>\$ 85,845</u>	<u>\$ 50,725</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 158-169

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 170-180

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 181

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 182-183

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 184-199

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			
	2004-05	2005-06	2006-07	2007-08
Governmental activities:				
Investment in capital assets	\$ 3,918,778	\$ 4,235,371	\$ 4,080,319	\$ 3,967,368
Unrestricted	<u>22,426,155</u>	<u>16,687,930</u>	<u>18,453,760</u>	<u>18,535,860</u>
Total net position	<u><u>\$ 26,344,933</u></u>	<u><u>\$ 20,923,301</u></u>	<u><u>\$ 22,534,079</u></u>	<u><u>\$ 22,503,228</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.

Fiscal Year					
2008-09 ^a	2009-10	2010-11	2011-12	2012-13	2013-14
\$ 2,941,680	\$ 4,180,344	\$ 4,449,676	\$ 4,391,797	\$ 4,169,278	\$ 4,001,914
20,059,660	20,954,280	20,747,031	17,380,499	19,123,971	20,941,096
<u>\$ 23,001,340</u>	<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>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

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

	Fiscal Year			
	2004-05	2005-06	2006-07	2007-08
Expenses				
Governmental activities:				
Instruction	\$ 68,023,960	\$ 74,278,540	\$ 77,265,162	\$ 96,385,094
Special education instruction	16,865,673	18,431,818	17,856,399	20,936,726
Special education support services - students	2,063,501	2,299,016	2,516,909	3,053,826
Support services - students	9,350,844	10,346,229	10,458,934	12,056,303
Support Services - instruction	9,209,619	10,253,369	9,349,009	10,205,791
School administration	5,154,874	5,357,561	5,915,223	7,354,532
School administration support services	3,818,035	3,950,664	3,989,781	4,164,728
District administration	1,528,370	1,714,097	1,757,915	2,055,996
District administration support services	6,316,689	7,330,027	7,834,722	8,989,152
Operations and maintenance of plant	17,873,136	19,346,287	20,266,837	21,913,361
Student activities	1,554,640	2,227,743	4,665,546	4,889,861
Student transportation - to and from school	8,745,633	9,160,416	8,841,162	9,113,672
Adult and continuing education instruction	53,217	17,333	567	
Community services				
Food services	4,284,462	4,598,738	4,522,847	4,979,963
Interest expense	18,658			
Total expenses	154,861,311	169,311,838	175,241,013	206,099,005
Program Revenues				
Governmental activities:				
Charges for Services:				
Instruction	32,787	22,835	28,827	39,225
Support services - students	2,145	39,610	55,650	62,002
Support services - instruction			86,644	69,246
Student transportation - to and from school				18,450
Adult and continuing education instruction	12,141			
Food services	1,839,814	1,832,119	1,863,410	1,973,615
Operating grants and contributions	27,208,171	27,354,672	27,084,712	55,175,797
Capital grants and contributions	1,640,256	1,544,726	676,148	511,057
Total program revenues	30,735,314	30,793,962	29,795,391	57,849,392
Net expense - governmental activities	(124,125,997)	(138,517,876)	(145,445,622)	(148,249,613)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Grants and contributions not restricted to specific programs:				
Borough direct appropriation	36,545,700	38,022,700	40,022,700	42,222,700
Foundation program	73,052,157	80,045,140	88,513,723	85,688,097
Other state revenue			2,965,437	7,919,269
Federal impact aid	14,267,731	12,257,249	11,405,933	11,118,081
Other	1,805,004	1,831,103	634,592	709,756
Miscellaneous	469,912	940,052	1,734,768	560,859
Total general revenue	126,140,504	133,096,244	145,277,153	148,218,762
Change in net position	\$ 2,014,507	\$ (5,421,632)	\$ (168,469)	\$ (30,851)

Fiscal Year					
2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
\$ 92,008,786	\$ 96,924,540	\$ 100,600,464	\$ 107,518,432	\$ 111,205,333	\$ 109,531,681
21,632,095	25,847,781	24,870,238	25,693,963	29,783,855	29,236,637
3,882,736	4,787,664	7,376,804	7,840,679	10,087,672	10,551,365
12,016,292	13,485,882	13,959,359	14,645,274	15,353,243	16,554,098
10,973,700	12,292,803	15,414,500	13,656,552	12,899,352	12,079,620
7,066,719	7,283,846	7,164,900	7,683,508	8,384,189	8,712,544
4,084,016	4,774,903	4,908,392	6,109,394	5,645,704	5,724,618
2,150,747	2,326,390	2,205,571	2,460,180	2,415,563	2,125,738
9,013,588	10,161,958	10,700,442	11,302,391	10,394,306	10,503,523
24,692,687	22,831,870	24,374,735	26,259,233	25,334,946	25,259,547
4,869,918	4,969,303	4,959,591	5,004,579	5,182,117	5,293,009
9,475,472	9,856,507	10,010,640	11,222,482	11,382,622	11,785,326
5,118	321				5,000
4,823,175	5,386,119	5,399,896	5,510,680	5,400,980	5,418,264
40,458	46,119	33,227			
206,735,507	220,976,006	231,978,759	244,907,347	253,469,882	252,780,970
42,227	61,343	43,895	51,492	69,392	62,715
73,749	66,813	116,542	112,795	19,703	188,850
69,971	77,079	41,850	65,844	145,416	38,540
17,300					
2,162,348	2,010,908	1,926,416	1,897,853	1,598,281	1,492,538
50,760,894	52,835,590	54,664,159	59,782,158	66,613,379	68,202,040
2,515,129	369,871	69,000	378,803	69,419	126,935
55,641,618	55,421,604	56,861,862	62,288,945	68,515,590	70,111,618
(151,093,889)	(165,554,402)	(175,116,897)	(182,618,402)	(184,954,292)	(182,669,352)
44,222,700	43,339,901	45,299,502	46,586,695	46,200,000	47,560,000
96,001,077	109,730,232	112,387,761	113,227,755	119,814,989	117,038,885
1,821,871	1,856,765	1,974,562	4,144,172	4,705,752	4,691,698
9,596,676	12,005,572	14,428,645	14,051,688	14,758,858	13,979,892
295,993	386,120	739,636	643,721	595,346	508,827
384,270	369,096	348,874	539,960	400,300	539,811
152,322,587	167,687,686	175,178,980	179,193,991	186,475,245	184,319,113
\$ 1,228,698	\$ 2,133,284	\$ 62,083	\$ (3,424,411)	\$ 1,520,953	\$ 1,649,761

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

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

	Fiscal Year			
	2004-05	2005-06	2006-07	2007-08
General fund				
Nonspendable				
Assigned				
Unassigned				
Total general fund				
All other governmental funds				
Nonspendable				
Restricted				
Committed				
Assigned				
Unassigned				
Total all other governmental funds				
General fund				
Reserved	\$ 13,011,879	\$ 13,728,824	\$ 12,545,992	\$ 11,939,473
Unreserved	10,825,614	11,029,488	9,375,513	11,954,019
Total general fund	<u>\$ 23,837,493</u>	<u>\$ 24,758,312</u>	<u>\$ 21,921,505</u>	<u>\$ 23,893,492</u>
All other governmental funds				
Reserved	\$ 738,533	\$ 482,925	\$ 524,990	\$ 617,788
Unreserved, reported in:				
Special revenue funds	592,387	561,167	2,317,062	2,320,976
Capital projects funds	907,233	1,256,796	1,758,240	2,044,803
Total all other governmental funds	<u>\$ 2,238,153</u>	<u>\$ 2,300,888</u>	<u>\$ 4,600,292</u>	<u>\$ 4,983,567</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					
2008-09	2009-10 ^a	2010-11 ^a	2011-12	2012-13	2013-14
	\$ 966,466	\$ 555,592	\$ 602,804	\$ 573,283	\$ 518,791
	20,712,010	21,080,111	19,556,139	18,552,099	15,719,300
	743,899		71,358	1,372,848	3,616,590
	<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>
	\$ 676,166	\$ 499,732	\$ 432,994	\$ 443,788	\$ 625,306
	25,736	2,954	377,814	662,773	1,864,874
	2,430,074	1,760,378	1,796,551	1,794,550	1,726,030
	700,444	1,315,325	1,614,100	1,643,638	1,414,676
	(764,901)	(88,626)	(11,270)	(77,502)	(500,032)
	<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>

\$ 10,824,456

10,674,176

\$ 21,498,632

\$ 669,418

2,894,987

510,269

\$ 4,074,674

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

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

	Fiscal Year			
	2004-05	2005-06	2006-07	2007-08
Revenues from local sources:				
Borough direct appropriation	\$ 36,545,700	\$ 38,022,700	\$ 40,022,700	\$ 42,222,700
E-rate revenue	255,646	250,778	263,343	297,666
Food services	1,837,593	1,829,036	1,863,410	1,973,615
Earnings on investments	23	11	16	
Other local revenue	1,428,281	1,720,043	3,840,887	3,266,067
Tuition from students	12,141			
Total revenue from local sources	<u>40,079,384</u>	<u>41,822,568</u>	<u>45,990,356</u>	<u>47,760,048</u>
Revenue from state sources:				
Foundation program	72,703,693	80,045,140	88,513,723	85,688,097
QSI grant	348,464	347,525	345,636	342,123
Supplemental aid			1,169,801	6,127,146
TRS on-behalf				26,641,081
PERS on-behalf				2,181,753
On-base schools	1,450,000	1,450,000	1,450,000	1,450,000
Other state revenue	9,514,268	9,724,556	9,522,084	9,641,697
Total revenue from state sources	<u>84,016,425</u>	<u>91,567,221</u>	<u>101,001,244</u>	<u>132,071,897</u>
Revenue from federal sources:				
Direct	17,200,286	14,901,229	12,822,378	12,208,857
Through the State of Alaska and other intermediate agencies	15,194,658	15,352,315	14,018,936	13,818,299
Total revenue from federal sources	<u>32,394,944</u>	<u>30,253,544</u>	<u>26,841,314</u>	<u>26,027,156</u>
Other sources	<u>114,196</u>			
Total revenues	<u>\$ 156,604,949</u>	<u>\$ 163,643,333</u>	<u>\$ 173,832,914</u>	<u>\$ 205,859,101</u>

