

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

FOR THE FISCAL YEAR JULY 1, 2009 - JUNE 30, 2010



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, 2010**

**Pete Lewis  
Superintendent of Schools**

**Prepared by  
Accounting Services Department**

**Michael Fisher  
Chief Financial Officer**

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

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## TABLE OF CONTENTS

Title Page.....	I
Table of Contents .....	III
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal.....	VII
Fairbanks North Star Borough School District Board of Education and Administration .....	XIII
Organization Chart.....	XIV
Association of School Business Officials International Certificate of Excellence .....	XV
Government Finance Officers Association Certificate of Achievement.....	XVII
<b>FINANCIAL SECTION</b>	
Report of Independent Certified Public Accountants .....	1
Management's Discussion and Analysis .....	3
<u>Basic Financial Statements</u>	
Government-wide Financial Statements	
Statement of Net Assets.....	20
Statement of Activities .....	21
Fund Financial Statements	
Governmental Funds:	
Balance Sheet.....	24
Reconciliation of the Governmental Funds Balance Sheet to the	
Statement of Net Assets.....	27
Statement of Revenues, Expenditures and Changes in Fund Balances .....	28
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures	
and Changes in Fund Balances to the Statement of Activities.....	31
Proprietary Fund:	
Statement of Net Assets .....	32
Statement of Revenues, Expenses and Changes in Fund Net Assets.....	33
Statement of Cash Flows.....	34
Fiduciary Fund:	
Statement of Fiduciary Assets and Liabilities.....	35
Notes to the Basic Financial Statements .....	37
<u>Required Supplementary Information</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP	
Basis) and Actual – General Fund.....	56
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP	
Basis) and Actual – Federal Programs Special Revenue Fund .....	57
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP	
Basis) and Actual – Student Transportation Special Revenue Fund.....	58
Notes to Budgetary Comparison Schedules .....	59

## TABLE OF CONTENTS

### Combining and Individual Fund Statements and Schedules

#### Major Governmental Funds:

##### General Fund:

Balance Sheet.....	64
Statement of Revenues, Expenditures, and Changes in Fund Balance – by Object.....	65
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – by Object.....	71

##### Federal Programs Special Revenue Fund:

Combining Balance Sheet.....	78
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – By Function.....	86
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – by Object.....	96
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – by Object.....	105

##### Student Transportation Special Revenue Fund:

Balance Sheet.....	106
Statement of Revenues, Expenditures and Changes in Fund Balance – By Object.....	107
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – by Object.....	108

#### Nonmajor Governmental Funds – by Fund Type:

Combining Balance Sheet – by Fund Type.....	110
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – by Fund Type.....	111

#### Nonmajor Special Revenue Funds:

Combining Balance Sheet.....	114
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	116

##### Local Programs Special Revenue Fund:

Combining Balance Sheet.....	118
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – by Function.....	122
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – by Object.....	126
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – by Object.....	130

##### Community Schools Special Revenue Fund:

Balance Sheet.....	131
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – by Function.....	132
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – by Object.....	133
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – by Object.....	134

## TABLE OF CONTENTS

### Nonmajor Special Revenue Funds (cont.):

State Programs Special Revenue Fund:	
Combining Balance Sheet.....	136
Combining Schedule of Revenues, Expenditures and Changes in Fund	
Balances – by Function .....	138
Combining Schedule of Revenues, Expenditures and Changes in Fund	
Balances – by Object.....	140
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget (Non-GAAP Basis) and Actual – by Object.....	142
Food Service Special Revenue Fund:	
Balance Sheet.....	143
Statement of Revenues, Expenditures and Changes in Fund	
Balance – by Function .....	144
Statement of Revenues, Expenditures and Changes in Fund	
Balance – by Object .....	145
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget (Non-GAAP Basis) and Actual – by Object.....	146
School Activities Special Revenue Fund:	
Balance Sheet.....	147
Statement of Revenues, Expenditures and Changes in Fund	
Balance – by Function .....	148
Statement of Revenues, Expenditures and Changes in Fund	
Balance – by Object .....	149

### Nonmajor Capital Projects Funds:

Combining Balance Sheet.....	152
Combining Statement of Revenues, Expenditures and Changes in Fund	
Balances .....	154
Project Length Schedule of Revenues and Expenditures.....	156

### Agency Fund:

School District Agency Fund:	
Statement of Changes in Assets and Liabilities .....	161

## STATISTICAL SECTION

Net Assets by Component – Last Eight Fiscal Years.....	164
Changes in Net Assets – Last Eight Fiscal Years.....	166
Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	168
Governmental Funds Revenues – Last Ten Fiscal Years .....	170
Governmental Funds Expenditures and Debt Service Ratio – Last Ten Fiscal Years.....	172
Other Financing Sources and Uses and Net Change in Fund Balances of Governmental Funds -	
Last Ten Fiscal Years .....	174
Assessed and Estimated Actual Value of Taxable Property – Last Ten Calendar Years.....	176
Property Tax Rates and Tax Levies – This Borough and All Underlying Governments –	
Last Ten Calendar Years.....	178
Principal Taxable Properties – Current Year and Nine Years Ago .....	180
Property Tax Levies and Collections – Last Ten Fiscal Years.....	185
Significant Own-Sourced Revenue – Last Ten Fiscal Years .....	186
Outstanding Debt by Type – Last Ten Fiscal Years.....	187
Demographic and Economic Statistics – Last Ten Calendar Years .....	188
Principal Employers – Current Year and Nine Years Ago.....	189
Full-time Equivalent Operating Fund Employees by Department and Type –	
Last Eight Fiscal Years and Projected Next Year.....	190

## TABLE OF CONTENTS

Operating Statistics – Last Ten Fiscal Years .....	192
Teacher Salary Information – Last Ten School Years .....	194
Comparative Results from College Entrance and Advance Placement (AP) Exams – Last Ten School Years .....	195
Miscellaneous Statistical Data .....	196
Enrollment History by Grade Level – Last Fifteen Fiscal Years .....	197
Capital Assets by Type and Function – Last Eight Fiscal Years .....	198
School Building Information – Last Eight Fiscal Years .....	200

### SINGLE AUDIT

#### Reports on Federal and State Single Audit Requirements:

##### Federal Single Audit:

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	209
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	211
Schedule of Expenditures of Federal Awards .....	213
Notes to Schedule of Expenditures of Federal Awards .....	218
Schedule of Findings and Questioned Costs .....	219

##### State Single Audit:

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	223
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with the <i>State of Alaska Audit Guide and Compliance Supplement for State Single Audits</i> .....	225
Schedule of State Financial Assistance .....	227
Notes to Schedule of State Financial Assistance .....	228
Schedule of Findings and Questioned Costs .....	229

### SUPPLEMENTAL REPORTS

#### Supplemental Reports:

Report of Independent Certified Public Accountants on Fund Balance Compliance Requirements .....	233
Statement of Compliance - AS 14.17.505 .....	235
Report of Independent Certified Public Accountants on Certain State Compliance Requirements .....	237

#### Other Reports:

Report of Independent Certified Public Accountants on the Summary Report of Reimbursable Expenditures .....	241
Schedule of Payments Made for Principal and Interest on Bonds to Fund School Construction for the Fiscal Year Ending June 30, 2009 .....	243
Schedule of Interest Proceeds for Bonds Approved by Voters for School Construction after July 1, 1986 for the Fiscal Year Ended June 30, 2009 .....	244
Report of Independent Certified Public Accountants on the Tuition Rate Report .....	245
Tuition Rate Report .....	247

# INTRODUCTORY SECTION





# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

(907) 452-2000

520 Fifth Avenue

Fairbanks, AK 99701-4718

[www.k12.northstar.org](http://www.k12.northstar.org)

November 8, 2010

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, 2010, 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 generally accepted accounting principles (GAAP). 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, 2010 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and 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 unqualified opinion that

the School District's financial statements for the fiscal year ended June 30, 2010 are fairly presented in conformity 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 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 14,397 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 92 students to a 1,198-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 2010 district-wide average was 23.7 students per class at the elementary level (grades K-6), 23.6 at the middle school level (grades 7-8), and 21.6 at the secondary level (grades 9-12). A higher percentage of district students are proficient on the State of Alaska Standards-Based Assessments at every grade level and subject area than the percent of students statewide.

### **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: Chinook Montessori Charter School (grades K-8), Star of the North Secondary Charter School (grades 9-12), Effie Kokrine Charter School (grades 9-12) and Watershed Charter School (grades K-8). All operate under ten year charters with terms expiring in 2011, 2014, 2015 and 2019, 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 nation's current economic downturn continues to have negative effects on state and local economies, the economic impact to Alaska is still very mild compared to what the nation is experiencing. The Fairbanks North Star Borough's seasonally adjusted unemployment rate is 7.7%, compared to a national unemployment rate of 9.6%. The Borough's seasonally adjusted unemployment rate has dropped .5 percentage points from a year ago while the national average has dropped .1 percentage point. August was the 22<sup>nd</sup> consecutive month that Alaska's unemployment rate was lower than the national rate. Tourism, retail trade and construction industries still struggle somewhat to cope with national trends of reluctant consumer spending, tighter credit, and a shaky housing market. Alaska's critical oil industry has stopped growing, but hasn't recorded significant losses and continues to be a stabilizing force.

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 over \$3.433 billion over the last five years. The local contribution to education represents about 23.3% of operating fund revenues and has increased \$6.794 million or 18.6% over that time. 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 \$6.865 million.

## **Projected Enrollment**

Student enrollments generate a majority of district revenues and also dictate personnel needs, which represent over 85% 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 no later than ten days after the end of the official student count period for the current year, which ends on the fourth Friday each October. School District enrollment declined less than 1% over the three years prior to 2007-08, but in 2007-08, enrollment declined 2.5%. The 2008-09 school year saw a slight enrollment increase of .3%, and official 2009-10 enrollments were up by 265 students or 1.9%. We were hopeful that we were beginning to see gradual enrollment increases. However, 2010-11 enrollments show a decline of 171 students or 1.2%. Schools which typically have large numbers of military dependents can vary considerably, which seems to be a major factor for the 2010-11 enrollment declines.

## **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 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 45 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. The School District is proposing changes to school attendance areas and has also begun preliminary discussions about the feasibility of a new elementary school in the North Pole area.

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 2009, Borough residents approved an \$11.95 million dollar bond proposition for major maintenance at five schools. The bonds are eligible for state reimbursement at 70%. Also, the Fairbanks North Star Borough approved a local ordinance that requires 28.5% of the district's annual lapse of funds be returned to the Borough in support of a school facilities major maintenance reserve fund.

## **School District Initiatives**

The No Child Left Behind Act, signed into law in 2002, has expanded the federal role in education and set requirements in place that affect every public school in America, including those in Alaska. At the core of No Child Left Behind (NCLB) are measures designed to close achievement gaps between different groups of students. The School Board has established several initiatives to meet the goals of NCLB.

The School Board establishes a three year view of primary performance goals and initiatives to improve student performance on an annual basis. The four initiatives approved for the 2009-2011 view include:

- Implement recommendations from the Secondary Review Process (e.g. career pathways, professional learning communities, middle school concept).
- Develop a plan to address North Pole attendance area K-8 overcrowding.
- Implement Response to Instruction and Intervention (RTI).
- Implement a plan for using formative assessment to improve writing skills (e.g. Thinking maps/Write...from the Beginning/Write...for the Future, My Access!, and Six Traits Writing).



## **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 fund balances or establish reserves. State statute limits an accumulation of unreserved fund balance to less than ten percent of current year expenditures. Alaska Administrative Code narrowly defines what may be classified as a reservation of fund balance. Local ordinances require 28.5% of the district's annual lapse of funds be returned to the Borough in support of a school facilities major maintenance reserve fund and limits 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 85% of the budget. Other examples impacting financial planning and decision making include reliance on the district's preventive maintenance and energy monitoring program, and implementation of lease financing for a 1,000 teacher laptop refresh initiative.

The American Recovery and Reinvestment Act of 2009 (ARRA) has provided a unique opportunity to jump start school reform and improvement efforts. The district received approximately \$16 million in ARRA spending authority over a two year period ending in the fall of 2011. The challenge was and continues to be to utilize these one-time resources in ways most likely to lead to improved results for students, long term gains in school and school system capacity, increased productivity and effectiveness, and at the same time address sustainability of such efforts and programs.

## **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, 2009.

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, 2009.

This was the nineteenth consecutive year that the School District has received 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 are submitting it to the ASBO and the GFOA to determine its eligibility for another certificate.

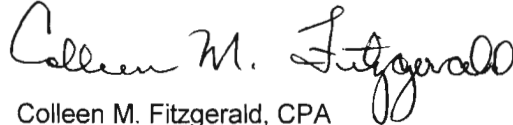
## **Acknowledgments**

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

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FAIRBANKS NORTH STAR BOROUGH  
SCHOOL DISTRICT

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(As of June 30, 2010)

Fairbanks, Alaska

BOARD OF EDUCATION

Leslie Hajdukovich, President  
Wendy Dominique, Vice-President  
Sharon McConnell, Treasurer  
Sue Hull, Clerk  
Kristina Brophy, Member  
Silver Chord, Member  
Sean Rice, Member  
David Soderlund, Member  
LTC Jesse Johnson, Base Representative  
Colonel Timothy A. Jones, Post Representative  
Danielle Wilson, Student Representative

ADMINISTRATION

Pete Lewis  
Superintendent of Schools

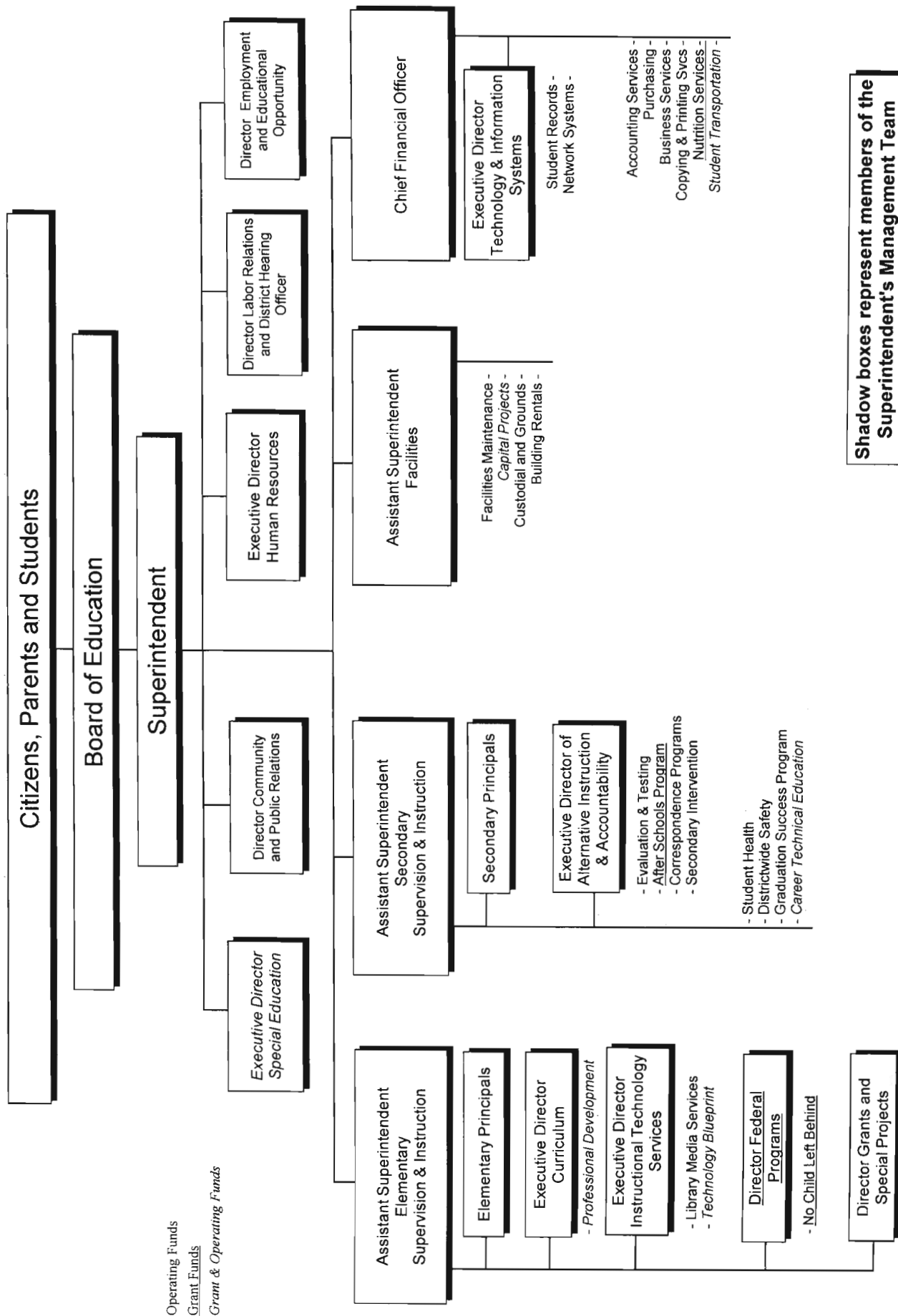
Wayne Gerke  
Assistant Superintendent  
Secondary Supervision & Instruction

Roxa Hawkins  
Assistant Superintendent  
Elementary Supervision & Instruction

David Ferree  
Assistant Superintendent  
Facilities Management

Michael Fisher  
Chief Financial Officer

# Fairbanks North Star Borough School District Organization Chart



Shadow boxes represent members of the Superintendent's Management Team

2009 -10 Approved Budget



**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

**For its Comprehensive Annual Financial Report (CAFR)**

For the Fiscal Year Ended June 30, 2009

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

*Evin Green*

President

*John D. Mueser*

Executive Director

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# 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, 2009

A Certificate of Achievement for Excellence in Financial  
Reporting is presented by the Government Finance Officers  
Association of the United States and Canada to  
government units and public employee retirement  
systems whose comprehensive annual financial  
reports (CAFRs) achieve the highest  
standards in government accounting  
and financial reporting.



President

Executive Director

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# **FINANCIAL SECTION**



November 8, 2010

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

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, 2010, 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 fiduciary fund type of the Fairbanks North Star Borough School District, as of and for the year ended June 30, 2010, as displayed in the School District's basic financial statements. In addition, we also have audited the financial statements and schedules of each of the School District's nonmajor governmental funds in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements and schedules are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements and schedules based on our audit. The prior year partial comparative information has been derived from the School District's June 30, 2009 financial statements, and, in our report dated November 6, 2009 we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, the aggregate remaining fund information, proprietary and fiduciary fund type, and the School District's nonmajor governmental funds.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 of the Fairbanks North Star Borough School District, as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements and schedules referred to previously present fairly, in all material respects, the respective financial position of the proprietary and fiduciary fund type and each nonmajor governmental fund of the School District, as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports dated November 8, 2010, 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 the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133, and *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying required supplementary information, which includes management's discussion and analysis, budgetary comparison information and related note disclosures as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fairbanks North Star Borough School District's basic financial statements. The accompanying introductory section, statistical section, and supplemental reports section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 2010 combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2010, taken as a whole. We also have previously audited, in accordance with auditing standards generally accepted in the United States, the School District's basic financial statements for the year ended June 30, 2009, which are not presented with the accompanying financial statements. In our report dated November 6, 2009, we expressed unqualified opinions on the respective financial statements and schedules of the governmental activities, each major fund, and the aggregate remaining fund information. In our opinion, the June 30, 2009 nonmajor governmental funds are fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2009, taken as a whole. 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 express no opinion on them.

Cook + Haugeberg LLC

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Management's Discussion and Analysis June 30, 2010

### 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, 2010. 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 2010 include the following:

- The School District's assets exceeded its liabilities at June 30, 2010 by \$25.1 million (net assets). Of this, \$21 million is unrestricted and available to pay obligations of the district. Included in unrestricted net assets is \$11.2 million of Federal impact aid revenue for fiscal year 2011 received in advance in fiscal year 2010.
- Revenues saw a net increase of \$15 million. State Foundation funding increased \$13.7 million, Federal Impact Aid increased \$2.4 million and operating grants and contributions increased \$2 million. These increases were offset by a decrease in capital grants (\$2.1) due to the completion of the District's new central kitchen facility for the school lunch program.
- Expenses saw a net increase of \$14.2 million. Most functional expense categories experienced increases in the current year except operations & maintenance of plant with a decrease of \$1.9 million from fiscal year 2009 when the District contributed \$3.8 million in federal funding toward the completion of the new central kitchen facility.
- Among major funds, the general fund had \$186 million in current year revenues and \$185.7 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 assets* presents information on all of the School District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the School District is improving or diminishing.
- The *statement of activities* presents information showing how the School District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash



## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Management's Discussion and Analysis (continued) June 30, 2010

flows. 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 service, adult and continuing education instruction and food services.

The government-wide financial statements can be found on pages 20 and 21 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 Assets 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 24 through 31 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 32 through 34 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 35 of this report.

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Management's Discussion and Analysis (continued) June 30, 2010

### 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 37 through 54 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 56 through 61 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 64 through 161 of this report.

Results of the state and federally mandated *Single Audit* which include auditor's opinions, schedules of expenditures of state and federal awards, and schedules of findings and questioned costs can be found on pages 209 through 229 of this report.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. The School District's assets exceeded liabilities by \$25.1 million as of June 30, 2010. By far the largest portion of the District's net assets is unrestricted and includes \$11.2 million of fiscal year 2011 impact aid received in fiscal year 2010. Net assets invested in capital assets of \$4.2 million reflect the School District's investment in furniture, 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 assets (table 1) and changes in net assets (table 2) for the School District's governmental activities.

**Table 1**  
Net Assets  
Governmental Activities

	<u>2010</u>	<u>2009</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
<b>Assets</b>				
Current and other assets	\$ 36,206,959	\$ 30,044,253	\$ 6,162,706	20.5%
Capital assets	4,180,344	2,941,680	1,238,664	42.1%
<b>Total assets</b>	<u><b>40,387,303</b></u>	<u><b>32,985,933</b></u>	<u><b>7,401,370</b></u>	<b>22.4%</b>
<b>Liabilities</b>				
Long-term liabilities	10,185,147	8,544,695	1,640,452	19.2%
Other liabilities	5,067,532	1,439,898	3,627,634	251.9%
<b>Total liabilities</b>	<u><b>15,252,679</b></u>	<u><b>9,984,593</b></u>	<u><b>5,268,086</b></u>	<b>52.8%</b>

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Management's Discussion and Analysis (continued) June 30, 2010

**Table 1**  
Net Assets (continued)  
Governmental Activities

	<u>2010</u>	<u>2009</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
<b>Net assets</b>				
Invested in capital assets	\$ 4,180,344	\$ 2,941,680	\$ 1,238,664	42.1%
Unrestricted	20,954,280	20,059,660	894,620	4.5%
<b>Total net assets</b>	<u><u>\$ 25,134,624</u></u>	<u><u>\$ 23,001,340</u></u>	<u><u>\$ 2,133,284</u></u>	<b>9.3%</b>

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

- A \$4.1 million increase in accounts receivable from the State of Alaska due to the award of American Recovery and Reinvestment Act (ARRA) stimulus and stabilization grants.
- A \$1 million increase in capitalized software due to the purchase of reading intervention software for special needs students and the replacement of the District's financial software package.
- A \$3.6 million increase in other liabilities resulting from 1) a \$1.1 million increase in accounts payable due to increases in ARRA and foundation funding and 2) enactment of Fairbanks North Star Borough (Borough) Ordinance 3.01.060 in fiscal year 2010. Ordinance 3.01.060 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. The lapse for fiscal year 2010 was \$2.2 million.

The results of this year's operations for the School District as a whole are reported in the Statement of Activities on page 21 of this report. Table 2 provides condensed information from the Statement of Activities.

**Table 2**  
Changes in Net Assets  
Governmental Activities

	<u>2010</u>	<u>2009</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
<b>Revenues:</b>				
Program revenues:				
Charges for services	\$ 2,216,143	\$ 2,365,595	\$ (149,452)	-6.3%
Operating grants and contributions	52,835,590	50,760,894	2,074,696	4.1%
Capital grants and contributions	369,871	2,515,129	(2,145,258)	-85.3%
General revenues:				
Borough direct appropriation	43,339,901	44,222,700	(882,799)	-2.0%
Foundation program	109,730,232	96,001,077	13,729,155	14.3%
Other state aid	1,856,765	1,821,871	34,894	1.9%
Federal impact aid	12,005,572	9,596,676	2,408,896	25.1%
Other	755,216	680,263	74,953	11.0%
<b>Total revenues</b>	<u><u>223,109,290</u></u>	<u><u>207,964,205</u></u>	<u><u>15,145,085</u></u>	<b>7.3%</b>

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

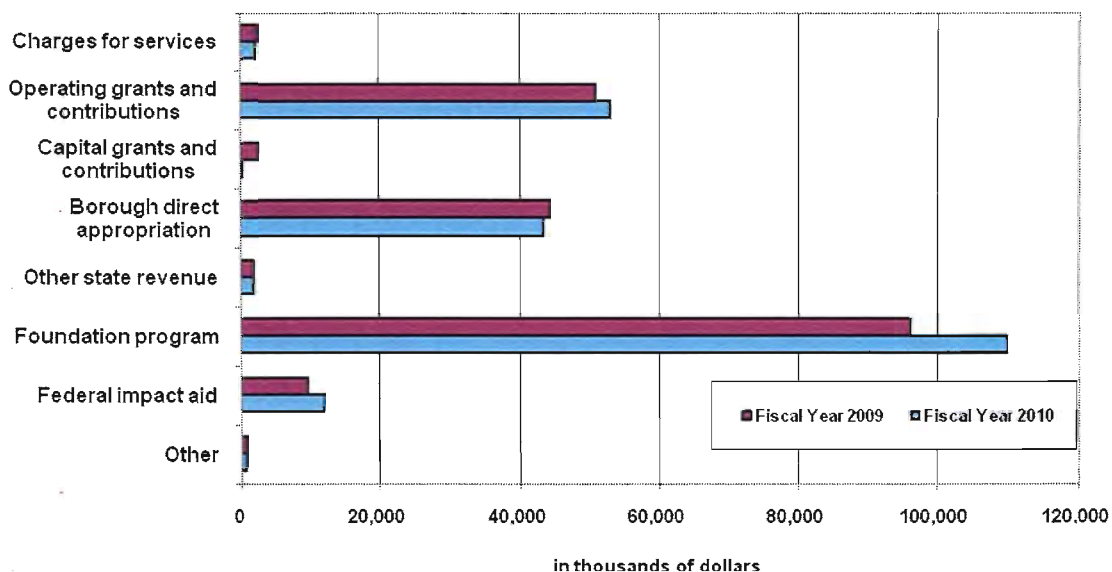
## Management's Discussion and Analysis (continued) June 30, 2010

**Table 2**  
Changes in Net Assets (continued)  
Governmental Activities

	2010	2009	Increase (Decrease)	Percentage Change
<b>Expenses:</b>				
Instruction	\$ 96,924,540	\$ 92,008,786	\$ 4,915,754	5.3%
Special education instruction	25,847,781	21,632,095	4,215,686	19.5%
Special education support services-students	4,787,664	3,882,736	904,928	23.3%
Support services-students	13,485,882	12,016,292	1,469,590	12.2%
Support services-instruction	12,292,803	10,973,700	1,319,103	12.0%
School administration	7,283,846	7,066,719	217,127	3.1%
School administration support services	4,774,903	4,084,016	690,887	16.9%
District administration	2,326,390	2,150,747	175,643	8.2%
District administration support services	10,161,958	9,013,588	1,148,370	12.7%
Operations and maintenance of plant	22,831,870	24,692,687	(1,860,817)	-7.5%
Student activities	4,969,303	4,869,918	99,385	2.0%
Student transportation service	9,856,507	9,475,472	381,035	4.0%
Adult and continuing education instruction	321	5,118	(4,797)	-93.7%
Food services	5,386,119	4,823,175	562,944	11.7%
Interest	46,119	40,458	5,661	
<b>Total expenses</b>	<b>\$ 220,976,006</b>	<b>\$ 206,735,507</b>	<b>\$ 14,240,499</b>	<b>6.9%</b>
<b>Increase (decrease) in net assets</b>	<b>\$ 2,133,284</b>	<b>\$ 1,228,698</b>	<b>\$ 904,586</b>	<b>73.6%</b>
<b>Ending net assets</b>	<b>\$ 25,134,624</b>	<b>\$ 23,001,340</b>	<b>\$ 2,133,284</b>	<b>9.3%</b>

Figure A-1 presents a comparative chart of governmental activities revenues for fiscal year 2010 and 2009.

**Figure A-1, Governmental Activities Revenues for Fiscal Year 2010 and 2009**



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 (continued)

June 30, 2010

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**

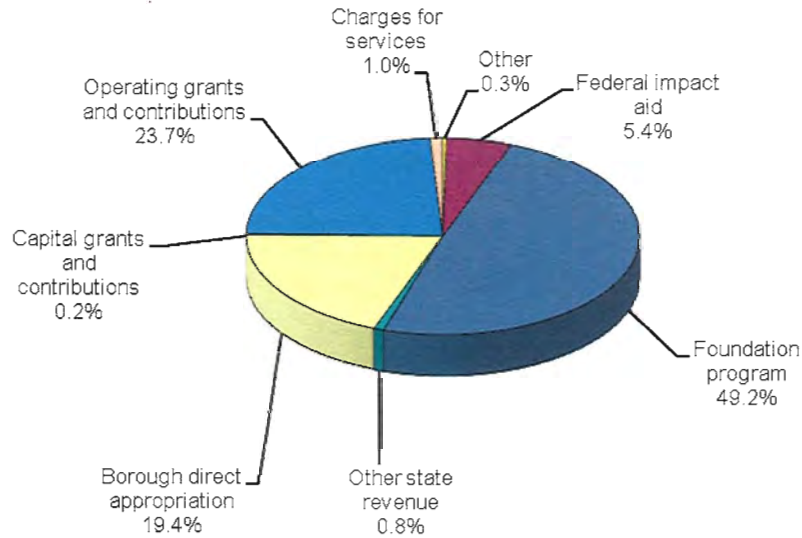
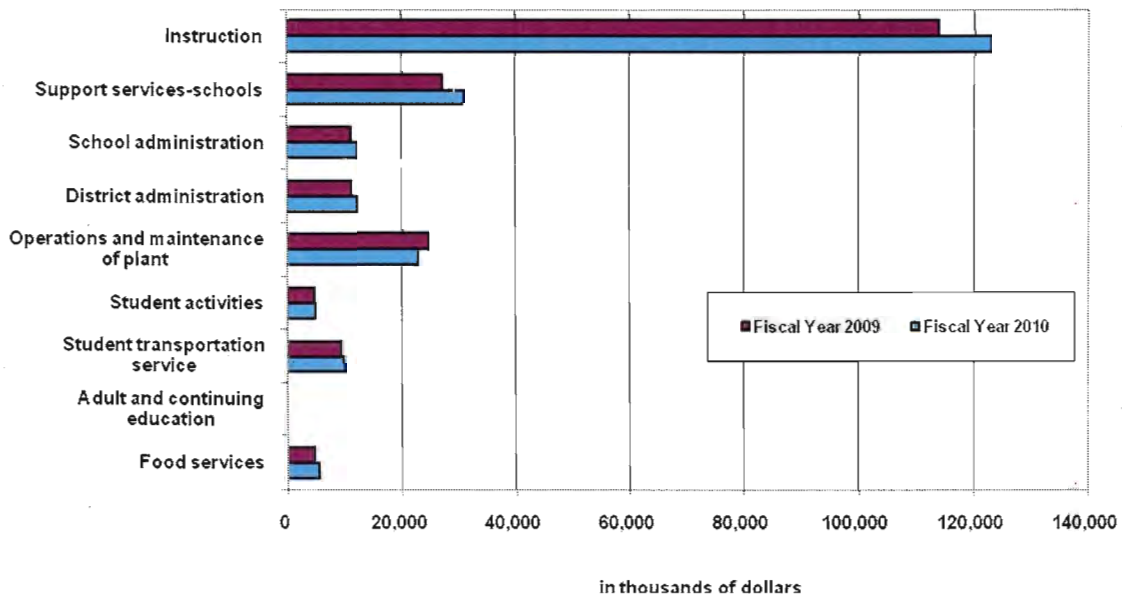


Figure A-3 presents a comparative chart of governmental activities expenses for fiscal year 2010 and 2009.

**Figure A-3, Governmental Activities Expenses for Fiscal Year 2010 and 2009**



## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Management's Discussion and Analysis (continued) June 30, 2010

The cost of all governmental activities in the current year was \$221 million, a 6.9 percent increase over the prior year. The net increase is a result of significant increases and decreases in certain expenses as follows:

- Increase in expenses of \$7.5 million across several functional areas due to the receipt of ARRA stimulus and stabilization grants for the first time in fiscal year 2010.
- Net decrease in State on-behalf payments made to the Teachers' Retirement System (TRS) and the Public Employees' Retirement System (PERS) of \$5 million mostly due to lower actuarially required contributions. Lower required contribution rates result in lower on-behalf payments. The Alaska Retirement Management Board adopted a TRS employer contribution rate of 39.53 percent for fiscal year 2010 compared to 44.17 percent in the prior fiscal year and a PERS contribution rate of 27.65 percent for fiscal year 2010 compared to 35.22 percent in the prior fiscal year.
- Increase in certified and non-certified staff salaries in excess of \$5.7 million.
- Increase in employee benefits of \$3.8 million offset by a net decrease in the TRS and PERS on-behalf payments of \$5 million.
- Increase in all functional expenses due to the \$4.9 million one-time elimination of the Public Employees' Retirement System (PERS) net pension obligation (NPO) in the prior year. The NPO was eliminated when state legislation changed the PERS defined benefit plan from an agent multiple-employer plan to a cost sharing multiple-employer plan.

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**

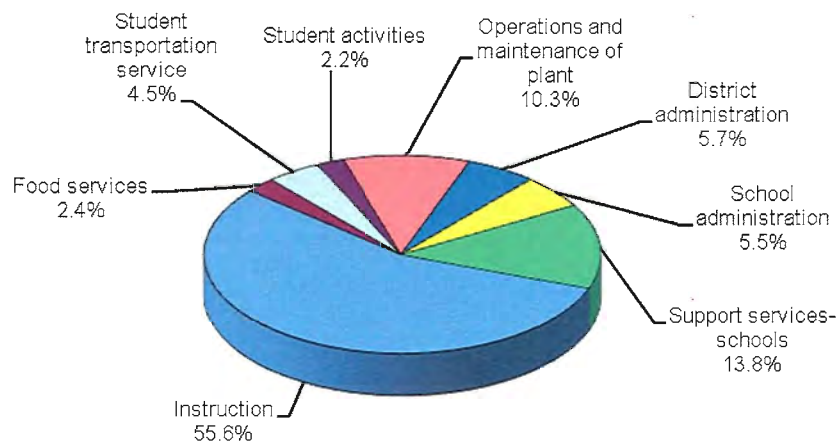


Table 3 condenses the total expenses of the School District's main functional categories – instruction, support services - schools, school administration, district administration, operations and maintenance of plant, student activities, student transportation service, adult and continuing education instruction, 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 by state foundation funding, other state aid, federal impact aid and by the taxpayers for each of these functions. Providing this information allows the users of this report to consider the cost of each function in comparison to the benefits they believe are provided by that function.

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Management's Discussion and Analysis (continued) June 30, 2010

**Table 3**  
Net Cost of Governmental Activities

	2010		2009	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 122,772,321	\$ 96,328,187	\$ 113,640,881	\$ 89,007,496
Support services - schools	30,566,349	21,617,467	26,872,728	18,426,883
School administration	12,058,749	10,898,294	11,150,735	9,618,254
District administration	12,488,348	11,383,460	11,164,335	10,375,383
Operations and maintenance of plant	22,831,870	22,395,876	24,692,687	21,300,030
Student activities	4,969,303	2,384,531	4,869,918	2,225,025
Student transportation service	9,856,507	(42,283)	9,475,472	216,102
Adult and continuing education instruction	321	321	5,118	5,118
Food services	5,386,119	542,430	4,823,175	(120,860)
Interest expense	46,119	46,119	40,458	40,458
Total	<u>\$ 220,976,006</u>	<u>\$ 165,554,402</u>	<u>\$ 206,735,507</u>	<u>\$ 151,093,889</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 \$25.5 million, a decrease of \$83,412 or 0.3 percent from the prior year combined fund balance. Approximately 41.6 percent of this combined fund balance (\$10.6 million) constitutes *unreserved fund balance*, which is available for spending at the School District's discretion. However, management has designated \$7.7 million of this *unreserved fund balance* to balance the fiscal year 2011 budget. The remaining \$14.9 million of fund balance is *reserved* to indicate that it is not available for spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$2.1 million), 2) for inventory to be used in School District operations (\$1.6 million), and 3) for the fiscal year 2011 annual federal impact aid payment received in advance in fiscal year 2010 (\$11.2 million). Table 4 reconciles total ending fund balances for the governmental funds with total net assets on the government-wide statement of net assets.

