

**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, 2007**

**Nancy Wagner, Ed.D.  
Superintendent of Schools**

**Prepared by  
Accounting Services Department**

**Michael Fisher  
Chief Financial Officer**

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

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# INTRODUCTORY SECTION



# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

(907) 452-2000    520 Fifth Avenue    Fairbanks, AK 99701-4756    [www.northstar.k12.ak.us](http://www.northstar.k12.ak.us)



November 6, 2007

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, 2007, 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 ordinance 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, 2007 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, 2007, 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 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 14,500 students attend the thirty-one schools and the guided independent study program in our district. Our schools range in size from an elementary school of 91 students to a 1,278-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 2007 district-wide average was 22.6 students per class at the elementary level, 22.9 at the middle school level, and 23.8 at the secondary level. A higher percentage of district students are proficient on the State of Alaska Standards-Based Assessments at nearly 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 three approved charter schools: Chinook Montessori Charter School (grades K-8), Star of the North Secondary Charter School (grades 9-12), and Effie Kokrine Charter School (grades 9-12). All operate under ten year charters with terms expiring in 2011, 2014, and 2015 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 School District 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, and on the whole, the economic "health" of the community is steady. Job growth over the last five years has averaged just under two percent per year. Expectations are for continued and steady growth. While the School District has no authority to levy taxes, a steady economy provides the Borough the wherewithal to fund their local contribution to education.

The Borough's local contribution represents about 27% of operating fund revenues. The local contribution has increased \$6.5 million or 19% over the last five years.

#### **Projected Enrollment**

Student enrollments generate a majority of district revenues and also dictate personnel needs, which represent over 84% 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 over seven percent between 2000 and 2004, but has flattened out over the last three years. Because of a healthy local economy, and indications of a stable and continued military presence, student enrollments are expected to remain steady over the next few years.

## **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. Ft. Wainwright was transformed into a Stryker Brigade Combat Team in 2001. The Brigade is expected to bring in 1,000 additional troops, and their dependents, by 2010, along with new housing, training, and other support facilities.

## **Facilities**

The Borough owns all school facilities. Our two newest schools, Denali Elementary and Nordale Elementary, were completed and opened for the fiscal year 2006 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. No new school construction projects are currently proposed for the near future. Relocation of a Central Kitchen Facility is the district's next highest capital improvement priority. The district has secured about \$12 million in federal and state funding to accomplish this project.

Periodic investment in major maintenance of building components such as roofs, mechanical and electrical systems, plumbing, exteriors, and playgrounds, etc. remains a top priority of the school district.

## **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 primary performance goals and initiatives to improve student performance on an annual basis. The five initiatives approved for the next three-year time frame include:

- Review the strengths, weaknesses, and effectiveness of secondary education and develop recommendations to address identified needs;
- Implement Phase I of the Technology Blueprint, including adoption of administrative and K-12 instructional technology standards, purchase of classroom technologies, development of digital curricula, staff technology integration training, and recommendation of comprehensive technology policies;
- Expand Career Technical Education opportunities at secondary schools through the establishment of engineering and other career academies, participation in the construction academy, and implementation of the six-year career Technical Education strategic plan;
- Update and implement the next phase of the Program and Facilities Plan to address secondary school needs and a possible fall 2008 bond election; and
- Ensure the district operates smoothly and effectively while transitioning to new leadership.

## **Long-Term Financial Planning**

By state statute, district decisions are designed to focus on annual operations and not 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 grantor 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 ordinance limits unreserved 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 84% of the budget. Other examples impacting financial planning and decision making include reliance on the district's award winning preventive maintenance and energy monitoring program, and implementation of lease financing for a 1,000 teacher laptop refresh initiative.

#### **Pension and Postemployment Healthcare Benefits**

Pension and postemployment healthcare benefits for School District employees are provided through either the Alaska Public Employees' Retirement System (PERS) or the Alaska Teachers' Retirement System (TRS), both defined benefit plans for employees first hired before July 1, 2006. Employer contributions in fiscal year 2007 totaled \$16.9 million or 10.3 percent of total governmental fund costs. New defined contribution tiers in the PERS and TRS were created by the State Legislature for all employees first hired on or after July 1, 2006, effectively closing the defined benefit portions of the PERS and TRS. PERS is an agent multiple-employer plan and TRS is a cost sharing plan. See note 13 to the basic financial statements for information about the School District's retirement plans and the schedule of PERS funding progress (displayed as required supplementary information, immediately following the notes to the budgetary schedules).

Across the systems, funding ratios decreased dramatically in actuarial valuation year 2002, primarily due to a new asset valuation method (fully recognizing previous investment losses in years 2001 and 2002), changes to more realistic healthcare cost trend assumptions, and a change in the funding method from an open period to a fixed period. The result was increased contributions rates, which first took effect in fiscal year 2005, for all PERS and TRS employers over the entire state. The School District's fiscal year 2007 actuarially determined PERS rate is 25.74 percent, capped at a mandatory rate of 20.91 percent in accordance with State regulation. In fiscal year 2006, those rates were 23.31 percent and 15.91 percent, respectively; and in 2005, the rates were 22.79 percent and 10.91 percent, respectively. The fiscal year 2007 statewide actuarially determined TRS rate is 41.78 percent, capped at a mandatory rate of 26 percent in accordance with State regulation. In fiscal year 2006, those rates were 38.85 percent and 21 percent, respectively; and in 2005, the rates were 35.57 percent and 16 percent, respectively.

As a result of law changes in the last legislative session, the statutory five (5) percentage point cap on changes to the annual employer contribution rate to the PERS and TRS *defined benefit plans* was removed. The School District's fiscal year 2008 actuarially determined PERS rate is 30.13 percent. The Alaska Retirement Management Board (ARMB) set the mandatory rate at 22 percent for employers if the actuarially determined rate was more than 22 percent. The statewide 2008 actuarially determined TRS rate is 42.26 percent. The ARMB set the mandatory rate at 12.56 percent. The ARMB set the rates lower than the actuarially determined rates because the State Legislature passed legislation authorizing on-behalf payments to be made to the State retirement systems to make up the difference between the 2008 mandatory rates and the actuarially determined rates. However, this is a one year fix to a long-term problem. It is expected that the legislature will address a long-term solution in their upcoming session.

#### **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, 2006.

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, 2006.

This was the sixteenth 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 principals 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.

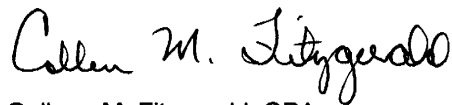
### ***Acknowledgments***

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 Report Issue Date of October 29, 2007)

Fairbanks, Alaska

BOARD OF EDUCATION

Jennifer Schmidt, President  
Leslie Hajdukovich, Vice-President  
Anna Huntington-Kriska, Treasurer  
Sue Hull, Clerk  
Wendy Dominique, Member  
Sharon McConnell Gillis, Member  
Howard Thies, Member  
LTC David Martinson, Base Representative  
LTC Ron Johnson, Post Representative  
Andrew Hopp, Student Representative

ADMINISTRATION

Nancy Wagner, Ed.D.  
Superintendent of Schools

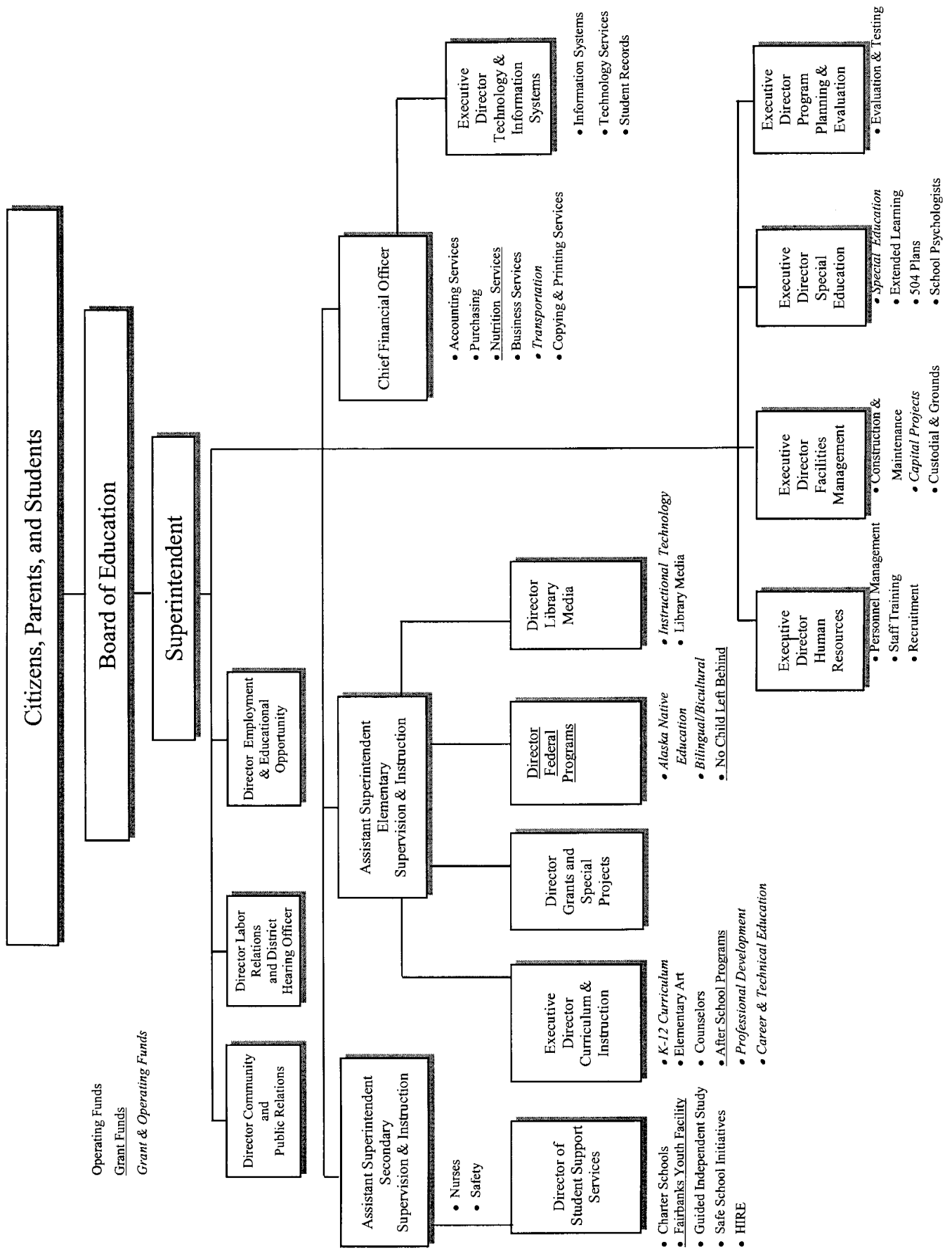
Wayne Gerke  
Assistant Superintendent  
Secondary Supervision & Instruction

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



**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, 2006

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

President

Executive Director



# 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, 2006

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

# FINANCIAL SECTION

October 29, 2007

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 of the governmental activities, each major fund, and the aggregate remaining fund information of the Fairbanks North Star Borough School District, a component unit of the Fairbanks North Star Borough, as of and for the year ended June 30, 2007, which collectively comprise the School District's basic financial statements as listed in the table of contents. We also have audited the internal service fund type and fiduciary fund type of the Fairbanks North Star Borough School District, as of and for the year ended June 30, 2007, as displayed in the School District's basic financial statements. In addition, we also have audited the financial statements of each of the Fairbanks North Star Borough School District's nonmajor governmental funds in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2007, as listed in the table of contents. These financial statements are the responsibility of the management of Fairbanks North Star Borough School District. Our responsibility is to express opinions on these financial statements based on our audit. The prior year partial comparative information has been derived from the School District's June 30, 2006 financial statements, and, in our report dated October 6, 2006 we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, the aggregate remaining fund information, internal service 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, 2007, 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 referred to above present fairly, in all material respects, the respective financial position of the internal service and fiduciary fund type and each nonmajor governmental fund of the Fairbanks North Star Borough School District, as of June 30, 2007, 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 October 29, 2007, on our consideration of the Fairbanks North Star Borough 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 schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *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 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, and the schedule of funding progress for pension and post employment health care benefits, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. 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 combining and individual fund financial statements 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, 2007, taken as a whole. We also have previously audited, in accordance with auditing standards generally accepted in the United States, the Fairbanks North Star Borough School District's basic financial statements for the year ended June 30, 2006, which are not presented with the accompanying financial statements. In our report dated October 6, 2006, we expressed unqualified opinions on the respective financial statements of governmental activities, each major fund, and the aggregate remaining fund information. In our opinion, the June 30, 2006 nonmajor governmental funds are fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2006, taken as a whole. The introductory section and statistical tables 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.

Cool & Haugberg LLC

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Management's Discussion and Analysis June 30, 2007

### INTRODUCTION

This section of 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, 2007. 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 2007 include the following:

- The School District's total net assets of governmental activities decreased a modest \$266,043 or 1.3% from the prior fiscal year.
- Total current year revenues increased \$8.5 million or 5.2 percent from the prior year. Program specific revenues in the form of charges for services and grants and contributions accounted for \$27.1 million or 15.7 percent of total current year revenues. General revenues accounted for \$145 million or 84.3 percent of total current year revenue. Increases in State education funding (\$10 million or 12.5 percent) and the Fairbanks North Star Borough's local contribution to education (\$2 million or 5.3 percent) more than made up for reductions in one-time, entitlement, or capital grants (\$3.7 million or 12.8 percent) and federal impact aid revenues (\$.9 million or 6.9 percent).
- The School District had approximately \$172.7 million in expenses related to governmental activities, an increase of \$3.4 million or 2 percent from the prior fiscal year.
- Among major funds, the general fund had \$144.2 million in current year revenues, an increase of 8.4 percent from the prior year due mostly to increases in State foundation and Borough funding and \$147.5 million in expenditures, an increase of 12.6 percent from the prior year due mostly to increases in health costs and employer contributions to the employee retirement systems.

### 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.

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Management's Discussion and Analysis (continued) June 30, 2007

- 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 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 service.

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 these 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 reconciliation 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 student and school-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, 2007

### 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 36 through 52 of this report.

### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* including the budgetary schedules for the major funds, the notes to the budgetary schedules, and the School District's progress in funding its obligation to provide pension benefits to its employees who participate in the State of Alaska Public Employees' Retirement System. Required supplementary information can be found on pages 54 through 59 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 62 through 165 of this report.

Results of the state and federally mandated *Single Audit* which include auditor's opinions, schedules of state and federal awards, and schedules of findings and questioned costs can be found on pages 209 through 230 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 \$20.7 million as of June 30, 2007. By far the largest portion of the District's net assets is unrestricted and includes \$10.6 million of fiscal year 2008 impact aid received in fiscal year 2007. Net assets invested in capital assets of \$4.1 million reflects the School District's investment in furniture, equipment, software and building improvements. The School District uses these capital assets to provide services to its 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**

	<b>2007</b>	<b>2006</b>	<b>Increase (Decrease)</b>	<b>Percentage Change</b>
<b>Assets</b>				
Current and other assets	\$ 30,345,394	\$ 28,754,125	\$ 1,591,269	5.5%
Capital assets, net	4,080,319	4,235,371	(155,052)	-3.7%
<b>Total assets</b>	<b>34,425,713</b>	<b>32,989,496</b>	<b>1,436,217</b>	<b>4.4%</b>
<b>Liabilities</b>				
Current liabilities	6,411,221	6,078,321	332,900	5.5%
Long-term liabilities				
Due in more than one year	7,357,234	5,987,874	1,369,360	22.9%
<b>Total liabilities</b>	<b>13,768,455</b>	<b>12,066,195</b>	<b>1,702,260</b>	<b>14.1%</b>

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Management's Discussion and Analysis (continued) June 30, 2007

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

	<u>2007</u>	<u>2006</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
<b>Net assets</b>				
Invested in capital assets	\$ 4,080,319	\$ 4,235,371	\$ (155,052)	-3.7%
Unrestricted	16,576,939	16,687,930	(110,991)	-0.7%
<b>Total net assets</b>	<u><u>\$ 20,657,258</u></u>	<u><u>\$ 20,923,301</u></u>	<u><u>\$ (266,043)</u></u>	<b>-1.3%</b>

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

- An increase of \$1.7 million in liabilities due mostly to a \$1.3 million increase in the Public Employee Retirement System (PERS) net pension obligation. The net pension obligation has grown because a statutory cap limiting changes in the PERS rate to no more than five percentage points annually causes the mandatory PERS rate to be less than the actuarially determined rate. Reasons for the rate increases are discussed in more detail in the transmittal letter and note 13 to the basic financial statements.
- Increases in health costs and employer contributions to the state retirement systems for PERS employees and Teachers' Retirement System (TRS) employees which are discussed in more detail later in this management's discussion and analysis (MD&A).
- Increases in State foundation program funding and the Fairbanks North Star Borough local contribution which are discussed in more detail later in this MD&A.

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>2007</u>	<u>2006</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
<b>Revenues:</b>				
Program revenues:				
Charges for services	\$ 1,947,887	\$ 1,894,564	\$ 53,323	2.8%
Operating grants and contributions	24,519,953	27,354,672	(2,834,719)	-10.4%
Capital grants and contributions	676,148	1,544,726	(868,578)	-56.2%
General revenues:				
Borough direct appropriation	40,022,700	38,022,700	2,000,000	5.3%
Foundation program	90,029,160	80,045,140	9,984,020	12.5%
Federal impact aid	11,405,933	12,257,249	(851,316)	-6.9%
Other	3,819,360	2,771,155	1,048,205	37.8%
<b>Total revenues</b>	<u><u>172,421,141</u></u>	<u><u>163,890,206</u></u>	<u><u>8,530,935</u></u>	<b>5.2%</b>



# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

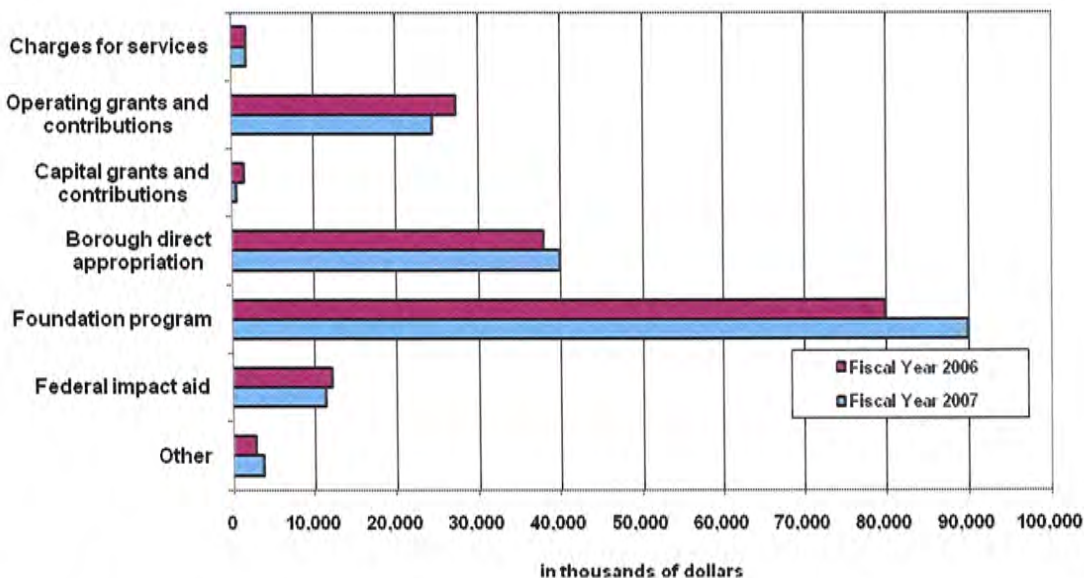
Management's Discussion and Analysis (continued)  
June 30, 2007

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

	2007	2006	Increase (Decrease)	Percentage Change
<b>Expenses:</b>				
Instruction	\$ 77,265,162	\$ 74,278,540	\$ 2,986,622	4.0%
Special education instruction	17,856,399	18,431,818	(575,419)	-3.1%
Special education support services - students	2,516,909	2,299,016	217,893	9.5%
Support services - students	10,458,934	10,346,229	112,705	1.1%
Support services - instruction	9,282,242	10,253,369	(971,127)	-9.5%
School administration	5,915,223	5,357,561	557,662	10.4%
School administration support services	3,989,781	3,950,664	39,117	1.0%
District administration	1,757,915	1,714,097	43,818	2.6%
District administration support services	7,834,722	7,330,027	504,695	6.9%
Operations and maintenance of plant	20,266,837	19,346,287	920,550	4.8%
Student activities	2,178,484	2,227,743	(49,259)	-2.2%
Student transportation service	8,841,162	9,160,416	(319,254)	-3.5%
Adult and continuing education instruction	567	17,333	(16,766)	-96.7%
Food services	4,522,847	4,598,738	(75,891)	-1.7%
<b>Total expenses</b>	<b>\$172,687,184</b>	<b>\$169,311,838</b>	<b>\$ 3,375,346</b>	<b>2.0%</b>
<b>Increase (decrease) in net assets</b>	<b>\$ (266,043)</b>	<b>\$ (5,421,632)</b>	<b>\$ 5,155,589</b>	<b>-95.1%</b>
<b>Ending net assets</b>	<b>\$ 20,657,258</b>	<b>\$ 20,923,301</b>	<b>\$ (266,043)</b>	<b>-1.3%</b>

Figure A-1 presents a comparative chart of governmental activities revenue for fiscal year 2007 and 2006.

**Figure A-1, Governmental Activities Revenues for Fiscal Year 2007 and 2006**



Changes in revenue are discussed in more detail in the *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, 2007

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

**Figure A-2, Sources of Governmental Activities Revenue**

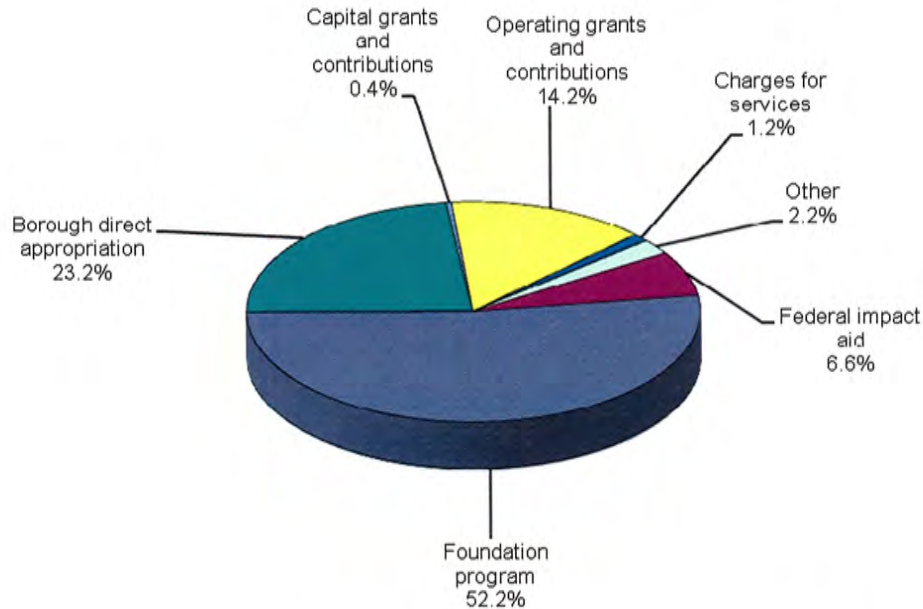
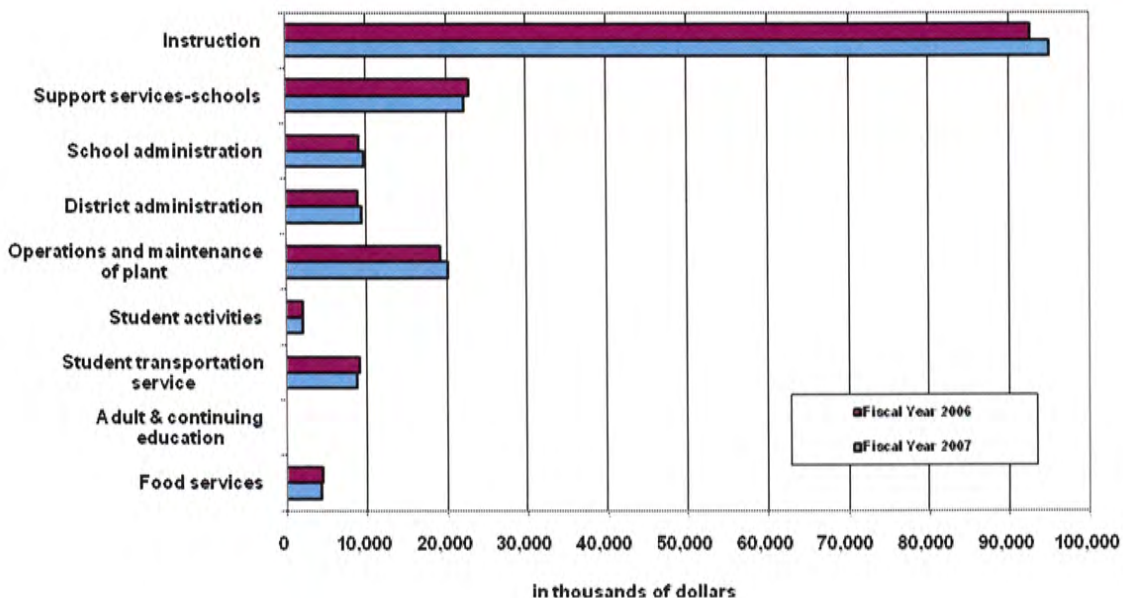


Figure A-3 presents a comparative chart of governmental activities expenses for fiscal year 2007 and 2006.

**Figure A-3, Governmental Activities Expenses for Fiscal Year 2007 and 2006**



## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Management's Discussion and Analysis (continued) June 30, 2007

The cost of all governmental activities in the current year was \$172.7 million, a 2 percent increase over the prior year. Key elements of the increase in expenses are:

- The benefit rate related to health was increased 3 percent to cover current year health costs and cover the prior year deficit in the risk management internal service fund.
- As mentioned earlier, the District experienced increases in the employer contribution rate to the state retirement systems for PERS employees and TRS employees.
- As noted in table 2, the functional areas of special education instruction and support services - instruction experienced a decrease in expenses from prior year. This was due to either the completion of one-time grant awards (such as for charter school planning and implementation) or reduction in entitlement grants.

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

**Figure A-4, Governmental Activities Expenses by Function**

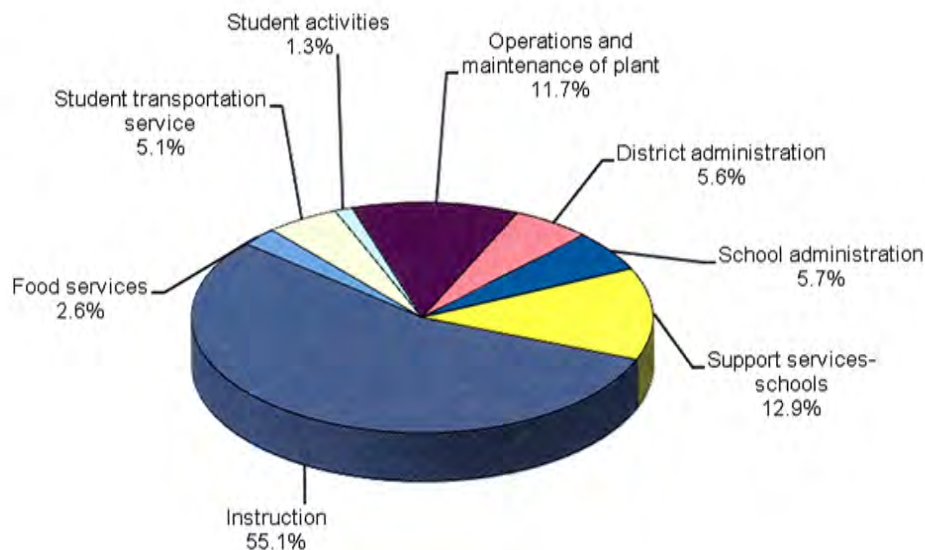


Table 3 condenses the total expenses of the School District's main functional categories – instruction, support services - schools, school administration, district administration, operations and maintenance of plant, student activities, student transportation service, adult and continuing education instruction, 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, 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, 2007

**Table 3**  
Net Cost of Governmental Activities

	2007		2006	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$ 95,121,561	\$ 86,889,042	\$ 92,710,358	\$ 82,886,489
Support services - schools	22,258,085	16,706,386	22,898,614	15,355,950
School administration	9,905,004	9,898,004	9,308,225	9,308,225
District administration	9,592,637	9,592,637	9,044,124	9,005,967
Operations & maintenance of plant	20,266,837	20,261,887	19,346,287	19,312,197
Student activities	2,178,484	2,178,484	2,227,743	2,225,205
Student transportation service	8,841,162	46,690	9,160,416	298,951
Adult and continuing education instruction	567	567	17,333	17,333
Food services	4,522,847	(30,501)	4,598,738	107,559
Total	<u>\$172,687,184</u>	<u>\$145,543,196</u>	<u>\$169,311,838</u>	<u>\$138,517,876</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 \$24.6 million, a decrease of \$2.4 million or 8.9 percent from the prior year combined fund balance. Approximately 47 percent of this combined fund balance (\$11.6 million) constitutes *unreserved fund balance*, which is available for spending at the School District's discretion. However, management has designated \$3.2 million of this *unreserved fund balance* to balance the fiscal year 2008 budget. The remaining \$13 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 (\$1.8 million), 2) for inventory to be used in School District operations (\$.7 million), and 3) for the fiscal year annual federal impact aid payment received in advance in fiscal year 2007 (\$10.6 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

	<u>2007</u>
Total fund balances - governmental funds - at June 30, 2007	\$ 24,644,976
Fair market value adjustment of USDA food commodity inventory	48,111
Cost of capital assets (net of accumulated depreciation/amortization)	4,080,319
Net pension obligation	(5,300,757)
Internal service fund net assets	176,548
Long-term liabilities (compensated absences)	(2,991,939)
Total net assets at June 30, 2007	<u>\$ 20,657,258</u>

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Management's Discussion and Analysis (continued) June 30, 2007

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 \$9.4 million, down \$1.7 million or 15 percent from last fiscal year, while total fund balance was \$21.9 million, down \$2.8 million or 11.5 percent from last fiscal year. Although revenues were up in the general fund in the current year (\$11.1 million or 8.4 percent), this increase was outpaced by expenditure increases of \$16.5 million or 12.6 percent.
- The federal projects 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 small amounts of program income and revenue of the JR ROTC program. Fund balance in this fund at June 30, 2007 is comprised mostly of federal monies for the JR ROTC programs in the high schools. The change from prior year was a modest \$305.
- 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. Transportation services not covered by state funding are subsidized with a general fund transfer when necessary. Fund balance in this fund decreased \$43,479 or 15.7 percent from the prior year. Because we had fund balance remaining from the prior year our current year budget reflected our intention to use some of that fund balance for normal operating expenditures.

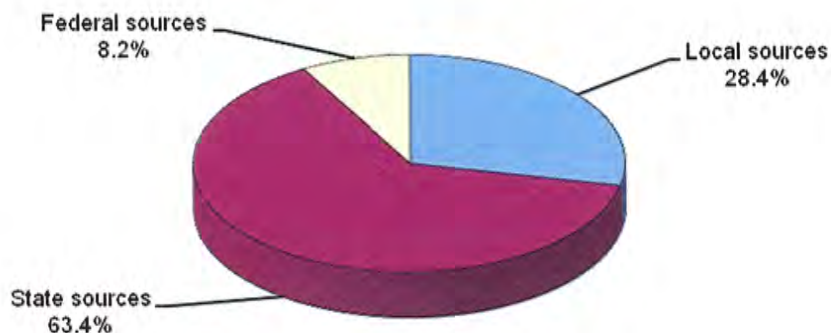
Table 5 presents a summary of general fund revenues.

**Table 5**  
General Fund Revenues

	<b>2007</b>	<b>2006</b>	<b>Increase (Decrease)</b>	<b>Percent Increase (Decrease)</b>
Local sources	\$ 40,963,357	\$ 38,850,319	\$ 2,113,038	5.4%
State sources	91,479,160	81,842,665	9,636,495	11.8%
Federal sources	11,777,182	12,387,574	(610,392)	-4.9%
Total	<u><b>\$ 144,219,699</b></u>	<u><b>\$ 133,080,558</b></u>	<u><b>\$ 11,139,141</b></u>	<b>8.4%</b>

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

**Figure A-5, General Fund Revenue**



# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Management's Discussion and Analysis (continued) June 30, 2007

Revenue from local sources is comprised mainly of the appropriation from the Fairbanks North Star Borough for general school operations which totaled \$40 million in fiscal year 2007, a \$2 million increase over last year. Revenue from state sources, comprised mainly of the State foundation funding program, increased \$9.6 million due to a \$539 or 11 percent increase in the per-student allocation. Revenue from federal sources decreased \$.6 million due mainly to a drop in revenue for the current year federal impact aid application. Increases in local and state aid were aimed at covering increases in salary and benefit costs discussed in more detail below.

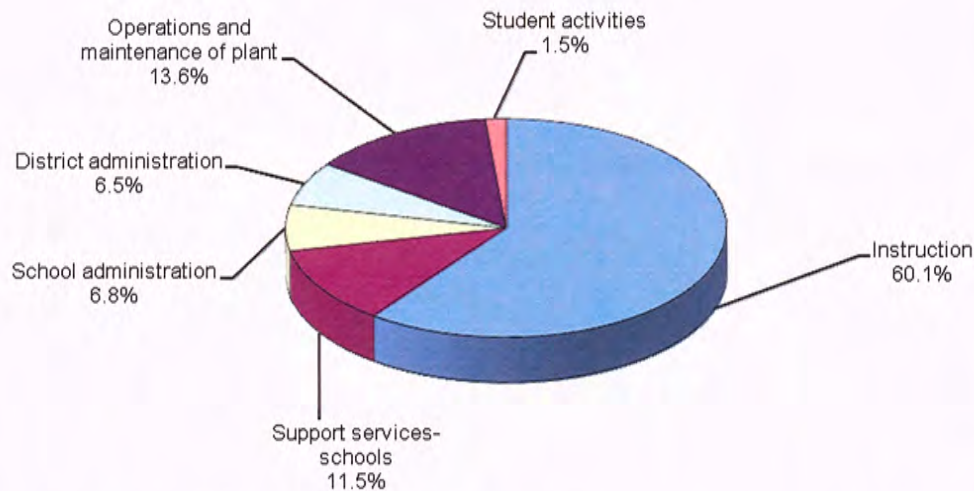
Table 6 presents a summary of general fund expenditures.