Fiscal Year					
2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
\$ 44,222,700	\$ 43,339,901	\$ 45,299,502	\$ 46,586,695	\$ 46,200,000	\$ 47,560,000
295,993	369,002	725,861	643,721	595,346	508,827
2,162,348	2,010,908	1,926,416	1,897,853	1,598,281	1,492,538
3,137,102	3,102,069	3,020,007	3,180,689	2,907,469	3,229,576
			30,961	37,936	24,529
49,818,143	48,821,880	50,971,786	52,339,919	51,339,032	52,815,470
96,001,077	109,730,232	112,387,761	113,227,755	119,814,989	117,038,885
371,871	406,765	412,969	421,134	431,321	426,169
			2,162,030	2,711,634	2,671,187
19,640,125	16,615,652	18,728,033	22,767,876	30,229,983	31,150,634
3,753,051	1,750,178	2,772,197	4,003,866	5,041,243	5,034,322
1,450,000	1,450,000	1,450,000	1,450,000	1,450,000	1,450,000
10,169,267	10,576,761	10,964,714	12,293,304	12,799,187	15,408,956
131,385,391	140,529,588	146,715,674	156,325,965	172,478,357	173,180,153
13,141,295	13,105,128	15,710,159	15,475,729	15,929,448	14,921,469
13,494,924	20,647,414	18,640,095	17,337,965	15,240,598	13,510,686
26,636,219	33,752,542	34,350,254	32,813,694	31,170,046	28,432,155
\$ 207,839,753	\$ 223,104,010	\$ 232,037,714	\$ 241,479,578	\$ 254,987,435	\$ 254,427,778

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

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

	Fiscal Year			
	2004-05	2005-06	2006-07	2007-08
Instruction	\$ 66,766,094	\$ 70,789,698	\$ 78,785,644	\$ 95,429,216
Special education instruction	16,562,850	17,600,175	18,108,218	20,768,748
Special education support services - students	2,026,832	2,189,892	2,537,779	3,054,051
Support services - students	9,006,169	9,781,117	10,559,783	11,988,071
Support services - instruction	9,079,305	9,955,245	9,490,060	10,131,281
School administration	5,184,832	5,162,345	6,066,905	7,285,455
School administration support services	3,567,137	3,662,612	3,973,048	4,155,048
District administration	1,483,126	1,626,251	1,783,260	2,101,406
District administration support services	5,757,343	6,678,883	7,789,156	8,838,960
Operations and maintenance of plant	16,896,566	18,309,436	20,043,520	21,775,769
Student activities	1,544,539	2,148,068	4,691,257	4,891,073
Student transportation - to and from school	8,730,549	9,135,639	8,837,951	9,106,723
Adult and continuing education instruction	49,539	15,469	472	
Community services				
Food services	3,910,627	4,266,661	4,280,890	4,719,021
Debt service:				
Interest	18,658			
Principal	189,327			318,968
Capital outlay	1,682,134	1,362,695	259,075	165,733
Total expenditures	<u>\$ 152,455,627</u>	<u>\$ 162,684,186</u>	<u>\$ 177,207,018</u>	<u>\$ 204,729,523</u>
Capital expenditures ^a	<u>\$ 881,112</u>	<u>\$ 1,092,234</u>	<u>\$ 531,325</u>	<u>\$ 629,531</u>
Noncapital expenditures	<u>\$ 151,574,515</u>	<u>\$ 161,591,952</u>	<u>\$ 176,675,693</u>	<u>\$ 204,099,992</u>
Debt service as a percentage of noncapital expenditures	0.14%	0.00%	0.00%	0.16%

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					
2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
\$ 92,319,548	\$ 97,534,169	\$ 100,456,233	\$ 106,245,188	\$ 111,908,220	\$ 110,458,367
22,307,877	26,434,567	24,813,218	25,299,652	29,874,926	29,374,914
3,956,716	4,784,941	7,351,847	7,765,973	10,116,540	10,616,448
12,669,547	13,523,654	13,917,100	14,464,374	15,436,738	16,745,156
11,452,623	12,580,996	14,986,928	13,384,278	12,741,319	12,024,263
7,071,644	7,327,490	7,127,341	7,604,630	8,452,142	8,798,346
4,487,658	4,754,818	4,897,659	6,050,059	5,666,342	5,767,625
2,223,108	2,302,737	2,209,647	2,433,594	2,396,461	2,223,703
9,470,375	10,516,123	10,828,683	11,153,362	10,381,157	10,586,356
22,049,314	22,678,492	24,153,731	25,959,798	25,455,301	24,931,722
4,921,666	4,981,827	4,977,656	4,992,296	5,185,421	5,312,989
9,488,016	9,873,929	10,009,855	11,214,750	11,377,599	11,793,857
5,118	321				5,000
4,829,664	5,252,103	5,361,214	5,519,986	5,433,831	5,416,030
40,458	46,119	33,227			
419,967	414,306	568,656			
3,969,640	186,110	713,647	80,028	39,881	355,897
<u>\$ 211,682,939</u>	<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>\$ 736,938</u>	<u>\$ 1,779,080</u>	<u>\$ 984,085</u>	<u>\$ 734,274</u>	<u>\$ 607,782</u>	<u>\$ 638,774</u>
<u>\$ 210,946,001</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>
0.22%	0.21%	0.26%	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			
	2004-05	2005-06	2006-07	2007-08
Excess (deficiency) of revenues over expenditures	\$ 4,149,322	\$ 959,147	\$ (3,374,104)	\$ 1,129,578
Other financing sources (uses):				
Proceeds from sale of capital assets	6,802	24,407	8,373	31,960
Proceeds from insurance recovery			1,049,081	
Issuance of capital leases				1,193,724
Transfers in	828,950	618,073	614,025	3,691,292
Transfers out	(828,950)	(618,073)	(614,025)	(3,691,292)
Total other financing sources (uses)	<u>6,802</u>	<u>24,407</u>	<u>1,057,454</u>	<u>1,225,684</u>
Net change in fund balances	<u>\$ 4,156,124</u>	<u>\$ 983,554</u>	<u>\$ (2,316,650)</u>	<u>\$ 2,355,262</u>

Fiscal Year					
2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
\$ (3,843,186)	\$ (88,692)	\$ (368,928)	\$ (688,390)	\$ 521,557	\$ 17,105
11,260	5,280	4,500	3,414	3,430	2,953
528,173					
1,877,959	718,076	1,880,057	481,000	394,136	237,100
(1,877,959)	(718,076)	(1,880,057)	(481,000)	(394,136)	(237,100)
539,433	5,280	4,500	3,414	3,430	2,953
<u>\$ (3,303,753)</u>	<u>\$ (83,412)</u>	<u>\$ (364,428)</u>	<u>\$ (684,976)</u>	<u>\$ 524,987</u>	<u>\$ 20,058</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	Vacant Land
2003	\$ 2,963,148,571	\$ 653,082,170	\$ 685,991,689	\$ 270,805,700	\$ 281,742,922
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 ^(b)	4,118,775,754	875,014,529	733,298,427	377,817,080	312,650,776
2007 ^(c)	4,595,949,320	943,261,759	767,721,675	369,500,480	367,089,029
2008 ^(c)	4,863,123,964	1,033,947,976	812,797,405	508,804,970	377,730,452
2009 ^(c)	4,904,177,806	1,084,908,136	925,518,536	694,077,720	373,581,218
2010 ^(d)	4,920,676,560	1,140,775,454	1,169,072,197	744,241,210	374,354,328
2011 ^(d)	5,092,908,211	1,219,689,461	1,220,419,599	705,617,790	377,340,540
2012 ^(d)	5,537,719,131	1,171,130,143	1,028,359,940	669,165,790	366,769,285

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 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) This column includes tax-exempt property.

^(b) Calendar year 2006 has not been adjusted for the Superior Court's October 26, 2010 decision increasing the trans-Alaska pipeline system's assessed value. The decision has been appealed to the Alaska Supreme Court.

^(c) Calendar years 2007, 2008, and 2009 have not been adjusted for the Superior Court's December 30, 2011 decision increasing the trans-Alaska pipeline system's assessed value. The decision has been appealed to the Alaska Supreme Court.

^(d) No trial dates have been set for calendar years 2010, 2011, or 2012 taxes paid under protest. The parties have agreed to suspend any appeals before the State Assessment Review Board (SARB) pending the outcome of the 2006 case before the Alaska Supreme Court.