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

	2010
Total fund balances - governmental funds - at June 30, 2010	\$ 25,489,894
Cost of capital assets (net of accumulated depreciation/amortization)	4,180,344
Internal service fund net assets	(12,806)
Long-term liabilities (compensated absences and capital leases)	(4,522,808)
Total net assets at June 30, 2010	<u>\$ 25,134,624</u>



# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Management's Discussion and Analysis (continued)

June 30, 2010

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

- At the end of the current fiscal year, unreserved fund balance of the general fund was \$7.9 million, down \$2.8 million or 26.4 percent from last fiscal year while total fund balance was \$21.8 million, up \$310,838 or 1.4 percent from last fiscal year.
- If you ignore the PERS and TRS on-behalf revenue and expenditures (which have a net zero effect on fund balance), general fund revenues increased \$15.2 million or 8.6 percent in the current year and expenditures increased \$12.5 million or 7 percent. Additional revenue came from increases in state foundation funding (\$13.7 million) and federal impact aid revenue (\$2.4 million). The net increase in expenditures resulted mostly from increases in certified and non-certified staff salaries and related benefits (\$9.6 million) and increases in professional and technical services (\$1.5 million).
- The federal programs special revenue fund accounts for all federal grant programs not required to be located in the general fund. Revenue in this fund is recognized to the extent eligible expenditures have been incurred with the exception of an American Reinvestment and Recovery Act (ARRA) impact aid construction grant received in the prior year (\$438,937) and small amounts of program income and revenue of the JR ROTC program. Fund balance of \$875 in this fund at June 30, 2010 is comprised of federal monies for the JR ROTC programs in the high schools. The decrease from prior year (\$439,911) resulted from current year expenditures of the ARRA impact aid construction grant received in the prior year.
- 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 subsidize transportation services not covered by state funding. Fund balance in this fund increased \$257,101 or 58 percent from the prior year.

Table 5 presents a summary of general fund revenues.

**Table 5**  
General Fund Revenues

	2010	2009	Increase (Decrease)	Percent Increase (Decrease)
Local sources	\$ 44,072,719	\$ 44,892,083	\$ (819,364)	-1.8%
State sources	129,952,827	121,216,124	8,736,703	7.2%
Federal sources	12,022,680	9,596,676	2,426,004	25.3%
Other financing sources	5,280	204,349	(199,069)	-97.4%
Total	<u>\$ 186,053,506</u>	<u>\$ 175,909,232</u>	<u>\$ 10,144,274</u>	<u>5.8%</u>

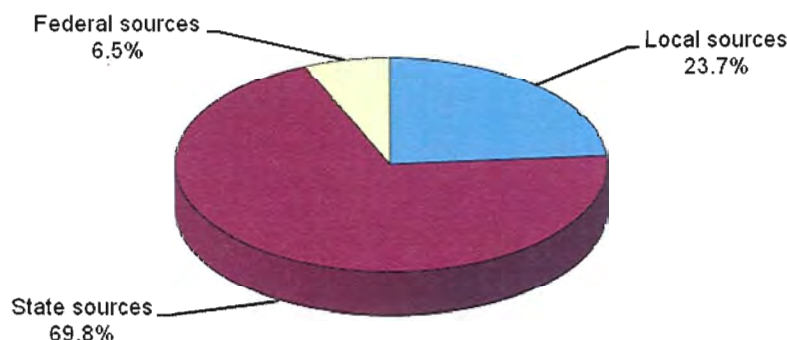


# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis (continued)  
June 30, 2010

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 \$43.3 million in fiscal year 2010, a \$0.9 million decrease from last year. Revenue from state sources increased \$8.7 million or 7.2 percent in fiscal year 2010. This was due to an increase in foundation funding (\$13.7 million) offset by net decreases in State on-behalf payments made to the PERS and TRS (\$5 million). State foundation funding increased due to increases in regular and intensive resource student enrollment and per student funding factors. The decrease in State on-behalf payments was due to decreases in the actuarially required contribution rates for the defined benefit plans. Revenue from federal sources increased \$2.4 million or 25.3 percent in fiscal year 2010 due to higher per student funding for those families who left off-post housing and returned to military housing which had undergone renovations in the previous year. Increases in local and state aid were aimed at covering increases in salary and benefit costs discussed in more detail below.

Table 6 presents a summary of general fund expenditures.

**Table 6**  
General Fund Expenditures

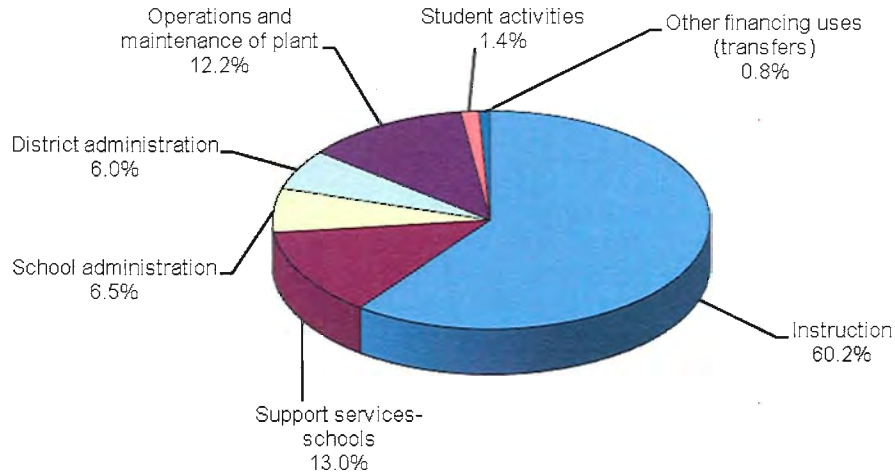
	2010	2009	Increase (Decrease)	Percent Increase (Decrease)
Instruction	\$ 111,810,917	\$ 106,111,390	\$ 5,699,527	5.4%
Support services - schools	24,153,629	23,421,998	731,631	3.1%
School administration	12,025,809	11,523,880	501,929	4.4%
District administration	11,096,011	11,025,212	70,799	0.6%
Operations and maintenance of plant	22,678,492	22,049,314	629,178	2.9%
Student activities	2,519,510	2,488,308	31,202	1.3%
Transfers to other funds	1,458,310	1,683,990	(225,680)	-13.4%
Total	<u>\$ 185,742,678</u>	<u>\$ 178,304,092</u>	<u>\$ 7,438,586</u>	4.2%

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis (continued)  
June 30, 2010

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**



Expenditures increased in all functional areas in fiscal year 2010. By far the largest increases were in certificated salaries (4.3 million), non-certificated salaries (1.5 million) and employee benefits (3.8 million). Increases in employee benefits were offset by a \$5 million net decrease in the PERS and TRS on-behalf payments.

### 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 deficit at June 30, 2010 of \$12,806, a decrease of \$1.4 million from fiscal year 2009. Operating revenues of the fund increased \$3.7 million or 13.4 percent from the prior year. The increase was mostly due to a 5% increase in the health benefit rate. Additional charges to the general fund over and above the budgeted health benefit rate were made in fiscal years 2010 (\$5 million) and 2009 (\$4.5 million) because of projected deficits in the risk management internal service fund. Operating expenses increased \$2.4 million or 8.8 percent from the prior year due to an increase in the reserve for workers compensation claims (\$1.4 million) and increases in health costs (\$0.7 million).

### **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.

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Management's Discussion and Analysis (continued) June 30, 2010

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.
- The original budget included a large appropriated line item in district administration in the form of contingency funding for the Board of Education (School Board). During fiscal year 2010, the School Board reallocated \$1.6 million of this contingency amount for special education computers, an enterprise wide software implementation, English language learners program staffing, exempt staff contract adjustments, charter school enrollment increases and carryover funding, and purchase of math curriculum. These budget decreases in district administration are reflected as increases in the instruction and support services functional areas.

Actual revenues on the budgetary basis (excluding other financing sources) for fiscal year 2010 were \$0.3 million less than the final budget. Actual expenditures on the budgetary basis (excluding other financing uses) for fiscal year 2010 were \$0.3 million less than the final budget.

Significant budget to actual variances of note were:

- Revenues - local sources – were under budget by \$7.7 million. Most of this variance was due to a \$5.5 million adjustment made to the final budget for the local appropriation from the Fairbanks North Star Borough (Borough). Borough Ordinance 3.01.060, enacted in fiscal year 2010, required the amount formally designated by the School District Board of Education to be used for expenditures in the immediately subsequent fiscal year be included in budgeted local revenues from the Borough in that following year's budget.
- Revenues - state sources – were over budget due to state foundation funding being over budget \$7.3 million offset by the PERS and TRS on-behalf payments made by the State of Alaska being under budget by \$2.3 million.
- Revenues - federal sources – were over budget by \$2.4 million due mostly to various changes within the federal impact aid revenue funding formula.
- Total expenditures – were under budget by \$0.3 million. All expenditure *object* categories were under budget except employee benefits and other capital outlay which were over budget by \$1.7 million and \$0.6 million, respectively. Employee benefits were over budget due to the additional \$5 million charge for health costs made by the risk management internal service fund offset by current year PERS and TRS on-behalf expenditures being under budget by \$2.5 million and the additional \$4.5 million charge for health costs made by the internal service fund. The negative budget to actual variance for employee benefits is evident in nine of the eleven functional expenditure categories.

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Management's Discussion and Analysis (continued) June 30, 2010

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

##### Capital Assets

The School District's investment in capital assets for its governmental activities was \$4.2 million as of June 30, 2010 (net of accumulated depreciation and amortization). This investment in capital assets includes furniture, equipment and software. The Borough owns the land and buildings. On July 1, 2009 the School District increased its capitalization threshold from \$2,500 to \$5,000 and all capital assets with a historical cost under \$5,000 were written off. An adjustment of \$730,586, equal to the net book value of these assets, is shown as an adjustment to beginning net assets in the Statement of Activities. The 2009 capital asset balances have been adjusted for this change in capitalization threshold. Table 7 details capital assets by asset type:

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

	2010	2009	Increase (Decrease)	Percent Increase (Decrease)
Furniture and equipment	\$ 3,160,460	\$ 2,926,740	\$ 233,720	8.0%
Intangibles (software)	1,019,884	14,940	1,004,944	6726.5%
Total	<u>\$ 4,180,344</u>	<u>\$ 2,941,680</u>	<u>\$ 1,238,664</u>	<u>42.1%</u>

The increase in software is due to the purchase of intervention reading programs for special needs children and the replacement of the School District's legacy financial software system. Additional information on the School District's capital assets can be found in Note 6 on pages 45 through 46 of this report.

##### Debt Administration

The School District's long-term obligations include \$4 million for compensated absences, an increase of \$805,524 or 25.6 percent from the prior year. We would expect to see increases in compensated absences as long as salaries are increasing. Long-term obligations also include \$5.7 million for claims and reserves, an increase of \$1.2 million or 28.3 percent over prior year. Claims and judgments 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 to an increase in health incurred but not reported claims (\$0.7 million) and a revised estimate of workers' compensation reserves (\$0.5 million). Additional information about long-term obligations can be found in Note 9 and Note 11 on pages 48 through 50 of this report and in the risk management internal service fund financial statements on pages 32 through 34.

Debt related to general obligation bonds for school construction is the responsibility of the Borough. The School District has no liability for repayment of general obligation bonds. For informational purposes, debt related to general obligation bonds for school construction can be found in Note 10 on page 48 through 49 of this report.

## **FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

### **Management's Discussion and Analysis June 30, 2010**

#### **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:

- Revenues from State sources are largely dependent on student enrollment. School year 2010-11 budgeted State revenues are based on 14,653 projected students. The official count period for State funding ended October 22, 2010 and official enrolment is 14,226, 427 students below projections. There are other funding variables that somewhat offset State funding in 2010-11, but lower enrollments foretell lower State funding in subsequent years.
- The District's budget is comprised of over 85 percent in salaries and employee benefits, and includes three bargaining units and one exempt management group. The Fairbanks Education Association (teachers') contract expires June 30, 2011, the Education Support Staff Association contract expires June 30, 2012, and the Fairbanks Principals' Association contract expires June 30, 2013. Members of exempt management sign individual annual employee contracts.
- In 2008, Senate Bill 125 established permanent employer contribution rates for the Alaska Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) at the greater of 22% and 12.56%, respectively, or the actuarially determined normal cost rate. When contribution rates exceed the normal cost rate, the excess is applied to the past service liability of the plans. Budgets for those pension benefits are stable going into the future as the employer contribution rates are now capped at amounts lower than the rising actuarial rates.

#### **REQUESTS FOR INFORMATION**

This financial report is designed to provide citizens, taxpayers, parents, students, investors and creditors with a general overview of the School District finances and 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 5<sup>th</sup> 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 assets**

**Statement of Activities**

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Statement of Net Assets

June 30, 2010

(With comparative totals for 2009)

	<b>Governmental Activities</b>	
	<b>2010</b>	<b>2009</b>
 <b><u>ASSETS</u></b>		
Equity in central treasury cash	\$ 22,107,878	\$ 21,392,081
Restricted equity in central treasury cash	11,611	18,249
Accounts receivable	12,416,102	7,589,434
Due from Fairbanks North Star Borough	28,736	188,813
Inventories	1,615,114	843,601
Prepaid items	27,518	12,075
Furniture and equipment	9,256,859	8,756,504
Less accumulated depreciation	(6,096,399)	(5,829,764)
Intangible assets, net of amortization	1,019,884	14,940
Total assets	<u>\$ 40,387,303</u>	<u>\$ 32,985,933</u>
 <b><u>LIABILITIES</u></b>		
Accounts payable	\$ 1,927,818	\$ 783,718
Accrued payroll and liabilities	944,753	632,510
Unearned revenue	11,611	18,249
Due to external groups and agencies	551	5,421
Due to Fairbanks North Star Borough	2,182,799	
Long-term liabilities (See Note 9):		
Due within one year	7,740,403	6,224,974
Due in more than one year	2,444,744	2,319,721
Total liabilities	<u>15,252,679</u>	<u>9,984,593</u>
 <b><u>NET ASSETS</u></b>		
Invested in capital assets	4,180,344	2,941,680
Unrestricted	20,954,280	20,059,660
Total net assets	<u>\$ 25,134,624</u>	<u>\$ 23,001,340</u>

See accompanying notes to the basic financial statements

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**  
Statement of Activities  
For the Year Ended June 30, 2010  
(With comparative totals for 2009)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes In Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 96,924,540	\$ 61,343	\$ 18,162,428	\$ 323,187	\$ (78,377,582) \$ (73,184,267)
Special education instruction	25,847,781		7,897,176		(17,950,605) (15,823,229)
Special education support services - students	4,787,664		331,010		(4,456,654) (3,504,316)
Support services - students	13,485,882	66,813	3,792,111		(9,626,958) (8,909,124)
Support services - instruction	12,292,803	77,079	4,681,869		(7,533,855) (6,013,443)
School administration	7,283,846		1,017,433		(6,266,413) (5,844,284)
School administration support services	4,774,903		143,022		(4,631,881) (3,773,970)
District administration	2,326,390		165,323		(2,161,067) (1,918,657)
District administration support services	10,161,958		939,565		(9,222,393) (8,456,726)
Operations and maintenance of plant	22,831,870		428,880	7,114	(22,395,876) (21,300,030)
Student activities	4,969,303		2,584,772		(2,384,531) (2,225,025)
Student transportation service	9,856,507		9,898,790		42,283 (216,102)
Adult and continuing education instruction	321			(321)	(5,118)
Food services	5,386,119	2,010,908	2,793,211	39,570	(542,430) 120,860
Interest expense	46,119				(46,119) (40,458)
Total governmental activities	\$ 220,976,006	\$ 2,216,143	\$ 52,835,590	\$ 369,871	(165,554,402) (151,093,889)
<b>General revenues:</b>					
Grants and contributions not restricted to specific programs:					
Borough direct appropriation					43,339,901 44,222,700
Foundation program					109,730,232 96,001,077
Other state revenue					1,856,765 1,821,871
Federal impact aid					12,005,572 9,596,676
Other					386,120 295,993
Miscellaneous					369,096 384,270
Total general revenues					167,687,686 152,322,587
Change in net assets					2,133,284 1,228,698
Net assets - beginning					23,001,340 22,503,228
Adjustment to net assets - see note 1J.					(730,586)
Net assets - ending					\$ 25,134,624 \$ 23,001,340

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

## **Fiduciary Fund:**

- Statement of Fiduciary Assets and  
Liabilities**



**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Balance Sheet  
Governmental Funds  
June 30, 2010

(With comparative totals for 2009)

	<u>General</u>	<u>Federal Programs Special Revenue</u>	<u>Student Transportation Special Revenue</u>
<b><u>ASSETS</u></b>			
Equity in central treasury cash	\$ 16,082,883	\$ 3,538	\$ 731,139
Accounts receivable:			
Local	367,940		
State		7,965,629	
Federal	19,564	319,424	
Due from other funds	8,676,491		
Due from Fairbanks North Star Borough	24,418		
Inventories	938,948		
Prepaid items	27,518		
	<u>\$ 26,137,762</u>	<u>\$ 8,288,591</u>	<u>\$ 731,139</u>
Total assets			
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 1,200,740	\$ 477,071	\$ 30,943
Accrued payroll and liabilities	944,753		
Deferred revenue		2,279	
Due to other funds		7,807,847	
Due to external groups and agencies		519	
Due to Fairbanks North Star Borough	2,182,799		
	<u>4,328,292</u>	<u>8,287,716</u>	<u>30,943</u>
Total liabilities			
Fund balances:			
Reserved for:			
Encumbrances	1,807,521	22,381	
Inventories	938,948		
Prepayments	27,518		
Impact aid advance	11,177,579		
Unreserved:			
Designated for:			
Subsequent year's expenditures	7,726,910		
Undesignated, reported in:			
General fund	130,994		
Special revenue funds		(21,506)	700,196
Capital projects funds			
	<u>21,809,470</u>	<u>875</u>	<u>700,196</u>
Total fund balances			
Total liabilities and fund balances	<u>\$ 26,137,762</u>	<u>\$ 8,288,591</u>	<u>\$ 731,139</u>

See accompanying notes to the basic financial statements

Other Governmental	Total Governmental Funds	
	2010	2009
\$ 2,884,908	\$ 19,702,468	\$ 21,410,330
127	368,067	160,073
101,825	8,067,454	3,969,532
323,187	662,175	321,572
	8,676,491	4,411,987
4,318	28,736	188,813
676,166	1,615,114	806,226
	27,518	12,075
<u>\$ 3,990,531</u>	<u>\$ 39,148,023</u>	<u>\$ 31,280,608</u>

\$ 133,170	\$ 1,841,924	\$ 723,525
	944,753	632,510
9,332	11,611	18,249
868,644	8,676,491	4,327,597
32	551	5,421
	2,182,799	
<u>1,011,178</u>	<u>13,658,129</u>	<u>5,707,302</u>

239,343	2,069,245	1,862,141
676,166	1,615,114	806,226
	27,518	12,075
	11,177,579	8,813,432
	7,726,910	5,480,390
	130,994	5,193,786
1,570,166	2,248,856	2,894,987
493,678	493,678	510,269
<u>2,979,353</u>	<u>25,489,894</u>	<u>25,573,306</u>
<u>\$ 3,990,531</u>	<u>\$ 39,148,023</u>	<u>\$ 31,280,608</u>

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**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**  
Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Assets  
June 30, 2010

Total fund balances for governmental funds \$ 25,489,894

Amounts reported for governmental activities in the statement of net assets 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 assets 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.

Furniture and equipment	\$ 9,256,859	
Accumulated depreciation to date	(6,096,399)	
Intangible assets, net of amortization	<u>1,019,884</u>	
		4,180,344

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 assets.

Internal service fund net assets	(12,806)
----------------------------------	----------

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 assets. Balances at June 30, 2010 are:

Compensated absences	(3,954,152)
Capital leases	<u>(568,656)</u>

Total net assets of governmental activities	<u><u>\$ 25,134,624</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, 2010**  
**(With comparative totals for 2009)**

	<u>General</u>	<u>Federal Programs Special Revenue</u>	<u>Student Transportation Special Revenue</u>
Revenues:			
Local sources	\$ 44,072,719	\$ 66,813	\$
State sources	129,952,827		9,898,790
Federal sources	12,022,690	18,606,184	
Total revenues	<u>186,048,236</u>	<u>18,672,997</u>	<u>9,898,790</u>
Expenditures:			
Current:			
Instruction	90,708,158	5,677,231	
Special education instruction	21,102,759	5,331,808	
Special education support services - students	4,784,941		
Support services - students	10,925,773	2,594,881	
Support services - instruction	8,442,915	3,790,378	
School administration	7,270,991		
School administration support services	4,754,818		
District administration	2,302,737		
District administration support services	8,793,274	1,715,991	
Operations and maintenance of plant	22,678,492		
Student activities	2,519,510		
Student transportation service			9,873,929
Adult and continuing education instruction			
Food services		2,619	
Total current	<u>184,284,368</u>	<u>19,112,908</u>	<u>9,873,929</u>
Debt service:			
Interest			
Principal			
Total debt service			
Capital outlay			
Total expenditures	<u>184,284,368</u>	<u>19,112,908</u>	<u>9,873,929</u>
Excess (deficiency) of revenues over expenditures	<u>1,763,868</u>	<u>(439,911)</u>	<u>24,861</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	5,280		
Issuance of capital leases			
Transfers in			232,240
Transfers out	(1,458,310)		
Total other financing sources (uses)	<u>(1,453,030)</u>		<u>232,240</u>
Net change in fund balances	310,838	(439,911)	257,101
Fund balances - beginning	21,498,632	440,786	443,095
Fund balances - ending	<u>\$ 21,809,470</u>	<u>\$ 875</u>	<u>\$ 700,196</u>

See accompanying notes to the basic financial statements

Other Governmental	Total Governmental Funds	
	2010	2009
\$ 4,682,348	\$ 48,821,880	\$ 49,818,143
677,971	140,529,588	131,385,391
3,123,668	33,752,542	26,636,219
8,483,987	223,104,010	207,839,753
1,148,780	97,534,169	92,319,548
	26,434,567	22,307,877
	4,784,941	3,956,716
3,000	13,523,654	12,669,547
347,703	12,580,996	11,452,623
56,499	7,327,490	7,071,644
	4,754,818	4,487,658
	2,302,737	2,223,108
6,858	10,516,123	9,470,375
	22,678,492	22,049,314
2,462,317	4,981,827	4,921,666
	9,873,929	9,488,016
321	321	5,118
5,249,484	5,252,103	4,829,664
9,274,962	222,546,167	207,252,874
46,119	46,119	40,458
414,306	414,306	419,967
460,425	460,425	460,425
186,110	186,110	3,969,640
9,921,497	223,192,702	211,682,939
(1,437,510)	(88,692)	(3,843,186)
	5,280	11,260
		528,173
1,711,906	1,944,146	1,877,959
(485,836)	(1,944,146)	(1,877,959)
1,226,070	5,280	539,433
(211,440)	(83,412)	(3,303,753)
3,190,793	25,573,306	28,877,059
\$ 2,979,353	\$ 25,489,894	\$ 25,573,306



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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, 2010

Net change in fund balances - total governmental funds	\$	(83,412)
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The change in net assets reported for governmental activities in the statement of activities is different because:

Commodities to be used in the School District's Food Service Program are purchased at a nominal price from the U.S. Department of Agriculture through the State of Alaska's USDA Commodity Program. The School District no longer values commodity inventory at fair market value in the Statement of Activities.

Remove fair market value adjustment for USDA commodities.	(37,375)
---	----------

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	\$ 1,779,080	
Less current year depreciation/amortization	<u>(528,509)</u>	
		1,250,571

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net assets.	(11,907)
--	----------

The issuance of long-term debt (e.g. capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Repayment of principal on capital leases	414,306
--	---------

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.	(805,524)
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An internal service fund is used by management to charge the costs of self-insurance and risk management to individual funds. The change in net assets of the internal service fund is reported with governmental activities.	<u>1,406,625</u>
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Change in net assets of governmental activities	<u>\$</u>	<u>2,133,284</u>
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See accompanying notes to the basic financial statements

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Statement of Net Assets

Proprietary Fund

June 30, 2010

(With comparative totals for 2009)

	<b>Governmental Activities - Risk Management Internal Service Fund Totals</b>	
	<b>2010</b>	<b>2009</b>
 <b><u>ASSETS</u></b>		
Current assets:		
Equity in central treasury cash	\$ 2,417,021	\$
Accounts receivable - local	3,318,406	3,138,257
Total assets	<u>\$ 5,735,427</u>	<u>\$ 3,138,257</u>
 <b><u>LIABILITIES</u></b>		
Current liabilities:		
Accounts payable	\$ 85,894	\$ 60,193
Due to other funds		84,390
Current portion of long-term liabilities:		
Claims payable	<u>3,657,188</u>	<u>2,925,589</u>
Total current liabilities	<u>3,743,082</u>	<u>3,070,172</u>
Noncurrent liabilities:		
Noncurrent portion of long-term liabilities:		
Claims payable	77,100	35,390
Accrued self-insurance reserves	1,768,051	1,292,126
Accrued contingent liabilities	<u>160,000</u>	<u>160,000</u>
Total noncurrent liabilities	<u>2,005,151</u>	<u>1,487,516</u>
Total liabilities	<u>5,748,233</u>	<u>4,557,688</u>
 <b><u>NET ASSETS</u></b>		
Unrestricted	<u>(12,806)</u>	<u>(1,419,431)</u>
Total net assets	<u>\$ (12,806)</u>	<u>\$ (1,419,431)</u>

See accompanying notes to the basic financial statements

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Fund**  
**For the Year Ended June 30, 2010**  
**(With comparative totals for 2009)**

	<b>Governmental Activities - Risk Management Internal Service Fund Totals</b>	
	<b>2010</b>	<b>2009</b>
Operating revenues:		
Revenue from local sources:		
Charges for services	<u>\$ 30,972,058</u>	<u>\$ 27,313,547</u>
Operating expenses:		
Health and life insurance	27,187,200	26,444,271
Workers' compensation insurance	1,475,515	36,005
Property and other insurance	553,951	460,426
Auto and general liability insurance	<u>348,767</u>	<u>240,333</u>
Total operating expenses	<u>29,565,433</u>	<u>27,181,035</u>
Change in net assets	1,406,625	132,512
Total net assets - beginning	<u>(1,419,431)</u>	<u>(1,551,943)</u>
Total net assets - ending	<u><u>\$ (12,806)</u></u>	<u><u>\$ (1,419,431)</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, 2010  
(With comparative totals for 2009)

	<b>Governmental Activities - Risk Management Internal Service Fund Total</b>	
	<b>2010</b>	<b>2009</b>
Cash flows from operating activities:		
Receipts from interfund services provided	\$ 30,947,964	\$ 27,275,955
Receipts from employees	3,242,476	3,857,405
Payments to suppliers	(1,033,416)	(1,055,756)
Payments to employees	(828,452)	(895,514)
Payments to Fairbanks North Star Borough	<u>(29,827,161)</u>	<u>(27,966,270)</u>
Net cash provided by operating activities	2,501,411	1,215,820
Cash flows from noncapital financing activities:		
Transfers to other funds	<u>(84,390)</u>	<u>(1,215,820)</u>
Net increase in equity in central treasury cash	<u>2,417,021</u>	
Equity in central treasury cash - beginning		
Equity in central treasury cash - ending	<u><u>\$ 2,417,021</u></u>	<u><u>\$</u></u>
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	<u>\$ 1,406,625</u>	<u>\$ 132,512</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in accounts receivable - local	(180,149)	2,090,693
Increase (decrease) in accounts payable	25,701	(35,258)
Increase (decrease) in claims payable, current portion	731,599	(140,954)
Increase in claims payable, non-current portion	41,710	1,910
Increase (decrease) in self-insurance reserves	475,925	(643,083)
Decrease in contingent liabilities	<u>(190,000)</u>	<u>(190,000)</u>
Total adjustments	<u>1,094,786</u>	<u>1,083,308</u>
Net cash provided by operating activities	<u><u>\$ 2,501,411</u></u>	<u><u>\$ 1,215,820</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, 2010  
(With comparative totals for 2009)

	<b>Totals</b>	
	<b>2010</b>	<b>2009</b>
<b><u>ASSETS</u></b>		
Equity in central treasury cash	<u>\$ 40,411</u>	<u>\$ 43,714</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ 337	\$ 79
Due to external groups	<u>40,074</u>	<u>43,635</u>
Total liabilities	<u>\$ 40,411</u>	<u>\$ 43,714</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, 2010**

### **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 conformity 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, adopted 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. 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 designated 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 projects 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.

#### **B. Funds**

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 funds of the School District are classified into three categories: governmental, proprietary, and fiduciary. Each

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Notes to the Basic Financial Statements (cont.) June 30, 2010

category is divided into separate fund types. The fund classifications and a description of each fund type follow:

#### Governmental Funds

General fund – the primary operating fund of the School District used to account for all financial transactions except those required to be accounted for in other funds.

Special revenue funds – account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The School District maintains a separate 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 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, 2000 edition*.

Capital projects funds – account for those financial resources to be used 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.

### **C. Government-wide and Fund Financial Statements**

#### Government-wide Financial Statements

The statement of net assets 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, 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.

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Notes to the Basic Financial Statements (cont.) June 30, 2010

#### Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements.

#### **D. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the proprietary fund financial statements. 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. 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. 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.

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.

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 year. 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.

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.

When both restricted and unrestricted resources are available for use, it is the School District's policy to use unrestricted resources first and then restricted resources as they are needed.

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

## **FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

### **Notes to the Basic Financial Statements (cont.) June 30, 2010**

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 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** – 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. Additionally, the School District reports the following fund types:

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

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

#### **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 furnishings or equipment 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



## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Notes to the Basic Financial Statements (cont.) June 30, 2010

through payroll deductions. The School District records an employee dollar share receivable at June 30 of each year for this amount 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). 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. A portion of fund balance is reserved for inventory to indicate that inventory does not represent available, spendable resources even though it is a component of assets.

#### **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.

#### **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 furniture and equipment 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. On July 1, 2009 the capitalization threshold was increased from \$2,500 to \$5,000 and all capital assets with a historical cost under \$5,000 were written off. An adjustment of \$730,586, equal to the net book value of these assets, is shown as an adjustment to beginning net assets in the Statement of Activities. 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:

Furniture 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, Accrued Self-Insurance Reserves and Contingent Liabilities**

Amounts reported as claims payable, accrued self-insurance reserves and contingent liabilities 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 (referred to as deferred revenue in the governmental funds) arises when resources are received before the School District has legal claim to them, as when grant monies are received

## **FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

### **Notes to the Basic Financial Statements (cont.) June 30, 2010**

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

#### **N. Net Pension Obligation**

The State of Alaska Legislature enacted Senate Bill 125, which changed Tiers I, II, and III of the Alaska Public Employees Retirement System (PERS) from an agent multiple-employer to a cost sharing multiple-employer defined benefit plan effective July 1, 2008. Plan expenses of a cost sharing plan are shared by participating employers. A single actuarial valuation covers all plan members and the same contribution rate applies for each employer. The net pension obligation (NPO), which was the historical cumulative difference between annual pension cost and the School District's required contributions under the agent multiple-employer plan, was eliminated effective July 1, 2008. The result was a \$4,901,534 reduction in functional expense in the fiscal year 2009 statement of activities. See also Note 13.

#### **O. Other Long-Term Liabilities**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net assets. 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 assets. It is, however, disclosed in Note 10 for informational purposes.

#### **P. Fund Balances of Fund Financial Statements**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. The reserve for impact aid advance is a statutory reserve created to acknowledge the way Title VIII Impact Aid payments received by the School District are included in the subsequent year's foundation formula by the State of Alaska. Designated fund balances indicate tentative management plans for future uses of financial resources that are subject to change. Fund balances designated for subsequent year's expenditures represent commitments for expenditures in excess of anticipated revenues for the following year and are reported in accordance with Alaska Department of Education and Early Development regulations.

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements (cont.)  
June 30, 2010

### Q. Contract for Operating On-Base Schools

In 1992 the State of Alaska Department of Education and Early Development (DEED) entered into an agreement with the United States Department of Education that required a change in the handling of Impact Aid (formerly PL-874) revenues for the students living on Fort Wainwright Army Post and Eielson Air Force Base. Revenues that had previously gone to the DEED and were used to partially fund the foundation program and tuition in lieu of local taxes were required to be passed on directly to the School District. The increase in federal revenue through the State of Alaska was offset by the equalization deduction in foundation revenue as provided in Alaska Statute section 14.17.410 and a reduction in tuition in lieu of taxes. An agreement was reached between the School District and the DEED that the change in the treatment of revenue would not result in an adverse impact on the operating revenue of the School District. This agreement is still in place and resulted in the State of Alaska making a \$1,450,000 payment for on-base schools in fiscal year 2010.

### R. 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.

### S. Comparative Data / Reclassifications

The financial statements include partial prior-year 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 all 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, 2009, from which the partial information was derived.

## 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 assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "the net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net assets." The details of this \$11,907 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	\$ 5,280
Net loss on the disposal of capital assets	<u>6,627</u>
Net adjustment to decrease <i>net change in fund balances – total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u>\$ 11,907</u>

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Notes to the Basic Financial Statements (cont.) June 30, 2010

#### **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 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 designated by the School Board to be used for expenditures in the immediately subsequent fiscal year. At June 30, 2010 the unreserved local appropriation fund balance was \$1,203,348 under the 7 percent limit.

Title 14 of Alaska State Statutes states that unreserved fund balance in a school operating fund in excess of 10 percent of expenditures will reduce the subsequent year's state foundation aid. See *Report of Independent Certified Public Accountants on Fund Balance Compliance Requirements* in the Supplemental Reports Section of this comprehensive annual financial report.

##### Deficit Fund Equity

The Food Service special revenue fund had a deficit fund balance of \$88,735 as of June 30, 2010. The fund incurred higher expenditures due to negotiated wage increases for kitchen staff and the opening of a new central kitchen facility. The School District plans to cover the current deficit and future operating costs through a combination of increased meal prices and transfers from the general fund.

#### **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.

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 not considered to have any credit risk, and to the highest-rated debt securities where the credit risk is low.

The Borough also invests in the Alaska Municipal League Investment Pool (AMLIP). The AMLIP is not SEC-registered, but is a 2a7-like pool, operating in a manner consistent with that rule. In May 2009, Standard & Poor's Rating Services assigned its AAAm principal stability rating to AMLIP. Regulatory oversight of the AMLIP is established by Alaska Statutes 37.23. The AMLIP must maintain a dollar-weighted average maturity of 90 days or less, and only purchase instruments having remaining maturities

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Notes to the Basic Financial Statements (cont.) June 30, 2010

of 397 days or less. As of June 30, 2010, 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, 2010 is as follows:

	Carrying Value of Equity in Central Treasury	Due To (From) Other Funds	Reported Equity in Central Treasury
General fund	\$ 24,759,374	\$ (8,676,491)	\$ 16,082,883
Federal programs special revenue fund	(7,804,309)	7,807,847	3,538
Student transportation special revenue fund	731,139		731,139
Non-major governmental funds	2,016,264	868,644	2,884,908
Total governmental funds	19,702,468		19,702,468
Risk management internal service fund	2,417,021		2,417,021
Total governmental activities	\$ 22,119,489	\$	\$ 22,119,489
School district agency fund	\$ 40,411	\$	\$ 40,411

Of total reported equity in central treasury in the statement of net assets at June 30, 2010, \$22,107,878 is unrestricted and \$11,611 is restricted.