**Table 6**  
General Fund Expenditures

	2007	2006	Increase (Decrease)	Percent Increase (Decrease)
Instruction	\$ 88,801,574	\$ 79,742,527	\$ 9,059,047	11.4%
Support services - schools	16,933,089	14,428,086	2,505,003	17.4%
School administration	9,984,364	8,782,852	1,201,512	13.7%
District administration	9,564,893	8,247,500	1,317,393	16.0%
Operations and maintenance of plant	20,039,480	18,303,539	1,735,941	9.5%
Student activities	2,204,195	2,148,068	56,127	2.6%
Transfers to other funds	586,365	527,073	59,292	11.2%
Total	<u>\$ 148,113,960</u>	<u>\$ 132,179,645</u>	<u>\$ 15,934,315</u>	<u>12.1%</u>

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 (without Transfers)**



Increases from fiscal year 2006, in all functional areas, reflect:

- Higher salaries due to scheduled negotiated increases for all employee groups (\$2.3 million or 2.8 percent)



## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Management's Discussion and Analysis (continued) June 30, 2007

- Increased health insurance costs (\$6.7 million or 51%) to cover current year costs and recover from a \$3.6 million deficit in the risk management internal service in the prior fiscal year, and
- Increases in employer contributions to the PERS and TRS systems (\$4.1 million or 27 percent).

#### 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 surplus at June 30, 2007 of \$176,548, an increase of \$3.8 million from fiscal year 2006 where the fund ended the year with a deficit of \$3.6 million. Operating expenses of the fund decreased \$1.4 million or 6.4% from the prior year due primarily to a decrease in large claims. Operating revenues increased \$7 million or 41.4 percent due primarily to an increase in the health benefit rate to cover not only current year claims but the deficit from the prior year.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

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

- The original budget includes the cost for all substitutes for teachers, counselors, and library personnel in one appropriated line item in the instruction function. However, actual substitute costs for counselors and library personnel are charged to either support services-students or support services-instruction as incurred. As those costs are known, the budget is adjusted accordingly.
- Purchase orders outstanding at June 30 of the previous year were carried forward to the current year as adjustments to the original budget.
- Contract adjustments for exempt employees which were approved by the Board after the original budget had been adopted.
- Equipment upgrades, training, and additional personnel in the Information Systems department related to the new student recordkeeping and parent portal software.
- 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.
- An appropriation for the *One-to-One Initiative*. This is an initiative in association with the Alaska Legislature and the Alaska Association of School Boards where the School District piloted a small program to provide laptops to all 6<sup>th</sup> graders at North Pole Middle school.

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Management's Discussion and Analysis (continued)

June 30, 2007

Actual expenditures (excluding transfers to other funds) on the budgetary basis for fiscal year 2007 were \$2.4 million less than the final budget.

Significant budget to actual variances of note were:

- Revenues - state sources – were under budget by \$1.9 million. Most of this variance was for a decrease in State foundation program funding caused by a decrease in projected student enrollment.
- Revenues - federal sources – were over budget by \$2.2 million. Most of this was due to federal impact aid revenues which are comprised of monies for the year under application and previous years' applications after final Federal allocation adjustments. We typically budget just for the year under application. Federal funding for the fiscal year 2007 application was under budgeted by \$1.5 million. The remaining favorable variance is due to amounts received from prior year applications.
- Operations and maintenance of plant – expenditures were under budget in this functional area in large part for two reasons. Due to the employment situation in Fairbanks, competition for skilled electrical and mechanical workers is creating a shortage of candidates for district openings resulting in vacancies in the facilities maintenance department. Also, we budgeted for fuel costs under a worst case scenario and while fuel costs were high they were not as high as originally anticipated.
- Other financing sources – The School District received an insurance recovery pursuant to settlement of an outstanding lawsuit.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The School District's investment in capital assets for its governmental activities was \$4.1 million as of June 30, 2007 (net of accumulated depreciation and amortization). This investment in capital assets includes building improvements, furniture, equipment and software. The Borough (primary government) owns the land and buildings. The School District's investment in capital assets for the current fiscal year decreased 3.7%. Table 7 details capital assets by asset type:

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

	<b>2007</b>	<b>2006</b>	<b>Increase (Decrease)</b>	<b>Percent Increase (Decrease)</b>
Building improvements	\$ 304,318	\$	\$ 304,318	100.0%
Furniture and equipment	3,719,267	3,835,075	(115,808)	-3.0%
Intangibles (software)	56,734	83,252	(26,518)	-31.9%
Construction in progress		317,044	(317,044)	-100.0%
Total	<u>\$ 4,080,319</u>	<u>\$ 4,235,371</u>	<u>\$ (459,370)</u>	<u>-10.8%</u>

Additional information on the School District's capital assets can be found in Note 6 on page 44 of this report.



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

### **Management's Discussion and Analysis (continued) June 30, 2007**

#### **Debt Administration**

The School District's long-term obligations include \$3 million for compensated absences, an increase of \$165,273 or 5.8 percent from the prior year. We would expect to see modest increases in compensated absences as long as salaries are increasing. Long-term obligations also include \$4 million for claims and judgments, an increase of \$287,239 or 7.5 percent over prior year. Claims and judgments include such items as claims payable and accrued self-insurance reserves. Most of the increase in claims and judgments is due to a revised estimate of incurred but not reported health claims as reported in the risk management internal service fund. Additional information about long-term obligations can be found in Note 9 and Note 11 on pages 46 through 48 of this report and in the risk management internal service fund financial statements on pages 32 through 34.

In February 2007, the Borough issued \$22,460,000 of general obligation bonds, 2007 Series J and K for school improvements. 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. All \$22,460,000 of these bonds are insured.

#### **ECONOMIC FACTORS AND SUBSEQUENT YEARS' BUDGETS**

At the completion of the audit, the 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. Fiscal year 2008 budgeted State revenues are based on 14,443 projected students. The official count period for State funding is not complete, but actual student enrollment in fiscal year 2008 will be lower than projected.
- The District's budget is comprised of over 84% in salaries and employee benefits, and includes three bargaining units and one exempt management group. The Fairbanks Education Association (teachers') contract expires June 30, 2008, the Education Support Staff Association contract expires June 30, 2009, and the Fairbanks Principals' Association contract expires June 30, 2010. Members of exempt management sign individual annual employee contracts.
- As mentioned in the transmittal letter, new defined contribution tiers in the PERS and TRS were created by the State Legislature for all employees first hired on or after July 1, 2006, effectively closing the defined benefit portions of the PERS and TRS. The new defined contribution tiers are designed to lower employer costs going into the future. However, a majority of employees are members of the defined benefit plans which still face decreasing funding ratios and increasing rates to meet future retirement and healthcare costs for retirees. Fiscal year 2008 mandatory rates for PERS and TRS, as adopted by the Alaska Retirement Management Board, are lower than the actuarial rates. In 2007 the State Legislature passed legislation that authorizes on-behalf payments to be made to the State retirement systems to make up the difference between the 2008 mandatory rates and the actuarial rates. However, this is a one year fix to a long-term problem. It is expected that the legislature will address a long-term solution in their upcoming session.
- The Twenty-fifth Alaska State Legislature established a Joint Legislative Education Funding Task Force (JLETF) for the purpose of examining school district cost differentials and the existing formula for distributing state aid for education, and recommending improvements or additions to the laws providing for education funding. Although only advisory in nature, those recommendations include increased funding for geographical funding differentials, intensive special needs children, pupil transportation, and an increase to the basic per student allocation.
- In August 2004, a coalition of parents, educators, and school districts challenged the constitutionality and adequacy of Alaska's funding of public schools, known as Moore vs. State of

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

### **Management's Discussion and Analysis June 30, 2007**

Alaska. In June 2007, Anchorage Superior Court Judge Sharon Gleason ruled that Alaska has fully met its constitutional obligation to adequately fund education.

#### **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**

**Notes to the Basic 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, 2007

(With comparative totals for 2006)

	<b>Governmental Activities</b>	
	<b>2007</b>	<b>2006</b>
 <b><u>ASSETS</u></b>		
Current assets:		
Equity in central treasury cash	\$ 20,703,761	\$ 18,996,612
Restricted equity in central treasury cash	24,150	19,296
Accounts receivable	8,839,916	8,885,257
Due from Fairbanks North Star Borough	37,136	227,158
Inventories	715,252	599,762
Prepaid items	25,179	26,040
Total current assets	<u>30,345,394</u>	<u>28,754,125</u>
Noncurrent assets:		
Building improvements	318,102	
Furniture and equipment	11,558,422	11,212,351
Less accumulated depreciation	(7,852,939)	(7,377,276)
Intangible assets, net of amortization	56,734	83,252
Construction in progress		317,044
Total noncurrent assets	<u>4,080,319</u>	<u>4,235,371</u>
Total assets	<u><u>\$ 34,425,713</u></u>	<u><u>\$ 32,989,496</u></u>
 <b><u>LIABILITIES</u></b>		
Current liabilities:		
Accounts payable	\$ 1,113,875	\$ 1,144,636
Accrued payroll and liabilities	380,100	360,576
Unearned revenue	24,150	19,296
Due to external groups and agencies	613	38,440
Due to Fairbanks North Star Borough		28,578
Current portion of long-term liabilities:		
Compensated absences	2,787,173	2,643,610
Claims and judgements	2,105,310	1,843,185
Total current liabilities	<u>6,411,221</u>	<u>6,078,321</u>
Noncurrent liabilities:		
Noncurrent portion of long-term liabilities:		
Compensated absences	204,766	183,056
Claims and judgements	1,851,711	1,826,597
Net pension obligation	5,300,757	3,978,221
Total noncurrent liabilities	<u>7,357,234</u>	<u>5,987,874</u>
Total liabilities	<u>13,768,455</u>	<u>12,066,195</u>
 <b><u>NET ASSETS</u></b>		
Invested in capital assets	4,080,319	4,235,371
Unrestricted	16,576,939	16,687,930
Total net assets	<u><u>\$ 20,657,258</u></u>	<u><u>\$ 20,923,301</u></u>

See accompanying notes to the basic financial statements.

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Statement of Activities  
For the Year Ended June 30, 2007  
(With comparative totals for 2006)

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	\$ 77,265,162	\$ 28,827	\$ 3,774,404	\$ 675,238	\$ (72,786,693)
Special education instruction	17,856,399		3,754,050		(13,937,316)
Special education support services - students	2,516,909				(2,299,016)
Support services - students	10,458,934	55,650	1,395,497		(7,993,847)
Support services - instruction	9,282,242		4,100,552		(5,063,087)
School administration	5,915,223				(5,357,561)
School administration support services	3,989,781		7,000		(3,950,664)
District administration	1,757,915				(1,675,940)
District administration support services	7,834,722		4,040	910	(7,330,027)
Operations and maintenance of plant	20,266,837				(19,312,197)
Student activities	2,178,484				(2,225,205)
Student transportation service	8,841,162		8,794,472		(298,951)
Adult and continuing education instruction	567				(17,333)
Food services	4,522,847	1,863,410	2,689,938		(107,559)
Total governmental activities	\$ 172,687,184	\$ 1,947,887	\$ 24,519,953	\$ 676,148	\$ (138,517,876)
General revenues:					
Grants and contributions not restricted to specific programs:					
Borough direct appropriation				40,022,700	38,022,700
Foundation program				90,029,160	80,045,140
Federal impact aid				11,405,933	12,257,249
Other				2,084,592	1,831,103
Miscellaneous				1,734,768	940,052
Total general revenues				145,277,153	133,096,244
Change in net assets				(266,043)	(5,421,632)
Net assets - beginning				20,923,301	26,344,933
Net assets - ending				\$ 20,657,258	\$ 20,923,301

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, 2007

(With comparative totals for 2006)

	<u>General</u>	<u>Federal Projects Special Revenue</u>	<u>Student Transportation Special Revenue</u>
<b><u>ASSETS</u></b>			
Equity in central treasury cash	\$ 18,154,698	\$ 54,308	\$ 241,566
Accounts receivable:			
Local	158,965	1,944	
State		3,248,928	
Federal	15,882	433,665	
Due from other funds	4,348,060		
Due from Fairbanks North Star Borough	8,838		
Inventories	473,356		
Prepaid items	25,179		
Total assets	<u>\$ 23,184,978</u>	<u>\$ 3,738,845</u>	<u>\$ 241,566</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 883,373	\$ 94,460	\$ 7,269
Accrued payroll and liabilities	380,100		
Deferred revenue		21,042	
Due to other funds		3,588,978	
Due to external groups and agencies		613	
Due to Fairbanks North Star Borough			
Total liabilities	<u>1,263,473</u>	<u>3,705,093</u>	<u>7,269</u>
Fund balances:			
Reserved for:			
Encumbrances	1,485,457	286,982	2,239
Inventories	473,356		
Prepayments	25,179		
Impact aid advance	10,562,000		
Unreserved:			
Designated for:			
Subsequent year's expenditures	3,206,414		
Undesignated, reported in:			
General fund	6,169,099		
Special revenue funds		(253,230)	232,058
Capital projects funds			
Total fund balances	<u>21,921,505</u>	<u>33,752</u>	<u>234,297</u>
Total liabilities and fund balances	<u>\$ 23,184,978</u>	<u>\$ 3,738,845</u>	<u>\$ 241,566</u>

See accompanying notes to the basic financial statements.

Other Governmental	Total Governmental Funds	
	2007	2006
\$ 2,277,339	\$ 20,727,911	\$ 19,015,908
	160,909	314,138
216,369	3,465,297	4,122,194
	449,547	433,740
	4,348,060	8,598,225
28,298	37,136	227,158
193,785	667,141	558,827
	25,179	26,040
<u>\$ 2,715,791</u>	<u>\$ 29,881,180</u>	<u>\$ 33,296,230</u>

\$ 34,778	\$ 1,019,880	\$ 1,060,034
	380,100	360,576
3,108	24,150	19,296
222,483	3,811,461	4,730,106
	613	38,440
		28,578
<u>260,369</u>	<u>5,236,204</u>	<u>6,237,030</u>

41,984	1,816,662	2,222,821
193,785	667,141	558,827
	25,179	26,040
	10,562,000	11,404,061
	3,206,414	5,868,940
	6,169,099	5,160,548
461,413	440,241	561,167
1,758,240	1,758,240	1,256,796
<u>2,455,422</u>	<u>24,644,976</u>	<u>27,059,200</u>
<u>\$ 2,715,791</u>	<u>\$ 29,881,180</u>	<u>\$ 33,296,230</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, 2007

Total fund balances for governmental funds \$ 24,644,976

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

Commodities to be used in the 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. However, commodity inventory in the Statement of Net Assets is valued at fair market value.

Adjust commodity inventory to fair market value. 48,111

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.

Building improvements	\$ 318,102	
Furniture and equipment	11,558,422	
Accumulated depreciation to date	(7,852,939)	
Intangible assets, net of amortization	56,734	
		4,080,319

The FY 2004 actuarial valuation report of the State of Alaska Public Employees' Retirement System (PERS) set the School District's contribution rate for fiscal year 2007 at 25.74%, an increase of 9.83 percentage points over the rate for fiscal year 2006. State statute limits the increase in a given year to 5 percentage points. Thus, the rate adopted by the PERS board for fiscal year 2007 was 20.91. The difference between the actuarially required contribution and the actual contribution made, called the *net pension obligation*, is by nature a long-term liability and is not reported as a liability of the governmental funds. (5,300,757)

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 176,548

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, 2007 are:

Compensated absences (2,991,939)

Total net assets of governmental activities \$ 20,657,258

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, 2007**  
**(With comparative totals for 2006)**

	<u>General</u>	<u>Federal Projects Special Revenue</u>	<u>Student Transportation Special Revenue</u>
Revenues:			
Local sources	\$ 40,963,357	\$ 69,654	\$
State sources	91,479,160		8,794,472
Federal sources	<u>11,777,182</u>	<u>12,127,263</u>	
Total revenues	<u>144,219,699</u>	<u>12,196,917</u>	<u>8,794,472</u>
Expenditures:			
Current:			
Instruction	74,447,406	3,366,403	
Special education instruction	14,354,168	3,754,050	
Special education support services - students	2,537,779		
Support services - students	9,080,024	1,476,390	
Support services - instruction	5,315,286	3,620,516	
School administration	6,011,316		
School administration support services	3,973,048		
District administration	1,775,737	7,523	
District administration support services	7,789,156		
Operations and maintenance of plant	20,039,480		
Student activities	2,204,195		
Student transportation service			8,837,951
Adult and continuing education instruction			
Food services			
Total current	<u>147,527,595</u>	<u>12,224,882</u>	<u>8,837,951</u>
Capital outlay			
Total expenditures	<u>147,527,595</u>	<u>12,224,882</u>	<u>8,837,951</u>
Excess (deficiency) of revenues over expenditures	<u>(3,307,896)</u>	<u>(27,965)</u>	<u>(43,479)</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	8,373		
Proceeds from insurance recovery	1,049,081		
Transfers in		27,660	
Transfers out	<u>(586,365)</u>		
Total other financing sources (uses)	<u>471,089</u>	<u>27,660</u>	
Net change in fund balances	<u>(2,836,807)</u>	<u>(305)</u>	<u>(43,479)</u>
Fund balances - beginning	<u>24,758,312</u>	<u>34,057</u>	<u>277,776</u>
Fund balances - ending	<u>\$ 21,921,505</u>	<u>\$ 33,752</u>	<u>\$ 234,297</u>

See accompanying notes to the basic financial statements.

Other Governmental	Total Governmental Funds	
	2007	2006
\$ 2,305,942	\$ 43,338,953	\$ 41,822,568
727,612	101,001,244	91,567,221
2,936,869	26,841,314	30,253,544
<u>5,970,423</u>	<u>171,181,511</u>	<u>163,643,333</u>
971,835	78,785,644	70,789,698
	18,108,218	17,600,175
	2,537,779	2,189,892
3,369	10,559,783	9,781,117
487,491	9,423,293	9,955,245
55,589	6,066,905	5,162,345
	3,973,048	3,662,612
	1,783,260	1,626,251
	7,789,156	6,678,883
4,040	20,043,520	18,309,436
	2,204,195	2,148,068
	8,837,951	9,135,639
472	472	15,469
4,280,890	4,280,890	4,266,661
<u>5,803,686</u>	<u>174,394,114</u>	<u>161,321,491</u>
259,075	259,075	1,362,695
6,062,761	174,653,189	162,684,186
<u>(92,338)</u>	<u>(3,471,678)</u>	<u>959,147</u>
	8,373	24,407
	1,049,081	
586,365	614,025	618,073
(27,660)	(614,025)	(618,073)
<u>558,705</u>	<u>1,057,454</u>	<u>24,407</u>
466,367	(2,414,224)	983,554
1,989,055	27,059,200	26,075,646
<u>\$ 2,455,422</u>	<u>\$ 24,644,976</u>	<u>\$ 27,059,200</u>



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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, 2007

Net change in fund balances - total governmental funds \$ (2,414,224)

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

Commodities to be used in the 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. Cost of goods sold and commodity revenue are valued in the Statement of Activities at fair market value.

Adjust revenue and expenditures to market value for USDA commodities purchased. 7,176

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	\$ 531,325	
Less current year depreciation/amortization	<u>(682,813)</u>	
		(151,488)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net assets. (3,564)

Underfunding of our actuarial accrued plan liability in the State of Alaska Public Employees' Retirement System (PERS) gives rise to a *net pension obligation*. Changes in the net pension obligation as well as interest on the beginning balance and other adjustments result in increases/decreases in pension cost. However, changes to pension cost do not require the use of current financial resources so they are not recorded in the governmental funds. (1,322,536)

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. (165,273)

An internal service fund is used by management to charge the costs of self-insurance and risk management to individual funds. The net income of the internal service fund is reported with governmental activities. 3,783,866

Change in net assets of governmental activities \$ (266,043)

See accompanying notes to the basic financial statements.

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Statement of Net Assets  
Proprietary Fund  
June 30, 2007  
(With comparative totals for 2006)

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

2007	2006
------	------

**ASSETS**

Current assets:

Accounts receivable - local

\$ 4,764,163	\$ 4,015,185
--------------	--------------

**LIABILITIES**

Current liabilities:

Accounts payable

\$ 93,995	\$ 84,602
-----------	-----------

Due to other funds

536,599	3,868,119
---------	-----------

Current portion of long-term liabilities:

Claims payable

2,105,310	1,843,185
-----------	-----------

Total current liabilities

2,735,904	5,795,906
-----------	-----------

Noncurrent liabilities:

Noncurrent portion of long-term liabilities:

Claims payable

26,780	53,860
--------	--------

Accrued self-insurance reserves

1,474,931	1,422,737
-----------	-----------

Accrued contingent liabilities

350,000	350,000
---------	---------

Total non-current liabilities

1,851,711	1,826,597
-----------	-----------

Total liabilities

4,587,615	7,622,503
-----------	-----------

**NET ASSETS**

Unrestricted

176,548	(3,607,318)
---------	-------------

Total net assets

\$ 176,548	\$ (3,607,318)
------------	----------------

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, 2007**  
**(With comparative totals for 2006)**

	<b>Governmental Activities - Risk Management Internal Service Fund Totals</b>	
	<b>2007</b>	<b>2006</b>
Operating revenues:		
Revenue from local sources:		
Charges for services	\$ 24,164,091	\$ 17,090,068
Operating expenses:		
Health and life insurance	18,333,538	19,748,063
Workers' compensation insurance	1,249,829	1,437,874
Property / auto insurance	531,797	323,750
General liability / other insurance	265,061	253,651
Total operating expenses	20,380,225	21,763,338
Change in net assets	3,783,866	(4,673,270)
Total net assets - beginning	(3,607,318)	1,065,952
Total net assets - ending	\$ 176,548	\$ (3,607,318)

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, 2007  
(With comparative totals for 2006)

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

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Receipts from interfund services provided	\$ 23,993,190	\$ 16,931,022
Receipts from employees	3,944,279	3,602,342
Payments to suppliers	(1,194,188)	(1,209,746)
Payments to employees	(926,309)	(584,498)
Payments to Fairbanks North Star Borough	<u>(22,485,452)</u>	<u>(24,558,416)</u>
Net cash provided (used) by operating activities	<u>3,331,520</u>	<u>(5,819,296)</u>
Cash flows from noncapital financing activities:		
Transfers (to) from other funds	<u>(3,331,520)</u>	<u>3,868,119</u>
Net increase (decrease) in equity in central treasury cash		(1,951,177)
Equity in central treasury cash - beginning		<u>1,951,177</u>
Equity in central treasury cash - ending	<u>\$</u>	<u>\$</u>
Reconciliation of change in net assets to net cash provided (used) by operating activities:		
Change in net assets	<u>\$ 3,783,866</u>	<u>\$ (4,673,270)</u>
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Increase in accounts receivable - local	(748,978)	(499,782)
Increase (decrease) in accounts payable	9,393	(6,255)
Increase (decrease) in claims payable, current portion	262,125	(780,003)
Increase (decrease) in claims payable, non-current portion	(27,080)	27,220
Increase in self-insurance reserves	52,194	187,794
Decrease in contingent liabilities		<u>(75,000)</u>
Total adjustments	<u>(452,346)</u>	<u>(1,146,026)</u>
Net cash provided (used) by operating activities	<u>\$ 3,331,520</u>	<u>\$ (5,819,296)</u>

See accompanying notes to the basic financial statements.

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

**Pupil Activities Agency Fund  
Statement of Fiduciary Assets and Liabilities  
June 30, 2007  
(With comparative totals for 2006)**

	<b>Totals</b>	
	<b>2007</b>	<b>2006</b>
<b><u>ASSETS</u></b>		
Equity in central treasury cash	<u>\$ 1,940,279</u>	<u>\$ 1,873,145</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ 26,862	\$ 47,069
Due to student groups	<u>1,913,417</u>	<u>1,826,076</u>
Total liabilities	<u>\$ 1,940,279</u>	<u>\$ 1,873,145</u>

See accompanying notes to the basic financial statements.

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements  
June 30, 2007

### 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 Assembly remains responsible for approving the School District's total budget and may, during the year, change the appropriation for local support. Any unreserved fund balance arising from local contributions in excess of 7% of the local appropriation to the School District is required to be shown as revenue in the following year's budget and designated for subsequent year's expenditures in the current year fund balance. The Borough issues bonds to finance school construction, levies taxes and collects and disburses the funds, and has responsibility for funding any deficits.

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

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Notes to the Basic Financial Statements (continued) June 30, 2007

federal and state grant program. 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 projects related to acquisition of furnishings and equipment for new or remodeled buildings.

#### 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, Federal Impact Aid, and other items not properly included among program revenues are reported instead as general revenues.

#### 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.



## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Notes to the Basic Financial Statements (continued) June 30, 2007

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 60 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 restricted resources first, then unrestricted 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, and other state and federal revenues. Expenditures are authorized in the annual budget and are made for such activities as student instruction, support services, administration, operations and maintenance, and student activities.

Federal Programs Special Revenue Fund – The federal programs special revenue fund accounts for 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 funds of the School District on a cost reimbursement basis.

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Notes to the Basic Financial Statements (continued) June 30, 2007

Agency fund – The pupil activities agency fund accounts for the assets held by the School District as an agent for various student and 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: federal projects special revenue fund for the National Science Foundation grants, food services special revenue fund for the Food Service Program, and the pupil activities 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 and equipment reimbursable from proceeds of Borough bonds issued for school district facilities. Payables to the Fairbanks North Star Borough are for construction costs related to the Hutchison High School construction project.

Through various negotiated agreements with employees, the School District has put in place a cost sharing mechanism for health costs. A monthly "cap" is negotiated each year beyond which the School District and employees share health costs equally. At June 30 of each year, total health costs for the fiscal year are compared to the negotiated cap for that year and the employees' portion of the amount over the cap, if any, is collected in the following calendar year through payroll deductions. The amount to be collected from employees in the following fiscal year is recorded as a receivable in the risk management internal service fund at June 30.

#### **H. Inventories**

Inventories are recorded in the general fund and the food services 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. Food services special revenue fund inventory of food and related supplies are valued at cost using the weighted average cost 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. Food commodities received from the U.S. Department of Agriculture (USDA) for use in the school lunch program are not considered a flow of current *financial* resources and as such are not recorded in the food services special revenue fund. Instead, they are recorded at fair market value in the

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Notes to the Basic Financial Statements (continued) June 30, 2007

government-wide financial statements. Revenue related to food service commodities is recognized at the time of receipt.

#### **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.

#### **J. General Capital Assets**

The Borough owns and accounts for all land and school buildings, and most improvements other than buildings, which are provided to School District schools without charge. 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 construction in progress, 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 \$2,500 or more and an estimated useful life in excess of two years. General capital assets are valued at cost or estimated historical cost when the original cost is not available and depreciated/amortized over their estimated useful lives. Donated capital assets are valued at their estimated fair market value on the date received. Construction in progress in FY06 consisted of renovation costs for the district administration center. 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:

Building improvements	25 years
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. Accrued Self-Insurance Losses and Contingencies Payable**

Amounts reported as claims payable and contingent liabilities in the risk management internal service fund include estimates for all known amounts for workers compensation, health claims, and contingencies, as well as estimates for incurred but not reported claims.

#### **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 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

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

### **Notes to the Basic Financial Statements (continued) June 30, 2007**

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**

A statutory cap limiting changes to the Public Employees Retirement System (PERS) employer contribution rate to no more than five percentage points annually caused the mandatory PERS rate to be less than the actuarially determined rate resulting in a net pension obligation. Tiers I through III of the PERS are a defined benefit, agent multiple-employer public employee retirement system established by the State of Alaska to provide pension, postemployment healthcare, death, and disability benefits to eligible employees. Because a net pension obligation is not considered a financial obligation, it is not reported as a liability in the governmental fund financial statements. Instead, it is reported as a liability in the government-wide financial statements. See 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.

#### **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.

#### **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 FY07.

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Notes to the Basic Financial Statements (continued) June 30, 2007

#### R. 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, 2006, from which the partial information was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes 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 (\$3,564) difference 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 fixed assets	\$ ( 8,373)
Net loss on the disposal of fixed assets	<u>4,809</u>
Net adjustment to increase <i>net change in fund balances – total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u>\$ ( 3,564)</u>

#### NOTE 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

##### Fund Balance Compliance

The Borough code of ordinances allows the School District to carry over from one year to the next unreserved local appropriation fund balance and unreserved state appropriation fund balance not exceeding 7 percent, respectively, of total unreserved fund balance. Unreserved local or state appropriation fund balance over 7 percent is required to be shown as revenue in the following fiscal year's budget. At June 30, 2007 combined unreserved fund balance originating from the local contribution to education and from State of Alaska revenues was 6.4 percent – \$723,751 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.

#### 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

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Notes to the Basic Financial Statements (continued) June 30, 2007

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 paid for with a restricted, non-interest bearing compensating balance. WFB is required to 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 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 (the pool). The pool is not SEC-registered, but is a 2a7-like pool, operating in a manner consistent with that rule. Regulatory oversight of the pool is established by Alaska Statutes 37.23. The pool must maintain a dollar-weighted average maturity of 90 days or less, and only purchase instruments having remaining maturities of 397 days or less. As of June 30, 2007, the fair value of the investments in the pool approximates the amortized cost at which the investments were reported. The pool is not rated.

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, 2007 is as follows:

	Carrying value of equity in central treasury	Due to (from) other funds	Reported Equity in Central Treasury
General fund	\$ 22,502,758	\$ (4,348,060)	\$ 18,154,698
Federal programs special revenue fund	(3,534,670)	3,588,978	54,308
Student transportation special revenue fund	241,566		241,566
Non-major governmental funds	2,054,856	222,483	2,277,339
Total governmental funds	21,264,510	(536,599)	20,727,911
Risk management internal service fund	(536,599)	536,599	
Total governmental activities	\$ 20,727,911	\$	\$ 20,727,911
Pupil activities agency fund	\$ 1,940,279	\$	\$ 1,940,279

Of total reported equity in central treasury, \$20,703,761 is unrestricted and \$24,150 is restricted.

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Notes to the Basic Financial Statements (continued) June 30, 2007

### NOTE 5: RECEIVABLES

Receivables reported in the statement of net assets at June 30, 2007 were as follows:

	General Fund	Federal Programs Special Revenue Fund	Non-major Governmental Funds	Risk Management Internal Service Fund	Total
Governmental activities:					
Local	\$ 158,965	\$ 1,944		\$ 4,764,163	\$ 4,925,072
State		3,248,928	216,369		3,465,297
Federal	15,882	433,665			449,547
Total receivables	<u>\$ 174,847</u>	<u>\$ 3,684,537</u>	<u>\$ 216,369</u>	<u>\$ 4,764,163</u>	<u>\$ 8,839,916</u>

### NOTE 6: CAPITAL ASSETS

The Borough owns and accounts for all land, school buildings and improvements other than buildings, which are provided to School District schools without charge. Capital assets, as recorded in the School District's financial records, consist of minor improvements other than buildings and furniture and equipment. The changes in capital assets by major class for year ended June 30, 2007, were as follows:

	July 1, 2006 Balance	Additions	Deductions	June 30, 2007 Balance
<b>Governmental activities:</b>				
Building improvements	\$	\$ 318,102	\$	\$ 318,102
Furniture and equipment	11,212,351	530,267	(184,196)	11,558,422
Less accumulated depreciation	(7,377,276)	(656,295)	180,632	(7,852,939)
Total, net of accumulated depreciation	<u>3,835,075</u>	<u>192,074</u>	<u>(3,564)</u>	<u>4,023,585</u>
Intangible assets (software)	205,056			205,056
Less accumulated amortization	(121,804)	(26,518)		(148,322)
Total, net of accumulated amortization	<u>83,252</u>	<u>(26,518)</u>		<u>56,734</u>
Construction in progress	317,044	1,058	(318,102)	
Governmental activities capital assets, net	<u>\$ 4,235,371</u>	<u>\$ 166,614</u>	<u>\$ (321,666)</u>	<u>\$ 4,080,319</u>

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

Instruction	\$ 176,535
Special education instruction	9,854
Special education support services - students	1,486
Support services - students	5,016
Support services - instruction	127,221
School administration support services	5,297
District administration	1,759
District administration support services	130,433
Operations and maintenance of plant	165,578
Student activities	4,157
Student transportation service	813
Adult and continuing education	92
Food services	54,572
Total depreciation/amortization expense	<u>\$ 682,813</u>

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements (continued)  
June 30, 2007

## NOTE 7: LEASES

### Operating Leases

The School District is obligated under three operating leases; a noncancelable building lease for a small school facility for the H.I.R.E. program and two copier leases for all district facilities. 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 2007 was \$244,363. The future minimum lease payments are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2008	\$ 296,730
2009	104,714
2010	104,714
2011	104,714
2012	89,559
Total	<u>\$ 700,431</u>

## NOTE 8: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2007 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	\$ 3,588,978
General fund	Nonmajor governmental funds	222,483
General fund	Risk management internal service fund	536,599
Total interfund receivables/payables		<u>\$ 4,348,060</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>		
	<u>Federal Projects Special Revenue Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
General fund	\$	\$ 586,365	\$ 586,365
Nonmajor governmental funds	27,660		27,660
Total transfers	<u>\$ 27,660</u>	<u>\$ 586,365</u>	<u>\$ 614,025</u>

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



# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Notes to the Basic Financial Statements (continued) June 30, 2007

### Due From Primary Government

Receivable Entity:	Payable Entity:	Amount
Component unit - School District	Primary government - FNSB	\$ <u>37,136</u>

Amounts due from the primary government 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 proceeds of Borough bonds issued for school district facilities.