Source: Fairbanks North Star Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2013. 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	Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value (a)
\$ 402,570,639	\$ 4,452,200,413	13.693	\$ 4,588,376,599	97.032%
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%

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total Direct:										
Borough areawide	13.693	13.606	13.219	12.923	12.209	11.287	11.186	11.432	11.294	11.216
Overlapping Special Borough										
Taxing Jurisdictions										
Non-Areawide	0.523	0.435	0.425	0.418	0.409	0.040	0.393	0.400	0.511	0.525
Solid Waste Collection District	1.187	1.183	1.167	1.150	1.126	1.103	1.121	1.141	1.194	1.229
Airway S.A.	1.214	1.210	1.173	1.120	1.089	1.089	1.207	1.256	1.287	1.324
Arctic Fox S.A.	2.167	2.272	2.089	1.944	1.864	1.804	1.861	1.787	1.708	1.850
Aztec S.A.	1.555	1.576	1.531	1.431	1.339	1.257	1.259	1.319	1.342	1.406
Ballaine Lake S.A.	11.543	11.758	13.268	13.775	12.828	12.413	12.671	13.162	14.920	16.054
Becker Ridge S.A.	1.490	1.500	1.412	1.359	1.346	1.376	1.450	1.486	1.496	1.440
Birch Hill S.A.	2.025	1.986	1.910	1.861	1.832	1.814	1.939	1.995	2.023	2.101
Bluebird Road S.A.	2.329	2.408	2.228	2.187	2.004	2.054	2.333	2.447	2.792	2.883
Borda Road S.A.	1.166	1.152	1.159	1.131	1.067	1.079	1.119	1.171	1.157	1.204
Brookside S.A.	0.495	0.482	0.465	0.457	0.435	0.437	0.479	0.498	0.503	0.526
Chena Goldstream Fire S.A.	1.627	1.615	1.544	1.483	1.434	1.473	1.547	1.603	1.644	2.142
Chena Hills Road S.A.	1.067	1.068	1.032	1.001	0.987	0.985	1.047	1.060	1.076	1.115
Chena Hot Springs II S.A.			2.991	0.681	0.888	0.698	0.713	0.732	0.746	0.412
Chena Marina S.A.	0.471	0.893	0.880	0.825	0.792	0.756	0.796	0.830	0.857	0.880
Chena Point Road S.A.	1.710	1.705	2.957	3.176	3.154	2.958	3.064	3.065	3.128	3.247
Chena Spur S.A.	0.893	0.897	1.729	2.354	2.407	2.329	2.606	2.671	2.679	2.837
Cleary Summit S.A.			0.365		0.189	0.183	0.190	0.191	0.158	0.132
College S.A.	1.418	1.391	1.342	1.292	1.249	1.257	1.391	1.437	1.427	1.457
College Hills S.A.	0.923	0.922	0.881	0.789	0.754	0.785	0.835	0.871	0.912	0.950
Cooper Estates S.A.	2.927	3.045	3.040	2.709	2.717	2.614	2.821	2.899	2.915	3.048
Cordes Drive S.A.	1.403	1.337	1.232	1.150	1.060	1.074	1.112	1.201	1.232	1.283
Cripple Creek S.A.	1.835	1.754	1.691	1.679	1.477	1.520	1.601	1.636	1.668	1.717
Deep Forest S.A. (a)	0.944	6.229	6.017	0.759	0.714	0.707	0.724	0.743	0.758	0.795
Diane Subdivision S.A.	0.362	0.351	0.336	0.322	0.303	0.310	0.333	0.348	0.345	0.357
Drake Estates S.A. (b)	1.931	2.120	1.885	1.783	0.688	0.719	0.762	0.760	0.753	0.777
Edanella Heights Road S.A.	0.945	0.977	1.292	1.281	1.273	1.249	1.388	1.425	1.457	1.485
Ester Lump Road S.A.	2.053	2.021	1.922	1.881	1.710	1.741	1.773	3.093	3.160	3.333
Ester Volunteer Fire S.A.	2.657	2.590	2.492	2.501	2.270	2.384	2.444	2.568	2.619	2.726
Fairfields S.A.	0.824	0.812	0.762	0.707	0.683	0.675	0.713	0.752	0.750	0.789
Fairhill S.A.	1.295	1.211	1.173	1.170	1.163	1.093	1.188	2.255	2.294	2.315
Fairwest S.A.	1.999	1.971	1.939	1.878	1.850	1.789	1.896	1.948	1.903	1.989
Garden S.A.	1.116	1.158	1.136	1.103	1.074	1.035	1.089	1.126	1.099	1.135
Golden Valley Road S.A.	2.728	2.618	2.565	2.695	2.665	4.285	4.483	4.555	4.704	4.945
Goldstream Alaska S.A.	1.498	1.512	1.430	2.294	2.109	2.171	2.246	2.333	2.422	2.435
Goldstream Moose Creek S.A. (c)	1.988	1.873	1.763	1.723	1.586	1.635	1.598	1.682	1.694	1.720
Gordon S.A.	1.281	1.245	1.199	1.167	1.112	1.028	1.096	1.143	1.135	1.158
Granola Estates S.A.	1.216	1.210	1.298	1.323	1.117	1.089	1.239	1.281	1.321	1.441
Grieme Road S.A.	3.137	3.144	3.466	3.486	3.418	3.466	3.780	3.833	3.852	3.899
Haystack S.A.	3.309	3.285	3.219	3.106	2.875	2.901	3.231	3.324	3.615	3.767
Herning Hills S.A.	1.511	1.482	1.376	1.382	1.318	1.258	1.368	1.394	1.441	1.501
Hopeless S.A.				0.869	0.833	0.838	0.889	0.941	0.940	0.970
Horseshoe Downs S.A.	2.633	2.591	2.522	2.384	2.278	2.297	2.447	3.376	3.315	3.462
Jennifer Drive S.A.	0.571	0.500	1.745	1.695	1.533	1.554	1.654	1.742	1.816	2.019
Jones Road S.A.	1.762	1.697	1.641	1.570	1.447	1.470	1.522	1.630	1.689	1.737
Joy Road S.A.	1.424	1.401	1.355	1.274	1.186	1.189	1.265	1.271	1.271	1.314
Keeney Road S.A.	0.670	0.646	0.676	0.549	0.552	0.545	0.561	0.616	0.657	0.671
Kendall S.A.	0.941	0.958	0.958	0.939	0.874	0.854	0.903	0.957	1.021	1.045
Keystone S.A.	3.166	2.976	3.203	3.125	3.065	3.002	3.088	3.184	3.328	3.440

Tax Levies (In 000's)									
2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
\$64,568	\$69,324	\$74,094	\$79,537	\$82,628	\$82,551	\$86,102	\$92,077	\$93,726	\$94,876
1,588	1,424	1,543	1,672	1,812	1,921	1,991	2,126	2,773	2,910
3,916	4,194	4,536	4,912	5,319	5,636	6,038	6,422	6,870	7,214
9	10	10	11	12	12	14	14	15	15
4	5	5	5	5	5	5	6	5	6
14	16	17	19	18	20	21	23	26	28
18	19	22	25	26	26	28	29	34	37
64	70	82	90	98	105	113	116	122	128
63	68	75	87	100	104	111	116	122	129
5	6	6	6	6	7	7	8	9	9
19	21	23	25	27	28	29	30	30	32
7	7	7	8	8	9	9	10	10	10
572	637	710	779	853	933	1,007	1,057	1,111	1,498
45	54	63	71	80	88	95	100	103	109
		1	1	1	1	1	1	1	1
7	15	17	19	20	21	22	24	25	26
18	24	48	60	86	90	95	99	112	124
10	10	23	35	38	39	43	45	47	51
		1		1	1	1	7	1	1
370	390	419	447	474	493	530	544	561	586
21	22	21	22	23	25	27	28	29	31
13	16	18	20	23	24	26	28	29	32
15	17	18	20	21	24	26	27	28	30
32	37	41	46	52	55	62	66	70	74
15	46	46	17	18	19	20	21	21	22
3	3	3	3	3	3	4	4	4	4
10	12	13	15	7	7	8	8	8	9
16	17	26	27	29	31	34	34	36	37
14	14	15	15	17	18	20	35	38	40
207	228	255	277	318	344	379	401	427	457
14	14	14	14	15	15	16	17	17	18
10	10	11	11	12	12	13	25	25	27
17	18	19	21	23	24	26	26	26	27
10	12	20	26	32	36	39	4	43	45
4	5	6	7	7	12	13	15	16	17
9	11	11	22	23	24	26	27	29	30
30	33	36	40	42	45	49	52	54	58
26	29	35	39	47	50	54	57	60	62
3	4	4	4	5	5	6	6	6	8
7	9	11	13	15	16	19	20	22	24
16	18	19	21	27	34	37	38	41	43
19	20	21	23	25	26	28	28	30	32
			19	20	22	23	24	25	27
9	10	10	11	11	12	13	19	20	26
1	1	4	4	5	5	5	6	6	6
37	37	44	49	53	57	61	64	67	71
5	5	6	6	6	7	8	8	9	9
2	2	2	2	2	2	2	2	3	3
7	9	10	10	10	12	12	13	14	14
8	8	10	11	11	11	12	15	16	17

(continued)