### NOTE 5: RECEIVABLES

Detail of accounts receivable reported in the statement of net assets at June 30, 2010 were as follows:

	General Fund	Federal Programs Special Revenue Fund	Non-major Governmental Funds	Risk Management Internal Service Fund	Totals
Governmental activities:					
Local	\$ 367,940		\$ 127	\$ 3,318,406	\$ 3,686,473
State		7,965,629	101,825		8,067,454
Federal	19,564	319,424	323,187		662,175
Total receivables	\$ 387,504	\$ 8,285,053	\$ 425,139	\$ 3,318,406	\$ 12,416,102

### 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 minor improvements, other than buildings, and furniture and equipment. An increase in the capitalization threshold from \$2,500 to \$5,000 resulted in an adjustment to

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Notes to the Basic Financial Statements (cont.) June 30, 2010

the July 1, 2009 balances. The changes in capital assets by major class for the year ended June 30, 2010, were as follows:

Governmental activities:	July 1, 2009 Balance	Change in Capitalization Threshold	July 1, 2009 Balance as Adjusted	Additions	Deductions	June 30, 2010 Balance
Furniture and equipment	\$ 12,146,653	\$ (3,390,149)	\$ 8,756,504	\$ 744,423	\$ (244,068)	\$ 9,256,859
Less accumulated depreciation	(8,491,182)	2,661,418	(5,829,764)	(503,949)	237,314	(6,096,399)
Total, net of accumulated depreciation	<u>3,655,471</u>	<u>(728,731)</u>	<u>2,926,740</u>	<u>240,474</u>	<u>(6,754)</u>	<u>3,160,460</u>
Intangible assets (software)	205,056	(14,063)	190,993	1,034,657	(103,917)	1,121,733
Less accumulated amortization	(188,261)	12,208	(176,053)	(24,560)	98,764	(101,849)
Total, net of accumulated amortization	<u>16,795</u>	<u>(1,855)</u>	<u>14,940</u>	<u>1,010,097</u>	<u>(5,153)</u>	<u>1,019,884</u>
Governmental activities capital assets, net	<u>\$ 3,672,266</u>	<u>\$ (730,586)</u>	<u>\$ 2,941,680</u>	<u>\$ 1,250,571</u>	<u>\$ (11,907)</u>	<u>\$ 4,180,344</u>

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

Instruction	\$ 73,080
Special education instruction	12,301
Special education support services - students	2,572
Support services - students	1,426
Support services - instruction	168,339
School administration support services	3,364
District administration support services	66,681
Operations and maintenance of plant	161,352
Student activities	220
Food services	39,174
Total depreciation/amortization expense	<u>\$ 528,509</u>

### NOTE 7: LEASES

#### Operating Leases

The School District is obligated under two operating leases; a noncancelable building lease for a small school facility for the H.I.R.E. program and one administrative center copier lease. Operating leases do not give rise to property rights or lease obligations; and therefore, the results of the lease agreements are not reflected as assets or liabilities. Operating lease expense for fiscal year 2010 was \$104,714. The

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Notes to the Basic Financial Statements (cont.) June 30, 2010

future minimum lease payments are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2011	\$ 104,714
2012	89,559
Total	<u>\$ 194,273</u>

### Capital Leases

The School District has acquired teacher computers and peripherals under the provisions of long-term lease agreements. These lease agreements qualify as capital leases for accounting purposes, and, therefore, have been recorded in the statement of net assets at the present value of their future minimum lease payments as of the inception date. The equipment purchased has not been capitalized as it does not meet the School District's asset capitalization threshold. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2010 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2011	\$ 433,670
2012	134,986
Total	<u>\$ 568,656</u>

### **NOTE 8: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of June 30, 2010 was as follows:

#### Due To / From Other Funds

<b>Receivable Fund:</b>	<b>Payable Fund:</b>	<b>Amount</b>
General fund	Federal projects special revenue fund	\$ 7,807,847
General fund	Nonmajor governmental funds	868,644
Total interfund receivables/payables		<u>\$ 8,676,491</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

<b>Transfers Out:</b>	<b>Transfers In:</b>		
	Student Transportation Special Revenue Fund	Nonmajor Governmental Funds	Total
General fund	\$ 232,240	\$ 1,850,152	\$ 2,082,392



# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Notes to the Basic Financial Statements (cont.) June 30, 2010

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)	\$ 28,736
Primary government	Component unit - School District	\$ 2,182,799

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 furnishings and equipment 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 9: GENERAL LONG-TERM LIABILITIES

Long-term liabilities for governmental activities for the year ended June 30, 2010 were as follows:

	July 1, 2009			June 30, 2010	Due Within
Governmental activities:	Balance	Additions	Reductions	Balance	One Year
Compensated absences	\$ 3,148,628	\$ 3,844,478	\$ (3,038,954)	\$ 3,954,152	\$ 3,649,545
Capital leases	982,962		(414,306)	568,656	433,670
Claims and reserves	4,413,105	30,245,235	(28,996,001)	5,662,339	3,657,188
Governmental activity long-term liabilities	<u>\$ 8,544,695</u>	<u>\$ 34,089,713</u>	<u>\$ (32,449,261)</u>	<u>\$ 10,185,147</u>	<u>\$ 7,740,403</u>

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

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Notes to the Basic Financial Statements (cont.) June 30, 2010

liability either primary or secondary, is included in the Borough financial statements as follows:

	July 1, 2009 Balance	Additions	Reductions	June 30, 2010 Balance	Due Within One Year
1997, Series A	\$ 20,255,319	\$	\$ (20,255,319)	\$	\$
1999, Series B	16,175,000		(1,300,000)	14,875,000	1,360,000
2000, Series C	6,550,000		(410,000)	6,140,000	430,000
2001, Series D	6,410,000		(405,000)	6,005,000	425,000
2002, Series E	11,100,000		(565,000)	10,535,000	595,000
2003, Series F	11,000,000		(565,000)	10,435,000	590,000
2004, Series G	11,415,000		(585,000)	10,830,000	600,000
2005, Series H	11,750,000		(555,000)	11,195,000	570,000
2006, Series I	8,845,000		(365,000)	8,480,000	375,000
2007, Series J	11,295,000		(430,000)	10,865,000	450,000
2007, Series K	8,840,000		(915,000)	7,925,000	960,000
2008, Series L	10,880,000		(385,000)	10,495,000	400,000
2010, Series M		11,950,000		11,950,000	
2010, Series N		17,480,000		17,480,000	1,885,000
	<u>\$ 134,515,319</u>	<u>\$ 29,430,000</u>	<u>\$ (26,735,319)</u>	<u>\$ 137,210,000</u>	<u>\$ 8,640,000</u>

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2011	\$ 8,640,000	\$ 5,209,885
2012	9,935,000	5,718,464
2013	9,905,000	4,940,970
2014	10,315,000	4,578,181
2015	10,735,000	4,163,645
2016-2020	49,760,000	13,756,687
2021-2025	29,235,000	4,987,203
2026-2030	8,685,000	822,024
Total	<u>\$ 137,210,000</u>	<u>\$ 44,177,059</u>

During the year, the Borough paid total principal and interest of \$26,735,319 for school-related debt service.

### NOTE 11: 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.

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Notes to the Basic Financial Statements (cont.) June 30, 2010

The Borough has designated 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 designated 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.

Changes in the risk management internal service fund liability amounts in fiscal years 2010 and 2009 were:

	Claims Liability 2009-10	Claims Liability 2008-09
July 1	\$ 4,413,105	\$ 5,385,232
Current year claims	29,453,310	26,529,161
Changes in estimates for claims of prior periods	791,925	(642,083)
Claims payments	(28,996,001)	(26,859,205)
June 30	<u>\$ 5,662,339</u>	<u>\$ 4,413,105</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 dollar share receivable at June 30 of each year for this amount. On October 17, 2008 the Board of Education approved a new negotiated agreement between the School District and the Fairbanks Education Association (FEA) retroactive to July 1, 2008. Included in this agreement was a change to the employee cost sharing mechanism for health costs that had been in place for a number of years. The effect of the change on the employee dollar share receivable recorded in the risk management internal service fund at June 30, 2008 was a decrease of \$1,485,430 which was recorded as an expense in fiscal year 2009. The employee dollar share receivable at June 30, 2010 and 2009 was \$3,318,406 and \$3,138,257, respectively.

#### NOTE 12: 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

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Notes to the Basic Financial Statements (cont.) June 30, 2010

services provided by the Borough during the year are allocated and charged to School District operations as follows:

	Allocated Services 2009-10	Allocated Services 2008-09
Risk management overhead	\$ 595,852	\$ 527,250
Auto/general liability, property and other insurance premiums	853,689	742,346
Workers' compensation insurance premiums	110,623	140,345
Health and workers' compensation claims paid	28,603,070	26,212,601
General/auto liabilities claims paid	121,235	14,407
Audit	47,400	41,663
	<u>\$ 30,331,869</u>	<u>\$ 27,678,612</u>

#### NOTE 13: RETIREMENT PLANS

As of June 30, 2010, substantially all 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@alaska.gov](mailto:doa.drb@alaska.gov). The financial statements are also available on the web at [doa.alaska.gov/drb/publications.html](http://doa.alaska.gov/drb/publications.html). The Borough and the School District participate in the PERS under separate agreements.

##### A. Alaska Public Employees' Retirement System

###### Plan Description

The Public Employees' Retirement System (PERS) is established and administered by the State of Alaska (State) to provide pension, postemployment healthcare, death, and disability benefits to eligible employees. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. Local government participation in the PERS is optional. Employee participation in the PERS is mandatory for permanent employees scheduled to work at least 20 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 through 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.

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Notes to the Basic Financial Statements (cont.) June 30, 2010

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 employers' actuarially determined rates for fiscal year 2010 were calculated when the PERS was an agent multiple-employer plan. The PERS average employer contribution rate for fiscal year 2010 was 27.65 percent (10.25 percent for pension costs and 17.40 percent for postemployment healthcare costs). The average normal cost rate portion was 9.46 percent (2.91 percent for pension costs and 6.55 percent for postemployment healthcare costs) and the average past service rate portion was 18.19 percent (7.34 percent for pension costs and 10.85 percent for postemployment healthcare costs).

#### *Plan Contributions*

School District contributions to the PERS defined benefit plan for fiscal years ended June 30, 2010, 2009, and 2008 were \$5,322,003, \$5,217,527, and \$5,744,796, respectively, equal to the required employer contributions for each year. On-behalf payments made by the State of Alaska for fiscal year 2010, 2009, and 2008 were \$1,750,178, \$3,753,051, and \$2,181,753 respectively. The on-behalf payments are recorded in the general fund as revenues from state sources and expenditures. On the government-wide statement of activities they are recorded as expense and program revenue.

#### *Net Pension Obligation*

The statutory change in Tier I, II, and III of the PERS to a cost sharing defined benefit plan resulted in the elimination of the School District's net pension obligation (NPO) on July 1 of fiscal year 2009. The resulting allocation reduced expenses in the government-wide statement of activities in fiscal year 2009 as follows:

Instruction	\$ 386,424
Special education instruction	654,480
Special education support services - students	59,094
Support services - students	663,754
Support services - instruction	371,162
School administration support services	408,618
District administration	90,538
District administration support services	706,214
Operations and maintenance of plant	1,305,740
Student activities	45,334
Student transportation	23,730
Food services	186,446
Allocation of NPO elimination	<u>\$ 4,901,534</u>

#### 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 contribution plan is comprised of five elements: 5.00 percent to each member's individual pension account, 0.83 percent into the retiree medical plan, 0.30 percent for occupational death and disability benefits, a flat dollar amount per employee based on 3.00 percent of the employer's average annual employee compensation (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

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Notes to the Basic Financial Statements (cont.) June 30, 2010

amount per employee for fiscal year 2010 was \$65.37 per pay period for full-time employees and \$1.09 per hour for part-time employees.

#### *Plan Contributions*

School District contributions to the PERS defined contribution plan for years ended June 30, 2010, 2009, and 2008 were \$846,181, \$597,761 and, \$372,725, respectively and employee contributions to the plan were \$589,765, \$398,042, and \$250,476, respectively. The employer residual contributions for fiscal year 2010, 2009, and 2008, applied as a payment to the defined benefit plan's unfunded liability, were \$777,619, \$497,655, and \$316,358, respectively.

## **B. Alaska Teachers' Retirement System**

#### Plan Description

The Teachers' Retirement System (TRS) is created and administered by the State of Alaska (State) to provide pension, postemployment healthcare, death and disability benefits to eligible employees. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. Local government participation in the TRS is optional. 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 contribution rate for fiscal year 2010 was 39.53 percent (20.95 percent for pension costs and 18.58 percent for postemployment healthcare costs). The normal cost rate portion was 7.59 percent (2.71 percent for pension costs and 4.88 percent for postemployment healthcare costs) and the past service rate portion was 31.94 percent (18.24 percent for pension costs and 13.70 percent for postemployment healthcare costs).

#### *Plan Contributions*

School District contributions to the TRS defined benefit plan for fiscal years ended June 30, 2010, 2009, and 2008 were \$7,615,146, \$7,402,443, and \$7,533,121, respectively, equal to the required employer contributions for each year. On-behalf payments made by the State of Alaska for fiscal year 2010, 2009 and 2008 were \$16,615,652, \$19,640,125 and \$26,641,081, respectively. The on-behalf payments are recorded in the general fund as revenues from state sources and expenditures. On the government-wide statement of activities they are recorded as expense and program revenue.

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Notes to the Basic Financial Statements June 30, 2010

#### 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 five elements: 7.00 percent to each member's individual pension account, 1.03 percent into the retiree medical plan, 0.32 percent for occupational death and disability benefits, a flat dollar amount per employee based on 3.00 percent of the employer's average annual employee compensation (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 2010 was \$65.37 per pay period for full-time employees and \$1.09 per hour for part-time employees.

##### *Plan Contributions*

School District contributions to the TRS defined contribution plan for years ended June 30, 2010, 2009, and 2008 were \$1,123,353, \$737,375 and \$473,005, respectively, and employee contributions to the plan were \$777,732, \$497,165 and \$315,657, respectively. The employer residual contributions for fiscal year 2010, 2009, and 2008 were \$98,234, \$44,446 and \$25,552, respectively.

#### **NOTE 14: 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.



# **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**

**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, 2010

	<u>Budgeted Amounts</u>			<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>		
Revenues:					
Local sources	\$ 46,261,520	\$ 51,741,910	\$ 44,072,719	\$ 44,072,719	\$ (7,669,191)
State sources	124,898,040	124,898,040	129,952,827	129,952,827	5,054,787
Federal sources	9,722,230	9,722,230	12,022,690	12,022,690	2,300,460
Total revenues	<u>180,881,790</u>	<u>186,362,180</u>	<u>186,048,236</u>	<u>186,048,236</u>	<u>(313,944)</u>
Expenditures:					
Current:					
Instruction	91,453,806	90,016,476	90,708,158	90,125,074	(108,598)
Special education instruction	19,856,548	20,810,025	21,102,759	21,109,996	(299,971)
Special education support services - students	3,853,021	4,009,891	4,784,941	4,768,579	(758,688)
Support services - students	10,223,601	10,761,551	10,925,773	10,914,940	(153,389)
Support services - instruction	7,807,354	8,293,398	8,442,915	8,828,346	(534,948)
School administration	7,058,715	7,062,023	7,270,991	7,270,991	(208,968)
School administration support services	4,626,525	4,704,088	4,754,818	4,762,721	(58,633)
District administration	4,326,436	2,738,769	2,302,737	2,309,619	429,150
District administration support services	8,946,294	9,583,004	8,793,274	9,150,398	432,606
Operations and maintenance of plant	24,002,560	24,111,793	22,678,492	22,808,084	1,303,709
Student activities	2,749,010	2,812,852	2,519,510	2,550,703	262,149
Total expenditures	<u>184,903,870</u>	<u>184,903,870</u>	<u>184,284,368</u>	<u>184,599,451</u>	<u>304,419</u>
Excess (deficiency) of revenues over expenditures	<u>(4,022,080)</u>	<u>1,458,310</u>	<u>1,763,868</u>	<u>1,448,785</u>	<u>(9,525)</u>
Other financing sources (uses):					
Proceeds from sale of capital assets			5,280	5,280	5,280
Transfers out	<u>(1,458,310)</u>	<u>(1,458,310)</u>	<u>(1,458,310)</u>	<u>(1,458,310)</u>	
Total other financing sources (uses)	<u>(1,458,310)</u>	<u>(1,458,310)</u>	<u>(1,453,030)</u>	<u>(1,453,030)</u>	<u>5,280</u>
Net change in fund balance	<u>\$ (5,480,390)</u>	<u>\$</u>	<u>310,838</u>	<u>\$ (4,245)</u>	<u>\$ (4,245)</u>
Fund balance - beginning			21,498,632		
Fund balance - ending			<u>\$ 21,809,470</u>		

See accompanying notes to the budgetary comparison schedules.

**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, 2010**

	<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>	<u>Positive</u>
					<u>(Negative)</u>
Revenues:					
Local sources	\$	\$	\$ 66,813	\$ 66,813	\$ 66,813
Federal sources	25,891,565	29,394,673	18,606,184	18,530,550	(10,864,123)
Total revenues	25,891,565	29,394,673	18,672,997	18,597,363	(10,797,310)
Expenditures:					
Current:					
Instruction	8,783,654	9,042,049	5,677,231	5,647,197	3,394,852
Special education instruction	6,147,175	7,457,895	5,331,808	5,336,223	2,121,672
Support services - students	3,474,504	3,628,743	2,594,881	2,540,773	1,087,970
Support services - instruction	5,983,526	6,010,599	3,790,378	3,786,088	2,224,511
District administration support services	3,385,422	3,689,856	1,715,991	1,724,374	1,965,482
Food services	2,619	2,619	2,619	2,619	
Total expenditures	27,776,900	29,831,761	19,112,908	19,037,274	10,794,487
Net change in fund balance	<u>\$ (1,885,335)</u>	<u>\$ (437,088)</u>	(439,911)	<u>\$ (439,911)</u>	<u>\$ (2,823)</u>
Fund balance - beginning			440,786		
Fund balance - ending			<u>\$ 875</u>		

See accompanying notes to the budgetary comparison schedules.

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**  
**Student Transportation Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>		
Revenues:					
State sources	<u>\$ 9,777,080</u>	<u>\$ 9,777,080</u>	<u>\$ 9,898,790</u>	<u>\$ 9,897,349</u>	<u>\$ 120,269</u>
Expenditures:					
Current:					
Student transportation service	<u>10,160,320</u>	<u>10,160,320</u>	<u>9,873,929</u>	<u>9,872,488</u>	<u>287,832</u>
Excess (deficiency) of revenues over expenditures	<u>(383,240)</u>	<u>(383,240)</u>	<u>24,861</u>	<u>24,861</u>	<u>408,101</u>
Other financing sources:					
Transfers in	<u>383,240</u>	<u>232,240</u>	<u>232,240</u>	<u>232,240</u>	
Net change in fund balance	<u>\$</u>	<u>\$ (151,000)</u>	<u>257,101</u>	<u>\$ 257,101</u>	<u>\$ 408,101</u>
Fund balance - beginning			<u>443,095</u>		
Fund balance - ending			<u>\$ 700,196</u>		

See accompanying notes to the budgetary comparison schedules.

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Notes to Budgetary Comparison Schedules June 30, 2010

#### 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, 2010, 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, (2000 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, 2010

accounting period when goods or services are received as required by generally accepted accounting principles. Encumbrances outstanding at year-end are reported as reservations of fund balance and 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 most special revenue funds since revenues are deferred until actual expenditures are incurred for State and Federal grants. 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
Revenues reported on the basis of budgeting	\$ 186,048,236	\$ 18,597,363	\$ 9,897,349
Basis difference		75,634	1,441
Revenues reported on the basis of GAAP	<u>\$ 186,048,236</u>	<u>\$ 18,672,997</u>	<u>\$ 9,898,790</u>
Expenditures reported on the basis of budgeting	\$ 184,599,451	\$ 19,037,274	\$ 9,872,488
Add expenditures on prior year encumbrances	1,492,438	98,015	1,441
Deduct current year encumbrances	(1,807,521)	(22,381)	
Expenditures reported on the basis of GAAP	<u>\$ 184,284,368</u>	<u>\$ 19,112,908</u>	<u>\$ 9,873,929</u>

### **B. Excess of Expenditures Over Appropriations**

For the year ended June 30, 2010, expenditures exceeded budget, in annually approved budgets, for the following major fund:

#### **General Fund:**

Instruction	\$ 108,598
Special education instruction	299,971
Special education support services - students	758,688
Support services - students	153,389
Support services - instruction	534,948
School administration	208,968
School administration support services	58,633

## **FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

### **Notes to Budgetary Comparison Schedules June 30, 2010**

In almost all cases, expenditures exceeded budget due to lower than expected PERS and TRS on-behalf payments made by the State of Alaska (\$2.3 million) offset by an additional charge (\$5 million) from the risk management internal service fund to avoid a projected \$5 million deficit in that fund at June 30. The exceptions are special education instruction and special education support services – students. Because of an unanticipated increase in the number of intensive needs students the School District incurred additional staffing and materials costs and received substantially more in State foundation funding. Corresponding special education budgets were not aligned to reflect the additional costs incurred.



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# **COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

# MAJOR GOVERNMENTAL FUNDS

# MAJOR GOVERNMENTAL FUNDS

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

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

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

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Major Governmental Fund

General Fund

Balance Sheet

June 30, 2010

(With comparative totals for 2009)

<b><u>ASSETS</u></b>	<b>Totals</b>	
	<b><u>2010</u></b>	<b><u>2009</u></b>
Equity in central treasury cash	\$ 16,082,883	\$ 17,522,010
Accounts receivable:		
Local	367,940	157,576
Federal	19,564	18,466
Due from other funds	8,676,491	4,411,987
Due from Fairbanks North Star Borough	24,418	8,643
Inventories	938,948	506,511
Prepaid expenses	27,518	12,075
Total assets	<u>\$ 26,137,762</u>	<u>\$ 22,637,268</u>
 <b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable	\$ 1,200,740	\$ 506,126
Accrued payroll and liabilities	944,753	632,510
Due to Fairbanks North Star Borough	2,182,799	
Total liabilities	<u>4,328,292</u>	<u>1,138,636</u>
Fund balance:		
Reseved for:		
Encumbrances	1,807,521	1,492,438
Inventories	938,948	506,511
Prepayments	27,518	12,075
Impact aid advance	11,177,579	8,813,432
Unreserved:		
Designated for subsequent year's expenditures	7,726,910	5,480,390
Undesignated	130,994	5,193,786
Total fund balance	<u>21,809,470</u>	<u>21,498,632</u>
Total liabilities and fund balance	<u>\$ 26,137,762</u>	<u>\$ 22,637,268</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, 2010  
(With comparative totals for 2009)

	<b>Totals</b>	
	<b>2010</b>	<b>2009</b>
<b>Revenues:</b>		
Revenue from local sources:		
Borough direct appropriation	\$ 43,339,901	\$ 44,222,700
E-rate revenue	369,002	295,993
Other local revenue	363,816	373,390
Total local sources	<u>44,072,719</u>	<u>44,892,083</u>
Revenue from state sources:		
Foundation program	109,730,232	96,001,077
QSI grant	406,765	371,871
TRS on-behalf	16,615,652	19,640,125
PERS on-behalf	1,750,178	3,753,051
On-base schools	1,450,000	1,450,000
Total state sources	<u>129,952,827</u>	<u>121,216,124</u>
Revenue from federal sources:		
Direct - impact aid	12,005,572	9,596,676
Through the State of Alaska - Medicaid reimbursement	17,118	
Total federal sources	<u>12,022,690</u>	<u>9,596,676</u>
Total revenues	<u>186,048,236</u>	<u>175,704,883</u>
<b>Expenditures - current:</b>		
Instruction:		
Salaries and fringe benefits:		
Certificated salaries	48,074,716	44,777,511
Non-certificated salaries	3,945,240	3,963,583
Employee benefits	33,530,075	33,924,144
Total salaries and fringe benefits	<u>85,550,031</u>	<u>82,665,238</u>
Materials, supplies, services and other:		
Professional and technical services	936,695	650,507
Staff travel	12,833	32,642
Student travel	85,020	76,456
Utility services	1,454	767
Other purchased services	554,088	565,110
Supplies, materials and media	3,567,430	2,676,575
Other expenses	307	
Total materials, supplies, services and other	<u>5,157,827</u>	<u>4,002,057</u>
Capital outlay - equipment	300	6,285
Total instruction	<u>90,708,158</u>	<u>86,673,580</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, 2010

(With comparative totals for 2009)

	<b>Totals</b>	
	<b>2010</b>	<b>2009</b>
Special education instruction:		
Salaries and fringe benefits:		
Certificated salaries	\$ 7,655,712	\$ 7,419,944
Non-certificated salaries	3,329,522	2,876,924
Employee benefits	7,183,030	7,258,149
Total salaries and fringe benefits	<u>18,168,264</u>	<u>17,555,017</u>
Materials, supplies, services and other:		
Professional and technical services	1,898,029	1,415,354
Staff travel	120	1,693
Student travel	685	272
Utility services	1,346	1,429
Other purchased services	73,113	68,400
Supplies, materials and media	427,142	392,165
Total materials, supplies, services and other	<u>2,400,435</u>	<u>1,879,313</u>
Capital outlay:		
Equipment	6,500	3,480
Other capital outlay	527,560	
Total capital outlay	<u>534,060</u>	<u>3,480</u>
Total special education instruction	<u>21,102,759</u>	<u>19,437,810</u>
Special education support services - students:		
Salaries and fringe benefits:		
Certificated salaries	1,250,274	1,041,823
Non-certificated salaries	920,492	777,384
Employee benefits	1,285,909	1,118,810
Total salaries and fringe benefits	<u>3,456,675</u>	<u>2,938,017</u>
Materials, supplies, services and other:		
Professional and technical services	1,141,477	865,766
Staff travel	62,963	20,572
Student travel	1,907	292
Other purchased services	12,270	16,645
Supplies, materials and media	109,649	115,424
Total materials, supplies, services and other	<u>1,328,266</u>	<u>1,018,699</u>
Total special education support services - students	<u>4,784,941</u>	<u>3,956,716</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, 2010  
(With comparative totals for 2009)

	<b>Totals</b>	
	<b>2010</b>	<b>2009</b>
Support services - students:		
Salaries and fringe benefits:		
Certificated salaries	\$ 3,248,984	\$ 3,116,616
Non-certificated salaries	3,239,110	3,303,404
Employee benefits	4,274,435	4,724,072
Total salaries and fringe benefits	10,762,529	11,144,092
Materials, supplies, services and other:		
Professional and technical services	14,547	22,413
Staff travel	11,032	8,957
Student travel	877	214
Other purchased services	1,802	3,462
Supplies, materials and media	134,797	126,808
Other expenses	189	554
Total materials, supplies, services and other	163,244	162,408
Capital outlay - equipment		2,524
Total support services - students	10,925,773	11,309,024
Support services - instruction:		
Salaries and fringe benefits:		
Certificated salaries	1,552,611	1,479,785
Non-certificated salaries	2,204,263	2,143,712
Employee benefits	2,697,353	2,728,866
Total salaries and fringe benefits	6,454,227	6,352,363
Materials, supplies, services and other:		
Professional and technical services	398,205	239,366
Staff travel	94,658	76,083
Student travel	5,430	4,588
Utility services	246,750	223,499
Other purchased services	69,145	94,701
Supplies, materials and media	865,723	884,998
Tuition and stipends		60
Other expenses	1,498	
Total materials, supplies, services and other	1,681,409	1,523,295
Capital outlay:		
Equipment	198,317	280,600
Other capital outlay	108,962	
Total capital outlay	307,279	280,600
Total support services - instruction	8,442,915	8,156,258

(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, 2010  
(With comparative totals for 2009)

	<b>Totals</b>	
	<b>2010</b>	<b>2009</b>
School administration:		
Salaries and fringe benefits:		
Certificated salaries	\$ 4,353,202	\$ 4,085,382
Employee benefits	2,886,358	2,924,991
Total salaries and fringe benefits	<u>7,239,560</u>	<u>7,010,373</u>
Materials, supplies, services and other:		
Staff travel	2,144	3,375
Supplies, materials and media	476	1,449
Other expenses	28,811	26,105
Total materials, supplies, services and other	<u>31,431</u>	<u>30,929</u>
Total school administration	<u>7,270,991</u>	<u>7,041,302</u>
School administration support services:		
Salaries and fringe benefits:		
Certificated salaries	3,750	
Non-certificated salaries	2,619,457	2,383,939
Employee benefits	1,647,760	1,635,047
Total salaries and fringe benefits	<u>4,270,967</u>	<u>4,018,986</u>
Materials, supplies, services and other:		
Professional and technical services	5,025	4,229
Staff travel	843	2,169
Student travel	96	
Utility services	336,002	296,209
Other purchased services	6,588	7,487
Supplies, materials and media	132,829	153,498
Other expenses	2,468	
Total materials, supplies, services and other	<u>483,851</u>	<u>463,592</u>
Total school administration support services	<u>4,754,818</u>	<u>4,482,578</u>
District administration:		
Salaries and fringe benefits:		
Certificated salaries	559,031	529,831
Non-certificated salaries	658,993	647,534
Employee benefits	783,201	810,355
Total salaries and fringe benefits	<u>2,001,225</u>	<u>1,987,720</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, 2010  
(With comparative totals for 2009)

	<b>Totals</b>	
	<b>2010</b>	<b>2009</b>
District administration (continued):		
Materials, supplies, services and other:		
Professional and technical services	\$ 124,213	\$ 86,071
Staff travel	35,727	32,974
Other purchased services	29,788	22,743
Supplies, materials and media	86,829	67,149
Other expenses	24,955	21,258
Total materials, supplies, services and other	<u>301,512</u>	<u>230,195</u>
Capital outlay - equipment		11,393
Total district administration	<u>2,302,737</u>	<u>2,229,308</u>
District administration support services:		
Salaries and fringe benefits:		
Certificated salaries	51,603	39,147
Non-certificated salaries	4,430,190	4,227,668
Employee benefits	2,862,584	2,992,785
Total salaries and fringe benefits	<u>7,344,377</u>	<u>7,259,600</u>
Materials, supplies, services and other:		
Professional and technical services	409,472	373,012
Staff travel	85,060	72,602
Utility services	425,567	226,839
Other purchased services	220,888	300,806
Insurance and bond premiums	968,656	892,555
Supplies, materials and media	181,010	196,917
Other expenses	135,485	16,287
Indirect costs	(1,065,399)	(672,995)
Total materials, supplies, services and other	<u>1,360,739</u>	<u>1,406,023</u>
Capital outlay:		
Equipment	80,102	130,281
Other capital outlay	8,056	
Total capital outlay	<u>88,158</u>	<u>130,281</u>
Total district administration support services	<u>8,793,274</u>	<u>8,795,904</u>
Operations and maintenance of plant:		
Salaries and fringe benefits:		
Non-certificated salaries	8,371,828	7,965,764
Employee benefits	5,014,739	5,204,506
Total salaries and fringe benefits	<u>13,386,567</u>	<u>13,170,270</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, 2010

(With comparative totals for 2009)

	<b>Totals</b>	
	<b>2010</b>	<b>2009</b>
Operations and maintenance of plant (continued):		
Materials, supplies, services and other:		
Professional and technical services	\$ 127,960	\$ 118,875
Staff travel	13,574	6,311
Utility services	825,512	998,955
Energy	5,405,220	5,128,925
Other purchased services	1,067,187	750,555
Insurance and bond premiums	474,849	372,102
Supplies, materials and media	1,299,857	1,371,769
Other expenses	450	
Total materials, supplies, services and other	<u>9,214,609</u>	<u>8,747,492</u>
Capital outlay - equipment	<u>77,316</u>	<u>131,552</u>
Total operations and maintenance of plant	<u>22,678,492</u>	<u>22,049,314</u>
Student activities:		
Salaries and fringe benefits:		
Certificated salaries	715,955	704,777
Non-certificated salaries	603,781	561,628
Employee benefits	484,833	546,869
Total salaries and fringe benefits	<u>1,804,569</u>	<u>1,813,274</u>
Materials, supplies, services and other:		
Professional and technical services	178,268	151,458
Staff travel	3,587	4,029
Student travel	307,939	282,729
Other purchased services	77,292	90,288
Supplies, materials and media	103,433	119,345
Other expenses	44,422	27,185
Total materials, supplies, services and other	<u>714,941</u>	<u>675,034</u>
Total student activities	<u>2,519,510</u>	<u>2,488,308</u>
Total expenditures	<u>184,284,368</u>	<u>176,620,102</u>
Excess (deficiency) of revenues over expenditures	<u>1,763,868</u>	<u>(915,219)</u>
Other financing sources (uses):		
Proceeds from sale of capital assets	5,280	10,380
Transfers in		193,969
Transfers out	<u>(1,458,310)</u>	<u>(1,683,990)</u>
Total other financing sources (uses)	<u>(1,453,030)</u>	<u>(1,479,641)</u>
Net change in fund balance	310,838	(2,394,860)
Fund balance - beginning	<u>21,498,632</u>	<u>23,893,492</u>
Fund balance - ending	<u>\$ 21,809,470</u>	<u>\$ 21,498,632</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, 2010

	<u>Budgeted Amounts</u>			<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>		
Revenues:					
Revenue from local sources:					
Borough direct appropriation	\$ 45,522,700	\$ 51,003,090	\$ 43,339,901	\$ 43,339,901	\$ (7,663,189)
E-rate revenue	297,660	297,660	369,002	369,002	71,342
Other local revenue	441,160	441,160	363,816	363,816	(77,344)
Total local sources	46,261,520	51,741,910	44,072,719	44,072,719	(7,669,191)
Revenue from state sources:					
Foundation program	102,405,540	102,405,540	109,730,232	109,730,232	7,324,692
QSI grant	375,490	375,490	406,765	406,765	31,275
TRS on-behalf	18,984,310	18,984,310	16,615,652	16,615,652	(2,368,658)
PERS on-behalf	1,682,700	1,682,700	1,750,178	1,750,178	67,478
On-base schools	1,450,000	1,450,000	1,450,000	1,450,000	
Total state sources	124,898,040	124,898,040	129,952,827	129,952,827	5,054,787
Revenue from federal sources:					
Direct - impact aid	9,722,230	9,722,230	12,005,572	12,005,572	2,283,342
Through the State of Alaska - Medicaid reimbursement			17,118	17,118	17,118
Total federal sources	9,722,230	9,722,230	12,022,690	12,022,690	2,300,460
Total revenues	180,881,790	186,362,180	186,048,236	186,048,236	(313,944)
Expenditures - current:					
Instruction:					
Salaries and fringe benefits:					
Certificated salaries	49,407,932	47,997,388	48,074,716	48,074,716	(77,328)
Non-certificated salaries	3,237,128	3,981,976	3,945,240	3,945,240	36,736
Employee benefits	32,781,699	32,776,373	33,530,075	33,530,075	(753,702)
Total salaries and fringe benefits	85,426,759	84,755,737	85,550,031	85,550,031	(794,294)
Materials, supplies, services and other:					
Professional and technical services	984,500	1,045,763	936,695	870,223	175,540
Staff travel	24,450	17,269	12,833	12,833	4,436
Student travel	90,032	89,614	85,020	85,309	4,305
Utility services		1,500	1,454	1,454	46
Other purchased services	1,650,429	589,934	554,088	565,335	24,599
Supplies, materials and media	2,958,315	3,422,603	3,567,430	3,039,282	383,321
Other expenses	319,321	92,215	307	307	91,908
Total materials, supplies, services and other	6,027,047	5,258,898	5,157,827	4,574,743	684,155
Capital outlay - equipment		1,841	300	300	1,541
Total instruction	91,453,806	90,016,476	90,708,158	90,125,074	(108,598)

(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, 2010

	<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>	<u>Positive</u>
					<u>(Negative)</u>
Special education instruction:					
Salaries and fringe benefits:					
Certificated salaries	\$ 7,820,246	\$ 8,162,869	\$ 7,655,712	\$ 7,655,712	\$ 507,157
Non-certificated salaries	2,850,949	3,121,289	3,329,522	3,329,522	(208,233)
Employee benefits	7,009,237	7,170,352	7,183,030	7,183,030	(12,678)
Total salaries and fringe benefits	<u>17,680,432</u>	<u>18,454,510</u>	<u>18,168,264</u>	<u>18,168,264</u>	<u>286,246</u>
Materials, supplies, services and other:					
Professional and technical services	1,792,410	1,847,419	1,898,029	1,910,529	(63,110)
Staff travel	1,500	1,500	120	120	1,380
Student travel	4,000	4,000	685	685	3,315
Utility services	1,400	2,900	1,346	1,346	1,554
Other purchased services	157,241	88,856	73,113	73,113	15,743
Supplies, materials and media	207,065	385,190	427,142	421,879	(36,689)
Total materials, supplies, services and other	<u>2,163,616</u>	<u>2,329,865</u>	<u>2,400,435</u>	<u>2,407,672</u>	<u>(77,807)</u>
Capital outlay:					
Equipment	12,500	12,500	6,500	6,500	6,000
Other capital outlay		13,150	527,560	527,560	(514,410)
Total capital outlay	<u>12,500</u>	<u>25,650</u>	<u>534,060</u>	<u>534,060</u>	<u>(508,410)</u>
Total special education instruction	<u>19,856,548</u>	<u>20,810,025</u>	<u>21,102,759</u>	<u>21,109,996</u>	<u>(299,971)</u>
Special education support services - students:					
Salaries and fringe benefits:					
Certificated salaries	1,528,520	1,006,770	1,250,274	1,250,274	(243,504)
Non-certificated salaries	540,249	384,361	920,492	920,492	(536,131)
Employee benefits	1,381,577	1,393,569	1,285,909	1,285,909	107,660
Total salaries and fringe benefits	<u>3,450,346</u>	<u>2,784,700</u>	<u>3,456,675</u>	<u>3,456,675</u>	<u>(671,975)</u>
Materials, supplies, services and other:					
Professional and technical services	275,000	1,024,442	1,141,477	1,138,804	(114,362)
Staff travel	15,000	57,816	62,963	62,963	(5,147)
Student travel		2,000	1,907	1,907	93
Other purchased services	35,675	35,675	12,270	12,270	23,405
Supplies, materials and media	77,000	105,258	109,649	95,960	9,298
Total materials, supplies, services and other	<u>402,675</u>	<u>1,225,191</u>	<u>1,328,266</u>	<u>1,311,904</u>	<u>(86,713)</u>
Total special education support services - students	<u>3,853,021</u>	<u>4,009,891</u>	<u>4,784,941</u>	<u>4,768,579</u>	<u>(758,688)</u>
Support services - students:					
Salaries and fringe benefits:					
Certificated salaries	3,002,415	3,277,640	3,248,984	3,248,984	28,656
Non-certificated salaries	3,180,747	3,280,518	3,239,110	3,239,110	41,408
Employee benefits	3,815,056	3,940,526	4,274,435	4,274,435	(333,909)
Total salaries and fringe benefits	<u>9,998,218</u>	<u>10,498,684</u>	<u>10,762,529</u>	<u>10,762,529</u>	<u>(263,845)</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, 2010