### **NOTE 9: GENERAL LONG-TERM LIABILITIES**

Long-term liabilities for governmental activity for the year ended June 30, 2007 were as follows:

Governmental activities:	July 1, 2006 Balance	Additions	Reductions	June 30, 2007 Balance	Due Within One Year
Compensated absences	\$ 2,826,666	\$ 2,914,014	\$ (2,748,741)	\$ 2,991,939	\$ 2,787,173
Claims and judgments	3,669,782	21,800,357	(21,513,118)	3,957,021	2,105,310
Net pension obligation	3,978,221	1,322,536		5,300,757	
Governmental activity long-term liabilities	<u>\$ 10,474,669</u>	<u>\$ 26,036,907</u>	<u>\$ (24,261,859)</u>	<u>\$ 12,249,717</u>	<u>\$ 4,892,483</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 liability either primary or secondary, is included in the Borough financial statements as follows:

	July 1, 2006 Balance	Additions	Reductions	June 30, 2007 Balance	Due Within One Year
1993, Refunding, Series S	\$ 5,865,000	\$	\$ (2,830,000)	\$ 3,035,000	\$ 3,035,000
1996, Series U	11,125,000		(11,125,000)		
1997, Series A	25,174,467		(1,543,262)	23,631,205	1,639,715
1999, Series B	19,750,000		(1,140,000)	18,610,000	1,190,000
2000, Series C	7,670,000		(355,000)	7,315,000	375,000
2000, Series D	7,520,000		(355,000)	7,165,000	370,000
2002, Series E	12,665,000		(500,000)	12,165,000	520,000
2003, Series F	12,555,000		(500,000)	12,055,000	515,000
2004, Series G	13,095,000		(550,000)	12,545,000	560,000
2005, Series H	13,335,000		(515,000)	12,820,000	530,000
2006, Series I	9,750,000		(220,000)	9,530,000	335,000
2007, Series J		12,000,000		12,000,000	290,000
2007, Series K		10,460,000		10,460,000	745,000
	<u>\$ 138,504,467</u>	<u>\$ 22,460,000</u>	<u>\$ (19,633,262)</u>	<u>\$ 141,331,205</u>	<u>\$ 10,104,715</u>

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Notes to the Basic Financial Statements (continued) June 30, 2007

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2008	\$ 10,104,715	\$ 6,374,453
2009	7,591,170	5,672,296
2010	7,927,624	4,917,139
2011	8,284,078	4,945,547
2012	8,665,532	4,579,251
2013-2017	49,802,377	16,748,577
2018-2022	35,225,709	6,557,185
2023-2027	13,730,000	1,033,855
Total	<u>\$ 141,331,205</u>	<u>\$ 50,828,303</u>

During the year, the Borough paid total principal and interest of \$25,755,733 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, depending upon the type of risk. Commercial insurance, with zero or small deductibles, is secured for the following coverages: employee life insurance and employee disability insurance. The program self-insures the following risk exposures: employee and dependent medical, auto and general liability, workers' compensation, errors and omissions/public officials, property, and employment practices. Commercial insurance has also been obtained for excess coverage above self-retention limits for all risk exposures except environmental. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

The Borough has designated fund balance in the amount of \$1,500,000 to provide resources for catastrophic losses up to self-retention limits, 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.

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Notes to the Basic Financial Statements (continued) June 30, 2007

Changes in the risk management internal service fund liability amounts in fiscal years 2007 and 2006 were:

	Claims Liability 2006-07	Claims Liability 2005-06
July 1	\$ 3,669,782	\$ 4,309,771
Current year claims	21,763,163	22,630,753
Changes in estimates for claims of prior periods	37,194	216,794
Claims payments	(21,513,118)	(23,487,536)
June 30	<u>\$ 3,957,021</u>	<u>\$ 3,669,782</u>

Through various negotiated agreements with employees, the School District has put in place a cost sharing mechanism for health costs. A monthly "cap" is negotiated each year beyond which the School District and employees share health costs equally. At June 30 of each year, total health costs for the fiscal year are compared to the negotiated cap for that year and the employees' portion of the amount over the cap, if any, is collected in the following calendar year through payroll deductions. The School District records a health cap receivable at June 30 of each year for the amount to be collected in the following fiscal year. The health cap receivable in fiscal years 2007 and 2006 was \$4,764,163 and \$4,015,185, 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 services provided by the Borough during the year are allocated and charged to School District operations as follows:

	Allocated Services 2006-07	Allocated Services 2005-06
Risk management overhead	\$ 489,418	\$ 464,271
Auto/general liability, property and other insurance premiums	801,078	738,328
Workers' compensation insurance premiums	108,440	97,552
Health and workers' compensation claims paid	21,242,556	22,344,725
General liabilities claims paid	6,706	16,481
Audit	33,700	32,900
	<u>\$ 22,681,898</u>	<u>\$ 23,694,257</u>

### NOTE 13: RETIREMENT PLANS

As of June 30, 2007, 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 contacting the Alaska Department of Administration, Division of Retirement and Benefits, P.O. Box 110203, Juneau, Alaska, 99811-0203, or by calling (907) 465-4460. The financial statements are also available on the web at [www.state.ak.us/dr/b](http://www.state.ak.us/dr/b). Effective July 1, 1993, the Borough and the School District participate in the PERS under separate agreements. Prior to that date, they participated under a joint agreement.

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Notes to the Basic Financial Statements (continued) June 30, 2007

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

##### Plan Description

Tiers I through III of the Alaska Public Employees' Retirement System (PERS) are a defined benefit, agent multiple-employer plan. Tier IV of the PERS, adopted for new hires first enrolled on or after July 1, 2006, is a defined contribution plan. The PERS retirement system 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).

##### Funding Policy

###### *Defined Benefit Plan (Tiers I through III)*

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 periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay both pension and postemployment healthcare benefits when due. However, State regulation limits the maximum change in the employer's contribution rate from one year to the next to no more than five percentage points. The School District's actuarially determined total rate for FY07 was 25.74 percent (15.10 percent for pension and 10.64 percent for postemployment healthcare), an increase of 10.4 percent from fiscal year 2006. The School District's mandatory rate, as limited, for FY07 was 20.91 percent (12.26 percent for pension and 8.65 percent for postemployment healthcare).

Fiscal year 2005 was the first year the School District's contribution rate was limited by the rate limitation regulation. Effective July 20, 2006 this regulation was repealed and will no longer apply to employer contribution rates beginning July 1, 2007.

###### *Defined Contribution Plan (Tier IV)*

Employee contribution rates for the defined contribution plan are 8 percent of eligible compensation. The employers' rate for FY07 was 5 percent. Employers are also required to pay 1.75 percent into the retiree medical plan, .3 percent for occupational death and disability benefits, and a flat dollar amount per employee, based on 3 percent of the employer's average annual employee compensation, into the employee's Health Reimbursement Arrangement account.

During the year ended June 30, 2007 employer contributions to the plan were \$164,835 and employee contributions were \$104,911.

##### Annual Pension Cost and Net Pension Obligation

###### *Defined Benefit Plan (Tiers I through III)*

Actuarial valuations are required to be performed at least biennially. Generally, PERS actuarial valuations are performed annually, as of June 30 of each year. The actuarial methods and significant actuarial assumptions used to determine annual required contributions for pension and postemployment healthcare for fiscal year 2007 were those listed in the actuarial valuation as of June 30, 2004. The actuarial cost method used for computing liabilities and contributions is the projected unit credit method of funding. The initial unfunded accrued liability and future gains or losses are

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Notes to the Basic Financial Statements (continued) June 30, 2007

amortized over a 25-year fixed (closed) period, level percentage of pay. Significant actuarial assumptions are as follows:

Investment return	8.25%
Projected salary increases:	
Inflation	3.50%
Productivity and merit	2.00%
Total inflation rate	3.50%
Health cost trend - ultimate rate	5.00%

Effective June 30, 2002, the asset valuation method was changed. All prior losses were immediately recognized and the corridor adjustments were eliminated. Investment gains and losses are now recognized 20 percent per year over five years, phased in through June 30, 2007. All assets are valued at market value. Valuation assets cannot be outside a range of 80 percent to 120 percent of the market value of assets.

Beginning in fiscal year 2005 (actuarial valuation year 2002) the average employer contribution rate increased 18.14 percentage points due to: changing the asset valuation method (immediately recognizing all prior deferred losses and eliminating corridor adjustments), increasing the health cost trend assumptions, and resetting the assumed medical premium to equal the actual fiscal year 2003 premium. Additional average contribution rate increases in fiscal years 2006 and 2007 (actuarial valuation year 2003 and 2004) bring the total increase over a three year period to 21.42 percentage points. As noted earlier, however, each employer's annual increase is capped at 5.00 percentage points, resulting in annual required contributions in excess of actual contributions made, and a net pension obligation.

The components of the School District's annual pension cost and net pension obligation in the PERS for the year ended June 30, 2007 were as follows:

	Pension	Postemployment Healthcare	Total
Annual required contribution	\$ 3,905,077	\$ 2,753,544	\$ 6,658,621
Interest on net pension obligation	192,481	135,722	328,203
Adjustment to annual required contribution	(149,704)	(105,558)	(255,262)
Annual pension cost	3,947,854	2,783,708	6,731,562
Contributions made	3,172,228	2,236,798	5,409,026
Increase in net pension obligation	775,626	546,910	1,322,536
Net pension obligation, beginning of year	2,328,435	1,649,786	3,978,221
Net pension obligation, end of year	<u>\$ 3,104,061</u>	<u>\$ 2,196,696</u>	<u>\$ 5,300,757</u>

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Notes to the Basic Financial Statements (continued) June 30, 2007

Annual pension cost (APC), percentage of APC contributed, and net pension obligation information as of June 30, 2007, 2006 and 2005 follows for pension benefits and postemployment healthcare benefits:

### Pension Benefits

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2005	\$ 3,511,913	48.0%	\$ 1,127,148
June 30, 2006	3,730,311	67.8%	2,328,435
June 30, 2007	3,947,854	80.4%	3,104,061

### Postemployment Healthcare Benefits

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2005	\$ 2,133,754	48.0%	\$ 846,895
June 30, 2006	2,493,184	67.8%	1,649,786
June 30, 2007	2,783,708	80.4%	2,196,696

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

### Plan Description

Tier I and II of the Alaska Teachers' Retirement System (TRS) are a defined benefit, cost-sharing multiple-employer plan. Tier III of the TRS, adopted for new hires first enrolled on or after July 1, 2006, is a defined contribution plan. The TRS retirement system 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 plan 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.

### Funding Policy

#### *Defined Benefit Plan (Tier I and II)*

Employee contribution rates for the defined benefit plan are 8.65 percent of eligible compensation. The TRS's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay both pension and postemployment healthcare benefits when due. As with the PERS, however, State regulation limits the maximum change in the contribution rate from one year to the next to no more than five percentage points. As noted earlier, this regulation was repealed effective July 20, 2006 and will no longer apply to employer contribution rates beginning July 1, 2007.

During the year ended June 30, 2007, the actuarially determined employer contribution rate was 41.78 percent and the mandatory rate, as limited, was 26 percent. The amounts contributed to TRS by the School District during the years ended June 30, 2007, 2006, and 2005 were \$15,402,736, \$12,716,069 and \$9,331,781, respectively, equal to the mandatory employer contributions for each year.

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
June 30, 2007**

*Defined Contribution Plan (Tier III)*

Employee contribution rates for the defined contribution plan are 8 percent of eligible compensation. The employers' rate for FY07 was 7 percent. Employers are also required to pay 1.75 percent into the retiree medical plan and a flat dollar amount per employee, based on 3 percent of the employer's average annual employee compensation, into the employee's Health Reimbursement Arrangement account.

During the year ended June 30, 2007 employer contributions to the plan were \$228,167 and employee contributions were \$150,536.

**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 Projects  
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**

**Schedule of PERS Funding Progress – Pension and  
Postemployment Healthcare Benefits**

**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, 2007**

	<b>Budgeted Amounts</b>			<b>Actual on</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Budgetary</b>	<b>Final Budget -</b>
				<b>Basis</b>	<b>Positive</b>
					<b>(Negative)</b>
<b>Revenues:</b>					
Local sources	\$ 40,819,000	\$ 40,819,000	\$ 40,963,357	\$ 40,963,357	\$ 144,357
State sources	93,366,660	93,366,660	91,479,160	91,479,160	(1,887,500)
Federal sources	9,551,450	9,551,450	11,777,182	11,777,182	2,225,732
Total revenues	143,737,110	143,737,110	144,219,699	144,219,699	482,589
<b>Expenditures:</b>					
Current:					
Instruction	75,560,262	74,550,752	74,447,406	73,922,595	628,157
Special education instruction	13,623,629	14,456,159	14,354,168	14,352,415	103,744
Special education support services - students	2,561,746	2,482,977	2,537,779	2,540,402	(57,425)
Support services - students	8,979,090	9,293,587	9,080,024	9,083,397	210,190
Support services - instruction	5,465,494	5,563,840	5,315,286	5,272,668	291,172
School administration	5,714,600	5,864,950	6,011,316	6,011,316	(146,366)
School administration support services	4,151,759	4,054,024	3,973,048	3,966,824	87,200
District administration	2,250,010	2,067,565	1,775,737	1,811,148	256,417
District administration support services	7,453,642	7,889,268	7,789,156	7,808,752	80,516
Operations and maintenance of plant	21,339,880	21,012,067	20,039,480	20,148,243	863,824
Student activities	2,097,176	2,269,900	2,204,195	2,198,947	70,953
Total expenditures	149,197,288	149,505,089	147,527,595	147,116,707	2,388,382
Excess (deficiency) of revenues over expenditures	(5,460,178)	(5,767,979)	(3,307,896)	(2,897,008)	2,870,971
<b>Other financing sources (uses):</b>					
Proceeds from sale of capital assets			8,373	8,373	8,373
Proceeds from insurance recovery			1,049,081	1,049,081	1,049,081
Transfers out	(408,762)	(597,997)	(586,365)	(586,365)	11,632
Total other financing sources (uses)	(408,762)	(597,997)	471,089	471,089	1,069,086
Net change in fund balance	\$ (5,868,940)	\$ (6,365,976)	(2,836,807)	\$ (2,425,919)	\$ 3,940,057
Fund balance - beginning			24,758,312		
Fund balance - ending			\$ 21,921,505		

See accompanying notes to the budgetary comparison schedules.

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**  
**Federal Projects Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**For the Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual on</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget -</u>
			<u>Basis</u>	<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Local sources	\$	\$	\$ 69,654	\$ 69,654
Federal sources	13,110,469	13,761,202	12,127,263	12,226,192
				(1,535,010)
Total revenues	13,110,469	13,761,202	12,196,917	12,295,846
				(1,465,356)
Expenditures:				
Current:				
Instruction	3,239,731	3,972,502	3,366,403	3,456,594
Special education instruction	3,044,123	3,790,932	3,754,050	3,751,006
Support services - students	1,365,121	1,578,644	1,476,390	1,478,078
Support services - instruction	3,663,034	4,412,647	3,620,516	3,631,133
District administration			7,523	
Total expenditures	11,319,009	13,761,725	12,224,882	12,323,811
				1,437,914
Excess (deficiency) of revenues over expenditures	1,791,460	(523)	(27,965)	(27,965)
				(27,442)
Other financing sources:				
Transfers in			27,660	27,660
				27,660
Net change in fund balance	\$ 1,791,460	\$ (523)	(305)	\$ (305)
				\$ 218
Fund balance - beginning			34,057	
Fund balance - ending			\$ 33,752	

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, 2007**

	<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:					
State sources	<u>\$ 8,911,970</u>	<u>\$ 8,911,970</u>	<u>\$ 8,794,472</u>	<u>\$ 8,796,711</u>	<u>\$ (115,259)</u>
Expenditures:					
Current:					
Student transportation service	<u>9,193,100</u>	<u>9,193,100</u>	<u>8,837,951</u>	<u>8,840,190</u>	<u>352,910</u>
Net change in fund balance	<u>\$ (281,130)</u>	<u>\$ (281,130)</u>	<u>(43,479)</u>	<u>\$ (43,479)</u>	<u>\$ 237,651</u>
Fund balance - beginning			<u>277,776</u>		
Fund balance - ending			<u>\$ 234,297</u>		

See accompanying notes to the budgetary comparison schedules.

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Notes to Budgetary Comparison Schedules June 30, 2007

#### 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, 2007, 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. Annual budgets are legally adopted for the general fund and most special revenue funds. 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 accounting period when goods or services are received as required by GAAP. Encumbrances

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Notes to Budgetary Comparison Schedules June 30, 2007

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 Projects Special Revenue Fund	Student Transportation Special Revenue Fund
Revenues reported on the basis of budgeting	\$ 144,219,699	\$ 12,295,846	\$ 8,794,472
Basis difference		(98,929)	
Revenues reported on the basis of GAAP	<u>\$ 144,219,699</u>	<u>\$ 12,196,917</u>	<u>\$ 8,794,472</u>
Expenditures reported on the basis of budgeting	\$ 147,116,707	\$ 12,323,811	\$ 8,840,190
Add expenditures on prior year encumbrances	1,896,345	188,053	
Deduct current year encumbrances	(1,485,457)	(286,982)	(2,239)
Expenditures reported on the basis of GAAP	<u>\$ 147,527,595</u>	<u>\$ 12,224,882</u>	<u>\$ 8,837,951</u>

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

For the year ended June 30, 2007, expenditures exceeded budget, in annually approved budgets, for the following major fund:

#### **General Fund:**

Special education support services - students	\$ 57,425
School administration	146,366

In both cases expenditures exceeded budget due to the increase in the health benefit rate. The increase was necessary not only to cover current year costs but the large prior year deficit in the risk management internal service fund.

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Required Supplementary Information  
Schedule of PERS Funding Progress  
Pension and Postemployment Healthcare Benefits  
June 30, 2007

(In 000's)

	<b>Actuarial Valuation Year ended June 30</b>	<b>Actuarial Value of Plan Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Deficiency of Plan Assets over AAL</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>Deficiency of Plan Assets as a Percentage of Covered Payroll</b>
<b>Pension Benefits</b>	2004	68,199	95,642	(27,443)	71%	24,096	(114%)
	2005	60,310	91,831	(31,521)	66%	27,423	(115%)
	2006	93,422	106,147	(12,725)	88%	28,872	(44%)
<b>Postemployment Healthcare Benefits</b>	2004	48,088	67,439	(19,351)	71%	24,096	(80%)
	2005	66,898	101,862	(34,964)	66%	27,423	(128%)
	2006	39,987	109,519	(69,532)	37%	28,872	(242%)
<b>Totals</b>	2004	116,287	163,081	(46,794)	71%	24,096	(194%)
	2005	127,208	193,693	(66,485)	66%	27,423	(242%)
	2006	133,409	215,666	(82,257)	62%	28,872	(285%)

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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 Projects 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, 2007

(With comparative totals for 2006)

<u><b>ASSETS</b></u>	<u><b>Totals</b></u>	
	<u><b>2007</b></u>	<u><b>2006</b></u>
Equity in central treasury cash	\$ 18,154,698	\$ 16,754,548
Accounts receivable:		
Local	158,965	142,949
Federal	15,882	13,853
Due from other funds	4,348,060	8,598,225
Due from Fairbanks North Star Borough	8,838	12,613
Inventories	473,356	402,378
Prepaid expenses	25,179	26,040
Total assets	<u>\$ 23,184,978</u>	<u>\$ 25,950,606</u>
 <u><b>LIABILITIES AND FUND BALANCE</b></u>		
Liabilities:		
Accounts payable	\$ 883,373	\$ 826,105
Accrued payroll and liabilities	380,100	360,576
Due to external groups and agencies		5,613
Total liabilities	<u>1,263,473</u>	<u>1,192,294</u>
Fund balance:		
Reseved for:		
Encumbrances	1,485,457	1,896,345
Inventories	473,356	402,378
Prepayments	25,179	26,040
Impact aid advance	10,562,000	11,404,061
Unreserved:		
Designated for subsequent year's expenditures	3,206,414	5,868,940
Undesignated	6,169,099	5,160,548
Total fund balance	<u>21,921,505</u>	<u>24,758,312</u>
Total liabilities and fund balance	<u>\$ 23,184,978</u>	<u>\$ 25,950,606</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, 2007  
(With comparative totals for 2006)

	<b>Totals</b>	
	<b>2007</b>	<b>2006</b>
Revenues:		
Revenue from local sources:		
Borough direct appropriation	\$ 40,022,700	\$ 38,022,700
E-rate revenue	263,343	250,778
Other local revenue	677,314	576,841
Total local sources	<u>40,963,357</u>	<u>38,850,319</u>
Revenue from state sources:		
Foundation program	88,513,723	80,045,140
QSI grant	345,636	347,525
Supplemental aid	1,169,801	
On-base schools	1,450,000	1,450,000
Total state sources	<u>91,479,160</u>	<u>81,842,665</u>
Revenue from federal sources:		
Direct - impact aid	11,405,933	12,257,249
Through the State of Alaska - Medicaid reimbursement	371,249	130,325
Total federal sources	<u>11,777,182</u>	<u>12,387,574</u>
Total revenues	<u>144,219,699</u>	<u>133,080,558</u>
Expenditures - current:		
Instruction:		
Salaries and fringe benefits:		
Certificated salaries	42,559,740	41,782,807
Non-certificated salaries	3,547,266	3,322,937
Employee benefits	23,240,478	17,334,211
Total salaries and fringe benefits	<u>69,347,484</u>	<u>62,439,955</u>
Materials, supplies, services and other:		
Professional and technical services	27,060	17,175
Staff travel	58,270	40,024
Student travel	56,929	32,312
Other purchased services	856,694	910,777
Supplies, materials and media	4,061,467	3,172,773
Total materials, supplies, services and other	<u>5,060,420</u>	<u>4,173,061</u>
Capital outlay - equipment	<u>39,502</u>	<u>23,838</u>
Total instruction	<u>74,447,406</u>	<u>66,636,854</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, 2007  
(With comparative totals for 2006)

	<b>Totals</b>	
	<b>2007</b>	<b>2006</b>
Special education instruction:		
Salaries and fringe benefits:		
Certificated salaries	\$ 6,463,649	\$ 6,484,082
Non-certificated salaries	2,553,041	2,878,212
Employee benefits	4,659,864	3,583,414
Total salaries and fringe benefits	<u>13,676,554</u>	<u>12,945,708</u>
Materials, supplies, services and other:		
Professional and technical services	525,315	900
Staff travel		1,150
Student travel	88	
Utility services	794	1,404
Other purchased services	30,595	47,512
Supplies, materials and media	120,822	108,999
Total materials, supplies, services and other	<u>677,614</u>	<u>159,965</u>
Total special education instruction	<u>14,354,168</u>	<u>13,105,673</u>
Special education support services - students:		
Salaries and fringe benefits:		
Certificated salaries	918,762	971,809
Non-certificated salaries	405,395	327,079
Employee benefits	672,582	516,590
Total salaries and fringe benefits	<u>1,996,739</u>	<u>1,815,478</u>
Materials, supplies, services and other:		
Professional and technical services	459,801	286,203
Staff travel	16,184	15,204
Other purchased services	12,049	20,069
Supplies, materials and media	53,006	52,938
Total materials, supplies, services and other	<u>541,040</u>	<u>374,414</u>
Total special education support services - students	<u>2,537,779</u>	<u>2,189,892</u>
Support services - students:		
Salaries and fringe benefits:		
Certificated salaries	2,987,075	3,009,120
Non-certificated salaries	2,899,151	2,235,152
Employee benefits	3,014,806	2,068,933
Total salaries and fringe benefits	<u>8,901,032</u>	<u>7,313,205</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, 2007

(With comparative totals for 2006)

	<b>Totals</b>	
	<b>2007</b>	<b>2006</b>
Support services - students (continued):		
Materials, supplies, services and other:		
Professional and technical services	\$ 3,399	\$ 2,175
Staff travel	4,895	6,664
Student travel	35	
Other purchased services	16,235	24,409
Supplies, materials and media	150,741	127,146
Other expenses	699	550
Total materials, supplies, services and other	<u>176,004</u>	<u>160,944</u>
Capital outlay - equipment	<u>2,988</u>	
Total support services - students	<u>9,080,024</u>	<u>7,474,149</u>
Support services - instruction:		
Salaries and fringe benefits:		
Certificated salaries	943,228	872,701
Non-certificated salaries	1,906,976	1,797,223
Employee benefits	1,406,024	1,002,368
Total salaries and fringe benefits	<u>4,256,228</u>	<u>3,672,292</u>
Materials, supplies, services and other:		
Professional and technical services	7,514	41,083
Staff travel	57,579	76,256
Student travel	5,716	3,842
Other purchased services	273,021	172,185
Supplies, materials and media	553,480	665,971
Total materials, supplies, services and other	<u>897,310</u>	<u>959,337</u>
Capital outlay - equipment	<u>161,748</u>	<u>132,416</u>
Total support services - instruction	<u>5,315,286</u>	<u>4,764,045</u>
School administration:		
Salaries and fringe benefits:		
Certificated salaries	3,909,230	3,643,828
Employee benefits	2,075,418	1,449,621
Total salaries and fringe benefits	<u>5,984,648</u>	<u>5,093,449</u>
Materials, supplies, services and other:		
Staff travel	3,238	3,501
Other expenses	23,430	23,290
Total materials, supplies, services and other	<u>26,668</u>	<u>26,791</u>
Total school administration	<u>6,011,316</u>	<u>5,120,240</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, 2007****(With comparative totals for 2006)**

	<b>Totals</b>	
	<b>2007</b>	<b>2006</b>
School administration support services:		
Salaries and fringe benefits:		
Non-certificated salaries	\$ 2,313,618	\$ 2,292,181
Employee benefits	1,216,406	914,456
Total salaries and fringe benefits	<u>3,530,024</u>	<u>3,206,637</u>
Materials, supplies, services and other:		
Professional and technical services	2,007	1,190
Staff travel	156	539
Utility services	328,223	361,179
Other purchased services	13,282	2,250
Insurance and bond premiums		4,300
Supplies, materials and media	96,757	86,517
Total materials, supplies, services and other	<u>440,425</u>	<u>455,975</u>
Capital outlay - equipment	2,599	
Total school administration support services	<u>3,973,048</u>	<u>3,662,612</u>
District administration:		
Salaries and fringe benefits:		
Certificated salaries	389,130	369,817
Non-certificated salaries	584,083	561,782
Employee benefits	504,303	425,590
Total salaries and fringe benefits	<u>1,477,516</u>	<u>1,357,189</u>
Materials, supplies, services and other:		
Professional and technical services	65,298	68,917
Staff travel	29,609	31,177
Other purchased services	121,460	64,172
Supplies, materials and media	79,101	47,162
Total materials, supplies, services and other	<u>295,468</u>	<u>211,428</u>
Capital outlay - equipment	2,753	
Total district administration	<u>1,775,737</u>	<u>1,568,617</u>
District administration support services:		
Salaries and fringe benefits:		
Certificated salaries	35,969	34,793
Non-certificated salaries	3,940,044	3,659,177
Employee benefits	2,148,169	1,503,657
Total salaries and fringe benefits	<u>6,124,182</u>	<u>5,197,627</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, 2007****(With comparative totals for 2006)**

	<b>Totals</b>	
	<b>2007</b>	<b>2006</b>
District administration support services (continued):		
Materials, supplies, services and other:		
Professional and technical services	\$ 367,030	\$ 338,992
Staff travel	80,969	90,611
Utility services	237,937	213,637
Other purchased services	392,902	386,138
Insurance and bond premiums	853,389	829,137
Supplies, materials and media	221,988	443,923
Other expenses	18,724	16,481
Indirect cost	(670,439)	(854,850)
Total materials, supplies, services and other	1,502,500	1,464,069
Capital outlay - equipment	162,474	17,187
Total district administration support services	7,789,156	6,678,883
Operations and maintenance of plant:		
Salaries and fringe benefits:		
Non-certificated salaries	7,806,203	7,591,242
Employee benefits	3,993,861	2,968,880
Total salaries and fringe benefits	11,800,064	10,560,122
Materials, supplies, services and other:		
Professional and technical services	67,271	65,136
Staff travel	18,003	15,199
Utility services	832,750	719,224
Energy	4,841,662	4,603,356
Other purchased services	833,182	738,726
Insurance and bond premiums	432,157	378,106
Supplies, materials and media	1,176,027	1,133,977
Total materials, supplies, services and other	8,201,052	7,653,724
Capital outlay - equipment	38,364	89,693
Total operations and maintenance of plant	20,039,480	18,303,539
Student activities:		
Salaries and fringe benefits:		
Certificated salaries	619,179	637,512
Non-certificated salaries	504,469	478,595
Employee benefits	325,439	251,020
Total salaries and fringe benefits	1,449,087	1,367,127

(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, 2007  
(With comparative totals for 2006)

	<b>Totals</b>	
	<b>2007</b>	<b>2006</b>
Student activities (continued):		
Materials, supplies, services and other:		
Professional and technical services	\$ 173,377	\$ 131,364
Student travel	395,041	409,105
Other purchased services	37,532	29,466
Supplies, materials and media	121,798	205,757
Other expenses	27,360	
Total materials, supplies, services and other	<u>755,108</u>	<u>775,692</u>
Capital outlay - equipment		5,249
Total student activities	<u>2,204,195</u>	<u>2,148,068</u>
Total expenditures	<u>147,527,595</u>	<u>131,652,572</u>
Excess (deficiency) of revenues over expenditures	<u>(3,307,896)</u>	<u>1,427,986</u>
Other financing sources (uses):		
Proceeds from sale of capital assets	8,373	19,906
Proceeds from insurance recovery	1,049,081	
Transfers out	<u>(586,365)</u>	<u>(527,073)</u>
Total other financing sources (uses)	<u>471,089</u>	<u>(507,167)</u>
Net change in fund balance	<u>(2,836,807)</u>	<u>920,819</u>
Fund balance - beginning	<u>24,758,312</u>	<u>23,837,493</u>
Fund balance - ending	<u>\$ 21,921,505</u>	<u>\$ 24,758,312</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, 2007

	<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	\$ 40,022,700	\$ 40,022,700	\$ 40,022,700	\$ 40,022,700	\$
E-rate revenue	255,600	255,600	263,343	263,343	7,743
Other local revenue	540,700	540,700	677,314	677,314	136,614
Total local sources	40,819,000	40,819,000	40,963,357	40,963,357	144,357
Revenue from state sources:					
Foundation program	90,382,620	90,382,620	88,513,723	88,513,723	(1,868,897)
QSI grant	350,520	350,520	345,636	345,636	(4,884)
Supplemental aid	1,183,520	1,183,520	1,169,801	1,169,801	(13,719)
On-base schools	1,450,000	1,450,000	1,450,000	1,450,000	
Total state sources	93,366,660	93,366,660	91,479,160	91,479,160	(1,887,500)
Revenue from federal sources:					
Direct - impact aid	9,361,450	9,361,450	11,405,933	11,405,933	2,044,483
Through the State of Alaska - Medicaid reimbursement	190,000	190,000	371,249	371,249	181,249
Total federal sources	9,551,450	9,551,450	11,777,182	11,777,182	2,225,732
Total revenues	143,737,110	143,737,110	144,219,699	144,219,699	482,589
Expenditures - current:					
Instruction:					
Salaries and fringe benefits:					
Certificated salaries	44,111,571	43,595,462	42,559,740	42,559,740	1,035,722
Non-certificated salaries	3,128,360	3,826,001	3,547,266	3,547,266	278,735
Employee benefits	22,100,745	22,142,106	23,240,478	23,240,478	(1,098,372)
Total salaries and fringe benefits	69,340,676	69,563,569	69,347,484	69,347,484	216,085
Materials, supplies, services and other:					
Professional and technical services	18,000	58,000	27,060	39,728	18,272
Staff travel	38,105	76,030	58,270	58,270	17,760
Student travel	55,620	58,482	56,929	56,929	1,553
Other purchased services	2,354,138	978,077	856,694	969,980	8,097
Supplies, materials and media	3,235,848	3,632,696	4,061,467	3,413,902	218,794
Other expenses	481,685	126,586			126,586
Total materials, supplies, services and other	6,183,396	4,929,871	5,060,420	4,538,809	391,062
Capital outlay - equipment	36,190	57,312	39,502	36,302	21,010
Total instruction	75,560,262	74,550,752	74,447,406	73,922,595	628,157

(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, 2007

	<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>		
Special education instruction:					
Salaries and fringe benefits:					
Certificated salaries	\$ 6,559,099	\$ 6,556,599	\$ 6,463,649	\$ 6,463,649	\$ 92,950
Non-certificated salaries	2,494,855	2,644,155	2,553,041	2,553,041	91,114
Employee benefits	4,415,208	4,345,765	4,659,864	4,659,864	(314,099)
Total salaries and fringe benefits	<u>13,469,162</u>	<u>13,546,519</u>	<u>13,676,554</u>	<u>13,676,554</u>	<u>(130,035)</u>
Materials, supplies, services and other:					
Professional and technical services		525,450	525,315	525,315	135
Staff travel	1,750	1,750			1,750
Student travel			88	88	(88)
Utility services	1,500	1,500	794	794	706
Other purchased services	35,960	261,283	30,595	30,792	230,491
Supplies, materials and media	115,257	119,657	120,822	118,872	785
Total materials, supplies, services and other	<u>154,467</u>	<u>909,640</u>	<u>677,614</u>	<u>675,861</u>	<u>233,779</u>
Total special education instruction	<u>13,623,629</u>	<u>14,456,159</u>	<u>14,354,168</u>	<u>14,352,415</u>	<u>103,744</u>
Special education support services - students:					
Salaries and fringe benefits:					
Certificated salaries	844,033	936,303	918,762	918,762	17,541
Non-certificated salaries	348,522	418,522	405,395	405,395	13,127
Employee benefits	579,938	631,053	672,582	672,582	(41,529)
Total salaries and fringe benefits	<u>1,772,493</u>	<u>1,985,878</u>	<u>1,996,739</u>	<u>1,996,739</u>	<u>(10,861)</u>
Materials, supplies, services and other:					
Professional and technical services	696,653	405,453	459,801	462,972	(57,519)
Staff travel	18,600	18,600	16,184	16,184	2,416
Other purchased services	20,000	19,750	12,049	12,049	7,701
Supplies, materials and media	54,000	53,296	53,006	52,458	838
Total materials, supplies, services and other	<u>789,253</u>	<u>497,099</u>	<u>541,040</u>	<u>543,663</u>	<u>(46,564)</u>
Total special education support services - students	<u>2,561,746</u>	<u>2,482,977</u>	<u>2,537,779</u>	<u>2,540,402</u>	<u>(57,425)</u>
Support services - students:					
Salaries and fringe benefits:					
Certificated salaries	2,808,749	3,009,549	2,987,075	2,987,075	22,474
Non-certificated salaries	3,016,673	3,031,921	2,899,151	2,899,151	132,770
Employee benefits	2,788,121	2,884,815	3,014,806	3,014,806	(129,991)
Total salaries and fringe benefits	<u>8,613,543</u>	<u>8,926,285</u>	<u>8,901,032</u>	<u>8,901,032</u>	<u>25,253</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, 2007

	<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	\$ 3,000	\$ 3,000	\$ 3,399	\$ 3,399	\$ (399)
Staff travel	18,250	16,150	4,895	4,895	11,255
Student travel	1,000	1,000	35	35	965
Other purchased services	172,250	172,250	16,235	21,693	150,557
Supplies, materials and media	170,047	173,902	150,741	148,656	25,246
Other expenses	1,000	1,000	699	699	301
Total materials, supplies, services and other	365,547	367,302	176,004	179,377	187,925
Capital outlay - equipment			2,988	2,988	(2,988)
Total support services - students	8,979,090	9,293,587	9,080,024	9,083,397	210,190
Support services - instruction:					
Salaries and fringe benefits:					
Certificated salaries	864,691	953,507	943,228	943,228	10,279
Non-certificated salaries	2,052,244	2,044,244	1,906,976	1,906,976	137,268
Employee benefits	1,300,228	1,337,182	1,406,024	1,406,024	(68,842)
Total salaries and fringe benefits	4,217,163	4,334,933	4,256,228	4,256,228	78,705
Materials, supplies, services and other:					
Professional and technical services	52,000	55,164	7,514	7,514	47,650
Staff travel	81,045	81,045	57,579	53,446	27,599
Student travel	10,000	8,000	5,716	5,716	2,284
Other purchased services	384,542	370,935	273,021	261,219	109,716
Supplies, materials and media	560,794	547,128	553,480	527,877	19,251
Total materials, supplies, services and other	1,088,381	1,062,272	897,310	855,772	206,500
Capital outlay - equipment	159,950	166,635	161,748	160,668	5,967
Total support services - instruction	5,465,494	5,563,840	5,315,286	5,272,668	291,172
School administration:					
Salaries and fringe benefits:					
Certificated salaries	3,828,318	3,929,468	3,909,230	3,909,230	20,238
Employee benefits	1,856,742	1,905,802	2,075,418	2,075,418	(169,616)
Total salaries and fringe benefits	5,685,060	5,835,270	5,984,648	5,984,648	(149,378)
Materials, supplies, services and other:					
Staff travel	6,250	6,250	3,238	3,238	3,012
Other expenses	23,290	23,430	23,430	23,430	
Total materials, supplies, services and other	29,540	29,680	26,668	26,668	3,012
Total school administration	5,714,600	5,864,950	6,011,316	6,011,316	(146,366)

