

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR JULY 1, 2005 - JUNE 30, 2006**



**Fairbanks North Star Borough School District**

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

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
OF THE**

**FAIRBANKS NORTH STAR BOROUGH  
SCHOOL DISTRICT**

**FAIRBANKS, ALASKA**

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

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2006**

**Ann E. Shortt, Ph.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

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October 30, 2006

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, 2006, 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, 2006 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, 2006, 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.

### ***Organization of the CAFR***

The School District's CAFR consists of five parts:

1. The introductory section includes this transmittal letter, a list of the elected officials of the Board of Education and their offices held, a list of selected administration officials, the School District's administrative organization chart, and information on financial reporting achievements.
2. The financial section consists of Management's Discussion and Analysis, the basic financial statements, required supplementary information, and combining and individual fund statements and schedules. Combining schedules are presented when the School District has at least one nonmajor fund of a given fund category. Various combining schedules are also presented to demonstrate compliance with the Alaska Department of Education and Early Development's *Uniform Chart of Accounts and Account Code Descriptions for Public School Districts, 2000 edition*.
3. The statistical section information provides financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial section to understand and assess a government's economic condition. Some tables present School District data which has been combined with data provided by the Fairbanks North Star Borough (primary government) to give a consolidated overview of the School District's financial status.
4. The single audit section includes the schedules of state and federal financial assistance, the schedules of findings and questioned costs, and our independent auditor's reports related to their performance of the School District's Single Audit.
5. The supplemental reports section includes various information and auditor reports required by Alaska school laws and regulations.

### ***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.

### ***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 14,600 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 89 students to a 1,304-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 FY06 district-wide average was 23.4 students per class at the elementary level and 22.9 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. A higher percentage of tenth graders are proficient on the High School Graduation Qualifying Exam than 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 schedule in the *Required Supplementary Information* section of this CAFR.

## **Factors Affecting Financial Condition**

### ***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 very good. The Borough continues to maintain solid, steady growth. The interior of Alaska experienced a moderate job growth of .8 percent from July 2005 to July 2006. The Borough added 300 jobs during that period. 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.

### ***Projected Enrollment***

Student enrollments generate a majority of district revenues and also dictate personnel needs, which represent over 85% of the School District's operating budget. The State of Alaska requires that student enrollment projections for the following school year be reported to them no later than ten days after the end of the official student count period for the current year, which ends on the fourth Friday each October. School District enrollment declined about seven percent between 2000 and 2004, but has flattened out over the last three years. Because of a strong local economy, and indications of a stable and continued military presence, student enrollments are expected to increase slightly 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. During the second quarter of 2006, 3,500 troops were still deployed in Iraq. In August of 2006, the Army announced that the 3,500 Stryker Brigade Troops who were scheduled to return that month, were now anticipated to return in December 2006, along with the 638 Stryker Brigade Troops that had been stationed at Ft. Richardson, Alaska before deployment. In the spring of 2005, Eielson Air Force Base was placed on the Base Realignment and Closure Commission's list of bases tentatively scheduled for major realignment. The Base has subsequently been spared from major down sizing, but will still be subject to some realignment. Realignment is not expected to impact student enrollments.

### ***Facilities***

The Borough owns all school facilities. Two new elementary schools, Denali Elementary and Nordale Elementary, were completed and opened for the FY2005-06 school year. They replaced two fifty-plus year old schools that have since been demolished. Our next oldest school facility that has not benefited from major renovation or replacement is about 45 years old. 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 \$10 million in federal and state funding to accomplish that 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 seven specific initiatives, many of which are in an effort to meet the goals of NCLB.

Those initiatives are: implement strategies to improve elementary and middle school math performance; successfully implement a student information management system to improve the lines of communication between school staff, students, and parents; implement strategies to increase student attendance and retention with the goal of improving student achievement; develop a long-range plan for purchasing and utilizing technology that meets both operational and instructional needs; adopt and implement a new student wellness policy that encourages healthy nutrition and physical activity to ensure academic success; review current programs and develop a strategic plan for career and technical education; and increase the number of students enrolled in challenging classes.

### ***Pension and Other Postemployment Benefits***

Dramatic changes were made to the Alaska Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) during the first session of the 24th Alaska Legislature. All district employees first hired after June 30, 2006 will participate in a *defined contribution plan*, as opposed to a *defined benefit plan*. There are still a number of outstanding questions regarding elements of the new plan. It is uncertain as to how plan changes will impact the District's ability to retain or recruit employees in the competitive educational marketplace.

Employees first hired before July 1, 2006 will continue to participate in either the Alaska Public Employees' Retirement System (PERS), a defined benefit, agent, multiple employer public employee retirement system or the Alaska Teachers Retirement System (TRS), a defined benefit cost-sharing multiple employer retirement system. PERS and TRS are established and administered by the State of Alaska to provide pension, postemployment healthcare, death, and disability benefits to eligible employees.

As a result of law changes in the last legislative session, a statutory five (5) percentage point cap on changes to the annual employer contribution rate to the PERS *defined benefit plan* was removed resulting in an increase in the rate from 20.91% in FY07 to 36.49% in FY08. The employer contribution rate to the TRS *defined benefit plan* is scheduled to increase from 26% in FY07 to 54.03% in FY08. The impact of these rate increases cannot be absorbed into our operating budget funding structure as it exists now. Our expectation is that the State of Alaska legislature will address the need for increased funding in future years.

At June 30, 2005, the date of the last available actuarial valuation information for individual employers, the School District's plan liabilities in PERS exceeded the plan assets by \$66.4 million, a funding ratio of 66%. At June 30, 2004 the School District's plan liabilities in PERS exceeded the plan assets by \$46.8 million, a funding ratio of 71%. The statewide funding ratios for the PERS and TRS plans at June 30, 2005, based on valuation assets, are 66.9% and 62%, respectively.

### **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, 2005.

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, 2005.

This was the fifteenth 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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Fairbanks, Alaska

BOARD OF EDUCATION

Jennifer Schmidt, President  
Royce Chapman, Vice-President  
Sue Hull, Treasurer  
Leslie Hajdukovich, Clerk  
Wendy Dominique, Member  
Anna Huntington-Kriska, Member  
Sharon McConnell Gillis, Member  
LTC Alan Wieder, Base Representative  
LTC Ron Johnson, Post Representative  
Andrew Hopp, Student Representative

ADMINISTRATION

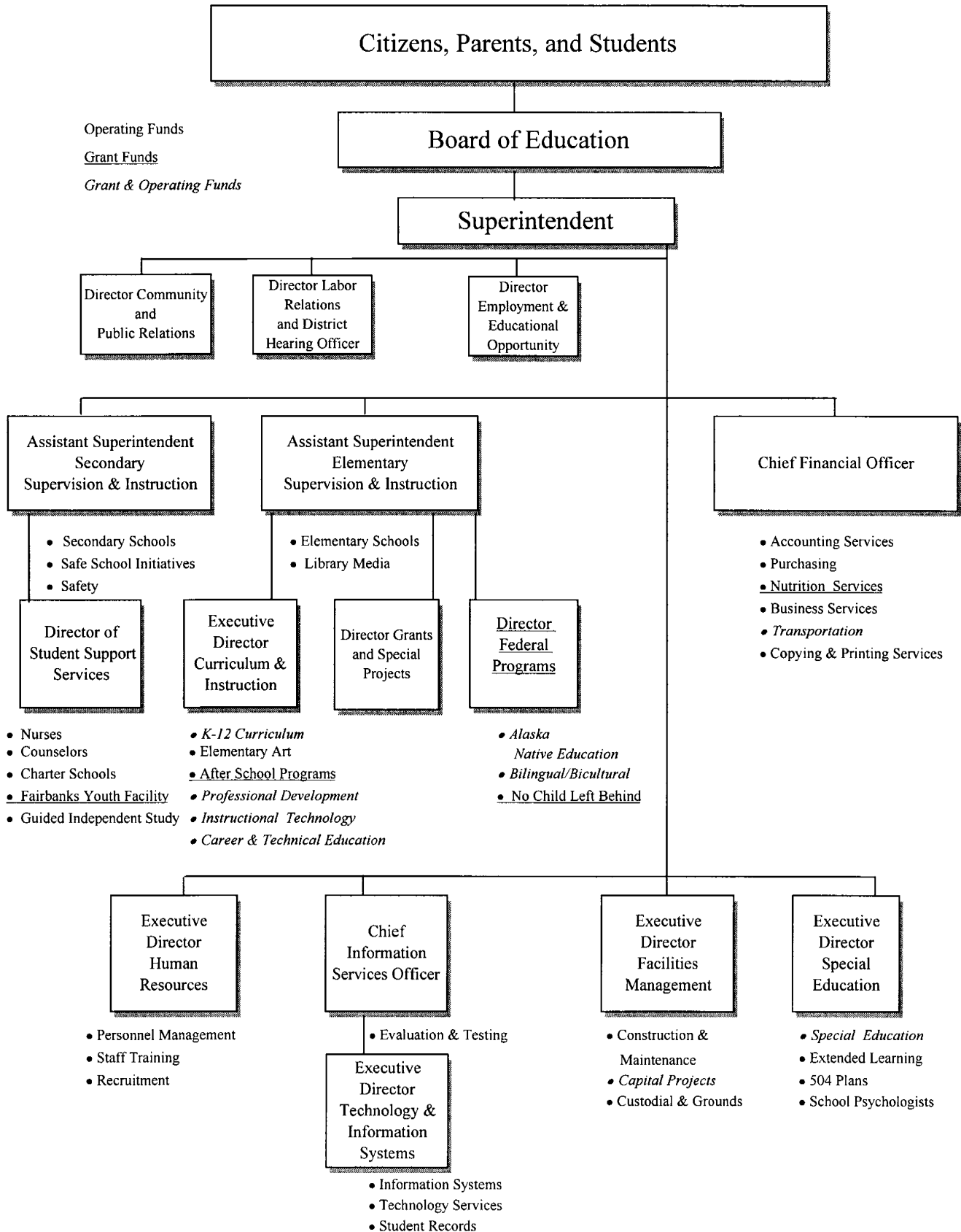
Ann E. Shortt, Ph.D.  
Superintendent of Schools

Wayne Gerke  
Assistant Superintendent  
Secondary Supervision & Instruction

Roxa Hawkins  
Assistant Superintendent  
Elementary Supervision & Instruction

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, 2005

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

*Melody Jorgensen*

*CAFR*

*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, 2005

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.



*Carla E. Perry*

President

*Jeffrey R. Emmer*

Executive Director

# FINANCIAL SECTION

October 6, 2006

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, 2006, which collectively comprise the School District's basic financial statements as listed in the table of contents. 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, 2006, 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, 2005 financial statements, and, in our report dated September 5, 2005 we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.

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, 2006, 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 each nonmajor governmental fund of the Fairbanks North Star Borough School District, as of June 30, 2006, 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 6, 2006, 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,

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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. 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, 2005, which are not presented with the accompanying financial statements. In our report dated September 5, 2005, 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, 2005 nonmajor governmental funds are fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2005, 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.

A handwritten signature in black ink, reading "Cook & Hangerberg LLC". The signature is written in a cursive, flowing style.

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Management's Discussion and Analysis June 30, 2006

### 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, 2006 (FY06). 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 the 2005-06 fiscal year include the following:

- The School District's total net assets of governmental activities decreased \$5.4 million or 20.6% from FY05 as a result of a net loss in the risk management internal service fund of \$4.7 million and a \$2 million increase in the net pension obligation to the Public Employees Retirement System.
- General revenues accounted for \$133 million in revenue or 81.2% of all FY06 revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$30.8 million or 18.8% of total FY06 revenues. Total FY06 revenues increased \$7 million or 4.5% from the prior year.
- The School District had approximately \$169.3 million in expenses related to governmental activities, an increase of \$14.5 million or 9.3% from FY05. Of this, \$30.8 million were offset by program specific charges for services or grants and contributions. General revenues of \$133 million were not adequate to provide for the remaining costs of these programs resulting in a decrease in net assets.
- Among major funds, the general fund had \$133 million in FY06 revenues, an increase of 5.5% from FY05 and \$132.1 million in expenditures, an increase of 8.4% from FY05. The general fund's fund balance increased \$1 million, primarily due to higher than anticipated Impact Aid revenues.

### 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, 2006

- 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, 2006

### 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 51 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 173 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 213 through 231 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 \$20.9 million as of June 30, 2006. By far the largest portion of the District's net assets is unrestricted and includes \$11.4 million of FY07 impact aid received in FY06. Net assets invested in capital assets of \$4.2 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>2005-06</b>	<b>2004-05</b>	<b>Increase (Decrease)</b>	<b>Percentage Change</b>
<b>Assets</b>				
Current and other assets	\$ 28,754,125	\$ 32,711,935	\$ (3,957,810)	-12.1%
Capital assets, net	4,235,371	3,857,278	378,093	9.8%
<b>Totals assets</b>	<b>32,989,496</b>	<b>36,569,213</b>	<b>(3,579,717)</b>	<b>-9.8%</b>
<b>Liabilities</b>				
Current liabilities	6,078,321	6,399,719	(321,398)	-5.0%
Long-term liabilities				
Due in more than one year	5,987,874	3,824,561	2,163,313	56.6%
<b>Total liabilities</b>	<b>12,066,195</b>	<b>10,224,280</b>	<b>1,841,915</b>	<b>18.0%</b>

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Management's Discussion and Analysis (continued) June 30, 2006

**Table 1**  
Net Assets (cont.)  
Governmental Activities

	<u>2005-06</u>	<u>2004-05</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
<b>Net assets</b>				
Invested in capital assets	\$ 4,235,371	\$ 3,918,778	\$ 316,593	8.1%
Unrestricted	16,687,930	22,426,155	(5,738,225)	-25.6%
<b>Total net assets</b>	<u><u>\$ 20,923,301</u></u>	<u><u>\$ 26,344,933</u></u>	<u><u>\$ (5,421,632)</u></u>	<b>-20.6%</b>

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

- A decrease in cash and unrestricted net assets due to a net loss in the risk management internal service fund of \$4.7 million. The health benefit rate for FY07 was increased in anticipation of a shortfall.
- An increase of \$1.8 million in liabilities due to a \$2 million increase in the PERS net pension obligation. The net pension obligation has grown because a statutory cap limiting changes to the PERS rate to no more than five percentage points annually causes the adopted PERS rate to be less than the actuarially determined rate. This growth will stop and begin to reverse itself in FY08 because the statutory cap was removed by recent legislation.

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>2005-06</u>	<u>2004-05</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
<b>Revenues:</b>				
Program revenues:				
Charges for services	\$ 1,894,564	\$ 1,886,887	\$ 7,677	0.4%
Operating grants and contributions	27,354,672	27,208,171	146,501	0.5%
Capital grants and contributions	1,544,726	1,640,256	(95,530)	-5.8%
General revenues:				
Borough direct appropriation	38,022,700	36,545,700	1,477,000	4.0%
Foundation program	80,045,140	73,052,157	6,992,983	9.6%
Federal impact aid	12,257,249	14,267,731	(2,010,482)	-14.1%
Other	2,771,155	2,274,916	496,239	21.8%
<b>Total revenues</b>	<u><u>163,890,206</u></u>	<u><u>156,875,818</u></u>	<u><u>7,014,388</u></u>	<b>4.5%</b>

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

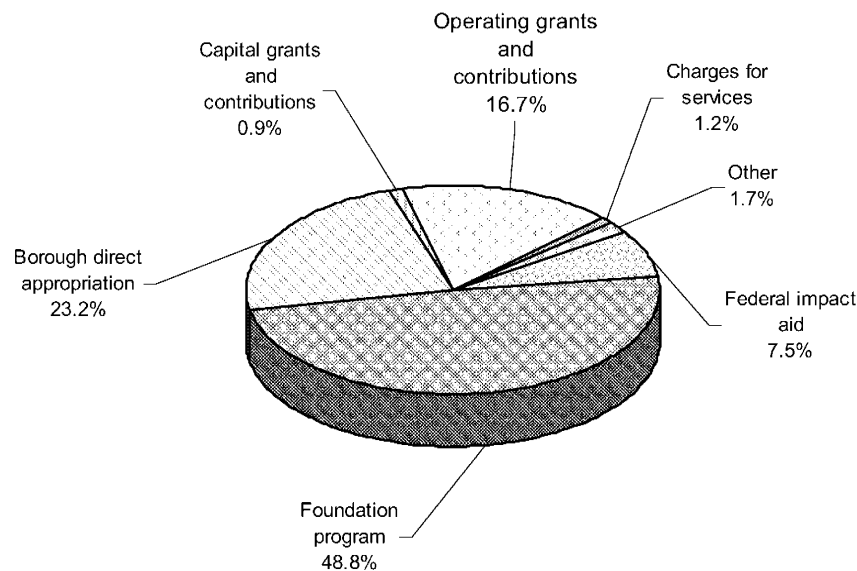
## Management's Discussion and Analysis (continued) June 30, 2006

**Table 2**  
Changes in Net Assets (cont.)  
Governmental Activities

	2005-06	2004-05	Increase (Decrease)	Percentage Change
<b>Expenses:</b>				
Instruction	\$ 74,278,540	\$ 68,023,960	\$ 6,254,580	9.2%
Special education instruction	18,431,818	16,865,673	1,566,145	9.3%
Special education instruction-support services	2,299,016	2,063,501	235,515	11.4%
Support services-students	10,346,229	9,350,844	995,385	10.6%
Support services-instruction	10,253,369	9,209,619	1,043,750	11.3%
School administration	5,357,561	5,154,874	202,687	3.9%
School administration support services	3,950,664	3,818,035	132,629	3.5%
District administration	1,714,097	1,528,370	185,727	12.2%
District administration support services	7,330,027	6,316,689	1,013,338	16.0%
Operations and maintenance of plant	19,346,287	17,873,136	1,473,151	8.2%
Student activities	2,227,743	1,554,640	673,103	43.3%
Student transportation service	9,160,416	8,745,633	414,783	4.7%
Adult and continuing education instruction	17,333	53,217	(35,884)	-67.4%
Food service	4,598,738	4,284,462	314,276	7.3%
Interest expense		18,658	(18,658)	
<b>Total expenses</b>	<b>\$ 169,311,838</b>	<b>\$ 154,861,311</b>	<b>\$ 14,450,527</b>	<b>9.3%</b>
<b>Increase (decrease) in net assets</b>	<b>\$ (5,421,632)</b>	<b>\$ 2,014,507</b>	<b>\$ (7,436,139)</b>	<b>-369.1%</b>
<b>Ending net assets</b>	<b>\$ 20,923,301</b>	<b>\$ 26,344,933</b>	<b>\$ (5,421,632)</b>	<b>-20.6%</b>

Figure A-1 presents a chart of governmental activities revenue by source as a percentage of total governmental activities revenue. Figure A-2 presents a comparative chart of governmental activities revenue for FY06 and FY05

**Figure A-1, Sources of Governmental Activities Revenue**



## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis (continued)  
June 30, 2006

**Figure A-2, Governmental Activities Revenues for FY06 and FY05**

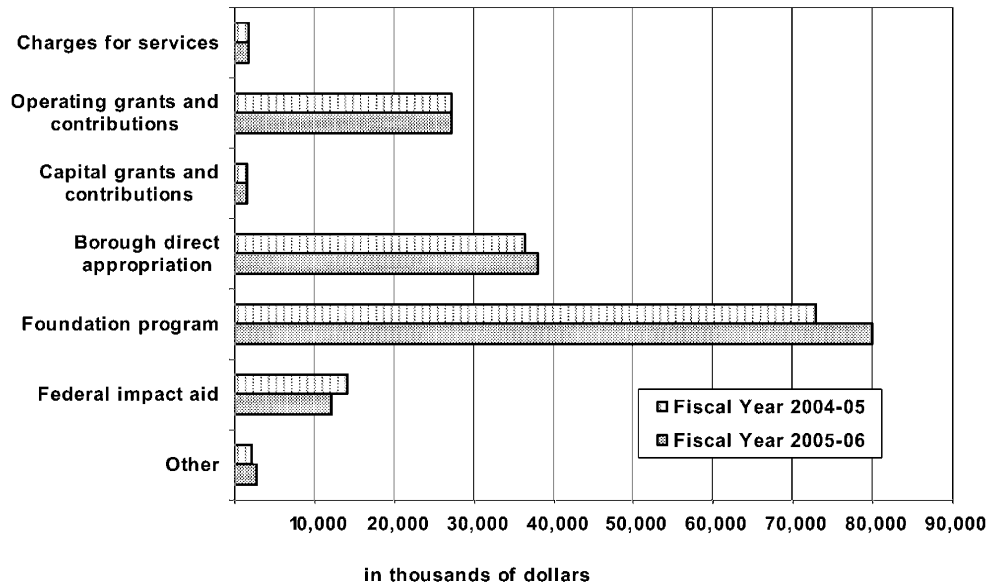
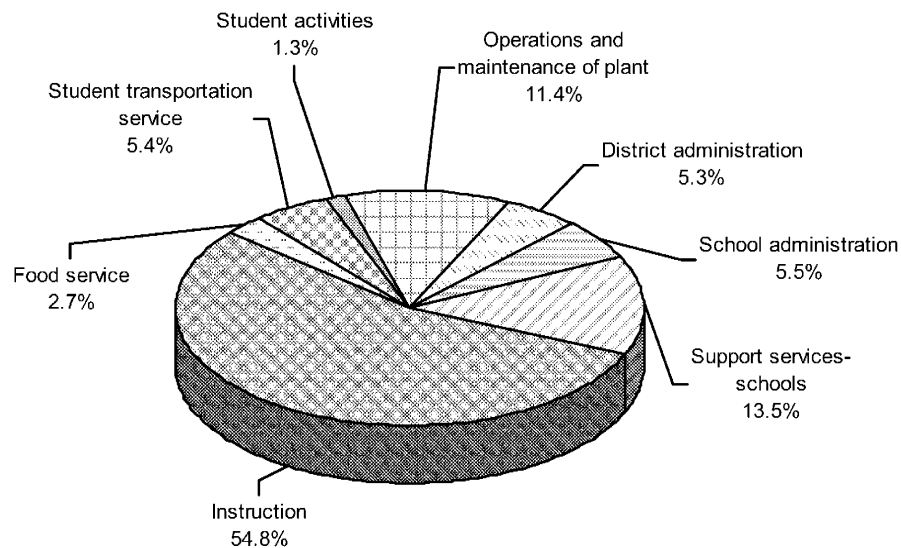


Figure A-3 presents a chart of governmental activities expenses by function as a percentage of total governmental activities expenses. Figure A-4 presents a comparative chart of governmental activities expenses for FY06 and FY05.