	<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>	<u>Positive</u>
					<u>(Negative)</u>
Support services - students (continued):					
Materials, supplies, services and other:					
Professional and technical services	\$ 39,750	\$ 34,848	\$ 14,547	\$ 11,909	\$ 22,939
Staff travel	7,000	16,828	11,032	11,322	5,506
Student travel	1,000	1,000	877	877	123
Other purchased services	13,800	14,445	1,802	1,652	12,793
Supplies, materials and media	163,833	195,546	134,797	126,462	69,084
Other expenses		200	189	189	11
Total materials, supplies, services and other	225,383	262,867	163,244	152,411	110,456
Total support services - students	10,223,601	10,761,551	10,925,773	10,914,940	(153,389)
Support services - instruction:					
Salaries and fringe benefits:					
Certificated salaries	1,339,757	1,556,798	1,552,611	1,552,611	4,187
Non-certificated salaries	2,228,969	2,247,756	2,204,263	2,204,263	43,493
Employee benefits	2,351,664	2,441,328	2,697,353	2,697,353	(256,025)
Total salaries and fringe benefits	5,920,390	6,245,882	6,454,227	6,454,227	(208,345)
Materials, supplies, services and other:					
Professional and technical services	308,370	389,919	398,205	398,711	(8,792)
Staff travel	14,455	104,569	94,658	96,658	7,911
Student travel	7,450	7,700	5,430	5,430	2,270
Utility services	263,000	246,750	246,750	246,750	
Other purchased services	323,050	58,203	69,145	57,262	941
Supplies, materials and media	741,999	954,905	865,723	1,260,531	(305,626)
Other expenses		1,498	1,498	1,498	
Total materials, supplies, services and other	1,658,324	1,763,544	1,681,409	2,066,840	(303,296)
Capital outlay:					
Equipment	228,640	278,972	198,317	198,317	80,655
Other capital outlay		5,000	108,962	108,962	(103,962)
Total capital outlay	228,640	283,972	307,279	307,279	(23,307)
Total support services - instruction	7,807,354	8,293,398	8,442,915	8,828,346	(534,948)
School administration:					
Salaries and fringe benefits:					
Certificated salaries	4,262,409	4,262,409	4,353,202	4,353,202	(90,793)
Employee benefits	2,765,452	2,765,802	2,886,358	2,886,358	(120,556)
Total salaries and fringe benefits	7,027,861	7,028,211	7,239,560	7,239,560	(211,349)
Materials, supplies, services and other:					
Professional and technical services	2,000				
Staff travel	5,000	5,000	2,144	2,144	2,856
Supplies, materials and media			476	476	(476)
Other expenses	23,854	28,812	28,811	28,811	1
Total materials, supplies, services and other	30,854	33,812	31,431	31,431	2,381
Total school administration	7,058,715	7,062,023	7,270,991	7,270,991	(208,968)

(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, 2010

	<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>	<u>Positive</u>
					<u>(Negative)</u>
School administration support services:					
Salaries and fringe benefits:					
Certificated salaries	\$	\$ 3,750	\$ 3,750	\$ 3,750	\$
Non-certificated salaries	2,584,901	2,629,194	2,619,457	2,619,457	9,737
Employee benefits	1,504,187	1,527,314	1,647,760	1,647,760	(120,446)
Total salaries and fringe benefits	4,089,088	4,160,258	4,270,967	4,270,967	(110,709)
Materials, supplies, services and other:					
Professional and technical services	32,000	31,749	5,025	5,205	26,544
Staff travel	1,025	1,025	843	843	182
Student travel		171	96	96	75
Utility services	347,000	356,085	336,002	344,991	11,094
Other purchased services		7,395	6,588	5,528	1,867
Supplies, materials and media	156,412	144,384	132,829	132,623	11,761
Other expenses	1,000	3,021	2,468	2,468	553
Total materials, supplies, services					
and other	537,437	543,830	483,851	491,754	52,076
Total school administration					
support services	4,626,525	4,704,088	4,754,818	4,762,721	(58,633)
District administration:					
Salaries and fringe benefits:					
Certificated salaries	526,801	547,842	559,031	559,031	(11,189)
Non-certificated salaries	602,362	655,945	658,993	658,993	(3,048)
Employee benefits	691,723	732,829	783,201	783,201	(50,372)
Total salaries and fringe benefits	1,820,886	1,936,616	2,001,225	2,001,225	(64,609)
Materials, supplies, services, and other:					
Professional and technical services	116,000	125,177	124,213	122,049	3,128
Staff travel	24,200	36,891	35,727	35,727	1,164
Other purchased services	80,000	46,423	29,788	27,897	18,526
Supplies, materials and media	61,350	103,022	86,829	97,766	5,256
Other expenses	2,224,000	490,640	24,955	24,955	465,685
Total materials, supplies, services,					
and other	2,505,550	802,153	301,512	308,394	493,759
Total district administration	4,326,436	2,738,769	2,302,737	2,309,619	429,150
District administration support services:					
Salaries and fringe benefits:					
Certificated salaries	33,735	44,630	51,603	51,603	(6,973)
Non-certificated salaries	4,363,479	4,484,117	4,430,190	4,430,190	53,927
Employee benefits	2,620,356	2,694,169	2,862,584	2,862,584	(168,415)
Total salaries and fringe benefits	7,017,570	7,222,916	7,344,377	7,344,377	(121,461)

(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, 2010

	<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>	<u>Positive</u>
					<u>(Negative)</u>
District administration support services (continued):					
Materials, supplies, services and other:					
Professional and technical services	\$ 420,500	\$ 761,462	\$ 409,472	\$ 617,941	\$ 143,521
Staff travel	199,700	131,279	85,060	85,160	46,119
Utility services	286,000	409,000	425,567	406,961	2,039
Other purchased services	484,410	287,036	220,888	179,968	107,068
Insurance and bond premiums	1,049,000	1,049,000	968,656	968,656	80,344
Supplies, materials and media	261,269	282,264	181,010	215,267	66,997
Other expenses	2,975	14,250	135,485	135,485	(121,235)
Indirect costs	(844,130)	(844,130)	(1,065,399)	(1,065,399)	221,269
Total materials, supplies, services and other	1,859,724	2,090,161	1,360,739	1,544,039	546,122
Capital outlay:					
Equipment	69,000	254,171	80,102	253,926	245
Other capital outlay		15,756	8,056	8,056	7,700
Total capital outlay	69,000	269,927	88,158	261,982	7,945
Total district administration support services	8,946,294	9,583,004	8,793,274	9,150,398	432,606
Operations and maintenance of plant:					
Salaries and fringe benefits:					
Non-certificated salaries	8,506,805	8,518,430	8,371,828	8,371,828	146,602
Employee benefits	4,873,923	4,894,939	5,014,739	5,014,739	(119,800)
Total salaries and fringe benefits	13,380,728	13,413,369	13,386,567	13,386,567	26,802
Materials, supplies, services and other:					
Professional and technical services	105,200	141,611	127,960	125,692	15,919
Staff travel	3,200	15,025	13,574	14,442	583
Utility services	1,074,496	1,036,819	825,512	833,779	203,040
Energy	6,462,504	6,353,504	5,405,220	5,407,220	946,284
Other purchased services	1,120,792	1,181,763	1,067,187	1,152,779	28,984
Insurance and bond premiums	536,000	536,933	474,849	474,849	62,084
Supplies, materials and media	1,220,040	1,332,169	1,299,857	1,334,990	(2,821)
Other expenses		1,000	450	450	550
Total materials, supplies, services and other	10,522,232	10,598,824	9,214,609	9,344,201	1,254,623
Capital outlay - equipment	99,600	99,600	77,316	77,316	22,284
Total operations and maintenance of plant	24,002,560	24,111,793	22,678,492	22,808,084	1,303,709
Student activities:					
Salaries and fringe benefits:					
Certificated salaries	1,225,076	769,130	715,955	715,955	53,175
Non-certificated salaries	174,929	600,508	603,781	603,781	(3,273)
Employee benefits	631,372	652,527	484,833	484,833	167,694
Total salaries and fringe benefits	2,031,377	2,022,165	1,804,569	1,804,569	217,596

(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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>			
Student activities (continued):					
Materials, supplies, services and other:					
Professional and technical services	\$ 185,015	\$ 188,506	\$ 178,268	\$ 178,268	\$ 10,238
Staff travel	5,000	5,035	3,587	3,587	1,448
Student travel	333,643	349,875	307,939	309,068	40,807
Other purchased services	61,000	76,203	77,292	75,792	411
Supplies, materials and media	103,975	126,646	103,433	123,627	3,019
Other expenses	29,000	44,422	44,422	44,422	
Total materials, supplies, services and other	<u>717,633</u>	<u>790,687</u>	<u>714,941</u>	<u>734,764</u>	<u>55,923</u>
Capital outlay - equipment				11,370	(11,370)
Total student activities	<u>2,749,010</u>	<u>2,812,852</u>	<u>2,519,510</u>	<u>2,550,703</u>	<u>262,149</u>
Total expenditures	<u>184,903,870</u>	<u>184,903,870</u>	<u>184,284,368</u>	<u>184,599,451</u>	<u>304,419</u>
Excess (deficiency) of revenues over expenditures	<u>(4,022,080)</u>	<u>1,458,310</u>	<u>1,763,868</u>	<u>1,448,785</u>	<u>(9,525)</u>
Other financing sources (uses):					
Proceeds from sale of capital assets			5,280	5,280	5,280
Transfers out	<u>(1,458,310)</u>	<u>(1,458,310)</u>	<u>(1,458,310)</u>	<u>(1,458,310)</u>	
Total other financing sources (uses)	<u>(1,458,310)</u>	<u>(1,458,310)</u>	<u>(1,453,030)</u>	<u>(1,453,030)</u>	<u>5,280</u>
Net change in fund balance	<u>\$ (5,480,390)</u>	<u>\$</u>	<u>310,838</u>	<u>\$ (4,245)</u>	<u>\$ (4,245)</u>
Fund balance - beginning			21,498,632		
Fund balance - ending			<u>\$ 21,809,470</u>		

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**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Major Governmental Fund  
Federal Programs Special Revenue  
Combining Balance Sheet  
For the Year Ended June 30, 2010  
(With comparative totals for 2009)

	<b>Alaska Native Education</b>	<b>Title IA Basic Program</b>	<b>Title 1D State Operated</b>	<b>Title IC Migrant Education</b>
<b><u>ASSETS</u></b>				
Equity in central treasury cash	\$	\$	\$	\$
Accounts receivable:				
Local				
State		1,346,368	3,930	109,143
Federal	138,445			
Total assets	<u>\$ 138,445</u>	<u>\$ 1,346,368</u>	<u>\$ 3,930</u>	<u>\$ 109,143</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ 400	\$ 5,786	\$	\$ 431
Deferred revenue				
Due to other funds	138,045	1,340,582	3,930	108,712
Due to external groups and agencies				
Total liabilities	<u>138,445</u>	<u>1,346,368</u>	<u>3,930</u>	<u>109,143</u>
Fund balances:				
Reserved for:				
Encumbrances		3,114		
Unreserved		(3,114)		
Total fund balances				
Total liabilities and fund balances	<u>\$ 138,445</u>	<u>\$ 1,346,368</u>	<u>\$ 3,930</u>	<u>\$ 109,143</u>

<b>Drug Free Schools</b>	<b>Carl Perkins Basic Grant</b>	<b>Air Force ROTC - North Pole HS</b>	<b>Air Force ROTC- Ben Eielson Jr/Sr</b>	<b>Title IIIA English Language</b>	<b>At Risk Youth Transitions</b>
\$	\$	\$	\$	\$	\$
45,071	162,300	3,623	2,049	34,379	42,026
<u>\$ 45,071</u>	<u>\$ 162,300</u>	<u>\$ 3,623</u>	<u>\$ 2,049</u>	<u>\$ 34,379</u>	<u>\$ 42,026</u>
\$	\$ 2,850	\$	\$	\$ 127	\$ 2,710
45,071	159,450	3,623	2,049	34,252	39,316
<u>45,071</u>	<u>162,300</u>	<u>3,623</u>	<u>2,049</u>	<u>34,379</u>	<u>42,026</u>
	1,748 (1,748)				
<u>\$ 45,071</u>	<u>\$ 162,300</u>	<u>\$ 3,623</u>	<u>\$ 2,049</u>	<u>\$ 34,379</u>	<u>\$ 42,026</u>

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Major Governmental Fund  
 Federal Programs Special Revenue  
 Combining Balance Sheet  
 For the Year Ended June 30, 2010  
 (With comparative totals for 2009)

	<b>Title IA 20% Choice &amp; Supplemental</b>	<b>ARRA Title IA Basic Program</b>	<b>IDEA, Part B Title VI-B</b>	<b>IDEA, Part B Preschool Disabled</b>
<b><u>ASSETS</u></b>				
Equity in central treasury cash	\$	\$	\$	\$
Accounts receivable:				
Local				
State	236,112	21,571	1,413,095	2,864
Federal				
Total assets	<u>\$ 236,112</u>	<u>\$ 21,571</u>	<u>\$ 1,413,095</u>	<u>\$ 2,864</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ 43,371	\$	\$ 34,280	\$
Deferred revenue				
Due to other funds	192,741	21,571	1,378,815	2,864
Due to external groups and agencies				
Total liabilities	<u>236,112</u>	<u>21,571</u>	<u>1,413,095</u>	<u>2,864</u>
Fund balances:				
Reserved for:				
Encumbrances			4,474	
Unreserved			(4,474)	
Total fund balances				
Total liabilities and fund balances	<u>\$ 236,112</u>	<u>\$ 21,571</u>	<u>\$ 1,413,095</u>	<u>\$ 2,864</u>

ARRA IDEA, Part B Title VI-B	ARRA IDEA, Part B Preschool Disabled	Options Child Care Grant	Alaska Community Learning Centers	Mentoring for Success	Title IA 1% Parent Involvement
\$	\$	\$ 875	\$	\$	\$
787,405	11,051		699,792	81,116	15,961
<u>\$ 787,405</u>	<u>\$ 11,051</u>	<u>\$ 875</u>	<u>\$ 699,792</u>	<u>\$ 81,116</u>	<u>\$ 15,961</u>
\$ 2,445	\$	\$	\$ 135	\$ 19,771	\$
784,960	11,051		699,657	61,345	15,961
<u>787,405</u>	<u>11,051</u>		<u>699,792</u>	<u>81,116</u>	<u>15,961</u>
		875			377
		875			(377)
<u>\$ 787,405</u>	<u>\$ 11,051</u>	<u>\$ 875</u>	<u>\$ 699,792</u>	<u>\$ 81,116</u>	<u>\$ 15,961</u>

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Major Governmental Fund  
Federal Programs Special Revenue  
Combining Balance Sheet  
For the Year Ended June 30, 2010  
(With comparative totals for 2009)

	<b>Migrant Education Parent Advisory Council</b>	<b>DOD Education Activity</b>	<b>Migrant Education Book Program</b>	<b>ARRA Title IA 1% Parent Involvement</b>
<b><u>ASSETS</u></b>				
Equity in central treasury cash	\$	\$	\$	\$
Accounts receivable:				
Local				
State	3,114		1,246	1,744
Federal		81,580		
Total assets	<u>\$ 3,114</u>	<u>\$ 81,580</u>	<u>\$ 1,246</u>	<u>\$ 1,744</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$	\$ 230	\$	\$
Deferred revenue				
Due to other funds	3,114	81,350	1,246	1,744
Due to external groups and agencies				
Total liabilities	<u>3,114</u>	<u>81,580</u>	<u>1,246</u>	<u>1,744</u>
Fund balances:				
Reserved for:				
Encumbrances				
Unreserved				
Total fund balances				
Total liabilities and fund balances	<u>\$ 3,114</u>	<u>\$ 81,580</u>	<u>\$ 1,246</u>	<u>\$ 1,744</u>

<b>Title II Math/Science</b>	<b>Title IID Technology</b>	<b>Title IA District Improvement 10%</b>	<b>Title I School Improvement</b>	<b>Project ARTiculate</b>	<b>Teaching American History</b>
\$	\$	\$	\$	\$ 101	\$ 418
864,534	27,997	124,356	28,894		
<u>\$ 864,534</u>	<u>\$ 27,997</u>	<u>\$ 124,356</u>	<u>\$ 28,894</u>	<u>\$ 101</u>	<u>\$ 418</u>
\$ 44	\$	\$	\$	\$	\$
864,490	27,997	124,356	28,894		
				101	418
<u>864,534</u>	<u>27,997</u>	<u>124,356</u>	<u>28,894</u>	<u>101</u>	<u>418</u>
966 (966)					
<u>\$ 864,534</u>	<u>\$ 27,997</u>	<u>\$ 124,356</u>	<u>\$ 28,894</u>	<u>\$ 101</u>	<u>\$ 418</u>

(continued)



**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Major Governmental Fund  
Federal Programs Special Revenue  
Combining Balance Sheet  
For the Year Ended June 30, 2010  
(With comparative totals for 2009)

	<u>Schoolyard Habitat Program N.P. Middle</u>	<u>PLATO Professional Development</u>	<u>Title IA School Improvement Hunter 1003 (G)</u>	<u>Schoolyard Habitat Program Two Rivers</u>
<b><u>ASSETS</u></b>				
Equity in central treasury cash	\$	\$	\$	\$ 224
Accounts receivable:				
Local				
State			20,515	
Federal	3,737	8,874		
Total assets	<u>\$ 3,737</u>	<u>\$ 8,874</u>	<u>\$ 20,515</u>	<u>\$ 224</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$	\$	\$	\$
Deferred revenue				224
Due to other funds	3,737	8,874	20,515	
Due to external groups and agencies				
Total liabilities	<u>3,737</u>	<u>8,874</u>	<u>20,515</u>	<u>224</u>
Fund balances:				
Reserved for:				
Encumbrances	55			
Unreserved	(55)			
Total fund balances	<u></u>	<u></u>	<u></u>	<u></u>
Total liabilities and fund balances	<u>\$ 3,737</u>	<u>\$ 8,874</u>	<u>\$ 20,515</u>	<u>\$ 224</u>

ARRA Title IA 10% Professional Development	ARRA Title IID Technology	Youth Risk Behavior Survey	ARRA Stabilization Programs	Totals	
				2010	2009
\$	\$	\$ 1,920	\$	\$ 3,538	\$ 442,835
					97
655,552	119,169		1,187,440	7,965,629	3,826,339
				319,424	303,106
<u>\$ 655,552</u>	<u>\$ 119,169</u>	<u>\$ 1,920</u>	<u>\$ 1,187,440</u>	<u>\$ 8,288,591</u>	<u>\$ 4,572,377</u>
\$ 6,279	\$	\$ 1,920	\$ 358,347	\$ 477,071	\$ 99,731
				2,279	2,395
649,273	119,169		829,093	7,807,847	4,024,044
				519	5,421
<u>655,552</u>	<u>119,169</u>	<u>1,920</u>	<u>1,187,440</u>	<u>8,287,716</u>	<u>4,131,591</u>
279			11,368	22,381	98,015
(279)			(11,368)	(21,506)	342,771
				875	440,786
<u>\$ 655,552</u>	<u>\$ 119,169</u>	<u>\$ 1,920</u>	<u>\$ 1,187,440</u>	<u>\$ 8,288,591</u>	<u>\$ 4,572,377</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, 2010

(With comparative totals for 2009)

	<b>Alaska Native Education</b>	<b>Title IA Basic Program</b>	<b>Title ID State Operated</b>	<b>Title IC Migrant Education</b>
Revenues:				
Revenue from local sources:				
Other local revenue	\$	\$	\$	\$
Revenue from federal sources:				
Direct	511,491			
Through the State of Alaska		2,225,486	25,616	215,641
Other intermediate agencies				
Total federal sources	511,491	2,225,486	25,616	215,641
Total revenues	511,491	2,225,486	25,616	215,641
Expenditures - current:				
Instruction	480,589	2,091,753	24,068	202,678
Special education instruction				
Support services - students				
Support services - instruction				
School administration support services				
District administration				
District administration support services	30,902	133,733	1,548	12,963
Food services				
Total expenditures	511,491	2,225,486	25,616	215,641
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

<b>Drug Free Schools</b>	<b>Carl Perkins Basic Grant</b>	<b>Air Force ROTC - North Pole HS</b>	<b>Air Force ROTC- Ben Eielson Jr/Sr</b>	<b>Title IIIA English Language</b>	<b>At Risk Youth Transitions</b>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
118,073	370,213			34,547	117,928
		3,641	4,147		
<u>118,073</u>	<u>370,213</u>	<u>3,641</u>	<u>4,147</u>	<u>34,547</u>	<u>117,928</u>
<u>118,073</u>	<u>370,213</u>	<u>3,641</u>	<u>4,147</u>	<u>34,547</u>	<u>117,928</u>
115,758	353,687	3,641	4,147	33,986	110,803
2,315	16,526			561	7,125
<u>118,073</u>	<u>370,213</u>	<u>3,641</u>	<u>4,147</u>	<u>34,547</u>	<u>117,928</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, 2010

(With comparative totals for 2009)

	<b>Title IA 20% Choice &amp; Supplemental</b>	<b>ARRA Title IA Basic Program</b>	<b>IDEA, Part B Title VI-B</b>	<b>IDEA, Part B Preschool Disabled</b>
Revenues:				
Revenue from local sources:				
Other local revenue	\$	\$	\$	\$
Revenue from federal sources:				
Direct				
Through the State of Alaska	355,993	51,948	3,792,787	99,729
Other intermediate agencies				
Total federal sources	355,993	51,948	3,792,787	99,729
Total revenues	355,993	51,948	3,792,787	99,729
Expenditures - current:				
Instruction	334,486	48,810		
Special education instruction			3,563,645	93,704
Support services - students				
Support services - instruction				
School administration support services				
District administration				
District administration support services	21,507	3,138	229,142	6,025
Food services				
Total expenditures	355,993	51,948	3,792,787	99,729
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

<b>ARRA IDEA, Part B Title VI-B</b>	<b>ARRA IDEA, Part B Preschool Disabled</b>	<b>Options Child Care Grant</b>	<b>Alaska Community Learning Centers</b>	<b>Mentoring for Success</b>	<b>Title IA 1% Parent Involvement</b>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 66,813</u>	<u>\$</u>	<u>\$</u>
1,742,345	39,781	1,631	1,255,305	158,433	24,464
<u>1,742,345</u>	<u>39,781</u>	<u>1,631</u>	<u>1,255,305</u>	<u>158,433</u>	<u>24,464</u>
<u>1,742,345</u>	<u>39,781</u>	<u>1,631</u>	<u>1,322,118</u>	<u>158,433</u>	<u>24,464</u>
1,637,081	37,378	2,605	1,246,278	149,337	22,986
105,264	2,403		75,840	9,096	1,478
<u>1,742,345</u>	<u>39,781</u>	<u>2,605</u>	<u>1,322,118</u>	<u>158,433</u>	<u>24,464</u>
		(974)			
		1,849			
<u>\$</u>	<u>\$</u>	<u>\$ 875</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, 2010

(With comparative totals for 2009)

	<b>Migrant Education Parent Advisory Council</b>	<b>DOD Education Activity</b>	<b>Migrant Education Book Program</b>	<b>ARRA Title IA 1% Parent Involvement</b>
Revenues:				
Revenue from local sources:				
Other local revenue	\$	\$	\$	\$
Revenue from federal sources:				
Direct		396,609		
Through the State of Alaska	3,523		4,769	1,800
Other intermediate agencies				
Total federal sources	3,523	396,609	4,769	1,800
Total revenues	3,523	396,609	4,769	1,800
Expenditures - current:				
Instruction				
Special education instruction				
Support services - students	3,310	396,609	4,481	1,691
Support services - instruction				
School administration support services				
District administration				
District administration support services	213		288	109
Food services				
Total expenditures	3,523	396,609	4,769	1,800
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

<b>Title II Math/Science</b>	<b>Title IID Technology</b>	<b>Learning Styles Center</b>	<b>Alaska Reading First</b>	<b>Title IA District Improvement 10%</b>	<b>Title I School Improvement</b>
\$	\$	\$	\$	\$	\$
1,451,456	54,586	939	2,817	214,584	47,812
1,451,456	54,586	939	2,817	214,584	47,812
1,451,456	54,586	939	2,817	214,584	47,812
1,363,811	51,288	939	2,722	201,620	44,923
87,645	3,298		95	12,964	2,889
1,451,456	54,586	939	2,817	214,584	47,812
\$	\$	\$	\$	\$	\$

(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, 2010

(With comparative totals for 2009)

	<b>Project ARTiculate</b>	<b>Teaching American History</b>	<b>Schoolyard Habitat Program N.P. Middle</b>	<b>PLATO Professional Development</b>
Revenues:				
Revenue from local sources:				
Other local revenue	\$	\$	\$	\$
Revenue from federal sources:				
Direct	(221)	(418)	7,717	11,169
Through the State of Alaska				
Other intermediate agencies				
Total federal sources	(221)	(418)	7,717	11,169
Total revenues	(221)	(418)	7,717	11,169
Expenditures - current:				
Instruction				
Special education instruction				
Support services - students				
Support services - instruction	(221)	(418)	7,026	10,495
School administration support services				
District administration				
District administration support services			691	674
Food services				
Total expenditures	(221)	(418)	7,717	11,169
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

<b>Title IA School Improvement Hunter 1003 (G)</b>	<b>Schoolyard Habitat Program Two Rivers</b>	<b>ARRA Title VIII Construction</b>	<b>ARRA Title IA 10% Professional Development</b>	<b>ARRA Title IID Technology</b>	<b>ARRA National School Lunch Program</b>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
20,515	14,776		1,080,967	119,169	2,619
<u>20,515</u>	<u>14,776</u>		<u>1,080,967</u>	<u>119,169</u>	<u>2,619</u>
<u>20,515</u>	<u>14,776</u>		<u>1,080,967</u>	<u>119,169</u>	<u>2,619</u>
19,276	13,885	438,937	1,015,660	111,969	
1,239	891		65,307	7,200	2,619
<u>20,515</u>	<u>14,776</u>	<u>438,937</u>	<u>1,080,967</u>	<u>119,169</u>	<u>2,619</u>
		(438,937)			
		438,937			
<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, 2010

(With comparative totals for 2009)

	ARRA Stabilization Programs	Totals	
		2010	2009
Revenues:			
Revenue from local sources:			
Other local revenue	\$	\$ 66,813	\$ 73,749
Revenue from federal sources:			
Direct		1,099,556	1,121,094
Through the State of Alaska	4,021,797	17,497,901	10,811,492
Other intermediate agencies		8,727	(21,665)
Total federal sources	4,021,797	18,606,184	11,910,921
Total revenues	4,021,797	18,672,997	11,984,670
Expenditures - current:			
Instruction	1,872,825	5,677,231	3,827,899
Special education instruction		5,331,808	2,870,067
Support services - students	767,584	2,594,881	1,353,532
Support services - instruction	508,466	3,790,378	2,852,918
School administration support services			5,080
District administration			(6,200)
District administration support services	872,922	1,715,991	668,883
Food services		2,619	
Total expenditures	4,021,797	19,112,908	11,572,179
Net change in fund balances		(439,911)	412,491
Fund balances - beginning		440,786	28,295
Fund balances - ending	\$	\$ 875	\$ 440,786

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**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Major Governmental Fund

Federal Programs Special Revenue

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

For the Year Ended June 30, 2010

(With comparative totals for 2009)

	<b>Alaska Native Education</b>	<b>Title IA Basic Program</b>	<b>Title ID State Operated</b>	<b>Title IC Migrant Education</b>
<b>Revenues:</b>				
Revenue from local sources:				
Other local revenue	\$	\$	\$	\$
Revenue from federal sources:				
Direct	511,491			
Through the State of Alaska		2,225,486	25,616	215,641
Other intermediate agencies				
Total federal sources	511,491	2,225,486	25,616	215,641
Total revenues	511,491	2,225,486	25,616	215,641
<b>Expenditures - current:</b>				
Salaries and fringe benefits:				
Certificated salaries	77,688	483,599		
Non-certificated salaries	223,886	746,389	12,914	101,447
Employee benefits	147,850	555,388	6,935	48,393
Total salaries and fringe benefits	449,424	1,785,376	19,849	149,840
Materials, supplies, services and other:				
Professional and technical services	2,704	29,426		25,955
Staff travel	7,132	60,530		4,453
Student travel		11,471		
Other purchased services	679	85		
Supplies, materials and media	20,650	192,965	4,219	22,430
Tuition and stipends				
Other expenses				
Indirect costs	30,902	133,733	1,548	12,963
Total materials, supplies, services and other	62,067	428,210	5,767	65,801
Capital outlay:				
Equipment				
Other capital outlay expenses		11,900		
Total capital outlay		11,900		
Total expenditures	511,491	2,225,486	25,616	215,641
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

<b>Drug Free Schools</b>	<b>Carl Perkins Basic Grant</b>	<b>Air Force ROTC - North Pole HS</b>	<b>Air Force ROTC- Ben Eielson Jr/Sr</b>	<b>Title IIIA English Language</b>	<b>At Risk Youth Transitions</b>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
118,073	370,213			34,547	117,928
		3,641	4,147		
<u>118,073</u>	<u>370,213</u>	<u>3,641</u>	<u>4,147</u>	<u>34,547</u>	<u>117,928</u>
<u>118,073</u>	<u>370,213</u>	<u>3,641</u>	<u>4,147</u>	<u>34,547</u>	<u>117,928</u>
	9,571			7,237	1,875
33,378	76,769			3,274	61,634
<u>18,732</u>	<u>42,859</u>			<u>2,605</u>	<u>33,632</u>
<u>52,110</u>	<u>129,199</u>			<u>13,116</u>	<u>97,141</u>
20,705	40,314			450	4,386
7,727	19,242			6,210	135
473	29,538	1,884	2,902	187	
4,650					
30,093	112,179	1,757	1,245	8,073	9,141
	45				
2,315	16,526			561	7,125
<u>65,963</u>	<u>217,844</u>	<u>3,641</u>	<u>4,147</u>	<u>15,481</u>	<u>20,787</u>
	23,170				
				5,950	
	<u>23,170</u>			<u>5,950</u>	
<u>118,073</u>	<u>370,213</u>	<u>3,641</u>	<u>4,147</u>	<u>34,547</u>	<u>117,928</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, 2010

(With comparative totals for 2009)

	<b>Title IA 20% Choice &amp; Supplemental</b>	<b>ARRA Title IA Basic Program</b>	<b>IDEA, Part B Title VI-B</b>	<b>IDEA, Part B Preschool Disabled</b>
<b>Revenues:</b>				
Revenue from local sources:				
Other local revenue	\$	\$	\$	\$
Revenue from federal sources:				
Direct				
Through the State of Alaska	355,993	51,948	3,792,787	99,729
Other intermediate agencies				
Total federal sources	355,993	51,948	3,792,787	99,729
Total revenues	355,993	51,948	3,792,787	99,729
<b>Expenditures - current:</b>				
Salaries and fringe benefits:				
Certificated salaries			351,459	
Non-certificated salaries		11,954	1,441,769	56,222
Employee benefits		6,473	790,024	29,402
Total salaries and fringe benefits		18,427	2,583,252	85,624
Materials, supplies, services and other:				
Professional and technical services	301,640		423,332	
Staff travel			9,909	1,913
Student travel	32,846			
Other purchased services			285	
Supplies, materials and media		30,383	537,502	6,167
Tuition and stipends				
Other expenses			9,365	
Indirect costs	21,507	3,138	229,142	6,025
Total materials, supplies, services and other	355,993	33,521	1,209,535	14,105
Capital outlay:				
Equipment				
Other capital outlay expenses				
Total capital outlay				
Total expenditures	355,993	51,948	3,792,787	99,729
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

ARRA IDEA, Part B Title VI-B	ARRA IDEA, Part B Preschool Disabled	Options Child Care Grant	Alaska Community Learning Centers	Mentoring for Success	Title IA 1% Parent Involvement
\$	\$	\$	\$ 66,813	\$	\$
1,742,345	39,781	1,631	1,255,305	158,433	24,464
1,742,345	39,781	1,631	1,255,305	158,433	24,464
1,742,345	39,781	1,631	1,322,118	158,433	24,464
438,421			237,076		4,573
402,732			565,133	14,823	2,151
361,445			251,693	7,947	898
1,202,598			1,053,902	22,770	7,622
99,326	10,383	2,011	23,110	124,225	1,041
28,463			39,922	2,335	
			33,696		
			4,531		
306,694	26,995	594	90,901	7	14,323
			216		
105,264	2,403		75,840	9,096	1,478
539,747	39,781	2,605	268,216	135,663	16,842
1,742,345	39,781	2,605	1,322,118	158,433	24,464
		(974)			
		1,849			
\$	\$	\$ 875	\$	\$	\$

(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, 2010

(With comparative totals for 2009)

	<b>Migrant Education Parent Advisory Council</b>	<b>DOD Education Activity</b>	<b>Migrant Education Book Program</b>	<b>ARRA Title IA 1% Parent Involvement</b>
Revenues:				
Revenue from local sources:				
Other local revenue	\$	\$	\$	\$
Revenue from federal sources:				
Direct		396,609		
Through the State of Alaska	3,523		4,769	1,800
Other intermediate agencies				
Total federal sources	3,523	396,609	4,769	1,800
Total revenues	3,523	396,609	4,769	1,800
Expenditures - current:				
Salaries and fringe benefits:				
Certificated salaries		3,523		
Non-certificated salaries		42,829		48
Employee benefits		21,642		4
Total salaries and fringe benefits		67,994		52
Materials, supplies, services and other:				
Professional and technical services		135,706		
Staff travel	3,310	2,526		
Student travel		1,295		
Other purchased services				
Supplies, materials and media		189,088	4,481	1,639
Tuition and stipends				
Other expenses				
Indirect costs	213		288	109
Total materials, supplies, services and other	3,523	328,615	4,769	1,748
Capital outlay:				
Equipment				
Other capital outlay expenses				
Total capital outlay				
Total expenditures	3,523	396,609	4,769	1,800
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

<u>Title II Math/Science</u>	<u>Title IID Technology</u>	<u>Learning Styles Center</u>	<u>Alaska Reading First</u>	<u>Title IA District Improvement 10%</u>	<u>Title I School Improvement</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
1,451,456	54,586	939	2,817	214,584	47,812
<u>1,451,456</u>	<u>54,586</u>	<u>939</u>	<u>2,817</u>	<u>214,584</u>	<u>47,812</u>
<u>1,451,456</u>	<u>54,586</u>	<u>939</u>	<u>2,817</u>	<u>214,584</u>	<u>47,812</u>
760,582	34,616			18,307	6,600
152,199		871		71,343	4,345
358,148	12,963	68		24,497	579
<u>1,270,929</u>	<u>47,579</u>	<u>939</u>		<u>114,147</u>	<u>11,524</u>
40,633				58,708	10,250
24,632				14,147	
1,360				605	
23,066	3,709		2,722	13,814	23,149
3,191				199	
87,645	3,298		95	12,964	2,889
<u>180,527</u>	<u>7,007</u>		<u>2,817</u>	<u>100,437</u>	<u>36,288</u>
<u>1,451,456</u>	<u>54,586</u>	<u>939</u>	<u>2,817</u>	<u>214,584</u>	<u>47,812</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, 2010

(With comparative totals for 2009)

	<b>Project ARTiculate</b>	<b>Teaching American History</b>	<b>Schoolyard Habitat Program N.P. Middle</b>	<b>PLATO Professional Development</b>
Revenues:				
Revenue from local sources:				
Other local revenue	\$	\$	\$	\$
Revenue from federal sources:				
Direct	(221)	(418)	7,717	11,169
Through the State of Alaska				
Other intermediate agencies				
Total federal sources	(221)	(418)	7,717	11,169
Total revenues	(221)	(418)	7,717	11,169
Expenditures - current:				
Salaries and fringe benefits:				
Certificated salaries				
Non-certificated salaries				1,492
Employee benefits				712
Total salaries and fringe benefits				2,204
Materials, supplies, services and other:				
Professional and technical services		(418)		
Staff travel			2,766	
Student travel				
Other purchased services				
Supplies, materials and media	(221)		4,260	8,291
Tuition and stipends				
Other expenses				
Indirect costs			691	674
Total materials, supplies, services and other	(221)	(418)	7,717	8,965
Capital outlay:				
Equipment				
Other capital outlay expenses				
Total capital outlay				
Total expenditures	(221)	(418)	7,717	11,169
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