(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, 2007

	<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:					
Non-certificated salaries	\$ 2,426,123	\$ 2,360,286	\$ 2,313,618	\$ 2,313,618	\$ 46,668
Employee benefits	1,175,998	1,139,080	1,216,406	1,216,406	(77,326)
Total salaries and fringe benefits	3,602,121	3,499,366	3,530,024	3,530,024	(30,658)
Materials, supplies, services and other:					
Professional and technical services	9,000	29,000	2,007	2,007	26,993
Staff travel	375	375	156	156	219
Utility services	402,360	403,361	328,223	323,062	80,299
Other purchased services	12,500	13,850	13,282	13,282	568
Insurance and bond premiums	5,000	5,000			5,000
Supplies, materials and media	117,403	98,952	96,757	95,694	3,258
Total materials, supplies, services and other	546,638	550,538	440,425	434,201	116,337
Capital outlay - equipment	3,000	4,120	2,599	2,599	1,521
Total school administration support services	4,151,759	4,054,024	3,973,048	3,966,824	87,200
District administration:					
Salaries and fringe benefits:					
Certificated salaries	368,677	393,147	389,130	389,130	4,017
Non-certificated salaries	574,298	579,698	584,083	584,083	(4,385)
Employee benefits	466,626	505,189	504,303	504,303	886
Total salaries and fringe benefits	1,409,601	1,478,034	1,477,516	1,477,516	518
Materials, supplies, services, and other:					
Professional and technical services	62,900	65,750	65,298	65,298	452
Staff travel	35,600	39,650	29,609	29,500	10,150
Other purchased services	73,945	129,902	121,460	127,896	2,006
Supplies, materials and media	39,254	110,525	79,101	108,185	2,340
Other expenses	628,710	240,951			240,951
Total materials, supplies, services, and other	840,409	586,778	295,468	330,879	255,899
Capital outlay - equipment		2,753	2,753	2,753	
Total district administration	2,250,010	2,067,565	1,775,737	1,811,148	256,417
District administration support services:					
Salaries and fringe benefits:					
Certificated salaries	30,620	37,120	35,969	35,969	1,151
Non-certificated salaries	3,860,307	4,035,723	3,940,044	3,940,044	95,679
Employee benefits	1,955,743	2,053,454	2,148,169	2,148,169	(94,715)
Total salaries and fringe benefits	5,846,670	6,126,297	6,124,182	6,124,182	2,115

(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, 2007

	<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	\$ 388,500	\$ 438,970	\$ 367,030	\$ 381,329	\$ 57,641
Staff travel	115,570	105,559	80,969	80,688	24,871
Utility services	254,780	254,780	237,937	240,604	14,176
Other purchased services	372,567	437,798	392,902	408,745	29,053
Insurance and bond premiums	869,500	869,500	853,389	853,389	16,111
Supplies, materials and media	289,305	287,955	221,988	230,354	57,601
Other expenses			18,724	18,724	(18,724)
Indirect costs	(780,000)	(780,000)	(670,439)	(670,439)	(109,561)
Total materials, supplies, services and other	1,510,222	1,614,562	1,502,500	1,543,394	71,168
Capital outlay - equipment	96,750	148,409	162,474	141,176	7,233
Total district administration support services	7,453,642	7,889,268	7,789,156	7,808,752	80,516
Operations and maintenance of plant:					
Salaries and fringe benefits:					
Certificated salaries					
Non-certificated salaries	8,699,334	8,189,900	7,806,203	7,806,203	383,697
Employee benefits	4,188,290	4,167,383	3,993,861	3,993,861	173,522
Total salaries and fringe benefits	12,887,624	12,357,283	11,800,064	11,800,064	557,219
Materials, supplies, services and other:					
Professional and technical services	73,400	78,400	67,271	76,292	2,108
Staff travel	21,400	21,400	18,003	18,003	3,397
Utility services	917,483	891,983	832,750	832,903	59,080
Energy	4,996,195	5,017,195	4,841,662	4,841,662	175,533
Other purchased services	770,378	865,532	833,182	842,858	22,674
Insurance and bond premiums	427,500	452,500	432,157	432,157	20,343
Supplies, materials and media	1,168,900	1,211,396	1,176,027	1,194,353	17,043
Total materials, supplies, services and other	8,375,256	8,538,406	8,201,052	8,238,228	300,178
Capital outlay - equipment	77,000	116,378	38,364	109,951	6,427
Total operations and maintenance of plant	21,339,880	21,012,067	20,039,480	20,148,243	863,824
Student activities:					
Salaries and fringe benefits:					
Certificated salaries	1,047,140	643,470	619,179	619,179	24,291
Non-certificated salaries	140,932	506,597	504,469	504,469	2,128
Employee benefits	381,144	332,964	325,439	325,439	7,525
Total salaries and fringe benefits	1,569,216	1,483,031	1,449,087	1,449,087	33,944

(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, 2007

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>			
Student activities (continued):					
Materials, supplies, services and other:					
Professional and technical services	\$ 109,085	\$ 195,685	\$ 173,377	\$ 173,912	\$ 21,773
Student travel	247,909	397,618	395,041	395,171	2,447
Other purchased services	27,000	38,450	37,532	37,532	918
Supplies, materials and media	143,966	127,716	121,798	115,885	11,831
Other expenses		27,400	27,360	27,360	40
Total materials, supplies, services and other	527,960	786,869	755,108	749,860	37,009
Total student activities	2,097,176	2,269,900	2,204,195	2,198,947	70,953
Total expenditures	149,197,288	149,505,089	147,527,595	147,116,707	2,388,382
Excess (deficiency) of revenues over expenditures	(5,460,178)	(5,767,979)	(3,307,896)	(2,897,008)	2,870,971
Other financing sources (uses):					
Proceeds from sale of capital assets			8,373	8,373	8,373
Proceeds from insurance recovery			1,049,081	1,049,081	1,049,081
Transfers out	(408,762)	(597,997)	(586,365)	(586,365)	11,632
Total other financing sources (uses)	(408,762)	(597,997)	471,089	471,089	1,069,086
Net change in fund balance	<u>\$ (5,868,940)</u>	<u>\$ (6,365,976)</u>	<u>(2,836,807)</u>	<u>\$ (2,425,919)</u>	<u>\$ 3,940,057</u>
Fund balance - beginning			24,758,312		
Fund balance - ending			<u>\$ 21,921,505</u>		



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**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Major Governmental Fund  
Federal Projects Special Revenue  
Combining Balance Sheet  
For the Year Ended June 30, 2007  
(With comparative totals for 2006)

	<u>Alaska Native Education</u>	<u>Title IA Basic Program</u>	<u>Title 1D State Operated</u>	<u>Title IC Migrant Education</u>
<b><u>ASSETS</u></b>				
Equity in central treasury cash	\$	\$	\$	\$
Accounts receivable:				
Local		1,082		
State		773,595	31,123	34,329
Federal	155,061			
Total assets	<u>\$ 155,061</u>	<u>\$ 774,677</u>	<u>\$ 31,123</u>	<u>\$ 34,329</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ 20	\$ 17,292	\$	\$
Deferred revenue				
Due to other funds	155,041	757,385	31,123	34,329
Due to external groups and agencies				
Total liabilities	<u>155,061</u>	<u>774,677</u>	<u>31,123</u>	<u>34,329</u>
Fund balances:				
Reserved for:				
Encumbrances	1,127	68,870		
Unreserved	<u>(1,127)</u>	<u>(68,870)</u>		
Total fund balances				
Total liabilities and fund balances	<u>\$ 155,061</u>	<u>\$ 774,677</u>	<u>\$ 31,123</u>	<u>\$ 34,329</u>

<b>Drug Free Schools</b>	<b>Carl Perkins Basic Grant</b>	<b>Title V Chapter II</b>	<b>Migrant Education Summer</b>	<b>Air Force ROTC - North Pole HS</b>	<b>Air Force ROTC- Ben Eielson Jr/Sr</b>
\$	\$	\$	\$	\$ 18,777	\$ 14,403
36,387	92,539	26,302	30,693		
<u>\$ 36,387</u>	<u>\$ 92,539</u>	<u>\$ 26,302</u>	<u>\$ 30,693</u>	<u>\$ 18,777</u>	<u>\$ 14,403</u>
\$ 1,808	\$ 1,213	\$	\$ 128	\$ 1	\$
34,379	91,326	26,302	30,565		
200					
<u>36,387</u>	<u>92,539</u>	<u>26,302</u>	<u>30,693</u>	<u>1</u>	
13,250	33,885			3,956	
(13,250)	(33,885)			14,820	14,403
				18,776	14,403
<u>\$ 36,387</u>	<u>\$ 92,539</u>	<u>\$ 26,302</u>	<u>\$ 30,693</u>	<u>\$ 18,777</u>	<u>\$ 14,403</u>

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Major Governmental Fund  
Federal Projects Special Revenue  
Combining Balance Sheet  
For the Year Ended June 30, 2007  
(With comparative totals for 2006)

	<u>Nat'l Science Foundation - University Park Elementary</u>	<u>Nat'l Science Foundation - Barnette Elementary</u>	<u>Title IIIA English Language</u>	<u>At Risk Youth Transitions</u>
<b><u>ASSETS</u></b>				
Equity in central treasury cash	\$ 14	\$ 301	\$	\$
Accounts receivable:				
Local				
State			8,204	35,110
Federal				
Total assets	<u>\$ 14</u>	<u>\$ 301</u>	<u>\$ 8,204</u>	<u>\$ 35,110</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$	\$	\$	\$
Deferred revenue				
Due to other funds			8,204	35,110
Due to external groups and agencies				
Total liabilities			<u>8,204</u>	<u>35,110</u>
Fund balances:				
Reserved for:				
Encumbrances				
Unreserved	14	301		
Total fund balances	<u>14</u>	<u>301</u>		
Total liabilities and fund balances	<u>\$ 14</u>	<u>\$ 301</u>	<u>\$ 8,204</u>	<u>\$ 35,110</u>

<u>Title IA 20% Choice &amp; Supplemental</u>	<u>Title VIB P.L. 94-142</u>	<u>Handicapped Pre-school Program</u>	<u>Options Child Care Grant</u>	<u>Alaska Community Learning Centers I &amp; II</u>	<u>Safe Schools / Healthy Students Grant</u>
\$	\$	\$	\$ 258	\$	\$
25,504	749,133	25,498		300,008	84,392
<u>\$ 25,504</u>	<u>\$ 749,133</u>	<u>\$ 25,498</u>	<u>\$ 258</u>	<u>\$ 300,008</u>	<u>\$ 84,392</u>
\$	\$	\$	\$	\$ 791 900	\$ 3,332
25,504	749,133	25,498		298,317	81,060
<u>25,504</u>	<u>749,133</u>	<u>25,498</u>		<u>300,008</u>	<u>84,392</u>
7,200 (7,200)	1,400 (1,400)		258	29 (29)	1,832 (1,832)
			<u>258</u>		
<u>\$ 25,504</u>	<u>\$ 749,133</u>	<u>\$ 25,498</u>	<u>\$ 258</u>	<u>\$ 300,008</u>	<u>\$ 84,392</u>

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Major Governmental Fund  
Federal Projects Special Revenue  
Combining Balance Sheet  
For the Year Ended June 30, 2007  
(With comparative totals for 2006)

	<u>Title II Math/Science</u>	<u>Training for All Teachers</u>	<u>Title IID Technology</u>	<u>Learning Styles Center</u>
<b><u>ASSETS</u></b>				
Equity in central treasury cash	\$	\$	\$	\$
Accounts receivable:				
Local				613
State	465,402		18,924	
Federal		48,484		
Total assets	<u>\$ 465,402</u>	<u>\$ 48,484</u>	<u>\$ 18,924</u>	<u>\$ 613</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ 1	\$	\$	\$
Deferred revenue				
Due to other funds	465,401	48,484	18,924	613
Due to external groups and agencies				
Total liabilities	<u>465,402</u>	<u>48,484</u>	<u>18,924</u>	<u>613</u>
Fund balances:				
Reserved for:				
Encumbrances				
Unreserved				
Total fund balances				
Total liabilities and fund balances	<u>\$ 465,402</u>	<u>\$ 48,484</u>	<u>\$ 18,924</u>	<u>\$ 613</u>

<u>Alaska Reading First</u>	<u>Title IA District Improvement 10%</u>	<u>Project Citizen</u>	<u>Title I School Improvement</u>	<u>Effie Kokrine Implementation Grant</u>	<u>4 R Children II</u>
\$	\$	\$	\$ 413	\$	\$
318,610	170,787	249		106,780	30,464
<u>\$ 318,610</u>	<u>\$ 170,787</u>	<u>\$ 249</u>	<u>\$ 413</u>	<u>\$ 106,780</u>	<u>\$ 30,464</u>
\$ 1,326	\$ 60,696	\$	\$	\$ 3,163	\$
317,284	110,091	249	413	103,617	30,464
<u>318,610</u>	<u>170,787</u>	<u>249</u>	<u>413</u>	<u>106,780</u>	<u>30,464</u>
1,807 (1,807)	2,111 (2,111)			2,782 (2,782)	
<u>\$ 318,610</u>	<u>\$ 170,787</u>	<u>\$ 249</u>	<u>\$ 413</u>	<u>\$ 106,780</u>	<u>\$ 30,464</u>

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Major Governmental Fund  
Federal Projects Special Revenue  
Combining Balance Sheet  
For the Year Ended June 30, 2007  
(With comparative totals for 2006)

	<u>Project ARTiculate</u>	<u>Teaching American History</u>	<u>Enhancing Education thru Technology IV</u>
<b><u>ASSETS</u></b>			
Equity in central treasury cash	\$	\$	\$ 20,142
Accounts receivable:			
Local			
State			
Federal	78,188	37,076	
Total assets	<u>\$ 78,188</u>	<u>\$ 37,076</u>	<u>\$ 20,142</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ (311)	\$ 5,000	\$
Deferred revenue			20,142
Due to other funds	78,499	32,076	
Due to external groups and agencies			
Total liabilities	<u>78,188</u>	<u>37,076</u>	<u>20,142</u>
Fund balances:			
Reserved for:			
Encumbrances	125,737	22,996	
Unreserved	<u>(125,737)</u>	<u>(22,996)</u>	
Total fund balances			
Total liabilities and fund balances	<u>\$ 78,188</u>	<u>\$ 37,076</u>	<u>\$ 20,142</u>



Totals	
2007	2006
\$ 54,308	\$ 76,415
1,944	77,711
3,248,928	3,934,132
433,665	409,282
<u>\$ 3,738,845</u>	<u>\$ 4,497,540</u>

\$ 94,460	\$ 122,858
21,042	9,632
3,588,978	4,298,166
613	32,827
<u>3,705,093</u>	<u>4,463,483</u>

286,982	188,053
<u>(253,230)</u>	<u>(153,996)</u>
33,752	34,057
<u>\$ 3,738,845</u>	<u>\$ 4,497,540</u>

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

**Major Governmental Fund**

**Federal Projects Special Revenue**

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

**For the Year Ended June 30, 2007**

**(With comparative totals for 2006)**

	<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:				
Earnings on investments	\$	\$	\$	\$
Other local revenue				
Total local sources				
Revenue from federal sources:				
Direct	583,434			
Through the State of Alaska		1,980,498	33,375	105,571
Other intermediate agencies				
Total federal sources	583,434	1,980,498	33,375	105,571
Total revenues	583,434	1,980,498	33,375	105,571
<b>Expenditures:</b>				
Instruction	583,434	1,980,498	33,375	105,571
Special education instruction				
Support services - students				
Support services - instruction				
District administration				
Total expenditures	583,434	1,980,498	33,375	105,571
Excess (deficiency) of revenues over expenditures				
<b>Other financing sources:</b>				
Transfers in				
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

<b>Drug Free Schools</b>	<b>Carl Perkins Basic Grant</b>	<b>Title V Chapter II</b>	<b>Migrant Education Summer</b>	<b>Air Force ROTC - North Pole HS</b>	<b>Air Force ROTC- Ben Eielson Jr/Sr</b>
\$	\$	\$	\$	\$	\$
				2,160	
				2,160	
87,619	303,771	48,898	34,659	7,690	9,009
87,619	303,771	48,898	34,659	7,690	9,009
87,619	303,771	48,898	34,659	9,850	9,009
87,619	303,771	48,898	34,659	8,010	9,656
87,619	303,771	48,898	34,659	8,010	9,656
				1,840	(647)
				1,840	(647)
				16,936	15,050
\$	\$	\$	\$	\$ 18,776	\$ 14,403

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Major Governmental Fund

Federal Projects Special Revenue

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

For the Year Ended June 30, 2007

(With comparative totals for 2006)

	<u>Nat'l Science Foundation - University Park Elementary</u>	<u>Nat'l Science Foundation - Barnette Elementary</u>	<u>Title IIIA English Language</u>	<u>At Risk Youth Transitions</u>
Revenues:				
Revenue from local sources:				
Earnings on investments	\$ 1	\$ 15	\$	\$
Other local revenue				
Total local sources	<u>1</u>	<u>15</u>		
Revenue from federal sources:				
Direct				
Through the State of Alaska			22,937	98,926
Other intermediate agencies				
Total federal sources			<u>22,937</u>	<u>98,926</u>
Total revenues	<u>1</u>	<u>15</u>	<u>22,937</u>	<u>98,926</u>
Expenditures:				
Instruction			22,937	98,926
Special education instruction				
Support services - students				
Support services - instruction				
District administration				
Total expenditures			<u>22,937</u>	<u>98,926</u>
Excess (deficiency) of revenues over expenditures	<u>1</u>	<u>15</u>		
Other financing sources:				
Transfers in				
Net change in fund balances	<u>1</u>	<u>15</u>		
Fund balances - beginning	<u>13</u>	<u>286</u>		
Fund balances - ending	<u>\$ 14</u>	<u>\$ 301</u>	<u>\$</u>	<u>\$</u>

<b>Title IA Highly Qualified</b>	<b>Title IA 20% Choice &amp; Supplemental</b>	<b>Katrina Hurricane Relief</b>	<b>Title VIB P.L. 94-142</b>	<b>Handicapped Pre-school Program</b>	<b>Options Child Care Grant</b>
\$	\$	\$	\$	\$	\$
(322)	48,787	584	3,646,297	107,753	1,078
(322)	48,787	584	3,646,297	107,753	1,078
(322)	48,787	584	3,646,297	107,753	1,078
(322)	48,787	584	3,646,297	107,753	2,069
(322)	48,787	584	3,646,297	107,753	2,069
					(991)
					(991)
					1,249
\$	\$	\$	\$	\$	\$ 258

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Major Governmental Fund

Federal Projects Special Revenue

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

For the Year Ended June 30, 2007

(With comparative totals for 2006)

	<b>Alaska Community Learning Centers I &amp; II</b>	<b>Safe Schools / Healthy Students Grant</b>	<b>Secure Our Schools</b>	<b>Title II Math/Science</b>
<b>Revenues:</b>				
Revenue from local sources:				
Earnings on investments	\$	\$	\$	\$
Other local revenue	63,554			
Total local sources	<u>63,554</u>			
Revenue from federal sources:				
Direct		294,178		
Through the State of Alaska	1,088,929			1,345,079
Other intermediate agencies				
Total federal sources	<u>1,088,929</u>	<u>294,178</u>		<u>1,345,079</u>
Total revenues	<u>1,152,483</u>	<u>294,178</u>		<u>1,345,079</u>
<b>Expenditures:</b>				
Instruction				
Special education instruction				
Support services - students	1,180,143	294,178		
Support services - instruction				1,345,079
District administration			523	
Total expenditures	<u>1,180,143</u>	<u>294,178</u>	<u>523</u>	<u>1,345,079</u>
Excess (deficiency) of revenues over expenditures	<u>(27,660)</u>		<u>(523)</u>	
<b>Other financing sources:</b>				
Transfers in	27,660			
Net change in fund balances			(523)	
Fund balances - beginning			523	
Fund balances - ending	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

<b>Training for All Teachers</b>	<b>Title IID Technology</b>	<b>Learning Styles Center</b>	<b>Alaska Reading First</b>	<b>Star of the North Charter School Implementation Grant</b>	<b>Title IA District Improvement 10%</b>
\$	\$	\$	\$	\$	\$
175					
175					
121,157					
	49,195		1,050,347	8,907	357,209
		613			
121,157	49,195	613	1,050,347	8,907	357,209
121,332	49,195	613	1,050,347	8,907	357,209
121,332	49,195	613	1,050,347	8,907	357,209
121,332	49,195	613	1,050,347	8,907	357,209
121,332	49,195	613	1,050,347	8,907	357,209
\$	\$	\$	\$	\$	\$

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Major Governmental Fund

Federal Projects Special Revenue

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

For the Year Ended June 30, 2007

(With comparative totals for 2006)

	<b>Enhancing Education thru Technology II</b>	<b>Project Citizen</b>	<b>Title I School Improvement</b>	<b>Effie Kokrine Implementation Grant</b>
<b>Revenues:</b>				
Revenue from local sources:				
Earnings on investments	\$	\$	\$	\$
Other local revenue		3,749		
Total local sources		3,749		
Revenue from federal sources:				
Direct				
Through the State of Alaska	88,951		9,258	145,041
Other intermediate agencies		8,500		
Total federal sources	88,951	8,500	9,258	145,041
Total revenues	88,951	12,249	9,258	145,041
<b>Expenditures:</b>				
Instruction				
Special education instruction				
Support services - students				
Support services - instruction	88,951	12,249	9,258	145,041
District administration				
Total expenditures	88,951	12,249	9,258	145,041
Excess (deficiency) of revenues over expenditures				
Other financing sources:				
Transfers in				
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$



<u>4 R Children II</u>	<u>Project ARTiculate</u>	<u>Alaska Tech Prep Mini-Grant</u>	<u>Teaching American History</u>	<u>Enhancing Education thru Technology IV</u>	<u>Youth Risk Behavior Survey</u>
\$	\$	\$	\$	\$	\$
54,884	240,462		121,420	15,699	7,000
		(130)			
54,884	240,462	(130)	121,420	15,699	7,000
54,884	240,462	(130)	121,420	15,699	7,000
54,884	240,462	(130)	121,420	15,699	7,000
54,884	240,462	(130)	121,420	15,699	7,000
\$	\$	\$	\$	\$	\$

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Major Governmental Fund

Federal Projects Special Revenue

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

For the Year Ended June 30, 2007

(With comparative totals for 2006)

	<b>Totals</b>	
	<b>2007</b>	<b>2006</b>
<b>Revenues:</b>		
Revenue from local sources:		
Earnings on investments	\$ 16	\$ 11
Other local revenue	69,638	23,587
Total local sources	<u>69,654</u>	<u>23,598</u>
Revenue from federal sources:		
Direct	1,415,535	2,624,754
Through the State of Alaska	10,686,046	11,903,260
Other intermediate agencies	25,682	298,351
Total federal sources	<u>12,127,263</u>	<u>14,826,365</u>
Total revenues	<u>12,196,917</u>	<u>14,849,963</u>
<b>Expenditures:</b>		
Instruction	3,366,403	3,538,528
Special education instruction	3,754,050	4,494,502
Support services - students	1,476,390	2,265,775
Support services - instruction	3,620,516	4,466,611
District administration	7,523	57,634
Total expenditures	<u>12,224,882</u>	<u>14,823,050</u>
Excess (deficiency) of revenues over expenditures	<u>(27,965)</u>	<u>26,913</u>
<b>Other financing sources:</b>		
Transfers in	27,660	
Net change in fund balances	<u>(305)</u>	26,913
Fund balances - beginning	<u>34,057</u>	<u>7,144</u>
Fund balances - ending	<u>\$ 33,752</u>	<u>\$ 34,057</u>

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**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Major Governmental Fund

Federal Projects Special Revenue

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

For the Year Ended June 30, 2007

(With comparative totals for 2006)

	<u>Alaska Native Education</u>	<u>Title IA Basic Program</u>	<u>Title ID State Operated</u>	<u>Title IC Migrant Education</u>
Revenues:				
Revenue from local sources:				
Earnings on investments	\$	\$	\$	\$
Other local revenue				
Total local sources				
Revenue from federal sources:				
Direct	583,434			
Through the State of Alaska		1,980,498	33,375	105,571
Other intermediate agencies				
Total federal sources	583,434	1,980,498	33,375	105,571
Total revenues	583,434	1,980,498	33,375	105,571
Expenditures - current:				
Salaries and fringe benefits:				
Certificated salaries	78,110	511,939		
Non-certificated salaries	275,776	590,273	16,049	59,405
Employee benefits	166,611	417,454	7,876	25,249
Total salaries and fringe benefits	520,497	1,519,666	23,925	84,654
Materials, supplies, services and other:				
Professional and technical services	25	41,829		300
Staff travel	17,455	23,344		731
Student travel		3,413		
Utility services				
Other purchased services	1,458	357		
Supplies, materials and media	13,112	286,063	8,290	8,040
Tuition and stipends				
Other expenses		941		6,257
Indirect costs	30,887	104,885	1,160	5,589
Total materials, supplies, services and other	62,937	460,832	9,450	20,917
Capital outlay - equipment				
Total expenditures	583,434	1,980,498	33,375	105,571
Excess (deficiency) of revenues over expenditures				
Other financing sources:				
Transfers in				
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

<b>Drug Free Schools</b>	<b>Carl Perkins Basic Grant</b>	<b>Title V Chapter II</b>	<b>Migrant Education Summer</b>	<b>Air Force ROTC - North Pole HS</b>	<b>Air Force ROTC- Ben Eielson Jr/Sr</b>
\$	\$	\$	\$	\$	\$
				2,160	
				2,160	
87,619	303,771	48,898	34,659	7,690	9,009
87,619	303,771	48,898	34,659	7,690	9,009
87,619	303,771	48,898	34,659	9,850	9,009
4,597		1,260			
2,547	79,164		565		
2,929	35,311	615	130		
10,073	114,475	1,875	695		
11,750	39,479	42,240			
1,330	36,122		322		
1,716	11,325			2,823	6,980
7,013			1,013		
54,019	53,703	2,186	2,885	5,187	2,676
			27,868		
1,718	13,314	2,597	1,876		
77,546	153,943	47,023	33,964	8,010	9,656
	35,353				
87,619	303,771	48,898	34,659	8,010	9,656
				1,840	(647)
				1,840	(647)
				16,936	15,050
\$	\$	\$	\$	\$ 18,776	\$ 14,403

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Major Governmental Fund

Federal Projects Special Revenue

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

For the Year Ended June 30, 2007

(With comparative totals for 2006)

	<u>Nat'l Science Foundation - University Park Elementary</u>	<u>Nat'l Science Foundation - Barnette Elementary</u>	<u>Title IIIA English Language</u>	<u>At Risk Youth Transitions</u>
<b>Revenues:</b>				
Revenue from local sources:				
Earnings on investments	\$ 1	\$ 15	\$	\$
Other local revenue				
Total local sources	<u>1</u>	<u>15</u>		
Revenue from federal sources:				
Direct				
Through the State of Alaska			22,937	98,926
Other intermediate agencies				
Total federal sources			<u>22,937</u>	<u>98,926</u>
Total revenues	<u>1</u>	<u>15</u>	<u>22,937</u>	<u>98,926</u>
<b>Expenditures - current:</b>				
Salaries and fringe benefits:				
Certificated salaries				
Non-certificated salaries			13,563	59,918
Employee benefits			3,205	28,303
Total salaries and fringe benefits			<u>16,768</u>	<u>88,221</u>
Materials, supplies, services and other:				
Professional and technical services			2,837	2,560
Staff travel				507
Student travel				
Utility services				
Other purchased services				480
Supplies, materials and media			2,882	796
Tuition and stipends				
Other expenses				1,125
Indirect costs			450	5,237
Total materials, supplies, services and other			<u>6,169</u>	<u>10,705</u>
Capital outlay - equipment				
Total expenditures			<u>22,937</u>	<u>98,926</u>
Excess (deficiency) of revenues				
over expenditures	<u>1</u>	<u>15</u>		
<b>Other financing sources:</b>				
Transfers in				
Net change in fund balances	<u>1</u>	<u>15</u>		
Fund balances - beginning	<u>13</u>	<u>286</u>		
Fund balances - ending	<u>\$ 14</u>	<u>\$ 301</u>	<u>\$</u>	<u>\$</u>

<b>Title IA Highly Qualified</b>	<b>Title IA 20% Choice &amp; Supplemental</b>	<b>Katrina Hurricane Relief</b>	<b>Title VIB P.L. 94-142</b>	<b>Handicapped Pre-school Program</b>	<b>Options Child Care Grant</b>
\$	\$	\$	\$	\$	\$
(322)	48,787	584	3,646,297	107,753	1,078
(322)	48,787	584	3,646,297	107,753	1,078
(322)	48,787	584	3,646,297	107,753	1,078
			430,848		
			1,644,186	68,865	
			844,683	33,184	
			2,919,717	102,049	
	46,204		436,927		
			22,685		
(305)		584	50,985		1,271
			10,116		798
			12,771		
(17)	2,583		193,096	5,704	
(322)	48,787	584	726,580	5,704	2,069
(322)	48,787	584	3,646,297	107,753	2,069
					(991)
					(991)
					1,249
\$	\$	\$	\$	\$	\$ 258

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Major Governmental Fund

Federal Projects Special Revenue

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

For the Year Ended June 30, 2007

(With comparative totals for 2006)

	<b>Alaska Community Learning Centers I &amp; II</b>	<b>Safe Schools / Healthy Students Grant</b>	<b>Secure Our Schools</b>	<b>Title II Math/Science</b>
<b>Revenues:</b>				
Revenue from local sources:				
Earnings on investments	\$	\$	\$	\$
Other local revenue	63,554			
Total local sources	<u>63,554</u>			
Revenue from federal sources:				
Direct		294,178		
Through the State of Alaska	1,088,929			1,345,079
Other intermediate agencies				
Total federal sources	<u>1,088,929</u>	<u>294,178</u>		<u>1,345,079</u>
Total revenues	<u>1,152,483</u>	<u>294,178</u>		<u>1,345,079</u>
<b>Expenditures - current:</b>				
Salaries and fringe benefits:				
Certificated salaries	154,824			784,678
Non-certificated salaries	570,258	153,747		69,476
Employee benefits	241,780	75,535		382,920
Total salaries and fringe benefits	<u>966,862</u>	<u>229,282</u>		<u>1,237,074</u>
Materials, supplies, services and other:				
Professional and technical services		11,029		1,370
Staff travel	31,793	14,701		28,165
Student travel	25,606			
Utility services				
Other purchased services	35,681	6,234		
Supplies, materials and media	62,169	17,358	523	1,415
Tuition and stipends				
Other expenses	380			5,845
Indirect costs	57,652	15,574		71,210
Total materials, supplies, services and other	<u>213,281</u>	<u>64,896</u>	<u>523</u>	<u>108,005</u>
Capital outlay - equipment				
Total expenditures	<u>1,180,143</u>	<u>294,178</u>	<u>523</u>	<u>1,345,079</u>
Excess (deficiency) of revenues over expenditures	<u>(27,660)</u>		<u>(523)</u>	
<b>Other financing sources:</b>				
Transfers in	27,660			
Net change in fund balances			(523)	
Fund balances - beginning			523	
Fund balances - ending	\$	\$	\$	\$



<b>Training for All Teachers</b>	<b>Title IID Technology</b>	<b>Learning Styles Center</b>	<b>Alaska Reading First</b>	<b>Star of the North Charter School Implementation Grant</b>	<b>Title IA District Improvement 10%</b>
\$	\$	\$	\$	\$	\$
175					
175					
121,157					
	49,195		1,050,347	8,907	357,209
		613			
121,157	49,195	613	1,050,347	8,907	357,209
121,332	49,195	613	1,050,347	8,907	357,209
21,135	31,302		332,839		49,737
62,950		575	307,388		78,913
18,068	15,289	38	241,645		27,087
102,153	46,591	613	881,872		155,737
2,100			2,790		113,037
9			63,746		42,226
			782		6,811
10,917			60,005	8,388	20,089
			2,720		1,050
6,153	2,604		35,519	519	18,259
19,179	2,604		165,562	8,907	201,472
			2,913		
121,332	49,195	613	1,050,347	8,907	357,209
\$	\$	\$	\$	\$	\$

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Major Governmental Fund

Federal Projects Special Revenue

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

For the Year Ended June 30, 2007

(With comparative totals for 2006)

	<b>Enhancing Education thru Technology II</b>	<b>Project Citizen</b>	<b>Title I School Improvement</b>	<b>Effie Kokrine Implementation Grant</b>
Revenues:				
Revenue from local sources:				
Earnings on investments	\$	\$	\$	\$
Other local revenue		3,749		
Total local sources		3,749		
Revenue from federal sources:				
Direct				
Through the State of Alaska	88,951		9,258	145,041
Other intermediate agencies		8,500		
Total federal sources	88,951	8,500	9,258	145,041
Total revenues	88,951	12,249	9,258	145,041
Expenditures - current:				
Salaries and fringe benefits:				
Certificated salaries	6,138			
Non-certificated salaries	28,512	1,500		
Employee benefits	4,569	69		
Total salaries and fringe benefits	39,219	1,569		
Materials, supplies, services and other:				
Professional and technical services				18,962
Staff travel	105			11,588
Student travel		7,887		
Utility services		117		
Other purchased services		595		14,636
Supplies, materials and media	43,418	2,081	8,768	88,282
Tuition and stipends				
Other expenses	1,500			
Indirect costs	4,709		490	7,678
Total materials, supplies, services and other	49,732	10,680	9,258	141,146
Capital outlay - equipment				3,895
Total expenditures	88,951	12,249	9,258	145,041
Excess (deficiency) of revenues over expenditures				
Other financing sources:				
Transfers in				
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