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Kris Kringle S.A.	3.942	2.077	2.053	1.938	1.871	1.911	2.023	2.091	2.139	2.211
Lakloey Hill S.A.	1.172	1.130	1.074	1.030	0.992	0.933	1.003	1.036	1.059	1.110
Lee Lane S.A.	1.650	1.649	1.684	1.598	1.615	1.561	1.623	1.673	1.641	1.738
Loose Moose S.A.	0.926	0.918	0.901	0.875	0.786	0.808	0.905	1.002	0.982	1.034
Martin S.A.	6.267	5.934	5.857	7.714	8.034	8.555	8.190	8.588	8.833	9.417
McCloud S.A.	8.620	8.237	14.807	14.746	14.787	15.075	15.055	9.972	10.458	10.481
McGrath Estates S.A.	1.440	1.431	1.231	1.207	1.176	1.212	1.302	1.342	1.381	1.431
McKinley View S.A.	2.191	2.055	1.910	1.808	1.644	1.692	1.590	2.831	2.847	2.979
Mellow Woods Road S.A.	1.360	1.330	1.303	1.253	1.161	1.194	1.242	1.329	1.271	1.273
Miller Hill Extension S.A.	2.516	5.597	4.829	4.607	4.354	4.400	4.481	4.808	4.945	4.995
Moose Creek S.A.	0.559	0.572	0.475	0.421	0.434	0.373	0.350	0.344	0.380	0.387
Moose Meadows S.A.		0.886	0.856	0.818	0.784	0.774	0.829	0.869	0.877	0.910
Mt. View S.A.	1.262	1.247	1.137	1.143	1.083	1.119	1.191	1.297	1.358	1.399
Murphy S.A.	1.647	1.593	1.622	1.571	1.456	1.506	1.564	1.618	1.642	1.692
Musk Ox S.A.	1.344	1.320	1.239	1.174	1.133	1.163	1.290	1.337	1.354	1.390
Newby Park S.A.	0.495	0.477	0.435	0.722	0.656	0.676	0.710	0.758	0.797	0.823
North Ridge S.A.	3.858	3.921	4.552	4.534	4.500	4.009	4.298	4.423	4.507	4.830
North Star Fire S.A.	1.488	1.462	1.316	1.257	1.205	1.153	1.198	1.241	1.258	1.306
O'Connor Creek S.A.	15.693	16.029	16.419	12.475	13.939	9.770	7.831	7.389	8.875	8.893
Old Wood Road S.A.	2.045	1.988	1.666	1.672	1.619	1.733	1.771	1.786	1.790	2.039
Our S.A.	1.015	0.986	0.887	0.929	0.860	0.838	0.828	1.092	1.087	1.209
Parkside S.A.	1.600	1.584	1.538	1.558	1.428	1.446	1.552	1.576	1.602	1.674
Peede Country Estates S.A.	1.499	1.475	1.488	1.402	1.345	1.287	1.409	1.482	1.326	1.357
Pine Stream S.A.	0.989	0.975	0.955	0.902	0.911	0.928	0.981	1.022	1.001	1.034
Pleasureland S.A.	1.047	0.998	0.989	0.976	0.916	0.881	0.962	0.995	0.970	0.998
Polar Heights S.A.	1.172	1.166	1.110	1.027	1.014	0.926	0.926	0.952	1.016	1.027
Potlatch S.A. (d)	2.430	3.514	3.260	2.374	2.277	2.436	4.553	2.705	2.665	2.755
Prospect Park S.A.	0.961	0.891	0.737	1.142	1.083	1.095	1.121	1.140	1.258	1.281
Reed Acres Road S.A.	1.380	1.359	1.302	1.259	1.145	1.146	1.206	1.260	1.355	1.382
Ridgecrest S.A.	0.928	0.887	0.907	0.899	0.890	0.840	0.975	1.078	1.099	1.129
Salchaket Heights S.A.	4.668	4.292	4.444	4.590	4.806	4.966	5.162	3.863	3.972	4.357
Scenic Heights S.A.	1.584	1.527	1.395	1.377	1.370	1.415	1.497	1.589	1.600	1.707
Seavy S.A.	0.444	0.418	0.366	0.349	0.335	0.294	0.299	0.303	0.311	0.320
Secluded Acres S.A.	1.431	1.442	1.428	1.451	1.416	1.310	1.365	1.396	1.452	1.495
Serendipity Hill S.A.	3.287	3.153	3.077	3.029	2.716	2.998	3.069	3.154	2.901	2.976
Six-Mile Village Road S.A..	1.408	1.354	1.280	1.226	1.223	1.167	1.234	1.255	1.232	1.262
Smallwood Trail Road S.A.	0.787	0.743	0.625	0.613	0.600	0.596	0.673	0.742	0.751	0.756
Smith Ranch S.A.						1.299	1.372	1.417	1.343	0.249
Spring Glade S.A.	1.008	0.893	0.827	0.826	0.779	0.813	0.850	0.877	0.898	0.926
Spruce Acres S.A.	1.647	1.698	1.633	1.568	1.515	1.470	1.614	1.692	1.610	1.562
Steamboat Landing S.A.	1.251	1.317	1.237	1.171	1.176	1.192	1.307	1.386	1.339	1.385
Steese Volunteer Fire S.A	1.861	1.809	1.733	1.693	1.628	1.600	1.690	1.739	1.789	1.849
Straight Creek S.A.	3.444	3.315	3.155	3.393	2.963	3.926	3.776	3.867	4.096	3.701
Summerwood S.A.	2.658	2.506	2.357	2.340	2.185	2.258	2.395	2.470	2.560	2.662
Summit Drive S.A.	1.060	1.037	1.483	1.450	1.375	1.381	1.447	1.496	1.542	1.603
Sunny Hills Terrace S.A.	2.377	2.432	2.380	2.355	2.249	2.367	2.498	2.702	2.772	2.946
Sunrise S.A.	2.357	2.349	2.069	2.078	1.865	1.926	2.031	2.136	2.171	2.198
Tan Terra S.A.	0.977	0.926	0.859	1.624	1.559	1.559	1.478	1.553	1.592	1.754
Thomas S.A.	1.297	1.209	2.538	2.442	2.485	2.460	2.759	2.842	2.791	2.861
Timberlane Road S.A.	1.470	1.485	1.420	1.347	1.251	1.274	1.371	1.485	1.464	1.448
Tungsten S.A.	2.778	2.737	2.681	2.687	2.682	2.648	2.814	2.875	2.921	2.992
Twenty Three Mile Slough S.A.	2.445	2.489	3.718	3.887	3.698	3.986	3.977	4.587	3.424	3.557
Ullrhaven S.A.	1.916	1.835	1.758	1.910	1.787	1.658	1.827	1.714	1.706	1.858

Tax Levies (In 000's)									
2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
\$ 17	\$ 10	\$ 11	\$ 11	\$ 12	\$ 12	\$ 13	\$ 14	\$ 15	\$ 15
25	26	28	31	33	36	39	39	41	44
4	4	5	5	5	5	6	6	7	7
5	5	5	6	6	7	7	8	8	9
7	9	11	16	21	22	23	29	34	39
9	11	23	24	25	29	31	20	21	23
53	58	55	58	61	65	69	72	74	77
4	4	5	5	5	5	5	8	8	9
14	15	15	16	16	18	18	19	19	19
16	37	41	44	49	51	57	61	64	67
13	14	13	13	14	15	15	16	17	17
	48	53	59	65	69	74	77	81	86
22	23	24	26	27	28	30	32	34	35
6	7	9	10	11	12	12	14	15	16
20	21	22	23	24	25	41	42	43	45
8	9	9	15	16	17	17	18	19	21
4	5	8	8	10	10	11	11	13	15
1,019	1,110	1,135	1,269	1,387	1,484	1,596	1,739	1,831	1,940
85	87	90	95	106	107	112	118	130	125
9	9	8	8	10	11	12	13	14	16
2	2	3	3	3	4	4	4	4	5
5	5	7	8	9	10	11	12	13	13
4	4	4	5	5	5	5	6	6	8
14	15	18	19	21	22	23	24	25	26
5	6	6	7	7	7	8	8	8	8
14	15	16	17	17	18	19	20	21	21
9	7	11	9	10	15	16	12	12	13
5	5	4	7	8	8	8	8	9	9
6	6	6	7	8	8	8	9	10	10
2	2	2	2	2	2	2	3	3	3
2	2	2	2	2	2	2	4	5	5
15	16	16	17	18	18	19	20	21	23
8	9	8	9	9	9	10	10	10	11
6	6	7	7	7	8	8	8	8	13
6	6	6	6	6	7	7	7	8	8
5	5	8	8	8	9	9	10	10	10
4	5	5	5	5	5	6	7	7	8
					36	40	45	47	9
20	20	22	24	26	27	29	31	32	34
5	5	5	6	6	6	7	7	7	7
9	10	12	13	15	17	18	19	20	21
800	862	935	1,018	1,097	1,172	1,279	1,380	1,452	1,536
8	9	9	10	13	18	19	18	19	19
23	26	28	30	32	34	38	39	42	44
45	48	79	89	99	108	115	121	129	137
21	23	25	27	28	30	33	35	36	40
9	9	10	11	11	12	12	13	13	14
8	9	9	19	19	20	27	29	31	35
4	4	10	10	11	11	12	13	13	14
6	7	7	7	7	8	8	9	9	9
17	22	25	26	29	32	42	43	46	49
10	12	19	23	24	29	41	52	43	50
3	3	3	3	4	4	4	4	4	5

(continued)

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
University Fire S.A.	2.300	2.285	2.215	2.163	2.108	2.138	2.301	2.370	2.464	2.510
University Heights S.A.	1.652	1.600	1.550	1.533	1.475	1.520	1.617	1.725	1.742	1.755
University West Street Lights S.A.	0.500	0.485	0.468	0.443	0.418	0.419	0.447	0.467	0.472	0.485
Vienna Woods S.A.	0.960	0.904	0.878	0.856	0.815	0.772	0.794	0.815	0.836	0.860
Viewpointe S.A.	1.069	1.021	0.972	0.971	0.956	0.982	1.019	1.056	1.104	1.129
Violet Drive S.A.	2.191	2.118	2.780	2.711	2.667	2.572	2.798	2.912	2.990	3.075
Vista Gold Road S.A.	2.883	2.733	2.580	2.459	2.298	2.390	2.377	2.462	2.549	2.622
Vue Crest, S.A.	1.467	1.463	1.418	1.389	1.310	1.303	1.429	1.479	1.497	1.517
Whitman S.A.	1.616	1.623	1.553	1.485	1.424	1.369	1.442	1.428	1.385	1.562
Wildview S.A.	3.078	2.896	2.776	2.790	2.579	2.651	2.898	2.999	2.975	3.052
Woodland S.A.	1.204	1.189	1.089	0.999	0.980	0.964	1.036	1.073	1.068	1.097
Yak Road S.A.	0.965	0.934	0.900	0.888	0.889	0.900	0.976	0.984	1.009	1.035
Overlapping Separate										
City Governments										
City of Fairbanks	6.516	7.171	6.804	6.700	6.594	5.991	5.927	5.803	5.843	5.734
Borough areawide	<u>13.693</u>	<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>
City of Fairbanks total	<u>20.209</u>	<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>
City of North Pole	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Borough areawide	13.693	13.606	13.219	12.923	12.209	11.287	11.186	11.432	11.294	11.216
Borough Solid Waste										
Collection District	<u>1.187</u>	<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>
City of North Pole total	<u>17.880</u>	<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>

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 FNSB 3.08.141.

Air Park S.A. and Bear's Den Road S.A. do not levy taxes.

- (a) Deep Forest S.A., starting in 2004, includes a two-year road project under a differential tax zone.
- (b) Drake Estates S.A. was established October 10, 2002, with tax mill rate beginning in 2003.
- (c) Spinach Creek S.A. changed its name to Goldstream Moose Creek S.A. in 2004.
- (d) Pottlatch 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, 2013. Historically, information for the most recent fiscal year is not available until after the publication date of the School District's CAFR.