<b>Title IA School Improvement Hunter 1003 (G)</b>	<b>Schoolyard Habitat Program Two Rivers</b>	<b>ARRA Title VIII Construction</b>	<b>ARRA Title IA 10% Professional Development</b>	<b>ARRA Title IID Technology</b>	<b>ARRA National School Lunch Program</b>
\$	\$	\$	\$	\$	\$
20,515	14,776		1,080,967	119,169	2,619
20,515	14,776		1,080,967	119,169	2,619
20,515	14,776		1,080,967	119,169	2,619
2,263			658,251	34,616	
1,286			26,891		
384			265,145	12,963	
3,933			950,287	47,579	
12,250	2,980		1,825		
	207		17,731	13,321	
	4,750				
3,093	5,948	299,470	45,817	51,069	2,619
1,239	891		65,307	7,200	
16,582	14,776	299,470	130,680	71,590	2,619
		139,467			
		139,467			
20,515	14,776	438,937	1,080,967	119,169	2,619
		(438,937)			
		438,937			
\$	\$	\$	\$	\$	\$

(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, 2010

(With comparative totals for 2009)

	ARRA Stabilization Programs	Totals 2010	2009
Revenues:			
Revenue from local sources:			
Other local revenue	\$	\$ 66,813	\$ 73,749
Revenue from federal sources:			
Direct		1,099,556	1,121,094
Through the State of Alaska	4,021,797	17,497,901	10,811,492
Other intermediate agencies		8,727	(21,665)
Total federal sources	4,021,797	18,606,184	11,910,921
Total revenues	4,021,797	18,672,997	11,984,670
Expenditures - current:			
Salaries and fringe benefits:			
Certificated salaries	112,649	3,242,906	2,094,979
Non-certificated salaries	651,616	4,707,395	3,924,077
Employee benefits	354,605	3,355,986	2,220,472
Total salaries and fringe benefits	1,118,870	11,306,287	8,239,528
Materials, supplies, services and other:			
Professional and technical services	350,054	1,720,996	823,426
Staff travel	32,067	298,471	380,358
Student travel		114,499	100,562
Other purchased services	1,610	18,555	14,771
Supplies, materials and media	1,848,395	3,946,727	1,214,649
Tuition and stipends			9,421
Other expenses		13,016	114,636
Indirect costs	215,470	1,058,539	668,883
Total materials, supplies, services and other	2,447,596	7,170,803	3,326,706
Capital outlay:			
Equipment	129,456	292,093	5,945
Other capital outlay expenses	325,875	343,725	
Total capital outlay	455,331	635,818	5,945
Total expenditures	4,021,797	19,112,908	11,572,179
Net change in fund balances		(439,911)	412,491
Fund balances - beginning		440,786	28,295
Fund balances - ending	\$	\$ 875	\$ 440,786

**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, 2010

	<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>	<u>Positive</u>
					<u>(Negative)</u>
Revenues:					
Revenue from local sources:					
Other local revenue	\$	\$	\$ 66,813	\$ 66,813	\$ 66,813
Revenue from federal sources:					
Direct	1,202,253	1,436,105	1,099,556	1,044,694	(391,411)
Through the State of Alaska	24,685,633	27,954,889	17,497,901	17,477,129	(10,477,760)
Other intermediate agencies	3,679	3,679	8,727	8,727	5,048
	<u>25,891,565</u>	<u>29,394,673</u>	<u>18,606,184</u>	<u>18,530,550</u>	<u>(10,864,123)</u>
Total revenues	<u>25,891,565</u>	<u>29,394,673</u>	<u>18,672,997</u>	<u>18,597,363</u>	<u>(10,797,310)</u>
Expenditures - current:					
Salaries and fringe benefits:					
Certificated salaries	5,208,906	4,656,119	3,242,906	3,242,906	1,413,213
Non-certificated salaries	6,297,338	6,213,087	4,707,395	4,707,395	1,505,692
Employee benefits	4,795,326	4,558,465	3,355,986	3,355,986	1,202,479
Total salaries and fringe benefits	<u>16,301,570</u>	<u>15,427,671</u>	<u>11,306,287</u>	<u>11,306,287</u>	<u>4,121,384</u>
Materials, supplies, services and other:					
Professional and technical services	2,486,934	3,732,348	1,720,996	1,665,423	2,066,925
Staff travel	451,663	655,611	298,471	298,471	357,140
Student travel	263,627	263,763	114,499	114,499	149,264
Other purchased services	176,960	83,605	18,555	18,555	65,050
Supplies, materials and media	5,049,393	6,766,244	3,946,727	3,926,756	2,839,488
Tuition and stipends	183,000				
Other expenses	25,889	29,510	13,016	12,926	16,584
Indirect costs	1,475,343	1,672,417	1,058,539	1,058,539	613,878
Total materials, supplies, services and other	<u>10,112,809</u>	<u>13,203,498</u>	<u>7,170,803</u>	<u>7,095,169</u>	<u>6,108,329</u>
Capital outlay:					
Equipment	521,691	412,742	292,093	292,093	120,649
Other capital outlay expenses	840,830	787,850	343,725	343,725	444,125
Total capital outlay	<u>1,362,521</u>	<u>1,200,592</u>	<u>635,818</u>	<u>635,818</u>	<u>564,774</u>
Total expenditures	<u>27,776,900</u>	<u>29,831,761</u>	<u>19,112,908</u>	<u>19,037,274</u>	<u>10,794,487</u>
Net change in fund balance	<u>\$ (1,885,335)</u>	<u>\$ (437,088)</u>	<u>(439,911)</u>	<u>\$ (439,911)</u>	<u>\$ (2,823)</u>
Fund balance - beginning			440,786		
Fund balance - ending			<u>\$ 875</u>		

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Major Governmental Fund  
Student Transportation Special Revenue  
Balance Sheet  
June 30, 2010  
(With comparative totals for 2009)

	<b>Totals</b>	
	<b>2010</b>	<b>2009</b>
<b><u>ASSETS</u></b>		
Equity in central treasury cash	<u>\$ 731,139</u>	<u>\$ 508,967</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable	<u>\$ 30,943</u>	<u>\$ 65,872</u>
Fund balances:		
Reserved for:		
Encumbrances		1,441
Unreserved	<u>700,196</u>	<u>441,654</u>
Total fund balance	<u>700,196</u>	<u>443,095</u>
Total liabilities and fund balance	<u>\$ 731,139</u>	<u>\$ 508,967</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, 2010  
(With comparative totals for 2009)

	<b>Totals</b>	
	<b>2010</b>	<b>2009</b>
Revenues:		
Revenue from local sources:		
Other local revenue	\$	\$ 17,300
Revenue from state sources	9,898,790	9,242,070
Total revenues	9,898,790	9,259,370
Expenditures - current:		
Salaries and fringe benefits:		
Non-certificated salaries	158,690	188,892
Employee benefits	85,621	99,981
Total salaries and fringe benefits	244,311	288,873
Materials, supplies, services and other:		
Professional and technical services	5,500	349
Staff travel	688	2,587
Other purchased services	9,615,353	9,192,829
Supplies, materials and media	8,077	3,228
Other expenses		150
Total materials, supplies, services and other	9,629,618	9,199,143
Total expenditures	9,873,929	9,488,016
Excess (deficiency) of revenues over expenditures	24,861	(228,646)
Other financing sources:		
Transfers in	232,240	439,820
Net change in fund balance	257,101	211,174
Fund balance - beginning	443,095	231,921
Fund balance - ending	\$ 700,196	\$ 443,095



**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, 2010

	<b>Budgeted Amounts</b>			<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>		
Revenues:					
Revenue from state sources	\$ 9,777,080	\$ 9,777,080	\$ 9,898,790	\$ 9,897,349	\$ 120,269
Expenditures - current:					
Salaries and fringe benefits:					
Non-certificated salaries	162,848	162,848	158,690	158,690	4,158
Employee benefits	87,938	87,938	85,621	85,621	2,317
Total salaries and fringe benefits	250,786	250,786	244,311	244,311	6,475
Materials, supplies, services and other:					
Professional and technical services	7,000	7,000	5,500	5,500	1,500
Staff travel	5,000	5,000	688	688	4,312
Other purchased services	9,894,334	9,894,334	9,615,353	9,613,912	280,422
Supplies, materials and media	3,200	3,200	8,077	8,077	(4,877)
Total materials, supplies, services and other	9,909,534	9,909,534	9,629,618	9,628,177	281,357
Total expenditures	10,160,320	10,160,320	9,873,929	9,872,488	287,832
Excess (deficiency) of revenues over expenditures	(383,240)	(383,240)	24,861	24,861	408,101
Other financing sources:					
Transfers in	383,240	232,240	232,240	232,240	
Net change in fund balance	\$	\$ (151,000)	257,101	\$ 257,101	\$ 408,101
Fund balance - beginning			443,095		
Fund balance - ending			\$ 700,196		

# **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, 2010  
(With comparative totals for 2009)

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals</u>	
			<u>2010</u>	<u>2009</u>
<b><u>ASSETS</u></b>				
Equity in central treasury cash	\$ 2,399,077	\$ 485,831	\$ 2,884,908	\$ 2,936,518
Accounts receivable:				
Local	127		127	2,400
State	101,825		101,825	143,193
Federal		323,187	323,187	
Due from Fairbanks North Star Borough	4,318		4,318	180,170
Inventories	676,166		676,166	299,715
Total assets	<u>\$ 3,181,513</u>	<u>\$ 809,018</u>	<u>\$ 3,990,531</u>	<u>\$ 3,561,996</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ 55,283	\$ 77,887	\$ 133,170	\$ 51,796
Deferred revenue	9,332		9,332	15,854
Due to other funds	868,644		868,644	303,553
Due to external groups and agencies	32		32	
Total liabilities	<u>933,291</u>	<u>77,887</u>	<u>1,011,178</u>	<u>371,203</u>
Fund balances:				
Reserved for:				
Encumbrances	1,890	237,453	239,343	270,247
Inventories	676,166		676,166	299,715
Unreserved	1,570,166	493,678	2,063,844	2,620,831
Total fund balances	<u>2,248,222</u>	<u>731,131</u>	<u>2,979,353</u>	<u>3,190,793</u>
Total liabilities and fund balances	<u>\$ 3,181,513</u>	<u>\$ 809,018</u>	<u>\$ 3,990,531</u>	<u>\$ 3,561,996</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 20, 2010

(With comparative totals for 2009)

	Special Revenue	Capital Projects	Total	
			2010	2009
Revenues:				
Revenue from local sources:				
Food service	\$ 2,010,908	\$	\$ 2,010,908	\$ 2,162,348
Other local revenue	2,664,326	7,114	2,671,440	2,672,663
Total local sources	4,675,234	7,114	4,682,348	4,835,011
Revenue from state sources	638,401	39,570	677,971	927,197
Revenue from federal sources:				
Direct				2,423,525
Through the State of Alaska	2,800,481	323,187	3,123,668	2,705,097
Total federal sources	2,800,481	323,187	3,123,668	5,128,622
Total revenues	8,114,116	369,871	8,483,987	10,890,830
Expenditures:				
Current:				
Instruction	1,148,780		1,148,780	1,818,069
Support services - students	3,000		3,000	6,991
Support services - instruction	347,703		347,703	443,447
School administration	56,499		56,499	30,342
District administration support services	6,858		6,858	5,588
Student activities	2,462,317		2,462,317	2,433,358
Adult and continuing education instruction	321		321	5,118
Food services	5,249,484		5,249,484	4,829,664
Total current	9,274,962		9,274,962	9,572,577
Debt service:				
Interest	46,119		46,119	40,458
Principal	414,306		414,306	419,967
Total debt service	460,425		460,425	460,425
Capital outlay		186,110	186,110	3,969,640
Total expenditures	9,735,387	186,110	9,921,497	14,002,642
Deficiency of revenues over expenditures	(1,621,271)	183,761	(1,437,510)	(3,111,812)
Other financing sources (uses):				
Proceeds from sale of capital assets				880
Issuance of capital leases				528,173
Transfers in	1,226,070	485,836	1,711,906	1,244,170
Transfers out		(485,836)	(485,836)	(193,969)
Total other financing sources (uses)	1,226,070		1,226,070	1,579,254
Net change in fund balances	(395,201)	183,761	(211,440)	(1,532,558)
Fund balances - beginning	2,643,423	547,370	3,190,793	4,723,351
Fund balances - ending	\$ 2,248,222	\$ 731,131	\$ 2,979,353	\$ 3,190,793

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# NONMAJOR SPECIAL REVENUE FUNDS

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

**Community Schools** – accounts for the costs of organizing and coordinating programs for community education.

**State Programs** – accounts for transactions of programs funded by nonfederal state 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, 2010

(With comparative totals for 2009)

	<u>Local Programs</u>	<u>Community Schools</u>	<u>State Programs</u>
<b><u>ASSETS</u></b>			
Equity in central treasury cash	\$ 735,363	\$ 946	\$ 75,234
Accounts receivable:			
Local	127		
State			101,825
Due from Fairbanks North Star Borough			4,318
Inventories			
Total assets	<u>\$ 735,490</u>	<u>\$ 946</u>	<u>\$ 181,377</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 2,287	\$	\$ 2,375
Deferred revenue	9,332		
Due to other funds	127		103,768
Due to external groups and agencies			32
Total liabilities	<u>11,746</u>		<u>106,175</u>
Fund balances:			
Reserved for:			
Encumbrances	540		864
Inventories			
Unreserved	<u>723,204</u>	<u>946</u>	<u>74,338</u>
Total fund balances (deficit)	<u>723,744</u>	<u>946</u>	<u>75,202</u>
Total liabilities and fund balances	<u>\$ 735,490</u>	<u>\$ 946</u>	<u>\$ 181,377</u>



Food Service	School Activities	Totals	
		2010	2009
\$	\$ 1,587,534	\$ 2,399,077	\$ 2,389,148
		127	2,400
		101,825	143,193
		4,318	171,761
676,166		676,166	299,715
<u>\$ 676,166</u>	<u>\$ 1,587,534</u>	<u>\$ 3,181,513</u>	<u>\$ 3,006,217</u>
\$ 152	\$ 50,469	\$ 55,283	\$ 50,427
		9,332	15,854
764,749		868,644	296,513
		32	
<u>764,901</u>	<u>50,469</u>	<u>933,291</u>	<u>362,794</u>
486		1,890	233,146
676,166		676,166	299,715
<u>(765,387)</u>	<u>1,537,065</u>	<u>1,570,166</u>	<u>2,110,562</u>
<u>(88,735)</u>	<u>1,537,065</u>	<u>2,248,222</u>	<u>2,643,423</u>
<u>\$ 676,166</u>	<u>\$ 1,587,534</u>	<u>\$ 3,181,513</u>	<u>\$ 3,006,217</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, 2010  
(With comparative totals for 2009)

	<u>Local Programs</u>	<u>Community Schools</u>	<u>State Programs</u>
Revenues:			
Revenue from local sources:			
Food service	\$	\$	\$
Other local revenue	265,043		
Total local sources	265,043		
Revenue from state sources			638,401
Revenue from federal sources:			
Through the State of Alaska	9,889		
Total revenues	274,932		638,401
Expenditures:			
Current:			
Instruction	327,524		821,256
Support services - students	3,000		
Support services - instruction	129,304		218,399
School administration	56,499		
District administration support services			6,858
Student activities	1,898		
Adult and continuing education instruction		321	
Food services			
Total current	518,225	321	1,046,513
Debt service:			
Interest	46,119		
Principal	414,306		
Total debt service	460,425		
Total expenditures	978,650	321	1,046,513
Deficiency of revenues over expenditures	(703,718)	(321)	(408,112)
Other financing sources:			
Proceeds from sale of capital assets			
Issuance of capital leases			
Transfers in	760,000		466,070
Total other financing sources	760,000		466,070
Net change in fund balances	56,282	(321)	57,958
Fund balances - beginning	667,462	1,267	17,244
Fund balances (deficit) - ending	\$ 723,744	\$ 946	\$ 75,202

Food Service	School Activities	Totals	
		2010	2009
\$ 2,010,908	\$ 2,399,283	\$ 2,010,908	\$ 2,162,348
		2,664,326	2,624,107
2,010,908	2,399,283	4,675,234	4,786,455
		638,401	916,767
2,790,592		2,800,481	2,672,479
4,801,500	2,399,283	8,114,116	8,375,701
		1,148,780	1,818,069
		3,000	6,991
		347,703	443,447
		56,499	30,342
		6,858	5,588
	2,460,419	2,462,317	2,433,358
		321	5,118
5,249,484		5,249,484	4,829,664
5,249,484	2,460,419	9,274,962	9,572,577
		46,119	40,458
		414,306	419,967
		460,425	460,425
5,249,484	2,460,419	9,735,387	10,033,002
(447,984)	(61,136)	(1,621,271)	(1,657,301)
			880
			528,173
		1,226,070	1,169,170
		1,226,070	1,698,223
(447,984)	(61,136)	(395,201)	40,922
359,249	1,598,201	2,643,423	2,602,501
\$ (88,735)	\$ 1,537,065	\$ 2,248,222	\$ 2,643,423

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Local Programs

Combining Balance Sheet

June 30, 2010

(With comparative totals for 2009)

	<u>Options Day Care</u>	<u>TILT Grant: Caribou Mysteries</u>	<u>Miscellaneous Local Grants</u>	<u>One-to-One Digital Initiative</u>
<b><u>ASSETS</u></b>				
Equity in central treasury cash	\$ 6,767	\$ 14	\$ 325	\$ 66,770
Accounts receivable:				
Local				
Due from Fairbanks North Star Borough				
Total assets	<u>\$ 6,767</u>	<u>\$ 14</u>	<u>\$ 325</u>	<u>\$ 66,770</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$	\$	\$	\$
Deferred revenue		14		
Due to other funds				
Total liabilities		<u>14</u>		
Fund balances:				
Reserved for:				
Encumbrances				
Unreserved	<u>6,767</u>		<u>325</u>	<u>66,770</u>
Total fund balances	<u>6,767</u>		<u>325</u>	<u>66,770</u>
Total liabilities and fund balances	<u>\$ 6,767</u>	<u>\$ 14</u>	<u>\$ 325</u>	<u>\$ 66,770</u>

<u>Technology Fund</u>	<u>Partners in Science (Murdock)</u>	<u>Taget Field Trip Program</u>	<u>Substance Use Prevention</u>	<u>Langston Family Foundation</u>	<u>United Way SAI Funds</u>
\$ 372,274	\$ 106	\$ 300	\$ 409	\$ 600	\$ 35
<u>\$ 372,274</u>	<u>\$ 106</u>	<u>\$ 300</u>	<u>\$ 409</u>	<u>\$ 600</u>	<u>\$ 35</u>
\$	\$	\$	\$	\$	\$
	106	300	409	600	35
<u></u>	<u>106</u>	<u>300</u>	<u>409</u>	<u>600</u>	<u>35</u>
372,274				540	
<u>372,274</u>				<u>(540)</u>	
<u>\$ 372,274</u>	<u>\$ 106</u>	<u>\$ 300</u>	<u>\$ 409</u>	<u>\$ 600</u>	<u>\$ 35</u>

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Local Programs

Combining Balance Sheet

June 30, 2010

(With comparative totals for 2009)

	<u>Quota International of Fairbanks</u>	<u>Curriculum Staff Development</u>	<u>Rose Urban Rural Exchange</u>	<u>Engineering ACTE Implementation</u>
<b><u>ASSETS</u></b>				
Equity in central treasury cash	\$ 1,500	\$ 133,768	\$	\$ 5,658
Accounts receivable:				
Local			127	
Due from Fairbanks North Star Borough				
Total assets	<u>\$ 1,500</u>	<u>\$ 133,768</u>	<u>\$ 127</u>	<u>\$ 5,658</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$	\$	\$	\$
Deferred revenue	1,500			5,658
Due to other funds			127	
Total liabilities	<u>1,500</u>		<u>127</u>	<u>5,658</u>
Fund balances:				
Reserved for:				
Encumbrances				
Unreserved		133,768		
Total fund balances		<u>133,768</u>		
Total liabilities and fund balances	<u>\$ 1,500</u>	<u>\$ 133,768</u>	<u>\$ 127</u>	<u>\$ 5,658</u>

Community Donations	Leadership Development	Saucony Run for Good	Totals	
			2010	2009
\$ 46,452	\$ 99,640	\$ 745	\$ 735,363	\$ 690,042
			127	2,400
				7,267
<u>\$ 46,452</u>	<u>\$ 99,640</u>	<u>\$ 745</u>	<u>\$ 735,490</u>	<u>\$ 699,709</u>
\$	\$ 2,252	\$ 745	\$ 2,287	\$ 3,395
			9,332	15,854
			127	12,998
	<u>2,252</u>	<u>745</u>	<u>11,746</u>	<u>32,247</u>
46,452	97,388		540	58,748
			723,204	608,714
<u>46,452</u>	<u>97,388</u>		<u>723,744</u>	<u>667,462</u>
<u>\$ 46,452</u>	<u>\$ 99,640</u>	<u>\$ 745</u>	<u>\$ 735,490</u>	<u>\$ 699,709</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, 2010

(With comparative totals for 2009)

	<u>Options Day Care</u>	<u>Miscellaneous Local Grants</u>	<u>One-to-One Digital Initiative</u>	<u>Technology Fund</u>
Revenues:				
Revenue from local sources:				
Other local revenue	\$ 61,343	\$	\$	\$
Revenue from state sources				
Revenue from federal sources:				
Through the State of Alaska	9,889			
Total revenues	<u>71,232</u>			
Expenditures				
Current:				
Instruction	57,832	(4)	6,526	180,537
Support services - students				
Support services - instruction				
School administration				
Student activities				
Total current	<u>57,832</u>	<u>(4)</u>	<u>6,526</u>	<u>180,537</u>
Debt Service:				
Interest				46,119
Principal				414,306
Total debt service				<u>460,425</u>
Total expenditures	<u>57,832</u>	<u>(4)</u>	<u>6,526</u>	<u>640,962</u>
Excess (deficiency) of revenues over expenditures	<u>13,400</u>	<u>4</u>	<u>(6,526)</u>	<u>(640,962)</u>
Other financing sources:				
Issuance of capital leases				
Transfers in				700,000
Total other financing sources				<u>700,000</u>
Net change in fund balances	13,400	4	(6,526)	59,038
Fund balances - beginning	(6,633)	321	73,296	313,236
Fund balances - ending	<u>\$ 6,767</u>	<u>\$ 325</u>	<u>\$ 66,770</u>	<u>\$ 372,274</u>



Melinda Gray Ardia Foundation	Partners in Science (Murdock)	Woodriver Elementary School Upgrades	Barnette Furniture & Equipment Phase 2	Taget Field Trip Program	United Way SAI Funds
\$ 374	\$ 3,208	\$ 13,431	\$ 65,120	\$ 500	\$ 3,000
374	3,208	13,431	65,120	500	3,000
374	3,208	13,431	65,120	500	3,000
374	3,208	13,431	65,120	500	3,000
374	3,208	13,431	65,120	500	3,000
374	3,208	13,431	65,120	500	3,000
374	3,208	13,431	65,120	500	3,000
\$	\$	\$	\$	\$	\$

(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, 2010

(With comparative totals for 2009)

	<u>Curriculum Staff Development</u>	<u>Rose Urban Rural Exchange</u>	<u>North Pole Middle School Safety &amp; Site Upgrades</u>	<u>Engineering ACTE Implementation</u>
Revenues:				
Revenue from local sources:				
Other local revenue	\$ 77,079	\$ 1,191	\$ 5,606	\$ 11,342
Revenue from state sources				
Revenue from federal sources:				
Through the State of Alaska				
Total revenues	<u>77,079</u>	<u>1,191</u>	<u>5,606</u>	<u>11,342</u>
Expenditures				
Current:				
Instruction				
Support services - students				
Support services - instruction	111,165	1,191	5,606	11,342
School administration				
Student activities				
Total current	<u>111,165</u>	<u>1,191</u>	<u>5,606</u>	<u>11,342</u>
Debt Service:				
Interest				
Principal				
Total debt service				
Total expenditures	<u>111,165</u>	<u>1,191</u>	<u>5,606</u>	<u>11,342</u>
Excess (deficiency) of revenues over expenditures	<u>(34,086)</u>			
Other financing sources:				
Issuance of capital leases				
Transfers in				
Total other financing sources				
Net change in fund balances	<u>(34,086)</u>			
Fund balances - beginning	<u>167,854</u>			
Fund balances - ending	<u>\$ 133,768</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Community Donations	Leadership Development	Saucony Run for Good	Totals	
			2010	2009
\$ 20,951	\$	\$ 1,898	\$ 265,043	\$ 229,563
				9,750
			9,889	8,691
20,951		1,898	274,932	248,004
			327,524	823,757
			3,000	6,991
			129,304	144,404
	56,499		56,499	30,342
		1,898	1,898	1,906
	56,499	1,898	518,225	1,007,400
			46,119	40,458
			414,306	419,967
			460,425	460,425
	56,499	1,898	978,650	1,467,825
20,951	(56,499)		(703,718)	(1,219,821)
				528,173
	60,000		760,000	760,000
	60,000		760,000	1,288,173
20,951	3,501		56,282	68,352
25,501	93,887		667,462	599,110
\$ 46,452	\$ 97,388	\$	\$ 723,744	\$ 667,462

**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, 2010

(With comparative totals for 2009)

	<u>Options Day Care</u>	<u>Miscellaneous Local Grants</u>	<u>One-to-One Digital Initiative</u>	<u>Technology Fund</u>
Revenues:				
Revenue from local sources:				
Other local revenue	\$ 61,343	\$	\$	\$
Revenue from state sources				
Revenue from federal sources:				
Through the State of Alaska	9,889			
Total revenues	<u>71,232</u>			
Expenditures:				
Current:				
Salaries and fringe benefits:				
Certificated salaries				
Non-certificated salaries	19,809			
Employee benefits	10,412			
Total salaries and fringe benefits	<u>30,221</u>			
Materials, supplies, services and other:				
Professional and technical services	2,935			
Staff travel	3,178			
Student travel	127			
Other purchased services	2,408			
Supplies, materials and media	18,963	(4)	6,526	180,537
Other expenses				
Total materials, supplies, services and other	<u>27,611</u>	<u>(4)</u>	<u>6,526</u>	<u>180,537</u>
Capital outlay - equipment				
Debt Service:				
Interest				46,119
Principal				414,306
Total debt service				<u>460,425</u>
Total expenditures	<u>57,832</u>	<u>(4)</u>	<u>6,526</u>	<u>640,962</u>
Excess (deficiency) of revenues over expenditures	<u>13,400</u>	<u>4</u>	<u>(6,526)</u>	<u>(640,962)</u>
Other financing sources:				
Issuance of capital leases				
Transfers in				700,000
Total other financing sources				<u>700,000</u>
Net change in fund balances	13,400	4	(6,526)	59,038
Fund balances - beginning	<u>(6,633)</u>	<u>321</u>	<u>73,296</u>	<u>313,236</u>
Fund balances - ending	<u>\$ 6,767</u>	<u>\$ 325</u>	<u>\$ 66,770</u>	<u>\$ 372,274</u>

<b>Melinda Gray Ardia Foundation</b>	<b>Partners in Science (Murdock)</b>	<b>Woodriver Elementary School Upgrades</b>	<b>Barnette Furniture &amp; Equipment Phase 2</b>	<b>Taget Field Trip Program</b>	<b>United Way SAI Funds</b>
\$ 374	\$ 3,208	\$ 13,431	\$ 65,120	\$ 500	\$ 3,000
374	3,208	13,431	65,120	500	3,000
	1,479 820				223
374	909	13,431	50,120	500	2,777
374	3,208	13,431	50,120	500	3,000
			15,000		
374	3,208	13,431	65,120	500	3,000
\$	\$	\$	\$	\$	\$

(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, 2010

(With comparative totals for 2009)

	<u>Curriculum Staff Development</u>	<u>Rose Urban Rural Exchange</u>	<u>North Pole Middle School Safety &amp; Site Upgrades</u>	<u>Engineering ACTE Implementation</u>
Revenues:				
Revenue from local sources:				
Other local revenue	\$ 77,079	\$ 1,191	\$ 5,606	\$ 11,342
Revenue from state sources				
Revenue from federal sources:				
Through the State of Alaska				
Total revenues	<u>77,079</u>	<u>1,191</u>	<u>5,606</u>	<u>11,342</u>
Expenditures:				
Current:				
Salaries and fringe benefits:				
Certificated salaries	16,735			
Non-certificated salaries		1,102		
Employee benefits	440	89		
Total salaries and fringe benefits	<u>17,175</u>	<u>1,191</u>		
Materials, supplies, services and other:				
Professional and technical services	93,990			1,427
Staff travel				9,750
Student travel				
Other purchased services				
Supplies, materials and media				
Other expenses				165
Total materials, supplies, services and other	<u>93,990</u>			<u>11,342</u>
Capital outlay - equipment			<u>5,606</u>	
Debt Service:				
Interest				
Principal				
Total debt service				
Total expenditures	<u>111,165</u>	<u>1,191</u>	<u>5,606</u>	<u>11,342</u>
Excess (deficiency) of revenues over expenditures	<u>(34,086)</u>			
Other financing sources:				
Issuance of capital leases				
Transfers in				
Total other financing sources				
Net change in fund balances	<u>(34,086)</u>			
Fund balances - beginning	<u>167,854</u>			
Fund balances - ending	<u>\$ 133,768</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Community Donations	Leadership Development	Saucony Run for Good	Totals	
			2010	2009
\$ 20,951	\$	\$ 1,898	\$ 265,043	\$ 229,563
				9,750
			9,889	8,691
20,951		1,898	274,932	248,004
			16,735	12,338
			20,911	71,149
			10,941	22,674
			48,587	106,161
	718		99,070	21,596
	54,936		69,343	38,022
		1,306	2,476	5,309
			2,408	24,324
	576	592	275,301	725,305
	269		434	58,338
	56,499	1,898	449,032	872,894
			20,606	28,345
			46,119	40,458
			414,306	419,967
			460,425	460,425
	56,499	1,898	978,650	1,467,825
20,951	(56,499)		(703,718)	(1,219,821)
	60,000		760,000	528,173
	60,000		760,000	760,000
20,951	3,501		56,282	1,288,173
25,501	93,887		667,462	68,352
\$ 46,452	\$ 97,388	\$	\$ 723,744	\$ 599,110
				\$ 667,462

**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, 2010

	<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>	<u>Positive</u>
					<u>(Negative)</u>
Revenues:					
Revenue from local sources:					
Other local revenue	\$ 113,309	\$ 185,903	\$ 265,043	\$ 206,835	\$ 20,932
Revenue from federal sources:					
Through the State of Alaska			9,889	9,889	9,889
Total revenues	113,309	185,903	274,932	216,724	30,821
Expenditures:					
Current					
Salaries and fringe benefits:					
Certificated salaries	600	20,000	16,735	16,735	3,265
Non-certificated salaries	54,319	54,319	20,911	20,911	33,408
Employee benefits	13,383	14,083	10,941	10,941	3,142
Total salaries and fringe benefits	68,302	88,402	48,587	48,587	39,815
Materials, supplies, services and other:					
Professional and technical services	5,850	228,960	99,070	97,820	131,140
Staff travel	17,160	162,887	69,343	69,343	93,544
Student travel	550	1,856	2,476	2,476	(620)
Other purchased services	710	342	2,408	2,186	(1,844)
Supplies, materials and media	319,689	331,984	275,301	233,565	98,419
Other expenses		1,165	434	434	731
Total materials, supplies, services and other	343,959	727,194	449,032	405,824	321,370
Capital outlay:					
Equipment	13,844	4,844	20,606	5,606	(762)
Debt service:					
Interest	40,500	40,500	46,119	46,119	(5,619)
Principal	420,000	420,000	414,306	414,306	5,694
Total debt service	460,500	460,500	460,425	460,425	75
Total expenditures	886,605	1,280,940	978,650	920,442	360,498
Excess (deficiency) of revenues over expenditures	(773,296)	(1,095,037)	(703,718)	(703,718)	391,319
Other financing sources:					
Transfers in	700,000	760,000	760,000	760,000	
Net change in fund balance	\$ (73,296)	\$ (335,037)	56,282	\$ 56,282	\$ 391,319
Fund balance - beginning			667,462		
Fund balance - ending			\$ 723,744		



**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Community Schools

Balance Sheet

June 30, 2010

(With comparative totals for 2009)

	<b>Totals</b>	
	<b>2010</b>	<b>2009</b>
<b><u>ASSETS</u></b>		
Equity in central treasury cash	<u>\$ 946</u>	<u>\$ 4,788</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>		
Liabilities:		
Accounts payable	\$	\$ 3,521
Fund balances:		
Reserved for:		
Encumbrances		321
Unreserved	<u>946</u>	<u>946</u>
Total fund balances	<u>946</u>	<u>1,267</u>
Total liabilities and fund balances	<u>\$ 946</u>	<u>\$ 4,788</u>

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Community Schools

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

For the Year Ended June 30, 2010

(With comparative totals for 2009)

	<b>Totals</b>	
	<b>2010</b>	<b>2009</b>
Expenditures - current:		
Adult and continuing education instruction	\$ 321	\$ 5,118
Net change in fund balance	(321)	(5,118)
Fund balance - beginning	1,267	6,385
Fund balance - ending	\$ 946	\$ 1,267

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Community Schools

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

For the Year Ended June 30, 2010

(With comparative totals for 2009)

	<b>Totals</b>	
	<b>2010</b>	<b>2009</b>
Expenditures - current:		
Materials, supplies, services and other:		
Supplies, materials and media	\$ 321	\$ 5,118
Net change in fund balance	(321)	(5,118)
Fund balance - beginning	1,267	6,385
Fund balance - ending	<u>\$ 946</u>	<u>\$ 1,267</u>

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**  
Nonmajor Special Revenue Fund  
Community Schools  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual - by Object  
For the Year Ended June 30, 2010

	<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>	<u>Positive</u>
					<u>(Negative)</u>
Expenditures - current:					
Materials, supplies, services and other:					
Supplies, materials and media	\$ 1,266	\$ 945	\$ 321	\$	\$ 945
Net change in fund balance	<u>\$ (1,266)</u>	<u>\$ (945)</u>	(321)	<u>\$</u>	<u>\$ 945</u>
Fund balance - beginning			1,267		
Fund balance - ending			<u>\$ 946</u>		

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**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

State Programs

Combining Balance Sheet

June 30, 2010

(With comparative totals for 2009)

	<u>Youth in Detention</u>	<u>Staff Development Mini-grants</u>	<u>Youth First</u>	<u>Alaska Construction Academy</u>
<b><u>ASSETS</u></b>				
Equity in central treasury cash	\$ 75,202	\$	\$ 32	\$
Accounts receivable:				
State		3,483		42,578
Due from Fairbanks North Star Borough				
Total assets	<u>\$ 75,202</u>	<u>\$ 3,483</u>	<u>\$ 32</u>	<u>\$ 42,578</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$	\$	\$	\$ 1,804
Due to other funds		3,483		40,774
Due to external groups and agencies			32	
Total liabilities		<u>3,483</u>	<u>32</u>	<u>42,578</u>
Fund balances:				
Reserved for:				
Encumbrances	864			
Unreserved	<u>74,338</u>			
Total fund balances	<u>75,202</u>			
Total liabilities and fund balances	<u>\$ 75,202</u>	<u>\$ 3,483</u>	<u>\$ 32</u>	<u>\$ 42,578</u>

Legislative Small Grants 08-09	Statewide Alaska Mentorship Program	Totals	
		2010	2009
\$	\$	\$ 75,234	\$ 17,666
	55,764	101,825	143,193
4,318		4,318	164,494
<u>\$ 4,318</u>	<u>\$ 55,764</u>	<u>\$ 181,377</u>	<u>\$ 325,353</u>
\$ 571	\$	\$ 2,375	\$ 24,594
3,747	55,764	103,768	283,515
		32	
<u>4,318</u>	<u>55,764</u>	<u>106,175</u>	<u>308,109</u>
		864	3,551
		74,338	13,693
		75,202	17,244
<u>\$ 4,318</u>	<u>\$ 55,764</u>	<u>\$ 181,377</u>	<u>\$ 325,353</u>

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

State Programs

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

For the Year Ended June 30, 2010

(With comparative totals for 2009)

	<b>Youth in Detention</b>	<b>Staff Development Mini-grants</b>	<b>Youth First</b>	<b>Alaska Construction Academy</b>
Revenues:				
Revenue from state sources	<u>\$ 112,189</u>	<u>\$ 31,796</u>	<u>\$ 113,519</u>	<u>\$ 139,137</u>
Expenditures - current:				
Instruction	520,301	31,796	106,661	139,137
Support services - instruction				
District administration support services			6,858	
Total expenditures	<u>520,301</u>	<u>31,796</u>	<u>113,519</u>	<u>139,137</u>
Deficiency of revenues over expenditures	<u>(408,112)</u>			
Other financing sources:				
Transfers in	<u>466,070</u>			
Net change in fund balances	57,958			
Fund balances - beginning	<u>17,244</u>			
Fund balances - ending	<u>\$ 75,202</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>