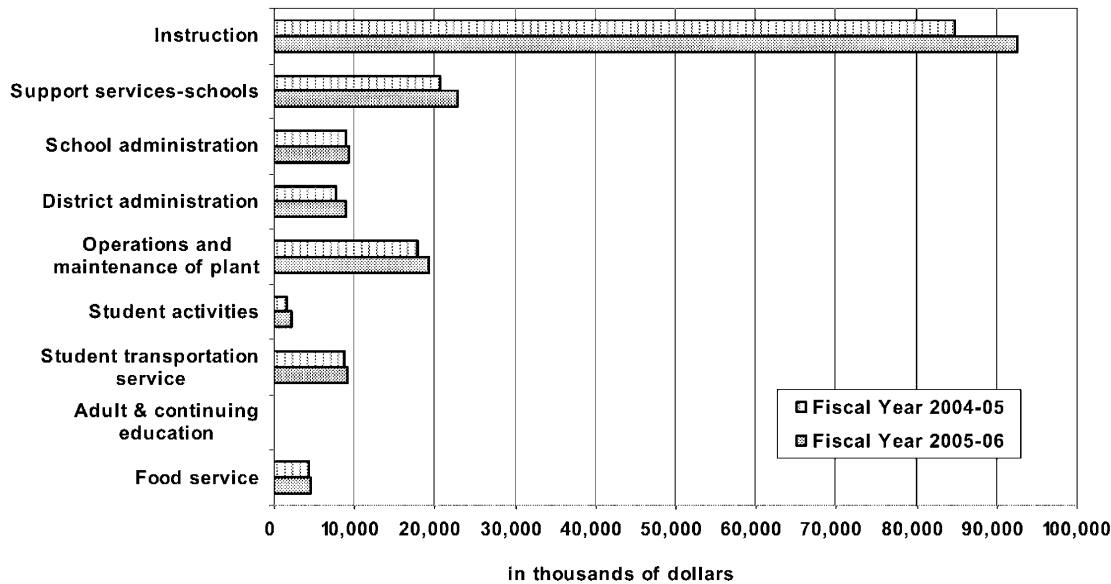
**Figure A-3, Governmental Activities Expenses by Function**



# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis (continued)  
June 30, 2006

**Figure A-4, Governmental Activities Expenses for FY06 and FY05**



The cost of all governmental activities in FY06 was \$169.3 million, a 9.3% increase over FY05. In the General Fund alone salary and benefit costs increased 6.8% from FY05. Users of the School District's programs paid some of the cost of the School District's programs (\$1.9 million). The federal and state government subsidized certain programs with grants and contributions (\$27.4 million) and Impact Aid programs (\$12.3). Most of the School District's costs, however, were paid with the State of Alaska Foundation Funding Program (\$80 million) and the Fairbanks North Star Borough direct appropriation for school funding (\$38 million).

Table 3 condenses the 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 service, as well as each program's *net* cost (total cost less revenues generated by the activities). Net cost shows the amount to be supported by state foundation funding and by the taxpayers for each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

**Table 3**  
Net Cost of Governmental Activities

	2005-06		2004-05	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 92,710,358	\$ 82,886,489	\$ 84,889,633	\$ 74,991,605
Support services-schools	22,898,614	15,355,950	20,623,964	12,884,752
School administration	9,308,225	9,308,225	8,972,909	8,972,090
District administration	9,044,124	9,005,967	7,845,059	7,799,683
Operations & maintenance of plant	19,346,287	19,312,197	17,873,136	17,852,599
Student activities	2,227,743	2,225,205	1,554,640	1,554,640
Student transportation service	9,160,416	298,951	8,745,633	(41,747)
Adult and continuing education instruction	17,333	17,333	53,217	41,076
Food service	4,598,738	107,559	4,284,462	52,641
Interest expense			18,658	18,658
Total	<u>\$ 169,311,838</u>	<u>\$ 138,517,876</u>	<u>\$ 154,861,311</u>	<u>\$ 124,125,997</u>



# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis (continued)  
June 30, 2006

## 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 balances of \$27.1 million, an increase of \$1 million or 3.7% from the FY05 combined fund balance. Approximately 47.5% of this combined fund balance (\$12.8 million) constitutes *unreserved fund balance*, which is available for spending at the School District's discretion. However, management has designated \$5.9 million of this *unreserved fund balance* to balance the FY07 budget. The remainder of fund balance is *reserved* to indicate that it is not available for spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$2.2 million), 2) for inventory to be used in School District operations (\$558,827), and 3) for the FY07 annual federal impact aid payment received in advance in FY06 (\$11.4 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

	<b>2005-06</b>
Total fund balances - governmental funds - at June 30, 2006	<u>\$ 27,059,200</u>
Fair market value of food commodity inventory	40,935
Cost of capital assets (net of accumulated depreciation/amortization)	4,235,371
Net pension obligation	(3,978,221)
Internal service fund net assets	(3,607,318)
Long-term liabilities (compensated absences)	<u>(2,826,666)</u>
Total net assets at June 30, 2006	<u><b>\$ 20,923,301</b></u>

The general fund is the chief operating fund and a major fund of the School District. At the end of the current fiscal year, unreserved fund balance of the general fund was \$11 million, up \$203,874 or 1.9% from FY05, while total fund balance was \$24.8 million, up \$1 million or 3.8% from FY05.

Table 5 presents a summary of general fund revenues.

**Table 5**  
General Fund Revenues

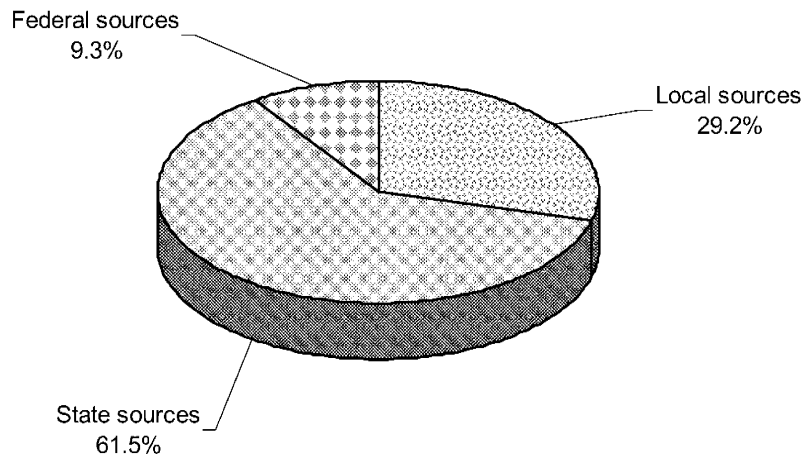
	<b>2005-06</b>	<b>2004-05</b>	<b>Increase (Decrease)</b>	<b>Percent Increase (Decrease)</b>
Local sources	\$ 38,850,319	\$ 37,266,217	\$ 1,584,102	4.3%
State sources	81,842,665	74,502,157	7,340,508	9.9%
Federal sources	12,387,574	14,367,089	(1,979,515)	-13.8%
Total	<u><b>\$ 133,080,558</b></u>	<u><b>\$ 126,135,463</b></u>	<u><b>\$ 6,945,095</b></u>	<b>5.5%</b>

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis (continued)  
June 30, 2006

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**



Total general fund revenue increased \$6.9 million. Revenue from local sources is comprised mainly of the appropriation from the Fairbanks North Star Borough for general school operations which totaled \$38 million in FY06, a \$1.5 million increase over FY05. Revenue from state sources increased \$7.3 million due to a \$343 or 7.8% increase in the Foundation Program per-student allocation. Revenue from federal sources decreased \$2 million due a drop in receipt of monies from prior year federal Impact Aid applications.

Table 6 presents a summary of general fund expenditures.

**Table 6**  
General Fund Expenditures

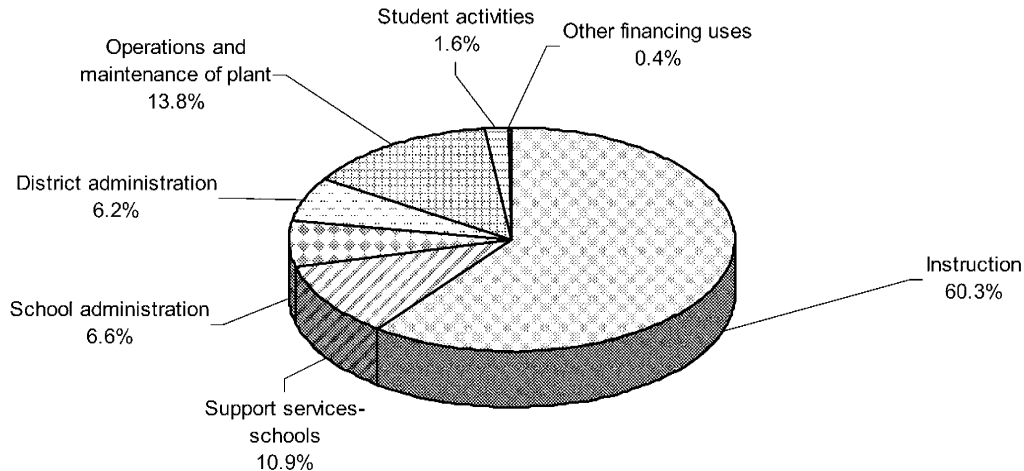
	2005-06	2004-05	Increase (Decrease)	Percent Increase (Decrease)
Instruction	\$ 79,742,527	\$ 74,655,922	\$ 5,086,605	6.8%
Support services-schools	14,428,086	12,376,959	2,051,127	16.6%
School administration	8,782,852	8,689,922	92,930	1.1%
District administration	8,247,500	7,195,093	1,052,407	14.6%
Operations and maintenance of plant	18,303,539	16,888,220	1,415,319	8.4%
Student activities	2,148,068	1,544,539	603,529	39.1%
Debt service		206,836	(206,836)	-100.0%
Transfers to other funds	527,073	351,230	175,843	50.1%
Total	<u>\$ 132,179,645</u>	<u>\$ 121,908,721</u>	<u>\$ 10,270,924</u>	<u>8.4%</u>

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

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Management's Discussion and Analysis (continued)  
June 30, 2006

**Figure A-6, General Fund Expenditures**



Increases from FY05, in all functional areas, reflect higher salaries (\$4.5 million) and employer contributions to the Public Employees and Teachers Retirement Systems (\$4.8 million).

Major governmental funds also include the federal projects and student transportation special revenue funds. 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. Thus, the \$34,057 fund balance remaining in this fund is due to program income and interest earnings on certain grants where the interest is required to be put back into the program. The student transportation special revenue fund accounts for revenues and expenditures of providing transportation to and from schools and any necessary transfers from the general fund. 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.

### Proprietary Fund

The Risk Management Internal Service Fund is used by the School District to account for its self-insurance and risk management program. An internal service fund is simply a means of accumulating costs related to a given activity on an accrual basis so that the costs can subsequently be allocated to the benefiting funds in the form of fees and charges. Any surplus or deficit in this fund is taken into account when setting future benefit rates with the idea that the fund should "break even". The internal service fund had a deficit at year end of \$3.6 million, a decrease of \$4.8 million from FY05. Operating expenses of the fund increased \$3.4 million or 18.5% from the prior year due primarily to increasing health care costs.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

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

### **Management's Discussion and Analysis (continued) June 30, 2006**

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, including teachers, counselors, and library personnel, 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.
- Purchase of Centerpoint software, a web-based student management software system that addresses attendance, grading, scheduling, immunizations, discipline, other student management reporting requirements.
- In the original budget an average salary amount is used to budget for certificated positions. However for some functions, such as special education instruction and support services students, actual salaries for certain teaching, guidance counselor and librarian positions can be considerably higher than the average. The final budget is adjusted for these differences.

Actual expenditures (excluding transfers to other funds) on the budgetary basis for FY06 were \$5.5 million less than the final budget.

Significant budget to actual variances of note were:

- Revenues - federal sources – Federal Impact Aid revenues are comprised of funds for the year under application and receipt of funds from previous years' applications after final Federal allocation adjustments. We typically budget just for the year under application. Federal funding for the FY06 application was under budgeted by \$1.4 million. The remaining favorable variance is due to amounts received from prior year applications.
- Instruction – supplies, material, and media was underspent by \$1.8 million due mainly to reduced spending on textbooks, manipulatives and non-capitalized equipment.
- District administration support services – the indirect cost recovery from grants exceeded budget by \$225,000.
- Operations and maintenance of plant – snow removal costs and building repair costs were lower than anticipated. Also, the School District budgeted fuel costs for a worse case scenario.
- Other financing sources – \$364,464 of the budgeted transfer of \$514,464 to the Pupil Transportation fund was not made in FY06 because of favorable operating results. The School District reduced services when the Alaska Legislature switched from a cost reimbursement funding mechanism to a lump sum grant using a per-student funding formula.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

The School District's investment in capital assets for its governmental activities was \$4.2 million as of June 30, 2006 (net of accumulated depreciation and amortization). This investment in capital assets includes furniture, equipment, software and construction in progress. The Borough (primary government) owns the land and buildings. The total increase in the School District's investment in capital assets for

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Management's Discussion and Analysis (continued) June 30, 2006

the current fiscal year was 9.8% which reflects the renovation currently underway in the School District Administrative Center. Table 7 details capital assets by asset type:

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

	<b>2005-06</b>	<b>2004-05</b>	<b>Increase (Decrease)</b>	<b>Percent Increase (Decrease)</b>
Furniture and Equipment	\$ 3,835,075	\$ 3,742,827	\$ 92,248	2.5%
Intangibles (software)	83,252	114,451	(31,199)	-27.3%
Construction in progress	317,044		317,044	100.0%
Total	<b>\$ 4,235,371</b>	<b>\$ 3,857,278</b>	<b>\$ 378,093</b>	<b>9.8%</b>

Additional information on the School District's capital assets can be found in Note 6 on pages 44 through 45 of this report.

#### Debt Administration

The School District's long-term obligations include \$2.8 million for compensated absences, an increase of 5.5% and \$3.7 million for claims and judgments, a decrease of 14.8%, over prior year. Claims and judgments include such items as claims payable and accrued self-insurance reserves. 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 January 2006, the Borough issued \$9,750,000 of general obligation bonds, 2006 Series I 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. The Borough's latest bond ratings were obtained in connection with its January 31, 2006 issuance of \$9,750,000 of general obligation bonds. All \$9,750,000 of these bonds are insured.

	<b>Underlying Ratings</b>	<b>Insured Ratings</b>
Standard & Poor's Rating Services	A+	AAA
Fitch IBCA, Inc.	A+	AAA

The underlying ratings indicate the Borough's strong capacity to make its debt service payments on these bonds, while the insured ratings reflect an extremely strong capacity to do so. These ratings are expected to hold over the intermediate to longer term, although the rating agencies retain the right to revise or withdraw them at any time. Under current State Statutes, a municipality may incur general obligation bond debt only after a bond authorization ordinance is approved by a majority vote at an election; hence, there is no legal limitation on the amount of debt issuance.

#### **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. FY2006-07 (FY07) budgeted State revenues are based on 14,598 projected students. The official count period for State funding is not complete, but actual student enrollment in FY07 will be lower than projected.

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

### **Management's Discussion and Analysis June 30, 2006**

- The District's budget is comprised of over 85% in salaries and employee benefits, and includes three bargaining units and one exempt management group. The Principals' contract expires June 30, 2007, the Teachers' contract expires June 30, 2008, and the Support Staff contract expires June 30, 2009.
- The School District utilizes an internal service fund to account for health costs and other risk management activities. Costs are accumulated in the internal service fund but only charged to other funds at a set benefit rate. The employee benefit rate related to health was increased by 3 percentage points in the FY07 budget, and will likely require further increase to offset rising health costs and reduce the current deficit in the internal service fund.
- The State of Alaska Department of Retirement and Benefits has informed the School District that employer rates for the Public Employees Retirement System (PERS) and the Teachers Retirement System (TRS) will increase substantially next year. The employer contribution rate for TRS covered employees will increase from 26% of covered wages in FY07 to 54.03% in FY08. The employer contribution rate for PERS covered employees will increase from 20.91% of covered wages in FY07 to 36.49% in FY08. The combined increase in School District employer contributions to all employee retirement systems will be in excess of \$22 million for FY08.

### **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, 2006

(With comparative totals for 2005)

	<b>Governmental Activities</b>	
	<b>2006</b>	<b>2005</b>
 <b><u>ASSETS</u></b>		
Current assets:		
Equity in central treasury cash	\$ 18,996,612	\$ 22,850,101
Restricted equity in central treasury cash	19,296	35,915
Accounts receivable	8,885,257	9,039,575
Due from Fairbanks North Star Borough	227,158	211,328
Inventories	599,762	572,366
Prepaid items	26,040	2,650
Total current assets	<u>28,754,125</u>	<u>32,711,935</u>
Noncurrent assets:		
Furniture and equipment	11,212,351	11,135,339
Less accumulated depreciation	(7,377,276)	(7,392,512)
Intangible assets, net of amortization	83,252	114,451
Construction in progress	317,044	
Total noncurrent assets	<u>4,235,371</u>	<u>3,857,278</u>
Total assets	<u><u>\$ 32,989,496</u></u>	<u><u>\$ 36,569,213</u></u>
 <b><u>LIABILITIES</u></b>		
Current liabilities:		
Accounts payable	\$ 1,144,636	\$ 665,351
Accrued payroll and liabilities	360,576	244,122
Unearned revenue	19,296	82,552
Due to external groups and agencies	38,440	168,674
Due to Fairbanks North Star Borough	28,578	99,867
Current portion of long-term liabilities:		
Compensated absences	2,643,610	2,515,965
Claims and judgements	1,843,185	2,623,188
Total current liabilities	<u>6,078,321</u>	<u>6,399,719</u>
Noncurrent liabilities:		
Noncurrent portion of long-term liabilities:		
Compensated absences	183,056	163,935
Claims and judgements	1,826,597	1,686,583
Net pension obligation	3,978,221	1,974,043
Total noncurrent liabilities	<u>5,987,874</u>	<u>3,824,561</u>
Total liabilities	<u>12,066,195</u>	<u>10,224,280</u>
 <b><u>NET ASSETS</u></b>		
Invested in capital assets	4,235,371	3,918,778
Unrestricted	16,687,930	22,426,155
Total net assets	<u><u>\$ 20,923,301</u></u>	<u><u>\$ 26,344,933</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, 2006

(With comparative totals for 2005)

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes In Net Assets</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
					<b>2006</b>
					<b>2005</b>
Governmental activities:					
Instruction	\$ 74,278,540	\$ 22,835	\$ 3,781,032	\$ 1,525,500	\$ (68,949,173)
Special education instruction	18,431,818		4,494,502		(13,937,316)
Special education support services - students	2,299,016				(2,299,016)
Support services - students	10,346,229	39,610	2,312,772		(7,993,847)
Support services - instruction	10,253,369		5,190,282		(5,063,087)
School administration	5,357,561				(5,357,561)
School administration support services	3,950,664				(3,950,664)
District administration	1,714,097		38,157		(1,675,940)
District administration support services	7,330,027				(7,330,027)
Operations and maintenance of plant	19,346,287		14,864	19,226	(19,312,197)
Student activities	2,227,743		2,538		(2,225,205)
Student transportation service	9,160,416		8,861,465		(298,951)
Adult and continuing education instruction	17,333				41,747
Food services	4,598,738	1,832,119	2,659,060		(17,333)
Interest expense					(52,641)
Total governmental activities	\$ 169,311,838	\$ 1,894,564	\$ 27,354,672	\$ 1,544,726	\$ (18,658)
					\$ (124,125,997)
General revenues:					
Grants and contributions not restricted to specific programs:					
Borough direct appropriation					38,022,700
Foundation program					80,045,140
Federal impact aid					12,267,249
Other					1,831,103
Miscellaneous					940,052
					133,096,244
Total general revenues					126,140,504
Change in net assets					(5,421,632)
Net assets - beginning					26,344,933
Net assets - ending					\$ 20,923,301
					\$ 26,344,933

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, 2006

(With comparative totals for 2005)

	<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	\$ 16,754,548	\$ 76,415	\$ 296,666
Accounts receivable:			
Local	142,949	77,711	
State		3,934,132	
Federal	13,853	409,282	
Due from other funds	8,598,225		
Due from Fairbanks North Star Borough	12,613		
Inventories	402,378		
Prepaid items	26,040		
	<u>26,040</u>		
Total assets	<u>\$ 25,950,606</u>	<u>\$ 4,497,540</u>	<u>\$ 296,666</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 826,105	\$ 122,858	\$ 18,890
Accrued payroll and liabilities	360,576		
Deferred revenue		9,632	
Due to other funds		4,298,166	
Due to external groups and agencies	5,613	32,827	
Due to Fairbanks North Star Borough			
	<u>1,192,294</u>	<u>4,463,483</u>	<u>18,890</u>
Total liabilities			
Fund balances:			
Reserved for:			
Encumbrances	1,896,345	188,053	
Inventories	402,378		
Prepayments	26,040		
Impact aid advance	11,404,061		
Unreserved:			
Designated for:			
Subsequent year's expenditures	5,868,940		
Undesignated, reported in:			
General fund	5,160,548		
Special revenue funds		(153,996)	277,776
Capital projects funds			
	<u>24,758,312</u>	<u>34,057</u>	<u>277,776</u>
Total fund balances			
Total liabilities and fund balances	<u>\$ 25,950,606</u>	<u>\$ 4,497,540</u>	<u>\$ 296,666</u>

See accompanying notes to the basic financial statements.

Other Governmental	Total Governmental Funds	
	2006	2005
\$ 1,888,279	\$ 19,015,908	\$ 20,934,839
93,478	314,138	302,060
188,062	4,122,194	4,767,915
10,605	433,740	454,197
	8,598,225	5,467,071
214,545	227,158	211,328
156,449	558,827	525,729
	26,040	2,650
<u>\$ 2,551,418</u>	<u>\$ 33,296,230</u>	<u>\$ 32,665,789</u>

\$ 92,181	\$ 1,060,034	\$ 574,494
	360,576	244,122
9,664	19,296	35,915
431,940	4,730,106	5,467,071
	38,440	168,674
28,578	28,578	99,867
<u>562,363</u>	<u>6,237,030</u>	<u>6,590,143</u>

138,423	2,222,821	2,094,721
156,449	558,827	525,729
	26,040	
	11,404,061	11,129,962
	5,868,940	4,234,180
	5,160,548	6,591,434
437,387	561,167	592,387
1,256,796	1,256,796	907,233
<u>1,989,055</u>	<u>27,059,200</u>	<u>26,075,646</u>
<u>\$ 2,551,418</u>	<u>\$ 33,296,230</u>	<u>\$ 32,665,789</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, 2006

Total fund balances for governmental funds \$ 27,059,200

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. 40,935

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

Furniture and equipment	\$ 11,212,351	
Accumulated depreciation to date	(7,377,276)	
Intangible assets, net of amortization	83,252	
Construction in progress	<u>317,044</u>	
		4,235,371

The FY 2003 actuarial valuation report of the State of Alaska Public Employees' Retirement System (PERS) set the School District's contribution rate for fiscal year 2006 at 23.31%, an increase of 12.4 percentage points over the rate for fiscal year 2005. State statute limits the increase in a given year to 5 percentage points. Thus, the rate adopted by the PERS board for fiscal year 2006 was 15.91. 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. (3,978,221)

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 the governmental activities in the statement of net assets.

Internal service fund net assets (3,607,318)

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, 2006 are:

Compensated absences (2,826,666)

Total net assets of governmental activities \$ 20,923,301

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, 2006  
(With comparative totals for 2005)

	<u>General</u>	<u>Federal Projects Special Revenue</u>	<u>Student Transportation Special Revenue</u>
Revenues:			
Local sources	\$ 38,850,319	\$ 23,598	\$
State sources	81,842,665		8,861,465
Federal sources	12,387,574	14,826,365	
Other sources			
Total revenues	<u>133,080,558</u>	<u>14,849,963</u>	<u>8,861,465</u>
Expenditures:			
Current:			
Instruction	66,636,854	3,538,528	
Special education instruction	13,105,673	4,494,502	
Special education support services - students	2,189,892		
Support services - students	7,474,149	2,265,775	
Support services - instruction	4,764,045	4,466,611	
School administration	5,120,240		
School administration support services	3,662,612		
District administration	1,568,617	57,634	
District administration support services	6,678,883		
Operations and maintenance of plant	18,303,539		
Student activities	2,148,068		
Student transportation service			9,135,639
Adult and continuing education instruction			
Food services			
Total current	<u>131,652,572</u>	<u>14,823,050</u>	<u>9,135,639</u>
Debt service:			
Interest			
Principal			
Total debt service			
Capital outlay			
Total expenditures	<u>131,652,572</u>	<u>14,823,050</u>	<u>9,135,639</u>
Excess (deficiency) of revenues over expenditures	<u>1,427,986</u>	<u>26,913</u>	<u>(274,174)</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	19,906		
Transfers in			150,000
Transfers out	(527,073)		
Total other financing sources (uses)	<u>(507,167)</u>		<u>150,000</u>
Net change in fund balances	920,819	26,913	(124,174)
Fund balances - beginning	23,837,493	7,144	401,950
Fund balances - ending	<u>\$ 24,758,312</u>	<u>\$ 34,057</u>	<u>\$ 277,776</u>

See accompanying notes to the basic financial statements.