Tax Levies (In 000's)									
2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
\$ 1,519	\$ 1,609	\$ 1,727	\$ 1,866	\$ 2,020	\$ 2,135	\$ 2,337	\$ 2,434	\$ 2,590	\$ 2,724
42	44	46	49	52	55	58	62	63	65
46	49	52	57	60	62	66	68	70	72
12	14	16	19	20	21	23	25	25	26
14	15	15	16	17	18	18	19	20	21
27	29	44	48	53	57	61	64	69	74
26	28	29	31	33	35	38	40	42	44
21	22	23	25	27	30	32	33	34	36
3	3	3	3	3	4	4	4	4	5
109	120	131	145	158	171	184	193	202	212
2	2	2	2	2	2	2	2	2	3
48	56	62	66	70	73	78	81	84	87
9,227	11,113	11,688	12,619	13,477	13,210	13,701	14,876	14,960	14,945
789	813	770	815	883	924	959	938	982	980

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	2012			2003		
		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	\$ 669,165,790	1	8.48%	\$ 270,805,700	1	6.08%
Fairbanks Gold Mining, Inc. ^c	gold mining	403,361,872	2	5.11%	230,374,288	2	5.17%
Doyon Utilities, LLC	utilities	244,314,732	3	3.09%			
Flint Hills Resources, LLC ^d	oil refining	142,064,618	4	1.80%	169,584,661	3	3.81%
Alaska Communications Systems	communications	51,389,173	5	0.65%	35,797,041	5	0.80%
GCI Cable Fairbanks, Inc.	utilities	35,625,595	6	0.45%			
Wal-Mart	shopping center	33,523,184	7	0.42%			
Westmark Hotel	hotel	33,251,338	8	0.42%			
Fred Meyer Stores, Inc. (west)	shopping center	28,198,643	9	0.36%	21,176,835	8	0.48%
Alaska Hotel Properties, Inc. ^e	hotel	27,753,848	10	0.35%	26,308,532	6	0.59%
HEBL Housing (Eielson AFB)	military housing				43,024,524	4	0.97%
North Star Alaska Housing Corp.	military housing				24,394,131	7	0.55%
Bentley Mall/Barsa Association	shopping center				16,788,869	9	0.38%
Home Depot	shopping center				15,051,678	10	0.34%
		<u>\$ 1,668,648,793</u>		<u>21.13%</u>	<u>\$ 853,306,259</u>		<u>19.17%</u>

Notes:

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

^a \$7,894,891,228

^b \$4,452,200,413

^c Fort Knox

^d Williams Alaska Petroleum, Inc. in 2003

^e Fairbanks Princess Riverside Lodge

Source: Fairbanks North Star Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2013. 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	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
2003-04	\$ 64,568,352	\$ 60,900,931	\$ 60,228,158	98.90%	\$ 587,045	\$ 60,815,203	99.86%
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%	732,821	69,421,838	99.89%
2006-07 ^c	79,536,709	74,585,658	73,722,859	98.84%	612,751	74,335,610	99.66%
2007-08 ^d	82,627,871	77,824,971	76,752,199	98.62%	1,059,236	77,811,435	99.98%
2008-09 ^d	82,550,860	77,549,577	76,584,066	98.75%	807,170	77,391,236	99.80%
2009-10 ^d	86,102,429	80,813,908	79,648,773	98.56%	1,143,127	80,791,901	99.97%
2010-11	92,077,064	86,709,188	85,643,722	98.77%	994,911	86,638,633	99.92%
2011-12	93,725,808	87,756,597	86,666,871	98.76%	549,197	87,216,068	99.38%
2012-13	94,876,332	88,499,301	87,427,560	98.79%		87,427,560	98.79%

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 Fiscal year 2007 has not been adjusted for the Superior Court's October 26, 2010 decision increasing the Trans Alaska Pipeline System's assessed value. The decision is being appealed to the Supreme Court.

^d Fiscal years 2008-10 have not been adjusted for the Superior Court's December 30, 2011 decision increasing the Trans-Alaska Pipeline System's assessed value. The decision is being appealed to the Supreme Court.

Source: Fairbanks North Star Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2013. 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 ^a		Percentage of Students Eligible for Free or Reduced-Price Meals
		Breakfast	Lunch	
2004-05	\$ 1,839,814	\$	\$	33%
2005-06	1,832,119	1.25	2.35	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%

Note:

^a The cost of full-price meals prior to fiscal year 2005-06 is not available.

Source (non-accounting data): Nutrition Services Department

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Outstanding Debt by Type Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Capital Leases</u>	<u>Percentage of Personal Income^a</u>	<u>Per Capita ^a</u>
2004-05	\$		\$
2005-06			
2006-07			
2007-08	874,756	0.02%	8.93
2008-09	982,962	0.03%	10.03
2009-10	568,656	0.01%	5.80
2010-11			
2011-12			
2012-13			
2013-14			

Note:

^a See page 182, 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

Year	Population	Personal Income in 000's	Per Capita Personal Income	Unemployment Rate
	(a)	(a)	(a)	(b)
2002	86,095	\$ 2,558,537	\$ 29,718	6.4%
2003	86,885	2,646,374	30,458	6.9%
2004	89,043	2,795,293	31,393	6.4%
2005	90,431	3,049,235	33,719	5.8%
2006	90,545	3,306,539	36,518	5.6%
2007	93,545	3,561,463	38,072	6.1%
2008	94,552	3,931,091	41,576	5.8%
2009	95,238	3,805,279	39,955	7.1%
2010	98,279	3,921,137	39,898	6.9%
2011	99,192	4,228,145	42,626	6.7%

(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 November 2012 by the U.S. Department of Commerce's Bureau of Economic Analysis. Personal income and per capita personal income have been restated back to 2009.

Data for calendar year 2012 is not available until April 2014.

Source:

Fairbanks North Star Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2013. 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	2012			2003 ^a		
	Rank	Annual Average Monthly Employment ^b	Percentage of Total Borough Employment	Rank	Annual Average Monthly Employment ^b	Percentage of Total Borough Employment
Government ^c	1	11,975	30.64%	1	8,792	27.76%
Trade, transportation, utilities	2	7,667	19.62%	2	5,425	17.13%
Educational and health services	3	5,142	13.16%	4	3,400	10.73%
Leisure and hospitality	4	4,075	10.43%	3	4,046	12.77%
Construction	5	2,492	6.38%	6	2,067	6.53%
Professional and business services	6	2,475	6.33%	7	1,925	6.08%
Information, other services	7	1,742	4.46%	5	2,983	9.42%
Financial activities	8	1,467	3.75%	8	1,183	3.73%
Mining and logging ^d	9	1,442	3.69%	10	925	2.92%
Manufacturing	10	608	1.56%	9	929	2.93%
		<u>39,085</u>	<u>100.00%</u>		<u>31,675</u>	<u>100.00%</u>

Notes:

- ^a Beginning in 2003, the region is classified as a Metropolitan Statistical Area by the federal government and data are produced in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.
- ^b for the 12 months ended September 30
- ^c federal government 3,358
state government 5,425
local government 3,192
- ^d Natural resources and mining in 2003

Source: Fairbanks North Star Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2013. 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					
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Personnel by Department						
Board / Superintendent	7.50	7.50	8.50	8.50	8.50	9.50
Research & Accountability ^a	3.00	3.00	3.50	4.50	4.50	3.50
Administrative Services	38.04	39.04	39.04	39.04	39.50	38.50
Human Resources	10.50	18.00	16.50	16.50	16.50	15.50
Facilities Management	189.60	189.60	189.60	189.60	189.60	187.60
Instruction and Supervision	41.25	43.20	46.20	27.60	33.30	38.80
Student Support Services				15.20	15.20	13.65
Instructional Technology Services				5.00	12.00	
Curriculum	3.00	4.50	4.50	5.50	5.50	5.00
Special Education	254.20	251.20	247.39	249.82	259.32	270.50
Technology and Information Systems	23.80	29.80	31.00	31.00	35.00	39.50
Non-Departmental ^b						
Elementary Schools	465.74	469.64	509.64	503.14	488.14	494.14
Middle Schools	144.80	142.30	133.00	136.00	142.00	152.00
Junior/Senior High School	48.50	50.50	48.50	49.60	47.10	47.00
Senior High Schools	271.00	275.00	277.50	276.40	274.40	273.00
Charter Schools ^c	25.50	48.58	45.70	46.70	47.00	55.00
Total Personnel	<u>1,526.43</u>	<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>
Personnel by Employee Type						
Districtwide Administration	4.00	4.00	4.00	4.00	5.00	5.00
Professional Staff	49.59	61.04	65.54	67.54	68.00	69.65
Principals / Assistant Principals	43.00	43.00	43.00	43.00	43.00	43.00
Certified Staff	880.70	897.20	894.69	902.12	903.42	920.95
Support Staff	549.14	567.62	593.34	587.44	598.14	604.59
Total Personnel	<u>1,526.43</u>	<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>

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 2004-05 through 2014-15.