<b>4 R Children II</b>	<b>Project ARTiculate</b>	<b>Alaska Tech Prep Mini-Grant</b>	<b>Teaching American History</b>	<b>Enhancing Education thru Technology IV</b>	<b>Youth Risk Behavior Survey</b>
\$	\$	\$	\$	\$	\$
54,884	240,462		121,420	15,699	7,000
		(130)			
54,884	240,462	(130)	121,420	15,699	7,000
54,884	240,462	(130)	121,420	15,699	7,000
420			8,895		
14,918	79,285		39,555	12,361	4,552
3,140	15,240		17,028	437	2,151
18,478	94,525		65,478	12,798	6,703
25,309	99,026		33,670		
4,798	11,081		3,113	2,901	
3,000	5,000		360		
100	24,913	(130)	11,721		297
3,199	5,917		7,078		
36,406	145,937	(130)	55,942	2,901	297
54,884	240,462	(130)	121,420	15,699	7,000
\$	\$	\$	\$	\$	\$

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Major Governmental Fund

Federal Projects Special Revenue

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

For the Year Ended June 30, 2007

(With comparative totals for 2006)

	<b>Totals</b>	
	<b>2007</b>	<b>2006</b>
<b>Revenues:</b>		
Revenue from local sources:		
Earnings on investments	\$ 16	\$ 11
Other local revenue	69,638	23,587
Total local sources	<u>69,654</u>	<u>23,598</u>
Revenue from federal sources:		
Direct	1,415,535	2,624,754
Through the State of Alaska	10,686,046	11,903,260
Other intermediate agencies	25,682	298,351
Total federal sources	<u>12,127,263</u>	<u>14,826,365</u>
Total revenues	<u>12,196,917</u>	<u>14,849,963</u>
<b>Expenditures - current:</b>		
Salaries and fringe benefits:		
Certificated salaries	2,416,722	2,771,857
Non-certificated salaries	4,234,301	4,627,029
Employee benefits	2,610,546	2,644,459
Total salaries and fringe benefits	<u>9,261,569</u>	<u>10,043,345</u>
Materials, supplies, services and other:		
Professional and technical services	931,444	1,316,179
Staff travel	316,722	422,271
Student travel	59,750	34,699
Utility services	117	
Other purchased services	135,676	400,055
Supplies, materials and media	811,346	1,656,702
Tuition and stipends	12,771	8,464
Other expenses	47,686	18,324
Indirect costs	605,640	793,755
Total materials, supplies, services and other	<u>2,921,152</u>	<u>4,650,449</u>
Capital outlay - equipment	42,161	129,256
Total expenditures	<u>12,224,882</u>	<u>14,823,050</u>
Excess (deficiency) of revenues over expenditures	<u>(27,965)</u>	<u>26,913</u>
<b>Other financing sources:</b>		
Transfers in	27,660	
Net change in fund balances	<u>(305)</u>	<u>26,913</u>
Fund balances - beginning	34,057	7,144
Fund balances - ending	<u>\$ 33,752</u>	<u>\$ 34,057</u>

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**  
Major Governmental Fund  
Federal Projects Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual - by Object  
For the Year Ended June 30, 2007

	<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 local sources:					
Earnings on investments	\$	\$	\$ 16	\$ 16	\$ 16
Other local revenue			69,638	69,638	69,638
			69,654	69,654	69,654
Revenue from federal sources:					
Direct	1,553,470	1,621,674	1,415,535	1,456,841	(164,833)
Through the State of Alaska	11,547,817	12,130,346	10,686,046	10,739,713	(1,390,633)
Other intermediate agencies	9,182	9,182	25,682	29,638	20,456
	13,110,469	13,761,202	12,127,263	12,226,192	(1,535,010)
Total revenues	13,110,469	13,761,202	12,196,917	12,295,846	(1,465,356)
Expenditures - current:					
Salaries and fringe benefits:					
Certificated salaries	2,919,465	2,668,277	2,416,722	2,416,722	251,555
Non-certificated salaries	3,202,632	4,544,344	4,234,301	4,234,301	310,043
Employee benefits	2,589,621	2,884,660	2,610,546	2,610,546	274,114
Total salaries and fringe benefits	8,711,718	10,097,281	9,261,569	9,261,569	835,712
Materials, supplies, services and other:					
Professional and technical services	354,818	1,056,025	931,444	989,843	66,182
Staff travel	269,834	448,222	316,722	311,970	136,252
Student travel	494,244	69,012	59,750	59,750	9,262
Utility services	310	310	117	117	193
Other purchased services	390,195	162,540	135,676	135,724	26,816
Supplies, materials and media	398,609	1,089,050	811,346	864,080	224,970
Tuition and stipends	132	12,771	12,771	12,771	
Other expenses	43,006	94,417	47,686	47,836	46,581
Indirect costs	642,423	697,586	605,640	605,640	91,946
Total materials, supplies, services and other	2,593,571	3,629,933	2,921,152	3,027,731	602,202
Capital outlay - equipment	13,720	34,511	42,161	34,511	
Total expenditures	11,319,009	13,761,725	12,224,882	12,323,811	1,437,914
Other financing sources:					
Transfers in			27,660	27,660	27,660
Net change in fund balance	\$ 1,791,460	\$ (523)	(305)	\$ (305)	\$ 218
Fund balance - beginning			34,057		
Fund balance - ending			\$ 33,752		

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

**Major Governmental Fund  
Student Transportation Special Revenue  
Balance Sheet  
June 30, 2007  
(With comparative totals for 2006)**

	<b>Totals</b>	
	<b>2007</b>	<b>2006</b>
<b><u>ASSETS</u></b>		
Equity in central treasury cash	<u>\$ 241,566</u>	<u>\$ 296,666</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable	<u>\$ 7,269</u>	<u>\$ 18,890</u>
Fund balances:		
Reserved for:		
Encumbrances	2,239	
Unreserved	<u>232,058</u>	<u>277,776</u>
Total fund balance	<u>234,297</u>	<u>277,776</u>
Total liabilities and fund balance	<u>\$ 241,566</u>	<u>\$ 296,666</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, 2007**  
**(With comparative totals for 2006)**

	<b>Totals</b>	
	<b>2007</b>	<b>2006</b>
<b>Revenues:</b>		
Revenue from state sources	<u>\$ 8,794,472</u>	<u>\$ 8,861,465</u>
<b>Expenditures - current:</b>		
Salaries and fringe benefits:		
Non-certificated salaries	173,679	166,424
Employee benefits	<u>86,637</u>	<u>69,737</u>
Total salaries and fringe benefits	<u>260,316</u>	<u>236,161</u>
Materials, supplies, services and other:		
Professional and technical services	6,465	6,006
Staff travel	3,283	4,516
Other purchased services	8,565,537	8,885,653
Supplies, materials and media	<u>2,350</u>	<u>3,303</u>
Total materials, supplies, services and other	<u>8,577,635</u>	<u>8,899,478</u>
Total expenditures	<u>8,837,951</u>	<u>9,135,639</u>
Deficiency of revenues over expenditures	<u>(43,479)</u>	<u>(274,174)</u>
<b>Other financing sources:</b>		
Transfers in		150,000
Net change in fund balance	<u>(43,479)</u>	<u>(124,174)</u>
Fund balance - beginning	<u>277,776</u>	<u>401,950</u>
Fund balance - ending	<u><u>\$ 234,297</u></u>	<u><u>\$ 277,776</u></u>

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**  
**Major Governmental Fund**  
**Student Transportation Special Revenue**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual - by Object**  
**For the Year Ended June 30, 2007**

	<b>Budgeted Amounts</b>			<b>Actual on</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Budgetary</b>	<b>Final Budget</b>
				<b>Basis</b>	<b>Positive</b>
					<b>(Negative)</b>
Revenues:					
Revenue from state sources	<u>\$ 8,911,970</u>	<u>\$ 8,911,970</u>	<u>\$ 8,794,472</u>	<u>\$ 8,796,711</u>	<u>\$ (115,259)</u>
Expenditures - current:					
Salaries and fringe benefits:					
Non-certificated salaries	170,865	170,865	173,679	173,679	(2,814)
Employee benefits	<u>85,432</u>	<u>85,432</u>	<u>86,637</u>	<u>86,637</u>	<u>(1,205)</u>
Total salaries and fringe benefits	<u>256,297</u>	<u>256,297</u>	<u>260,316</u>	<u>260,316</u>	<u>(4,019)</u>
Materials, supplies, services and other:					
Professional and technical services	6,500	6,500	6,465	6,465	35
Staff travel	5,500	5,500	3,283	3,283	2,217
Other purchased services	8,920,803	8,920,803	8,565,537	8,567,776	353,027
Supplies, materials and media	<u>4,000</u>	<u>4,000</u>	<u>2,350</u>	<u>2,350</u>	<u>1,650</u>
Total materials, supplies, services and other	<u>8,936,803</u>	<u>8,936,803</u>	<u>8,577,635</u>	<u>8,579,874</u>	<u>356,929</u>
Total expenditures	<u>9,193,100</u>	<u>9,193,100</u>	<u>8,837,951</u>	<u>8,840,190</u>	<u>352,910</u>
Net change in fund balance	<u>\$ (281,130)</u>	<u>\$ (281,130)</u>	<u>(43,479)</u>	<u>\$ (43,479)</u>	<u>\$ 237,651</u>
Fund balance - beginning			277,776		
Fund balance - ending			<u>\$ 234,297</u>		



# **NONMAJOR GOVERNMENTAL FUNDS**

**NONMAJOR  
GOVERNMENTAL  
FUNDS – BY FUND  
TYPE**

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet - by Fund Type**  
**June 30, 2007**  
**(With comparative totals for 2006)**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals</u>	
			<u>2007</u>	<u>2006</u>
<b><u>ASSETS</u></b>				
Equity in central treasury cash	\$ 498,926	\$ 1,778,413	\$ 2,277,339	\$ 1,888,279
Accounts receivable:				
Local				93,478
State	213,972	2,397	216,369	188,062
Federal				10,605
Due from Fairbanks North Star Borough	4,873	23,425	28,298	214,545
Inventories	193,785		193,785	156,449
Total assets	<u>\$ 911,556</u>	<u>\$ 1,804,235</u>	<u>\$ 2,715,791</u>	<u>\$ 2,551,418</u>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ 14,348	\$ 20,430	\$ 34,778	\$ 92,181
Deferred revenue	3,108		3,108	9,664
Due to other funds	214,204	8,279	222,483	431,940
Due to Fairbanks North Star Borough				28,578
Total liabilities	<u>231,660</u>	<u>28,709</u>	<u>260,369</u>	<u>562,363</u>
Fund balances:				
Reserved for:				
Encumbrances	24,698	17,286	41,984	138,423
Inventories	193,785		193,785	156,449
Unreserved	461,413	1,758,240	2,219,653	1,694,183
Total fund balances	<u>679,896</u>	<u>1,775,526</u>	<u>2,455,422</u>	<u>1,989,055</u>
Total liabilities and fund balances	<u>\$ 911,556</u>	<u>\$ 1,804,235</u>	<u>\$ 2,715,791</u>	<u>\$ 2,551,418</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, 2007  
(With comparative totals for 2006)

	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Total 2007</b>	<b>2006</b>
<b>Revenues:</b>				
Revenue from local sources:				
Food services	\$ 1,863,410	\$	\$ 1,863,410	\$ 1,829,036
Other local revenue	194,134	248,398	442,532	1,119,615
Total local sources	2,057,544	248,398	2,305,942	2,948,651
Revenue from state sources	724,094	3,518	727,612	863,091
Revenue from federal sources:				
Direct		910	910	19,226
Through the State of Alaska	2,507,762	423,322	2,931,084	3,016,479
Other intermediate agencies	4,875		4,875	3,900
Total federal sources	2,512,637	424,232	2,936,869	3,039,605
Total revenues	5,294,275	676,148	5,970,423	6,851,347
<b>Expenditures:</b>				
Current:				
Instruction	971,835		971,835	614,316
Support services - students	3,369		3,369	41,193
Support services - instruction	487,491		487,491	724,589
School administration	55,589		55,589	42,105
Operations and maintenance of plant	4,040		4,040	5,897
Adult and continuing education instruction	472		472	15,469
Food services	4,280,890		4,280,890	4,266,661
Total current	5,803,686		5,803,686	5,710,230
Capital outlay		259,075	259,075	1,362,695
Total expenditures	5,803,686	259,075	6,062,761	7,072,925
Excess (deficiency) of revenues over expenditures	(509,411)	417,073	(92,338)	(221,578)
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets				4,501
Transfers in	586,365		586,365	468,073
Transfers out	(27,660)		(27,660)	(91,000)
Total other financing sources (uses)	558,705		558,705	381,574
Net change in fund balances	49,294	417,073	466,367	159,996
Fund balances - beginning	630,602	1,358,453	1,989,055	1,829,059
Fund balances - ending	\$ 679,896	\$ 1,775,526	\$ 2,455,422	\$ 1,989,055

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# NONMAJOR SPECIAL REVENUE FUNDS

**Charter Schools** – accounts for operations of Chinook Charter school.

**Local Projects** – 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 Projects** – 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.

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT****Nonmajor Special Revenue Funds****Combining Balance Sheet****June 30, 2007****(With comparative totals for 2006)**

	<u>Charter Schools</u>	<u>Local Projects</u>	<u>Community Schools</u>
<b><u>ASSETS</u></b>			
Equity in central treasury cash	\$ 14	\$ 148,300	\$ 6,385
Accounts receivable:			
Local			
State			
Due from Fairbanks North Star Borough			
Inventories			
Total assets	<u>\$ 14</u>	<u>\$ 148,300</u>	<u>\$ 6,385</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 14	\$ 7,885	\$
Deferred revenue		2,827	
Due to other funds			
Total liabilities	<u>14</u>	<u>10,712</u>	
Fund balances:			
Reserved for:			
Encumbrances		356	
Inventories			
Unreserved		137,232	6,385
Total fund balances		<u>137,588</u>	<u>6,385</u>
Total liabilities and fund balances	<u>\$ 14</u>	<u>\$ 148,300</u>	<u>\$ 6,385</u>

State Projects	Food Service	Totals	
		2007	2006
\$ 2,812	\$ 341,415	\$ 498,926	\$ 497,164
			93,478
213,972		213,972	188,062
4,873		4,873	72,368
	193,785	193,785	156,449
<u>\$ 221,657</u>	<u>\$ 535,200</u>	<u>\$ 911,556</u>	<u>\$ 1,007,521</u>

\$ 4,970	\$ 1,479	\$ 14,348	\$ 19,027
281		3,108	9,664
<u>214,204</u>		<u>214,204</u>	<u>348,228</u>
<u>219,455</u>	<u>1,479</u>	<u>231,660</u>	<u>376,919</u>

12,810	11,532	24,698	36,766
	193,785	193,785	156,449
(10,608)	328,404	461,413	437,387
<u>2,202</u>	<u>533,721</u>	<u>679,896</u>	<u>630,602</u>
<u>\$ 221,657</u>	<u>\$ 535,200</u>	<u>\$ 911,556</u>	<u>\$ 1,007,521</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, 2007**  
**(With comparative totals for 2006)**

	<u>Charter Schools</u>	<u>Local Projects</u>	<u>Community Schools</u>
<b>Revenues:</b>			
Revenue from local sources:			
Food services	\$	\$	\$
Other local revenue		194,134	
Total local sources		194,134	
Revenue from state sources		4,875	
Revenue from federal sources:			
Through the State of Alaska			
Other intermediate agencies		4,875	
Total federal sources		4,875	
Total revenues		203,884	
<b>Expenditures:</b>			
Current:			
Instruction	77,426	291,523	
Support services - students		3,369	
Support services - instruction		20,360	
School administration		55,589	
Operations and maintenance of plant			
Adult and continuing education instruction			472
Food services			
Total expenditures	77,426	370,841	472
Excess (deficiency) of revenues over expenditures	(77,426)	(166,957)	(472)
<b>Other financing sources (uses):</b>			
Proceeds from sale of capital assets			
Transfers in		231,527	
Transfers out		(27,660)	
Total other financing sources (uses)		203,867	
Net change in fund balances	(77,426)	36,910	(472)
Fund balances - beginning	77,426	100,678	6,857
Fund balances - ending	\$	\$ 137,588	\$ 6,385

State Projects	Food Service	Totals	
		2007	2006
\$	\$ 1,863,410	\$ 1,863,410	\$ 1,829,036
		194,134	176,138
	1,863,410	2,057,544	2,005,174
719,219		724,094	851,608
	2,507,762	2,507,762	2,445,939
		4,875	3,900
	2,507,762	2,512,637	2,449,839
719,219	4,371,172	5,294,275	5,306,621
602,886		971,835	614,316
		3,369	41,193
467,131		487,491	724,589
		55,589	42,105
4,040		4,040	5,897
		472	15,469
	4,280,890	4,280,890	4,266,661
1,074,057	4,280,890	5,803,686	5,710,230
(354,838)	90,282	(509,411)	(403,609)
354,838		586,365	4,501
		(27,660)	377,073
354,838		558,705	381,574
	90,282	49,294	(22,035)
2,202	443,439	630,602	652,637
\$ 2,202	\$ 533,721	\$ 679,896	\$ 630,602

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Charter Schools

Balance Sheet

June 30, 2007

(With comparative totals for 2006)

	<b>Totals</b>	
	<b>2007</b>	<b>2006</b>
<b><u>ASSETS</u></b>		
Equity in central treasury cash	<u>\$ 14</u>	<u>\$ 77,426</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable	\$ 14	\$
Fund balance:		
Unreserved		<u>77,426</u>
Total liabilities and fund balance	<u>\$ 14</u>	<u>\$ 77,426</u>

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Charter Schools

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

For the Year Ended June 30, 2007

(With comparative totals for 2006)

	<b>Totals</b>	
	<b>2007</b>	<b>2006</b>
Expenditures:		
Current:		
Instruction	\$ 77,426	\$ 485
Net change in fund balance	(77,426)	(485)
Fund balance - beginning	77,426	77,911
Fund balance - ending	<u>\$</u>	<u>\$ 77,426</u>

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Charter Schools

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

For the Year Ended June 30, 2007

(With comparative totals for 2006)

	<b>Totals</b>	
	<b>2007</b>	<b>2006</b>
Expenditures:		
Current:		
Materials, supplies, services and other -		
Supplies, materials and media	\$ 74,369	\$ 485
Capital outlay - equipment	3,057	
Total current	77,426	485
Net change in fund balance	(77,426)	(485)
Fund balance - beginning	77,426	77,911
Fund balance - ending	\$	\$ 77,426

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**  
Nonmajor Special Revenue Fund  
Charter Schools  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual - by Object  
For the Year Ended June 30, 2007

	<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	\$ 37,426	\$ 72,859	\$ 74,369	\$ 72,859	\$
Capital outlay - equipment	40,000	3,057	3,057	3,057	
Net change in fund balance	<u>\$ (77,426)</u>	<u>\$ (75,916)</u>	(77,426)	<u>\$ (75,916)</u>	<u>\$</u>
Fund balance - beginning			77,426		
Fund balance - ending			<u>\$</u>		

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Local Projects

Combining Balance Sheet

June 30, 2007

(With comparative totals for 2006)

	<u>Options Day Care</u>	<u>Unsung Heroes Award - Salcha Elementary</u>	<u>TILT Grant: Caribou Mysteries</u>	<u>Miscellaneous Local Grants</u>
<b><u>ASSETS</u></b>				
Equity in central treasury cash	\$ 25,586	\$ 1	\$ 2,421	\$ 306
Accounts receivable:				
Local				
Total assets	<u>\$ 25,586</u>	<u>\$ 1</u>	<u>\$ 2,421</u>	<u>\$ 306</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ 812	\$	\$	\$
Deferred revenue		1	2,421	
Due to other funds				
Total liabilities	<u>812</u>	<u>1</u>	<u>2,421</u>	
Fund balances:				
Reserved for:				
Encumbrances	60			
Unreserved	<u>24,714</u>			<u>306</u>
Total fund balances	<u>24,774</u>			<u>306</u>
Total liabilities and fund balances	<u>\$ 25,586</u>	<u>\$ 1</u>	<u>\$ 2,421</u>	<u>\$ 306</u>

<u>M.J. Murdock Trust Grant</u>	<u>Charlotte Martin Foundation</u>	<u>One-to-One Digital Initiative</u>	<u>United Way Red Ribbon Week Campaign</u>	<u>District Math Professional Development</u>	<u>Art Excursion</u>
\$ 239	\$ 150	\$ 70,216	\$ 39	\$ 984	\$ 96
<u>\$ 239</u>	<u>\$ 150</u>	<u>\$ 70,216</u>	<u>\$ 39</u>	<u>\$ 984</u>	<u>\$ 96</u>
\$ 239	\$ 150	\$ 2	\$	\$ 968 16	\$
<u>239</u>	<u>150</u>	<u>2</u>		<u>984</u>	
<u>267 (267)</u>		<u>70,214</u>	<u>39</u>	<u>29 (29)</u>	<u>96</u>
		<u>70,214</u>	<u>39</u>		<u>96</u>
<u>\$ 239</u>	<u>\$ 150</u>	<u>\$ 70,216</u>	<u>\$ 39</u>	<u>\$ 984</u>	<u>\$ 96</u>

(continued)



**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Local Projects

Combining Balance Sheet

June 30, 2007

(With comparative totals for 2006)

	<b>Leadership Development</b>	<b>Totals</b>	
		<b>2007</b>	<b>2006</b>
<b><u>ASSETS</u></b>			
Equity in central treasury cash	\$ 48,262	\$ 148,300	\$ 108,147
Accounts receivable:			
Local			93,478
Total assets	<u>\$ 48,262</u>	<u>\$ 148,300</u>	<u>\$ 201,625</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 6,103	\$ 7,885	\$ (91)
Deferred revenue		2,827	8,109
Due to other funds			92,929
Total liabilities	<u>6,103</u>	<u>10,712</u>	<u>100,947</u>
Fund balances:			
Reserved for:			
Encumbrances		356	-
Unreserved	<u>42,159</u>	<u>137,232</u>	<u>100,678</u>
Total fund balances	<u>42,159</u>	<u>137,588</u>	<u>100,678</u>
Total liabilities and fund balances	<u>\$ 48,262</u>	<u>\$ 148,300</u>	<u>\$ 201,625</u>

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**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Local Projects

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

For the Year Ended June 30, 2007

(With comparative totals for 2006)

	<u>Options Day Care</u>	<u>Unsung Heroes Award - Salcha Elementary</u>	<u>Miscellaneous Local Grants</u>	<u>Surface Disturbance Project</u>
Revenues:				
Revenue from local sources:				
Other local revenue	\$ 28,827	\$ 167	\$	\$ 208
Revenue from state sources				
Revenue from federal sources:				
Other intermediate agencies				
 Total revenues	<u>28,827</u>	<u>167</u>		<u>208</u>
Expenditures - current:				
Instruction	27,676	167	792	208
Support services - students				
Support services - instruction				
School administration				
 Total expenditures	<u>27,676</u>	<u>167</u>	<u>792</u>	<u>208</u>
Excess (deficiency) of revenues over expenditures	<u>1,151</u>		<u>(792)</u>	
Other financing sources (uses):				
Transfers in				
Transfers out				
 Total other financing sources (uses)				
 Net change in fund balances	1,151		(792)	
Fund balances - beginning	<u>23,623</u>		<u>1,098</u>	
Fund balances - ending	<u>\$ 24,774</u>	<u>\$</u>	<u>\$ 306</u>	<u>\$</u>

<u>One-to-One Digital Initiative</u>	<u>Barnette Extended Day Program</u>	<u>United Way Red Ribbon Week Campaign</u>	<u>District Math Professional Development</u>	<u>Follow the Leader Project</u>
\$ 158,367	\$	\$ 3,408	\$ 4,107	\$ (7,000)
<u>158,367</u>		<u>3,408</u>	<u>4,107</u>	<u>(7,000)</u>
262,680		3,369	4,107	
<u>262,680</u>		<u>3,369</u>	<u>4,107</u>	
<u>(104,313)</u>		<u>39</u>		<u>(7,000)</u>
174,527				7,000
	(27,660)			
<u>174,527</u>	<u>(27,660)</u>			<u>7,000</u>
70,214	(27,660)	39		
	27,660			
<u>\$ 70,214</u>	<u>\$</u>	<u>\$ 39</u>	<u>\$</u>	<u>\$</u>

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Local Projects

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

For the Year Ended June 30, 2007

(With comparative totals for 2006)

	<u>Art Excursion</u>	<u>Artist in Schools Program</u>	<u>Art of Tolerance</u>	<u>Leadership Development</u>
Revenues:				
Revenue from local sources:				
Other local revenue	\$	\$ 5,250	\$ 800	\$
Revenue from state sources		4,875		
Revenue from federal sources:				
Other intermediate agencies		4,875		
Total revenues		<u>15,000</u>	<u>800</u>	
Expenditures - current:				
Instruction				
Support services - students				
Support services - instruction	453	15,000	800	
School administration				55,589
Total expenditures	<u>453</u>	<u>15,000</u>	<u>800</u>	<u>55,589</u>
Excess (deficiency) of revenues over expenditures	<u>(453)</u>			<u>(55,589)</u>
Other financing sources (uses):				
Transfers in				50,000
Transfers out				
Total other financing sources (uses)				<u>50,000</u>
Net change in fund balances	(453)			(5,589)
Fund balances - beginning	<u>549</u>			<u>47,748</u>
Fund balances - ending	<u>\$ 96</u>	<u>\$</u>	<u>\$</u>	<u>\$ 42,159</u>

Totals	
2007	2006
\$ 194,134	\$ 173,055
4,875	3,900
4,875	3,900
203,884	180,855
291,523	71,293
3,369	41,193
20,360	86,837
55,589	42,105
370,841	241,428
(166,957)	(60,573)
231,527	50,000
(27,660)	
203,867	50,000
36,910	(10,573)
100,678	111,251
\$ 137,588	\$ 100,678

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Local Projects

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

For the Year Ended June 30, 2007

(With comparative totals for 2006)

	<b>Options Day Care</b>	<b>Unsung Heroes Award - Salcha Elementary</b>	<b>Miscellaneous Local Grants</b>	<b>Surface Disturbance Project</b>
<b>Revenues:</b>				
Revenue from local sources:				
Other local revenue	\$ 28,827	\$ 167	\$	\$ 208
Revenue from state sources				
Revenue from federal sources:				
Other intermediate agencies				
<b>Total revenues</b>	<b>28,827</b>	<b>167</b>		<b>208</b>
<b>Expenditures - current:</b>				
Salaries and fringe benefits:				
Certificated salaries				
Non-certificated salaries	12,278			
Employee benefits	5,462			
<b>Total salaries and fringe benefits</b>	<b>17,740</b>			
Materials, supplies, services and other:				
Professional and technical services				
Staff travel			792	
Student travel				
Other purchased services	1,232			
Insurance and bond premiums				
Supplies, materials and media	8,704	167		208
Other expenses				
<b>Total materials, supplies, services and other</b>	<b>9,936</b>	<b>167</b>	<b>792</b>	<b>208</b>
<b>Total expenditures</b>	<b>27,676</b>	<b>167</b>	<b>792</b>	<b>208</b>
Excess (deficiency) of revenues over expenditures	1,151		(792)	
<b>Other financing sources (uses):</b>				
Transfers in				
Transfers out				
<b>Total other financing sources (uses)</b>				
<b>Net change in fund balances</b>	<b>1,151</b>		<b>(792)</b>	
<b>Fund balances - beginning</b>	<b>23,623</b>		<b>1,098</b>	
<b>Fund balances - ending</b>	<b>\$ 24,774</b>	<b>\$</b>	<b>\$ 306</b>	<b>\$</b>

<u>One-to-One Digital Initiative</u>	<u>Barnette Extended Day Program</u>	<u>United Way Red Ribbon Week Campaign</u>	<u>District Math Professional Development</u>	<u>Follow the Leader Project</u>
\$ 158,367	\$	\$ 3,408	\$ 4,107	\$ (7,000)
<u>158,367</u>		<u>3,408</u>	<u>4,107</u>	<u>(7,000)</u>
1,810				
456				
<u>2,266</u>				
70,439				
5,961				
5,665				
178,349		3,369	2,352	
			1,755	
<u>260,414</u>		<u>3,369</u>	<u>4,107</u>	
<u>262,680</u>		<u>3,369</u>	<u>4,107</u>	
<u>(104,313)</u>		<u>39</u>		<u>(7,000)</u>
174,527				7,000
	(27,660)			
<u>174,527</u>	<u>(27,660)</u>			<u>7,000</u>
70,214	(27,660)	39		
	27,660			
<u>\$ 70,214</u>	<u>\$</u>	<u>\$ 39</u>	<u>\$</u>	<u>\$</u>

(continued)



**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Local Projects

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

For the Year Ended June 30, 2007

(With comparative totals for 2006)

	<u>Art Excursion</u>	<u>Artist in Schools Program</u>	<u>Art of Tolerance</u>	<u>Leadership Development</u>
Revenues:				
Revenue from local sources:				
Other local revenue	\$	\$ 5,250	\$ 800	\$
Revenue from state sources		4,875		
Revenue from federal sources:				
Other intermediate agencies		4,875		
Total revenues		<u>15,000</u>	<u>800</u>	
Expenditures - current:				
Salaries and fringe benefits:				
Certificated salaries				
Non-certificated salaries				
Employee benefits				
Total salaries and fringe benefits				
Materials, supplies, services and other:				
Professional and technical services		15,000		
Staff travel				50,830
Student travel	453			
Other purchased services				4,570
Insurance and bond premiums				
Supplies, materials and media			800	
Other expenses				189
Total materials, supplies, services and other	<u>453</u>	<u>15,000</u>	<u>800</u>	<u>55,589</u>
Total expenditures	<u>453</u>	<u>15,000</u>	<u>800</u>	<u>55,589</u>
Excess (deficiency) of revenues over expenditures	<u>(453)</u>			<u>(55,589)</u>
Other financing sources (uses):				
Transfers in				50,000
Transfers out				
Total other financing sources (uses)				<u>50,000</u>
Net change in fund balances	<u>(453)</u>			<u>(5,589)</u>
Fund balances - beginning	<u>549</u>			<u>47,748</u>
Fund balances - ending	<u>\$ 96</u>	<u>\$</u>	<u>\$</u>	<u>\$ 42,159</u>

<b>Totals</b>	
<b>2007</b>	<b>2006</b>
\$ 194,134	\$ 173,055
4,875	3,900
4,875	3,900
<u>203,884</u>	<u>180,855</u>
	49,715
14,088	53,794
5,918	41,787
<u>20,006</u>	<u>145,296</u>
85,439	12,000
51,622	43,062
453	3,705
11,763	3,978
5,665	
193,949	33,054
1,944	333
<u>350,835</u>	<u>96,132</u>
<u>370,841</u>	<u>241,428</u>
<u>(166,957)</u>	<u>(60,573)</u>
231,527	50,000
(27,660)	
<u>203,867</u>	<u>50,000</u>
36,910	(10,573)
100,678	111,251
<u>\$ 137,588</u>	<u>\$ 100,678</u>

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**  
**Nonmajor Special Revenue Fund**  
**Local Projects**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual - by Object**  
**For the Year Ended June 30, 2007**

	<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	\$ 202,581	\$ 202,581	\$ 194,134	\$ 194,490	\$ (8,091)
Revenue from state sources	4,875	4,875	4,875	4,875	
Revenue from federal sources:					
Other intermediate agencies	4,875	4,875	4,875	4,875	
Total revenues	<u>212,331</u>	<u>212,331</u>	<u>203,884</u>	<u>204,240</u>	<u>(8,091)</u>
Expenditures - current:					
Salaries and fringe benefits:					
Non-certificated salaries	50,779	49,779	14,088	14,088	35,691
Employee benefits	10,342	10,342	5,918	5,918	4,424
Total salaries and fringe benefits	<u>61,121</u>	<u>60,121</u>	<u>20,006</u>	<u>20,006</u>	<u>40,115</u>
Materials, supplies, services and other:					
Professional and technical services		15,000	85,439	85,439	(70,439)
Staff travel	91,669	89,655	51,622	51,608	38,047
Student travel			453	453	(453)
Other purchased services	28,100	11,600	11,763	11,763	(163)
Insurance and bond premiums	19,068	19,068	5,665	5,665	13,403
Supplies, materials and media	282,175	286,675	193,949	194,305	92,370
Other expenses	2,255	2,255	1,944	1,944	311
Indirect costs	218	218			218
Total materials, supplies, services and other	<u>423,485</u>	<u>424,471</u>	<u>350,835</u>	<u>351,177</u>	<u>73,294</u>
Total expenditures	<u>484,606</u>	<u>484,592</u>	<u>370,841</u>	<u>371,183</u>	<u>113,409</u>
Deficiency of revenues over expenditures	<u>(272,275)</u>	<u>(272,261)</u>	<u>(166,957)</u>	<u>(166,943)</u>	<u>105,318</u>
Other financing sources (uses):					
Transfers in	224,527	224,513	231,527	231,513	7,000
Transfers out			(27,660)	(27,660)	(27,660)
Total other financing sources (uses)	<u>224,527</u>	<u>224,513</u>	<u>203,867</u>	<u>203,853</u>	<u>(20,660)</u>
Net change in fund balance	<u>\$ (47,748)</u>	<u>\$ (47,748)</u>	<u>36,910</u>	<u>\$ 36,910</u>	<u>\$ 84,658</u>
Fund balance - beginning			100,678		
Fund balance - ending			<u>\$ 137,588</u>		

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Community Schools

Balance Sheet

June 30, 2007

(With comparative totals for 2006)

	<b>Totals</b>	
	<b>2007</b>	<b>2006</b>
<b><u>ASSETS</u></b>		
Equity in central treasury cash	<u>\$ 6,385</u>	<u>\$ 6,857</u>
<b><u>FUND BALANCE</u></b>		
Fund balance - unreserved	<u>\$ 6,385</u>	<u>\$ 6,857</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, 2007

(With comparative totals for 2006)

	<b>Totals</b>	
	<b>2007</b>	<b>2006</b>
Expenditures - current:		
Adult and continuing education instruction	\$ 472	\$ 15,469
Net change in fund balance	(472)	(15,469)
Fund balance - beginning	6,857	22,326
Fund balance - ending	<u>\$ 6,385</u>	<u>\$ 6,857</u>

**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, 2007

(With comparative totals for 2006)

	<b>Totals</b>	
	<b>2007</b>	<b>2006</b>
Expenditures - current:		
Salaries and fringe benefits:		
Non-certificated salaries	\$ 292	\$ 11,030
Employee benefits	150	4,413
Total salaries and fringe benefits	442	15,443
Materials, supplies, services and other:		
Other purchased services	30	26
Total expenditures	472	15,469
Net change in fund balance	(472)	(15,469)
Fund balance - beginning	6,857	22,326
Fund balance - ending	<u>\$ 6,385</u>	<u>\$ 6,857</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual on</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget-</u>
			<u>Basis</u>	<u>Positive</u>
		<u>Actual</u>		<u>(Negative)</u>
Expenditures - current:				
Salaries and fringe benefits:				
Non-certificated salaries	\$	\$ 292	\$ 292	\$ (292)
Employee benefits		150	150	(150)
Total salaries and fringe benefits		442	442	(442)
Materials, supplies, services and other:				
Other purchased services		30	30	(30)
Total expenditures		472	472	(472)
Net change in fund balance	\$	(472)	\$ (472)	\$ (472)
Fund balance - beginning		6,857		
Fund balance - ending		\$ 6,385		