Other Governmental	Total Governmental Funds	
	2006	2005
\$ 2,948,651	\$ 41,822,568	\$ 40,079,384
863,091	91,567,221	84,016,425
3,039,605	30,253,544	32,394,944
		114,196
6,851,347	163,643,333	156,604,949
614,316	70,789,698	66,766,094
	17,600,175	16,562,850
	2,189,892	2,026,832
41,193	9,781,117	9,006,169
724,589	9,955,245	9,079,305
42,105	5,162,345	5,184,832
	3,662,612	3,567,137
	1,626,251	1,483,126
	6,678,883	5,757,343
5,897	18,309,436	16,896,566
	2,148,068	1,544,539
	9,135,639	8,730,549
15,469	15,469	49,539
4,266,661	4,266,661	3,910,627
5,710,230	161,321,491	150,565,508
		18,658
		189,327
		207,985
1,362,695	1,362,695	1,682,134
7,072,925	162,684,186	152,455,627
(221,578)	959,147	4,149,322
4,501	24,407	6,802
468,073	618,073	828,950
(91,000)	(618,073)	(828,950)
381,574	24,407	6,802
159,996	983,554	4,156,124
1,829,059	26,075,646	21,919,522
\$ 1,989,055	\$ 27,059,200	\$ 26,075,646

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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, 2006

Net change in fund balances - total governmental funds		\$ 983,554
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 for fair market value of ending commodity inventory.		40,935
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 expense.		
Expenditures for capital assets	\$ 1,092,234	
Less current year depreciation	<u>(697,088)</u>	
		395,146
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net assets.		(17,053)
Underfunding of our actuarial accrued plan liability in the Alaska Public Employees' Retirement System (PERS) gives rise to a <i>net pension obligation</i> . 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 governmental funds.		
		(2,004,178)
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 governmental funds.		
		(146,766)
An internal service fund is used by the School District to charge the costs of self-insurance and risk management to individual funds. The net loss of the internal service fund is reported with governmental activities.		
		<u>(4,673,270)</u>
Change in net assets of governmental activities		<u>\$ (5,421,632)</u>

See accompanying notes to the basic financial statements.

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Statement of Net Assets

Proprietary Fund

June 30, 2006

(With comparative totals for 2005)

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

2006	2005
------	------

**ASSETS**

Current assets:

Equity in central treasury cash

\$		\$	1,951,177
----	--	----	-----------

Accounts receivable - local

4,015,185	3,515,403
-----------	-----------

Total assets

\$ 4,015,185	\$ 5,466,580
--------------	--------------

**LIABILITIES**

Current liabilities:

Accounts payable

\$ 84,602	\$ 90,857
-----------	-----------

Due to other Funds

3,868,119	
-----------	--

Current portion of long-term liabilities:

Claims payable

1,843,185	2,623,188
-----------	-----------

Total current liabilities

5,795,906	2,714,045
-----------	-----------

Noncurrent liabilities:

Noncurrent portion of long-term liabilities:

Claims payable

53,860	26,640
--------	--------

Accrued self-insurance reserves

1,422,737	1,234,943
-----------	-----------

Accrued contingent liabilities

350,000	425,000
---------	---------

Total non-current liabilities

1,826,597	1,686,583
-----------	-----------

Total liabilities

7,622,503	4,400,628
-----------	-----------

**NET ASSETS**

Unrestricted

(3,607,318)	1,065,952
-------------	-----------

Total net assets

\$ (3,607,318)	\$ 1,065,952
----------------	--------------

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, 2006  
(With comparative totals for 2005)

	<b>Governmental Activities - Risk Management Internal Service Fund Totals</b>	
	<b>2006</b>	<b>2005</b>
Operating revenues:		
Revenue from local sources:		
Charges for services	\$ 17,090,068	\$ 19,121,502
Operating expenses:		
Health and life insurance	19,748,063	16,423,027
Workers compensation insurance	1,437,874	1,117,883
Property / auto insurance	323,750	439,615
General liability / other insurance	253,651	391,416
Total operating expenses	21,763,338	18,371,941
Change in net assets	(4,673,270)	749,561
Total net assets - beginning	1,065,952	316,391
Total net assets - ending	\$ (3,607,318)	\$ 1,065,952

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, 2006  
(With comparative totals for 2005)

	<b>Governmental Activities - Risk Management Internal Service Fund Total</b>	
	<b>2006</b>	<b>2005</b>
Cash flows from operating activities:		
Receipts from interfund services provided	\$ 16,931,022	\$ 18,991,733
Receipts from employees	3,602,342	3,083,097
Payments to suppliers	(1,209,746)	(1,006,116)
Payments to employees	(584,498)	(50,284)
Payments to Fairbanks North Star Borough	(24,558,416)	(20,818,165)
Net cash provided (used) by operating activities	<u>(5,819,296)</u>	<u>200,265</u>
Cash flows from noncapital financing activities:		
Transfers from other funds	<u>3,868,119</u>	
Net increase (decrease) in equity in central treasury cash	(1,951,177)	200,265
Equity in central treasury cash - beginning	<u>1,951,177</u>	<u>1,750,912</u>
Equity in central treasury cash - ending	<u><u>\$</u></u>	<u><u>\$ 1,951,177</u></u>
Reconciliation of change in net assets to net cash provided (used)		
by operating activities:		
Change in net assets	<u>\$ (4,673,270)</u>	<u>\$ 749,561</u>
Adjustments to reconcile change in net assets to net cash		
provided (used) by operating activities:		
Increase in accounts receivable - local	(499,782)	(583,439)
Increase (decrease) in accounts payable	(6,255)	21,005
Decrease in claims payable, current portion	(780,003)	(127,699)
Increase (decrease) in claims payable, non-current portion	27,220	(1,210)
Increase in self-insurance reserves	187,794	142,047
Decrease in contingent liabilities	(75,000)	
Total adjustments	<u>(1,146,026)</u>	<u>(549,296)</u>
Net cash provided (used) by operating activities	<u><u>\$ (5,819,296)</u></u>	<u><u>\$ 200,265</u></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, 2006  
 (With comparative totals for 2005)

	<b>Totals</b>	
	<b>2006</b>	<b>2005</b>
<b><u>ASSETS</u></b>		
Equity in central treasury cash	\$ 1,873,145	\$ 1,893,843
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ 47,069	\$ 15,109
Due to student groups	1,826,076	1,878,734
Total liabilities	\$ 1,873,145	\$ 1,893,843

See accompanying notes to the basic financial statements.

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements  
June 30, 2006

## 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, 2006

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 student and 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, 2006

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, 2006

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 market value. See Note 4.

If applicable, investment income is allocated to the following School District funds based upon their cumulative, month-end cash equity 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. 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 reimbursed by Borough bond proceeds. 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 are compared to the cap for that year and the employees' portion of the amount over the cap, if any, is collected in the following fiscal 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.

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

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Notes to the Basic Financial Statements (continued) June 30, 2006

#### H. 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.

#### I. 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 State of Alaska provides similar facilities for on-base schools. 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 consists 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:

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.

#### J. 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.

#### K. 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.

#### L. Compensated Absences

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

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements (continued)  
June 30, 2006

### **M. 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 required PERS rate to be less than the actuarially determined rate resulting in a net pension obligation. PERS is 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.

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

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net 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.

### **O. 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.

### **P. Contract for Operating On-Base Schools**

In 1992 the State of Alaska Department of Education and Early Development (DEED) entered into an agreement with the United States Department of Education that required a change in the handling of Impact Aid (formerly PL-874) revenues for the students living on Fort Wainwright Army Post and Eielson Air Force Base. Revenues that had previously gone to the DEED and were used to partially fund the foundation program and tuition in lieu of local taxes were required to be passed on directly to the School District. The increase in federal revenue through the State of Alaska was offset by the equalization deduction in foundation revenue as provided in Alaska Statute section 14.17.410 and a reduction in tuition in lieu of taxes. An agreement was reached between the School District and the DEED that the change in the treatment of revenue would not result in an adverse impact on the operating revenue of the School District. This agreement is still in place and resulted in the State of Alaska making a \$1,450,000 payment for on-base schools in FY06.

### **Q. 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.



## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Notes to the Basic Financial Statements (continued) June 30, 2006

Accordingly, such information should be read in conjunction with the School District's financial statements for the year ended June 30, 2005, 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 (\$17,053) 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	\$ (24,407)
Net gain on the disposal of fixed assets	<u>7,354</u>
Net adjustment to decrease <i>net change in fund balances – total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u>\$ (17,053)</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, 2006 combined unreserved fund balance originating from the local contribution to education and from State of Alaska revenues was 8.3% percent – \$1,552,822 over the 7 percent limit. Included in unreserved fund balance is \$5,868,940 designated for the subsequent year's expenditures which adequately covers the amount over the 7 percent limit required to be shown as revenue in the following fiscal year's budget.

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

##### Deficit Fund Equity

The Risk Management internal service fund had a deficit fund equity of \$3.6 million as of June 30, 2006. A combination of high dollar claims, overall increases in health costs and the adoption of an employee health initiative, subsequent to setting the FY06 benefit rate, caused expenses to exceed charges for services to other funds by \$4.4 million. The School District adopted a substantial increase to the health and life benefit rate in FY07.

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Notes to the Basic Financial Statements (continued)  
June 30, 2006

## NOTE 4: EQUITY IN CENTRAL TREASURY CASH AND INVESTMENTS

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

Banking services are provided to the Borough under a contract with Wells Fargo Bank Alaska N.A (WFB). These services are 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, 2006, 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, 2006 is as follows:

	Carrying value of equity in central treasury	Due to (from) other funds	Reported Equity in Central Treasury
General fund	\$ 25,352,773	\$ (8,598,225)	\$ 16,754,548
Federal programs special revenue fund	(4,221,751)	4,298,166	76,415
Student Transportation special revenue fund	296,666		296,666
Non-major governmental funds	1,456,339	431,940	1,888,279
Total governmental funds	22,884,027	(3,868,119)	19,015,908
Risk management internal service fund	(3,868,119)	3,868,119	
Total governmental activities	\$ 19,015,908	\$	\$ 19,015,908
Pupil activities agency fund	\$ 1,873,145	\$	\$ 1,873,145

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Notes to the Basic Financial Statements (continued) June 30, 2006

Of total reported equity in central treasury, \$18,996,612 is unrestricted and \$19,296 is restricted.

### NOTE 5: RECEIVABLES

Receivables reported in the statement of net assets at June 30, 2006 were as follows:

Governmental activities:	General Fund	Federal Programs Special Revenue Fund	Non-major Governmental Funds	Risk Management Internal Service Fund	Totals
Local	\$ 142,949	\$ 77,711	\$ 93,478	\$ 4,015,185	\$ 4,329,323
State		3,934,132	188,062		4,122,194
Federal	13,853	409,282	10,605		433,740
Total receivables	<u>\$ 156,802</u>	<u>\$ 4,421,125</u>	<u>\$ 292,145</u>	<u>\$ 4,015,185</u>	<u>\$ 8,885,257</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, 2006, were as follows:

Governmental activities:	July 1, 2005 Balance	Additions	Deductions	June 30, 2006 Balance
Furniture and equipment	\$ 11,135,339	\$ 775,190	\$ (698,178)	\$ 11,212,351
Less accumulated depreciation	(7,392,512)	(665,889)	681,125	(7,377,276)
Total furniture and equipment	<u>3,742,827</u>	<u>109,301</u>	<u>(17,053)</u>	<u>3,835,075</u>
Intangible assets (software)	205,056			205,056
Less accumulated amortization	(90,605)	(31,199)		(121,804)
Total intangible assets	<u>114,451</u>	<u>(31,199)</u>		<u>83,252</u>
Construction in progress		317,044		317,044
Governmental activities capital assets, net	<u>\$ 3,857,278</u>	<u>\$ 395,146</u>	<u>\$ (17,053)</u>	<u>\$ 4,235,371</u>

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

Instruction	\$ 185,462
Special education instruction	9,174
Special education support services - students	1,486
Support services - students	6,094
Support services - instruction	106,764
School administration support services	4,485
District administration	1,808
District administration support services	170,012
Operations and maintenance of plant	154,634

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Notes to the Basic Financial Statements (continued) June 30, 2006

### Depreciation/amortization expense (continued):

Student activities	\$	4,105
Student transportation		814
Adult and continuing education		549
Food services		51,701
Total depreciation/amortization expense	\$	<u>697,088</u>

### NOTE 7: LEASES

#### Operating Leases

The School District is obligated under two operating leases; a noncancelable building lease for a small school facility for the H.I.R.E. program and 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 FY06 was \$204,842. The future minimum lease payments are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2007	\$ 232,245
2008	232,245
2009	27,402
Total	<u>\$ 491,892</u>

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

The composition of interfund balances as of June 30, 2006, 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	\$ 4,298,166
General fund	Nonmajor governmental funds	431,940
General fund	Risk management internal service fund	3,868,119
Total interfund receivables/payables		<u>\$ 8,598,225</u>

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

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Notes to the Basic Financial Statements (continued)  
June 30, 2006

Interfund Transfers

<b>Transfers Out:</b>	<b>Transfers In:</b>		
	Student Transportation Special Revenue Fund	Nonmajor Governmental Funds	Total
General fund	\$ 150,000	\$ 377,073	\$ 527,073
Nonmajor governmental funds		91,000	91,000
Total transfers	<u>\$ 150,000</u>	<u>\$ 468,073</u>	<u>\$ 618,073</u>

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

Due To / From Primary Government

<b>Receivable Entity:</b>	<b>Payable Entity:</b>	<b>Amount</b>
Component unit - School District	Primary government - FNSB	<u>\$ 227,158</u>
Primary government - FNSB	Component unit - School District	<u>\$ 28,578</u>

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

Long-term liabilities for governmental activity for the year ended June 30, 2006 were as follows:

	July 1, 2005 Balance	Additions	Reductions	June 30, 2006 Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 2,679,900	\$ 2,834,956	\$ (2,688,190)	\$ 2,826,666	\$ 2,643,610
Claims and judgments	4,309,771	22,847,547	(23,487,536)	3,669,782	1,843,185
Net pension obligation	1,974,043	2,004,178		3,978,221	
Governmental activity long-term liabilities	<u>\$ 8,963,714</u>	<u>\$ 27,686,681</u>	<u>\$ (26,175,726)</u>	<u>\$ 10,474,669</u>	<u>\$ 4,486,795</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 the governmental activities, claims and judgments are generally liquidated by the risk management internal service fund and compensated absences are generally liquidated by the general fund.

**NOTE 10: DEBT ON SCHOOL CONSTRUCTION**

A summary of general obligation bonds issued for school related debt, for which the School District has no

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Notes to the Basic Financial Statements (continued) June 30, 2006

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

	July 1, 2005 Balance	Additions	Reductions	June 30, 2006 Balance	Due Within One Year
1993, Refunding, Series S	\$ 10,620,000	\$	\$ (4,755,000)	\$ 5,865,000	\$ 2,830,000
1996, Series U	11,825,000		(700,000)	11,125,000	750,000
1997, Series A	26,621,276		(1,446,809)	25,174,467	1,543,261
1999, Series B	20,840,000		(1,090,000)	19,750,000	1,140,000
2000, Series C	8,010,000		(340,000)	7,670,000	355,000
2000, Series D	7,860,000		(340,000)	7,520,000	355,000
2002, Series E	13,150,000		(485,000)	12,665,000	500,000
2003, Series F	13,035,000		(480,000)	12,555,000	500,000
2004, Series G	13,635,000		(540,000)	13,095,000	550,000
2005, Series H	13,750,000		(415,000)	13,335,000	515,000
2006, Series I		9,750,000		9,750,000	220,000
	<u>\$139,346,276</u>	<u>\$ 9,750,000</u>	<u>\$ (10,591,809)</u>	<u>\$138,504,467</u>	<u>\$ 9,258,261</u>

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2007	\$ 9,258,261	\$ 6,381,846
2008	9,844,716	5,767,047
2009	7,126,170	5,265,784
2010	7,457,624	4,917,139
2011	7,799,078	4,559,334
2012-2016	44,973,654	17,091,420
2017-2021	37,924,964	6,902,693
2022-2026	14,120,000	1,088,368
Total	<u>\$ 138,504,467</u>	<u>\$ 51,973,631</u>

During the year, the Borough paid total principal and interest of \$17,129,163 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 School District's 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 five 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.

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Notes to the Basic Financial Statements (continued) June 30, 2006

The School District accounts for its self-insurance and risk management program in the Risk Management Internal Service Fund. The Borough administers the program and charges the School District for claims paid and administration expenses incurred.

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

Changes in the risk management internal service fund liability amounts in fiscal years 2006 and 2005 were:

	Claims Liability 2005-06	Claims Liability 2004-05
July 1	\$ 4,309,771	\$ 4,296,633
Current year claims	22,630,753	20,218,574
Changes in estimates for claims of prior periods	216,794	14,572
Claims payments	(23,487,536)	(20,220,008)
June 30	<u>\$ 3,669,782</u>	<u>\$ 4,309,771</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 are compared to the cap for that year and the employees' portion of the amount over the cap, if any, is collected in the following fiscal 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 year. The health cap receivable in fiscal years 2006 and 2005 was \$4,015,185 and \$3,515,403, 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 2005-06	Allocated Services 2004-05
Risk management overhead	\$ 464,271	\$ 432,217
Auto/general liability, property and other insurance premiums	738,328	716,100
Workers' compensation insurance premiums	97,552	149,150
Health and workers' compensation claims paid	22,344,725	19,229,225
General liabilities claims paid	16,481	6,728
Audit	32,900	32,300
	<u>\$ 23,694,257</u>	<u>\$ 20,565,720</u>

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Notes to the Basic Financial Statements (continued) June 30, 2006

#### NOTE 13: RETIREMENT PLANS

As of June 30, 2006, 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/drj](http://www.state.ak.us/drj). 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. Employer contributions are actuarially determined and have been paid or accrued by the School District.

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

##### Plan Description

The Alaska Public Employees' Retirement System (PERS) is a defined benefit, agent, multiple employer public employee retirement system established and administered by the State of Alaska (State) to provide pension, postemployment healthcare, death, and disability benefits to eligible employees. Postemployment health care benefits are provided to retirees without cost for all employees first hired before July 1, 1986, and employees who are disabled or age sixty-five or older, regardless of initial hire dates. 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

Employee contribution rates are 6.75 percent (standard option) or 9.6 percent (alternate option) of eligible compensation as required by State statute. 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. The School District's total rate for FY06 and FY05 was 23.31% and 22.79%, respectively. A statutory five (5) percentage point cap was applied to the FY06 and FY05 total rate making the mandatory adjusted rate 15.91% and 10.91%, respectively.

##### Annual Pension cost and Net Pension Obligation

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 the current year were those listed in the actuarial valuation as of June 30, 2003. Employer contribution rates are level percentages of payroll and are determined using the projected unit credit actuarial funding method. Under this method each participant's total pension is projected to retirement with salary increases broken down into units, each associated with a year of past or future service, the objective being that each unit is funded in the year for which it is credited and accrued. The initial unfunded accrued liability and future gains/losses are amortized over a 25-year fixed period as a level percentage of pay.



# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Notes to the Basic Financial Statements (continued) June 30, 2006

Actuarial assumptions are as follows:

	Pension	Postemployment Healthcare
Employer contribution rate	13.97%	9.34%
Inflation rate	3.50%	same
Investment return	8.25%	same
Projected salary increases:		
Inflation	3.50%	n/a
Productivity and merit	2.00%	n/a
Health cost trend	n/a	5.00%

In FY02 employer rates were significantly increased due to rising costs in health care and investment losses. However, a five (5) percent statutory cap on employer contributions mentioned earlier has resulted in 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, 2006 were as follows:

	Pension	Postemployment Healthcare	Total
Annual required contribution	\$ 3,705,523	\$ 2,476,616	\$ 6,182,139
Interest on net pension obligation	97,616	65,242	162,858
Adjustment to annual required contribution	(72,828)	(48,674)	(121,502)
Annual pension cost	3,730,311	2,493,184	6,223,495
Contributions made	2,529,024	1,690,293	4,219,317
Increase in net pension obligation	1,201,287	802,891	2,004,178
Net pension obligation, beginning of year	1,127,148	846,895	1,974,043
Net pension obligation, end of year	\$ 2,328,435	\$ 1,649,786	\$ 3,978,221

Annual pension cost (APC), percentage of APC contributed, and net pension obligation (asset) information as of June 30, 2006, 2005 and 2004 follows for pension benefits and postemployment healthcare benefits:

### Pension Benefits

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
June 30, 2004	\$ 994,017	100.2%	\$ (698,208)
June 30, 2005	3,511,913	48.0%	1,127,148
June 30, 2006	3,730,311	67.8%	2,328,435

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Notes to the Basic Financial Statements June 30, 2006

### Postemployment Healthcare Benefits

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
June 30, 2004	\$ 420,868	100.2%	\$ (262,147)
June 30, 2005	2,133,754	48.0%	846,895
June 30, 2006	2,493,184	67.8%	1,649,786

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

#### Plan Description

The Alaska Teachers' Retirement System (TRS) is a defined benefit cost-sharing multiple-employer retirement system 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

Employee contribution rates are 8.65 percent of base salary as required by State statute. 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.

During the year ended June 30, 2006, the required employer contribution rate was 21%. The amounts contributed to TRS by the School District during the years ended June 30, 2006, 2005, and 2004 were \$12,716,069, \$9,331,781 and \$6,903,968, respectively, equal to the required employer contributions for each year.