				Budgeted Positions
2010-11	2011-12	2012-13	2013-14	2014-15
8.50	8.50	8.50	5.00	5.00
3.50	3.50	3.50	3.00	3.00
38.50	38.50	35.50	32.50	32.50
9.00	10.00	10.00	12.50	13.50
187.60	187.60	172.60	168.60	172.80
37.85	36.85	36.85	35.85	36.05
14.40	19.40	18.80	19.80	19.80
15.25	16.50	14.00	15.00	15.00
343.73	343.73	366.50	381.90	381.40
33.00	32.00	32.00	29.00	30.00
7.00	7.00	6.00	3.00	1.00
535.14	519.14	526.14	519.64	518.64
157.00	158.00	149.20	144.00	139.20
47.00	45.50	45.50	39.50	39.50
270.00	259.80	267.10	245.00	241.50
56.25	55.00	59.02	60.77	61.37
<u>1,763.72</u>	<u>1,741.02</u>	<u>1,751.21</u>	<u>1,715.06</u>	<u>1,710.26</u>
5.00	5.00	5.00	4.00	4.00
70.65	66.65	66.85	64.05	68.05
43.00	43.00	43.00	44.00	43.00
951.03	931.83	950.93	915.40	905.00
694.04	694.54	685.43	687.61	690.21
<u>1,763.72</u>	<u>1,741.02</u>	<u>1,751.21</u>	<u>1,715.06</u>	<u>1,710.26</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Operating Statistics Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Employer's Contribution to PERS / TRS</u>	<u>State of Alaska's Contribution to PERS/TRS on Behalf of the School District</u>
2004-05	14,576	\$ 152,455,627	\$ 10,459	6.57%	\$ 12,043,050	\$
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

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 2014-15 Approved Budget
Enrollment: 2013-14 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	
\$	826	44.90%	23.4	22.9	23.7	33%
	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%

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
2004-05	\$ 35,605	\$ 69,073	\$ 56,616	43%
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%

Notes:

- ^a Entry level salary represents a teacher with a bachelor 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
 2. Bachelor plus 18 credits
 3. Masters or Bachelor plus 36 credits
 4. Masters plus 18 credits
 5. Masters plus 36 credits
 6. Masters plus license

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+License 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	Fairbanks	Alaska	Global
2003-04	22.4	21.3	20.9	1,055	1,032	1,026	2.95	3.02	2.96
2004-05	21.8	21.3	20.9	1,049	1,042	1,028	3.13	2.98	2.90
2005-06	21.9	21.1	21.1	1,553	1,527	1,518	3.05	2.92	2.90
2006-07	21.8	21.2	21.2	1,542	1,527	1,511	3.08	3.05	2.89
2007-08	21.8	21.2	21.1	1,524	1,533	1,511	2.94	2.97	2.85
2008-09	22.3	21.0	21.1	1,548	1,528	1,509	3.03	3.01	2.89
2009-10	21.9	21.1	21.0	1,541	1,524	1,509	2.97	3.06	2.84
2010-11	21.9	21.2	21.1	1,507	1,513	1,500	3.02	3.05	2.86
2011-12	22.3	21.2	21.1	1,556	1,504	1,498	3.14	3.02	2.91
2012-13	21.9	21.1	20.9	1,494	1,495	1,498	3.18	2.96	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, 2014

Number of Personnel ^a

Districtwide administration	4.00
Professional staff	64.05
Principals and assistant principals	44.00
Certified staff	915.40
Support staff	687.61
Number of schools	35

Enrollment ^b

Elementary Schools - District	
Anne Wien	412
Badger Road	496
Barnette	413
Chinook Charter School	150
Denali	402
Hunter	352
Joy	464
Ladd	539
Nordale	316
North Pole Elementary	459
Pearl Creek	479
Salcha	76
Ticasuk Brown	514
Two Rivers	97
University Park	502
Watershed Charter School	202
Weller	477
Woodriver	438
Secondary Schools - District	
Effie Kokrine Charter School	167
Hutchison High	362
Lathrop Senior High	1,074
North Pole Middle	655
North Pole Senior High	752
Randy Smith Middle	338
Ryan Middle	386
Star of the North Charter	194
Tanana Middle	472
West Valley Senior High	967
Alternative Learning System	130
Elementary Schools - On-Base	
Anderson	252
Arctic Light	530
Crawford	297
Secondary Schools - On-Base	
Ben Eielson Junior/Senior High	399
B.E.S.T. (Correspondence)	268
Fairbanks Youth Facility	10
Total	<u><u>14,041</u></u>

Sources:

^a Fairbanks North Star Borough School District Approved Budget for fiscal year 2014-15.

^b 2013-14 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																				
99-00	61	1,139	1,167	1,283	1,306	1,282	1,256	1,170	8,664	1,240	1,291	2,531	1,694	1,163	916	836	4,609	15,804	(350)	-2.2%
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%
2014-15 Projected Enrollment																				
14-15	117	1,191	1,255	1,174	1,106	1,083	1,051	1,080	8,057	1,052	1,025	2,077	987	1,007	1,136	772	3,902	14,036	(5)	0.0%

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			
	2004-05	2005-06	2006-07	2007-08
Capital Assets by Type				
Building improvements	\$	\$	\$ 318,102	\$ 318,102
Machinery and equipment	11,135,339	11,212,351	11,558,422	11,670,579
Intangible assets (software)	205,056	205,056	205,056	205,056
Total by type	<u>\$ 11,340,395</u>	<u>\$ 11,417,407</u>	<u>\$ 12,081,580</u>	<u>\$ 12,193,737</u>
Capital Assets by Function				
Instruction	\$ 3,988,655	\$ 3,351,793	\$ 3,322,276	\$ 3,429,971
Special education instruction	76,100	117,075	107,066	85,634
Special education support services-students	29,322	29,322	29,322	38,257
Support services-students	53,464	58,730	61,717	65,440
Support services-instruction	1,126,093	1,356,760	1,521,488	1,659,872
School administration	79,568	76,915	76,915	43,915
School administration support services	66,707	66,707	77,226	69,306
District administration	83,284	83,284	86,037	99,496
District administration support services	2,032,780	1,954,587	2,435,480	2,223,433
Operations and maintenance of plant	2,938,062	3,399,281	3,473,084	3,545,608
Student activities	42,062	49,850	49,850	78,149
Student transportation - to and from school	8,868	8,868	4,067	4,067
Adult and continuing education	2,749	2,749	2,749	2,749
Community services	2,855	2,855	2,855	2,855
Food services	809,826	858,631	831,448	844,985
Total by function	<u>\$ 11,340,395</u>	<u>\$ 11,417,407</u>	<u>\$ 12,081,580</u>	<u>\$ 12,193,737</u>

Source:

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

Fiscal Year					
2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
\$	\$	\$	\$	\$	\$
8,756,504	9,256,859	8,947,432	9,415,625	9,455,391	9,563,787
190,993	1,121,733	1,236,923	1,313,593	1,322,438	1,400,107
<u>\$ 8,947,497</u>	<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>
\$ 1,830,758	\$ 1,915,692	\$ 1,901,665	\$ 1,969,249	\$ 1,822,714	\$ 1,833,217
53,922	585,295	584,895	579,708	612,072	612,072
25,795	25,795	25,795	25,795	11,316	17,742
30,802	12,721	12,721	12,722	12,722	97,143
1,325,365	1,810,679	1,579,500	1,783,764	1,811,941	1,965,755
16,268	5,615				
56,625	56,625	56,625	69,334	12,709	12,709
43,200	40,229	28,130	28,130	22,000	
1,600,649	1,969,133	2,041,017	2,211,557	2,229,457	2,116,549
3,332,217	3,361,248	3,334,777	3,377,305	3,516,293	3,556,733
22,006	22,006	45,676	64,324	69,419	82,917
609,890	573,554	573,554	607,330	657,186	669,057
<u>\$ 8,947,497</u>	<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>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

School Building Information
Last Ten Fiscal Years

	Fiscal Year				
	2004-05	2005-06	2006-07	2007-08	2008-09
School					
Elementary					
Anderson Elementary					
Square Feet	43,996	43,996	43,996	43,996	43,996
Capacity	372	372	372	372	372
Enrollment	404	361	348	294	310
Anne Wien Elementary					
Square Feet	63,532	63,532	63,532	63,532	63,532
Capacity	553	553	553	553	553
Enrollment	388	447	467	470	431
Arctic Light Elementary					
Square Feet	68,272	68,272	68,272	68,272	68,272
Capacity	596	596	596	596	596
Enrollment	499	416	508	533	531
Badger Road Elementary					
Square Feet	61,686	61,686	61,686	61,686	61,686
Capacity	537	537	537	537	537
Enrollment	509	559	577	591	565
Barnette Elementary *					
Square Feet	52,625	52,625	52,625	52,625	54,895
Capacity	396	396	396	417	417
Enrollment	295	330	370	379	392
Crawford Elementary					
Square Feet	63,532	63,532	63,532	63,532	63,532
Capacity	553	553	553	553	553
Enrollment	447	409	378	309	280
Denali Elementary					
Square Feet	49,210	49,210	49,210	49,210	49,210
Capacity	422	422	422	422	422
Enrollment	376	390	398	379	395
Hunter Elementary					
Square Feet	57,047	57,047	57,047	57,047	57,047
Capacity	494	494	494	494	494
Enrollment	341	339	317	313	321
Joy Elementary					
Square Feet	60,642	60,642	60,642	60,642	60,642
Capacity	527	527	527	527	527
Enrollment	328	369	372	355	368
Ladd Elementary					
Square Feet	63,455	63,455	63,455	63,455	63,455
Capacity	553	553	553	553	553
Enrollment	455	371	333	305	381
Nordale Elementary					
Square Feet	49,210	49,210	49,210	49,210	49,210
Capacity	422	422	422	422	422
Enrollment	326	382	378	365	396
North Pole Elementary					
Square Feet	57,154	57,154	57,154	57,154	57,154
Capacity	495	495	495	495	495
Enrollment	465	458	516	531	533

Fiscal Year				
2009-10	2010-11	2011-12	2012-13	2013-14
43,996	43,996	43,996	43,996	43,996
372	372	372	372	372
328	328	283	269	252
63,532	63,532	63,532	63,532	63,532
553	553	553	553	553
398	372	385	401	412
68,272	68,272	68,272	68,272	68,272
596	596	596	596	596
524	475	570	569	530
61,686	61,686	61,686	61,686	61,686
537	537	537	537	537
550	593	514	505	496
54,895	54,895	54,895	54,895	54,895
417	417	417	417	417
403	408	404	412	413
63,532	63,532	63,532	63,532	63,532
553	553	553	553	553
306	292	297	301	297
49,210	49,210	49,210	49,210	49,210
422	422	422	422	422
370	375	365	397	402
57,047	57,047	57,047	57,047	57,047
494	494	494	494	494
350	387	392	353	352
60,642	60,642	60,642	60,642	60,642
527	527	527	527	527
384	379	423	443	464
63,455	63,455	63,455	63,455	63,455
553	553	553	553	553
542	499	496	497	539
49,210	49,210	49,210	49,210	49,210
422	422	422	422	422
333	342	344	359	316
57,154	57,154	57,154	57,154	57,154
495	495	495	495	495
532	482	413	453	459