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**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

State Projects

Combining Balance Sheet

June 30, 2007

(With comparative totals for 2006)

	<b>Alaska Railroad Youth Summer Employment</b>	<b>Youth in Detention</b>	<b>Staff Development Mini-grants</b>	<b>Youth First</b>
<b><u>ASSETS</u></b>				
Equity in central treasury cash	\$	\$ 329	\$	\$
Accounts receivable:				
State	25,357		9,320	33,824
Due from Fairbanks North Star Borough				
Total assets	<u>\$ 25,357</u>	<u>\$ 329</u>	<u>\$ 9,320</u>	<u>\$ 33,824</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ 72	\$ 329	\$	\$ 70
Deferred revenue				
Due to other funds	25,285		9,320	33,754
Total liabilities	<u>25,357</u>	<u>329</u>	<u>9,320</u>	<u>33,824</u>
Fund balances:				
Reserved for:				
Encumbrances		1,882		
Unreserved		<u>(1,882)</u>		
Total fund balances				
Total liabilities and fund balances	<u>\$ 25,357</u>	<u>\$ 329</u>	<u>\$ 9,320</u>	<u>\$ 33,824</u>

<u>Oasis Program</u>	<u>DCCED Small Grants List</u>	<u>Assessment Expert</u>	<u>Chinook State Charter School</u>	<u>Statewide Alaska Mentorship Program</u>	<u>North Pole Middle Security System</u>
\$ 2,200	\$	\$ 2	\$ 281	\$	\$
	101			145,471	4,499
<u>\$ 2,200</u>	<u>\$ 101</u>	<u>\$ 2</u>	<u>\$ 281</u>	<u>\$ 145,471</u>	<u>\$ 4,499</u>
\$	\$	\$	\$ 281	\$	\$ 4,499
	101			145,471	
	101		281	145,471	4,499
2,200	3,236 (3,236)	2			7,692 (7,692)
2,200		2			
<u>\$ 2,200</u>	<u>\$ 101</u>	<u>\$ 2</u>	<u>\$ 281</u>	<u>\$ 145,471</u>	<u>\$ 4,499</u>

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

State Projects

Combining Balance Sheet

June 30, 2007

(With comparative totals for 2006)

	<b>Ryan Headbolt Power</b>	<b>Totals</b>	
		<b>2007</b>	<b>2006</b>
<b><u>ASSETS</u></b>			
Equity in central treasury cash	\$	\$ 2,812	\$ 4,063
Accounts receivable:			
State		213,972	188,062
Due from Fairbanks North Star Borough	273	4,873	72,368
Total assets	<u>\$ 273</u>	<u>\$ 221,657</u>	<u>\$ 264,493</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$ 4,970	\$ 5,437
Deferred revenue		281	1,555
Due to other funds	273	214,204	255,299
Total liabilities	<u>273</u>	<u>219,455</u>	<u>262,291</u>
Fund balances:			
Reserved for:			
Encumbrances		12,810	34,193
Unreserved		(10,608)	(31,991)
Total fund balances		<u>2,202</u>	<u>2,202</u>
Total liabilities and fund balances	<u>\$ 273</u>	<u>\$ 221,657</u>	<u>\$ 264,493</u>

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**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

State Projects

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

For the Year Ended June 30, 2007

(With comparative totals for 2006)

	<b>Alaska Railroad Youth Summer Employment</b>	<b>Youth in Detention</b>	<b>Staff Development Mini-grants</b>	<b>Youth First</b>
Revenues:				
Revenue from state sources	<u>\$ 26,235</u>	<u>\$ 114,036</u>	<u>\$ 30,399</u>	<u>\$ 77,378</u>
Expenditures:				
Current:				
Instruction	26,235	468,874	30,399	77,378
Support services - instruction				
Operations and maintenance of plant				
Total expenditures	<u>26,235</u>	<u>468,874</u>	<u>30,399</u>	<u>77,378</u>
Deficiency of revenues over expenditures		<u>(354,838)</u>		
Other financing sources:				
Transfers in		<u>354,838</u>		
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

<b>Oasis Program</b>	<b>DCCED Small Grants List</b>	<b>Assessment Expert</b>	<b>Chinook State Charter School</b>	<b>Statewide Alaska Mentorship Program</b>	<b>North Pole Middle Security System</b>
<u>\$</u>	<u>\$ 51,897</u>	<u>\$</u>	<u>\$ 396</u>	<u>\$ 410,339</u>	<u>\$ 4,499</u>
	51,897		396	410,339	4,499
	<u>51,897</u>		<u>396</u>	<u>410,339</u>	<u>4,499</u>
<u>2,200</u>		<u>2</u>			
<u>\$ 2,200</u>	<u>\$</u>	<u>\$ 2</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT****Nonmajor Special Revenue Fund****State Projects****Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - by Function****For the Year Ended June 30, 2007****(With comparative totals for 2006)**

	<b>Hutchison Student Headbolt Power</b>	<b>Ryan Headbolt Power</b>	<b>Totals</b>	
			<b>2007</b>	<b>2006</b>
Revenues:				
Revenue from state sources	\$ 2,948	\$ 1,092	\$ 719,219	\$ 847,708
Expenditures:				
Current:				
Instruction			602,886	542,538
Support services - instruction			467,131	637,752
Operations and maintenance of plant	2,948	1,092	4,040	5,897
Total expenditures	2,948	1,092	1,074,057	1,186,187
Deficiency of revenues over expenditures			(354,838)	(338,479)
Other financing sources:				
Transfers in			354,838	327,073
Net change in fund balances				(11,406)
Fund balances - beginning			2,202	13,608
Fund balances - ending	\$	\$	\$ 2,202	\$ 2,202

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**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

State Projects

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

For the Year Ended June 30, 2007

(With comparative totals for 2006)

	<b>Alaska Railroad Youth Summer Employment</b>	<b>Youth in Detention</b>	<b>Staff Development Mini-grants</b>	<b>Youth First</b>
Revenues:				
Revenue from state sources	\$ 26,235	\$ 114,036	\$ 30,399	\$ 77,378
Expenditures:				
Current:				
Salaries and fringe benefits:				
Certificated salaries	19,430	256,975		
Non-certificated salaries	480	54,117	3,994	43,925
Employee benefits	5,650	147,509	283	19,667
Total salaries and fringe benefits	25,560	458,601	4,277	63,592
Materials, supplies, services and other:				
Professional and technical services				
Staff travel			26,122	2,533
Student travel				872
Utility services		(390)		
Other purchased services	104	1,474		
Supplies, materials and media	571	9,189		6,285
Indirect costs				4,096
Total materials, supplies, services and other	675	10,273	26,122	13,786
Capital outlay - equipment				
Total expenditures	26,235	468,874	30,399	77,378
Deficiency of revenues over expenditures		(354,838)		
Other financing sources:				
Transfers in		354,838		
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

Oasis Program	DCCED Small Grants List	Assessment Expert	Chinook State Charter School	Statewide Alaska Mentorship Program	North Pole Middle Security System
\$	\$ 51,897	\$	\$ 396	\$ 410,339	\$ 4,499
				204,771	
	1,997			70,279	
	64			135,289	
	2,061			410,339	
	53,664		396		4,499
	53,664		396		4,499
	(3,828)				
	51,897		396	410,339	4,499
2,200		2			
\$ 2,200	\$	\$ 2	\$	\$	\$

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

State Projects

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

For the Year Ended June 30, 2007

(With comparative totals for 2006)

	<b>Hutchison Student Headbolt Power</b>	<b>Ryan Headbolt Power</b>	<b>Totals</b>	
			<b>2007</b>	<b>2006</b>
<b>Revenues:</b>				
Revenue from state sources	\$ 2,948	\$ 1,092	\$ 719,219	\$ 847,708
<b>Expenditures:</b>				
Current:				
Salaries and fringe benefits:				
Certificated salaries			481,176	548,985
Non-certificated salaries			174,792	66,568
Employee benefits			308,462	239,592
Total salaries and fringe benefits			964,430	855,145
Materials, supplies, services and other:				
Professional and technical services				16,081
Staff travel			28,655	50,481
Student travel			872	18
Utility services			(390)	4,280
Other purchased services	2,948	1,092	5,618	9,413
Supplies, materials and media			74,604	213,937
Indirect costs			4,096	
Total materials, supplies, services and other	2,948	1,092	113,455	294,210
Capital outlay - equipment			(3,828)	36,832
Total expenditures	2,948	1,092	1,074,057	1,186,187
Deficiency of revenues over expenditures			(354,838)	(338,479)
<b>Other financing sources:</b>				
Transfers in			354,838	327,073
Net change in fund balances				(11,406)
Fund balances - beginning			2,202	13,608
Fund balances - ending	\$	\$	\$ 2,202	\$ 2,202

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**  
Nonmajor Special Revenue Fund  
State Projects  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual - by Object  
For the Year Ended June 30, 2007

	<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	\$ 774,045	\$ 837,814	\$ 719,219	\$ 695,954	\$ (141,860)
Revenue from federal sources:					
Through the State of Alaska	127,000				
Total revenues	901,045	837,814	719,219	695,954	(141,860)
Expenditures:					
Current					
Salaries and fringe benefits:					
Certificated salaries	561,285	561,285	481,176	481,176	80,109
Non-certificated salaries	121,182	93,356	174,792	174,792	(81,436)
Employee benefits	321,033	306,557	308,462	308,462	(1,905)
Total salaries and fringe benefits	1,003,500	961,198	964,430	964,430	(3,232)
Materials, supplies, services and other:					
Professional and technical services	2,200	2,200			2,200
Staff travel	28,579	36,583	28,655	28,655	7,928
Student travel		872	872	872	
Utility services	2,500	2,500	(390)	(390)	2,890
Other purchased services	3,736	9,632	5,618	6,026	3,606
Supplies, materials and media	222,477	217,869	74,604	83,594	134,275
Indirect cost	6,723	4,229	4,096	4,096	133
Total materials, supplies, services and other	266,215	273,885	113,455	122,853	151,032
Capital outlay - equipment		(28,599)	(3,828)	(34,609)	6,010
Total expenditures	1,269,715	1,206,484	1,074,057	1,052,674	153,810
Deficiency of revenues over expenditures	(368,670)	(368,670)	(354,838)	(356,720)	11,950
Other financing sources:					
Transfers in	366,470	366,470	354,838	356,720	(9,750)
Net change in fund balance	\$ (2,200)	\$ (2,200)		\$	\$ 2,200
Fund balance, July 1			2,202		
Fund balance, June 30			\$ 2,202		

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Food Service

Balance Sheet

June 30, 2007

(With comparative totals for 2006)

	<b>Totals</b>	
	<b>2007</b>	<b>2006</b>
<b><u>ASSETS</u></b>		
Equity in central treasury cash	\$ 341,415	\$ 300,671
Inventories	193,785	156,449
Total assets	<u>\$ 535,200</u>	<u>\$ 457,120</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable	<u>\$ 1,479</u>	<u>\$ 13,681</u>
Fund balance:		
Reserved for:		
Encumbrances	11,532	2,573
Inventories	193,785	156,449
Unreserved	<u>328,404</u>	<u>284,417</u>
Total fund balance	<u>533,721</u>	<u>443,439</u>
Total liabilities and fund balance	<u>\$ 535,200</u>	<u>\$ 457,120</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, 2007

(With comparative totals for 2006)

	<b>Totals</b>	
	<b>2007</b>	<b>2006</b>
Revenues:		
Revenue from local sources:		
Food services	\$ 1,863,410	\$ 1,829,036
Other local revenue		3,083
Total local sources	<u>1,863,410</u>	<u>1,832,119</u>
Revenue from federal sources:		
Through the State of Alaska	<u>2,507,762</u>	<u>2,445,939</u>
Total revenues	<u>4,371,172</u>	<u>4,278,058</u>
Expenditures - current:		
Food services	<u>4,280,890</u>	<u>4,266,661</u>
Excess of revenues over expenditures	<u>90,282</u>	<u>11,397</u>
Other financing sources:		
Proceeds from sale of capital assets		<u>4,501</u>
Net change in fund balance	<u>90,282</u>	<u>15,898</u>
Fund balance - beginning	<u>443,439</u>	<u>427,541</u>
Fund balance - ending	<u>\$ 533,721</u>	<u>\$ 443,439</u>

**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, 2007

(With comparative totals for 2006)

	<b>Totals</b>	
	<b>2007</b>	<b>2006</b>
Revenues:		
Revenue from local sources:		
Food services	\$ 1,863,410	\$ 1,829,036
Other local revenue		3,083
Total local sources	1,863,410	1,832,119
Revenue from federal sources:		
Through the State of Alaska	2,507,762	2,445,939
Total revenues	4,371,172	4,278,058
Expenditures - current:		
Salaries and fringe benefits:		
Non-certificated salaries	1,565,545	1,567,686
Employee benefits	690,348	583,319
Total salaries and fringe benefits	2,255,893	2,151,005
Materials, supplies, services and other:		
Professional and technical services	16,057	12,058
Staff travel	10,251	3,672
Utility services	709	1,352
Other purchased services	4,462	6,617
Supplies, materials and media	1,933,349	1,966,298
Other expenses	169	155
Indirect costs	60,000	60,000
Total materials, supplies, services and other	2,024,997	2,050,152
Capital outlay - equipment		65,504
Total expenditures	4,280,890	4,266,661
Excess of revenues over expenditures	90,282	11,397
Other financing sources:		
Proceeds from sale of capital assets		4,501
Net change in fund balance	90,282	15,898
Fund balance - beginning	443,439	427,451
Fund balance - ending	\$ 533,721	\$ 443,349

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**  
Nonmajor Special Revenue Fund  
Food Service  
Schedule of Revenues, Expenditures and Changes in Fund Balance - by Object  
Budget (Non-GAAP Basis) and Actual  
For the Year Ended June 30, 2007

	<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 local sources:					
Food Service	\$ 2,108,694	\$ 2,084,780	\$ 1,863,410	\$ 1,863,410	\$ (221,370)
Total local sources	2,108,694	2,084,780	1,863,410	1,863,410	(221,370)
Revenue from federal sources:					
Through the State of Alaska	2,150,000	2,371,597	2,507,762	2,516,721	145,124
Total revenues	4,258,694	4,456,377	4,371,172	4,380,131	(76,246)
Expenditures - current:					
Salaries and fringe benefits:					
Non-certificated salaries	1,630,102	1,696,314	1,565,545	1,565,545	130,769
Employee benefits	608,830	764,027	690,348	690,348	73,679
Total salaries and fringe benefits	2,238,932	2,460,341	2,255,893	2,255,893	204,448
Materials, supplies, services and other:					
Professional and technical services	12,058	13,000	16,057	16,057	(3,057)
Staff travel	2,800	2,800	10,251	10,251	(7,451)
Utility services	1,440	1,439	709	709	730
Other purchased services	7,500	7,040	4,462	4,002	3,038
Supplies, materials and media	1,822,964	1,866,757	1,933,349	1,934,268	(67,511)
Other expenses			169	169	(169)
Indirect costs	60,000	60,000	60,000	60,000	
Total materials, supplies, services and other	1,906,762	1,951,036	2,024,997	2,025,456	(74,420)
Capital outlay - equipment	113,000	45,000		8,500	36,500
Total expenditures	4,258,694	4,456,377	4,280,890	4,289,849	166,528
Net change in fund balance	\$	\$	90,282	\$ 90,282	\$ 90,282
Fund balance - beginning			443,439		
Fund balance - ending			\$ 533,721		



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# **NONMAJOR CAPITAL PROJECTS FUNDS**

**Denali Elementary  
Nordale Elementary  
Lathrop High School  
Title VIII Construction  
Hutchison High School  
Central Kitchen Impact Aid Grant  
Other Capital Projects**

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Capital Projects Funds

Combining Balance Sheet

June 30, 2007

(With comparative totals for 2006)

	<u>Denali Elementary</u>	<u>Nordale Elementary</u>	<u>Lathrop High School</u>	<u>Title VIII Construction</u>
<b><u>ASSETS</u></b>				
Equity in central treasury cash	\$	\$	\$	\$ 1,510,418
Accounts receivable:				
State			2,397	
Federal				
Due from Fairbanks North Star Borough	17,869	5,556		
Total assets	<u>\$ 17,869</u>	<u>\$ 5,556</u>	<u>\$ 2,397</u>	<u>\$ 1,510,418</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ 16,082	\$ 1,461	\$	\$
Due to other funds	1,787	4,095	2,397	
Due to Fairbanks North Star Borough				
Total liabilities	<u>17,869</u>	<u>5,556</u>	<u>2,397</u>	
Fund balances:				
Reserved for:				
Encumbrances	8,176	9,110		
Unreserved	<u>(8,176)</u>	<u>(9,110)</u>		<u>1,510,418</u>
Total fund balances				<u>1,510,418</u>
Total liabilities and fund balances	<u>\$ 17,869</u>	<u>\$ 5,556</u>	<u>\$ 2,397</u>	<u>\$ 1,510,418</u>

Hutchison High School	Other Capital Projects	Totals	
		2007	2006
\$ 175,851	\$ 92,144	\$ 1,778,413	\$ 1,391,115
		2,397	
			10,605
		23,425	142,177
<u>\$ 175,851</u>	<u>\$ 92,144</u>	<u>\$ 1,804,235</u>	<u>\$ 1,543,897</u>
\$	\$ 2,887	\$ 20,430	\$ 73,154
		8,279	83,712
			28,578
	<u>2,887</u>	<u>28,709</u>	<u>185,444</u>
175,851	89,257	17,286	101,657
<u>175,851</u>	<u>89,257</u>	<u>1,758,240</u>	<u>1,256,796</u>
<u>175,851</u>	<u>89,257</u>	<u>1,775,526</u>	<u>1,358,453</u>
<u>\$ 175,851</u>	<u>\$ 92,144</u>	<u>\$ 1,804,235</u>	<u>\$ 1,543,897</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, 2007  
(With comparative totals for 2006)

	<u>Denali Elementary</u>	<u>Nordale Elementary</u>	<u>Lathrop High School</u>	<u>Title VIII Construction</u>
Revenues:				
Revenue from local sources:				
Other local revenue	\$ 151,995	\$ 96,403	\$	\$
Revenue from state sources			3,518	
Revenue from federal sources:				
Direct				
Through the state of Alaska				423,322
Total federal sources				423,322
Total revenues	151,995	96,403	3,518	423,322
Expenditures:				
Capital outlay:				
Professional and technical services				
Staff travel				
Other purchased services				
Supplies, materials and media	114,495	58,340	2,870	
Indirect costs			648	
Equipment				
Buildings and improvements purchased	37,500	38,063		
Total expenditures	151,995	96,403	3,518	
Excess (deficiency) of revenues over expenditures				423,322
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Net change in fund balances				423,322
Fund balances - beginning				1,087,096
Fund balances - ending	\$	\$	\$	\$ 1,510,418

Hutchison High School	Central Kitchen Impact Aid Grant	Other Capital Projects	Totals	
			2007	2006
\$	\$	\$	\$ 248,398	\$ 943,477
			3,518	11,483
	910		910	19,226
			423,322	570,540
	910		424,232	589,766
	910		676,148	1,544,726
				18,129
	858		858	28,578
		2,304	178,009	736,698
	52		700	1,097
		2,887	2,887	73,586
		1,058	76,621	504,607
	910	6,249	259,075	1,362,695
		(6,249)	417,073	182,031
				91,000
				(91,000)
		(6,249)	417,073	182,031
175,851		95,506	1,358,453	1,176,422
\$ 175,851	\$	\$ 89,257	\$ 1,775,526	\$ 1,358,453

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**  
**Nonmajor Capital Projects Funds**  
**Project Length Schedule of Revenues and Expenditures**  
**Beginning of Projects to June 30, 2007**

	<u>Denali Elementary</u>	<u>Nordale Elementary</u>	<u>Lathrop High School</u>	<u>Title VIII Construction</u>
Project Authorizations:	<u>\$ 672,000</u>	<u>\$ 673,525</u>	<u>\$ 136,364</u>	<u>\$</u>
Revenues:				
Revenue from local sources:				
Other local revenue	\$ 662,679	\$ 664,763	\$ 120,080	\$
Revenue from state sources			15,001	
Revenue from federal sources:				
Direct				
Through the state of Alaska				2,128,458
Transfers from other funds				
Total revenues	<u>662,679</u>	<u>664,763</u>	<u>135,081</u>	<u>2,128,458</u>
Expenditures:				
Capital outlay:				
Professional and technical services				
Staff travel				
Other purchased services				
Supplies, materials and media	466,748	482,192	71,256	
Indirect costs			2,061	
Equipment	75,931	58,445	61,764	
Buildings and improvements purchased	120,000	124,126		
Other capital outlay				
Transfers to other funds				618,040
Total expenditures	<u>662,679</u>	<u>664,763</u>	<u>135,081</u>	<u>618,040</u>
Excess of revenues over expenditures	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,510,418</u>

<b>Hutchison High School</b>	<b>Central Kitchen Impact Aid Grant</b>	<b>Other Capital Projects</b>	<b>Project To Date Totals</b>
<u>\$ 1,932,269</u>	<u>\$ 2,481,050</u>	<u>\$ 431,820</u>	<u>\$ 6,327,028</u>
 \$ 812,950	 \$	 \$	 \$ 2,260,472
			15,001
	45,998		45,998
			2,128,458
<u>1,245,637</u>		<u>431,820</u>	<u>1,677,457</u>
<u>2,058,587</u>	<u>45,998</u>	<u>431,820</u>	<u>6,127,386</u>
	42,516	27,198	69,714
	858		858
989,393			989,393
564,858		12,494	1,597,548
	2,624		4,685
190,370		2,887	389,397
126,318		318,102	688,546
11,797			11,797
			618,040
<u>1,882,736</u>	<u>45,998</u>	<u>360,681</u>	<u>4,369,978</u>
<u>\$ 175,851</u>	<u>\$</u>	<u>\$ 71,139</u>	<u>\$ 1,757,408</u>



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# AGENCY FUND

# **AGENCY FUND**

**Pupil Activities Fund**

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**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Pupil Activities Fund  
Statement of Changes in Assets and Liabilities  
Year Ended June 30, 2007

	<b>Balance July 1, 2006</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2007</b>
<b><u>ASSETS</u></b>				
Equity in central treasury cash	<u>\$ 1,873,145</u>	<u>\$ 2,713,435</u>	<u>\$ 2,646,301</u>	<u>\$ 1,940,279</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 47,069	\$ 2,626,094	\$ 2,646,301	\$ 26,862
Due to student groups	<u>1,826,076</u>	<u>2,713,435</u>	<u>2,626,094</u>	<u>1,913,417</u>
Total liabilities	<u>\$ 1,873,145</u>	<u>\$ 5,339,529</u>	<u>\$ 5,272,395</u>	<u>\$ 1,940,279</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 168-181**

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 182-191**

These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.

## **Debt Capacity – page 192**

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 193-194**

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 195-206**

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 Six Fiscal Years  
(accrual basis of accounting)**

	<b>Fiscal Year</b>			
	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>
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	<u>23,825,074</u>	<u>21,362,399</u>	<u>19,756,987</u>	<u>22,426,155</u>
<b>Total Net Assets</b>	<b><u>\$ 27,676,443</u></b>	<b><u>\$ 25,822,057</u></b>	<b><u>\$ 24,330,426</u></b>	<b><u>\$ 26,344,933</u></b>

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

Fiscal Year	
<u>2005-06</u>	<u>2006-07</u>
\$ 4,235,371	\$ 4,080,319
<u>16,687,930</u>	<u>16,576,939</u>
<u>\$ 20,923,301</u>	<u>\$ 20,657,258</u>

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Expenses, Program Revenues, and Net (Expense)/Revenue  
Last Six 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
<b>Total expenses</b>	<b>136,240,142</b>	<b>142,947,476</b>	<b>143,307,386</b>	<b>154,861,311</b>
<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
District administration support services	816,838			
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
<b>Total program revenues</b>	<b>23,286,874</b>	<b>24,973,938</b>	<b>27,142,768</b>	<b>30,735,314</b>
<b>Total net expense - governmental activities</b>	<b>\$ (112,953,268)</b>	<b>\$ (117,973,538)</b>	<b>\$ (116,164,618)</b>	<b>\$ (124,125,997)</b>

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

<u>2005-06</u>	<u>2006-07</u>
\$ 74,278,540	\$ 77,265,162
18,431,818	17,856,399
2,299,016	2,516,909
10,346,229	10,458,934
10,253,369	9,282,242
5,357,561	5,915,223
3,950,664	3,989,781
1,714,097	1,757,915
7,330,027	7,834,722
19,346,287	20,266,837
2,227,743	2,178,484
9,160,416	8,841,162
17,333	567
4,598,738	4,522,847
<u>169,311,838</u>	<u>172,687,184</u>
22,835	28,827
39,610	55,650
1,832,119	1,863,410
27,354,672	24,519,953
1,544,726	676,148
<u>30,793,962</u>	<u>27,143,988</u>
<u>\$ (138,517,876)</u>	<u>\$ (145,543,196)</u>

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

General Revenues and Total Change in Net Assets  
Last Six Fiscal Years  
(accrual basis of accounting)

	Fiscal Year			
	2001-02	2002-03	2003-04	2004-05
<b>Net Expense - Governmental Activities</b>	\$ (112,953,268)	\$ (117,973,538)	\$ (116,164,618)	\$ (124,125,997)
<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
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
<b>Total general revenue</b>	<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
\$ (138,517,876)	\$ (145,543,196)
38,022,700	40,022,700
80,045,140	90,029,160
12,257,249	11,405,933
1,831,103	2,084,592
940,052	1,734,768
133,096,244	145,277,153
\$ (5,421,632)	\$ (266,043)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

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

	Fiscal Year			
	1997-98	1998-99	1999-2000 <sup>a</sup>	2000-01
General fund				
Reserved	\$ 2,080,665	\$ 1,559,569	\$ 10,328,283	\$ 9,830,675
Unreserved	3,350,793	3,610,755	4,279,985	8,756,129
Total general fund	<u>5,431,458</u>	<u>5,170,324</u>	<u>14,608,268</u>	<u>18,586,804</u>
All other governmental funds				
Reserved	818,998	1,270,415	1,369,280	497,855
Unreserved, reported in:				
Special revenue funds	440,349	1,190,756	1,111,242	814,215
Capital projects funds	(263,238)	(644,984)	(740,215)	411,975
Total all other governmental funds	<u>\$ 996,109</u>	<u>\$ 1,816,187</u>	<u>\$ 1,740,307</u>	<u>\$ 1,724,045</u>

**Note:**

<sup>a</sup> Beginning in FY 1999-2000 timing of the School District's Title VIII Impact Aid payment changed. Payment for the subsequent fiscal year was received in the current fiscal year and reserved in fund balance in accordance with the *Alaska Department of Education and Early Development Uniform Chart of Accounts and Account Code Descriptions for Public School Districts, 2000 edition*.

Fiscal Year					
2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
\$ 11,348,640	\$ 12,234,963	\$ 12,537,659	\$ 13,011,879	\$ 13,728,824	\$ 12,545,992
10,272,208	8,579,741	7,066,592	10,825,614	11,029,488	9,375,513
<u>21,620,848</u>	<u>20,814,704</u>	<u>19,604,251</u>	<u>23,837,493</u>	<u>24,758,312</u>	<u>21,921,505</u>
468,955	474,455	921,493	738,533	482,925	524,990
674,863	1,085,639	926,818	592,387	561,167	440,241
450,569	1,170,525	466,960	907,233	1,256,796	1,758,240
<u>\$ 1,594,387</u>	<u>\$ 2,730,619</u>	<u>\$ 2,315,271</u>	<u>\$ 2,238,153</u>	<u>\$ 2,300,888</u>	<u>\$ 2,723,471</u>



**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

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

	<b>Fiscal Year</b>			
	<b>1997-98</b>	<b>1998-99</b>	<b>1999-2000</b>	<b>2000-01</b>
Revenues from local sources:				
Borough direct appropriation	\$ 27,680,000	\$ 30,690,780	\$ 30,690,780	\$ 32,045,700
E-rate reimbursement		49,014	244,786	220,433
Food services	1,431,073	362,149	384,376	364,958
Earnings on investments	1,381	286,702	16,747	10,015
Other local revenue	575,417	1,738,219	1,859,183	2,556,832
Tuition from students	67,175	13,275	57,865	48,420
Total revenue from local sources	<u>29,755,046</u>	<u>33,140,139</u>	<u>33,253,737</u>	<u>35,246,358</u>
Revenue from state sources:				
Foundation program	67,102,629	65,997,508	66,557,417	64,696,850
QSI grant				
LOG grant				
Supplemental aid				
Tuition	365,714	263,665	596,762	697,596
On-base schools	1,435,923	1,450,000	1,450,000	1,450,000
Other state revenue	7,271,916	8,202,135	9,364,282	10,683,446
Total revenue from state sources	<u>76,176,182</u>	<u>75,913,308</u>	<u>77,968,461</u>	<u>77,527,892</u>
Revenue from federal sources:				
Direct	972,113	1,354,006	2,316,511	14,329,290
Through the State of Alaska and other intermediate agencies <sup>a</sup>	6,263,187	14,900,497	26,189,133	9,065,171
Total revenue from federal sources	<u>7,235,300</u>	<u>16,254,503</u>	<u>28,505,644</u>	<u>23,394,461</u>
Other sources	<u>45,124</u>	<u>54,134</u>	<u>6,576</u>	<u>12,814</u>
Total revenues	<u>\$ 113,211,652</u>	<u>\$ 125,362,084</u>	<u>\$ 139,734,418</u>	<u>\$ 136,181,525</u>

**Note:**

<sup>a</sup> Beginning in FY 1999-2000 timing of the School District's Title VIII Impact Aid payment changed. Payment for fiscal year 2000-01 was received in fiscal year 1999-2000 along with the fiscal year 1999-2000 payment.