### **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.

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# **REQUIRED SUPPLEMENTARY INFORMATION**

# **REQUIRED SUPPLEMENTARY INFORMATION**

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

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance – Budget (Non-  
GAAP Basis) and Actual – Federal 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 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, 2006**

	<u>Budgeted Amounts</u>			<u>Actual on</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Budgetary</u>	<u>Final Budget -</u>
				<u>Basis</u>	<u>Positive</u>
					<u>(Negative)</u>
Revenues:					
Local sources	\$ 38,901,620	\$ 38,901,620	\$ 38,850,319	\$ 38,850,319	\$ (51,301)
State sources	82,076,410	82,076,410	81,842,665	81,842,665	(233,745)
Federal sources	10,603,360	10,603,360	12,387,574	12,387,574	1,784,214
Total revenues	131,581,390	131,581,390	133,080,558	133,080,558	1,499,168
Expenditures:					
Current:					
Instruction	69,330,027	69,777,619	66,636,854	67,003,403	2,774,216
Special education instruction	12,476,716	13,238,742	13,105,673	13,108,171	130,571
Special education support services - students	2,360,018	2,282,774	2,189,892	2,190,483	92,291
Support services - students	7,000,183	7,583,635	7,474,149	7,475,291	108,344
Support services - instruction	4,889,535	4,987,391	4,764,045	4,803,046	184,345
School administration	5,273,044	5,171,984	5,120,240	5,120,240	51,744
School administration support services	3,839,787	3,834,047	3,662,612	3,666,016	168,031
District administration	1,574,365	1,636,577	1,568,617	1,569,341	67,236
District administration support services	6,818,456	7,255,740	6,678,883	6,736,786	518,954
Operations and maintenance of plant	19,362,956	19,542,080	18,303,539	18,275,595	1,266,485
Student activities	2,027,865	2,298,353	2,148,068	2,118,857	179,496
Total expenditures	134,952,952	137,608,942	131,652,572	132,067,229	5,541,713
Excess (deficiency) of revenues over expenditures	(3,371,562)	(6,027,552)	1,427,986	1,013,329	7,040,881
Other financing sources (uses):					
Proceeds from sale of capital assets			19,906		
Transfers out	(862,618)	(890,007)	(527,073)	(527,073)	362,934
Total other financing sources (uses)	(862,618)	(890,007)	(507,167)	(527,073)	362,934
Net change in fund balance	\$ (4,234,180)	\$ (6,917,559)	920,819	\$ 486,256	\$ 7,403,815
Fund balance - beginning			23,837,493		
Fund balance - ending			\$ 24,758,312		

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, 2006

	<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	\$ 7,500	\$ 7,500	\$ 23,598	\$ 16,098
Federal sources	14,726,498	18,035,841	14,826,365	(3,316,383)
Total revenues	14,733,998	18,043,341	14,849,963	(3,300,285)
Expenditures:				
Current:				
Instruction	3,840,615	4,219,625	3,538,528	703,199
Special education instruction	3,300,801	4,881,048	4,494,502	416,737
Support services - students	1,073,281	2,756,630	2,265,775	486,952
Support services - instruction	4,953,344	6,067,163	4,466,611	1,633,392
District administration	115,410	115,410	57,634	83,453
Total expenditures	13,283,451	18,039,876	14,823,050	3,323,733
Net change in fund balance	<u>\$ 1,450,547</u>	<u>\$ 3,465</u>	<u>26,913</u>	<u>\$ 23,448</u>
Fund balance - beginning			7,144	
Fund balance - ending			<u>\$ 34,057</u>	

See accompanying notes to the budgetary comparison schedules.

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**  
Student Transportation Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>			<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>		
Revenues:					
State sources	<u>\$ 8,924,391</u>	<u>\$ 8,924,391</u>	<u>\$ 8,861,465</u>	<u>\$ 8,861,465</u>	<u>\$ (62,926)</u>
Expenditures:					
Current:					
Student transportation service	<u>9,438,855</u>	<u>9,438,855</u>	<u>9,135,639</u>	<u>9,135,639</u>	<u>303,216</u>
Excess (deficiency) of revenues over expenditures	<u>(514,464)</u>	<u>(514,464)</u>	<u>(274,174)</u>	<u>(274,174)</u>	<u>240,290</u>
Other financing sources:					
Transfers in	<u>514,464</u>	<u>514,464</u>	<u>150,000</u>	<u>150,000</u>	<u>(364,464)</u>
Net change in fund balance	<u>\$</u>	<u>\$</u>	<u>(124,174)</u>	<u>\$ (124,174)</u>	<u>\$ (124,174)</u>
Fund balance - beginning			<u>401,950</u>		
Fund balance - ending			<u>\$ 277,776</u>		

See accompanying notes to the budgetary comparison schedules.



## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Notes to Budgetary Comparison Schedules June 30, 2006

#### 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 School District Board of Education, with community input.
2. Submission to the Borough Assembly for approval of the total budget and appropriation of the local contribution. The deadline for submitting the budget to the Borough 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 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, 2006, was prepared on the "program" level of budgetary control for information purposes. The budget in these financial statements was approved by the School District 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 all 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 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.

##### 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 outstanding at year-end are reported as reservations of fund balance and are automatically carried

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Notes to Budgetary Comparison Schedules June 30, 2006

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, encumbrances automatically carried forward from the prior fiscal year and budget amendments made during the current fiscal year.

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

	General Fund	Federal Programs Special Revenue Fund	Transportation Special Revenue Fund
Revenues reported on the basis of budgeting	\$ 133,080,558	\$ 14,743,056	\$ 8,861,465
Basis difference		106,907	
Revenues reported on the basis of GAAP	<u>\$ 133,080,558</u>	<u>\$ 14,849,963</u>	<u>\$ 8,861,465</u>
Expenditures reported on the basis of budgeting	\$ 132,067,229	\$ 14,716,143	\$ 9,135,639
Add expenditures on prior year encumbrances	1,481,688	294,960	
Deduct current year encumbrances	(1,896,345)	(188,053)	
Expenditures reported on the basis of GAAP	<u>\$ 131,652,572</u>	<u>\$ 14,823,050</u>	<u>\$ 9,135,639</u>

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**  
Required Supplementary Information  
Schedule of Funding Progress  
Pension and Postemployment Healthcare Benefits  
June 30, 2006

(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>	2003	67,568	89,859	(22,291)	75%	23,234	(96%)
	2004	68,199	95,642	(27,443)	71%	24,096	(114%)
	2005	60,310	91,831	(31,521)	66%	27,423	(115%)
<b>Postemployment Healthcare Benefits</b>	2003	45,160	60,058	(14,898)	75%	23,234	(64%)
	2004	48,088	67,439	(19,351)	71%	24,096	(80%)
	2005	66,898	101,862	(34,964)	66%	27,423	(128%)
<b>Totals</b>	2003	112,728	149,917	(37,189)	75%	23,234	(160%)
	2004	116,287	163,081	(46,794)	71%	24,096	(194%)
	2005	127,208	193,693	(66,485)	66%	27,423	(242%)

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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

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

For the Year Ended June 30, 2006

(With comparative totals for 2005)

	<b>Totals</b>	
	<b>2006</b>	<b>2005</b>
Revenues:		
Revenue from local sources:		
Borough direct appropriation	\$ 38,022,700	\$ 36,545,700
E-rate revenue	250,778	255,646
Other local revenue	576,841	464,871
Total local sources	<u>38,850,319</u>	<u>37,266,217</u>
Revenue from state sources:		
Foundation program	80,045,140	72,703,693
QSI grant	347,525	348,464
On-base schools	1,450,000	1,450,000
Total state sources	<u>81,842,665</u>	<u>74,502,157</u>
Revenue from federal sources:		
Direct - impact aid	12,257,249	14,267,731
Through the State of Alaska - Medicaid reimbursement	130,325	99,358
Total federal sources	<u>12,387,574</u>	<u>14,367,089</u>
Total revenues	<u>133,080,558</u>	<u>126,135,463</u>
Expenditures - current:		
Instruction:		
Salaries and fringe benefits:		
Certificated salaries	41,782,807	41,078,230
Non-certificated salaries	3,322,937	1,940,948
Employee benefits	17,334,211	15,915,443
Total salaries and fringe benefits	<u>62,439,955</u>	<u>58,934,621</u>
Materials, supplies, services and other:		
Professional and technical services	17,175	1,545
Staff travel	40,024	28,416
Student travel	32,312	49,490
Other purchased services	910,777	749,617
Supplies, materials and media	3,172,773	2,123,175
Total materials, supplies, services and other	<u>4,173,061</u>	<u>2,952,243</u>
Capital outlay - equipment	<u>23,838</u>	<u>25,758</u>
Total instruction	<u>66,636,854</u>	<u>61,912,622</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, 2006

(With comparative totals for 2005)

	Totals	
	2006	2005
Special education instruction:		
Salaries and fringe benefits:		
Certificated salaries	\$ 6,484,082	\$ 6,680,694
Non-certificated salaries	2,878,212	2,492,810
Employee benefits	3,583,414	3,404,297
Total salaries and fringe benefits	12,945,708	12,577,801
Materials, supplies, services and other:		
Professional and technical services	900	525
Staff travel	1,150	801
Utility services	1,404	
Other purchased services	47,512	37,541
Supplies, materials and media	108,999	119,953
Total materials, supplies, services and other	159,965	158,820
Capital outlay - equipment		6,679
Total special education instruction	13,105,673	12,743,300
Special education support services - students:		
Salaries and fringe benefits:		
Certificated salaries	971,809	729,469
Non-certificated salaries	327,079	331,828
Employee benefits	516,590	408,608
Total salaries and fringe benefits	1,815,478	1,469,905
Materials, supplies, services and other:		
Professional and technical services	286,203	427,813
Staff travel	15,204	13,280
Other purchased services	20,069	20,827
Supplies, materials and media	52,938	50,282
Total materials, supplies, services and other	374,414	512,202
Total special education support services - students	2,189,892	1,982,107
Support services - students:		
Salaries and fringe benefits:		
Certificated salaries	3,009,120	2,846,257
Non-certificated salaries	2,235,152	1,721,488
Employee benefits	2,068,933	1,736,061
Total salaries and fringe benefits	7,313,205	6,303,806

(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, 2006

(With comparative totals for 2005)

	Totals	
	2006	2005
Support services - students (continued):		
Materials, supplies, services and other:		
Professional and technical services	\$ 2,175	\$ 2,074
Staff travel	6,664	3,938
Other purchased services	24,409	19,708
Supplies, materials and media	127,146	62,068
Other expenses	550	739
Total materials, supplies, services and other	160,944	88,527
Total support services - students	7,474,149	6,392,333
Support services - instruction:		
Salaries and fringe benefits:		
Certificated salaries	872,701	677,343
Non-certificated salaries	1,797,223	1,710,011
Employee benefits	1,002,368	894,143
Total salaries and fringe benefits	3,672,292	3,281,497
Materials, supplies, services and other:		
Professional and technical services	41,083	25,679
Staff travel	76,256	28,279
Student travel	3,842	
Other purchased services	172,185	191,578
Supplies, materials and media	665,971	406,646
Total materials, supplies, services and other	959,337	652,182
Capital outlay - equipment	132,416	68,840
Total support services - instruction	4,764,045	4,002,519
School administration:		
Salaries and fringe benefits:		
Certificated salaries	3,643,828	3,672,591
Non-certificated salaries		31,143
Employee benefits	1,449,621	1,403,862
Total salaries and fringe benefits	5,093,449	5,107,596
Materials, supplies, services and other:		
Staff travel	3,501	3,298
Other expenses	23,290	23,780
Total materials, supplies, services and other	26,791	27,078
Total school administration	5,120,240	5,134,674

(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, 2006

(With comparative totals for 2005)

	Totals	
	2006	2005
School administration support services:		
Salaries and fringe benefits:		
Non-certificated salaries	\$ 2,292,181	\$ 2,244,022
Employee benefits	914,456	860,877
Total salaries and fringe benefits	3,206,637	3,104,899
Materials, supplies, services and other:		
Professional and technical services	1,190	9,653
Staff travel	539	285
Utility services	361,179	333,424
Other purchased services	2,250	3,887
Insurance and bond premiums	4,300	
Supplies, materials and media	86,517	103,100
Total materials, supplies, services and other	455,975	450,349
Total school administration support services	3,662,612	3,555,248
District administration:		
Salaries and fringe benefits:		
Certificated salaries	369,817	352,085
Non-certificated salaries	561,782	532,518
Employee benefits	425,590	392,185
Total salaries and fringe benefits	1,357,189	1,276,788
Materials, supplies, services and other:		
Professional and technical services	68,917	41,251
Staff travel	31,177	31,196
Other purchased services	64,172	54,404
Supplies, materials and media	47,162	34,111
Total materials, supplies, services and other	211,428	160,962
Total district administration	1,568,617	1,437,750
District administration support services:		
Salaries and fringe benefits:		
Certificated salaries	34,793	34,933
Non-certificated salaries	3,659,177	3,238,110
Employee benefits	1,503,657	1,321,211
Total salaries and fringe benefits	5,197,627	4,594,254

(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, 2006

(With comparative totals for 2005)

	<b>Totals</b>	
	<b>2006</b>	<b>2005</b>
District administration support services (continued):		
Materials, supplies, services and other:		
Professional and technical services	\$ 338,992	\$ 418,651
Staff travel	90,611	46,877
Utility services	213,637	216,644
Other purchased services	386,138	276,389
Insurance and bond premiums	829,137	807,950
Supplies, materials and media	443,923	214,251
Other expenses	16,481	6,728
Indirect cost	(854,850)	(861,589)
Total materials, supplies, services and other	1,464,069	1,125,901
Capital outlay - equipment	17,187	37,188
Total district administration support services	6,678,883	5,757,343
Operations and maintenance of plant:		
Salaries and fringe benefits:		
Non-certificated salaries	7,591,242	7,322,647
Employee benefits	2,968,880	2,818,105
Total salaries and fringe benefits	10,560,122	10,140,752
Materials, supplies, services and other:		
Professional and technical services	65,136	54,227
Staff travel	15,199	16,780
Utility services	719,224	678,320
Energy	4,603,356	3,738,135
Other purchased services	738,726	703,210
Insurance and bond premiums	378,106	334,908
Supplies, materials and media	1,133,977	1,115,745
Total materials, supplies, services and other	7,653,724	6,641,325
Capital outlay - equipment	89,693	106,143
Total operations and maintenance of plant	18,303,539	16,888,220
Student activities:		
Salaries and fringe benefits:		
Certificated salaries	637,512	440,778
Non-certificated salaries	478,595	338,994
Employee benefits	251,020	123,570
Total salaries and fringe benefits	1,367,127	903,342

(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, 2006

(With comparative totals for 2005)

	Totals	
	2006	2005
Student activities (continued):		
Materials, supplies, services and other:		
Professional and technical services	\$ 131,364	\$ 117,850
Student travel	409,105	305,538
Other purchased services	29,466	29,786
Supplies, materials and media	205,757	184,848
Total materials, supplies, services and other	775,692	638,022
Capital outlay - equipment	5,249	3,175
Total student activities	2,148,068	1,544,539
Debt service:		
Interest		18,555
Principal		188,281
Total debt service		206,836
Total expenditures	131,652,572	121,557,491
Excess of revenues over expenditures	1,427,986	4,577,972
Other financing sources (uses):		
Proceeds from sale of capital assets	19,906	6,500
Transfers out	(527,073)	(351,230)
Total other financing sources (uses)	(507,167)	(344,730)
Net change in fund balance	920,819	4,233,242
Fund balance - beginning	23,837,493	19,604,251
Fund balance - ending	\$ 24,758,312	\$ 23,837,493

**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, 2006

	<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	\$ 38,022,700	\$ 38,022,700	\$ 38,022,700	\$ 38,022,700	\$
E-rate revenue	255,000	255,000	250,778	250,778	(4,222)
Other local revenue	623,920	623,920	576,841	576,841	(47,079)
Total local sources	38,901,620	38,901,620	38,850,319	38,850,319	(51,301)
Revenue from state sources:					
Foundation program	80,278,280	80,278,280	80,045,140	80,045,140	(233,140)
QSI grant	348,130	348,130	347,525	347,525	(605)
On-base schools	1,450,000	1,450,000	1,450,000	1,450,000	
Total state sources	82,076,410	82,076,410	81,842,665	81,842,665	(233,745)
Revenue from federal sources:					
Direct - impact aid	10,354,560	10,354,560	12,257,249	12,257,249	1,902,689
Through the State of Alaska - Medicaid reimbursement	248,800	248,800	130,325	130,325	(118,475)
Total federal sources	10,603,360	10,603,360	12,387,574	12,387,574	1,784,214
Total revenues	131,581,390	131,581,390	133,080,558	133,080,558	1,499,168
Expenditures - current:					
Instruction:					
Salaries and fringe benefits:					
Certificated salaries	42,315,582	41,774,158	41,782,807	41,782,807	(8,649)
Non-certificated salaries	3,138,166	3,496,976	3,322,937	3,322,937	174,039
Employee benefits	17,889,840	17,764,224	17,334,211	17,334,211	430,013
Total salaries and fringe benefits	63,343,588	63,035,358	62,439,955	62,439,955	595,403
Materials, supplies, services and other:					
Professional and technical services	31,549	67,924	17,175	17,182	50,742
Staff travel	31,110	50,430	40,024	39,704	10,726
Student travel	50,265	52,165	32,312	32,312	19,853
Other purchased services	1,443,877	1,071,263	910,777	919,336	151,927
Supplies, materials and media	4,164,518	5,399,085	3,172,773	3,527,876	1,871,209
Other expenses	174,550				
Total materials, supplies, services and other	5,895,869	6,640,867	4,173,061	4,536,410	2,104,457
Capital outlay - equipment	90,570	101,394	23,838	27,038	74,356
Total instruction	69,330,027	69,777,619	66,636,854	67,003,403	2,774,216

(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, 2006

	<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	\$ 6,248,413	\$ 6,504,413	\$ 6,484,082	\$ 6,484,082	\$ 20,331
Non-certificated salaries	2,504,457	2,886,757	2,878,212	2,878,212	8,545
Employee benefits	3,564,929	3,669,717	3,583,414	3,583,414	86,303
Total salaries and fringe benefits	<u>12,317,799</u>	<u>13,060,887</u>	<u>12,945,708</u>	<u>12,945,708</u>	<u>115,179</u>
Materials, supplies, services and other:					
Professional and technical services		1,200	900	900	300
Staff travel	250	1,750	1,150	1,150	600
Utility services	2,400	2,400	1,404	1,404	996
Other purchased services	38,720	54,220	47,512	48,212	6,008
Supplies, materials and media	117,547	118,285	108,999	110,797	7,488
Total materials, supplies, services and other	<u>158,917</u>	<u>177,855</u>	<u>159,965</u>	<u>162,463</u>	<u>15,392</u>
Total special education instruction	<u>12,476,716</u>	<u>13,238,742</u>	<u>13,105,673</u>	<u>13,108,171</u>	<u>130,571</u>
Special education support services - students:					
Salaries and fringe benefits:					
Certificated salaries	1,044,271	990,420	971,809	971,809	18,611
Non-certificated salaries	348,523	348,523	327,079	327,079	21,444
Employee benefits	569,171	547,278	516,590	516,590	30,688
Total salaries and fringe benefits	<u>1,961,965</u>	<u>1,886,221</u>	<u>1,815,478</u>	<u>1,815,478</u>	<u>70,743</u>
Materials, supplies, services and other:					
Professional and technical services	305,453	304,953	286,203	286,203	18,750
Staff travel	18,600	17,100	15,204	15,204	1,896
Other purchased services	20,000	20,500	20,069	20,069	431
Supplies, materials and media	54,000	54,000	52,938	53,529	471
Total materials, supplies, services and other	<u>398,053</u>	<u>396,553</u>	<u>374,414</u>	<u>375,005</u>	<u>21,548</u>
Total special education support services - students	<u>2,360,018</u>	<u>2,282,774</u>	<u>2,189,892</u>	<u>2,190,483</u>	<u>92,291</u>
Support services - students:					
Salaries and fringe benefits:					
Certificated salaries	2,658,019	3,022,136	3,009,120	3,009,120	13,016
Non-certificated salaries	2,193,578	2,236,848	2,235,152	2,235,152	1,696
Employee benefits	1,977,098	2,137,135	2,068,933	2,068,933	68,202
Total salaries and fringe benefits	<u>6,828,695</u>	<u>7,396,119</u>	<u>7,313,205</u>	<u>7,313,205</u>	<u>82,914</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, 2006

	<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>		
Support services - students (continued):					
Materials, supplies, services and other:					
Professional and technical services	\$ 5,000	\$ 5,000	\$ 2,175	\$ 2,175	\$ 2,825
Staff travel	3,500	8,123	6,664	6,664	1,459
Other purchased services	43,712	42,675	24,409	19,345	23,330
Supplies, materials and media	118,726	131,168	127,146	133,352	(2,184)
Other expenses	550	550	550	550	
Total materials, supplies, services and other	171,488	187,516	160,944	162,086	25,430
Total support services - students	7,000,183	7,583,635	7,474,149	7,475,291	108,344
Support services - instruction:					
Salaries and fringe benefits:					
Certificated salaries	799,817	879,681	872,701	872,701	6,980
Non-certificated salaries	1,882,047	1,861,837	1,797,223	1,797,223	64,614
Employee benefits	1,024,178	1,027,030	1,002,368	1,002,368	24,662
Total salaries and fringe benefits	3,706,042	3,768,548	3,672,292	3,672,292	96,256
Materials, supplies, services and other:					
Professional and technical services	99,000	64,635	41,083	41,083	23,552
Staff travel	76,820	81,820	76,256	80,493	1,327
Student travel	7,000	7,000	3,842	3,842	3,158
Other purchased services	371,621	216,201	172,185	185,790	30,411
Supplies, materials and media	486,552	706,687	665,971	686,050	20,637
Total materials, supplies, services and other	1,040,993	1,076,343	959,337	997,258	79,085
Capital outlay - equipment	142,500	142,500	132,416	133,496	9,004
Total support services - instruction	4,889,535	4,987,391	4,764,045	4,803,046	184,345
School administration:					
Salaries and fringe benefits:					
Certificated salaries	3,723,014	3,650,514	3,643,828	3,643,828	6,686
Employee benefits	1,518,990	1,490,430	1,449,621	1,449,621	40,809
Total salaries and fringe benefits	5,242,004	5,140,944	5,093,449	5,093,449	47,495
Materials, supplies, services and other:					
Staff travel	7,750	7,750	3,501	3,501	4,249
Other expenses	23,290	23,290	23,290	23,290	
Total materials, supplies, services and other	31,040	31,040	26,791	26,791	4,249
Total school administration	5,273,044	5,171,984	5,120,240	5,120,240	51,744

(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, 2006

	<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>		
School administration support services:					
Salaries and fringe benefits:					
Non-certificated salaries	\$ 2,329,757	\$ 2,304,007	\$ 2,292,181	\$ 2,292,181	\$ 11,826
Employee benefits	960,141	960,141	914,456	914,456	45,685
Total salaries and fringe benefits	<u>3,289,898</u>	<u>3,264,148</u>	<u>3,206,637</u>	<u>3,206,637</u>	<u>57,511</u>
Materials, supplies, services and other:					
Professional and technical services	6,000	16,000	1,190	1,190	14,810
Staff travel	375	1,125	539	539	586
Utility services	424,100	424,100	361,179	368,282	55,818
Other purchased services	5,000	5,000	2,250	2,250	2,750
Insurance and bond premiums		5,000	4,300	4,300	700
Supplies, materials and media	113,914	118,174	86,517	82,818	35,356
Total materials, supplies, services and other	<u>549,389</u>	<u>569,399</u>	<u>455,975</u>	<u>459,379</u>	<u>110,020</u>
Capital outlay - equipment	<u>500</u>	<u>500</u>			<u>500</u>
Total school administration support services	<u>3,839,787</u>	<u>3,834,047</u>	<u>3,662,612</u>	<u>3,666,016</u>	<u>168,031</u>
District administration:					
Salaries and fringe benefits:					
Certificated salaries	355,076	369,984	369,817	369,817	167
Non-certificated salaries	526,058	566,817	561,782	561,782	5,035
Employee benefits	412,575	425,120	425,590	425,590	(470)
Total salaries and fringe benefits	<u>1,293,709</u>	<u>1,361,921</u>	<u>1,357,189</u>	<u>1,357,189</u>	<u>4,732</u>
Materials, supplies, services, and other:					
Professional and technical services	84,500	79,000	68,917	68,917	10,083
Staff travel	34,710	34,710	31,177	31,286	3,424
Other purchased services	65,500	67,000	64,172	64,172	2,828
Supplies, materials and media	41,946	49,946	47,162	47,777	2,169
Other expenses	50,000	44,000			44,000
Total materials, supplies, services, and other	<u>276,656</u>	<u>274,656</u>	<u>211,428</u>	<u>212,152</u>	<u>62,504</u>
Capital outlay - equipment	<u>4,000</u>				
Total district administration	<u>1,574,365</u>	<u>1,636,577</u>	<u>1,568,617</u>	<u>1,569,341</u>	<u>67,236</u>
District administration support services:					
Salaries and fringe benefits:					
Certificated salaries	29,305	35,305	34,793	34,793	512
Non-certificated salaries	3,649,919	3,718,582	3,659,177	3,659,177	59,405
Employee benefits	1,554,874	1,557,881	1,503,657	1,503,657	54,224
Total salaries and fringe benefits	<u>5,234,098</u>	<u>5,311,768</u>	<u>5,197,627</u>	<u>5,197,627</u>	<u>114,141</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, 2006