Legislative Small Grants 08-09	DCCED Small Grants List	Equipment North Pole High School	Statewide Alaska Mentorship Program	Totals	
				2010	2009
\$ 23,361	\$ 8,937	\$ 2,379	\$ 207,083	\$ 638,401	\$ 907,017
23,361	8,937	2,379	207,083	821,256	994,312
				218,399	299,043
				6,858	5,588
23,361	8,937	2,379	207,083	1,046,513	1,298,943
				(408,112)	(391,926)
				466,070	409,170
				57,958	17,244
				17,244	
\$	\$	\$	\$	\$ 75,202	\$ 17,244

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

State Programs

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

For the Year Ended June 30, 2010

(With comparative totals for 2009)

	<b>Youth in Detention</b>	<b>Staff Development Mini-grants</b>	<b>Youth First</b>	<b>Alaska Construction Academy</b>
Revenues:				
Revenue from state sources	\$ 112,189	\$ 31,796	\$ 113,519	\$ 139,137
Expenditures - current:				
Salaries and fringe benefits:				
Certificated salaries	301,976			51,915
Non-certificated salaries	68,081	1,189	60,736	10,412
Employee benefits	133,448	107	32,652	8,140
Total salaries and fringe benefits	503,505	1,296	93,388	70,467
Materials, supplies, services and other:				
Professional and technical services	1,644			
Staff travel		30,500	2,559	3,779
Student travel			1,448	515
Utility services	1,644			
Other purchased services	125			407
Supplies, materials and media	13,383		9,266	58,679
Other expenses				500
Indirect costs			6,858	
Total materials, supplies, services and other	16,796	30,500	20,131	63,880
Capital outlay - equipment				4,790
Total expenditures	520,301	31,796	113,519	139,137
Deficiency of revenues over expenditures	(408,112)			
Other financing sources:				
Transfers in	466,070			
Net change in fund balances	57,958			
Fund balances - beginning	17,244			
Fund balances - ending	\$ 75,202	\$	\$	\$

Legislative Small Grants 08-09	DCCED Small Grants List	Equipment North Pole High School	Statewide Alaska Mentorship Program	Totals	
				2010	2009
\$ 23,361	\$ 8,937	\$ 2,379	\$ 207,083	\$ 638,401	\$ 907,017
			150,554	504,445	485,358
				140,418	126,137
			56,529	230,876	214,122
			207,083	875,739	825,617
				1,644	
				36,838	22,585
	27			1,990	1,211
				1,644	1,723
				532	689
14,138	8,910	2,379		106,755	356,140
				500	162
				6,858	5,588
14,138	8,937	2,379		156,761	388,098
9,223				14,013	85,228
23,361	8,937	2,379	207,083	1,046,513	1,298,943
				(408,112)	(391,926)
				466,070	409,170
				57,958	17,244
				17,244	
\$	\$	\$	\$	\$ 75,202	\$ 17,244

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**  
Nonmajor Special Revenue Fund  
State Programs  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual - by Object  
For the Year Ended June 30, 2010

	<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>	<u>Positive</u>
					<u>(Negative)</u>
Revenues:					
Revenue from state sources	\$ 682,527	\$ 726,726	\$ 638,401	\$ 636,776	\$ (89,950)
Expenditures-current:					
Salaries and fringe benefits:					
Certificated salaries	527,096	533,023	504,445	504,445	28,578
Non-certificated salaries	150,050	153,261	140,418	140,418	12,843
Employee benefits	259,371	261,233	230,876	230,876	30,357
Total salaries and fringe benefits	936,517	947,517	875,739	875,739	71,778
Materials, supplies, services and other:					
Professional and technical services	1,000	3,325	1,644	1,644	1,681
Staff travel	15,445	56,945	36,838	36,838	20,107
Student travel	1,696	1,696	1,990	1,990	(294)
Utility services	2,000	2,000	1,644	1,644	356
Other purchased services	2,925	575	532	532	43
Supplies, materials and media	173,488	163,286	106,755	104,068	59,218
Other expenses	1,000	1,000	500	500	500
Indirect cost	8,159	8,159	6,858	6,858	1,301
Total materials, supplies, services and other	205,713	236,986	156,761	154,074	82,912
Capital outlay - equipment	6,367	6,367	14,013	14,013	(7,646)
Total expenditures	1,148,597	1,190,870	1,046,513	1,043,826	147,044
Excess (deficiency) of revenues over expenditures	(466,070)	(464,144)	(408,112)	(407,050)	57,094
Other financing sources:					
Transfers in	466,070	464,144	466,070	465,008	864
Net change in fund balance	\$	\$	57,958	\$ 57,958	\$ 57,958
Fund balance - beginning			17,244		
Fund balance - ending			\$ 75,202		

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Food Service

Balance Sheet

June 30, 2010

(With comparative totals for 2009)

	<b>Totals</b>	
	<b>2010</b>	<b>2009</b>
<b><u>ASSETS</u></b>		
Equity in central treasury cash	\$	\$ 66,202
Inventories	676,166	299,715
Total assets	<u>\$ 676,166</u>	<u>\$ 365,917</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable	\$ 152	\$ 6,668
Due to other funds	764,749	
Total liabilities	<u>764,901</u>	<u>6,668</u>
Fund balance:		
Reserved for:		
Encumbrances	486	170,526
Inventories	676,166	299,715
Unreserved	<u>(765,387)</u>	<u>(110,992)</u>
Total fund balance (deficit)	<u>(88,735)</u>	<u>359,249</u>
Total liabilities and fund balance	<u>\$ 676,166</u>	<u>\$ 365,917</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, 2010

(With comparative totals for 2009)

	<b>Totals</b>	
	<b>2010</b>	<b>2009</b>
Revenues:		
Revenue from local sources:		
Food service	\$ 2,010,908	\$ 2,162,348
Other local revenue		4,327
Total local sources	2,010,908	2,166,675
Revenue from federal sources:		
Through the State of Alaska	2,790,592	2,663,788
Total revenues	4,801,500	4,830,463
Expenditures - current:		
Food services	5,249,484	4,829,664
Excess (deficiency) of revenues over expenditures	(447,984)	799
Other financing sources:		
Proceeds from sale of capital assets		880
Net change in fund balance	(447,984)	1,679
Fund balance - beginning	359,249	357,570
Fund balance (deficit) - ending	\$ (88,735)	\$ 359,249

**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, 2010

(With comparative totals for 2009)

	<b>Totals</b>	
	<b>2010</b>	<b>2009</b>
Revenues:		
Revenue from local sources:		
Food service	\$ 2,010,908	\$ 2,162,348
Other local revenue		4,327
Total local sources	2,010,908	2,166,675
Revenue from federal sources:		
Through the State of Alaska	2,790,592	2,663,788
Total revenues	4,801,500	4,830,463
Expenditures - current:		
Salaries and fringe benefits:		
Non-certificated salaries	1,827,659	1,667,331
Employee benefits	887,160	790,953
Total salaries and fringe benefits	2,714,819	2,458,284
Materials, supplies, services and other:		
Professional and technical services	21,158	237
Staff travel	6,491	10,834
Utility services	13,167	1,682
Energy	199,788	
Other purchased services	935	2,835
Supplies, materials and media	2,292,909	2,344,392
Other expenses	217	3,994
Total materials, supplies, services and other	2,534,665	2,363,974
Capital outlay - equipment		7,406
Total expenditures	5,249,484	4,829,664
Excess (deficiency) of revenues over expenditures	(447,984)	799
Other financing sources:		
Proceeds from sale of capital assets		880
Net change in fund balance	(447,984)	1,679
Fund balance - beginning	359,249	357,570
Fund balance (deficit) - ending	\$ (88,735)	\$ 359,249

**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, 2010

	<u>Budgeted Amounts</u>			<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>		
Revenues:					
Revenue from local sources:					
Food Service	\$ 2,533,980	\$ 2,533,980	\$ 2,010,908	\$ 2,010,908	\$ (523,072)
Revenue from federal sources:					
Through the State of Alaska	2,550,650	2,380,124	2,790,592	2,620,552	240,428
Total revenues	<u>5,084,630</u>	<u>4,914,104</u>	<u>4,801,500</u>	<u>4,631,460</u>	<u>(282,644)</u>
Expenditures - current:					
Salaries and fringe benefits:					
Non-certificated salaries	1,805,588	1,805,588	1,827,659	1,827,659	(22,071)
Employee benefits	849,624	849,624	887,160	887,160	(37,536)
Total salaries and fringe benefits	<u>2,655,212</u>	<u>2,655,212</u>	<u>2,714,819</u>	<u>2,714,819</u>	<u>(59,607)</u>
Materials, supplies, services and other:					
Professional and technical services	12,200	12,200	21,158	21,158	(8,958)
Staff travel	18,000	18,000	6,491	6,491	11,509
Utility services	3,000	3,000	13,167	13,653	(10,653)
Energy			199,788	199,788	(199,788)
Other purchased services	12,500	12,500	935	935	11,565
Supplies, materials and media	2,343,518	2,181,936	2,292,909	2,131,327	50,609
Other expenses	200	200	217	217	(17)
Total materials, supplies, services and other	<u>2,389,418</u>	<u>2,227,836</u>	<u>2,534,665</u>	<u>2,373,569</u>	<u>(145,733)</u>
Capital outlay - equipment	<u>40,000</u>	<u>31,056</u>		<u>(8,944)</u>	<u>40,000</u>
Total expenditures	<u>5,084,630</u>	<u>4,914,104</u>	<u>5,249,484</u>	<u>5,079,444</u>	<u>(165,340)</u>
Net change in fund balance	<u>\$</u>	<u>\$</u>	<u>(447,984)</u>	<u>\$ (447,984)</u>	<u>\$ (447,984)</u>
Fund balance - beginning			359,249		
Fund deficit - ending			<u>\$ (88,735)</u>		



**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

School Activities

Balance Sheet

June 30, 2010

(With comparative totals for 2009)

	<b>Totals</b>	
	<b>2010</b>	<b>2009</b>
<b><u>ASSETS</u></b>		
Equity in central treasury cash	<u>\$ 1,587,534</u>	<u>\$ 1,610,450</u>
<b><u>LIABILITIES &amp; FUND BALANCE</u></b>		
Liabilities:		
Accounts payable	\$ 50,469	\$ 12,249
Fund balance:		
Unreserved	<u>1,537,065</u>	<u>1,598,201</u>
Total liabilities and fund balance	<u>\$ 1,587,534</u>	<u>\$ 1,610,450</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, 2010

(With comparative totals for 2009)

	<b>Totals</b>	
	<b>2010</b>	<b>2009</b>
Revenues:		
Revenue from local sources:		
Other local revenue	<u>\$ 2,399,283</u>	<u>\$ 2,390,217</u>
Expenditures - current:		
Student activities	<u>2,460,419</u>	<u>2,431,452</u>
Net change in fund balance	<u>(61,136)</u>	<u>(41,235)</u>
Fund balance - beginning	<u>1,598,201</u>	<u>1,639,436</u>
Fund balance - ending	<u><u>\$ 1,537,065</u></u>	<u><u>\$ 1,598,201</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, 2010

(With comparative totals for 2009)

	<b>Totals</b>	
	<b>2010</b>	<b>2009</b>
Revenues:		
Revenue from local sources:		
Other local revenue	\$ 2,399,283	\$ 2,390,217
Expenditures - current:		
Salaries and fringe benefits:		
Certificated salaries	16,607	39,618
Non-certificated salaries	51,550	41,826
Employee benefits	6,280	8,384
Total salaries and fringe benefits	74,437	89,828
Materials, supplies, services and other:		
Professional and technical services	76,050	61,976
Staff travel	14,302	1,154
Student travel	876,345	738,216
Other purchased services	16,402	12,847
Supplies, materials and media	1,400,454	1,508,940
Tuition and stipends		2,990
Other expenses	2,429	420
Total materials, supplies, services and other	2,385,982	2,326,543
Capital outlay - equipment		15,081
Total expenditures	2,460,419	2,431,452
Net change in fund balance	(61,136)	(41,235)
Fund balance - beginning	1,598,201	1,639,436
Fund balance - ending	\$ 1,537,065	\$ 1,598,201

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# **NONMAJOR CAPITAL PROJECTS FUNDS**

**Anderson Elementary  
Title VIII Construction  
Central Kitchen  
Districtwide School Projects  
Other Capital Projects**

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Capital Projects Funds

Combining Balance Sheet

June 30, 2010

(With comparative totals for 2009)

	<b><u>Title VIII Construction</u></b>	<b><u>Districtwide School Projects</u></b>	<b><u>Other Capital Projects</u></b>
<b><u>ASSETS</u></b>			
Equity in central treasury cash	\$	\$ 460,722	\$ 25,109
Accounts receivable:			
Federal	323,187		
Total assets	<u>\$ 323,187</u>	<u>\$ 460,722</u>	<u>\$ 25,109</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$ 77,887	\$
Due to other funds			
Total liabilities		<u>77,887</u>	
Fund balances:			
Reserved for:			
Encumbrances		237,453	
Unreserved	323,187	145,382	25,109
Total fund balances	<u>323,187</u>	<u>382,835</u>	<u>25,109</u>
Total liabilities and fund balances	<u>\$ 323,187</u>	<u>\$ 460,722</u>	<u>\$ 25,109</u>

Totals	
2010	2009
\$ 485,831	\$ 547,370
323,187	8,409
<u>\$ 809,018</u>	<u>\$ 555,779</u>

\$ 77,887	\$ 1,369
	7,040
<u>77,887</u>	<u>8,409</u>

237,453	37,101
493,678	510,269
<u>731,131</u>	<u>547,370</u>
<u>\$ 809,018</u>	<u>\$ 555,779</u>

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**  
Nonmajor Capital Projects Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended June 30, 2010  
(With comparative totals for 2009)

	<u>Anderson Elementary</u>	<u>Title VIII Construction</u>	<u>Central Kitchen</u>	<u>Districtwide School Projects</u>
Revenues:				
Revenue from local sources:				
Other local revenue	<u>\$ 7,114</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Revenue from state sources			<u>39,570</u>	
Revenue from federal sources:				
Direct				
Through the state of Alaska		<u>323,187</u>		
Total federal sources		<u>323,187</u>		
Total revenues	<u>7,114</u>	<u>323,187</u>	<u>39,570</u>	
Expenditures:				
Capital outlay:				
Professional and technical services				3,400
Other purchased services				
Supplies, materials and media			5,364	39,390
Indirect costs				
Equipment	7,114		34,206	13,857
Buildings and improvements purchased				
Other capital outlay				<u>46,354</u>
Total expenditures	<u>7,114</u>		<u>39,570</u>	<u>103,001</u>
Excess (deficiency) of revenues over expenditures		<u>323,187</u>		<u>(103,001)</u>
Other financing sources (uses):				
Transfers in				485,836
Transfers out		<u>(485,836)</u>		
Total other financing sources (uses)		<u>(485,836)</u>		<u>485,836</u>
Net change in fund balances		<u>(162,649)</u>		<u>382,835</u>
Fund balances - beginning		<u>485,836</u>		
Fund balances - ending	<u>\$</u>	<u>\$ 323,187</u>	<u>\$</u>	<u>\$ 382,835</u>



Other Capital Projects	Totals	
	2010	2009
\$	\$ 7,114	\$ 48,556
	39,570	10,430
		2,423,525
	323,187	32,618
	323,187	2,456,143
	369,871	2,515,129
	3,400	75,000
19,445	19,445	1,206
16,980	61,734	30,168
		(1,475)
	55,177	28,818
		3,835,923
	46,354	
36,425	186,110	3,969,640
(36,425)	183,761	(1,454,511)
	485,836	75,000
	(485,836)	(193,969)
		(118,969)
(36,425)	183,761	(1,573,480)
61,534	547,370	2,120,850
\$ 25,109	\$ 731,131	\$ 547,370

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Capital Projects Funds  
Project Length Schedule of Revenues and Expenditures  
Beginning of Projects to June 30, 2010

	<b>Anderson Elementary</b>	<b>Title VIII Construction</b>	<b>Central Kitchen</b>	<b>Districtwide School Projects</b>
Project Authorizations:	<u>\$ 86,500</u>	<u>\$</u>	<u>\$ 50,000</u>	<u>\$ 485,836</u>
Revenues:				
Revenue from local sources:				
Other local revenue	\$ 86,475	\$	\$	\$
Revenue from state sources			50,000	
Revenue from federal sources:				
Through the state of Alaska		2,937,481		
Transfers from other funds				485,836
Total revenues	<u>86,475</u>	<u>2,937,481</u>	<u>50,000</u>	<u>485,836</u>
Expenditures:				
Capital outlay:				
Professional and technical services				3,400
Other purchased services				
Supplies, materials and media	30,629		12,970	39,390
Equipment	55,846		37,030	13,857
Buildings and improvements purchased				
Other capital outlay				46,354
Transfers to other funds		2,614,294		
Total expenditures	<u>86,475</u>	<u>2,614,294</u>	<u>50,000</u>	<u>103,001</u>
Excess of revenues over expenditures	<u>\$</u>	<u>\$ 323,187</u>	<u>\$</u>	<u>\$ 382,835</u>

Other Capital Projects	Project To Date Totals
<u>\$ 431,820</u>	<u>\$ 1,054,156</u>
\$	\$ 86,475
	50,000
	2,937,481
<u>413,702</u>	<u>899,538</u>
<u>413,702</u>	<u>3,973,494</u>
27,198	30,598
20,651	20,651
37,873	120,862
2,887	109,620
318,102	318,102
	46,354
	<u>2,614,294</u>
<u>406,711</u>	<u>3,260,481</u>
<u>\$ 6,991</u>	<u>\$ 713,013</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, 2010

	<b>Balance July 1, 2009</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2010</b>
<b><u>ASSETS</u></b>				
Equity in central treasury cash	<u>\$ 43,714</u>	<u>\$ 46,973</u>	<u>\$ 50,276</u>	<u>\$ 40,411</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 79	\$ 50,534	\$ 50,276	\$ 337
Due to external groups	<u>43,635</u>	<u>46,973</u>	<u>50,534</u>	<u>40,074</u>
Total liabilities	<u>\$ 43,714</u>	<u>\$ 97,507</u>	<u>\$ 100,810</u>	<u>\$ 40,411</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 164-175**

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 176-186**

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 187**

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 188-189**

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 190-205**

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. The School District implemented GASB Statement 34 in fiscal year 2001-02.

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Net Assets by Component  
Last Nine Fiscal Years  
(accrual basis of accounting)

	Fiscal Year			
	2001-02 <sup>a</sup>	2002-03	2003-04	2004-05
Governmental activities:				
Invested in capital assets, net of related debt	\$ 3,851,369	\$ 3,501,604	\$ 3,613,084	\$ 3,918,778
Net pension asset restricted for future contributions		958,054	960,355	
Unrestricted	23,825,074	21,362,399	19,756,987	22,426,155
Total Net Assets	<u>\$ 27,676,443</u>	<u>\$ 25,822,057</u>	<u>\$ 24,330,426</u>	<u>\$ 26,344,933</u>

**Note:**

<sup>a</sup> The district began reporting accrual information when it implemented GASB Statement 34 in fiscal year 2001-02.

<sup>b</sup> The district decreased the fiscal year 2008-09 net assets by \$730,586 due to a change in capitalization threshold from \$2,500 to \$5,000. See also note 1J and note 6 in the Notes to the Basic Financial Statements.

Fiscal Year				
2005-06	2006-07	2007-08	2008-09 <sup>b</sup>	2009-10
\$ 4,235,371	\$ 4,080,319	\$ 3,967,368	\$ 2,941,680	\$ 4,180,344
16,687,930	18,453,760	18,535,860	20,059,660	20,954,280
<u>\$ 20,923,301</u>	<u>\$ 22,534,079</u>	<u>\$ 22,503,228</u>	<u>\$ 23,001,340</u>	<u>\$ 25,134,624</u>

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Changes in Net Assets  
Last Nine Fiscal Years  
(accrual basis of accounting)

	Fiscal Year			
	2001-02	2002-03	2003-04	2004-05
<b>Expenses</b>				
Governmental activities:				
Instruction	\$ 66,171,759	\$ 67,453,075	\$ 67,660,701	\$ 68,023,960
Special education instruction	13,382,204	14,787,650	13,877,212	16,865,673
Special education support services - students	1,681,525	2,078,285	2,582,804	2,063,501
Support services - students	6,552,628	6,522,775	7,312,011	9,350,844
Support Services - instruction	5,081,273	6,498,343	6,974,143	9,209,619
School administration	4,799,454	4,936,782	4,774,139	5,154,874
School administration support services	2,911,294	3,454,402	3,276,869	3,818,035
District administration	1,320,843	1,399,353	1,416,391	1,528,370
District administration support services	5,319,599	5,660,384	5,871,070	6,316,689
Operations and maintenance of plant	14,704,252	15,382,626	15,231,101	17,873,136
Student activities	1,427,340	1,497,650	1,335,887	1,554,640
Student transportation service	8,487,332	9,004,576	8,923,006	8,745,633
Adult and continuing education instruction	178,035	130,498	84,038	53,217
Food services	4,222,604	4,077,988	3,945,655	4,284,462
Interest expense		63,089	42,359	18,658
Total expenses	<u>136,240,142</u>	<u>142,947,476</u>	<u>143,307,386</u>	<u>154,861,311</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for Services:				
Instruction	125,591	67,575	51,971	32,787
Support services - students			4,679	2,145
Support services - instruction				
District administration support services	816,838			
Student transportation service				
Adult and continuing education instruction	133,025	140,050	46,577	12,141
Food services	1,785,408	1,907,619	1,835,140	1,839,814
Operating grants and contributions	20,191,021	21,809,523	22,496,034	27,208,171
Capital grants and contributions	234,991	1,049,171	2,708,367	1,640,256
Total program revenues	<u>23,286,874</u>	<u>24,973,938</u>	<u>27,142,768</u>	<u>30,735,314</u>
<b>Net expense - governmental activities</b>	<u>(112,953,268)</u>	<u>(117,973,538)</u>	<u>(116,164,618)</u>	<u>(124,125,997)</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities:				
Grants and contributions not restricted to specific programs:				
Borough direct appropriation	32,555,700	33,545,700	34,545,700	36,545,700
Foundation program	66,522,720	68,097,408	65,676,616	73,052,157
Other state revenue				
Federal impact aid	13,425,434	11,144,790	11,943,538	14,267,731
Other	2,530,417	2,611,399	2,045,539	1,805,004
Miscellaneous	325,097	719,855	461,594	469,912
Total general revenue	<u>115,359,368</u>	<u>116,119,152</u>	<u>114,672,987</u>	<u>126,140,504</u>
<b>Change in Net Assets</b>	<u>\$ 2,406,100</u>	<u>\$ (1,854,386)</u>	<u>\$ (1,491,631)</u>	<u>\$ 2,014,507</u>

**Note:** The district began reporting accrual information when it implemented GASB Statement 34 in fiscal year 2001-02.

Fiscal Year				
2005-06	2006-07	2007-08	2008-09	2009-10
\$ 74,278,540	\$ 77,265,162	\$ 96,385,094	\$ 92,008,786	\$ 96,924,540
18,431,818	17,856,399	20,936,726	21,632,095	25,847,781
2,299,016	2,516,909	3,053,826	3,882,736	4,787,664
10,346,229	10,458,934	12,056,303	12,016,292	13,485,882
10,253,369	9,349,009	10,205,791	10,973,700	12,292,803
5,357,561	5,915,223	7,354,532	7,066,719	7,283,846
3,950,664	3,989,781	4,164,728	4,084,016	4,774,903
1,714,097	1,757,915	2,055,996	2,150,747	2,326,390
7,330,027	7,834,722	8,989,152	9,013,588	10,161,958
19,346,287	20,266,837	21,913,361	24,692,687	22,831,870
2,227,743	4,665,546	4,889,861	4,869,918	4,969,303
9,160,416	8,841,162	9,113,672	9,475,472	9,856,507
17,333	567		5,118	321
4,598,738	4,522,847	4,979,963	4,823,175	5,386,119
			40,458	46,119
169,311,838	175,241,013	206,099,005	206,735,507	220,976,006
22,835	28,827	39,225	42,227	61,343
39,610	55,650	62,002	73,749	66,813
	86,644	69,246	69,971	77,079
		18,450	17,300	
1,832,119	1,863,410	1,973,615	2,162,348	2,010,908
27,354,672	27,084,712	55,175,797	50,760,894	52,835,590
1,544,726	676,148	511,057	2,515,129	369,871
30,793,962	29,795,391	57,849,392	55,641,618	55,421,604
(138,517,876)	(145,445,622)	(148,249,613)	(151,093,889)	(165,554,402)
38,022,700	40,022,700	42,222,700	44,222,700	43,339,901
80,045,140	88,513,723	85,688,097	96,001,077	109,730,232
	2,965,437	7,919,269	1,821,871	1,856,765
12,257,249	11,405,933	11,118,081	9,596,676	12,005,572
1,831,103	634,592	709,756	295,993	386,120
940,052	1,734,768	560,859	384,270	369,096
133,096,244	145,277,153	148,218,762	152,322,587	167,687,686
\$ (5,421,632)	\$ (168,469)	\$ (30,851)	\$ 1,228,698	\$ 2,133,284

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

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

	<b>Fiscal Year</b>			
	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>
General fund				
Reserved	\$ 9,830,675	\$ 11,348,640	\$ 12,234,963	\$ 12,537,659
Unreserved	<u>8,756,129</u>	<u>10,272,208</u>	<u>8,579,741</u>	<u>7,066,592</u>
Total general fund	<u><u>18,586,804</u></u>	<u><u>21,620,848</u></u>	<u><u>20,814,704</u></u>	<u><u>19,604,251</u></u>
All other governmental funds				
Reserved	497,855	468,955	474,455	921,493
Unreserved, reported in:				
Special revenue funds	814,215	674,863	1,085,639	926,818
Capital projects funds	<u>411,975</u>	<u>450,569</u>	<u>1,170,525</u>	<u>466,960</u>
Total all other governmental funds	<u><u>\$ 1,724,045</u></u>	<u><u>\$ 1,594,387</u></u>	<u><u>\$ 2,730,619</u></u>	<u><u>\$ 2,315,271</u></u>



Fiscal Year					
2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
\$ 13,011,879	\$ 13,728,824	\$ 12,545,992	\$ 11,939,473	\$ 10,824,456	\$ 13,951,566
10,825,614	11,029,488	9,375,513	11,954,019	10,674,176	7,857,904
<u>23,837,493</u>	<u>24,758,312</u>	<u>21,921,505</u>	<u>23,893,492</u>	<u>21,498,632</u>	<u>21,809,470</u>
738,533	482,925	524,990	617,788	669,418	937,890
592,387	561,167	2,317,062	2,320,976	2,894,987	2,248,856
907,233	1,256,796	1,758,240	2,044,803	510,269	493,678
<u>\$ 2,238,153</u>	<u>\$ 2,300,888</u>	<u>\$ 4,600,292</u>	<u>\$ 4,983,567</u>	<u>\$ 4,074,674</u>	<u>\$ 3,680,424</u>

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

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

	Fiscal Year			
	2000-01	2001-02	2002-03	2003-04
Revenues from local sources:				
Borough direct appropriation	\$ 32,045,700	\$ 32,555,700	\$ 33,545,700	\$ 34,545,700
E-rate reimbursement	220,433	25,489	244,595	251,090
Food services	364,958	323,058	284,170	1,835,140
Earnings on investments	10,015	324	236	61
Other local revenue	2,556,832	2,737,088	2,405,696	518,316
Tuition from students	48,420	185,997	141,913	41,093
Total revenue from local sources	<u>35,246,358</u>	<u>35,827,656</u>	<u>36,622,310</u>	<u>37,191,400</u>
Revenue from state sources:				
Foundation program	64,696,850	64,742,484	64,439,501	65,329,167
QSI grant		357,066	356,140	347,449
LOG grant		1,423,170	2,667,315	
Supplemental aid			634,452	
Tuition	697,596	847,097	667,967	97,864
TRS on-behalf				
PERS on-behalf				
On-base schools	1,450,000	1,450,000	1,450,000	1,450,000
Other state revenue	10,683,446	8,745,741	10,483,696	9,487,159
Total revenue from state sources	<u>77,527,892</u>	<u>77,565,558</u>	<u>80,699,071</u>	<u>76,711,639</u>
Revenue from federal sources:				
Direct	14,329,290	16,216,716	13,655,404	16,249,574
Through the State of Alaska and other intermediate agencies	9,065,171	8,785,569	9,922,633	11,345,823
Total revenue from federal sources	<u>23,394,461</u>	<u>25,002,285</u>	<u>23,578,037</u>	<u>27,595,397</u>
Other sources	<u>12,814</u>	<u>27,805</u>	<u>41,971</u>	<u>86,732</u>
Total revenues	<u>\$ 136,181,525</u>	<u>\$ 138,423,304</u>	<u>\$ 140,941,389</u>	<u>\$ 141,585,168</u>

Fiscal Year					
2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
\$ 36,545,700	\$ 38,022,700	\$ 40,022,700	\$ 42,222,700	\$ 44,222,700	\$ 43,339,901
255,646	250,778	263,343	297,666	295,993	369,002
1,837,593	1,829,036	1,863,410	1,973,615	2,162,348	2,010,908
23	11	16			
1,428,281	1,720,043	3,840,887	3,266,067	3,137,102	3,102,069
12,141					
40,079,384	41,822,568	45,990,356	47,760,048	49,818,143	48,821,880
72,703,693	80,045,140	88,513,723	85,688,097	96,001,077	109,730,232
348,464	347,525	345,636	342,123	371,871	406,765
		1,169,801	6,127,146		
			26,641,081	19,640,125	16,615,652
			2,181,753	3,753,051	1,750,178
1,450,000	1,450,000	1,450,000	1,450,000	1,450,000	1,450,000
9,514,268	9,724,556	9,522,084	9,641,697	10,169,267	10,576,761
84,016,425	91,567,221	101,001,244	132,071,897	131,385,391	140,529,588
17,200,286	14,901,229	12,822,378	12,208,857	13,141,295	13,105,128
15,194,658	15,352,315	14,018,936	13,818,299	13,494,924	20,647,414
32,394,944	30,253,544	26,841,314	26,027,156	26,636,219	33,752,542
114,196					
\$ 156,604,949	\$ 163,643,333	\$ 173,832,914	\$ 205,859,101	\$ 207,839,753	\$ 223,104,010

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

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

	Fiscal Year			
	2000-01	2001-02	2002-03	2003-04
Instruction	\$ 63,338,177	\$ 65,858,858	\$ 66,171,884	\$ 64,574,677
Special education instruction	12,734,020	13,363,432	14,586,791	13,891,957
Special education support services - students	1,459,317	1,676,261	2,031,842	2,593,004
Support services - students	6,045,824	6,536,088	6,422,978	7,346,447
Support services - instruction	4,590,331	5,005,634	6,347,659	6,963,972
School administration	7,377,956	4,791,419	4,854,888	4,795,942
School administration support services		2,904,251	3,418,105	3,271,186
District administration	1,208,287	1,340,829	1,348,953	1,365,456
District administration support services	5,705,129	5,185,172	5,420,372	5,933,888
Operations and maintenance of plant	14,393,763	14,665,825	15,174,695	15,108,739
Student activities	1,477,402	1,425,684	1,483,249	1,333,434
Student transportation service	7,900,429	8,485,824	9,000,647	8,925,429
Adult and continuing education instruction	155,437	180,376	126,191	99,620
Food services	4,368,909	4,079,614	3,836,273	3,683,433
Debt service:				
Interest			63,089	42,359
Principal			144,897	165,627
Capital outlay	1,464,270	187,651	719,031	3,131,446
Total expenditures	<u>\$ 132,219,251</u>	<u>\$ 135,686,918</u>	<u>\$ 141,151,544</u>	<u>\$ 143,226,616</u>
Capital expenditures <sup>a</sup>	<u>\$</u>	<u>\$ 456,858</u>	<u>\$ 925,343</u>	<u>\$ 838,934</u>
Noncapital expenditures <sup>b</sup>	<u>\$</u>	<u>\$ 135,230,060</u>	<u>\$ 140,226,201</u>	<u>\$ 142,387,682</u>
Debt service as a percentage of noncapital expenditures <sup>b</sup>		0.00%	0.15%	0.15%

### Notes:

<sup>a</sup> 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 for fiscal years 2001-02 through 2009-10. Capital expenditures for governmental funds not readily available until fiscal year 2001-02 when the School District implemented GASB Statement 34.

<sup>b</sup> Noncapital expenditures for governmental funds not readily available until fiscal year 2001-02 when the School District implemented GASB Statement 34.

Fiscal Year					
2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
\$ 66,766,094	\$ 70,789,698	\$ 78,785,644	\$ 95,429,216	\$ 92,319,548	\$ 97,534,169
16,562,850	17,600,175	18,108,218	20,768,748	22,307,877	26,434,567
2,026,832	2,189,892	2,537,779	3,054,051	3,956,716	4,784,941
9,006,169	9,781,117	10,559,783	11,988,071	12,669,547	13,523,654
9,079,305	9,955,245	9,490,060	10,131,281	11,452,623	12,580,996
5,184,832	5,162,345	6,066,905	7,285,455	7,071,644	7,327,490
3,567,137	3,662,612	3,973,048	4,155,048	4,487,658	4,754,818
1,483,126	1,626,251	1,783,260	2,101,406	2,223,108	2,302,737
5,757,343	6,678,883	7,789,156	8,838,960	9,470,375	10,516,123
16,896,566	18,309,436	20,043,520	21,775,769	22,049,314	22,678,492
1,544,539	2,148,068	4,691,257	4,891,073	4,921,666	4,981,827
8,730,549	9,135,639	8,837,951	9,106,723	9,488,016	9,873,929
49,539	15,469	472		5,118	321
3,910,627	4,266,661	4,280,890	4,719,021	4,829,664	5,252,103
18,658				40,458	46,119
189,327			318,968	419,967	414,306
1,682,134	1,362,695	259,075	165,733	3,969,640	186,110
<u>\$ 152,455,627</u>	<u>\$ 162,684,186</u>	<u>\$ 177,207,018</u>	<u>\$ 204,729,523</u>	<u>\$ 211,682,939</u>	<u>\$ 223,192,702</u>
<u>\$ 881,112</u>	<u>\$ 1,092,234</u>	<u>\$ 531,325</u>	<u>\$ 629,531</u>	<u>\$ 736,938</u>	<u>\$ 1,779,080</u>
<u>\$ 151,574,515</u>	<u>\$ 161,591,952</u>	<u>\$ 176,675,693</u>	<u>\$ 204,099,992</u>	<u>\$ 210,946,001</u>	<u>\$ 221,413,622</u>
0.14%	0.00%	0.00%	0.16%	0.22%	0.21%

**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)

	<b>Fiscal Year</b>			
	<b>2000-01</b>	<b>2001-02<sup>a</sup></b>	<b>2002-03</b>	<b>2003-04</b>
Excess (deficiency) of revenues over expenditures	\$ 3,962,274	\$ 2,736,386	\$ (210,155)	\$ (1,641,448)
Other financing sources (uses):				
Proceeds from sale of capital assets			6,300	15,647
Proceeds from insurance recovery				
Issuance of capital leases			533,943	
Transfers in	1,366,045	1,831,975	3,226,044	1,784,852
Transfers out	(1,366,045)	(3,431,975)	(3,226,044)	(1,784,852)
Total other financing sources (uses)		(1,600,000)	540,243	15,647
Net change in fund balances	<u>\$ 3,962,274</u>	<u>\$ 1,136,386</u>	<u>\$ 330,088</u>	<u>\$ (1,625,801)</u>

**Note:**

<sup>a</sup> In fiscal year 2001-02 the School District transferred \$1,600,000 in start up funds to the new Risk Management Internal Service fund.

Fiscal Year					
2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
\$ 4,149,322	\$ 959,147	\$ (3,374,104)	\$ 1,129,578	\$ (3,843,186)	\$ (88,692)
6,802	24,407	8,373 1,049,081	31,960	11,260	5,280
828,950	618,073	614,025	1,193,724 3,691,292	528,173 1,877,959	1,944,146
<u>(828,950)</u>	<u>(618,073)</u>	<u>(614,025)</u>	<u>(3,691,292)</u>	<u>(1,877,959)</u>	<u>(1,944,146)</u>
<u>6,802</u>	<u>24,407</u>	<u>1,057,454</u>	<u>1,225,684</u>	<u>539,433</u>	<u>5,280</u>
<u>\$ 4,156,124</u>	<u>\$ 983,554</u>	<u>\$ (2,316,650)</u>	<u>\$ 2,355,262</u>	<u>\$ (3,303,753)</u>	<u>\$ (83,412)</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

<b>Calendar Year of Assessed Value</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Pipeline and Personal Property</b>	<b>Vacant Land</b>
1999	\$ 2,361,729,135	\$ 488,193,989	\$ 617,550,101	\$ 303,577,810	\$ 255,285,201
2000	2,511,729,194	539,178,081	625,087,790	258,225,360	259,596,172
2001	2,587,074,209	589,404,786	632,107,765	277,581,520	254,297,594
2002	2,751,675,089	617,545,662	658,750,150	263,366,140	277,175,320
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	4,118,775,754	875,014,529	733,298,427	377,817,080	312,650,776
2007	4,595,949,320	943,261,759	767,721,675	369,500,480	367,089,029
2008	4,863,123,964	1,033,947,976	812,797,405	508,804,970	377,730,452

**Note:** Property taxes are assessed on a calendar year basis. Estimated actual values are derived using the state-confirmed sales ratio plus state-assessed pipeline. Assessed values are per certified assessment rolls of the Fairbanks North Star Borough. All values are for real property only.