Fiscal Year					
2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
\$ 32,555,700	\$ 33,545,700	\$ 34,545,700	\$ 36,545,700	\$ 38,022,700	\$ 40,022,700
25,489	244,595	251,090	255,646	250,778	263,343
323,058	284,170	1,835,140	1,837,593	1,829,036	1,863,410
324	236	61	23	11	16
2,737,088	2,405,696	518,316	1,428,281	1,720,043	1,189,484
185,997	141,913	41,093	12,141		
35,827,656	36,622,310	37,191,400	40,079,384	41,822,568	43,338,953
64,742,484	64,439,501	65,329,167	72,703,693	80,045,140	88,513,723
357,066	356,140	347,449	348,464	347,525	345,636
1,423,170	2,667,315				1,169,801
	634,452				
847,097	667,967	97,864			
1,450,000	1,450,000	1,450,000	1,450,000	1,450,000	1,450,000
8,745,741	10,483,696	9,487,159	9,514,268	9,724,556	9,522,084
77,565,558	80,699,071	76,711,639	84,016,425	91,567,221	101,001,244
16,216,716	13,655,404	16,249,574	17,200,286	14,901,229	12,822,378
8,785,569	9,922,633	11,345,823	15,194,658	15,352,315	14,018,936
25,002,285	23,578,037	27,595,397	32,394,944	30,253,544	26,841,314
27,805	41,971	86,732	114,196		
\$ 138,423,304	\$ 140,941,389	\$ 141,585,168	\$ 156,604,949	\$ 163,643,333	\$ 171,181,511

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

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

	Fiscal Year			
	1997-98	1998-99	1999-2000	2000-01
Instruction	\$ 59,374,967	\$ 64,662,826	\$ 63,900,738	\$ 63,338,177
Special education instruction	9,828,447	10,571,123	12,265,871	12,734,020
Special education support services - students	1,532,471	1,383,790	1,640,581	1,459,317
Support services - students	3,913,636	4,212,571	5,472,435	6,045,824
Support services - instruction	2,761,346	3,041,258	3,662,597	4,590,331
School administration	6,601,249	7,131,197	7,611,407	7,377,956
School administration support services				
District administration	975,710	1,208,150	1,352,499	1,208,287
District administration support services	5,805,680	6,210,680	6,029,307	5,705,129
Operations and maintenance of plant	13,664,430	13,690,690	14,364,228	14,393,763
Student activities	1,386,956	1,523,947	1,742,970	1,477,402
Student transportation service	5,801,669	6,485,002	7,144,762	7,900,429
Adult and continuing education instruction	120,231	144,264	119,395	155,437
Food services	3,204,448	3,270,090	3,712,398	4,368,909
Capital outlay	1,191,988	1,267,552	2,158,791	1,464,270
Debt service:				
Contribution to debt service fund	355,853			
Principal retirement				
Interest				
Total expenditures	<u>\$ 116,519,081</u>	<u>\$ 124,803,140</u>	<u>\$ 131,177,979</u>	<u>\$ 132,219,251</u>
Capital expenditures <sup>a</sup>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Noncapital expenditures <sup>b</sup>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Debt service as a percentage of  
noncapital expenditures <sup>b</sup>

**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, 2002-03, 2003-04, 2004-05, 2005-06 and 2006-07.

<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					
2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
\$ 65,858,858	\$ 66,171,884	\$ 64,574,677	\$ 66,766,094	\$ 70,789,698	\$ 78,785,644
13,363,432	14,586,791	13,891,957	16,562,850	17,600,175	18,108,218
1,676,261	2,031,842	2,593,004	2,026,832	2,189,892	2,537,779
6,536,088	6,422,978	7,346,447	9,006,169	9,781,117	10,559,783
5,005,634	6,347,659	6,963,972	9,079,305	9,955,245	9,423,293
4,791,419	4,854,888	4,795,942	5,184,832	5,162,345	6,066,905
2,904,251	3,418,105	3,271,186	3,567,137	3,662,612	3,973,048
1,340,829	1,348,953	1,365,456	1,483,126	1,626,251	1,783,260
5,185,172	5,420,372	5,933,888	5,757,343	6,678,883	7,789,156
14,665,825	15,174,695	15,108,739	16,896,566	18,309,436	20,043,520
1,425,684	1,483,249	1,333,434	1,544,539	2,148,068	2,204,195
8,485,824	9,000,647	8,925,429	8,730,549	9,135,639	8,837,951
180,376	126,191	99,620	49,539	15,469	472
4,079,614	3,836,273	3,683,433	3,910,627	4,266,661	4,280,890
187,651	719,031	3,131,446	1,682,134	1,362,695	259,075
	144,897	165,627	189,327		
	63,089	42,359	18,658		
<u>\$ 135,686,918</u>	<u>\$ 141,151,544</u>	<u>\$ 143,226,616</u>	<u>\$ 152,455,627</u>	<u>\$ 162,684,186</u>	<u>\$ 174,653,189</u>
<u>\$ 456,858</u>	<u>\$ 925,343</u>	<u>\$ 838,934</u>	<u>\$ 881,112</u>	<u>\$ 1,092,234</u>	<u>\$ 531,325</u>
<u>\$ 135,230,060</u>	<u>\$ 140,226,201</u>	<u>\$ 142,387,682</u>	<u>\$ 151,574,515</u>	<u>\$ 161,591,952</u>	<u>\$ 174,121,864</u>
0.00%	0.15%	0.15%	0.14%	0.00%	0.00%

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

**Other Financing Sources and Uses and Net Change in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	<b>Fiscal Year</b>			
	<b>1997-98</b>	<b>1998-99</b>	<b>1999-2000</b>	<b>2000-01</b>
Excess (deficiency) of revenues over expenditures	\$ (3,307,429)	\$ 558,944	\$ 8,556,439	\$ 3,962,274
Other financing sources (uses):				
Proceeds from sale of capital assets				
Proceeds from insurance recovery				
Issuance of capital leases				
Transfers in	1,764,315	1,983,291	2,037,338	1,366,045
Transfers out	<u>(1,764,315)</u>	<u>(1,983,291)</u>	<u>(2,037,338)</u>	<u>(1,366,045)</u>
Total other financing sources (uses)	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net change in fund balances	<u>\$ (3,307,429)</u>	<u>\$ 558,944</u>	<u>\$ 8,556,439</u>	<u>\$ 3,962,274</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					
2001-02 <sup>a</sup>	2002-03	2003-04	2004-05	2005-06	2006-07
\$ 2,736,386	\$ (210,155)	\$ (1,641,448)	\$ 4,149,322	\$ 959,147	\$ (3,471,678)
	6,300	15,647	6,802	24,407	8,373
	533,943				1,049,081
1,831,975	3,226,044	1,784,852	828,950	618,073	614,025
(3,431,975)	(3,226,044)	(1,784,852)	(828,950)	(618,073)	(614,025)
(1,600,000)	540,243	15,647	6,802	24,407	1,057,454
<u>\$ 1,136,386</u>	<u>\$ 330,088</u>	<u>\$ (1,625,801)</u>	<u>\$ 4,156,124</u>	<u>\$ 983,554</u>	<u>\$ (2,414,224)</u>

# FAIRBANKS NORTH STAR BOROUGH

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

Calendar Year of Assessed Value	Residential Property	Commercial Property	Industrial Property	Pipeline
1996	\$ 1,868,046,842	\$ 435,723,566	\$ 310,344,982	\$ 306,557,080
1997	2,056,375,121	370,022,264	558,528,406	300,004,500
1998	2,204,283,283	426,460,821	587,341,821	286,560,750
1999	2,361,729,135	488,193,989	617,550,101	303,577,810
2000	2,511,729,194	539,178,081	625,087,790	258,225,360
2001	2,587,074,209	589,404,786	632,107,765	277,581,520
2002	2,751,675,089	617,545,662	658,750,150	263,366,140
2003	2,963,148,571	653,082,170	685,991,689	270,805,700
2004	3,265,296,769	686,178,389	703,988,463	271,188,340
2005	3,690,431,430	757,571,240	699,161,448	275,302,600

**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.

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

<b>Vacant Land</b>	<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</b>
\$ 266,315,209	\$ 259,828,065	\$ 2,927,159,614	13.495	\$ 2,943,376,051	99.449%
253,395,116	276,913,787	3,261,411,620	13.390	3,429,265,162	95.105
258,224,970	291,291,298	3,471,580,347	13.775	3,556,634,978	97.609
255,285,201	308,363,625	3,717,972,611	14.480	3,856,205,349	96.415
259,596,172	331,043,832	3,862,772,765	13.662	3,991,843,960	96.767
254,297,594	349,634,461	3,990,831,413	13.860	4,164,987,187	95.819
277,175,320	375,715,896	4,192,796,465	13.693	4,317,501,674	97.112
281,742,922	402,570,639	4,452,200,413	13.693	4,588,376,599	97.032
312,728,247	438,116,409	4,801,263,799	13.606	5,020,392,059	95.635
317,147,285	479,593,358	5,260,020,645	13.219	5,522,981,852	95.239



# **FAIRBANKS NORTH STAR BOROUGH**

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

	Tax Rates - Millage									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>This Borough:</b>										
Areawide	13.495	13.390	13.775	14.480	13.662	13.860	13.693	13.693	13.606	12.923
Non-Areawide	0.543	0.552	0.511	0.516	0.522	0.521	0.525	0.523	0.435	0.418
Solid Waste Collection District	1.136	1.159	1.166	1.188	1.159	1.162	1.187	1.187	1.183	1.150
Airway S.A.	1.238	1.234	1.177	1.201	1.175	1.259	1.251	1.214	1.210	1.120
Arctic Fox S.A.	0.911	0.862	0.865	1.184	2.158	2.283	2.325	2.167	2.272	1.944
Aztec S.A.	1.596	1.621	1.623	1.647	1.622	1.674	1.580	1.555	1.576	1.431
Ballaine Lake S & W S.A.	7.382	7.813	8.134	8.085	8.411	8.797	11.744	11.543	11.758	13.775
Becker Ridge S.A.	1.524	1.521	1.495	1.517	1.490	1.542	1.527	1.490	1.500	1.359
Birch Hill S.A.	2.106	2.146	2.130	2.146	2.080	2.085	2.083	2.025	1.986	1.861
Bluebird			1.977	1.967	2.195	2.253	2.326	2.329	2.408	2.187
Borda Road S.A.	1.179	1.192	1.216	1.240	1.177	1.192	1.195	1.166	1.152	1.131
Brookside S.A.	0.464	0.469	0.462	0.493	0.484	0.488	0.487	0.495	0.482	0.457
Chena-Goldstream										
Volunteer Fire S.A.	2.000	1.700	1.672	1.678	1.632	1.674	1.639	1.627	1.615	1.483
Chena Hills Road S.A.	0.602	1.057	1.038	1.059	1.046	1.097	1.051	1.067	1.068	1.001
Chena Hot Springs II (a)										0.681
Chena Marina S.A.							0.493	0.471	0.893	0.825
Chena Point			1.863	1.974	1.997	2.002	1.708	1.710	1.705	3.176
Chena Spur			0.943	0.934	0.930	0.945	0.893	0.893	0.897	2.354
College S.A.	1.505	1.537	1.508	1.502	1.469	1.476	1.480	1.418	1.391	1.292
College Hills S.A.	0.938	0.956	0.935	0.941	0.917	0.919	0.927	0.923	0.922	0.789
Cooper Estates S.A.	2.181	2.108	2.094	2.089	3.233	3.291	3.149	2.927	3.045	2.709
Cordes Drive S.A.	1.287	1.305	1.264	1.230	1.306	1.338	1.338	1.403	1.337	1.150
Cripple Creek S.A.	1.893	1.931	1.974	1.923	1.835	1.875	1.868	1.835	1.754	1.679
Deep Forest S.A. (b)							0.865	0.944	6.229	0.759
Diane Subdivision S.A.	0.380	0.387	0.384	0.377	0.362	0.359	0.359	0.362	0.351	0.322
Drake Estates S.A. (c)								1.931	2.120	1.783
Edanella Heights Road S.A.	1.051	1.064	1.035	1.033	1.013	1.027	0.984	0.945	0.977	1.281
Ester Lump Road S.A.	2.062	2.083	2.027	2.031	2.000	2.016	2.000	2.053	2.021	1.881
Ester Volunteer Fire S.A.	2.565	2.633	2.611	2.577	2.545	2.580	2.634	2.657	2.590	2.501
Fairfields S.A.	0.892	0.892	0.871	0.894	0.870	0.887	0.861	0.824	0.812	0.707
Fairhill S.A.	1.329	1.347	1.311	1.328	1.305	1.296	1.332	1.295	1.211	1.170
Fairwest S.A.	2.013	2.095	2.029	2.015	2.030	2.007	2.024	1.999	1.971	1.878
Garden S.A.			1.255	1.250	1.203	1.225	1.205	1.116	1.158	1.103
Golden Valley Road S.A.	3.684	3.612	3.553	3.541	3.362	3.427	3.224	2.728	2.618	2.695
Goldstream Alaska S.A.	1.641	1.657	1.612	1.609	1.524	1.567	1.536	1.498	1.512	2.294
Goldstream Moose Creek S.A. (d)				2.022	1.971	2.057	2.064	1.988	1.873	1.723
Gordon S.A.	1.328	1.331	1.314	1.312	1.267	1.303	1.289	1.281	1.245	1.167
Granola Estates S.A.	1.321	1.233	1.230	1.173	1.164	1.207	1.253	1.216	1.210	1.323
Grieme Road S.A.	2.582	2.657	2.892	3.016	2.855	3.617	3.542	3.137	3.144	3.486
Haystack S.A.	1.597	1.651	1.670	1.675	1.672	1.664	3.175	3.309	3.285	3.106
Heming Hills S.A.	1.375	1.414	1.397	1.480	1.465	1.495	1.469	1.511	1.482	1.382
Hopeless S.A. (a)										0.869
Horseshoe Downs S.A.	1.326	1.379	1.384	1.459	1.447	1.486	1.577	2.633	2.591	2.384
Jennifer Drive S.A.	0.588	0.595	0.568	0.567	0.563	0.578	0.575	0.571	0.500	1.695
Jones Road S.A.	1.075	1.104	1.075	1.078	1.825	1.798	1.820	1.762	1.697	1.570
Joy Road S.A.	1.517	1.465	1.439	1.440	1.389	1.517	1.508	1.424	1.401	1.274
Keeney Road S.A.	0.635	0.664	0.673	0.683	0.668	0.681	0.706	0.670	0.646	0.549
Kendall S.A.	0.498	0.508	0.494	0.975	0.960	1.001	0.993	0.941	0.958	0.939
Keystone S.A.	3.533	3.786	4.105	3.268	3.247	3.283	3.373	3.166	2.976	3.125
Kris Kringle S.A.	1.892	1.903	1.923	1.924	1.883	1.916	3.719	3.942	2.077	1.938
Lakloey Hill S.A.	1.158	1.191	1.173	1.160	1.144	1.176	1.173	1.172	1.130	1.030
Lee Lane S.A.	1.666	1.663	1.646	1.696	1.655	1.678	1.701	1.650	1.649	1.598
Loose Moose S.A.	1.065	1.084	1.073	1.049	1.015	1.004	0.981	0.926	0.918	0.875
Martin S.A.	8.726	8.627	8.520	6.283	5.813	5.946	6.094	6.267	5.934	7.714

**Tax Levies (In 000's)**

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
\$42,765	\$45,813	\$50,177	\$56,487	\$55,566	\$58,314	\$60,682	\$64,568	\$69,324	\$74,094
1,079	1,213	1,189	1,290	1,356	1,412	1,496	1,588	1,424	1,543
2,435	2,743	2,932	3,260	3,295	3,436	3,683	3,916	4,194	4,536
7	7	8	8	8	8	9	9	10	10
1	1	1	2	4	4	4	4	5	5
11	11	11	12	13	13	13	14	16	17
11	11	11	12	13	13	18	18	19	22
45	46	48	50	52	55	59	64	70	82
34	38	45	50	53	55	59	63	68	75
		4	4	4	5	5	5	6	6
8	8	11	13	14	14	16	19	21	23
5	5	5	6	6	6	6	7	7	7
395	349	384	414	449	479	521	572	637	710
9	17	19	24	30	35	39	45	54	63
									1
						7	7	15	17
		2	5	9	11	15	18	24	48
		8	8	9	9	9	10	10	32
287	300	312	322	330	341	356	370	390	419
16	16	17	17	18	19	20	21	22	21
6	6	7	7	12	12	12	13	16	18
4	4	4	5	12	13	13	15	17	18
15	16	18	21	24	27	29	32	37	41
						11	15	46	46
2	2	3	3	3	3	3	3	3	3
							10	12	13
12	13	13	14	14	15	16	16	17	26
10	10	11	12	12	12	13	14	14	15
125	134	144	155	166	182	195	207	228	255
11	12	12	12	12	13	13	14	14	14
8	8	8	8	8	9	10	10	10	11
14	14	15	15	16	16	17	17	18	19
		8	8	9	9	10	10	12	20
3	3	3	3	3	3	4	4	5	6
5	6	6	7	7	8	9	9	11	19
			10	11	12	12	30	33	36
13	18	21	22	22	24	25	26	29	35
3	3	3	3	3	3	3	3	4	4
1	2	2	3	5	5	6	7	9	11
5	5	6	7	7	7	15	16	18	19
12	13	13	15	16	16	17	19	20	21
									18
3	3	4	4	4	4	5	9	10	10
1	1	1	1	1	1	1	1	1	4
16	17	18	19	33	35	36	37	37	44
3	3	3	4	4	4	5	5	5	6
1	1	1	1	2	2	2	2	2	2
3	3	3	7	7	7	7	7	9	10
4	5	6	7	7	7	8	8	8	10
5	5	6	6	7	7	16	17	10	11
19	20	20	21	22	22	23	25	26	28
3	3	3	3	3	4	4	4	4	5
4	4	4	5	5	5	5	5	5	5
4	5	5	6	6	7	7	7	9	15

# FAIRBANKS NORTH STAR BOROUGH

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

	Tax Rates - Millage									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
McCloud S.A.	10.925	11.204	11.163	9.301	9.190	8.992	9.164	8.620	8.237	14.746
McGrath Estates S.A.	1.271	1.305	1.300	1.315	1.308	1.336	1.322	1.440	1.431	1.207
McKinley View S.A.	1.506	1.536	1.523	1.725	2.842	2.532	2.510	2.191	2.055	1.808
Mellow Woods Road S.A.	0.878	0.879	0.869	0.897	1.236	1.297	1.275	1.360	1.330	1.253
Miller Hill Extension S.A.	2.547	2.669	2.560	2.641	2.507	2.569	2.493	2.516	5.597	4.607
Moose Creek Road S.A.	0.341	0.357	0.361	0.372	0.390	0.390	0.394	0.559	0.572	0.421
Moose Meadows S.A.									0.886	0.818
Mountain View S.A.	1.217	1.279	1.243	1.269	1.272	1.276	1.278	1.262	1.247	1.143
Murphy S.A.	1.940	1.969	1.833	1.773	1.708	1.744	1.761	1.647	1.593	1.571
Musk Ox S.A.	1.294	1.315	1.300	1.305	1.288	1.357	1.369	1.344	1.320	1.174
Newby Park S.A.	0.455	0.462	0.456	0.456	0.453	0.459	0.459	0.495	0.477	0.722
North Ridge S.A.						4.075	4.446	3.858	3.921	4.534
North Star Volunteer Fire S.A.	1.344	1.369	1.362	1.377	1.359	1.382	1.374	1.488	1.462	1.257
O'Connor Creek S.A.	11.994	12.814	13.550	14.005	15.006	14.670	15.176	15.693	16.029	12.475
Old Wood Road S.A.	1.520	1.615	1.621	1.638	1.603	1.794	1.813	2.045	1.988	1.672
Our S.A.	1.001	1.028	1.004	1.012	0.975	0.983	0.970	1.015	0.986	0.929
Parkside S.A.	1.482	1.508	1.494	1.507	1.479	1.579	1.600	1.600	1.584	1.558
Peede Country Estates S.A.	1.637	1.639	1.587	1.683	1.558	1.585	1.554	1.499	1.475	1.402
Pinestream S.A.	1.002	1.022	1.009	1.064	1.041	1.039	1.028	0.989	0.975	0.902
Pleasureland S.A.	1.154	1.152	1.119	1.152	1.112	1.096	1.090	1.047	0.998	0.976
Polar Heights S.A.	1.017	1.052	1.064	1.088	1.091	1.095	1.081	1.172	1.166	1.027
Potlatch S.A.	2.692	2.706	2.655	2.594	2.551	2.595	2.496	2.430	3.514	2.374
Prospect Park S.A.	0.825	0.838	0.836	0.858	0.850	0.892	0.891	0.961	0.891	1.142
Reed Acres Road S.A.	1.333	1.376	1.373	1.374	1.381	1.411	1.371	1.380	1.359	1.259
Ridgecrest S.A.				1.044	1.015	1.028	0.938	0.928	0.887	0.899
Salchaket Heights S.A.	4.314	4.429	4.393	4.475	4.465	4.589	4.543	4.668	4.292	4.590
Scenic Heights S.A.	1.646	1.687	1.652	1.664	1.698	1.701	1.573	1.584	1.527	1.377
Seavy S.A.	0.424	0.438	0.433	0.444	0.447	0.448	0.446	0.444	0.418	0.349
Secluded Acres					1.739	1.583	1.585	1.431	1.442	1.451
Serendipity Hill S.A.	2.171	2.624	2.590	2.605	2.661	2.674	3.377	3.287	3.153	3.029
Six-Mile Village Road S.A.	1.381	1.408	1.387	1.400	1.525	1.526	1.378	1.408	1.354	1.226
Smallwood Trail Road S.A.	0.687	0.697	0.685	0.694	0.674	0.688	0.680	0.787	0.743	0.613
Spring Glade S.A.	1.015	1.059	1.024	1.024	1.011	1.056	1.041	1.008	0.893	0.826
Spruce Acres S.A.	1.854	1.934	1.855	1.725	1.613	1.712	1.665	1.647	1.698	1.568
Steamboat Landing S.A.	1.322	1.334	1.318	1.356	1.334	1.315	1.260	1.251	1.317	1.171
Steese Volunteer Fire S.A.	1.444	1.482	1.465	1.469	1.466	1.494	1.937	1.861	1.809	1.693
Straight Creek S.A.					3.472	3.376	3.373	3.444	3.315	3.393
Summerwood S.A.	1.743	1.736	1.719	1.735	1.657	4.683	2.716	2.658	2.506	2.340
Summit Drive S.A.	1.073	1.102	1.069	1.074	1.065	1.079	1.085	1.060	1.037	1.450
Sunny Hills Terrace S.A.	0.846	0.905	2.278	2.317	2.422	2.484	2.378	2.377	2.432	2.355
Sunrise S.A.	2.548	2.607	2.478	2.543	2.430	2.501	2.467	2.357	2.349	2.078
Tan Terra S.A.	1.026	1.071	1.041	1.079	1.023	1.027	0.970	0.977	0.926	1.624
Thomas S.A.		1.557	1.537	1.455	1.381	1.272	1.284	1.297	1.209	2.442
Timberlane Road S.A.	1.641	1.666	1.626	1.639	1.577	1.589	1.556	1.470	1.485	1.347
Tungsten S.A.	2.450	2.438	2.471	2.560	2.606	2.797	2.752	2.778	2.737	2.687
Twenty Three Mile Slough S.A.			2.925	3.120	2.912	2.847	2.455	2.445	2.489	3.887
Ullrhaven A.A.	2.084	2.266	2.062	1.958	1.897	1.928	1.926	1.916	1.835	1.910
University Fire S.A.	2.317	2.365	2.339	2.305	2.310	2.319	2.326	2.300	2.285	2.163
University Heights S.A.	1.644	1.694	1.704	1.706	1.700	1.684	1.697	1.652	1.600	1.533
University West Street Lights S.A.	0.538	0.551	0.545	0.541	0.529	0.527	0.528	0.500	0.485	0.443
Vienna Woods					1.151	1.179	1.148	0.960	0.904	0.856
Viewpointe S.A.	1.066	1.091	1.061	1.058	1.072	1.055	1.076	1.069	1.021	0.971
Violet Drive S.A.	2.304	2.344	2.315	2.356	2.244	2.264	2.203	2.191	2.118	2.711
Vista Gold Road S.A.	3.156	3.271	3.075	3.005	2.912	2.943	2.959	2.883	2.733	2.459
Vue Crest, S.A.	1.468	1.497	1.472	1.521	1.532	1.550	1.510	1.467	1.462	1.389
Whitman S.A.	4.009	4.078	4.057	1.897	1.863	1.742	1.625	1.616	1.623	1.485

**Tax Levies (In 000's)**

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
\$ 4	\$ 5	\$ 7	\$ 7	\$ 8	\$ 9	\$ 9	\$ 9	\$ 11	\$ 23
32	34	38	40	42	44	46	53	58	55
2	2	2	2	4	4	4	4	4	5
5	6	7	7	11	12	12	14	15	15
11	11	12	13	14	15	16	16	37	41
8	9	8	9	10	10	10	13	14	13
								48	53
17	18	19	19	20	20	21	22	23	24
3	3	4	4	5	5	5	6	7	9
14	15	15	16	17	18	19	20	21	22
6	6	6	6	6	6	7	8	9	14
					3	4	4	5	8
592	624	666	709	770	815	867	1,019	1,110	1,135
70	72	73	78	79	81	83	85	87	90
4	5	5	6	6	7	7	9	9	8
1	1	2	2	2	2	2	2	2	3
3	3	4	4	4	4	5	5	5	7
3	3	3	3	3	3	4	4	4	4
9	10	10	12	13	14	14	14	15	18
3	3	4	4	4	5	5	5	6	6
11	11	12	12	13	13	13	14	15	16
5	6	7	7	8	9	9	9	7	11
3	3	3	3	3	4	4	5	5	7
4	4	4	4	5	5	5	6	6	6
			1	1	1	1	2	2	2
1	1	1	1	2	2	2	2	2	2
12	12	13	14	14	14	14	15	16	16
4	5	6	6	6	7	7	8	9	8
				5	5	5	6	6	7
2	2	2	2	3	4	5	6	6	6
3	3	3	3	4	4	4	5	5	8
3	3	3	3	3	3	3	4	5	5
12	12	13	15	15	16	18	20	20	22
4	4	4	4	4	4	4	5	5	5
6	7	7	7	8	8	8	9	10	12
377	401	430	460	490	516	736	800	862	935
				7	8	8	8	9	9
3	4	4	4	5	13	21	23	26	28
30	32	33	35	37	38	42	45	48	79
6	7	18	19	19	20	20	21	23	25
6	7	7	7	8	8	8	9	9	10
6	6	7	7	7	7	8	8	9	16
	3	3	3	4	4	4	4	4	10
5	5	6	6	6	6	6	6	7	7
3	4	4	5	7	10	13	17	22	25
		4	5	7	8	9	10	12	19
2	2	2	2	2	2	3	3	3	3
1,003	1055	1,116	1,172	1,266	1,355	1,432	1,519	1,609	1,727
27	29	33	33	36	38	40	42	44	46
37	38	40	41	41	43	44	46	49	52
				8	10	11	12	14	16
11	12	12	12	13	13	14	14	15	15
19	20	21	22	23	24	26	27	29	44
14	16	17	18	20	21	23	26	28	29
16	17	18	18	19	19	20	21	22	23
5	6	6	3	3	3	2	3	3	3

# FAIRBANKS NORTH STAR BOROUGH

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

	Tax Rates - Millage									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Wildview S.A.	3.073	3.129	3.099	3.136	3.090	3.142	3.021	3.078	2.896	2.790
Woodland S.A.	1.432	1.571	1.420	1.332	1.233	1.246	1.222	1.204	1.189	0.999
Woodridge/Mark Acres Road S.A. (e)	2.987	3.066	3.016	3.016	2.802					
Yak Road S.A.	0.939	0.951	0.945	0.973	0.963	0.983	0.956	0.956	0.934	0.888
City of Fairbanks	4.964	5.966	5.999	6.000	6.442	6.426	6.511	6.516	7.171	6.804
City of North Pole	2.300	2.300	2.300	2.300	2.400	2.400	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 exception, the total amount of tax that can be levied during a year cannot exceed the preceding year per FNSB 3.08.145.

**Source:** Fairbanks North Star Borough Comprehensive Annual Financial Report (CAFR). 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)									
1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
\$ 56 1	\$ 60 2	\$ 67 2	\$ 73 1	\$ 80 2	\$ 89 2	\$ 97 2	\$ 109 2	\$ 120 2	\$ 131 2
6	6	7	7	7					
6	13	15	31	35	37	43	48	56	62
5,087	6,285	6,628	6,883	7,861	8,033	8,648	9,227	11,113	11,688
361	389	431	562	589	591	759	789	813	770

- (a) Chena Hot Springs II and Hopeless Road S.A. tax mil rate beginning in 2005.  
(b) Deep Forest Road S.A. starting in 2004 includes a two year road project under a differential tax zone.  
(c) Drake Estates Road S.A. established October 10, 2002 with tax mil rate beginning in 2003.  
(d) Goldstream Moose Creek Road S.A. formerly Spinach Creek Road S.A.  
(e) Woodridge/Mark Acres Road S.A. merged with Summerwood S.A. in fiscal year 2001-02.

# FAIRBANKS NORTH STAR BOROUGH

## Principal Taxable Properties Current Year and Nine Years Ago

Taxpayer	Type of Business	2005			1996		
		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	\$ 275,302,600	1	4.80%	\$ 306,557,080	1	9.34%
Fort Knox	gold mining	230,374,288	2	4.01	95,773,546	2	2.92
Flint Hills Resources, LLC <sup>c</sup>	oil refining	141,162,159	3	2.46	93,262,599	3	2.84
Alaska Communications Systems	communications	37,923,601	4	0.66			
HEBL Housing (Eielson)	military housing	37,107,710	5	0.65			
Westmark Hotel	hotel	31,674,072	6	0.55			
Alaska Hotel Properties, Inc. <sup>d</sup>	hotel	26,303,374	7	0.46	13,700,087	8	0.42
Wal-Mart	shopping center	22,362,412	8	0.39			
North Star Alaska Housing	military housing	21,670,713	9	0.38	33,894,830	4	1.03
Fred Meyer of Alaska, Inc.	shopping center	21,277,457	10	0.37	17,416,497	5	0.53
Polar Star Alaska Housing	military housing				17,189,768	6	0.52
Dura Corporation	military housing				13,823,291	7	0.42
Sam's Club <sup>e</sup>	shopping center				13,480,445	9	0.41
Jillian Square	apartment complex				12,259,888	10	0.37
		<u>\$ 845,158,386</u>		<u>14.73%</u>	<u>\$ 617,358,031</u>		<u>18.80%</u>

### Notes:

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

<sup>a</sup> \$5,739,614,003

<sup>b</sup> \$3,282,761,225

<sup>c</sup> Mapco Petroleum, Inc. in 1996

<sup>d</sup> Princess

<sup>e</sup> Wal-Mart in 1996

**Source:** Fairbanks North Star Borough. 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

## 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
1996-97	\$ 42,764,765	\$ 40,765,857	\$ 40,100,706	98.37%	\$ 644,987	\$ 40,745,693	99.95%
1997-98	45,812,934	43,679,703	43,006,607	98.46	670,238	43,676,845	99.99
1998-99	50,176,823	47,143,017	47,030,281	99.76	685,577	47,715,858	101.22
1999-00	56,487,428	53,617,787	52,965,407	98.78	566,620	53,532,027	99.84
2000-01	55,566,051	52,599,980	51,710,487	98.31	772,536	52,483,023	99.78
2001-02	58,313,709	55,267,748	54,516,342	98.64	818,868	55,335,210	100.12
2002-03	60,682,005	57,373,161	56,643,449	98.73	735,136	57,378,585	100.01
2003-04	64,568,352	60,902,054	60,228,158	98.89	759,519	60,987,677	100.14
2004-05	69,324,447	65,289,393	64,576,590	98.91	635,124	65,211,714	99.88
2005-06	74,094,284	69,506,281	68,689,017	98.82	681,207	69,370,224	98.80

**Notes:** This table has been restated to conform to GASB Statement 44; as a result, the percentage of net levy for fiscal years 1999, and 2001 through 2004 exceed 100%. The transaction detail for the affected years will be analyzed and the table updated accordingly.

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

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

**Source:** Fairbanks North Star Borough Comprehensive Annual Financial Report (CAFR). 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**

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>
1996-97	\$	0.00%	\$
1997-98		0.00	
1998-99		0.00	
1999-2000		0.00	
2000-01		0.00	
2001-02		0.00	
2002-03	389,046	0.02	4.76
2003-04	223,419	0.01	2.73
2004-05		0.00	
2005-06		0.00	

**Note:**

<sup>a</sup> See page 193 for personal income and population data. These ratios are calculated using personal income and population for the calendar year corresponding to the beginning of the fiscal year being reported.

## FAIRBANKS NORTH STAR BOROUGH

### Demographic and Economic Statistics Last Ten Calendar Years

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
1995	81,797	\$1,878,174	\$22,961	7.5%
1996	82,289	1,923,210	23,371	7.6
1997	82,278	2,008,671	24,413	7.6
1998	83,928	2,097,376	24,990	5.6
1999	83,773	2,158,843	25,770	5.9
2000	82,840	2,303,272	27,804	6.0
2001	83,530	2,408,390	28,833	5.8
2002	84,791	2,521,539	29,787	6.5
2003	82,214	2,614,946	31,807	7.0
2004	84,979	2,747,714	32,334	6.6

**Source:**

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

# FAIRBANKS NORTH STAR BOROUGH

## Principal Employers Current Year and Nine Years Ago

Employer	2005			1996		
	Employees	Rank	Percentage of Total Borough Employment <sup>a</sup>	Employees	Rank	Percentage of Total Borough Employment <sup>b</sup>
Federal government <sup>c</sup>	3,353	1	7.98%	3,201	1	8.43%
University of Alaska Fairbanks <sup>d</sup>	2,500	2	5.95	2,432	2	6.40
Fairbanks North Star Borough School District	2,128	3	5.07	1,650	4	4.34
State Government <sup>e</sup>	1,747	4	4.16	1,848	3	4.86
Banner Health System <sup>f</sup>	1,245	5	2.96	1,012	5	2.66
Fred Meyer	662	6	1.58	500	7	1.32
Houston/Nana Joint Venture	617	7	1.47			
Sam's Club/Walmart	551	8	1.31			
Fairbanks North Star Borough	437	9	1.04	383	9	1.01
Fairbanks Gold Mining Company (Ft. Knox)	423	10	1.01			
Tanana Chiefs Conference				525	6	1.38
Local Government <sup>g</sup>				397	8	1.04
Fairbanks Municipal Utilities System				306	10	0.81
	<u>13,663</u>		<u>32.52%</u>	<u>12,254</u>		<u>32.25%</u>

### Notes:

<sup>a</sup> 42,012

<sup>b</sup> 37,993

<sup>c</sup> Excludes military uniformed personnel

<sup>d</sup> Student employment not included; 2005 - 950; 1996 - Not available

<sup>e</sup> State government is total state government excluding University of Alaska

<sup>f</sup> Fairbanks Memorial Hospital (Lutheran Health Services in 1996)

<sup>g</sup> Local government is total local government excluding FNSB School District, FNSB, City of North Pole, and FMUS in 1996 only.

**Source:** Fairbanks North Star Borough. Historically, information for the most recent fiscal year is not available until after the publication date of the School District's CAFR. However, data for the most recent two years was not available for this schedule.

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Full-time Equivalent Operating Fund Employees by Department and Type Last Six Fiscal Years

	Actual as of June 30					Revised Budget as of June 30
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Personnel by Department						
Board / Superintendent	7.50	7.20	7.50	7.50	7.50	8.50
Program Planning and Evaluation	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
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>a</sup>	40.00					
Senior High Schools	251.16	269.16	268.50	271.00	275.00	277.50
Charter Schools				25.50	48.58	45.70
Total Personnel	<u>1,556.26</u>	<u>1,569.71</u>	<u>1,548.05</u>	<u>1,526.43</u>	<u>1,571.86</u>	<u>1,600.57</u>
Personnel by Employee Type						
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
Total Personnel	<u>1,556.26</u>	<u>1,569.71</u>	<u>1,548.05</u>	<u>1,526.43</u>	<u>1,572.86</u>	<u>1,600.57</u>

### Notes:

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

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

**Source:** Fairbanks North Star Borough School District Financial Plan documents for fiscal years 2003-04, 2004-05, 2005-06, 2006-07, and 2007-08.

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Operating Statistics

Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Employer's			Cost of Employer's Contribution to PERS/TRS Per Pupil	Average Class Size <sup>b</sup>			Percentage of Students Eligible for Free or Reduced-Price Meals						
				Percentage Change	Contribution to PERS / TRS	Contribution to PERS/TRS		Elementary Schools	Middle Schools	Senior High Schools							
												Percentage Change	Contribution to PERS / TRS	Contribution to PERS/TRS	Elementary Schools	Middle Schools	Senior High Schools
1997-98	16,431	\$ 116,519,081	\$ 7,091	(2.68)%	\$ 7,399,962	\$ 450	(11.89)%	23.2	25.4	24.7	28%						
1998-99	16,154	124,803,140	7,726	8.95	7,940,694	492	9.15	22.6	24.8	23.7	28						
1999-2000	15,804	131,177,979	8,300	7.44	8,069,665	511	3.87	22.2	25.3	23.7	28						
2000-01	15,553	132,219,251	8,501	2.42	8,364,574	538	5.33	23.1	25.4	24.5	28						
2001-02	15,274	135,686,918	8,884	4.50	7,977,900	522	(2.88)	22.8	24.5	24.5	28						
2002-03	15,142	141,151,544	9,322	4.93	8,202,012	542	3.71	22.9	24.7	24.6	30						
2003-04	14,593	143,226,616	9,815	5.29	8,321,154	570	5.27	22.8	22.4	23.7	30						
2004-05	14,576	152,455,627	10,459	6.57	12,043,050	826	44.90	23.4	22.9	23.7	33						
2005-06	14,516	162,684,186	11,207	7.15	16,935,386	1,167	41.20	23.4	21.8	23.5	32						
2006-07	14,466	174,653,189	12,073	7.73	21,204,764	1,466	25.62	22.6	22.9	23.8	32						

## Note:

<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: Information Systems Department

Average Class Size: Program, Planning and Evaluation Department

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

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Teacher Salary Information Last Eight 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>
1999-2000	\$ 32,733	\$ 61,865	\$ 50,097	50%
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

<sup>a</sup> Entry level salary represents a teacher with a bachelor degree and no experience.

<sup>b</sup> Maximum salary represents a teacher with a masters degree, plus thirty-six additional credits, and at least 15 years of teaching experience.

<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 five 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.