(continued)

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

School Building Information
Last Ten Fiscal Years

	Fiscal Year				
	2004-05	2005-06	2006-07	2007-08	2008-09
School					
Elementary (cont.)					
Pearl Creek Elementary					
Square Feet	62,982	62,982	62,982	62,982	62,982
Capacity	548	548	548	548	548
Enrollment	477	448	420	410	406
Salcha Elementary					
Square Feet	13,608	13,608	13,608	13,608	13,608
Capacity	76	76	76	76	76
Enrollment	98	89	100	87	97
Ticasuk Brown Elementary					
Square Feet	63,761	63,761	63,761	63,761	63,761
Capacity	556	556	556	556	556
Enrollment	516	545	525	501	516
Two Rivers Elementary ^a					
Square Feet	22,200	22,200	22,200	22,200	22,200
Capacity	98	98	98	98	98
Enrollment	122	113	91	109	99
University Park Elementary					
Square Feet	64,699	64,699	64,699	64,699	64,699
Capacity	564	564	564	564	564
Enrollment	532	543	533	515	489
Weller Elementary					
Square Feet	65,259	65,259	65,259	65,259	65,259
Capacity	569	569	569	569	569
Enrollment	479	510	474	489	502
Woodriver Elementary					
Square Feet	64,408	64,408	64,408	64,408	64,408
Capacity	561	561	561	561	561
Enrollment	447	465	470	443	440
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	580	572	597	547	512
Howard Luke ^b					
Square Feet	30,856	30,856	30,856	30,856	30,856
Capacity	102	-	-	-	-
Enrollment	111	-	-	-	-
Hutchison High ^c					
Square Feet	87,190	87,190	87,190	87,190	87,190
Capacity	510	510	510	510	510
Enrollment	275	317	348	349	362
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	1,249	1,304	1,278	1,146	1,186

Fiscal Year				
2009-10	2010-11	2011-12	2012-13	2013-14
62,982	62,982	62,982	62,982	62,982
548	548	548	548	548
443	479	484	470	479
13,608	13,608	13,608	13,608	13,608
76	76	76	76	76
101	88	83	84	76
63,761	63,761	63,761	63,761	63,761
556	556	556	556	556
554	548	510	545	514
22,200	22,200	22,200	22,200	22,200
98	98	98	98	98
93	93	88	88	97
64,699	64,699	64,699	64,699	64,699
564	564	564	564	564
460	474	525	528	502
65,259	65,259	65,259	65,259	65,259
569	569	569	569	569
520	542	540	485	477
64,408	64,408	64,408	64,408	64,408
561	561	561	561	561
414	446	436	444	438
103,200	103,200	103,200	103,200	103,200
616	616	616	616	616
474	472	436	403	399
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
358	363	363	372	362
234,412	234,412	234,412	234,412	234,412
1,421	1,421	1,421	1,421	1,421
1,199	1,125	1,184	1,101	1,074

(continued)

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

School Building Information Last Ten Fiscal Years

	Fiscal Year				
	2004-05	2005-06	2006-07	2007-08	2008-09
School					
Secondary (cont.)					
North Pole Middle					
Square Feet	113,306	113,306	113,306	113,306	113,306
Capacity	680	680	680	680	680
Enrollment	530	511	442	509	599
North Pole High					
Square Feet	156,362	156,362	156,362	156,362	156,362
Capacity	946	946	946	946	946
Enrollment	892	883	885	834	823
Randy Smith Middle					
Square Feet	74,589	74,589	74,589	74,589	74,589
Capacity	422	422	422	422	422
Enrollment	455	410	392	408	366
Ryan Middle					
Square Feet	99,880	99,880	99,880	99,880	99,880
Capacity	594	594	594	594	594
Enrollment	462	342	374	391	361
Tanana Middle					
Square Feet	101,069	101,069	101,069	101,069	101,069
Capacity	602	602	602	602	602
Enrollment	601	558	505	467	503
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	1,253	1,219	1,221	1,190	1,095

Notes:

- ^a Alaska Department of Education and Early Development regulation change reduced capacity by 4.7% (778) in 2003.
- ^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 Denali and Nordale Elementary Schools were entirely replaced with new buildings, opening in August, 2004.
- ^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 High was closed for renovation during fiscal year 2002-03 through 2003-04.
- ^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				
2009-10	2010-11	2011-12	2012-13	2013-14
113,306	113,306	113,306	113,306	113,306
680	680	680	680	680
633	585	652	679	655
156,362	156,362	156,362	156,362	156,362
946	946	946	946	946
814	781	721	729	752
74,589	74,589	74,589	74,589	74,589
422	422	422	422	422
335	293	313	326	338
99,880	99,880	99,880	99,880	99,880
594	594	594	594	594
375	390	396	394	386
101,069	101,069	101,069	101,069	101,069
602	602	602	602	602
523	514	501	513	472
216,884	216,884	216,884	216,884	216,884
1,314	1,314	1,314	1,314	1,314
1,080	1,070	1,035	1,019	967

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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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November 9, 2014

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, 2014, 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 funds, the internal service fund type, and the fiduciary fund type of the School District as of and for the year ended June 30, 2014, 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, 2014, and have issued our report thereon dated November 9, 2014.

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

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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
November 9, 2014

November 9, 2014

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 Circular A-133 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, 2014. 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 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, 2014.

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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
November 9, 2014

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2014

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	MA1401601	\$ 745,997
<u>National School Lunch Program</u>			
Passed through the State of Alaska Department of Education and Early Development:			
School Lunch	10.555	MA1401601	2,647,979
Total Child Nutrition Cluster			<u>3,393,976</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	MA1433401	4,798
<u>Fresh Fruit & Vegetable Program</u>			
Passed through the State of Alaska Department of Education and Early Development:			
Child Nutrition Services	10.582	FF1401601	45,176
Total U.S. Department of Agriculture			<u>\$ 3,443,950</u>
<u>U. S. Department of Defense</u>			
<u>Invitational Grants for Military-Connected Schools</u>			
Direct Program:			
DoDEA Invitational Grant Program	12.557		\$ 45
Total U. S. Department of Defense			<u>\$ 45</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	CD1401601	\$ 5,434
Title I-A, Neglected & Delinquent	84.010	ND1401601	91,426
Title I-A, School Improvement 1003(a)	84.010	CA1301601	2,426
Title I-A, School Improvement 1003(a)	84.010	CA1401601	13,734
Title I-A, Professional Development	84.010	IP1301601	360
Title I-A, Professional Development	84.010	IP1401601	87,133
Title I-A Parent Involvement	84.010	IP1401601	31,823
Title I-A, Basic Grant	84.010	IP1301601	622
Title I-A, Basic Grant	84.010	IP1401601	3,039,674
Subtotal 84.010			<u>3,272,632</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	MB1401601	3,600
Migrant Summer	84.011	MS1401601	20,510
Title I-C, Migrant Regular	84.011	IP1401601	250,131
Subtotal 84.011			<u>274,241</u>

(continued)

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Federal Agency/ CFDA Grant or Cluster Title/ Pass-through Grantor/ Award Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<i>Title I Program for Neglected and Delinquent Children</i>			
Passed through the State of Alaska Department of Education and Early Development:			
Title I-D Youth Facility	84.013	IP1401601	\$ 22,465
<i>Special Education Cluster (IDEA)</i>			
<i>Special Education Grants to States</i>			
Passed through the State of Alaska Department of Education and Early Development:			
Title VI-B	84.027	SE1301601	1,064
Title VI-B	84.027	SE1401601	3,156,074
<i>Subtotal 84.027</i>			<u>3,157,138</u>
<i>Special Education Preschool Grants</i>			
Passed through the State of Alaska Department of Education and Early Development:			
Preschool Disabled Section 619	84.173	SE1301601	745
Preschool Disabled Section 619	84.173	SE1401601	100,605
<i>Subtotal 84.173</i>			<u>101,350</u>
<i>Total Special Education Cluster (IDEA)</i>			<u>3,258,488</u>
<i>Impact Aid</i>			
Passed through the State of Alaska Department of Education and Early Development:			
Title VIII Impact Aid	84.041	N/A	14,592,831
Title VIII Impact Aid for Construction	84.041	N/A	306,408
<i>Subtotal 84.041</i>			<u>14,899,239</u>
<i>Vocational Education Basic Grants to States</i>			
Passed through the State of Alaska Department of Education and Early Development:			
Carl Perkins Secondary	84.048	EK1301601	37,296
Carl Perkins Secondary	84.048	EK1401601	308,267
<i>Subtotal 84.048</i>			<u>345,563</u>
<i>Indian Education Grants to Local Educational Agencies</i>			
Direct Program:			
Indian Education	84.060		744,703
<i>Education for Homeless Children and Youth</i>			
Passed through the State of Alaska Department of Education and Early Development:			
McKinney-Vento Homeless Education	84.196	FR1401601	27,507
<i>Fund for the Improvement of Education</i>			
Direct Program:			
LTHS Smaller Learning Communities Project	84.215		184,668
<i>Twenty-First Century Community Learning Centers</i>			
Passed through the State of Alaska Department of Education and Early Development:			
AK Community Learning Centers Program	84.287	AC1401601	1,431,534
<i>Alaska Native Educational Programs</i>			
Passed through the Big Brothers and Big Sisters of Alaska			
Success through Education and Cultural Connections	84.356	NA	21,271

(continued)