	<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>		
District administration support services (continued):					
Materials, supplies, services and other:					
Professional and technical services	\$ 345,670	\$ 353,670	\$ 338,992	\$ 347,203	\$ 6,467
Staff travel	93,510	95,944	90,611	90,418	5,526
Utility services	249,000	239,000	213,637	216,748	22,252
Other purchased services	299,985	463,147	386,138	405,231	57,916
Insurance and bond premiums	902,231	902,231	829,137	829,137	73,094
Supplies, materials and media	271,212	475,765	443,923	450,306	25,459
Other expenses			16,481	16,481	(16,481)
Indirect costs	(610,000)	(630,235)	(854,850)	(854,850)	224,615
Total materials, supplies, services and other	<u>1,551,608</u>	<u>1,899,522</u>	<u>1,464,069</u>	<u>1,500,674</u>	<u>398,848</u>
Capital outlay - equipment	<u>32,750</u>	<u>44,450</u>	<u>17,187</u>	<u>38,485</u>	<u>5,965</u>
Total district administration support services	<u>6,818,456</u>	<u>7,255,740</u>	<u>6,678,883</u>	<u>6,736,786</u>	<u>518,954</u>
Operations and maintenance of plant:					
Salaries and fringe benefits:					
Certificated salaries					
Non-certificated salaries	8,173,868	7,775,103	7,591,242	7,591,242	183,861
Employee benefits	3,307,924	3,170,496	2,968,880	2,968,880	201,616
Total salaries and fringe benefits	<u>11,481,792</u>	<u>10,945,599</u>	<u>10,560,122</u>	<u>10,560,122</u>	<u>385,477</u>
Materials, supplies, services and other:					
Professional and technical services	75,900	80,569	65,136	61,447	19,122
Staff travel	21,100	21,100	15,199	15,199	5,901
Utility services	777,185	785,582	719,224	711,522	74,060
Energy	4,417,188	4,945,188	4,603,356	4,603,356	341,832
Other purchased services	953,886	1,065,192	738,726	732,963	332,229
Insurance and bond premiums	465,000	465,000	378,106	378,106	86,894
Supplies, materials and media	1,095,755	1,144,137	1,133,977	1,123,187	20,950
Total materials, supplies, services and other	<u>7,806,014</u>	<u>8,506,768</u>	<u>7,653,724</u>	<u>7,625,780</u>	<u>880,988</u>
Capital outlay - equipment	<u>75,150</u>	<u>89,713</u>	<u>89,693</u>	<u>89,693</u>	<u>20</u>
Total operations and maintenance of plant	<u>19,362,956</u>	<u>19,542,080</u>	<u>18,303,539</u>	<u>18,275,595</u>	<u>1,266,485</u>
Student activities:					
Salaries and fringe benefits:					
Certificated salaries	944,350	712,505	637,512	637,512	74,993
Non-certificated salaries	235,000	477,701	478,595	478,595	(894)
Employee benefits	318,319	290,236	251,020	251,020	39,216
Total salaries and fringe benefits	<u>1,497,669</u>	<u>1,480,442</u>	<u>1,367,127</u>	<u>1,367,127</u>	<u>113,315</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, 2006

	<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>		
Student activities (continued):					
Materials, supplies, services and other:					
Professional and technical services	\$ 97,776	\$ 135,276	\$ 131,364	\$ 126,364	\$ 8,912
Student travel	253,732	412,097	409,105	407,303	4,794
Other purchased services	27,000	32,550	29,466	29,466	3,084
Supplies, materials and media	151,688	229,890	205,757	191,446	38,444
Total materials, supplies, services and other	530,196	809,813	775,692	754,579	55,234
Capital outlay - equipment		8,098	5,249	(2,849)	10,947
Total student activities	2,027,865	2,298,353	2,148,068	2,118,857	179,496
Total expenditures	134,952,952	137,608,942	131,652,572	132,067,229	5,541,713
Excess (deficiency) of revenues over expenditures	(3,371,562)	(6,027,552)	1,427,986	1,013,329	7,040,881
Other financing sources (uses):					
Proceeds from sale of capital assets			19,906		
Transfers out	(862,618)	(890,007)	(527,073)	(527,073)	362,934
Total other financing sources (uses)	(862,618)	(890,007)	(507,167)	(527,073)	362,934
Net change in fund balance	<u>\$ (4,234,180)</u>	<u>\$ (6,917,559)</u>	920,819	<u>\$ 486,256</u>	<u>\$ 7,403,815</u>
Fund balance - beginning			23,837,493		
Fund balance - ending			<u>\$ 24,758,312</u>		

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Major Governmental Fund  
Federal Projects Special Revenue  
Combining Balance Sheet  
For the Year Ended June 30, 2006  
(With comparative totals for 2005)

	<u>Alaska Native Education</u>	<u>Title I-A Basic Program</u>	<u>Title 1D State Operated</u>	<u>Title I-C Migrant Education</u>
<b><u>ASSETS</u></b>				
Equity in central treasury cash	\$	\$	\$	\$
Accounts receivable:				
Local				
State		674,456	21,096	21,365
Federal	157,957			
Total assets	<u>\$ 157,957</u>	<u>\$ 674,456</u>	<u>\$ 21,096</u>	<u>\$ 21,365</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ 2,172	\$ 20,129	\$	\$
Deferred revenue				
Due to other funds	155,785	654,327	21,096	21,365
Due to external groups and agencies				
Total liabilities	<u>157,957</u>	<u>674,456</u>	<u>21,096</u>	<u>21,365</u>
Fund balances:				
Reserved for:				
Encumbrances	4,985	7,675		
Unreserved	<u>(4,985)</u>	<u>(7,675)</u>		
Total fund balances				
Total liabilities and fund balances	<u>\$ 157,957</u>	<u>\$ 674,456</u>	<u>\$ 21,096</u>	<u>\$ 21,365</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>
\$	\$	\$	\$	\$ 16,936	\$ 15,121
34,255	93,757	24,920	18,620		
<u>\$ 34,255</u>	<u>\$ 93,757</u>	<u>\$ 24,920</u>	<u>\$ 18,620</u>	<u>\$ 16,936</u>	<u>\$ 15,121</u>
\$ 1,745	\$ 12,777	\$	\$ 390	\$	\$ 71
32,510	80,980	24,920	18,230		
<u>34,255</u>	<u>93,757</u>	<u>24,920</u>	<u>18,620</u>		<u>71</u>
943	22,090	1,434	395		
(943)	(22,090)	(1,434)	(395)	16,936	15,050
				16,936	15,050
<u>\$ 34,255</u>	<u>\$ 93,757</u>	<u>\$ 24,920</u>	<u>\$ 18,620</u>	<u>\$ 16,936</u>	<u>\$ 15,121</u>

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Major Governmental Fund  
Federal Projects Special Revenue  
Combining Balance Sheet  
For the Year Ended June 30, 2006  
(With comparative totals for 2005)

	<u>Nat'l Science Foundation - University Park Elementary</u>	<u>Nat'l Science Foundation - Barnette Elementary</u>	<u>Title III-A English Language</u>	<u>At Risk Youth Transitions</u>
<b><u>ASSETS</u></b>				
Equity in central treasury cash	\$ 13	\$ 286	\$	\$
Accounts receivable:				
Local				
State			8,416	33,538
Federal				
Total assets	<u>\$ 13</u>	<u>\$ 286</u>	<u>\$ 8,416</u>	<u>\$ 33,538</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$	\$	\$	\$
Deferred revenue				
Due to other funds			8,416	33,538
Due to external groups and agencies				
Total liabilities			<u>8,416</u>	<u>33,538</u>
Fund balances:				
Reserved for:				
Encumbrances				
Unreserved	13	286		
Total fund balances	<u>13</u>	<u>286</u>		
Total liabilities and fund balances	<u>\$ 13</u>	<u>\$ 286</u>	<u>\$ 8,416</u>	<u>\$ 33,538</u>

<u>Title IA Highly Qualified</u>	<u>Title IA 20% Choice &amp; Supplemental</u>	<u>Fund for the Improvement of Education - GIS +</u>	<u>Katrina Hurricane Relief</u>	<u>Title VI-B P.L. 94-142</u>	<u>Handicapped Pre-school Program</u>
\$	\$	\$	\$ 601	\$	\$ 845
1,798	22,242	12,505	172	1,134,686	
<u>\$ 1,798</u>	<u>\$ 22,242</u>	<u>\$ 12,505</u>	<u>\$ 773</u>	<u>\$ 1,134,686</u>	<u>\$ 845</u>
\$	\$	\$	\$ 773	\$ 15,267	\$
1,798	22,242	12,505		1,119,419	845
<u>1,798</u>	<u>22,242</u>	<u>12,505</u>	<u>773</u>	<u>1,134,686</u>	<u>845</u>
			575 (575)	4,444 (4,444)	
<u>\$ 1,798</u>	<u>\$ 22,242</u>	<u>\$ 12,505</u>	<u>\$ 773</u>	<u>\$ 1,134,686</u>	<u>\$ 845</u>

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Major Governmental Fund  
Federal Projects Special Revenue  
Combining Balance Sheet  
For the Year Ended June 30, 2006  
(With comparative totals for 2005)

	<u>Options Child Care Grant</u>	<u>Alaska Community Learning Centers I &amp; II</u>	<u>Safe Schools / Healthy Students Grant</u>	<u>ACLC Technical Assistance</u>
<b><u>ASSETS</u></b>				
Equity in central treasury cash	\$ 1,249	\$	\$	\$
Accounts receivable:				
Local				
State		591,986	257,169	119
Federal				
Total assets	<u>\$ 1,249</u>	<u>\$ 591,986</u>	<u>\$ 257,169</u>	<u>\$ 119</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$	\$ 273	\$ 1,154	\$
Deferred revenue				
Due to other funds		591,713	256,015	119
Due to external groups and agencies				
Total liabilities		<u>591,986</u>	<u>257,169</u>	<u>119</u>
Fund balances:				
Reserved for:				
Encumbrances		682	14	
Unreserved	1,249	(682)	(14)	
Total fund balances	<u>1,249</u>			
Total liabilities and fund balances	<u>\$ 1,249</u>	<u>\$ 591,986</u>	<u>\$ 257,169</u>	<u>\$ 119</u>



<u>Secure Our Schools</u>	<u>Title II Math/Science</u>	<u>K-12 Balanced Reading Program</u>	<u>Training for All Teachers</u>	<u>Title IID Technology</u>	<u>Learning Styles Center</u>
\$ 523	\$	\$ 8,401	\$	\$	\$
	424,307		30,984	32,282	75,312
<u>\$ 523</u>	<u>\$ 424,307</u>	<u>\$ 8,401</u>	<u>\$ 30,984</u>	<u>\$ 32,282</u>	<u>\$ 75,312</u>
\$	\$ (116)	\$ 8,401	\$	\$	\$
	424,423		30,984	32,282	75,312
<u></u>	<u>424,307</u>	<u>8,401</u>	<u>30,984</u>	<u>32,282</u>	<u>75,312</u>
523	115		6,370		
<u>523</u>	<u>(115)</u>	<u></u>	<u>(6,370)</u>	<u></u>	<u></u>
<u>\$ 523</u>	<u>\$ 424,307</u>	<u>\$ 8,401</u>	<u>\$ 30,984</u>	<u>\$ 32,282</u>	<u>\$ 75,312</u>

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Major Governmental Fund  
 Federal Projects Special Revenue  
 Combining Balance Sheet  
 For the Year Ended June 30, 2006  
 (With comparative totals for 2005)

	<b>Alaska Reading First</b>	<b>Star of the North Charter School Implementation Grant</b>	<b>Title IA District Improvement 10%</b>	<b>Enhancing Education thru Technology II</b>
<b><u>ASSETS</u></b>				
Equity in central treasury cash	\$	\$	\$	\$
Accounts receivable:				
Local				
State	300,765	20,433	121,751	45,509
Federal				
Total assets	<u>\$ 300,765</u>	<u>\$ 20,433</u>	<u>\$ 121,751</u>	<u>\$ 45,509</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ (212)	\$ 7,147	\$ 10,619	\$
Deferred revenue				
Due to other funds	300,977	13,286	111,132	45,509
Due to external groups and agencies				
Total liabilities	<u>300,765</u>	<u>20,433</u>	<u>121,751</u>	<u>45,509</u>
Fund balances:				
Reserved for:				
Encumbrances	650	9,872	28,572	
Unreserved	<u>(650)</u>	<u>(9,872)</u>	<u>(28,572)</u>	
Total fund balances				
Total liabilities and fund balances	<u>\$ 300,765</u>	<u>\$ 20,433</u>	<u>\$ 121,751</u>	<u>\$ 45,509</u>

<u>Governor's Alternative Schools</u>	<u>Effie Kokrine Implementation Grant</u>	<u>Effie Kokrine Planning Grant</u>	<u>4 R Children II</u>	<u>Project ARTiculate</u>	<u>Alaska Tech Prep Mini Grant</u>
\$	\$	\$	\$	\$	\$
20,465	23,179	6,846	97,550	30,905	2,399
<u>\$ 20,465</u>	<u>\$ 23,179</u>	<u>\$ 6,846</u>	<u>\$ 97,550</u>	<u>\$ 30,905</u>	<u>\$ 2,399</u>
\$	\$ 396	\$ 3,832	\$	\$ 917	\$
20,465	22,783	3,014	97,550	29,988	2,399
<u>20,465</u>	<u>23,179</u>	<u>6,846</u>	<u>97,550</u>	<u>30,905</u>	<u>2,399</u>
220 (220)			6,119 (6,119)	92,898 (92,898)	
<u>\$ 20,465</u>	<u>\$ 23,179</u>	<u>\$ 6,846</u>	<u>\$ 97,550</u>	<u>\$ 30,905</u>	<u>\$ 2,399</u>

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Major Governmental Fund  
Federal Projects Special Revenue  
Combining Balance Sheet  
For the Year Ended June 30, 2006  
(With comparative totals for 2005)

	<u>Teaching American History</u>	<u>Project APpeal</u>	<u>Enhancing Education thru Technology IV</u>
<b><u>ASSETS</u></b>			
Equity in central treasury cash	\$	\$ 31,982	\$ 458
Accounts receivable:			
Local			
State			
Federal	79,381		
Total assets	<u>\$ 79,381</u>	<u>\$ 31,982</u>	<u>\$ 458</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 46,297	\$	\$
Deferred revenue			458
Due to other funds	33,084		
Due to external groups and agencies		31,982	
Total liabilities	<u>79,381</u>	<u>31,982</u>	<u>458</u>
Fund balances:			
Reserved for:			
Encumbrances			
Unreserved			
Total fund balances			
Total liabilities and fund balances	<u>\$ 79,381</u>	<u>\$ 31,982</u>	<u>\$ 458</u>

Totals	
2006	2005
\$ 76,415	\$ 21,588
77,711	70,152
3,934,132	4,529,377
409,282	414,968
<u>\$ 4,497,540</u>	<u>\$ 5,036,085</u>

\$ 122,858	\$ 80,630
9,632	10,045
4,298,166	4,936,595
32,827	1,671
<u>4,463,483</u>	<u>5,028,941</u>

188,053	294,960
(153,996)	(287,816)
<u>34,057</u>	<u>7,144</u>
<u>\$ 4,497,540</u>	<u>\$ 5,036,085</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, 2006

(With comparative totals for 2005)

	<u>Alaska Native Education</u>	<u>Title I-A Basic Program</u>	<u>Title I-D State Operated</u>	<u>Title I-C Migrant Education</u>
Revenues:				
Revenue from local sources:				
Earnings on investments	\$	\$	\$	\$
Other local revenue				
Total local sources				
Revenue from federal sources:				
Direct	595,794			
Through the State of Alaska		2,043,438	21,096	96,274
Other intermediate agencies				
Total federal sources	595,794	2,043,438	21,096	96,274
Total revenues	595,794	2,043,438	21,096	96,274
Expenditures:				
Instruction	595,794	2,043,438	21,096	96,274
Special education instruction				
Support services - students				
Support services - instruction				
School administration support services				
District administration				
Total expenditures	595,794	2,043,438	21,096	96,274
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

<b>Drug Free Schools</b>	<b>Carl Perkins Basic Grant</b>	<b>Title VI Chapter II</b>	<b>Migrant Education Summer</b>	<b>Air Force ROTC - North Pole HS</b>	<b>Gear Up Alaska - Ben Eielson Jr/Sr High</b>
\$	\$	\$	\$	\$	\$
125,074	244,770	63,409	75,556		7,794
				16,562	
125,074	244,770	63,409	75,556	16,562	7,794
125,074	244,770	63,409	75,556	16,562	7,794
125,074	244,770	63,409	75,556	(301)	7,794
125,074	244,770	63,409	75,556	(301)	7,794
				16,863	
				73	
\$	\$	\$	\$	\$ 16,936	\$

(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, 2006

(With comparative totals for 2005)

	<b>Air Force ROTC- Ben Eielson Jr/Sr</b>	<b>Nat'l Science Foundation - University Park Elementary</b>	<b>Nat'l Science Foundation - Barnette Elementary</b>	<b>Nat'l Science Foundation - Tanana Jr High</b>
Revenues:				
Revenue from local sources:				
Earnings on investments	\$	\$	\$ 11	\$
Other local revenue				
Total local sources			11	
Revenue from federal sources:				
Direct				1,644
Through the State of Alaska				
Other intermediate agencies	20,879			
Total federal sources	20,879			1,644
Total revenues	20,879		11	1,644
Expenditures:				
Instruction	8,978			1,783
Special education instruction				
Support services - students				
Support services - instruction				
School administration support services				
District administration				
Total expenditures	8,978			1,783
Net change in fund balances	11,901		11	(139)
Fund balances - beginning	3,149	13	275	139
Fund balances - ending	\$ 15,050	\$ 13	\$ 286	\$



<b>Title III-A English Language</b>	<b>At Risk Youth Transitions</b>	<b>Title IA Highly Qualified</b>	<b>Title IA 20% Choice &amp; Supplemental</b>	<b>Fund for the Improvement of Education - GIS +</b>	<b>Katrina Hurricane Relief</b>
\$	\$	\$	\$	\$	\$
29,496	49,256	3,550	60,370	98,792	13,399
29,496	49,256	3,550	60,370	98,792	13,399
29,496	49,256	3,550	60,370	98,792	13,399
29,496	49,256	3,550	60,370	98,792	13,399
29,496	49,256	3,550	60,370	98,792	13,399
\$	\$	\$	\$	\$	\$

(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, 2006

(With comparative totals for 2005)

	<b>Title VI-B P.L. 94-142</b>	<b>Handicapped Pre-school Program</b>	<b>Fetal Alcohol Spectrum Disorders Grant</b>	<b>Options Child Care Grant</b>
Revenues:				
Revenue from local sources:				
Earnings on investments	\$	\$	\$	\$
Other local revenue				
Total local sources				
Revenue from federal sources:				
Direct				
Through the State of Alaska	4,383,642	111,049	(189)	894
Other intermediate agencies				
Total federal sources	4,383,642	111,049	(189)	894
Total revenues	4,383,642	111,049	(189)	894
Expenditures:				
Instruction				
Special education instruction	4,383,642	111,049	(189)	
Support services - students				995
Support services - instruction				
School administration support services				
District administration				
Total expenditures	4,383,642	111,049	(189)	995
Net change in fund balances				(101)
Fund balances - beginning				1,350
Fund balances - ending	\$	\$	\$	\$ 1,249

<u>Reduce Alcohol Abuse</u>	<u>Alaska Community Learning Centers I &amp; II</u>	<u>Safe Schools / Healthy Students Grant</u>	<u>ACLC Technical Assistance</u>	<u>Secure our Schools</u>	<u>Title II Math/Science</u>
\$	\$	\$	\$	\$	\$
(2,145)	3,716			7,500	
(2,145)	3,716			7,500	
49,424		1,090,205			
	1,108,454		12,981		1,307,055
				12,500	
49,424	1,108,454	1,090,205	12,981	12,500	1,307,055
47,279	1,112,170	1,090,205	12,981	20,000	1,307,055
49,424	1,112,170	1,090,205	12,981		
					1,307,055
				19,477	
49,424	1,112,170	1,090,205	12,981	19,477	1,307,055
(2,145)				523	
2,145					
\$	\$	\$	\$	\$ 523	\$

(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, 2006

(With comparative totals for 2005)

	<u>Training for All Teachers</u>	<u>Development and Implementation Grants</u>	<u>Drug-Free Communities Support Program</u>	<u>Title VI-B Capacity Building &amp; Improvement</u>
Revenues:				
Revenue from local sources:				
Earnings on investments	\$	\$	\$	\$
Other local revenue				
Total local sources				
Revenue from federal sources:				
Direct	171,490	19,790	26,870	
Through the State of Alaska				6,430
Other intermediate agencies				
Total federal sources	171,490	19,790	26,870	6,430
Total revenues	171,490	19,790	26,870	6,430
Expenditures:				
Instruction				
Special education instruction				
Support services - students				
Support services - instruction	171,490	19,790	26,870	6,430
School administration support services				
District administration				
Total expenditures	171,490	19,790	26,870	6,430
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

<u>Title IID Technology</u>	<u>Enhancing Education thru Technology I</u>	<u>Learning Styles Center</u>	<u>Alaska Reading First</u>	<u>Star of the North Charter School Implementation Grant</u>	<u>4 R Children</u>
\$	\$	\$	\$	\$	\$
105,495	24,775		1,105,685	132,529	150,283
		197,518			
105,495	24,775	197,518	1,105,685	132,529	150,283
105,495	24,775	197,518	1,105,685	132,529	150,283
105,495	24,775	197,518	1,105,685	132,529	150,283
105,495	24,775	197,518	1,105,685	132,529	150,283
\$	\$	\$	\$	\$	\$

(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, 2006

(With comparative totals for 2005)

	<b>Title IA District Improvement 10%</b>	<b>Enhancing Education thru Technology II</b>	<b>Project Citizen</b>	<b>Title IA School Improvement</b>
Revenues:				
Revenue from local sources:				
Earnings on investments	\$ 14,130	\$	\$ 386	\$
Other local revenue	14,130		386	
Total local sources	<u>14,130</u>		<u>386</u>	
Revenue from federal sources:				
Direct				
Through the State of Alaska	294,789	95,563		4,582
Other intermediate agencies			8,538	
Total federal sources	<u>294,789</u>	<u>95,563</u>	<u>8,538</u>	<u>4,582</u>
Total revenues	<u>308,919</u>	<u>95,563</u>	<u>8,924</u>	<u>4,582</u>
Expenditures:				
Instruction				
Special education instruction				
Support services - students				
Support services - instruction	308,919	95,563	8,924	4,582
School administration support services				
District administration				
Total expenditures	<u>308,919</u>	<u>95,563</u>	<u>8,924</u>	<u>4,582</u>
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