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

**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
1996-97	22.8	21.0	21.0	1,066	1,037	1,016	3.17	2.98	3.03
1997-98	22.9	21.3	21.0	1,062	1,041	1,017	3.06	2.96	3.03
1998-99	22.4	21.1	21.0	1,065	1,030	1,016	3.07	3.09	3.02
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

### 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.

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Miscellaneous Statistical Data  
June 30, 2007

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

Districtwide administrative personnel	4
Principals and assistant principals	43
Teachers (includes librarians and counselors)	902
Support staff	587
Professional and technical	68
Number of schools	34

**Enrollment <sup>b</sup>**

Elementary Schools - District	
Anne Wien	467
Badger Road	577
Barnette	370
Chinook Charter School	155
Denali	398
Hunter	317
Joy	372
Ladd	333
Nordale	378
North Pole Elementary	516
Pearl Creek	420
Salcha	100
Ticasuk Brown	525
Two Rivers	91
University Park	533
Weller	474
Woodriver	470
Secondary Schools - District	
Effie Kokrine Charter School	99
Hutchison High	348
Lathrop Senior High	1,278
North Pole Middle	442
North Pole Senior High	885
Randy Smith Middle	392
Ryan Middle	374
Star of the North Charter	195
Tanana Middle	505
West Valley Senior High	1,221
Alternative Learning System	76
Elementary Schools - On-Base	
Anderson	348
Arctic Light	508
Crawford	378
Secondary Schools - On-Base	
Ben Eielson Junior/Senior High	597
Guided Independent Study	296
Fairbanks Youth Facility	28
Total	<u>14,466</u>

**Sources:**

<sup>a</sup> Fairbanks North Star Borough School District Financial Plan document for fiscal year 2006-07.

<sup>b</sup> 2006-07 20 Day ADM Official Enrollment as reported to the Department of Education and Early Development.



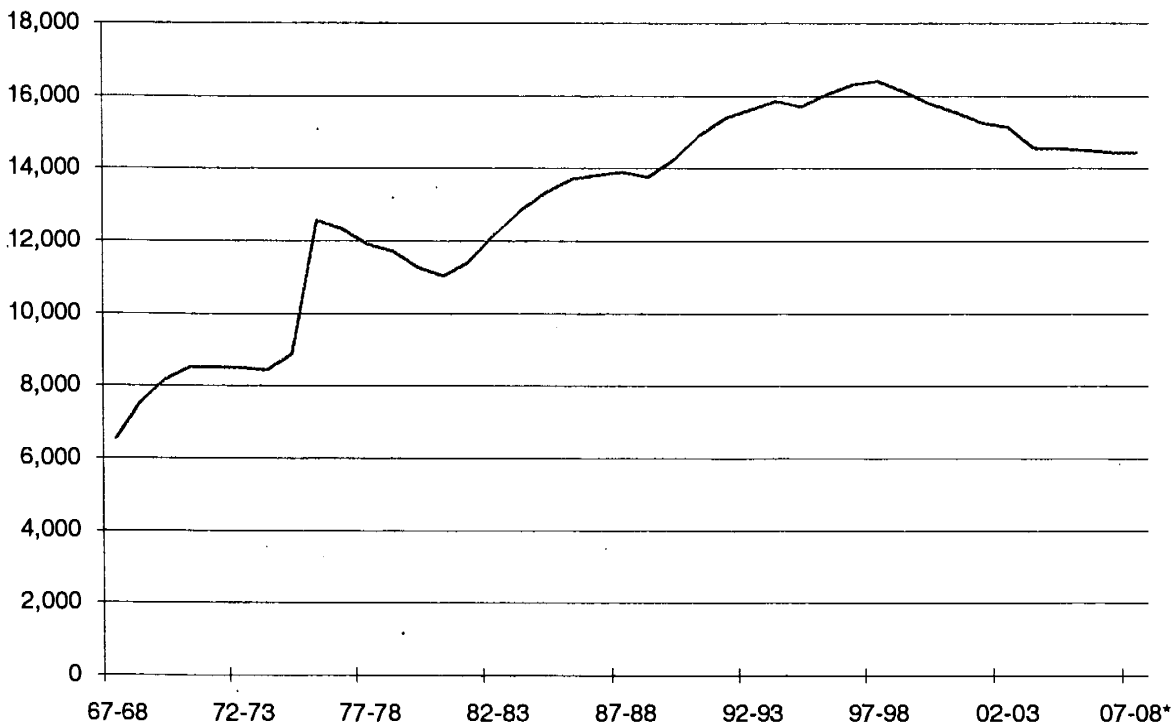
**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Historical Enrollment Data  
Actual Enrollments 1960-61 through 2006-07  
and Projected\* Enrollment for 2007-08

<b>Year</b>	<b>Students</b>	<b>Growth/ (Decline) From Prior Yr</b>	<b>% Chg From Prior Year</b>
60-61	4,955		
61-62	5,221	266	5.4%
62-63	5,696	475	9.1%
63-64	6,017	321	5.6%
64-65	6,550	533	8.9%
65-66	6,921	371	5.7%
66-67	7,052	131	1.9%
67-68	6,539	(513)	(7.3%)
68-69	7,541	1,002	15.3%
69-70	8,185	644	8.5%
70-71	8,528	343	4.2%
71-72	8,517	(11)	(0.1%)
72-73	8,512	(5)	(0.1%)
73-74	8,445	(67)	(0.8%)
74-75	8,879	434	5.1%
75-76	12,585	3,706	41.7%
76-77	12,343	(242)	(1.9%)
77-78	11,933	(410)	(3.3%)
78-79	11,741	(192)	(1.6%)
79-80	11,279	(462)	(3.9%)
80-81	11,053	(226)	(2.0%)
81-82	11,435	382	3.5%
82-83	12,206	771	6.7%
83-84	12,858	652	5.3%
84-85	13,350	492	3.8%
85-86	13,727	377	2.8%
86-87	13,823	96	0.7%
87-88	13,919	96	0.7%
88-89	13,782	(137)	(1.0%)
89-90	14,252	470	3.4%
90-91	14,924	672	4.7%
91-92	15,396	472	3.2%
92-93	15,629	233	1.5%
93-94	15,869	240	1.5%
94-95	15,716	(153)	(1.0%)
95-96	16,056	340	2.2%
96-97	16,322	266	1.7%
97-98	16,431	109	0.7%
98-99	16,154	(277)	(1.7%)
99-00	15,804	(350)	(2.2%)
00-01	15,553	(251)	(1.6%)
01-02	15,274	(279)	(1.8%)
02-03	15,142	(132)	(0.9%)
03-04	14,593	(549)	(3.6%)
04-05	14,576	(17)	(0.1%)
05-06	14,516	(60)	(0.4%)
06-07	14,466	(50)	(0.3%)
07-08*	14,443	(23)	(0.2%)

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Actual and Projected\* Enrollment - 1967 through 2008



**Sources:** The School District consulted with the Alaska Department of Labor, and officials from Ft. Wainwright, Eielson Air Force Base and the University of Alaska, Fairbanks.

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

**Capital Assets by Type and Function  
Last Six Fiscal Years**

	<b>Fiscal Year</b>			
	<b>2001-02 <sup>a</sup></b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>
<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> Capital assets by function data not available.

Fiscal Year	
2005-06	2006-07
\$	\$ 318,102
11,212,351	11,558,422
205,056	205,056
11,417,407	12,081,580
3,351,793	3,322,276
117,075	107,066
29,322	29,322
58,730	61,717
1,356,760	1,521,488
76,915	76,915
66,707	77,226
83,284	86,037
1,954,587	2,435,480
3,399,281	3,473,084
49,850	49,850
8,868	4,067
2,749	2,749
2,855	2,855
858,631	831,448
\$ 11,417,407	\$ 12,081,580

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

School Building Information  
Fiscal Years 2001-02, 2003-04, 2005-06 and 2006-07

<u>School</u>	<b>Fiscal Year</b>			
	<u>2001-02</u>	<u>2003-04</u>	<u>2005-06</u>	<u>2006-07</u>
<b>Elementary</b>				
Anderson Elementary				
Square Feet	43,996	43,996	43,996	43,996
Capacity	387	372	372	372
Enrollment	422	409	361	348
Anne Wien Elementary				
Square Feet	63,532	63,532	63,532	63,532
Capacity	574	553	553	553
Enrollment	464	402	447	467
Arctic Light Elementary				
Square Feet	68,272	68,272	68,272	68,272
Capacity	618	596	596	596
Enrollment	689	504	416	508
Badger Road Elementary				
Square Feet	61,686	61,686	61,686	61,686
Capacity	557	537	537	537
Enrollment	371	456	559	577
Barnette Elementary				
Square Feet	52,625	52,625	52,625	52,625
Capacity	471	454	396	396
Enrollment	364	314	330	370
Crawford Elementary				
Square Feet	63,532	63,532	63,532	63,532
Capacity	574	553	553	553
Enrollment	545	497	409	378
Denali Elementary				
Square Feet	46,349	48,421	49,210	49,210
Capacity	410	414	422	422
Enrollment	391	386	390	398
Hunter Elementary				
Square Feet	57,047	57,047	57,047	57,047
Capacity	513	494	494	494
Enrollment	370	341	339	318
Joy Elementary				
Square Feet	60,642	60,642	60,642	60,642
Capacity	547	527	527	527
Enrollment	384	357	369	372
Ladd Elementary				
Square Feet	63,455	63,455	63,455	63,455
Capacity	573	553	553	553
Enrollment	481	468	371	333
Nordale Elementary				
Square Feet	49,744	51,071	49,210	49,210
Capacity	443	439	422	422
Enrollment	375	359	382	378
North Pole Elementary				
Square Feet	57,154	57,154	57,154	57,154
Capacity	514	495	495	495
Enrollment	450	505	458	516

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

School Building Information  
Fiscal Years 2001-02, 2003-04, 2005-06 and 2006-07

	<b>Fiscal Year</b>			
	<b>2001-02</b>	<b>2003-04</b>	<b>2005-06</b>	<b>2006-07</b>
<b><u>School</u></b>				
<b>Elementary (cont.)</b>				
Pearl Creek Elementary				
Square Feet	62,982	62,982	62,982	62,982
Capacity	569	548	548	548
Enrollment	498	453	448	420
Salcha Elementary				
Square Feet	13,608	13,608	13,608	13,608
Capacity	79	76	76	76
Enrollment	79	85	89	100
Ticasuk Brown Elementary				
Square Feet	63,761	63,761	63,761	63,761
Capacity	576	556	556	556
Enrollment	377	495	545	525
Two Rivers Elementary				
Square Feet	22,200	22,200	22,200	22,200
Capacity	158	99	98	98
Enrollment	88	96	113	91
University Park Elementary				
Square Feet	64,699	64,699	64,699	64,699
Capacity	585	564	564	564
Enrollment	561	515	543	533
Weller Elementary				
Square Feet	65,259	65,259	65,259	65,259
Capacity	590	569	569	569
Enrollment	540	497	510	474
Woodriver Elementary				
Square Feet	64,408	64,408	64,408	64,408
Capacity	582	561	561	561
Enrollment	488	420	465	470
<b>Secondary</b>				
Ben Eielson Jr. Sr. High				
Square Feet	103,200	103,200	103,200	103,200
Capacity	649	616	616	616
Enrollment	636	607	572	597
Effie Kokrine Charter School <sup>a</sup>				
Square Feet	30,856	30,856	30,856	30,856
Capacity	107	102	102	102
Enrollment	118	109	169	99
Hutchison High <sup>b</sup>				
Square Feet	70,744	83,000	87,190	87,190
Capacity	418	-	510	510
Enrollment	120	-	317	348
Lathrop High				
Square Feet	234,412	234,412	234,412	234,412
Capacity	1,493	1,421	1,421	1,421
Enrollment	1,490	1,338	1,304	1,278

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## School Building Information Fiscal Years 2001-02, 2003-04, 2005-06 and 2006-07

	Fiscal Year			
	2001-02	2003-04	2005-06	2006-07
<b>School</b>				
<b>Secondary (cont.)</b>				
North Pole Middle				
Square Feet	113,306	113,306	113,306	113,306
Capacity	798	717	680	680
Enrollment	749	566	511	442
North Pole High				
Square Feet	156,362	156,362	156,362	156,362
Capacity	995	946	946	946
Enrollment	919	891	883	885
Randy Smith Middle				
Square Feet	74,589	74,589	74,589	74,589
Capacity	448	422	422	422
Enrollment	484	478	410	392
Ryan Middle				
Square Feet	99,880	99,880	99,880	99,880
Capacity	626	594	594	594
Enrollment	537	505	342	374
Tanana Middle				
Square Feet	101,069	101,069	101,069	101,069
Capacity	634	602	602	602
Enrollment	572	563	558	505
West Valley High				
Square Feet	216,884	216,884	216,884	216,884
Capacity	1,381	1,314	1,314	1,314
Enrollment	1,277	1,356	1,219	1,221

**Notes:**

<sup>a</sup> Prior to fiscal year 2005-06, Effie Kokrine Charter School was the Howard Luke Academy.

<sup>b</sup> Hutchison High was closed for renovation during fiscal year 2003-04.

**Source:** School District records.

# **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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October 29, 2007

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 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, 2007, which collectively comprise the School District's basic financial statements as listed in the table of contents. We also have audited the internal service fund type and fiduciary fund type of the School District, as of and for the year ended June 30, 2007, as displayed in the School District's basic financial statements. In addition we also have audited the financial statements of each of the Fairbanks North Star Borough School District's nonmajor governmental funds in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2007, and have issued our report thereon dated October 29, 2007. 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 Fairbanks North Star Borough School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion 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 Entity's internal control over financial reporting.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fairbanks North Star Borough 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 Fairbanks North Star Borough School District Board of Education, management, 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

October 29, 2007

# **Cook & Haugeberg LLC**

**CERTIFIED PUBLIC ACCOUNTANTS**

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO**  
**EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE**  
**IN ACCORDANCE WITH OMB CIRCULAR A-133**

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 with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The Fairbanks North Star Borough 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 Fairbanks North Star Borough School District's management. Our responsibility is to express an opinion on the Fairbanks North Star Borough 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, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Fairbanks North Star Borough 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 Fairbanks North Star Borough School District's compliance with those requirements.

In our opinion, the Fairbanks North Star Borough School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007. However the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 07-01.

**Internal Control Over Compliance**

The management of the Fairbanks North Star Borough School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Fairbanks

North Star Borough School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing our opinion on internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Fairbanks North Star Borough School District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the School District's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 07-01 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

Fairbanks North Star Borough School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Fairbanks North Star Borough School District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Fairbanks North Star Borough School District Board of Education, management, and 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

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2007

<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 Education</u></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-D, Delinquent and At-Risk Youth	84.010	CD0701601	\$ 98,926
Title IA, 20% Choice/Supplemental Education Services	84.010	IP0701601	48,787
Title IA, District Improvement	84.010	IP0601601	18,014
Title IA, District Improvement	84.010	IP0701601	339,195
Title I, School Improvement	84.010	CA0701601	9,258
Title IA, Basic	84.010A	IP0601601	6,786
Title IA, Basic	84.010A	IP0701601	1,973,712
Title IA, Highly Qualified	84.010A	IP0701601	(322)
			<u>2,494,356</u>
<b><i>Migrant Education_State Grant Program</i></b>			
Passed through the State of Alaska Department of Education and Early Development:			
Title IC, Migrant Education	84.011	IP0701601	105,571
Migrant Ed Summer	84.011	MS0701601	30,343
Migrant Ed Summer	84.011	MS0601601	4,316
			<u>140,230</u>
<b><i>Title I Program for Neglected and Delinquent Children</i></b>			
Passed through the State of Alaska Department of Education and Early Development:			
Title ID, Delinquent	84.013A	CO0701601	33,375
<b><u>Special Education Cluster (IDEA) *</u></b>			
<b><i>Special Education_Grants to States</i></b>			
Passed through the State of Alaska Department of Education and Early Development:			
Title VI-B (P.L. 94-142)	84.027A	SE0601701	10,997
Title VI-B (P.L. 94-142)	84.027A	SE0701701	3,635,300
			<u>3,646,297</u>
<b><i>Special Education_Preschool Grants</i></b>			
Passed through the State of Alaska Department of Education and Early Development:			
Preschool Disabled	84.173	FN0701601	107,753
			<u>3,754,050</u>
<b><i>Impact Aid</i></b>			
Direct Program:			
Impact Aid Earmark (Central Kitchen)	84.041E	N/A	910
Passed through the State of Alaska Department of Education and Early Development:			
Title VIII Impact Aid	84.041	N/A	12,247,994
			<u>12,248,904</u>

\* Federal Major Program-FY07

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2007

<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>Vocational Education_Basic Grants to States</i></b>			
Passed through the State of Alaska Department of Education and Early Development:			
Carl Perkins Basic Grant	84.048A	EK0601601	22,315
Carl Perkins Basic Grant	84.048A	EK0701601	281,456
			<u>303,771</u>
<b><i>Indian Education_Grants to Local Educational Agencies</i></b>			
Direct Program:			
Indian Education	84.060A	N/A	583,434
<b><i>Safe and Drug-Free School and Communities_National Programs</i></b>			
Direct Program:			
Safe Schools/Healthy Students	84.184L	N/A	294,178
<b><i>Safe and Drug-Free Schools and Communities_State Grants</i></b>			
Passed through the State of Alaska Department of Education and Early Development:			
Title IV-A, Safe & Drug Free Schools	84.186	IP0601601	756
Title IV-A, Safe & Drug Free Schools	84.186	IP0701601	86,863
			<u>87,619</u>
<b><i>Bilingual Education-Professional Development</i></b>			
Direct Program:			
Training For All Teachers	84.195B	N/A	121,157
<b><i>Fund for the Improvement of Education</i></b>			
Direct Program:			
4 R Children II	84.215K	N/A	54,884
Teaching American History	84.215X	N/A	121,420
Passed through the Anchorage School District:			
Enhancing Education Through Technology (E2T2)	84.215K	U215K040158	15,699
			<u>192,003</u>
<b><i>Tech-Prep Education</i></b>			
Passed through the University of Alaska Anchorage:			
Statewide Tech Prep Mini-grant	84.243	P0336280	(130)
<b><i>Charter Schools</i></b>			
Passed through the State of Alaska Department of Education and Early Development:			
Star of the North Secondary Charter Implementation	84.282A	CS060161M	8,907
Effie Kokrine Charter School Implementation	84.282A	CS070162M	145,041
			<u>153,948</u>

\* Federal Major Program-FY07

(continued)



**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2007

<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>Twenty-First Century Community Learning Centers</i></b>			
Passed through the State of Alaska Department of Education and Early Development:			
AK Community Centers Learning Program	84.287C	AC0601601	681
AK Community Centers Learning Program	84.287C	AC0701601	1,088,248
			<u>1,088,929</u>
<b><i>State Grants for Innovative Programs</i></b>			
Passed through the State of Alaska Department of Education and Early Development:			
Title V-A, Innovative Programs	84.298	IP0601601	1,549
Title V-A, Innovative Programs	84.298	IP0701601	47,349
			<u>48,898</u>
<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	IP0701601	49,195
Title II-D, Enhancing Education through Technology	84.318X	ET0601602	88,951
			<u>138,146</u>
<b><i>Arts in Education</i></b>			
Direct Program:			
Project ARTiculate	84.351D	N/A	240,462
<b><i>Alaska Native Educational Programs</i></b>			
Passed through the Association of Interior Native Educators:			
AINE Learning Styles Center	84.356A	N/A	613
<b><i>Reading First State Grants *</i></b>			
Passed through the State of Alaska Department of Education and Early Development:			
Alaska Reading First	84.357A	RF0601601	267
Alaska Reading First	84.357A	RF0701601	1,050,080
			<u>1,050,347</u>
<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	IP0701601	22,937
<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	IP0601601	122
Title IIA, Teacher & Principal Training & Recruitment	84.367	IP0701601	1,344,957
			<u>1,345,079</u>

\* Federal Major Program-FY07

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2007

<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>Civic Education</i></b>			
Passed through the Center for Civic Education: We the People: Project Citizen	84.929A	CC 04-05 5804 AK	8,500
<b><i>Hurricane Education Recovery</i></b>			
Passed through the State of Alaska Department of Education and Early Development: Hurricane Education Recovery	84.938	N/A	584
<b>Total U. S. Department of Education</b>			<u>24,351,390</u>
<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	MA0401601	2,507,762
<b>Total U. S. Department of Agriculture</b>			<u>2,507,762</u>
<b><u>U. S. Department of Health and Human Services</u></b>			
<b><i>Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems</i></b>			
Passed through the State of Alaska Department of Education and Early Development: Youth Risk Behavior Survey	93.938	YR0701601	7,000
<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	2,069
<b>Total U. S. Department of Health and Human Services</b>			<u>9,069</u>
<b><u>National Endowment for the Arts</u></b>			
<b><i>Promotion of the Arts Grants to Organizations and Individuals</i></b>			
Passed through Alaska State Council on the Arts: Independent Artists in Schools Program	45.024	N/A	4,875
<b>Total National Endowment for the Arts</b>			<u>4,875</u>
<b>Grand Total - Expenditures of Federal Awards</b>			<u>\$ 26,873,096</u>

\* Federal Major Program-FY07

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

### **Notes to Schedule of Expenditures of Federal Awards June 30, 2007**

#### **NOTE 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Fairbanks North Star Borough School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

#### **NOTE 2: U.S. DEPARTMENT OF AGRICULTURE (USDA) DONATED FOOD PROGRAM**

The USDA makes food (commodities) available to State agencies for donation to schools for the school lunch program. Because governmental funds are uniquely concerned with flows of *financial* resources, the receipt of commodities is not reported as revenue in governmental funds. They are, however, reported at fair market value in the government-wide financial statements. Food commodities are considered expended when consumed in the school lunch program. The fair market value of food commodities expended in FY07 was \$182,176.

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2007

**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 deficiencies identified that are not considered to be material weaknesses? Yes ☐ ☒ None reported

Noncompliance material to financial statements noted? Yes ☐ ☒ No

Federal Awards Assistance

Internal control over major programs:

Material weakness(es) identified? Yes ☐ ☒ No

Significant deficiencies identified that are not considered to be material weaknesses? Yes ☒ ☐ None reported

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

Audit findings which are required to be reported under 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>
84.027	Special Education_Grants to States <sup>a</sup>
84.173	Special Education_Preschool Grants <sup>a</sup>
84.357	Reading First State Grants
10.555	National School Lunch Program

Dollar threshold used to distinguish between type A and type B programs \$ 806,193

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

**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

<sup>a</sup> Special Education Cluster (IDEA)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2007

**SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

07-01: 10.555 U.S. Department of Agriculture National School Lunch Program grant, passed through the State of Alaska Department of Education and Early Development (DEED).

According to the U.S. Department of Agriculture, children belonging to households meeting nationwide income eligibility requirements may participate in the free and reduced lunch program if specific household income and reporting requirements are met. Guidelines for verification of eligibility as set forth in 7 CFR Ch. II, Section 245.6(c) include retention of documentation of the process for determining why applicants are deemed ineligible to participate in the program. Results of single audit sampling procedures performed to determine compliance with these eligibility requirements identified four instances where documentation indicating the process for determining the applicants were ineligible to participate in the program was incomplete. Due to the lack of documentation in the application files, the ineligibility assessments could not be verified. Confirmation that those applicants identified above were correctly deemed ineligible could not be obtained. As of June 30, 2007, the Fairbanks North Star Borough School District has developed a corrective action plan for meeting this compliance requirement, and has implemented additional verification procedures, including modification to the program application and independent review of processed applications, to provide assurance that eligibility determination procedures are correctly applied and adequately documented in accordance with grant eligibility compliance requirements.

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

**Corrective Action Plan**

**For the Year Ended June 30, 2007**

Finding number: 07-01

Responsible individual: Amy Rouse, Director of Nutrition Services

Management's view: Agree

Corrective action: Nutrition Services management became aware, after receipt of a letter from the State of Alaska Department of Education and Early Development (DEED), that documentation improvements were needed for the National School Lunch Program (NSLP) verification process. In May 2007 DEED provided mandatory teleconference training, attended by many school districts throughout the state, with additional on-site training in August 2007 in Anchorage. Subsequent to the May 2007 training, Nutrition Services management began instituting changes to the document tracking required for the verification process. The meals application was edited with additional signature lines to improve internal accountability. Improvements were made in the tracking document including but not limited to, notification dates, income documentation (i.e. paystubs, military leave earnings statement (LES), verification results, and action documentation and reason for the change. All documents received during the verification process are now date stamped when received by the Nutrition Services central office. Nutrition Services management is confident these changes will ensure proper documentation is in place for all verifications.

Anticipated completion date: Completed.

# **STATE SINGLE AUDIT**

**Reports on State Single Audit Requirements**

**Schedule of Expenditures of State Awards**

**Notes to Schedule of Expenditures of State Awards**

**Schedule of Findings and Questioned Costs**

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# **Cook & Haugeberg LLC**

**CERTIFIED PUBLIC ACCOUNTANTS**

October 29, 2007

**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 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, 2007, which collectively comprise the School District's basic financial statements as listed in the table of contents. We also have audited the internal service fund type and fiduciary fund type of the School District, as of and for the year ended June 30, 2007, as displayed in the School District's basic financial statements. In addition, we also have audited the financial statements 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, 2007, and have issued our report thereon dated October 29, 2007. 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 Fairbanks North Star Borough 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 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 *control deficiency* 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 noncompliance on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fairbanks North Star Borough 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 Fairbanks North Star Borough School District Board of Education, management, 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

# **Cook & Haugeberg LLC**

**CERTIFIED PUBLIC ACCOUNTANTS**

October 29, 2007

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

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

**Compliance**

We have audited the compliance of the Fairbanks North Star Borough 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, 2007. The Fairbanks North Star Borough School District's major state programs are identified in the accompanying schedule of expenditures of state awards. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state programs is the responsibility of the Fairbanks North Star Borough School District's management. Our responsibility is to express an opinion on the Fairbanks North Star Borough 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 Fairbanks North Star Borough 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 Fairbanks North Star Borough School District's compliance with those requirements.

In our opinion, the Fairbanks North Star Borough 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, 2007.

Internal Control Over Compliance

The management of the Fairbanks North Star Borough 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 Fairbanks North Star Borough 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 our opinion on compliance, 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 Fairbanks North Star Borough School District's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a state program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Fairbanks North Star Borough School District Board of Education, management, 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 Expenditures of State Awards  
For the Year Ended June 30, 2007

<b>State Agency/ Pass-through Grantor/ Program Title</b>	<b>Grant ID Number</b>	<b>Expenditures</b>
<b><u>State of Alaska Department of Education and</u></b>		
<b><u>Early Development</u></b>		
Direct Program:		
Public School Foundation Funding Program *	N/A	\$ 88,513,723
Supplemental Aid *	N/A	1,169,801
On-Base Schools *	N/A	1,450,000
Pupil Transportation *	N/A	8,794,472
Youth in Detention	EY0501601	114,036
State Charter School	SC0401601	396
Quality Schools *	N/A	345,636
Passed through the Alaska State Council on the Arts:		
Independent Artists in Schools Program	FY06-IAIS-02	4,875
<b>Total State of Alaska Department of Education and Early Development</b>		<b>100,392,939</b>
<b><u>Alaska State Railroad</u></b>		
Direct Program:		
Host/Hostess Program - FY07	N/A	26,235
<b>Total Alaska State Railroad</b>		<b>26,235</b>
<b><u>State of Alaska Department of Commerce, Community and</u></b>		
<b><u>Economic Development -</u></b>		
<b><u>Division of Community and Business Development</u></b>		
Direct Program:		
FNSB School District Lathrop High School Recreation Facilities & Equipment Upgrade	03-DC-109	3,518
<b><u>Division of Community Advocacy</u></b>		
Passed through the Fairbanks North Star Borough:		
Capital Projects on the School District Small Grants List	06-DC-349	51,897
North Pole Middle School Security System	07-DC-299	4,499
<b>Total State of Alaska Department of Commerce, Community and Economic Development</b>		<b>59,914</b>
<b><u>State of Alaska Department of Transportation and Public Facilities</u></b>		
Passed through the Fairbanks North Star Borough:		
Hutchison Student Head Bolt Outlet Power	501864	2,948
Ryan Middle School Headbolt Outlet Power	60768 / 61928	1,092
<b>Total State of Alaska Department of Transportation and Public Facilities</b>		<b>4,040</b>

\*State Major Program-FY07

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

**Schedule of Expenditures of State Awards**

**For the Year Ended June 30, 2007**

<b>State Agency/ Pass-through Grantor/ Program Title</b>	<b>Grant ID Number</b>	<b>Expenditures</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	7-1219	<u>77,378</u>
<b>Total State of Alaska Department Labor &amp; Workforce Development</b>		<u><u>77,378</u></u>
<b>Grand Total - Expenditures of State Awards</b>		<u><u>\$ 100,560,506</u></u>

\*State Major Program-FY07

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

### **Notes to Schedule of Expenditures of State Awards June 30, 2007**

#### **NOTE 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of state awards includes the state grant activity of the Fairbanks North Star Borough School District and is presented on the modified accrual basis of accounting. 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

**Schedule of Findings and Questioned Costs**

**For the Year Ended June 30, 2007**

**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 deficiencies identified that are  
not considered to be material weaknesses?

Yes ☐ ☒ None reported

Noncompliance material to financial statements noted?

Yes ☐ ☒ No

State Awards Assistance

Internal control over major programs:

Material weakness(es) identified?

Yes ☐ ☒ No

Significant deficiencies identified that are  
not considered to be material weaknesses?

Yes ☐ ☒ None reported

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

unqualified

Identification of major programs:

Name of State Program

State of Alaska Department of Education and Early Development:

Public School Foundation Funding Program

Supplemental Aid

On-Base Schools

Student Transportation

Quality Schools

**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III - STATE AWARDS FINDINGS AND QUESTIONED COSTS**

No matters were reported.



# **SUPPLEMENTAL REPORTS**

# **SUPPLEMENTAL REPORTS**

**Statements of Compliance**

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# Cook & Haugeberg LLC

CERTIFIED PUBLIC ACCOUNTANTS

October 29, 2007

## 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 basic financial statements of the Fairbanks North Star Borough School District as of and for the year ended June 30, 2007, and have issued our report thereon dated October 29, 2007. Our audit was made in accordance with auditing standards generally accepted in the United States of America 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 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 and management of the Fairbanks North Star Borough School District and the State of Alaska, Department of Education and Early Development and is not intended to be and should not be used by anyone other than these specified parties.

*Cook & Haugeberg LLC*

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**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**  
Statement of Compliance - AS 14.17.505  
Year Ended June 30, 2007

	<b>General Fund</b>		
	<b>Reserved Fund Balance</b>	<b>Unreserved Fund Balance</b>	<b>Total</b>
Reserved:			
Reserve for encumbrances	\$ 1,485,457	\$	\$ 1,485,457
Reserve for inventory	473,356		473,356
Reserve for prepaid items	25,179		25,179
Reserve for impact aid advance	10,562,000		10,562,000
Unreserved:			
Designated for subsequent year's expenditures		3,206,414	3,206,414
Undesignated		6,169,099	6,169,099
	<u>\$ 12,545,992</u>	<u>\$ 9,375,513</u>	<u>\$ 21,921,505</u>

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

$$\frac{\text{Unreserved fund balance}}{\text{Current year expenditures}} = \frac{\$ 9,375,513}{147,527,595} = 6.36\%$$

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# Cook & Haugeberg LLC

CERTIFIED PUBLIC ACCOUNTANTS

October 29, 2007

## 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 basic financial statements of the Fairbanks North Star Borough School District as of and for the year ended June 30, 2007, and have issued our report thereon dated October 29, 2007. Our audit was made in accordance with auditing standards generally accepted in the United States of America 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 causes 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 project 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 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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# **SUPPLEMENTAL REPORTS**

**Other Reports**

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# Cook & Haugeberg LLC

CERTIFIED PUBLIC ACCOUNTANTS

October 29, 2007

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 as of and for the year ended June 30, 2007. 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, 2007.

This report is intended solely for the information and use of the members of the Board of Education 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, 2007**  
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	2,287,260	10,801	2,298,061

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
S - Refunding	First Trust NA	2,830,000	322,575	3,152,575

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
U *	First Trust NA	268,814	100,357	369,171

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	U *	First Trust NA	87,278	32,584	119,862
05-96-102 to 110,114	1997 A	AK USA Trust Co	1,543,262	1,256,312	2,799,574
05-96-102 to 110,114	1999 B	Union Bank of CA NA	1,098,310	919,058	2,017,368
05-99-141 to 144, 146, 147, 150	2000 C	Wells Fargo Bank NA	355,000	384,188	739,188
05-99-141 to 144, 146, 147, 150	2001 D	Wells Fargo Bank NA	355,000	360,244	715,244
05-99-141 to 144, 146, 147, 150;	2002 E	Wells Fargo Bank NA	500,000	540,235	1,040,235
05-03-102 to 104	2003 F	JP Morgan Trst Co NA	500,000	518,438	1,018,438
05-03-102 to 104	2004 G	US Bank NA	550,000	469,445	1,019,445
05-03-102 to 104;	2005 H	Wells Fargo Bank NA	515,000	521,748	1,036,748
DR-05-101	2006 I	US Bank NA	120,000	277,461	397,461

**SCHEDULE OF INTEREST PROCEEDS FOR BONDS APPROVED BY VOTERS  
FOR SCHOOL CONSTRUCTION AFTER JULY 1, 1986  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**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	10/5/1993 (Ord. 93-041)	\$ - \$ -	N/A	N/A	N/A	N/A	05-94-112 05-94-114
Series U, A, & B	5/7/1996 (Ord. 96-009)	\$ - \$ 490 \$ 39 \$ - \$ 39 \$ 39 \$ 207 \$ 39 \$ 207 \$ -	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)	\$ 616 \$ 5,637 \$ 616 \$ 616 \$ 937 \$ 146 \$ 2,638	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)	\$ 32,872 \$ 21,239 \$ 65,029	N/A	N/A	N/A	N/A	03-102 03-103 03-104
Series H & I	10/5/2004 (Ord 2004-23)	\$ 216,651	N/A	N/A	N/A	N/A	DR-05-101
Series J	10/3/2006 (Ord 2006-41)	\$ 225,738	N/A	N/A	N/A	N/A	unknown

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.

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.

# Cook & Haugeberg LLC

CERTIFIED PUBLIC ACCOUNTANTS

October 29, 2007

## 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 as of and for the year ended June 30, 2007. 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 (2006-2007 fiscal year). However, in our opinion, except for the average daily membership described in the preceding sentence and the resulting tuition rate (2006-2007 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 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  
2007-08 Fiscal Year

**Fairbanks North Star Borough School District**

Local revenues for support of schools:	
Borough contribution to school district general fund	\$ 40,022,700
Expenditures by borough for school purposes:	
From: <i>Summary Report of Reimbursable Expenditures</i>	
Capital outlay	10,801
Bond redemption	14,425,309
Less: State aid for school construction	<u>(10,486,379)</u>
Total expenditures from local sources	<u>43,972,431</u>
Plus:	
Title VIII Impact Aid	11,405,933
On-base tuition	<u>1,450,000</u>
	<u>12,855,933</u>
Total local cost for tuition purposes	<u><u>\$ 56,828,364</u></u>
Average daily membership as approved by the DEED for foundation support in FY 2006-07 (Form No. 05-00-014)	14,466
Tuition Rate	<u><u>\$ 3,928.41</u></u>

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Auditor's Certification  
See Accountant's Report

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