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2014

Federal Agency/ CFDA Grant or Cluster Title/ Pass-through Grantor/ Award Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
English Language Acquisition Grants			
Passed through the State of Alaska Department of Education and Early Development:			
Title III-A, English Language Acquisition	84.365	IP1401601	\$ 23,983
Title III-A, English Language Acquisition, Immigrant	84.365	LA1401601	13,315
Subtotal 84.365			<u>37,298</u>
Improving Teacher Quality State Grants			
Passed through the State of Alaska Department of Education and Early Development:			
Title II-A, Teacher & Principal Training	84.367	IP1401601	1,039,880
Investing in Innovation (i3) Fund			
Passed through the University of Alaska Fairbanks Office of Academic Affairs			
Alaska Statewide Mentor Project Urban Growth	84.411	UAF-13-0029	<u>257,424</u>
Total U. S. Department of Education			<u>\$ 25,816,913</u>
Grand Total - Expenditures of Federal Awards			<u>\$ 29,260,908</u>

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to Schedule of Expenditures of Federal Awards June 30, 2014

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, 2014. 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 2014 was \$151,749.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

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 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>
---------------------	---

10.553 & 10.555	Child Nutrition Cluster
84.011	Migrant Education_State Grant Program
84.027 & 84.173	Special Education Cluster (IDEA)
84.367	Improving Teacher Quality State Grants

Dollar threshold used to distinguish between type A and type B programs: \$ 877,827

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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November 9, 2014

INDEPENDENT AUDITOR'S 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

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, 2014, 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 funds, the internal service fund type, and the fiduciary fund type of the School District as of and for the year ended June 30, 2014, 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, 2014, and have issued our report thereon dated November 9, 2014.

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.

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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 entity'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

November 9, 2014

Fairbanks, Alaska

November 9, 2014

INDEPENDENT AUDITOR'S 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

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

Report on Compliance for Each Major State Program

We have audited the compliance of the Fairbanks North Star Borough School District (School District) 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, 2014. 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, 2014.

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

November 9, 2014
Fairbanks, Alaska

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Schedule of State Financial Assistance

For the Year Ended June 30, 2014

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	\$ 117,038,885
Supplemental Aid *	N/A	2,671,187
On-Base Schools *	N/A	1,450,000
Quality Schools *	N/A	426,169
Pupil Transportation *	N/A	11,885,234
Youth in Detention	EY1401601	112,797
Student Safety & Security *	NA	1,126,985
Capacity Building for Suicide Prevention	SP1401601	6,956
Early Literacy K-3	LE1401601	31,545
Total State of Alaska Department of Education and Early Development		\$ 134,749,758
<u>State of Alaska Department of Administration</u>		
Direct Program:		
Alaska Teachers' Retirement System (TRS) On-Behalf Funding *	N/A	\$ 31,150,634
Alaska Public Employees' Retirement System (PERS) On-Behalf Funding *	N/A	5,034,322
Total State of Alaska Department of Administration		\$ 36,184,956
<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	\$ 4,664
North Pole ES Classroom Furniture Replacement	11-DC-218 / 230NEF	2,565
Two Rivers ES Classroom Improvements	11-DC-226 / 230TRC	1,833
North Pole MS Classroom Tech/Equip Upgrade	11-DC-221 / 230NTE	5,715
Hutchison HS Distance Learning	11-DC-217 / 230HDL	704
North Pole HS Physical Ed/Athletic Equipment Replacement	11-DC-219 / 230NAE	657
West Valley HS Distance Learning Systems	11-DC-229 / 230WDL	362
After School Program	11-DC-213 / 230ASP	2,570
School District Technology Upgrade	11-SDGPR-01 / D46SCT	16,647
Barnette Magnet School Furniture & Equipment	12-DC-623 / D46BMB	155,691
Salcha Elementary School Classroom Equipment	13-DM-060 / 160SEQ	2,104
We The People	13-DM-089 / 160PEO	118
Senate District D Classroom Technology Upgrade	13-DC-279 / 160DCT	160,765
Classroom Digital Technology Upgrade	13-DC-339 / 160CDT	231,533
We the People Competition	14-DM-017 / S18PEP	42,610
Arctic Light Elementary School Security Systems	14-DM-008 / S18ALR	19,564
Badger Road Elementary School Security Systems	14-DM-010 / S18BGR	27,273
Ladd Elementary School Security Systems	14-DM-014 / S18LSS	24,109
Weller Elementary Classroom Upgrades	14-DM-015 / S18WCU	34,545
Ryan Middle School Classroom Digital Technology	14-DM-016 / S18RDT	5,943
Hutchison High School Classroom and Vocational Technology Upgrade	14-DM-013 / S18HUT	31,818
Lathrop High School Classroom Technology & PE Equipment	14-DC-052 / S18LSS	27,968
Headbolt Electric Plug-in WWH & NPH	AKSAS-61041	7,473
Barnette Magnet School Phase III ART 1%	12-DC-623 / D46BMB	1,200
		808,431

* State Major Program-FY14

(continued)

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Schedule of State Financial Assistance

For the Year Ended June 30, 2014

State Agency/ Pass-through Grantor/ Award Title	Grant ID Number	State Expenditures
<u>Division of Community and Regional Affairs</u>		
Direct Program:		
Designated Legislative Grants:		
Badger Road Elementary School Equipment & Improvements	13-DM-107	\$ 24,274
North Pole Elementary School Classroom Technology Upgrades	13-DM-108	1,064
North Pole High School Classroom Technology Upgrades	13-DM-109	290
Star of the North Charter School Classroom Technology Upgrades	13-DM-111	440
Ticasuk Brown Elementary School Classroom & Facility Upgrades	13-DM-112	1,369
Big Brothers, Big Sisters of Alaska (MES)	N/A	9,516
Nutritional Alaskan Foods in Schools	14-NAF-016	11,796
		<u>48,749</u>
Total State of Alaska Department of Commerce, Community, and Economic Development		\$ 857,180
<u>State of Alaska Department of Labor & Workforce Development</u>		
<u>Division of Business Partnerships</u>		
Direct Program:		
Youth First Initiative Program	14-204	\$ 100,000
Passed through the Construction Education Foundation, Inc.		
Alaska Construction Academy FY14	N/A	149,933
		<u>249,933</u>
Total State of Alaska Department of Labor & Workforce Development		\$ 249,933
Grand Total - State Financial Assistance		\$ 1,107,113

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to Schedule of State Financial Assistance June 30, 2014

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, 2014. 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, 2014

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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November 9, 2014

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, 2014, 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 proprietary fund type, and the fiduciary fund type of the School District as of and for the year ended June 30, 2014, 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, 2014. 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.

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FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Statement of Compliance - AS 14.17.505

Year Ended June 30, 2014

Total General Fund Balance (All Classifications): **\$ 19,854,681**

Items Deducted in 4 AAC 09.160:

Encumbrances	\$ 1,689,890	
Inventory	463,606	
Prepaid Expenses	55,185	
Impact Aid	<u>13,068,830</u>	
		15,277,511

Remaining General Fund Balance Subject to 10% Limit: **\$ 4,577,170**

(AS 14.17.505 - "unreserved")

General fund balance as a percentage of current year expenditures:

General fund balance subject to 10%	=	\$ 4,577,170	=	2.07%
Current year general fund expenditures		<u>\$ 220,935,047</u>		

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November 9, 2014

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, 2014, 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 proprietary fund type, and the fiduciary fund type of the School District as of and for the year ended June 30, 2014, 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, 2014 and have issued our report thereon dated November 9, 2014. 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.

Cook & Haugeberg LLC

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Senior Consultants: James F. Dieringer, Jr., CPA and Michael T. Cook, CPA

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SUPPLEMENTAL REPORTS

Other Reports

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November 9, 2014

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, 2014. 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, 2014.

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, 2014**
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	3,838,273	254,433	4,092,706

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	405,014	61,791	466,805

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	131,499	20,063	151,562
DR-05-101	2006 I	US Bank NA	230,000	162,738	392,738
DR-07-103 to 105	2007 J	US Bank NA	510,000	401,238	911,238
DR-07-103 to 105	2008 L	US Bank NA	445,000	362,419	807,419
DR-10-103 to 106	2010 M	US Bank NA	475,000	491,593	966,593
05-96-102 to 110,114	N Refunding	US Bank NA	2,068,936	472,992	2,541,928
05-96-102 to 110,114	O Refunding	Bank of New York Mellon Trust	1,368,071	412,830	1,780,900
05-99-141 to 144, 146, 147, 150	P Refunding	Bank of New York Mellon Trust	510,000	116,800	626,800
05-96-102 to 110,114	Q Refunding	Bank of New York Mellon Trust	1,685,000	874,175	2,559,175
DR-12-102 to 106	2012 R	US Bank NA	490,000	317,040	807,040
05-03-102 to 104; DR-05-101	S Refunding	US Bank NA	1,280,000	488,250	1,768,250

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November 9, 2014

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, 2014. 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 (2014-2014 fiscal year). However, in our opinion, except for the average daily membership described in the preceding sentence and the resulting tuition rate (2014-2014 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
2014-15 Fiscal Year

Fairbanks North Star Borough School District

Local Revenues for Support of Schools:	
Borough contribution to school district general fund	\$ 47,560,000
Direct Expenditures by Borough for School Purposes:	
From: <i>Summary Report of Reimbursable Expenditures</i>	
Capital outlay	254,433
Bond redemption	13,780,448
Less: State aid for school construction	<u>(10,350,725)</u>
Total expenditures from local sources	<u>51,244,156</u>
Plus:	
Title VIII Impact Aid	13,979,892
On-base tuition	<u>1,450,000</u>
	<u>15,429,892</u>
Total local cost for tuition purposes	<u><u>\$ 66,674,048</u></u>
 Average daily membership as approved by the DEED for foundation support in FY 2013-14 (Form No. 05-00-033)	 14,062.59
 Tuition Rate	 <u><u>\$ 4,741.24</u></u>

Auditor's Certification
See Accountant's Report

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