<sup>(a)</sup> Includes tax-exempt property

**Source:** Fairbanks North Star Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2009. Historically, information for the most recent fiscal year is not available until after the publication date of the School District's CAFR.



<b>Less: Tax Exempt Property</b>	<b>Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value as a Percentage of Actual Value (a)</b>
\$ 308,363,625	\$ 3,717,972,611	14.480	\$ 3,856,205,349	96.415%
331,043,832	3,862,772,765	13.662	3,991,843,960	96.767%
349,634,461	3,990,831,413	13.860	4,164,987,187	95.819%
375,715,896	4,192,796,465	13.693	4,317,501,674	97.112%
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%

**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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
This Borough:										
Areawide	14.480	13.662	13.860	13.693	13.693	13.606	12.923	12.209	11.287	11.186
Non-Areawide	0.516	0.522	0.521	0.525	0.523	0.435	0.418	0.409	0.040	0.393
Solid Waste Collection District	1.188	1.159	1.162	1.187	1.187	1.183	1.150	1.126	1.103	1.121
Airway S.A.	1.201	1.175	1.259	1.251	1.214	1.210	1.120	1.089	1.089	1.207
Arctic Fox S.A.	1.184	2.158	2.283	2.325	2.167	2.272	1.944	1.864	1.804	1.861
Aztec S.A.	1.647	1.622	1.674	1.580	1.555	1.576	1.431	1.339	1.257	1.259
Ballaine Lake S.A.	8.085	8.411	8.797	11.744	11.543	11.758	13.775	12.828	12.413	12.671
Becker Ridge S.A.	1.517	1.490	1.542	1.527	1.490	1.500	1.359	1.346	1.376	1.450
Birch Hill S.A.	2.146	2.080	2.085	2.083	2.025	1.986	1.861	1.832	1.814	1.939
Bluebird Road S.A.	1.967	2.195	2.253	2.326	2.329	2.408	2.187	2.004	2.054	2.333
Borda Road S.A.	1.240	1.177	1.192	1.195	1.166	1.152	1.131	1.067	1.079	1.119
Brookside S.A.	0.493	0.484	0.488	0.487	0.495	0.482	0.457	0.435	0.437	0.479
Chena Goldstream Fire S.A.	1.678	1.632	1.674	1.639	1.627	1.615	1.483	1.434	1.473	1.547
Chena Hills Road S.A.	1.059	1.046	1.097	1.051	1.067	1.068	1.001	0.987	0.985	1.047
Chena Hot Springs II S.A. (a)							0.681	0.888	0.698	0.713
Chena Marina S.A.				0.493	0.471	0.893	0.825	0.792	0.756	0.796
Chena Point Road S.A.	1.974	1.997	2.002	1.708	1.710	1.705	3.176	3.154	2.958	3.064
Chena Spur S.A.	0.934	0.930	0.945	0.893	0.893	0.897	2.354	2.407	2.329	2.606
Cleary Summit S.A. (b)								0.189	0.183	0.190
College S.A.	1.502	1.469	1.476	1.480	1.418	1.391	1.292	1.249	1.257	1.391
College Hills S.A.	0.941	0.917	0.919	0.927	0.923	0.922	0.789	0.754	0.785	0.835
Cooper Estates S.A.	2.089	3.233	3.291	3.149	2.927	3.045	2.709	2.717	2.614	2.821
Cordes Drive S.A.	1.230	1.306	1.338	1.338	1.403	1.337	1.150	1.060	1.074	1.112
Cripple Creek S.A.	1.923	1.835	1.875	1.868	1.835	1.754	1.679	1.477	1.520	1.601
Deep Forest S.A. (c)				0.865	0.944	6.229	0.759	0.714	0.707	0.724
Diane Subdivision S.A.	0.377	0.362	0.359	0.359	0.362	0.351	0.322	0.303	0.310	0.333
Drake Estates S.A. (d)					1.931	2.120	1.783	0.688	0.719	0.762
Edanella Heights Road S.A.	1.033	1.013	1.027	0.984	0.945	0.977	1.281	1.273	1.249	1.388
Ester Lump Road S.A.	2.031	2.000	2.016	2.000	2.053	2.021	1.881	1.710	1.741	1.773
Ester Volunteer Fire S.A.	2.577	2.545	2.580	2.634	2.657	2.590	2.501	2.270	2.384	2.444
Fairfields S.A.	0.894	0.870	0.887	0.861	0.824	0.812	0.707	0.683	0.675	0.713
Fairhill S.A.	1.328	1.305	1.296	1.332	1.295	1.211	1.170	1.163	1.093	1.188
Fairwest S.A.	2.015	2.030	2.007	2.024	1.999	1.971	1.878	1.850	1.789	1.896
Garden S.A.	1.250	1.203	1.225	1.205	1.116	1.158	1.103	1.074	1.035	1.089
Golden Valley Road S.A.	3.541	3.362	3.427	3.224	2.728	2.618	2.695	2.665	4.285	4.483
Goldstream Alaska S.A.	1.609	1.524	1.567	1.536	1.498	1.512	2.294	2.109	2.171	2.246
Goldstream Moose Creek S.A. (e)	2.022	1.971	2.057	2.064	1.988	1.873	1.723	1.586	1.635	1.598
Gordon S.A.	1.312	1.267	1.303	1.289	1.281	1.245	1.167	1.112	1.028	1.096
Granola Estates S.A.	1.173	1.164	1.207	1.253	1.216	1.210	1.323	1.117	1.089	1.239
Grieme Road S.A.	3.016	2.855	3.617	3.542	3.137	3.144	3.486	3.418	3.466	3.780
Haystack S.A.	1.675	1.672	1.664	3.175	3.309	3.285	3.106	2.875	2.901	3.231
Herning Hills S.A.	1.480	1.465	1.495	1.469	1.511	1.482	1.382	1.318	1.258	1.368
Hopeless S.A. (a)							0.869	0.833	0.838	0.889
Horseshoe Downs S.A.	1.459	1.447	1.486	1.577	2.633	2.591	2.384	2.278	2.297	2.447
Jennifer Drive S.A.	0.567	0.563	0.578	0.575	0.571	0.500	1.695	1.533	1.554	1.654
Jones Road S.A.	1.078	1.825	1.798	1.820	1.762	1.697	1.570	1.447	1.470	1.522
Joy Road S.A.	1.440	1.389	1.517	1.508	1.424	1.401	1.274	1.186	1.189	1.265
Keeney Road S.A.	0.683	0.668	0.681	0.706	0.670	0.646	0.549	0.552	0.545	0.561
Kendall S.A.	0.975	0.960	1.001	0.993	0.941	0.958	0.939	0.874	0.854	0.903
Keystone S.A.	3.268	3.247	3.283	3.373	3.166	2.976	3.125	3.065	3.002	3.088
Kris Kringle S.A.	1.924	1.883	1.916	3.719	3.942	2.077	1.938	1.871	1.911	2.023

Tax Levies (In 000's)									
1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
\$56,487	\$55,566	\$58,314	\$60,682	\$64,568	\$69,324	\$74,094	\$79,537	\$82,628	\$82,551
1,290	1,356	1,412	1,496	1,588	1,424	1,543	1,672	1,812	1,921
3,260	3,295	3,436	3,683	3,916	4,194	4,536	4,912	5,319	5,636
8	8	8	9	9	10	10	11	12	12
2	4	4	4	4	5	5	5	5	5
12	13	13	13	14	16	17	19	18	20
12	13	13	18	18	19	22	25	26	26
50	52	55	59	64	70	82	90	98	105
50	53	55	59	63	68	75	87	100	104
4	4	5	5	5	6	6	6	6	7
13	14	14	16	19	21	23	25	27	28
6	6	6	6	7	7	7	8	8	9
414	449	479	521	572	637	710	779	853	933
24	30	35	39	45	54	63	71	80	88
						1	1	1	1
			7	7	15	17	19	20	21
5	9	11	15	18	24	48	60	86	90
8	9	9	9	10	10	23	35	38	39
								1	1
322	330	341	356	370	390	419	447	474	493
17	18	19	20	21	22	21	22	23	25
7	12	12	12	13	16	18	20	23	24
5	12	13	13	15	17	18	20	21	24
21	24	27	29	32	37	41	46	52	55
			11	15	46	46	17	18	19
3	3	3	3	3	3	3	3	3	3
				10	12	13	15	7	7
14	14	15	16	16	17	26	27	29	31
12	12	12	13	14	14	15	15	17	18
155	166	182	195	207	228	255	277	318	344
12	12	13	13	14	14	14	14	15	15
8	8	9	10	10	10	11	11	12	12
15	16	16	17	17	18	19	21	23	24
8	9	9	10	10	12	20	26	32	36
3	3	3	4	4	5	6	7	7	12
7	7	8	9	9	11	11	22	23	24
10	11	12	12	30	33	36	40	42	45
22	22	24	25	26	29	35	39	47	50
3	3	3	3	3	4	4	4	5	5
3	5	5	6	7	9	11	13	15	16
7	7	7	15	16	18	19	21	27	34
15	16	16	17	19	20	21	23	25	26
							19	20	22
4	4	4	5	9	10	10	11	11	12
1	1	1	1	1	1	4	4	5	5
19	33	35	36	37	37	44	49	53	57
4	4	4	5	5	5	6	6	6	7
1	2	2	2	2	2	2	2	2	2
7	7	7	7	7	9	10	10	10	12
7	7	7	8	8	8	10	11	11	11
6	7	7	16	17	10	11	11	12	12

**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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Lakloey Hill S.A.	1.160	1.144	1.176	1.173	1.172	1.130	1.030	0.992	0.933	1.003
Lee Lane S.A.	1.696	1.655	1.678	1.701	1.650	1.649	1.598	1.615	1.561	1.623
Loose Moose S.A.	1.049	1.015	1.004	0.981	0.926	0.918	0.875	0.786	0.808	0.905
Martin S.A.	6.283	5.813	5.946	6.094	6.267	5.934	7.714	8.034	8.555	8.190
McCloud S.A.	9.301	9.190	8.992	9.164	8.620	8.237	14.746	14.787	15.075	15.055
McGrath Estates S.A.	1.315	1.308	1.336	1.322	1.440	1.431	1.207	1.176	1.212	1.302
McKinley View S.A.	1.725	2.842	2.532	2.510	2.191	2.055	1.808	1.644	1.692	1.590
Mellow Woods Road S.A.	0.897	1.236	1.297	1.275	1.360	1.330	1.253	1.161	1.194	1.242
Miller Hill Extension S.A.	2.641	2.507	2.569	2.493	2.516	5.597	4.607	4.354	4.400	4.481
Moose Creek S.A.	0.372	0.390	0.390	0.394	0.559	0.572	0.421	0.434	0.373	0.350
Moose Meadows S.A.						0.886	0.818	0.784	0.774	0.829
Mt. View S.A.	1.269	1.272	1.276	1.278	1.262	1.247	1.143	1.083	1.119	1.191
Murphy S.A.	1.773	1.708	1.744	1.761	1.647	1.593	1.571	1.456	1.506	1.564
Musk Ox S.A.	1.305	1.288	1.357	1.369	1.344	1.320	1.174	1.133	1.163	1.290
Newby Park S.A.	0.456	0.453	0.459	0.459	0.495	0.477	0.722	0.656	0.676	0.710
North Ridge S.A.			4.075	4.446	3.858	3.921	4.534	4.500	4.009	4.298
North Star Fire S.A.	1.377	1.359	1.382	1.374	1.488	1.462	1.257	1.205	1.153	1.198
O'Connor Creek S.A.	14.005	15.006	14.670	15.176	15.693	16.029	12.475	13.939	9.770	7.831
Old Wood Road S.A.	1.638	1.603	1.794	1.813	2.045	1.988	1.672	1.619	1.733	1.771
Our S.A.	1.012	0.975	0.983	0.970	1.015	0.986	0.929	0.860	0.838	0.828
Parkside S.A.	1.507	1.479	1.579	1.600	1.600	1.584	1.558	1.428	1.446	1.552
Peede Country Estates S.A.	1.683	1.558	1.585	1.554	1.499	1.475	1.402	1.345	1.287	1.409
Pine Stream S.A.	1.064	1.041	1.039	1.028	0.989	0.975	0.902	0.911	0.928	0.981
Pleasureland S.A.	1.152	1.112	1.096	1.090	1.047	0.998	0.976	0.916	0.881	0.962
Polar Heights S.A.	1.088	1.091	1.095	1.081	1.172	1.166	1.027	1.014	0.926	0.926
Potlatch S.A. (f)	2.594	2.551	2.595	2.496	2.430	3.514	2.374	2.277	2.436	4.553
Prospect Park S.A.	0.858	0.850	0.892	0.891	0.961	0.891	1.142	1.083	1.095	1.121
Reed Acres Road S.A.	1.374	1.381	1.411	1.371	1.380	1.359	1.259	1.145	1.146	1.206
Ridgecrest S.A.	1.044	1.015	1.028	0.938	0.928	0.887	0.899	0.890	0.840	0.975
Salchaket Heights S.A.	4.475	4.465	4.589	4.543	4.668	4.292	4.590	4.806	4.966	5.162
Scenic Heights S.A.	1.664	1.698	1.701	1.573	1.584	1.527	1.377	1.370	1.415	1.497
Seavy S.A.	0.444	0.447	0.448	0.446	0.444	0.418	0.349	0.335	0.294	0.299
Secluded Acres S.A.		1.739	1.583	1.585	1.431	1.442	1.451	1.416	1.310	1.365
Serendipity Hill S.A.	2.605	2.661	2.674	3.377	3.287	3.153	3.029	2.716	2.998	3.069
Six-Mile Village Road S.A.	1.400	1.525	1.526	1.378	1.408	1.354	1.226	1.223	1.167	1.234
Smallwood Trail Road S.A.	0.694	0.674	0.688	0.680	0.787	0.743	0.613	0.600	0.596	0.673
Smith Ranch S.A.(g)									1.299	1.372
Spring Glade S.A.	1.024	1.011	1.056	1.041	1.008	0.893	0.826	0.779	0.813	0.850
Spruce Acres S.A.	1.725	1.613	1.712	1.665	1.647	1.698	1.568	1.515	1.470	1.614
Steamboat Landing S.A.	1.356	1.334	1.315	1.260	1.251	1.317	1.171	1.176	1.192	1.307
Steese Volunteer Fire S.A.	1.469	1.466	1.494	1.937	1.861	1.809	1.693	1.628	1.600	1.690
Straight Creek S.A.		3.472	3.376	3.373	3.444	3.315	3.393	2.963	3.926	3.776
Summerwood S.A.	1.735	1.657	4.683	2.716	2.658	2.506	2.340	2.185	2.258	2.395
Summit Drive S.A.	1.074	1.065	1.079	1.085	1.060	1.037	1.450	1.375	1.381	1.447
Sunny Hills Terrace S.A.	2.317	2.422	2.484	2.378	2.377	2.432	2.355	2.249	2.367	2.498
Sunrise S.A.	2.543	2.430	2.501	2.467	2.357	2.349	2.078	1.865	1.926	2.031
Tan Terra S.A.	1.079	1.023	1.027	0.970	0.977	0.926	1.624	1.559	1.559	1.478
Thomas S.A.	1.455	1.381	1.272	1.284	1.297	1.209	2.442	2.485	2.460	2.759
Timberlane Road S.A.	1.639	1.577	1.589	1.556	1.470	1.485	1.347	1.251	1.274	1.371
Tungsten S.A.	2.560	2.606	2.797	2.752	2.778	2.737	2.687	2.682	2.648	2.814
Twenty Three Mile Slough S.A.	3.120	2.912	2.847	2.455	2.445	2.489	3.887	3.698	3.986	3.977
Ullrhaven S.A.	1.958	1.897	1.928	1.926	1.916	1.835	1.910	1.787	1.658	1.827

Tax Levies (In 000's)										
1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
\$ 21	\$ 22	\$ 22	\$ 23	\$ 25	\$ 26	\$ 28	\$ 31	\$ 33	\$ 36	
3	3	4	4	4	4	5	5	5	5	
5	5	5	5	5	5	5	6	6	7	
6	6	7	7	7	9	11	16	21	22	
7	8	9	9	9	11	23	24	25	29	
40	42	44	46	53	58	55	58	61	65	
2	4	4	4	4	4	5	5	5	5	
7	11	12	12	14	15	15	16	16	18	
13	14	15	16	16	37	41	44	49	51	
9	10	10	10	13	14	13	13	14	15	
					48	53	59	65	69	
19	20	20	21	22	23	24	26	27	28	
4	5	5	5	6	7	9	10	11	12	
16	17	18	19	20	21	22	23	24	25	
6	6	6	7	8	9	9	15	16	17	
		3	4	4	5	8	8	10	10	
709	770	815	867	1,019	1,110	1,135	1,269	1,387	1,484	
78	79	81	83	85	87	90	95	106	107	
6	6	7	7	9	9	8	8	10	11	
2	2	2	2	2	2	3	3	3	4	
4	4	4	5	5	5	7	8	9	10	
3	3	3	4	4	4	4	5	5	5	
12	13	14	14	14	15	18	19	21	22	
4	4	5	5	5	6	6	7	7	7	
12	13	13	13	14	15	16	17	17	18	
7	8	9	9	9	7	11	9	10	15	
3	3	4	4	5	5	4	7	8	8	
4	5	5	5	6	6	6	7	8	8	
1	1	1	1	2	2	2	2	2	2	
1	2	2	2	2	2	2	2	2	2	
14	14	14	14	15	16	16	17	18	18	
6	6	7	7	8	9	8	9	9	9	
	5	5	5	6	6	7	7	7	8	
2	3	4	5	6	6	6	6	6	7	
3	4	4	4	5	5	8	8	8	9	
3	3	3	3	4	5	5	5	5	5	
									36	
15	15	16	18	20	20	22	24	26	27	
4	4	4	4	5	5	5	6	6	6	
7	8	8	8	9	10	12	13	15	17	
460	490	516	736	800	862	935	1,018	1,097	1,172	
	7	8	8	8	9	9	10	13	18	
4	5	13	21	23	26	28	30	32	34	
35	37	38	42	45	48	79	89	99	108	
19	19	20	20	21	23	25	27	28	30	
7	8	8	8	9	9	10	11	11	12	
7	7	7	8	8	9	9	19	19	20	
3	4	4	4	4	4	10	10	11	11	
6	6	6	6	6	7	7	7	7	8	
5	7	10	13	17	22	25	26	29	32	
5	7	8	9	10	12	19	23	24	29	
2	2	2	3	3	3	3	3	4	4	

# 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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
University Fire S.A.	2.305	2.310	2.319	2.326	2.300	2.285	2.163	2.108	2.138	2.301
University Heights S.A.	1.706	1.700	1.684	1.697	1.652	1.600	1.533	1.475	1.520	1.617
University West Street Lights S.A.	0.541	0.529	0.527	0.528	0.500	0.485	0.443	0.418	0.419	0.447
Vienna Woods S.A.		1.151	1.179	1.148	0.960	0.904	0.856	0.815	0.772	0.794
Viewpointe S.A.	1.058	1.072	1.055	1.076	1.069	1.021	0.971	0.956	0.982	1.019
Violet Drive S.A.	2.356	2.244	2.264	2.203	2.191	2.118	2.711	2.667	2.572	2.798
Vista Gold Road S.A.	3.005	2.912	2.943	2.959	2.883	2.733	2.459	2.298	2.390	2.377
Vue Crest, S.A.	1.521	1.532	1.550	1.510	1.467	1.463	1.389	1.310	1.303	1.429
Whitman S.A.	1.897	1.863	1.742	1.625	1.616	1.623	1.485	1.424	1.369	1.442
Wildview S.A.	3.136	3.090	3.142	3.021	3.078	2.896	2.790	2.579	2.651	2.898
Woodland S.A.	1.332	1.233	1.246	1.222	1.204	1.189	0.999	0.980	0.964	1.036
Woodridge/Mark Acres Road S.A. (h)	3.016	2.802								
Yak Road S.A.	0.973	0.963	0.983	0.956	0.965	0.934	0.888	0.889	0.900	0.976
City of Fairbanks	6.000	6.442	6.426	6.511	6.516	7.171	6.804	6.700	6.594	5.991
City of North Pole	2.300	2.400	2.400	3.000	3.000	3.000	3.000	3.000	3.000	3.000

**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 preceding year per FNSB 3.08.145.

- (a) Chena Hot Springs II and Hopeless Road S.A. began taxing real property owners in 2005.
- (b) Cleary Summit S.A. began taxing real property owners in 2006.
- (c) Deep Forest S.A., starting in 2004, includes a two-year road project under a differential tax zone.
- (d) Drake Estates S.A. was established October 10, 2002, with tax mill rate beginning in 2003.
- (e) Spinach Creek S.A. changed its name to Goldstream Moose Creek S.A. in 2004.
- (f) Potlatch S.A., starting in 2008, includes a two-year road project under a differential tax zone.
- (g) Smith Ranch S.A. established its mill rate by vote on March 25, 2008
- (h) Woodridge/Mark Acres Road S.A. merged with Summerwood S.A. in fiscal year 2001-02.

**Source:** Fairbanks North Star Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2009. 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)									
1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
\$ 1,172	\$ 1,266	\$ 1,355	\$ 1,432	\$ 1,519	\$ 1,609	\$ 1,727	\$ 1,866	\$ 2,020	\$ 2,135
33	36	38	40	42	44	46	49	52	55
41	41	43	44	46	49	52	57	60	62
	8	10	11	12	14	16	19	20	21
12	13	13	14	14	15	15	16	17	18
22	23	24	26	27	29	44	48	53	57
18	20	21	23	26	28	29	31	33	35
18	19	19	20	21	22	23	25	27	30
3	3	3	2	3	3	3	3	3	4
73	80	89	97	109	120	131	145	158	171
1	2	2	2	2	2	2	2	2	2
7	7								
31	35	37	43	48	56	62	66	70	73
6,883	7,861	8,033	8,648	9,227	11,113	11,688	12,619	13,477	13,210
562	589	591	759	789	813	770	815	883	924

**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	2008			1999		
		Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation <sup>a</sup>	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation <sup>b</sup>
Alyeska and related activities	oil transportation	\$ 508,804,970	1	6.70%	\$ 303,577,810	1	7.54%
Fairbanks Gold Mining, Inc. <sup>c</sup>	gold mining	220,039,315	2	2.90%	250,779,518	2	6.23%
Flint Hills Resources, LLC <sup>d</sup>	oil refining	152,141,863	3	2.00%	164,795,818	3	4.10%
Doyon Utilities, LLC	utilities	87,599,597	4	1.15%			
Alaska Communications Systems	communications	50,897,929	5	0.67%	35,595,709	5	0.88%
GCI Cable Fairbanks, Inc.	utilities	39,061,519	6	0.51%			
Westmark Hotel	hotel	33,256,612	7	0.44%			
Wal-Mart	shopping center	32,779,914	8	0.43%	13,489,470	10	0.34%
Alaska Hotel Properties, Inc. <sup>e</sup>	hotel	27,753,848	9	0.37%	15,564,047	8	0.39%
HEBL Housing (Eielson AFB)	military housing	25,042,511	10	0.33%	54,689,642	4	1.36%
Fred Meyer Stores, Inc. (west)	shopping center				17,690,368	7	0.44%
North Star Alaska Housing Corp.	military housing				29,830,020	6	0.74%
Polar Star Alaska Housing Corp.	military housing				13,768,643	9	0.34%
		<u>\$ 1,177,378,078</u>		<u>15.50%</u>	<u>\$ 899,781,045</u>		<u>22.36%</u>

**Notes:**

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

<sup>a</sup> \$7,596,404,767

<sup>b</sup> \$4,026,336,236

<sup>c</sup> Fort Knox

<sup>d</sup> Williams Alaska Petroleum, Inc. in 1999

<sup>e</sup> Princess

**Source:** Fairbanks North Star Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2009. 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	Net Tax Levy	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
1999-00	\$ 56,487,428	\$ 53,750,770	\$ 52,965,407	98.54%	\$ 678,874	\$ 53,644,281	99.80%
2000-01	55,566,051	52,711,220	51,710,487	98.10%	744,249	52,454,736	99.51%
2001-02	58,313,709	55,223,773	54,516,342	98.72%	622,716	55,139,058	99.85%
2002-03	60,682,005	57,377,304	56,643,449	98.72%	653,121	57,296,570	99.86%
2003-04	64,568,352	60,900,931	60,228,158	98.90%	603,454	60,831,612	99.89%
2004-05	69,324,447	65,291,295	64,576,590	98.91%	639,465	65,216,055	99.88%
2005-06	74,094,284	69,496,812	68,689,017	98.84%	755,358	69,444,375	99.92%
2006-07	79,536,709	74,585,658	73,722,859	98.84%	695,142	74,418,001	99.78%
2007-08	82,627,871	77,656,254	76,752,199	98.84%	405,500	77,157,699	99.36%
2008-09	82,550,860	77,538,492	76,584,066	98.77%		76,584,066	98.77%

**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.

Taxes levied for the fiscal year are the taxes levied after local exemptions, but before state mandated exemptions are applied. Net tax levy is the taxes levied for the fiscal year after the application of state exemptions.

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.

**Source:** Fairbanks North Star Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2009. 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 <sup>a</sup>		Percentage of Students Eligible for Free or Reduced-Price Meals
		Breakfast	Lunch	
2000-01	\$ 1,630,463	\$	\$	28%
2001-02	1,784,955			28%
2002-03	1,907,619			30%
2003-04	1,835,140			30%
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%

### Note:

<sup>a</sup> 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<sup>a</sup></u>	<u>Per Capita<sup>a</sup></u>
2000-01	\$		\$
2001-02			
2002-03	389,046	0.02%	4.59
2003-04	223,419	0.01%	2.62
2004-05			
2005-06			
2006-07			
2007-08	874,756	0.03%	8.93
2008-09	982,962	0.03%	10.03
2009-10	568,656	0.02%	5.80

### Note:

<sup>a</sup> See page 188, 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. Data for calendar years 2008, 2009 and 2010, which is provided by the Fairbanks North Star Borough, was not available until after the publication of this CAFR. Therefore, personal income from the most recent available calendar year (2007) is used for fiscal year 2008-09 and 2009-10.

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

As Reported by Fairbanks North Star Borough

Demographic and Economic Statistics  
Last Ten Calendar Years

<b>Year</b>	<b>Population</b>	<b>Personal Income in 000's</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
	(a)	(a)	(a)	(b)
1998	83,299	\$ 2,097,376	\$ 25,179	5.9%
1999	83,390	2,158,843	25,889	5.8%
2000	82,769	2,303,272	27,828	6.0%
2001	85,293	2,408,390	28,237	5.8%
2002	87,412	2,521,539	28,847	6.4%
2003	89,294	2,584,043	28,939	6.9%
2004	92,414	2,735,669	29,602	6.4%
2005	94,561	3,002,780	31,755	5.8%
2006	94,803	3,276,214	34,558	5.6%
2007	97,986	3,425,596	34,960	5.2%

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

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

**Note:**

Population data is available from multiple sources for the State of Alaska, and the numbers can vary widely. The source for this table has been selected because it also provides the personal income and per capita data. Data for calendar year 2008 is not available until April 2010.

**Source:**

Fairbanks North Star Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2009. 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 three years was not available for this schedule.

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

As Reported by the Fairbanks North Star Borough

Principal Employers  
Current Year and Nine Years Ago

Employer	2008		1999		
	Rank	Average Monthly Employment <sup>a</sup>	Employees	Rank	Percentage of Total Borough Employment <sup>b</sup>
Federal Government <sup>c</sup>	1	1,000 - 3,500	3,318	1	8.12%
University of Alaska Fairbanks <sup>d</sup>	2	1,000 - 3,500	1,859	3	4.55%
Fairbanks North Star Borough School District	3	1,000 - 3,500	1,872	2	4.58%
State Government <sup>e</sup>	4	1,000 - 3,500	1,617	4	3.96%
Banner Health <sup>f</sup>	5	1,000 - 3,500	1,004	5	2.46%
Fred Meyer Stores, Inc.	6	500 - 749	569	7	1.39%
Sam's Club/Wal-Mart	7	500 - 749			
Fairbanks North Star Borough (FNSB)	8	250 - 499	421	8	1.03%
Fairbanks Gold Mining, Inc. (Ft. Knox)	9	250 - 499			
Carrs/Safeway	10	250 - 499			
Tanana Chiefs Conference			609	6	1.49%
ASRC Energy Services (Houston/NANA)			379	9	0.93%
Fairbanks Native Association			300	10	0.73%
			<u>11,948</u>		<u>29.23%</u>

**Notes:** Data based on calendar year.

- <sup>a</sup> Average monthly employment per U.S. Bureau of Labor Statistics' Current Employment Statistics Program; 42,914 total Borough employment in 2008 per U.S. Bureau of Labor Statistics' Current Population Survey.
- <sup>b</sup> 40,877 total Borough employment in 1999 per U.S. Bureau of Labor Statistics' Current Population Survey.
- <sup>c</sup> Excludes military uniformed personnel; for 2008, includes civilian employees at Fort Wainwright Army Post 1,547 and civilian employees at Eielson Air Force Base 788.
- <sup>d</sup> Student employment not included: 2008 - 836, 1999 - 874.
- <sup>e</sup> State government is total state government excluding the University of Alaska.
- <sup>f</sup> Fairbanks Memorial Hospital (Lutheran Health Services in 1999)

**Source:** Fairbanks North Star Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2009. 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 Nine Years and Projected Next Year

	Actual as of June 30					
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
<b>Personnel by Department</b>						
Board / Superintendent	7.50	7.20	7.50	7.50	7.50	8.50
Research & Accountability <sup>a</sup>	2.50	3.00	3.00	3.00	3.00	3.50
Administrative Services	31.00	39.00	37.00	38.04	39.04	39.04
Human Resources	6.50	9.50	9.00	10.50	18.00	16.50
Facilities Management	187.00	189.00	185.00	189.60	189.60	189.60
Instruction and Supervision	47.00	62.25	62.85	41.25	43.20	46.20
Student Support Services						
Instructional Technology Services						
Curriculum	4.50	7.00	3.50	3.00	4.50	4.50
Special Education	255.10	265.60	261.20	254.20	251.20	247.39
Technology and Information Systems	23.50	29.00	29.00	23.80	29.80	31.00
Elementary Schools	484.50	476.50	478.50	465.74	469.64	509.64
Middle Schools	166.50	164.50	154.00	144.80	142.30	133.00
Junior/Senior High School	49.50	48.00	49.00	48.50	50.50	48.50
Alternative Learning System <sup>b</sup>	40.00					
Senior High Schools	251.16	269.16	268.50	271.00	275.00	277.50
Charter Schools <sup>c</sup>				25.50	48.58	45.70
<b>Total Personnel</b>	<b>1,556.26</b>	<b>1,569.71</b>	<b>1,548.05</b>	<b>1,526.43</b>	<b>1,571.86</b>	<b>1,600.57</b>
<b>Personnel by Employee Type</b>						
Districtwide Administration	4.00	4.00	4.00	4.00	4.00	4.00
Professional Staff	43.00	49.95	49.75	49.59	61.04	65.54
Principals / Assistant Principals	44.66	44.66	44.00	43.00	43.00	43.00
Certified Staff	941.60	933.60	913.20	880.70	897.20	894.69
Support Staff	523.00	537.50	537.10	549.14	567.62	593.34
<b>Total Personnel</b>	<b>1,556.26</b>	<b>1,569.71</b>	<b>1,548.05</b>	<b>1,526.43</b>	<b>1,572.86</b>	<b>1,600.57</b>

### 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.

<sup>a</sup> Prior to fiscal year 2008-09 Research & Accountability was known as Program, Planning & Evaluation.

<sup>b</sup> After fiscal year 2001-02, Alternative Learning System personnel were included with Senior High School personnel.

<sup>c</sup> 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 2003-04 through 2009-10. Comparable data for fiscal years prior to 2001-2002 are not available for presentation in this schedule.

			Budgeted Positions
2007-08	2008-09	2009-10	2010-11
8.50	8.50	9.50	8.50
4.50	4.50	3.50	3.50
39.04	39.50	38.50	38.50
16.50	16.50	15.50	14.50
189.60	189.60	187.60	187.60
27.60	33.30	38.80	65.35
15.20	15.20	13.65	14.40
5.00	12.00		
5.50	5.50	5.00	5.25
249.82	259.32	270.50	343.73
31.00	35.00	39.50	43.00
503.14	488.14	494.14	507.64
136.00	142.00	152.00	157.00
49.60	47.10	47.00	47.00
276.40	274.40	273.00	270.00
46.70	47.00	55.00	56.25
<u>1,604.10</u>	<u>1,617.56</u>	<u>1,643.19</u>	<u>1,762.22</u>
4.00	5.00	5.00	5.00
67.54	68.00	69.65	69.15
43.00	43.00	43.00	43.00
902.12	903.42	920.95	951.03
587.44	598.14	604.59	694.04
<u>1,604.10</u>	<u>1,617.56</u>	<u>1,643.19</u>	<u>1,762.22</u>

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Operating Statistics  
Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Enrollment</b>	<b>Operating Expenditures<sup>a</sup></b>	<b>Cost Per Pupil</b>	<b>Percentage Change</b>	<b>Employer's Contribution to PERS / TRS</b>	<b>State of Alaska's Contribution to PERS/TRS on Behalf of the School District</b>
2000-01	15,553	\$ 132,219,251	\$ 8,501	2.42%	\$ 8,364,574	\$
2001-02	15,274	135,686,918	8,884	4.50%	7,977,900	
2002-03	15,142	141,151,544	9,322	4.93%	8,202,012	
2003-04	14,593	143,226,616	9,815	5.29%	8,321,154	
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

**Notes:**

<sup>a</sup> Operating expenditures are total expenditures in governmental funds.

<sup>b</sup> 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:** Enrollment and Average Class Size: Fairbanks North Star Borough School District 2009-10 Approved Budget

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 <sup>b</sup>			Percentage of Students Eligible for Free or Reduced-Price Meals
			Elementary Schools	Middle Schools	Senior High Schools	
\$	538	5.33%	23.1	25.4	24.5	28%
	522	-2.88%	22.8	24.5	24.5	28%
	542	3.71%	22.9	24.7	24.6	30%
	570	5.27%	22.8	22.4	23.7	30%
	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%

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Teacher Salary Information Last Ten School Years

<b>School Year</b>	<b>Entry Level Salary <sup>a</sup></b>	<b>Maximum Teacher Salary <sup>b</sup></b>	<b>Average Teacher Salary <sup>c</sup></b>	<b>Percent of Teachers at Maximum on Column(s) <sup>d</sup></b>
2000-01	\$ 32,733	\$ 61,865	\$ 50,755	49%
2001-02	33,551	63,412	52,093	47%
2002-03	34,222	64,680	53,322	49%
2003-04	34,906	67,719	55,619	40%
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 <sup>e</sup>	63,979	42%
2009-10	42,961	83,571	66,398	44%

### Notes:

- <sup>a</sup> Entry level salary represents a teacher with a bachelor degree and no experience.
- <sup>b</sup> Maximum 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.
- <sup>c</sup> Average teacher salary is based on a scattergram of contracted certificated salaries for that school year.
- <sup>d</sup> 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.

- <sup>e</sup> 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) <sup>a</sup>			AP Exam results		
	Fairbanks	Alaska	Nation	Fairbanks	Alaska	Nation	Fairbanks	Alaska	Global
1999-2000	22.3	21.3	21.0	1,060	1,034	1,019	3.00	2.96	3.02
2000-01	22.6	21.0	21.0	1,029	1,024	1,020	3.14	2.98	2.97
2001-02	22.4	21.3	20.8	1,052	1,035	1,020	3.20	3.13	3.00
2002-03	22.1	21.1	20.8	1,062	1,036	1,026	3.06	2.93	2.96
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

### Notes:

<sup>a</sup> 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, 2010

## Number of Personnel <sup>a</sup>

Districtwide administration	5.00
Professional staff	69.65
Principals and assistant principals	43.00
Certified staff	920.25
Support staff	604.59
Number of schools	35

## Enrollment <sup>b</sup>

Elementary Schools - District	
Anne Wien	397.78
Badger Road	549.90
Barnette	403.25
Chinook Charter School	153.00
Denali	370.05
Hunter	349.98
Joy	383.73
Ladd	541.70
Nordale	333.35
North Pole Elementary	531.66
Pearl Creek	443.17
Salcha	101.00
Ticasuk Brown	554.17
Two Rivers	92.55
University Park	460.10
Watershed	172.80
Weller	519.58
Woodriver	413.90
Secondary Schools - District	
Effie Kokrine Charter School	155.35
Hutchison High	357.90
Lathrop Senior High	1,198.77
North Pole Middle	633.25
North Pole Senior High	813.70
Randy Smith Middle	334.85
Ryan Middle	375.02
Star of the North Charter	200.95
Tanana Middle	523.10
West Valley Senior High	1,080.35
Alternative Learning System	111.55
Elementary Schools - On-Base	
Anderson	327.55
Arctic Light	524.25
Crawford	305.80
Secondary Schools - On-Base	
Ben Eielson Junior/Senior High	473.80
Guided Independent Study	195.43
Fairbanks Youth Facility	14.20
Total	<u><u>14,397.49</u></u>

### Sources:

<sup>a</sup> Fairbanks North Star Borough School District Approved Budget for fiscal year 2010-11.