<u>Governor's Alternative Schools</u>	<u>Effie Kokrine Implementation Grant</u>	<u>Effie Kokrine Planning Grant</u>	<u>4 R Children II</u>	<u>Project ARTiculate</u>	<u>Alaska Tech Prep Mini-Grant</u>
\$	\$	\$	\$	\$	\$
29,994	288,515	29,420	131,095	78,231	
					5,413
29,994	288,515	29,420	131,095	78,231	5,413
29,994	288,515	29,420	131,095	78,231	5,413
29,994	288,515	29,420	131,095	78,231	5,413
29,994	288,515	29,420	131,095	78,231	5,413
\$	\$	\$	\$	\$	\$

(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, 2006

(With comparative totals for 2005)

	<u>Teaching American History</u>	<u>Project APeal</u>	<u>Enhancing Education thru Technology IV</u>	<u>Emergency Response Plans for School Safety Initiative</u>
Revenues:				
Revenue from local sources:				
Earnings on investments	\$	\$	\$	\$
Other local revenue				
Total local sources				
Revenue from federal sources:				
Direct	172,979			38,157
Through the State of Alaska			28,115	
Other intermediate agencies		36,941		
Total federal sources	172,979	36,941	28,115	38,157
Total revenues	172,979	36,941	28,115	38,157
Expenditures:				
Instruction				
Special education instruction				
Support services - students				
Support services - instruction	172,979	36,941	28,115	
School administration support services				
District administration				38,157
Total expenditures	172,979	36,941	28,115	38,157
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$



Totals	
2006	2005
\$ 11	\$ 23
23,587	2,730
23,598	2,753
2,624,754	2,617,489
11,903,260	12,100,192
298,351	452,878
14,826,365	15,170,559
14,849,963	15,173,312
3,538,528	4,212,264
4,494,502	3,818,639
2,265,775	2,613,836
4,466,611	4,476,544
57,634	819
14,823,050	45,376
26,913	15,167,478
7,144	5,834
\$ 34,057	1,310
\$ 7,144	

**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, 2006

(With comparative totals for 2005)

	<b>Alaska Native Education</b>	<b>Title I-A Basic Program</b>	<b>Title I-D State Operated</b>	<b>Title I-C Migrant Education</b>
Revenues:				
Revenue from local sources:				
Earnings on investments	\$	\$	\$	\$
Other local revenue				
Total local sources				
Revenue from federal sources:				
Direct	595,794			
Through the State of Alaska		2,043,438	21,096	96,274
Other intermediate agencies				
Total federal sources	595,794	2,043,438	21,096	96,274
Total revenues	595,794	2,043,438	21,096	96,274
Expenditures - current:				
Salaries and fringe benefits:				
Certificated salaries	72,632	539,551		
Non-certificated salaries	307,613	619,747	14,187	56,430
Employee benefits	153,457	356,555	5,947	19,516
Total salaries and fringe benefits	533,702	1,515,853	20,134	75,946
Materials, supplies, services and other:				
Professional and technical services		3,603		
Staff travel	8,410	25,439		988
Student travel				
Other purchased services	1,666	39,987		11,316
Supplies, materials and media	19,983	336,702		2,412
Tuition and stipends				
Other expenses				
Indirect costs	32,033	119,085	962	5,612
Total materials, supplies, services and other	62,092	524,816	962	20,328
Capital outlay - equipment		2,769		
Total expenditures	595,794	2,043,438	21,096	96,274
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>Gear Up Alaska - Ben Eielson Jr/Sr High</b>
\$	\$	\$	\$	\$	\$
125,074	244,770	63,409	75,556	16,562	7,794
125,074	244,770	63,409	75,556	16,562	7,794
125,074	244,770	63,409	75,556	16,562	7,794
70,954	60,096	600	228		
30,005	23,031	519	71		38
100,959	83,127	346	299		38
500	26,488	23,937			
4,348	22,647	2,122	7		244
339	25	303	400	(1,699)	
	5,850	628	17,351		
16,468	94,977	31,258	53,186	1,398	6,951
2,460	11,656	3,696	4,313		561
24,115	161,643	61,944	75,257	(301)	7,756
125,074	244,770	63,409	75,556	(301)	7,794
				16,863	
				73	
\$	\$	\$	\$	\$ 16,936	\$

(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, 2006

(With comparative totals for 2005)

	<u>Air Force ROTC- Ben Eielson Jr/Sr</u>	<u>Nat'l Science Foundation - University Park Elementary</u>	<u>Nat'l Science Foundation - Barnette Elementary</u>	<u>Nat'l Science Foundation - Tanana Jr High</u>
Revenues:				
Revenue from local sources:				
Earnings on investments	\$	\$	\$ 11	\$
Other local revenue				
Total local sources			11	
Revenue from federal sources:				
Direct				1,644
Through the State of Alaska				
Other intermediate agencies	20,879			
Total federal sources	20,879			1,644
Total revenues	20,879		11	1,644
Expenditures - current:				
Salaries and fringe benefits:				
Certificated salaries				
Non-certificated salaries				
Employee benefits				
Total salaries and fringe benefits				
Materials, supplies, services and other:				
Professional and technical services				
Staff travel				
Student travel	4,851			
Other purchased services	25			1,545
Supplies, materials and media	4,102			238
Tuition and stipends				
Other expenses				
Indirect costs				
Total materials, supplies, services and other	8,978			1,783
Capital outlay - equipment				
Total expenditures	8,978			1,783
Net change in fund balances	11,901		11	(139)
Fund balances - beginning	3,149	13	275	139
Fund balances - ending	\$ 15,050	\$ 13	\$ 286	\$

<b>Title III-A English Language</b>	<b>At Risk Youth Transitions</b>	<b>Title IA Highly Qualified</b>	<b>Title IA 20% Choice &amp; Supplemental</b>	<b>Fund for the Improvement of Education - GIS +</b>	<b>Katrina Hurricane Relief</b>
\$	\$	\$	\$	\$	\$
29,496	49,256	3,550	60,370	98,792	13,399
29,496	49,256	3,550	60,370	98,792	13,399
29,496	49,256	3,550	60,370	98,792	13,399
18,264	25,872				
4,846	9,645				
23,110	35,517				
3,227	2,000	2,545			
	153				
			57,047		
2,746	9,022	793		85,312	13,399
413	2,564	212	3,323	4,643	
6,386	13,739	3,550	60,370	89,955	13,399
				8,837	
29,496	49,256	3,550	60,370	98,792	13,399
\$	\$	\$	\$	\$	\$

(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, 2006

(With comparative totals for 2005)

	<b>Title VI-B P.L. 94-142</b>	<b>Handicapped Pre-school Program</b>	<b>Fetal Alcohol Spectrum Disorders Grant</b>	<b>Options Child Care Grant</b>
Revenues:				
Revenue from local sources:				
Earnings on investments	\$	\$	\$	\$
Other local revenue				
Total local sources				
Revenue from federal sources:				
Direct				
Through the State of Alaska	4,383,642	111,049	(189)	894
Other intermediate agencies				
Total federal sources	4,383,642	111,049	(189)	894
Total revenues	4,383,642	111,049	(189)	894
Expenditures - current:				
Salaries and fringe benefits:				
Certificated salaries	674,878			
Non-certificated salaries	1,366,587	73,736		
Employee benefits	810,048	30,271		
Total salaries and fringe benefits	2,851,513	104,007		
Materials, supplies, services and other:				
Professional and technical services	877,978			
Staff travel	35,762	569	(189)	920
Student travel				
Other purchased services	115,917			
Supplies, materials and media	196,646			75
Tuition and stipends	8,464			
Other expenses				
Indirect costs	253,868	6,473		
Total materials, supplies, services and other	1,488,635	7,042	(189)	995
Capital outlay - equipment	43,494			
Total expenditures	4,383,642	111,049	(189)	995
Net change in fund balances				(101)
Fund balances - beginning				1,350
Fund balances - ending	\$	\$	\$	\$ 1,249

<b>Reduce Alcohol Abuse</b>	<b>Alaska Community Learning Centers I &amp; II</b>	<b>Safe Schools / Healthy Students Grant</b>	<b>ACLC Technical Assistance</b>	<b>Secure our Schools</b>	<b>Title II Math/Science</b>
\$	\$	\$	\$	\$	\$
(2,145)	3,716			7,500	
(2,145)	3,716			7,500	
49,424	1,108,454	1,090,205	12,981	12,500	1,307,055
49,424	1,108,454	1,090,205	12,981	12,500	1,307,055
47,279	1,112,170	1,090,205	12,981	20,000	1,307,055
23,403	146,464	5,422			725,263
9,745	509,379	641,086	11,923		103,243
33,148	212,557	263,191	1,058		322,765
	868,400	909,699	12,981		1,151,271
2,000		15,565			6,890
5,201	33,860	19,130			35,288
	25,815				
100	39,740	62,886			
6,154	79,595	17,315		14,211	22,962
	149	2,100			14,475
2,821	64,611	63,510			76,169
16,276	243,770	180,506		14,211	155,784
				5,266	
49,424	1,112,170	1,090,205	12,981	19,477	1,307,055
(2,145)				523	
2,145					
\$	\$	\$	\$	\$ 523	\$

(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, 2006

(With comparative totals for 2005)

	<u>Training for All Teachers</u>	<u>Development and Implementation Grants</u>	<u>Drug-Free Communities Support Program</u>	<u>Title VI-B Capacity Building &amp; Improvement</u>
Revenues:				
Revenue from local sources:				
Earnings on investments	\$	\$	\$	\$
Other local revenue				
Total local sources				
Revenue from federal sources:				
Direct	171,490	19,790	26,870	
Through the State of Alaska				6,430
Other intermediate agencies				
Total federal sources	171,490	19,790	26,870	6,430
Total revenues	171,490	19,790	26,870	6,430
Expenditures - current:				
Salaries and fringe benefits:				
Certificated salaries	14,400			
Non-certificated salaries	85,218	14,760	1,561	
Employee benefits	31,775	3,816	664	
Total salaries and fringe benefits	131,393	18,576	2,225	
Materials, supplies, services and other:				
Professional and technical services	13,894			
Staff travel	545			
Student travel				
Other purchased services	4,920		740	
Supplies, materials and media	12,029	39	22,721	6,063
Tuition and stipends				
Other expenses				
Indirect costs	8,709	1,175	1,184	367
Total materials, supplies, services and other	40,097	1,214	24,645	6,430
Capital outlay - equipment				
Total expenditures	171,490	19,790	26,870	6,430
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$



<u>Title IID Technology</u>	<u>Enhancing Education thru Technology I</u>	<u>Learning Styles Center</u>	<u>Alaska Reading First</u>	<u>Star of the North Charter School Implementation Grant</u>	<u>4 R Children</u>
\$	\$	\$	\$	\$	\$
					150,283
105,495	24,775	197,518	1,105,685	132,529	
105,495	24,775	197,518	1,105,685	132,529	150,283
105,495	24,775	197,518	1,105,685	132,529	150,283
36,135		137,639	320,268		1,268
27,502	623	3,466	300,661		34,709
25,453	262	56,413	185,653		9,934
89,090	885	197,518	806,582		45,911
			4,625	200	3,369
			91,313	15,227	33,168
			400	1,933	
	22,446		165,375	107,499	905
					402
5,515	1,444		37,390	7,670	8,528
5,515	23,890		299,103	132,529	46,372
10,890					58,000
105,495	24,775	197,518	1,105,685	132,529	150,283
\$	\$	\$	\$	\$	\$

(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, 2006

(With comparative totals for 2005)

	<b>Title IA District Improvement 10%</b>	<b>Enhancing Education thru Technology II</b>	<b>Project Citizen</b>	<b>Title IA School Improvement</b>
Revenues:				
Revenue from local sources:				
Earnings on investments	\$	\$	\$	\$
Other local revenue	14,130		386	
Total local sources	14,130		386	
Revenue from federal sources:				
Direct				
Through the State of Alaska	294,789	95,563		4,582
Other intermediate agencies			8,538	
Total federal sources	294,789	95,563	8,538	4,582
Total revenues	308,919	95,563	8,924	4,582
Expenditures - current:				
Salaries and fringe benefits:				
Certificated salaries	44,511	26,562		
Non-certificated salaries	110,832	9,349	1,500	
Employee benefits	37,748	8,872	73	
Total salaries and fringe benefits	193,091	44,783	1,573	
Materials, supplies, services and other:				
Professional and technical services	46,333	38,200		
Staff travel	34,005	1,187		
Student travel			4,125	
Other purchased services			1,320	
Supplies, materials and media	17,484	5,822	1,906	4,315
Tuition and stipends				
Other expenses				
Indirect costs	18,006	5,571		267
Total materials, supplies, services and other	115,828	50,780	7,351	4,582
Capital outlay - equipment				
Total expenditures	308,919	95,563	8,924	4,582
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

<b>Governor's Alternative Schools</b>	<b>Effie Kokrine Implementation Grant</b>	<b>Effie Kokrine Planning Grant</b>	<b>4 R Children II</b>	<b>Project ARTiculate</b>	<b>Alaska Tech Prep Mini-Grant</b>
\$	\$	\$	\$	\$	\$
29,994	288,515	29,420	131,095	78,231	
					5,413
29,994	288,515	29,420	131,095	78,231	5,413
29,994	288,515	29,420	131,095	78,231	5,413
18,697		13,500	6,968		
7,766		353	21,317	39,546	450
26,463		13,853	5,849	4,408	42
			34,134	43,954	492
	25,060	1,106	69,466	7,086	1,500
	7,480	4,617	12,266	9,455	
	26,542	4,513	4,335		277
1,783	212,615	3,616	2,798	17,736	1,294
					1,850
			1,198		
1,748	16,818	1,715	6,898		
3,531	288,515	15,567	96,961	34,277	4,921
29,994	288,515	29,420	131,095	78,231	5,413
\$	\$	\$	\$	\$	\$

(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, 2006

(With comparative totals for 2005)

	<b>Teaching American History</b>	<b>Project APeal</b>	<b>Enhancing Education thru Technology IV</b>	<b>Emergency Response Plans for School Safety Initiative</b>
Revenues:				
Revenue from local sources:				
Earnings on investments	\$	\$	\$	\$
Other local revenue				
Total local sources				
Revenue from federal sources:				
Direct	172,979			38,157
Through the State of Alaska			28,115	
Other intermediate agencies		36,941		
Total federal sources	172,979	36,941	28,115	38,157
Total revenues	172,979	36,941	28,115	38,157
Expenditures - current:				
Salaries and fringe benefits:				
Certificated salaries	4,613		14,683	
Non-certificated salaries	13,359	24,388	815	1,509
Employee benefits	5,400	6,227	460	199
Total salaries and fringe benefits	23,372	30,615	15,958	1,708
Materials, supplies, services and other:				
Professional and technical services	134,407			6,200
Staff travel	2,519	2,450	6,478	6,662
Student travel			263	
Other purchased services				
Supplies, materials and media	2,598	3,876	5,416	21,905
Tuition and stipends				
Other expenses				
Indirect costs	10,083			1,682
Total materials, supplies, services and other	149,607	6,326	12,157	36,449
Capital outlay - equipment				
Total expenditures	172,979	36,941	28,115	38,157
Net change in fund balances				
Fund balances - beginning				
Fund balances - ending	\$	\$	\$	\$

Totals	
2006	2005
\$ 11	\$ 23
23,587	2,730
23,598	2,753
2,624,754	2,617,489
11,903,260	12,100,192
298,351	452,878
14,826,365	15,170,559
14,849,963	15,173,312
2,771,857	3,279,932
4,627,029	4,221,294
2,644,459	2,663,133
10,043,345	10,164,359
1,316,179	902,816
422,271	362,267
34,699	35,614
400,055	510,285
1,656,702	2,258,138
8,464	
18,324	
793,755	782,643
4,650,449	4,851,763
129,256	151,356
14,823,050	15,167,478
26,913	5,834
7,144	1,310
\$ 34,057	\$ 7,144

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**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, 2006

	<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	\$	\$	\$ 11	\$ 11	\$ 11
Other local revenue	7,500	7,500	23,587	23,587	16,087
	<u>7,500</u>	<u>7,500</u>	<u>23,598</u>	<u>23,598</u>	<u>16,098</u>
Revenue from federal sources:					
Direct	2,763,135	3,434,514	2,624,754	2,669,425	(765,089)
Through the State of Alaska	11,452,918	14,090,882	11,903,260	11,751,859	(2,339,023)
Other intermediate agencies	510,445	510,445	298,351	298,174	(212,271)
	<u>14,726,498</u>	<u>18,035,841</u>	<u>14,826,365</u>	<u>14,719,458</u>	<u>(3,316,383)</u>
Total revenues	<u>14,733,998</u>	<u>18,043,341</u>	<u>14,849,963</u>	<u>14,743,056</u>	<u>(3,300,285)</u>
Expenditures - current:					
Salaries and fringe benefits:					
Certificated salaries	3,120,763	3,425,470	2,771,857	2,771,857	653,613
Non-certificated salaries	3,752,119	5,152,491	4,627,029	4,627,029	525,462
Employee benefits	2,527,549	3,095,171	2,644,459	2,644,459	450,712
Total salaries and fringe benefits	<u>9,400,431</u>	<u>11,673,132</u>	<u>10,043,345</u>	<u>10,043,345</u>	<u>1,629,787</u>
Materials, supplies, services and other:					
Professional and technical services	859,127	1,669,458	1,316,179	1,438,033	231,425
Staff travel	324,989	568,578	422,271	427,023	141,555
Student travel	320,313	51,340	34,699	34,699	16,641
Other purchased services	485,346	688,697	400,055	377,748	310,949
Supplies, materials and media	1,005,125	2,175,574	1,656,702	1,513,346	662,228
Tuition and stipends		8,200	8,464	8,464	(264)
Other expenses	23,043	27,588	18,324	18,324	9,264
Indirect costs	823,454	951,151	793,755	793,755	157,396
Total materials, supplies, services and other	<u>3,841,397</u>	<u>6,140,586</u>	<u>4,650,449</u>	<u>4,611,392</u>	<u>1,529,194</u>
Capital outlay - equipment	<u>41,623</u>	<u>226,158</u>	<u>129,256</u>	<u>61,406</u>	<u>164,752</u>
Total expenditures	<u>13,283,451</u>	<u>18,039,876</u>	<u>14,823,050</u>	<u>14,716,143</u>	<u>3,323,733</u>
Net change in fund balance	<u>\$ 1,450,547</u>	<u>\$ 3,465</u>	<u>26,913</u>	<u>\$ 26,913</u>	<u>\$ 23,448</u>
Fund balance - beginning			7,144		
Fund balance - ending			<u>\$ 34,057</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, 2006  
(With comparative totals for 2005)

	<b>Totals</b>	
	<b>2006</b>	<b>2005</b>
Revenues:		
Revenue from state sources	\$ 8,861,465	\$ 8,787,380
Expenditures - current:		
Salaries and fringe benefits:		
Non-certificated salaries	166,424	160,148
Employee benefits	69,737	63,893
Total salaries and fringe benefits	236,161	224,041
Materials, supplies, services and other:		
Professional and technical services	6,006	5,669
Staff travel	4,516	6,090
Other purchased services	8,885,653	8,488,247
Supplies, materials and media	3,303	2,435
Total materials, supplies, services and other	8,899,478	8,502,441
Capital outlay - equipment		4,067
Total expenditures	9,135,639	8,730,549
Excess (deficiency) of revenues over expenditures	(274,174)	56,831
Other financing sources:		
Transfers in	150,000	
Net change in fund balance	(124,174)	56,831
Fund balance - beginning	401,950	345,119
Fund balance - ending	\$ 277,776	\$ 401,950



**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, 2006

	<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 state sources	\$ 8,924,391	\$ 8,924,391	\$ 8,861,465	\$ 8,861,465	\$ (62,926)
Expenditures - current:					
Salaries and fringe benefits:					
Non-certificated salaries	166,513	166,513	166,424	166,424	89
Employee benefits	69,456	69,456	69,737	69,737	(281)
Total salaries and fringe benefits	235,969	235,969	236,161	236,161	(192)
Materials, supplies, services and other:					
Professional and technical services	6,500	6,500	6,006	6,006	494
Staff travel	5,500	5,500	4,516	4,516	984
Other purchased services	9,187,886	9,187,886	8,885,653	8,885,653	302,233
Supplies, materials and media	3,000	3,000	3,303	3,303	(303)
Total materials, supplies, services and other	9,202,886	9,202,886	8,899,478	8,899,478	303,408
Excess (deficiency) of revenues over expenditures	(514,464)	(514,464)	(274,174)	(274,174)	240,290
Other financing sources:					
Transfers in	514,464	514,464	150,000	150,000	(364,464)
Net change in fund balance	<u>\$</u>	<u>\$</u>	(124,174)	<u>\$ (124,174)</u>	<u>\$ (124,174)</u>
Fund balance - beginning			401,950		
Fund balance - ending			<u>\$ 277,776</u>		

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# **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, 2006  
(With comparative totals for 2005)

	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Totals</b>	
			<b>2006</b>	<b>2005</b>
<b><u>ASSETS</u></b>				
Equity in central treasury cash	\$ 497,164	\$ 1,391,115	\$ 1,888,279	\$ 1,824,474
Accounts receivable:				
Local	93,478		93,478	87,260
State	188,062		188,062	238,538
Federal		10,605	10,605	25,862
Due from Fairbanks North Star Borough	72,368	142,177	214,545	202,538
Inventories	156,449		156,449	125,500
Total assets	<u>\$ 1,007,521</u>	<u>\$ 1,543,897</u>	<u>\$ 2,551,418</u>	<u>\$ 2,504,172</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ 19,027	\$ 73,154	\$ 92,181	\$ 18,900
Deferred revenue	9,664		9,664	25,870
Due to other funds	348,228	83,712	431,940	530,476
Due to Fairbanks North Star Borough		28,578	28,578	99,867
Total liabilities	<u>376,919</u>	<u>185,444</u>	<u>562,363</u>	<u>675,113</u>
Fund balances:				
Reserved for:				
Encumbrances	36,766	101,657	138,423	318,073
Inventories	156,449		156,449	125,500
Unreserved	437,387	1,256,796	1,694,183	1,385,486
Total fund balances	<u>630,602</u>	<u>1,358,453</u>	<u>1,989,055</u>	<u>1,829,059</u>
Total liabilities and fund balances	<u>\$ 1,007,521</u>	<u>\$ 1,543,897</u>	<u>\$ 2,551,418</u>	<u>\$ 2,504,172</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, 2006

(With comparative totals for 2005)

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>	
			<u>2006</u>	<u>2005</u>
Revenues:				
Revenue from local sources:				
Food services	\$ 1,829,036	\$	\$ 1,829,036	\$ 1,837,593
Other local revenue	176,138	943,477	1,119,615	960,680
Tuition from students				12,141
Total local sources	<u>2,005,174</u>	<u>943,477</u>	<u>2,948,651</u>	<u>2,810,414</u>
Revenue from state sources	<u>851,608</u>	<u>11,483</u>	<u>863,091</u>	<u>726,888</u>
Revenue from federal sources:				
Direct		19,226	19,226	315,066
Through the State of Alaska	2,445,939	570,540	3,016,479	2,542,230
Other intermediate agencies	3,900		3,900	
Total federal sources	<u>2,449,839</u>	<u>589,766</u>	<u>3,039,605</u>	<u>2,857,296</u>
Other sources				114,196
Total revenues	<u>5,306,621</u>	<u>1,544,726</u>	<u>6,851,347</u>	<u>6,508,794</u>
Expenditures:				
Current:				
Instruction	614,316		614,316	641,208
Special education instruction				911
Special education support services - students				44,725
Support services - students	41,193		41,193	
Support services - instruction	724,589		724,589	600,242
School administration	42,105		42,105	50,158
School administration support services				11,070
Operations and maintenance of plant	5,897		5,897	8,346
Adult and continuing education instruction	15,469		15,469	49,539
Food services	4,266,661		4,266,661	3,910,627
Total current	<u>5,710,230</u>		<u>5,710,230</u>	<u>5,316,826</u>
Debt service:				
Interest				103
Principal				1,046
Total debt service				<u>1,149</u>
Capital outlay		1,362,695	1,362,695	1,682,134
Total expenditures	<u>5,710,230</u>	<u>1,362,695</u>	<u>7,072,925</u>	<u>7,000,109</u>
Excess (deficiency) of revenues over expenditures	<u>(403,609)</u>	<u>182,031</u>	<u>(221,578)</u>	<u>(491,315)</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	4,501		4,501	302
Transfers in	377,073	91,000	468,073	828,950
Transfers out		(91,000)	(91,000)	(477,720)
Total other financing sources (uses)	<u>381,574</u>		<u>381,574</u>	<u>351,532</u>
Net change in fund balances	<u>(22,035)</u>	<u>182,031</u>	<u>159,996</u>	<u>(139,783)</u>
Fund balances - beginning	<u>652,637</u>	<u>1,176,422</u>	<u>1,829,059</u>	<u>1,968,842</u>
Fund balances - ending	<u>\$ 630,602</u>	<u>\$ 1,358,453</u>	<u>\$ 1,989,055</u>	<u>\$ 1,829,059</u>