<sup>b</sup> 2009-10 20 Day ADM Official Enrollment as reported to the State of Alaska Department of Education and Early Development.

# 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 <sup>a</sup>																				
95-96	116	1,401	1,369	1,287	1,313	1,350	1,292	1,273	9,401	1,195	1,151	2,346	1,595	1,165	831	718	4,309	16,056	340	2.2%
96-97	129	1,298	1,407	1,366	1,301	1,303	1,331	1,283	9,418	1,253	1,172	2,425	1,611	1,180	900	788	4,479	16,322	266	1.7%
97-98	128	1,268	1,359	1,361	1,366	1,245	1,296	1,307	9,330	1,324	1,207	2,531	1,659	1,169	895	847	4,570	16,431	109	0.7%
98-99	119	1,118	1,314	1,350	1,310	1,292	1,226	1,237	8,966	1,269	1,287	2,556	1,704	1,158	909	861	4,632	16,154	(277)	-1.7%
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%
2010-11 Projected Enrollment <sup>b</sup>																				
10-11	142	1,124	1,164	1,243	1,144	1,137	1,155	1,080	8,189	1,114	1,048	2,162	1,021	1,080	1,174	1,027	4,302	14,653	256	1.8%

### Sources:

<sup>a</sup> ADM Official Enrollments as reported to the State of Alaska Department of Education and Early Development.

<sup>b</sup> Fairbanks North Star Borough School District Financial Plan document for fiscal year 2010-11.

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Capital Assets by Type and Function Last Nine Fiscal Years

	Fiscal Year			
	2001-02 <sup>a b</sup>	2002-03	2003-04	2004-05
<b>Capital Assets by Type</b>				
Building improvements	\$	\$	\$	\$
Furniture and equipment	9,469,672	10,270,934	10,516,707	11,135,339
Intangible assets (software)	136,421	139,420	205,056	205,056
Total by type	<u>\$ 9,606,093</u>	<u>\$ 10,410,354</u>	<u>\$ 10,721,763</u>	<u>\$ 11,340,395</u>
<b>Capital Assets by Function</b>				
Instruction		3,400,457	3,686,892	3,988,655
Special education instruction		70,836	72,197	76,100
Special education support services-students		29,322	29,322	29,322
Support services-students		53,464	53,464	53,464
Support services-instruction		926,760	1,031,521	1,126,093
School administration		89,820	86,741	79,568
School administration support services		61,247	66,707	66,707
District administration		98,189	95,531	83,284
District administration support services		2,131,977	2,052,866	2,032,780
Operations and maintenance of plant		2,750,917	2,749,159	2,938,062
Student activities		21,299	21,299	42,062
Student transportation service		4,801	4,801	8,868
Adult and continuing education		2,749	2,749	2,749
Community services		2,855	2,855	2,855
Food services		765,661	765,659	809,826
Total by function	<u>\$</u>	<u>\$ 10,410,354</u>	<u>\$ 10,721,763</u>	<u>\$ 11,340,395</u>

### Note:

<sup>a</sup> The district began reporting capital assets by type and function when it implemented GASB Statement 34 in fiscal year 2001-02.

<sup>b</sup> The district was not able to recreate capital asset data by function for fiscal year 2001-02.

### Source:

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

Fiscal Year				
2005-06	2006-07	2007-08	2008-09	2009-10
\$	\$ 318,102	\$ 318,102	\$	\$
11,212,351	11,558,422	11,670,579	8,756,504	9,256,859
205,056	205,056	205,056	190,993	1,121,733
<u>\$ 11,417,407</u>	<u>\$ 12,081,580</u>	<u>\$ 12,193,737</u>	<u>\$ 8,947,497</u>	<u>\$ 10,378,592</u>
3,351,793	3,322,276	3,429,971	1,830,758	1,915,692
117,075	107,066	85,634	53,922	585,295
29,322	29,322	38,257	25,795	25,795
58,730	61,717	65,440	30,802	12,721
1,356,760	1,521,488	1,659,872	1,325,365	1,810,679
76,915	76,915	43,915	16,268	5,615
66,707	77,226	69,306	56,625	56,625
83,284	86,037	99,496	43,200	40,229
1,954,587	2,435,480	2,223,433	1,600,649	1,969,133
3,399,281	3,473,084	3,545,608	3,332,217	3,361,248
49,850	49,850	78,149	22,006	22,006
8,868	4,067	4,067		
2,749	2,749	2,749		
2,855	2,855	2,855		
858,631	831,448	844,985	609,890	573,554
<u>\$ 11,417,407</u>	<u>\$ 12,081,580</u>	<u>\$ 12,193,737</u>	<u>\$ 8,947,497</u>	<u>\$ 10,378,592</u>

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

School Building Information  
Last Nine Fiscal Years

	Fiscal Year				
	2001-02	2002-03	2003-04	2004-05	2005-06
			a		
<b><u>School</u></b>					
<b>Elementary</b>					
Anderson Elementary					
Square Feet	43,996	43,996	43,996	43,996	43,996
Capacity	387	387	372	372	372
Enrollment	422	420	409	404	361
Anne Wien Elementary					
Square Feet	63,532	63,532	63,532	63,532	63,532
Capacity	574	574	553	553	553
Enrollment	464	435	402	388	447
Arctic Light Elementary					
Square Feet	68,272	68,272	68,272	68,272	68,272
Capacity	618	618	596	596	596
Enrollment	689	703	504	499	416
Badger Road Elementary					
Square Feet	61,686	61,686	61,686	61,686	61,686
Capacity	557	557	537	537	537
Enrollment	371	357	456	509	559
Barnette Elementary <sup>b</sup>					
Square Feet	52,625	52,625	52,625	52,625	52,625
Capacity	471	471	454	396	396
Enrollment	364	360	314	295	330
Crawford Elementary					
Square Feet	63,532	63,532	63,532	63,532	63,532
Capacity	574	574	553	553	553
Enrollment	545	534	497	447	409
Denali Elementary <sup>c</sup>					
Square Feet	46,349	48,421	48,421	49,210	49,210
Capacity	410	410	414	422	422
Enrollment	391	384	386	376	390
Hunter Elementary					
Square Feet	57,047	57,047	57,047	57,047	57,047
Capacity	513	513	494	494	494
Enrollment	370	340	341	341	339
Joy Elementary					
Square Feet	60,642	60,642	60,642	60,642	60,642
Capacity	547	547	527	527	527
Enrollment	384	365	357	328	369
Ladd Elementary					
Square Feet	63,455	63,455	63,455	63,455	63,455
Capacity	573	573	553	553	553
Enrollment	481	487	468	455	371
Nordale Elementary <sup>c</sup>					
Square Feet	49,744	51,071	51,071	49,210	49,210
Capacity	443	443	439	422	422
Enrollment	375	400	359	326	382
North Pole Elementary					
Square Feet	57,154	57,154	57,154	57,154	57,154
Capacity	514	514	495	495	495
Enrollment	450	480	505	465	458



Fiscal Year			
2006-07	2007-08	2008-09	2009-10
43,996	43,996	43,996	43,996
372	372	372	372
348	294	310	328
63,532	63,532	63,532	63,532
553	553	553	553
467	470	431	398
68,272	68,272	68,272	68,272
596	596	596	596
508	533	531	524
61,686	61,686	61,686	61,686
537	537	537	537
577	591	565	550
52,625	52,625	54,895	54,895
396	417	417	417
370	379	392	403
63,532	63,532	63,532	63,532
553	553	553	553
378	309	280	306
49,210	49,210	49,210	49,210
422	422	422	422
398	379	395	370
57,047	57,047	57,047	57,047
494	494	494	494
317	313	321	350
60,642	60,642	60,642	60,642
527	527	527	527
372	355	368	384
63,455	63,455	63,455	63,455
553	553	553	553
333	305	381	542
49,210	49,210	49,210	49,210
422	422	422	422
378	365	396	333
57,154	57,154	57,154	57,154
495	495	495	495
516	531	533	532

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

School Building Information  
Last Nine Fiscal Years

	Fiscal Year				
	2001-02	2002-03	2003-04	2004-05	2005-06
			a		
<b>School</b>					
<b>Elementary (cont.)</b>					
Pearl Creek Elementary					
Square Feet	62,982	62,982	62,982	62,982	62,982
Capacity	569	569	548	548	548
Enrollment	498	483	453	477	448
Salcha Elementary					
Square Feet	13,608	13,608	13,608	13,608	13,608
Capacity	79	79	76	76	76
Enrollment	79	71	85	98	89
Ticasuk Brown Elementary					
Square Feet	63,761	63,761	63,761	63,761	63,761
Capacity	576	576	556	556	556
Enrollment	377	362	495	516	545
Two Rivers Elementary <sup>b</sup>					
Square Feet	22,200	22,200	22,200	22,200	22,200
Capacity	158	158	99	98	98
Enrollment	88	99	96	122	113
University Park Elementary					
Square Feet	64,699	64,699	64,699	64,699	64,699
Capacity	585	585	564	564	564
Enrollment	561	513	515	532	543
Weller Elementary					
Square Feet	65,259	65,259	65,259	65,259	65,259
Capacity	590	590	569	569	569
Enrollment	540	515	497	479	510
Woodriver Elementary					
Square Feet	64,408	64,408	64,408	64,408	64,408
Capacity	582	582	561	561	561
Enrollment	488	444	420	447	465
<b>Secondary</b>					
Ben Eielson Jr. Sr. High					
Square Feet	103,200	103,200	103,200	103,200	103,200
Capacity	649	649	616	616	616
Enrollment	636	621	607	580	572
Howard Luke <sup>d</sup>					
Square Feet	30,856	30,856	30,856	30,856	30,856
Capacity	107	107	102	102	-
Enrollment	118	116	109	111	-
Hutchison High <sup>e</sup>					
Square Feet	70,744	-	-	87,190	87,190
Capacity	418	-	-	510	510
Enrollment	120	-	-	275	317
Lathrop High					
Square Feet	234,412	234,412	234,412	234,412	234,412
Capacity	1,493	1,493	1,421	1,421	1,421
Enrollment	1,490	1,460	1,338	1,249	1,304

Fiscal Year			
2006-07	2007-08	2008-09	2009-10
62,982	62,982	62,982	62,982
548	548	548	548
420	410	406	443
13,608	13,608	13,608	13,608
76	76	76	76
100	87	97	101
63,761	63,761	63,761	63,761
556	556	556	556
525	501	516	554
22,200	22,200	22,200	22,200
98	98	98	98
91	109	99	93
64,699	64,699	64,699	64,699
564	564	564	564
533	515	489	460
65,259	65,259	65,259	65,259
569	569	569	569
474	489	502	520
64,408	64,408	64,408	64,408
561	561	561	561
470	443	440	414
103,200	103,200	103,200	103,200
616	616	616	616
597	547	512	474
30,856	30,856	30,856	30,856
-	-	-	-
-	-	-	-
87,190	87,190	87,190	87,190
510	510	510	510
348	349	362	358
234,412	234,412	234,412	234,412
1,421	1,421	1,421	1,421
1,278	1,146	1,186	1,199

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## School Building Information Last Nine Fiscal Years

	Fiscal Year				
	2001-02	2002-03	2003-04 <sup>a</sup>	2004-05	2005-06
<b>School</b>					
<b>Secondary (cont.)</b>					
North Pole Middle					
Square Feet	113,306	113,306	113,306	113,306	113,306
Capacity	798	798	717	680	680
Enrollment	749	728	566	530	511
North Pole High					
Square Feet	156,362	156,362	156,362	156,362	156,362
Capacity	995	995	946	946	946
Enrollment	919	930	891	892	883
Randy Smith Middle					
Square Feet	74,589	74,589	74,589	74,589	74,589
Capacity	448	448	422	422	422
Enrollment	484	482	478	455	410
Ryan Middle					
Square Feet	99,880	99,880	99,880	99,880	99,880
Capacity	626	626	594	594	594
Enrollment	537	528	505	462	342
Tanana Middle					
Square Feet	101,069	101,069	101,069	101,069	101,069
Capacity	634	634	602	602	602
Enrollment	572	565	563	601	558
West Valley High					
Square Feet	216,884	216,884	216,884	216,884	216,884
Capacity	1,381	1,381	1,314	1,314	1,314
Enrollment	1,277	1,298	1,356	1,253	1,219

**Notes:**

- <sup>a</sup> Alaska Department of Education and Early Development regulation change reduced capacity by 4.7% (778) in 2003.
- <sup>b</sup> 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.
- <sup>c</sup> Denali and Nordale Elementary Schools were entirely replaced with new buildings, opening in August, 2004.
- <sup>d</sup> 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.
- <sup>e</sup> Hutchison High was closed for renovation during fiscal year 2002-03 through 2003-04. 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. Information for fiscal years prior to 2001-02 was not readily available for this schedule.

Fiscal Year			
2006-07	2007-08	2008-09	2009-10
113,306	113,306	113,306	113,306
680	680	680	680
442	509	599	633
156,362	156,362	156,362	156,362
946	946	946	946
885	834	823	814
74,589	74,589	74,589	74,589
422	422	422	422
392	408	366	335
99,880	99,880	99,880	99,880
594	594	594	594
374	391	361	375
101,069	101,069	101,069	101,069
602	602	602	602
505	467	503	523
216,884	216,884	216,884	216,884
1,314	1,314	1,314	1,314
1,221	1,190	1,095	1,080

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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 8, 2010

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 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, 2010, 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 fiduciary fund type of the School District, as of and for the year ended June 30, 2010, as displayed in the School District's basic financial statements. In addition we also have audited the financial statements and schedules of each of the School District's nonmajor governmental funds in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, and have issued our report thereon dated November 8, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free of 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*.

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 federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cook + Haugeberg LLC

November 8 2010

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL  
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133

Independent Auditor's Report

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

Compliance

We have audited the compliance of the Fairbanks North Star Borough School District (School District) with the types of compliance requirements described in the U.S. Office of Management and Budget (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, 2010. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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. 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. Our audit does not provide a legal determination of the School District's compliance with those requirements.

In our opinion, the School District complied, in all material respects, with the 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, 2010.

Internal Control Over Compliance

The management of the School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of the Board of Education, audit committee and management of the Fairbanks North Star Borough School District, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cook → Haugelsberg LLC

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2010

<b>Federal Agency/ CFDA Title/ Pass-through Grantor/ Award Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b><u>U. S. Department of Agriculture</u></b>			
<b><i>National School Lunch Program</i></b>			
Passed through the State of Alaska Department of Education and Early Development:			
Food Service	10.555	MA1001601	\$ 2,790,592
<b><i>Child and Adult Care Food Program</i></b>			
Passed through the State of Alaska Department of Education and Early Development:			
Child Nutrition Services	10.558	MA1033401	9,889
<b><i>ARRA Child Nutrition Discretionary Grants</i></b>			
Passed through the State of Alaska Department of Education and Early Development:			
ARRA NSLP Equipment Grants Program	10.579	NS1001601	2,619
<b>Total U. S. Department of Agriculture</b>			<u>2,803,100</u>
<b><u>U. S. Department of Defense</u></b>			
<b><i>Invitational Grants for Military-Connected Schools</i></b>			
Direct Program:			
DoDEA 2009 Invitation Grant Program	12.557	HE12540910017	396,609
<b>Total U. S. Department of Defense</b>			<u>396,609</u>
<b><u>U. S. Department of the Interior</u></b>			
<b><i>Fish &amp; Wildlife Service</i></b>			
<b><i>Partners for Fish and Wildlife</i></b>			
Direct Program:			
School Yard Habitat - North Pole Middle	15.631	701818J717	7,717
School Yard Habitat - Two Rivers	15.631	714709J130	14,776
<b>Total U. S. Department of the Interior</b>			<u>22,493</u>
<b><u>U. S. Department of Education</u></b>			
<b><i>Title I, Part A Cluster</i></b>			
<b><i>Title I Grants to Local Educational Agencies</i></b>			
Passed through the State of Alaska Department of Education and Early Development:			
Title I-A, Delinquent and At-Risk Youth	84.010	CD1001601	117,928
Title I, School Improvement	84.010	CA1001601	47,812
Title IA, 20% Choice/Supplemental Education Services	84.010 I-A	IP1001601	355,993
Title IA, 10% Professional Development	84.010 I-A	IP1001601	214,584
Title IA Parent Involvement 1%	84.010 I-A	IP0901601	752
Title IA Parent Involvement 1%	84.010 I-A	IP1001601	23,712
Title IA, Basic	84.010 I-A	IP0901601	13,218
Title IA, Basic	84.010 I-A	IP1001601	2,212,268
<b>Subtotal 84.010</b>			<u>2,986,267</u>

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2010

<b>Federal Agency/ CFDA Title/ Pass-through Grantor/ Award Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b>ARRA Title I Grants to Local Educational Agencies, Recovery Act</b>			
Passed through the State of Alaska Department of Education and Early Development:			
ARRA Title I-A, Basic	84.389	IP1001601	\$ 51,948
ARRA Title I-A 10% Professional Development	84.389	IP1001601	1,080,967
ARRA Title I-A 1% Parent Involvement	84.389	IP1001601	1,800
<b>Subtotal 84.389</b>			<b>1,134,715</b>
<b>Total Title I, Part A Cluster</b>			<b>4,120,982</b>
<b>Migrant Education State Grant Program</b>			
Passed through the State of Alaska Department of Education and Early Development:			
Migrant Ed Parent Advisory Council	84.011	MP1001601	3,523
Migrant Ed Book Program	84.011 A	MB1001601	4,769
Title IC, Migrant Education	84.011 I-C	IP0901601	630
Title IC, Migrant Education	84.011 I-C	IP1001601	215,011
<b>Subtotal 84.011</b>			<b>223,933</b>
<b>Title I Program for Neglected and Delinquent Children</b>			
Passed through the State of Alaska Department of Education and Early Development:			
Title I, Part D	84.013 A	CO1001601	25,616
<b>Special Education Cluster (IDEA)</b>			
<b>Special Education Grants to States</b>			
Passed through the State of Alaska Department of Education and Early Development:			
Title VI-B (P.L. 94-142)	84.027 A	SE1001601	3,792,787
<b>Special Education Preschool Grants</b>			
Passed through the State of Alaska Department of Education and Early Development:			
Preschool Disabled	84.173 A	SE0901601	20
Preschool Disabled	84.173 A	SE1001601	99,709
<b>Subtotal 84.173</b>			<b>99,729</b>
<b>ARRA Special Education Grants to States, Recovery Act</b>			
Passed through the State of Alaska Department of Education and Early Development:			
ARRA Title VI-B, Part B, Special Education	84.391	SE1001601	1,742,345
<b>ARRA Special Education - Preschool Grants, Recovery Act</b>			
Passed through the State of Alaska Department of Education and Early Development:			
ARRA Section 619, Preschool Disabled Services	84.392	SE1001601	39,781
<b>Total Special Education Cluster (IDEA)</b>			<b>5,674,642</b>

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2010

<b>Federal Agency/ CFDA Title/ Pass-through Grantor/ Award Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b><u>Impact Aid Cluster</u></b>			
<b><u>Impact Aid</u></b>			
Passed through the State of Alaska Department of Education and Early Development			
Title VIII Impact Aid	84.041	N/A	\$ 9,641,425
Title VIII Impact Aid for Construction	84.041	N/A	103,001
<b>Subtotal 84.041</b>			<b>9,744,426</b>
<b><u>ARRA Impact Aid -- School Construction Formula Grants, Recovery Act</u></b>			
Passed through the State of Alaska Department of Education and Early Development:			
ARRA Title VIII Construction	84.404 A		438,937
<b>Total Impact Aid Cluster</b>			<b>10,183,363</b>
<b><u>Vocational Education_Basic Grants to States</u></b>			
Passed through the State of Alaska Department of Education and Early Development:			
Carl Perkins Basic Grant	84.048 A	EK0901601	17,010
Carl Perkins Basic Grant	84.048 A	EK1001601	353,203
<b>Subtotal 84.048</b>			<b>370,213</b>
<b><u>Indian Education_Grants to Local Educational Agencies</u></b>			
Direct Program:			
Indian Education	84.060 A	N/A	511,491
<b><u>Safe and Drug-Free School and Communities_National Programs</u></b>			
Direct Program:			
Mentoring for Success	84.184 B	N/A	158,433
<b><u>Safe and Drug-Free Schools and Communities_State Grants</u></b>			
Passed through the State of Alaska Department of Education and Early Development:			
Title IV-A, Safe & Drug Free Schools	84.186 IV-A	IP1001601	118,073
<b><u>Fund for the Improvement of Education</u></b>			
Direct Program:			
Teaching American History	84.215 X	N/A	(418)
Plato Professional Development	84.215 K	N/A	11,169
<b>Subtotal 84.215</b>			<b>10,751</b>
<b><u>Twenty-First Century Community Learning Centers</u></b>			
Passed through the State of Alaska Department of Education and Early Development:			
AK Community Centers Learning Program	84.287 C	AC0901601	556
AK Community Centers Learning Program	84.287 C	AC1001601	1,254,749
<b>Subtotal 84.287</b>			<b>1,255,305</b>

(continued)



**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2010

<b>Federal Agency/ CFDA Title/ Pass-through Grantor/ Award Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b><i>Education Technology State Grants</i></b>			
Passed through the State of Alaska Department of Education and Early Development:			
Title II-D, Enhancing Education through Technology	84.318 II-D	IP1001601	\$ 54,586
<b><i>Arts in Education</i></b>			
Direct Program:			
Project ARTiculate	84.351 D	N/A	(221)
<b><i>Alaska Native Educational Programs</i></b>			
Passed through the Association of Interior Native Educators:			
AINE Learning Styles Center	84.356 A	N/A	939
<b><i>Reading First State Grants</i></b>			
Passed through the State of Alaska Department of Education and Early Development:			
Alaska Reading First	84.357 A	RF0901601	2,817
<b><i>English Language Acquisition Grants</i></b>			
Passed through the State of Alaska Department of Education and Early Development:			
Title III-A, English Language Acquisition	84.365 III-A	IP1001601	34,547
<b><i>Improving Teacher Quality State Grants</i></b>			
Passed through the State of Alaska Department of Education and Early Development:			
Title IIA, Teacher & Principal Training & Recruitment	84.367 II-A	IP0901601	788
Title IIA, Teacher & Principal Training & Recruitment	84.367 II-A	IP1001601	1,450,668
<b>Subtotal 84.367</b>			<u>1,451,456</u>
<b><i>School Improvement Grants</i></b>			
Passed through the State of Alaska Department of Education and Early Development:			
Title I 1003(g) School Improvement	84.377	SI1001601	20,515
<b><i>ARRA Education Technology State Grants, Recovery Act</i></b>			
Passed through the State of Alaska Department of Education and Early Development:			
ARRA Title II-D Enhance Education	84.386 A	IP1001601	119,169
<b><i>ARRA State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act</i></b>			
Passed through the State of Alaska Department of Education and Early Development:			
ARRA State Fiscal Stabilization Fund	84.394 A	SF1001601	<u>4,021,797</u>
<b>Total U. S. Department of Education</b>			<u><u>28,358,407</u></u>

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2010

<b>Federal Agency/ CFDA Title/ Pass-through Grantor/ Award Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b><u>U. S. Department of Health and Human Services</u></b>			
<b><i>Child Care and Development Block Grant</i></b>			
Passed through State of Alaska Department of Health and Social Services:			
Options Child Care Grant	93.575	HCC90337	\$ 2,605
<b>Total U. S. Department of Health and Human Services</b>			<u>2,605</u>
<b>Grand Total - Expenditures of Federal Awards</b>			<u>\$ 31,583,214</u>

## **FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

### **Notes to Schedule of Expenditures of Federal Awards June 30, 2010**

#### **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, 2010. 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 assets 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. 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 expended in fiscal year 2010 was \$140,581.

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2010

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditor's report issued: unqualified

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 programs: unqualified

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 programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
12.557	Invitational Grants for Military-Connected Schools
84.010	Title I Grants to Local Education Agencies
84.389	ARRA Title I Grants to Local Education Agencies, Recovery Act
84.027	Special Education_Grants to States
84.173	Special Education_Preschool Grants
84.391	ARRA Special Education Grants to States, Recovery Act
84.392	ARRA Special Education Preschool Grants, Recovery Act
84.041	Impact Aid
84.404	ARRA Impact Aid
84.386	ARRA Education Technology State Grants, Recovery Act
84.394	ARRA State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act

Dollar threshold used to distinguish between type A and type B programs: \$ 947,496

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 8, 2010

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 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, 2010, 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 fiduciary fund type of the School District, as of and for the year ended June 30, 2010, as displayed in the School District's basic financial statements. In addition, we also have audited the financial statements and schedules of each of the School District's nonmajor governmental funds in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, and have issued our report thereon dated November 8, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

*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 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free of 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*.

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, and is not intended to be and should not be used by anyone other than these specified parties.

Cook + Haugeberg LLC

November 8, 2010

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH STATE OF ALASKA AUDIT GUIDE AND  
COMPLIANCE SUPPLEMENT FOR STATE SINGLE AUDITS

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

Compliance

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 are applicable to each of its major state programs for the year ended June 30, 2010. The School District's major state programs are identified in the accompanying schedule of state financial assistance. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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. Our audit does not provide a legal determination of the School District's compliance with those requirements.

In our opinion, the School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of the School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state programs. In planning and performing our audit, we considered the School District's internal control over compliance with the requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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 and is not intended to be and should not be used by anyone other than these specified parties.

Cook + Haugeberg LLC

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Schedule of State Financial Assistance

For the Year Ended June 30, 2010

<b>State Agency/ Pass-through Grantor/ Award Title</b>	<b>Grant ID Number</b>	<b>State Expenditures</b>
<b><u>State of Alaska Department of Education and Early Development</u></b>		
Direct Program:		
Public School Foundation Funding Program	N/A	\$ 109,730,232
On-Base Schools	N/A	1,450,000
Quality Schools	N/A	406,765
Pupil Transportation	N/A	9,898,790
Youth in Detention	EY0901601	112,189
<b>Total State of Alaska Department of Education and Early Development</b>		<b>121,597,976</b>
<b><u>State of Alaska Department of Administration</u></b>		
Direct Program:		
Alaska Teachers' Retirement System (TRS) On-Behalf Funding	N/A	16,615,652
Alaska Public Employees' Retirement System (PERS) On-Behalf Funding	N/A	1,750,178
<b>Total State of Alaska Department of Administration</b>		<b>18,365,830</b>
<b><u>State of Alaska Department of Commerce, Community and Economic Development- Division of Community Advocacy</u></b>		
Passed through the Fairbanks North Star Borough:		
Designated Legislative Grant Program:		
Capital Projects on the School District Small Grants List	06-DC-349	8,937
Hutchison High School Security Upgrades	09-DC-459	13,883
North Pole Middle School Replacement of Chalk Boards	09-DC-465	991
Pearl Creek Elementary School Replacement Office Intercom Panel	09-DC-466	4,025
Weller Elementary School Mobile Learning Lab	09-DC-469	1,431
Lathrop Athletic, Fitness, Wellness Equipment	09-DC-205	979
Lathrop High School Library Book Security System	09-DC-206	2,052
Equipment North Pole High School	06-RR-025	2,379
Phone System and Trash Compactor	07-DC-291	39,570
<b>Total State of Alaska Department of Commerce, Community and Economic Development</b>		<b>74,247</b>
<b><u>State of Alaska Department of Labor &amp; Workforce Development</u></b>		
<b><u>Division of Business Partnerships</u></b>		
Direct Program:		
Youth First Initiative Program	10-1307	113,519
Passed through the Associated General Contractors of Alaska (AGC):		
Alaska (Fairbanks) Construction Academy	N/A	139,137
<b>Total State of Alaska Department of Labor &amp; Workforce Development</b>		<b>252,656</b>
<b>Grand Total - State Financial Assistance</b>		<b>\$ 140,290,709</b>

## **FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

### **Notes to Schedule of State Financial Assistance June 30, 2010**

#### **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, 2010. 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*. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. 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 assets or cash flows of Fairbanks North Star Borough School District.

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2010

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

Material weakness(es) identified?	Yes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No
Significant deficiency(ies) identified?	Yes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	None reported
Noncompliance material to financial statements?	Yes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No

State Financial Assistance

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

Internal control over major programs:

Material weakness(es) identified?	Yes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No
Significant deficiency(ies) identified?	Yes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	None reported

Identification of major programs:

Name of State Program

State of Alaska Department of Education and Early Development:

Public School Foundation Funding Program  
On-Base Schools  
Quality Schools  
Pupil Transportation

State of Alaska Department of Administration:

Alaska Teachers' Retirement System (TRS) On-Behalf Funding  
Public Employees' Retirement System (PERS) On-Behalf Funding

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.

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# SUPPLEMENTAL REPORTS

Supplemental Reports

Single Audit

Supplemental Reports



# **SUPPLEMENTAL REPORTS**

**Statements of Compliance**

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November 8, 2010

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, 2010, 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 fiduciary fund type of the School District, as of and for the year ended June 30, 2010, as displayed in the School District's basic financial statements. In addition we also have audited the financial statements and schedules of each of the School District's nonmajor governmental funds in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, and have issued our report thereon dated November 8, 2010. 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, 2010

	<b>General Fund</b>		
	<b>Reserved</b>	<b>Unreserved</b>	
	<b>Fund</b>	<b>Fund</b>	
	<b>Balance</b>	<b>Balance</b>	<b>Total</b>
Reserved:			
Reserve for encumbrances	\$ 1,807,521	\$	\$ 1,807,521
Reserve for inventory	938,948		938,948
Reserve for prepaid items	27,518		27,518
Reserve for impact aid advance	11,177,579		11,177,579
Unreserved:			
Designated for subsequent year's expenditures		7,726,910	7,726,910
Undesignated		130,994	130,994
	<u>\$ 13,951,566</u>	<u>\$ 7,857,904</u>	<u>\$ 21,809,470</u>

**Unreserved fund balance as a percentage of current year expenditures:**

<u>Unreserved fund balance</u>	= \$ 7,857,904	= 4.26%
Current year expenditures	184,284,368	

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November 8, 2010

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, 2010, 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 fiduciary fund type of the School District, as of and for the year ended June 30, 2010, as displayed in the School District's basic financial statements. In addition we also have audited the financial statements and schedules of each of the School District's nonmajor governmental funds in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, and have issued our report thereon dated November 8, 2010. Our audit was made in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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

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

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

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

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# SUPPLEMENTAL REPORTS

Other Reports

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November 8, 2010

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, 2010. 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, 2010.

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, 2010  
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	2,399,080	16,041	2,415,121

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, 1995, to pay costs of school construction:

Bond Issue	Payor	Principal	Interest	Total
K - Refunding *	US Bank NA	327,953	120,178	448,131

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	106,480	39,019	145,499
05-96-102 to 110,114	1997 A	AK USA Trust Co	1,832,624	885,072	2,717,696
05-96-102 to 110,114	1999 B	Union Bank of CA NA	1,252,459	740,215	1,992,674
05-99-141 to 144, 146, 147,150	2000 C	Wells Fargo Bank NA	410,000	298,125	708,125
05-99-141 to 144, 146, 147,150	2001 D	Wells Fargo Bank NA	405,000	281,156	686,156
05-99-141 to 144, 146, 147,150;	2002 E	Wells Fargo Bank NA	565,000	476,335	1,041,335
05-03-102 to 104	2003 F	JP Morgan Trst Co NA	565,000	458,906	1,023,906
05-03-102 to 104	2004 G	US Bank NA	585,000	416,033	1,001,033
05-03-102 to 104; DR-05-101	2005 H	Wells Fargo Bank NA	555,000	465,573	1,020,573
DR-05-101	2006 I	US Bank NA	195,000	198,544	393,544
DR-07-103 to 104	2007 J	US Bank NA	430,000	477,888	907,888
DR-07-105	2008 L	US Bank NA	385,000	420,519	805,519

**SCHEDULE OF INTEREST PROCEEDS FOR BONDS APPROVED BY VOTERS  
FOR SCHOOL CONSTRUCTION AFTER JULY 1, 1986  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**For the Fairbanks North Star Borough School District**

1	2	3	4	5	6	7	8
Expenditures to Date							
Bond Issue	Election Date	Interest Earned	Interest Payments	Bond Redemption	Bond Sale Costs	Project Costs	DOE Project #
Series R, Series S Refunding	4/21/87 (Ord. 87-009)	\$ -	N/A	N/A	N/A	N/A	05-87-107
Series U, Series K Refunding	10/5/1993 (Ord. 93-041)	\$ - \$ -	N/A	N/A	N/A	N/A	05-94-112 05-94-114
Series U, A, B, Series K Refunding, Series N Refunding	5/7/1996 (Ord. 96-009)	\$ - \$ 14 \$ - \$ - \$ - \$ 7 \$ - \$ 7 \$ -	N/A	N/A	N/A	N/A	05-96-102 05-96-103 05-96-104 05-96-105 05-96-106 05-96-107 05-96-108 05-96-109 05-96-110 05-96-114
Series C, D, & E	10/3/2000 (Ord. 2000-37)	\$ 133,292 * \$ 23,060 \$ 22,456 \$ 7,765 \$ 22,531 \$ 1,462 \$ 57,807	N/A	N/A	N/A	N/A	99-141 99-142 99-143 99-144 99-146 99-147 99-150
Series E, F, G, & H	10/8/2002 (Ord. 2002-34)	\$ 470 \$ 171 \$ 57	N/A	N/A	N/A	N/A	03-102 03-103 03-104
Series H & I	10/5/2004 (Ord 2004-23)	\$ 486	N/A	N/A	N/A	N/A	DR-05-101
Series J & L	10/3/2006 (Ord 2006-41)	\$ 4,348 \$ 3,554 \$ 2,734	N/A	N/A	N/A	N/A	DR-07-103 DR-07-104 DR-07-105
Series M	10/6/2009 (Ord 2009-17)	\$ 212 \$ 526 \$ 1,197 \$ 93	N/A	N/A	N/A	N/A	DR-10-103 DR-10-104 DR-10-105 DR-10-106

1. Identify the bond series.
2. Enter the date the bond election was held.
3. Enter the total interest earned on bond proceeds to date by the municipality or borough.
4. Enter the amount of interest proceeds use to pay accrued interest on the bond issue.
5. Enter the amount of interest proceeds used to redeem all or part of the bonds.
6. Enter the amount of interest proceeds used to pay the costs of the bond sale. (Fiscal agent fees, etc.)
7. Enter the amount of interest proceeds, individually by project, used to pay project costs.
8. Identify the DOE project numbers for which the amounts in column 7 were expended.

\* Series C, D, & E also includes interest earned, but not reported in a prior period, for all projects.

Note: 1. Use of interest proceeds is restricted according to 4 AAC 31.063.

2. According to 4 AAC 31.063 (d), for interest earned on bonds approved by voters after July 1, 1986, the accounts in which the proceeds of bonds are placed are subject to audit under 4 AAC 31.062 and the district shall report, in accordance with 4 AAC 31.060, on forms prescribed by the department.

November 8, 2010

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, 2010. 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 (2009-2010 fiscal year). However, in our opinion, except for the average daily membership described in the preceding sentence and the resulting tuition rate (2009-2010 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.

*Cook & Haugeberg LLC*

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**STATE OF ALASKA**  
Department of Education and Early Development (DEED)  
Tuition Rate Report  
2010-11 Fiscal Year

**Fairbanks North Star Borough School District**

Local revenues for support of schools:	
Borough contribution to school district general fund	\$ 43,339,901
Expenditures by borough for school purposes:	
From: <i>Summary Report of Reimbursable Expenditures</i>	
Capital outlay	16,041
Bond redemption	12,892,079
Less: State aid for school construction	<u>(9,176,568)</u>
Total expenditures from local sources	<u>47,071,453</u>
Plus:	
Title VIII Impact Aid	12,005,572
On-base tuition	<u>1,450,000</u>
	<u>13,455,572</u>
Total local cost for tuition purposes	<u><u>\$ 60,527,025</u></u>
 Average daily membership as approved by the DEED for foundation support in FY 2009-10 (Form No. 05-00-014)	 14,397.49
 Tuition Rate	 <u><u>\$ 4,204.00</u></u>

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Auditor's Certification  
See Accountant's Report

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