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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, 2006

(With comparative totals for 2005)

	<u>Charter Schools</u>	<u>Local Projects</u>	<u>Community Schools</u>
<b><u>ASSETS</u></b>			
Equity in central treasury cash	\$ 77,426	\$ 108,147	\$ 6,857
Accounts receivable:			
Local		93,478	
State			
Due from the Fairbanks North Star Borough			
Inventories			
Total assets	<u>\$ 77,426</u>	<u>\$ 201,625</u>	<u>\$ 6,857</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$ (91)	\$
Deferred revenue		8,109	
Due to other funds		92,929	
Total liabilities		<u>100,947</u>	
Fund balances:			
Reserved for:			
Encumbrances			
Inventories			
Unreserved	<u>77,426</u>	<u>100,678</u>	<u>6,857</u>
Total fund balances	<u>77,426</u>	<u>100,678</u>	<u>6,857</u>
Total liabilities and fund balances	<u>\$ 77,426</u>	<u>\$ 201,625</u>	<u>\$ 6,857</u>

State Projects	Food Service	Totals	
		2006	2005
\$ 4,063	\$ 300,671	\$ 497,164	\$ 557,100
		93,478	25,760
188,062		188,062	237,520
72,368		72,368	1,474
	156,449	156,449	125,500
<u>\$ 264,493</u>	<u>\$ 457,120</u>	<u>\$ 1,007,521</u>	<u>\$ 947,354</u>

\$ 5,437	\$ 13,681	\$ 19,027	\$ 5,601
1,555		9,664	25,870
<u>255,299</u>		<u>348,228</u>	<u>263,246</u>
<u>262,291</u>	<u>13,681</u>	<u>376,919</u>	<u>294,717</u>

34,193	2,573	36,766	48,884
	156,449	156,449	125,500
<u>(31,991)</u>	<u>284,417</u>	<u>437,387</u>	<u>478,253</u>
<u>2,202</u>	<u>443,439</u>	<u>630,602</u>	<u>652,637</u>
<u>\$ 264,493</u>	<u>\$ 457,120</u>	<u>\$ 1,007,521</u>	<u>\$ 947,354</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, 2006  
(With comparative totals for 2005)

	<u>Charter Schools</u>	<u>Local Projects</u>	<u>Community Schools</u>
Revenues:			
Revenue from local sources:			
Food services	\$	\$	\$
Other local revenue		173,055	
Tuition from students			
Total local sources		<u>173,055</u>	
Revenue from state sources		<u>3,900</u>	
Revenue from federal sources:			
Through the State of Alaska		3,900	
Other intermediate agencies		<u>3,900</u>	
Total federal sources		<u>3,900</u>	
Other sources			
Total revenues		<u>180,855</u>	
Expenditures:			
Current:			
Instruction	485	71,293	
Special education instruction			
Special education support services - students			
Support services - students		41,193	
Support services - instruction		86,837	
School administration		42,105	
School administration support services			
Operations and maintenance of plant			
Adult and continuing education instruction			15,469
Food services			
Total current	<u>485</u>	<u>241,428</u>	<u>15,469</u>
Debt service:			
Interest			
Principal			
Total debt service			
Total expenditures	<u>485</u>	<u>241,428</u>	<u>15,469</u>
Excess (deficiency) of revenues over expenditures	<u>(485)</u>	<u>(60,573)</u>	<u>(15,469)</u>
Other financing sources (uses):			
Proceeds from sale of capital assets			
Transfers in		50,000	
Transfers out			
Total other financing sources (uses)		<u>50,000</u>	
Net change in fund balances	(485)	(10,573)	(15,469)
Fund balances - beginning	77,911	111,251	22,326
Fund balances - ending	<u>\$ 77,426</u>	<u>\$ 100,678</u>	<u>\$ 6,857</u>

State Projects	Food Service	Totals	
		2006	2005
\$	\$ 1,829,036 3,083	\$ 1,829,036 176,138	\$ 1,837,593 34,423 12,141
	1,832,119	2,005,174	1,884,157
847,708		851,608	718,760
	2,445,939	2,445,939 3,900	2,151,425
	2,445,939	2,449,839	2,151,425
			114,196
847,708	4,278,058	5,306,621	4,868,538
542,538		614,316	641,208 911 44,725
637,752		41,193 724,589 42,105	600,242 50,158 11,070
5,897		5,897 15,469	8,346 49,539
	4,266,661	4,266,661	3,910,627
1,186,187	4,266,661	5,710,230	5,316,826
			103 1,046
			1,149
1,186,187	4,266,661	5,710,230	5,317,975
(338,479)	11,397	(403,609)	(449,437)
327,073	4,501	4,501 377,073	302 351,230 (340,820)
327,073	4,501	381,574	10,712
(11,406)	15,898	(22,035)	(438,725)
13,608	427,541	652,637	1,091,362
\$ 2,202	\$ 443,439	\$ 630,602	\$ 652,637

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Charter Schools

Balance Sheet

June 30, 2006

(With comparative totals for 2005)

	<b>Totals</b>	
	<b>2006</b>	<b>2005</b>
<b><u>ASSETS</u></b>		
Equity in central treasury cash	\$ 77,426	\$ 77,772
Accounts receivable:		
Local		139
Total assets	<u>\$ 77,426</u>	<u>\$ 77,911</u>
<b><u>FUND BALANCES</u></b>		
Fund balances:		
Reserved for:		
Encumbrances		1,510
Unreserved	77,426	76,401
Total fund balances	<u>\$ 77,426</u>	<u>\$ 77,911</u>

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Charter Schools

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

For the Year Ended June 30, 2006

(With comparative totals for 2005)

	<b>Totals</b>	
	<b>2006</b>	<b>2005</b>
Expenditures:		
Current:		
Instruction	\$ 485	\$ 85,309
Special education instruction		911
School administration support services		11,070
Operations and Maintenance of Plant		5,398
Total current	485	102,688
Net change in fund balances	(485)	(102,688)
Fund balances - beginning	77,911	180,599
Fund balances - ending	<u>\$ 77,426</u>	<u>\$ 77,911</u>

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Charter Schools

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

For the Year Ended June 30, 2006

(With comparative totals for 2005)

	<b>Totals</b>	
	<b>2006</b>	<b>2005</b>
Expenditures:		
Current:		
Materials, supplies, services and other:		
Professional and technical services	\$	\$ 350
Staff travel		11,646
Student travel		9,850
Supplies, materials and media	485	76,095
Total materials, supplies, services and other	485	97,941
Capital outlay - equipment		4,747
Total current	485	102,688
Net change in fund balances	(485)	(102,688)
Fund balances - beginning	77,911	180,599
Fund balances - ending	\$ 77,426	\$ 77,911

**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, 2006

	<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>		
Expenditures:					
Current:					
Materials, supplies, services and other:					
Supplies, materials and media	\$ 1,506	\$ 1,506	\$ 485	\$ (1,025)	\$ 2,531
Net change in fund balance	<u>\$ (1,506)</u>	<u>\$ (1,506)</u>	(485)	<u>\$ 1,025</u>	<u>\$ 2,531</u>
Fund balance - beginning			77,911		
Fund balance-ending			<u>\$ 77,426</u>		



**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Local Projects

Combining Balance Sheet

June 30, 2006

(With comparative totals for 2005)

	<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	\$ 23,532	\$ 168	\$ 2,421	\$ 1,098
Accounts receivable:				
Local				
Total assets	<u>\$ 23,532</u>	<u>\$ 168</u>	<u>\$ 2,421</u>	<u>\$ 1,098</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ (91)	\$	\$	\$
Deferred revenue		168	2,421	
Due to other funds				
Total liabilities	<u>(91)</u>	<u>168</u>	<u>2,421</u>	
Fund balances:				
Reserved for:				
Encumbrances				
Unreserved	<u>23,623</u>			<u>1,098</u>
Total fund balances	<u>23,623</u>			<u>1,098</u>
Total liabilities and fund balances	<u>\$ 23,532</u>	<u>\$ 168</u>	<u>\$ 2,421</u>	<u>\$ 1,098</u>

<u>M.J. Murdock Trust Grant</u>	<u>Surface Disturbance Project</u>	<u>Charlotte Martin Foundation</u>	<u>Barnette Extended Day Program</u>	<u>Rasmuson Steel Drums</u>	<u>District Math Professional Development</u>
\$ 239	\$ 208	\$ 150	\$ 27,660	\$	\$ 4,123
				24,839	
<u>\$ 239</u>	<u>\$ 208</u>	<u>\$ 150</u>	<u>\$ 27,660</u>	<u>\$ 24,839</u>	<u>\$ 4,123</u>
\$ 239	\$ 208	\$ 150	\$	\$	\$ 4,123
				24,839	
<u>239</u>	<u>208</u>	<u>150</u>		<u>24,839</u>	<u>4,123</u>
			27,660		
			27,660		
<u>\$ 239</u>	<u>\$ 208</u>	<u>\$ 150</u>	<u>\$ 27,660</u>	<u>\$ 24,839</u>	<u>\$ 4,123</u>

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Local Projects

Combining Balance Sheet

June 30, 2006

(With comparative totals for 2005)

	<u>Follow the Leader Project</u>	<u>Art Excursion</u>	<u>Art of Tolerance</u>	<u>Leadership Development</u>
<b><u>ASSETS</u></b>				
Equity in central treasury cash	\$	\$	\$ 800	\$ 47,748
Accounts receivable:				
Local	67,310	1,329		
Total assets	<u>\$ 67,310</u>	<u>\$ 1,329</u>	<u>\$ 800</u>	<u>\$ 47,748</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$	\$	\$	\$
Deferred revenue			800	
Due to other funds	67,310	780		
Total liabilities	<u>67,310</u>	<u>780</u>	<u>800</u>	
Fund balances:				
Reserved for:				
Encumbrances				
Unreserved		549		47,748
Total fund balances		<u>549</u>		<u>47,748</u>
Total liabilities and fund balances	<u>\$ 67,310</u>	<u>\$ 1,329</u>	<u>\$ 800</u>	<u>\$ 47,748</u>

Totals	
2006	2005
\$ 108,147	\$ 121,202
93,478	25,621
<u>\$ 201,625</u>	<u>\$ 146,823</u>

\$ (91)	\$ 2,417
8,109	7,534
92,929	25,621
<u>100,947</u>	<u>35,572</u>

	14
<u>100,678</u>	<u>111,237</u>
<u>100,678</u>	<u>111,251</u>
<u>\$ 201,625</u>	<u>\$ 146,823</u>

**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, 2006

(With comparative totals for 2005)

	<u>Options Day Care</u>	<u>Unsung Heroes Award - Salcha Elementary</u>	<u>Miscellaneous Local Grants</u>	<u>Not on Tobacco Program- North Pole HS</u>
Revenues:				
Revenue from local sources:				
Other local revenue	\$ 22,835	\$ 531	\$	\$ (311)
Revenue from state sources				
Revenue from federal sources:				
Other intermediate agencies				
Other sources				
Total revenues	<u>22,835</u>	<u>531</u>		<u>(311)</u>
Expenditures - current:				
Instruction	69,512	531		(311)
Support services - students				
Support services - instruction				
School administration				
Total expenditures	<u>69,512</u>	<u>531</u>		<u>(311)</u>
Excess (deficiency) of revenues over expenditures	<u>(46,677)</u>			
Other financing sources:				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Net change in fund balance	<u>(46,677)</u>			
Fund balances - beginning	<u>70,300</u>		<u>1,098</u>	
Fund balances - ending	<u>\$ 23,623</u>	<u>\$</u>	<u>\$ 1,098</u>	<u>\$</u>

<u>M.J. Murdock Trust Grant</u>	<u>Barnette Extended Day Program</u>	<u>Rasmuson Steel Drums</u>	<u>Weller Breakfast Program</u>	<u>District Math Professional Development</u>	<u>Follow the Leader Project</u>
\$ 1,561	\$ 41,755	\$ 26,454	\$ 644	\$ 1,132	\$ 70,000
<u>1,561</u>	<u>41,755</u>	<u>26,454</u>	<u>644</u>	<u>1,132</u>	<u>70,000</u>
1,561	14,095	26,454	644	1,132	70,000
<u>1,561</u>	<u>14,095</u>	<u>26,454</u>	<u>644</u>	<u>1,132</u>	<u>70,000</u>
	<u>27,660</u>				
	27,660				
<u>\$</u>	<u>\$ 27,660</u>	<u>\$</u>	<u>\$</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, 2006

(With comparative totals for 2005)

	<u>Art Excursion</u>	<u>Artist in Schools Program</u>	<u>Leadership Development</u>
Revenues:			
Revenue from local sources:			
Other local revenue	\$ 4,254	\$ 4,200	\$
Revenue from state sources		3,900	
Revenue from federal sources:			
Other intermediate agencies		3,900	
Other sources			
Total revenues	<u>4,254</u>	<u>12,000</u>	
Expenditures - current:			
Instruction			
Support services - students			
Support services - instruction	3,705	12,000	
School administration			42,105
Total expenditures	<u>3,705</u>	<u>12,000</u>	<u>42,105</u>
Excess (deficiency) of revenues over expenditures	<u>549</u>		<u>(42,105)</u>
Other financing sources:			
Transfers in			50,000
Transfers out			
Total other financing sources (uses)			<u>50,000</u>
Net change in fund balance	549		7,895
Fund balances - beginning			39,853
Fund balances - ending	<u>\$ 549</u>	<u>\$</u>	<u>\$ 47,748</u>

Totals	
2006	2005
\$ 173,055	\$ 32,202
3,900	
3,900	
	114,196
180,855	146,398
71,293	83,642
41,193	
86,837	108,869
42,105	50,158
241,428	242,669
(60,573)	(96,271)
50,000	50,000
	(340,820)
50,000	(290,820)
(10,573)	(387,091)
111,251	498,342
\$ 100,678	\$ 111,251



**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, 2006

(With comparative totals for 2005)

	<u>Options Day Care</u>	<u>Unsung Heroes Award - Salcha Elementary</u>	<u>Miscellaneous Local Grants</u>	<u>Not on Tobacco Program- North Pole HS</u>
Revenues:				
Revenue from local sources:				
Other local revenue	\$ 22,835	\$ 531	\$	\$ (311)
Revenue from state sources				
Revenue from federal sources:				
Other intermediate agencies				
Other sources				
Total revenues	<u>22,835</u>	<u>531</u>		<u>(311)</u>
Expenditures - current:				
Salaries and fringe benefits:				
Certificated salaries				
Non-certificated salaries	43,116			(285)
Employee benefits	<u>17,742</u>			<u>(26)</u>
Total salaries and fringe benefits	<u>60,858</u>			<u>(311)</u>
Materials, supplies, services and other:				
Professional and technical services				
Staff travel	2,960			
Student travel				
Other purchased services	2,308			
Supplies, materials and media	3,386	531		
Other expenses				
Total materials, supplies, services and other	<u>8,654</u>	<u>531</u>		
Total expenditures	<u>69,512</u>	<u>531</u>		<u>(311)</u>
Excess (deficiency) of revenues over expenditures	<u>(46,677)</u>			
Other financing sources:				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Net change in fund balance	<u>(46,677)</u>			
Fund balances - beginning	<u>70,300</u>		<u>1,098</u>	
Fund balances - ending	<u>\$ 23,623</u>	<u>\$</u>	<u>\$ 1,098</u>	<u>\$</u>

<u>M.J. Murdock Trust Grant</u>	<u>Barnette Extended Day Program</u>	<u>Rasmuson Steel Drums</u>	<u>Weller Breakfast Program</u>	<u>District Math Professional Development</u>	<u>Follow the Leader Project</u>
\$ 1,561	\$ 41,755	\$ 26,454	\$ 644	\$ 1,132	\$ 70,000
<u>1,561</u>	<u>41,755</u>	<u>26,454</u>	<u>644</u>	<u>1,132</u>	<u>70,000</u>
	10,063			900	49,715
	3,765			21	20,285
	<u>13,828</u>			<u>921</u>	<u>70,000</u>
1,561	267	26,454	644	211	
<u>1,561</u>	<u>267</u>	<u>26,454</u>	<u>644</u>	<u>211</u>	
<u>1,561</u>	<u>14,095</u>	<u>26,454</u>	<u>644</u>	<u>1,132</u>	<u>70,000</u>
	<u>27,660</u>				
	27,660				
<u>\$</u>	<u>\$ 27,660</u>	<u>\$</u>	<u>\$</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, 2006

(With comparative totals for 2005)

	<u>Art Excursion</u>	<u>Artist in Schools Program</u>	<u>Leadership Development</u>
Revenues:			
Revenue from local sources:			
Other local revenue	\$ 4,254	\$ 4,200	\$
Revenue from state sources		3,900	
Revenue from federal sources:			
Other intermediate agencies		3,900	
Other sources			
Total revenues	<u>4,254</u>	<u>12,000</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		12,000	
Staff travel			40,102
Student travel	3,705		
Other purchased services			1,670
Supplies, materials and media			
Other expenses			333
Total materials, supplies, services and other	<u>3,705</u>	<u>12,000</u>	<u>42,105</u>
Total expenditures	<u>3,705</u>	<u>12,000</u>	<u>42,105</u>
Excess (deficiency) of revenues over expenditures	<u>549</u>		<u>(42,105)</u>
Other financing sources:			
Transfers in			50,000
Transfers out			
Total other financing sources (uses)			<u>50,000</u>
Net change in fund balance	549		7,895
Fund balances - beginning			39,853
Fund balances - ending	<u>\$ 549</u>	<u>\$</u>	<u>\$ 47,748</u>

Totals	
2006	2005
\$ 173,055	\$ 32,202
3,900	
3,900	
	114,196
180,855	146,398
49,715	64,088
53,794	48,109
41,787	43,631
145,296	155,828
12,000	
43,062	50,512
3,705	
3,978	21,964
33,054	14,365
333	
96,132	86,841
241,428	242,669
(60,573)	(96,271)
50,000	50,000
	(340,820)
50,000	(290,820)
(10,573)	(387,091)
111,251	498,342
\$ 100,678	\$ 111,251

**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, 2006

	<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:					
Other local revenue	\$ 88,776	\$ 88,776	\$ 173,055	\$ 173,055	\$ 84,279
Revenue from state sources	3,900	3,900	3,900	3,900	
Revenue from federal sources:					
Other intermediate agencies	3,900	3,900	3,900	3,900	
Total revenues	<u>96,576</u>	<u>96,576</u>	<u>180,855</u>	<u>180,855</u>	<u>84,279</u>
Expenditures - current:					
Salaries and fringe benefits:					
Certificated salaries	49,715	49,715	49,715	49,715	
Non-certificated salaries	55,958	55,958	53,794	53,794	2,164
Employee benefits	43,084	43,084	41,787	41,787	1,297
Total salaries and fringe benefits	<u>148,757</u>	<u>148,757</u>	<u>145,296</u>	<u>145,296</u>	<u>3,461</u>
Materials, supplies, services and other:					
Professional and technical services	659	659	12,000	12,000	(11,341)
Staff travel	46,921	46,921	43,062	43,048	3,873
Student travel	4,608	4,608	3,705	3,705	903
Other purchased services	19,100	19,100	3,978	3,978	15,122
Supplies, materials and media	30,796	30,796	33,054	33,054	(2,258)
Other expenses	1,000	1,000	333	333	667
Indirect costs	57	57			57
Total materials, supplies, services and other	<u>103,141</u>	<u>103,141</u>	<u>96,132</u>	<u>96,118</u>	<u>7,023</u>
Capital outlay:					
Equipment	5,150	5,150			5,150
Total expenditures	<u>257,048</u>	<u>257,048</u>	<u>241,428</u>	<u>241,414</u>	<u>15,634</u>
Deficiency of revenues over expenditures	<u>(160,472)</u>	<u>(160,472)</u>	<u>(60,573)</u>	<u>(60,559)</u>	<u>99,913</u>
Other financing sources:					
Transfers in	50,000	50,000	50,000	49,986	(14)
Net change in fund balance	<u>\$ (110,472)</u>	<u>\$ (110,472)</u>	<u>(10,573)</u>	<u>\$ (10,573)</u>	<u>\$ 99,899</u>
Fund balance - beginning			111,251		
Fund balance - ending			<u>\$ 100,678</u>		

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Community Schools

Balance Sheet

June 30, 2006

(With comparative totals for 2005)

	<b>Totals</b>	
	<b>2006</b>	<b>2005</b>
<b><u>ASSETS</u></b>		
Equity in central treasury cash	<u>\$ 6,857</u>	<u>\$ 22,326</u>
<b><u>FUND BALANCE</u></b>		
Fund balances - unreserved	<u>\$ 6,857</u>	<u>\$ 22,326</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

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2006

	<b>Totals</b>	
	<b>2006</b>	<b>2005</b>
Revenues:		
Revenue from local sources:		
Tuition from students	\$	\$ 12,141
Expenditures - current:		
Adult and continuing education instruction	15,469	49,539
Net change in fund balances	(15,469)	(37,398)
Fund balances - beginning	22,326	59,724
Fund balances - ending	<u>\$ 6,857</u>	<u>\$ 22,326</u>

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Community Schools

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

For the Year Ended June 30, 2006

(With comparative totals for 2005)

	<b>Totals</b>	
	<b>2006</b>	<b>2005</b>
Revenues:		
Tuition from students	\$	\$ 12,141
Expenditures - current:		
Salaries and fringe benefits:		
Non-certificated salaries	11,030	29,382
Employee benefits	4,413	11,437
Total salaries and fringe benefits	15,443	40,819
Materials, supplies, services and other:		
Professional and technical services		4,008
Other purchased services	26	3,697
Supplies, materials and media		1,015
Total materials, supplies, services and other	26	8,720
Total expenditures	15,469	49,539
Net change in fund balances	(15,469)	(37,398)
Fund balances - beginning	22,326	59,724
Fund balances - ending	\$ 6,857	\$ 22,326



**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, 2006

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

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**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

State Projects

Combining Balance Sheet

June 30, 2006

(With comparative totals for 2005)

	<b>Alaska Railroad Youth Summer Employment</b>	<b>Youth in Detention</b>	<b>Staff Development Mini-grants</b>	<b>Oasis Program</b>
<b><u>ASSETS</u></b>				
Equity in central treasury cash	\$	\$ 876	\$	\$ 2,200
Accounts receivable:				
State	25,370		16,981	
Due from the Fairbanks North Star Borough				
Total assets	<u>\$ 25,370</u>	<u>\$ 876</u>	<u>\$ 16,981</u>	<u>\$ 2,200</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$	\$ 876	\$	\$
Deferred revenue	878			
Due to other funds	<u>24,492</u>		<u>16,981</u>	
Total liabilities	<u>25,370</u>	<u>876</u>	<u>16,981</u>	
Fund balances:				
Reserved for:				
Encumbrances				
Unreserved				<u>2,200</u>
Total fund balances				<u>2,200</u>
Total liabilities and fund balances	<u>\$ 25,370</u>	<u>\$ 876</u>	<u>\$ 16,981</u>	<u>\$ 2,200</u>

<b>DCCED Small Grants List</b>	<b>Assessment Expert</b>	<b>Chinook State Charter School</b>	<b>Statewide Alaska Mentorship Program</b>	<b>Hutchison Student Headbolt Power</b>
\$	\$ 2	\$ 985	\$	\$
70,894			145,711	1,474
<u>\$ 70,894</u>	<u>\$ 2</u>	<u>\$ 985</u>	<u>\$ 145,711</u>	<u>\$ 1,474</u>
\$ 3,762	\$	\$ 308	\$	\$ 491
67,132		677	145,711	983
<u>70,894</u>		<u>985</u>	<u>145,711</u>	<u>1,474</u>
34,193				
<u>(34,193)</u>	<u>2</u>			
	2			
<u>\$ 70,894</u>	<u>\$ 2</u>	<u>\$ 985</u>	<u>\$ 145,711</u>	<u>\$ 1,474</u>

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

State Projects

Combining Balance Sheet

June 30, 2006

(With comparative totals for 2005)

	<b>Totals</b>	
	<b>2006</b>	<b>2005</b>
<b><u>ASSETS</u></b>		
Equity in central treasury cash	\$ 4,063	\$ 31,066
Accounts receivable:		
State	188,062	237,520
Due from the Fairbanks North Star Borough	72,368	1,474
Total assets	<u>\$ 264,493</u>	<u>\$ 270,060</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>		
Liabilities:		
Accounts payable	\$ 5,437	\$ 491
Deferred revenue	1,555	18,336
Due to other funds	255,299	237,625
Total liabilities	<u>262,291</u>	<u>256,452</u>
Fund balances:		
Reserved for:		
Encumbrances	34,193	5,392
Unreserved	(31,991)	8,216
Total fund balances	<u>2,202</u>	<u>13,608</u>
Total liabilities and fund balances	<u>\$ 264,493</u>	<u>\$ 270,060</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 Balance - by Function

For the Year Ended June 30, 2006

(With comparative totals for 2005)

	<b>Alaska Railroad Youth Summer Employment</b>	<b>Youth in Detention</b>	<b>Staff Development Mini-grants</b>	<b>Oasis Program</b>
Revenues:				
Revenue from state sources	\$ 25,369	\$ 120,407	\$ 59,750	\$
Expenditures:				
Current:				
Instruction	25,369	457,419	59,750	
Special education support services - students				
Support services - instruction				
Operations and maintenance of plant				
Total current	25,369	457,419	59,750	
Debt service:				
Interest				
Principal				
Total debt service				
Total expenditures	25,369	457,419	59,750	
Deficiency of revenues over expenditures		(337,012)		
Other financing sources:				
Transfers in		327,073		
Net change in fund balances		(9,939)		
Fund balances - beginning		9,939		2,200
Fund balances - ending	\$	\$	\$	\$ 2,200

<b>DCCED Small Grants List</b>	<b>Assessment Expert</b>	<b>Chinook State Charter School</b>	<b>Statewide Alaska Mentorship Program</b>	<b>Hutchison Student Headbolt Power</b>
<u>\$ 235,078</u>	<u>\$</u>	<u>\$ 16,781</u>	<u>\$ 384,426</u>	<u>\$ 5,897</u>
235,078	1,467	16,781	384,426	5,897
<u>235,078</u>	<u>1,467</u>	<u>16,781</u>	<u>384,426</u>	<u>5,897</u>
235,078	1,467	16,781	384,426	5,897
(1,467)				
(1,467)				
1,469				
<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 Balance - by Function

For the Year Ended June 30, 2006

(With comparative totals for 2005)

	<b>Totals</b>	
	<b>2006</b>	<b>2005</b>
Revenues:		
Revenue from state sources	\$ 847,708	\$ 718,760
Expenditures:		
Current:		
Instruction	542,538	472,257
Special education support services - students		44,725
Support services - instruction	637,752	491,373
Operations and maintenance of plant	5,897	2,948
Total current	1,186,187	1,011,303
Debt service:		
Interest		103
Principal		1,046
Total debt service		1,149
Total expenditures	1,186,187	1,012,452
Deficiency of revenues over expenditures	(338,479)	(293,692)
Other financing sources:		
Transfers in	327,073	301,230
Net change in fund balances	(11,406)	7,538
Fund balances - beginning	13,608	6,070
Fund balances - ending	\$ 2,202	\$ 13,608

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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 Balance - by Object

For the Year Ended June 30, 2006

(With comparative totals for 2005)

	<b>Alaska Railroad Youth Summer Employment</b>	<b>Youth in Detention</b>	<b>Staff Development Mini-grants</b>	<b>Oasis Program</b>
Revenues:				
Revenue from state sources	\$ 25,369	\$ 120,407	\$ 59,750	\$
Expenditures:				
Current:				
Salaries and fringe benefits:				
Certificated salaries	19,830	256,047		
Non-certificated salaries	200	51,827	10,365	
Employee benefits	4,733	122,401	898	
Total salaries and fringe benefits	24,763	430,275	11,263	
Materials, supplies, services and other:				
Professional and technical services				
Staff travel			48,487	
Student travel				
Utility services		4,280		
Other purchased services	78	1,713		
Supplies, materials and media	528	21,151		
Total materials, supplies, services and other	606	27,144	48,487	
Capital outlay - equipment				
Total current	25,369	457,419	59,750	
Debt service:				
Interest				
Principal				
Total debt service				
Total expenditures	25,369	457,419	59,750	
Deficiency of revenues over expenditures		(337,012)		
Other financing sources:				
Transfers in		327,073		
Net change in fund balances		(9,939)		
Fund balances - beginning		9,939		2,200
Fund balances - ending	\$	\$	\$	\$ 2,200

<b>DCCED Small Grants List</b>	<b>Assessment Expert</b>	<b>Chinook State Charter School</b>	<b>Statewide Alaska Mentorship Program</b>	<b>Hutchison Student Headbolt Power</b>
\$ 235,078	\$	\$ 16,781	\$ 384,426	\$ 5,897
			273,108	
4,176			111,318	
242			384,426	
4,418				
		16,081		
	1,392	602		
18				
1,725				5,897
192,085	75	98		
193,828	1,467	16,781		5,897
36,832				
235,078	1,467	16,781	384,426	5,897
235,078	1,467	16,781	384,426	5,897
	(1,467)			
	(1,467)			
	1,469			
\$	\$ 2	\$	\$	\$

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

State Projects

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

For the Year Ended June 30, 2006

(With comparative totals for 2005)

	<b>Totals</b>	
	<b>2006</b>	<b>2005</b>
Revenues:		
Revenue from state sources	\$ 847,708	\$ 718,760
Expenditures:		
Current:		
Salaries and fringe benefits:		
Certificated salaries	548,985	593,530
Non-certificated salaries	66,568	42,046
Employee benefits	239,592	240,583
Total salaries and fringe benefits	855,145	876,159
Materials, supplies, services and other:		
Professional and technical services	16,081	47,223
Staff travel	50,481	35,736
Student travel	18	
Utility services	4,280	4,234
Other purchased services	9,413	5,233
Supplies, materials and media	213,937	25,809
Total materials, supplies, services and other	294,210	118,235
Capital outlay - equipment	36,832	16,909
Total current	1,186,187	1,011,303
Debt service:		
Interest		103
Principal		1,046
Total debt service		1,149
Total expenditures	1,186,187	1,012,452
Deficiency of revenues over expenditures	(338,479)	(293,692)
Other financing sources:		
Transfers in	327,073	301,230
Net change in fund balances	(11,406)	7,538
Fund balances - beginning	13,608	6,070
Fund balances - ending	\$ 2,202	\$ 13,608

**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, 2006

	<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	\$ 933,795	\$ 1,030,318	\$ 847,708	\$ 877,901	\$ (152,417)
Expenditures:					
Current					
Salaries and fringe benefits:					
Certificated salaries	536,752	540,675	548,985	548,985	(8,310)
Non-certificated salaries	39,368	49,134	66,568	66,568	(17,434)
Employee benefits	227,922	230,406	239,592	239,592	(9,186)
Total salaries and fringe benefits	804,042	820,215	855,145	855,145	(34,930)
Materials, supplies, services and other:					
Professional and technical services	21,298	28,948	16,081	12,081	16,867
Staff travel	5,879	58,579	50,481	50,481	8,098
Student travel			18	18	(18)
Utility services			4,280	4,280	(4,280)
Other purchased services	15,923	15,923	9,413	9,413	6,510
Supplies, materials and media	408,854	430,130	213,937	215,957	214,173
Total materials, supplies, services and other	451,954	533,580	294,210	292,230	241,350
Capital outlay - equipment	4,500	4,500	36,832	67,613	(63,113)
Total expenditures	1,260,496	1,358,295	1,186,187	1,214,988	143,307
Deficiency of revenues over expenditures	(326,701)	(327,977)	(338,479)	(337,087)	(9,110)
Other financing sources:					
Transfers in	325,232	325,232	327,073	325,681	449
Net change in fund balance	\$ (1,469)	\$ (2,745)	(11,406)	\$ (11,406)	\$ (8,661)
Fund balance, July 1			13,608		
Fund balance, June 30			\$ 2,202		

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Food Service

Balance Sheet

June 30, 2006

(With comparative totals for 2005)

	<b>Totals</b>	
	<b>2006</b>	<b>2005</b>
<b><u>ASSETS</u></b>		
Equity in central treasury cash	\$ 300,671	\$ 304,734
Inventories	156,449	125,500
Total assets	<u>\$ 457,120</u>	<u>\$ 430,234</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable	<u>\$ 13,681</u>	<u>\$ 2,693</u>
Fund balance:		
Reserved for:		
Encumbrances	2,573	41,968
Inventories	156,449	125,500
Unreserved	<u>284,417</u>	<u>260,073</u>
Total fund balance	<u>443,439</u>	<u>427,541</u>
Total liabilities and fund balance	<u>\$ 457,120</u>	<u>\$ 430,234</u>

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Special Revenue Fund

Food Service

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

For the Year Ended June 30, 2006

(With comparative totals for 2005)

	<b>Totals</b>	
	<b>2006</b>	<b>2005</b>
Revenues:		
Revenue from local sources:		
Food services	\$ 1,829,036	\$ 1,837,593
Other local revenue	3,083	2,221
Total local sources	1,832,119	1,839,814
Revenue from federal sources:		
Through the State of Alaska	2,445,939	2,151,425
Total revenues	4,278,058	3,991,239
Expenditures - current:		
Food services	4,266,661	3,910,627
Excess of revenues over expenditures	11,397	80,612
Other financing sources:		
Proceeds from sale of capital assets	4,501	302
Net change in fund balance	15,898	80,914
Fund balances - beginning	427,541	346,627
Fund balances - ending	\$ 443,439	\$ 427,541



**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**  
Nonmajor Special Revenue Fund  
Food Service  
Statement of Revenues, Expenditures and Changes in Fund Balances - by Object  
For the Year Ended June 30, 2006  
(With comparative totals for 2005)

	<b>Totals</b>	
	<b>2006</b>	<b>2005</b>
Revenues:		
Revenue from local sources:		
Food services	\$ 1,829,036	\$ 1,837,593
Other local revenue	3,083	2,221
Total local sources	<u>1,832,119</u>	<u>1,839,814</u>
Revenue from federal sources:		
Through the State of Alaska	<u>2,445,939</u>	<u>2,151,425</u>
Total revenues	<u>4,278,058</u>	<u>3,991,239</u>
Expenditures - current:		
Salaries and fringe benefits:		
Non-certificated salaries	1,567,686	1,550,359
Employee benefits	<u>583,319</u>	<u>545,355</u>
Total salaries and fringe benefits	<u>2,151,005</u>	<u>2,095,714</u>
Materials, supplies, services and other:		
Professional and technical services	12,058	12,260
Staff travel	3,672	1,758
Utility services	1,352	1,440
Other purchased services	6,617	7,283
Supplies, materials and media	1,966,298	1,670,074
Other expenses	155	
Indirect costs	<u>60,000</u>	<u>60,000</u>
Total materials, supplies, services and other	<u>2,050,152</u>	<u>1,752,815</u>
Capital outlay - equipment	<u>65,504</u>	<u>62,098</u>
Total expenditures	<u>4,266,661</u>	<u>3,910,627</u>
Excess of revenues over expenditures	<u>11,397</u>	<u>80,612</u>
Other financing sources:		
Proceeds from sale of capital assets	<u>4,501</u>	<u>302</u>
Net change in fund balance	<u>15,898</u>	<u>80,914</u>
Fund balances - beginning	<u>427,541</u>	<u>346,627</u>
Fund balances - ending	<u>\$ 443,439</u>	<u>\$ 427,541</u>

**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, 2006

	<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:					
Food Service	\$ 2,108,694	\$ 2,108,694	\$ 1,829,036	\$ 1,829,036	\$ (279,658)
Other local revenue			3,083	3,083	3,083
Total local sources	<u>2,108,694</u>	<u>2,108,694</u>	<u>1,832,119</u>	<u>1,832,119</u>	<u>(276,575)</u>
Revenue from federal sources:					
Through the State of Alaska	<u>2,150,000</u>	<u>2,150,000</u>	<u>2,445,939</u>	<u>2,406,544</u>	<u>256,544</u>
Total revenues	<u>4,258,694</u>	<u>4,258,694</u>	<u>4,278,058</u>	<u>4,238,663</u>	<u>(20,031)</u>
Expenditures - current:					
Salaries and fringe benefits:					
Non-certificated salaries	1,630,102	1,630,102	1,567,686	1,567,686	62,416
Employee benefits	<u>608,830</u>	<u>608,830</u>	<u>583,319</u>	<u>583,319</u>	<u>25,511</u>
Total salaries and fringe benefits	<u>2,238,932</u>	<u>2,238,932</u>	<u>2,151,005</u>	<u>2,151,005</u>	<u>87,927</u>
Materials, supplies, services and other:					
Professional and technical services	12,058	12,058	12,058	12,058	
Staff travel	2,800	2,800	3,672	3,672	(872)
Utility services	1,440	1,440	1,352	1,352	88
Other purchased services	7,500	7,500	6,617	7,077	423
Supplies, materials and media	1,822,964	1,885,564	1,966,298	1,966,811	(81,247)
Other expenses			155	155	(155)
Indirect costs	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	
Total materials, supplies, services and other	<u>1,906,762</u>	<u>1,969,362</u>	<u>2,050,152</u>	<u>2,051,125</u>	<u>(81,763)</u>
Capital outlay - equipment	<u>113,000</u>	<u>92,368</u>	<u>65,504</u>	<u>25,136</u>	<u>67,232</u>
Total expenditures	<u>4,258,694</u>	<u>4,300,662</u>	<u>4,266,661</u>	<u>4,227,266</u>	<u>73,396</u>
Excess (deficiency) of revenues over expenditures		<u>(41,968)</u>	<u>11,397</u>	<u>11,397</u>	<u>53,365</u>
Other financing sources:					
Proceeds from sale of capital assets			4,501		
Net change in fund balance	<u>\$</u>	<u>\$ (41,968)</u>	<u>15,898</u>	<u>\$ 11,397</u>	<u>\$ 53,365</u>
Fund balance - beginning			427,541		
Fund balance - ending			<u>\$ 443,439</u>		

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# **NONMAJOR CAPITAL PROJECTS FUNDS**

**Denali Elementary  
Nordale Elementary  
Lathrop High School  
Ben Eielson Jr/Sr High School  
Title VIII Construction  
Hutchison High School  
Central Kitchen Impact Aid Grant  
Districtwide School Projects  
Other Capital Projects**

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Capital Projects Funds

Combining Balance Sheet

June 30, 2006

(With comparative totals for 2005)

	<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	\$	\$	\$	\$ 1,087,096
Accounts receivable:				
Local				
State				
Federal				
Due from Fairbanks North Star Borough	13,048	128,921	208	
Total assets	<u>\$ 13,048</u>	<u>\$ 128,921</u>	<u>\$ 208</u>	<u>\$ 1,087,096</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ 3,856	\$ 65,214	\$	\$
Due to other funds	9,192	63,707	208	
Due to Fairbanks North Star Borough				
Total liabilities	<u>13,048</u>	<u>128,921</u>	<u>208</u>	
Fund balances:				
Reserved for:				
Encumbrances	41,487	57,583		
Unreserved	<u>(41,487)</u>	<u>(57,583)</u>		<u>1,087,096</u>
Total fund balances				<u>1,087,096</u>
Total liabilities and fund balances	<u>\$ 13,048</u>	<u>\$ 128,921</u>	<u>\$ 208</u>	<u>\$ 1,087,096</u>

Hutchison High School	Central Kitchen Impact Aid Grant	Other Capital Projects	Totals	
			2006	2005
\$ 204,429	\$	\$ 99,590	\$ 1,391,115	\$ 1,267,374
				61,500
				1,018
	10,605		10,605	25,862
			142,177	201,064
<u>\$ 204,429</u>	<u>\$ 10,605</u>	<u>\$ 99,590</u>	<u>\$ 1,543,897</u>	<u>\$ 1,556,818</u>
\$	\$	\$ 4,084	\$ 73,154	\$ 13,299
	10,605		83,712	267,230
<u>28,578</u>			<u>28,578</u>	<u>99,867</u>
<u>28,578</u>	<u>10,605</u>	<u>4,084</u>	<u>185,444</u>	<u>380,396</u>
		2,587	101,657	269,189
<u>175,851</u>		<u>92,919</u>	<u>1,256,796</u>	<u>907,233</u>
<u>175,851</u>		<u>95,506</u>	<u>1,358,453</u>	<u>1,176,422</u>
<u>\$ 204,429</u>	<u>\$ 10,605</u>	<u>\$ 99,590</u>	<u>\$ 1,543,897</u>	<u>\$ 1,556,818</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, 2006  
(With comparative totals for 2005)

	<u>Denali Elementary</u>	<u>Nordale Elementary</u>	<u>Lathrop High School</u>	<u>Ben Eielson Jr/Sr High School</u>
Revenues:				
Revenue from local sources:				
Other local revenue	\$ 355,405	\$ 495,065	\$	\$
Revenue from state sources			11,483	
Revenue from federal sources:				
Direct				
Through the state of Alaska				
Total federal sources				
Total revenues	<u>355,405</u>	<u>495,065</u>	<u>11,483</u>	
Expenditures:				
Capital outlay:				
Professional and technical services				
Other purchased services				
Supplies, materials and media	237,624	386,615	11,483	6,407
Indirect costs				
Equipment	35,281	22,387		
Buildings and improvements purchased	<u>82,500</u>	<u>86,063</u>		
Total expenditures	<u>355,405</u>	<u>495,065</u>	<u>11,483</u>	<u>6,407</u>
Excess (deficiency) of revenues over expenditures				<u>(6,407)</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Net change in fund balances				(6,407)
Fund balances - beginning				6,407
Fund balances - ending	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

<u>Title VIII Construction</u>	<u>Hutchison High School</u>	<u>Central Kitchen Impact Aid Grant</u>	<u>Districtwide School Projects</u>	<u>Other Capital Projects</u>
\$	\$ 93,007	\$	\$	\$
		19,226		
<u>570,540</u>				
<u>570,540</u>		<u>19,226</u>		
<u>570,540</u>	<u>93,007</u>	<u>19,226</u>		
		18,129		
	28,578			
	74,007		17,899	2,663
		1,097		
			15,918	
	<u>19,000</u>			<u>317,044</u>
	<u>121,585</u>	<u>19,226</u>	<u>33,817</u>	<u>319,707</u>
<u>570,540</u>	<u>(28,578)</u>		<u>(33,817)</u>	<u>(319,707)</u>
				91,000
<u>(91,000)</u>				
<u>(91,000)</u>				<u>91,000</u>
<u>479,540</u>	<u>(28,578)</u>		<u>(33,817)</u>	<u>(228,707)</u>
<u>607,556</u>	<u>204,429</u>		<u>33,817</u>	<u>324,213</u>
<u>\$ 1,087,096</u>	<u>\$ 175,851</u>	<u>\$</u>	<u>\$</u>	<u>\$ 95,506</u>

(continued)



**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, 2006  
(With comparative totals for 2005)

	<b>Totals</b>	
	<b>2006</b>	<b>2005</b>
Revenues:		
Revenue from local sources:		
Other local revenue	\$ 943,477	\$ 926,257
Revenue from state sources	11,483	8,128
Revenue from federal sources:		
Direct	19,226	315,066
Through the state of Alaska	570,540	390,805
Total federal sources	589,766	705,871
Total revenues	1,544,726	1,640,256
Expenditures:		
Capital outlay:		
Professional and technical services	18,129	51,585
Other purchased services	28,578	263,616
Supplies, materials and media	736,698	979,079
Indirect costs	1,097	18,948
Equipment	73,586	261,588
Buildings and improvements purchased	504,607	107,318
Total expenditures	1,362,695	1,682,134
Excess (deficiency) of revenues over expenditures	182,031	(41,878)
Other financing sources (uses):		
Transfers in	91,000	477,720
Transfers out	(91,000)	(136,900)
Total other financing sources (uses)		340,820
Net change in fund balances	182,031	298,942
Fund balances - beginning	1,176,422	877,480
Fund balances - ending	\$ 1,358,453	\$ 1,176,422

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**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Nonmajor Capital Projects Funds  
Project Length Schedule of Revenues and Expenditures  
Beginning of Projects to June 30, 2006

	<b>Denali Elementary</b>	<b>Nordale Elementary</b>	<b>Lathrop High School</b>	<b>Ben Eielson Jr/Sr</b>
Project Authorizations:	<u>\$ 522,600</u>	<u>\$ 524,125</u>	<u>\$ 136,364</u>	<u>\$ 33,804</u>
Revenues:				
Revenue from local sources:				
Other local revenue	\$ 510,684	\$ 568,360	\$ 120,080	\$
Revenue from state sources			11,483	
Revenue from federal sources:				
Direct				
Through the state of Alaska				
Transfers from other funds				33,804
Total revenues	<u>510,684</u>	<u>568,360</u>	<u>131,563</u>	<u>33,804</u>
Expenditures:				
Capital outlay:				
Professional and technical services				
Other purchased services				
Supplies, materials and media	352,253	423,852	68,386	28,796
Indirect costs			1,413	
Equipment	75,931	58,445	61,764	5,008
Buildings and improvements purchased	82,500	86,063		
Other capital outlay				
Transfers to other funds				
Total expenditures	<u>510,684</u>	<u>568,360</u>	<u>131,563</u>	<u>33,804</u>
Excess of revenues over expenditures	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

<b>Title VIII Construction</b>	<b>Hutchison High School</b>	<b>Central Kitchen Impact Aid Grant</b>	<b>District-wide School Projects</b>	<b>Other Capital Projects</b>	<b>Project To Date Totals</b>
<u>\$</u>	<u>\$ 2,128,587</u>	<u>\$ 497,050</u>	<u>\$ 196,900</u>	<u>\$ 340,820</u>	<u>\$ 4,380,250</u>
 \$	 \$ 812,950	 \$	 \$	 \$	 \$ 2,012,074 11,483
		45,088			45,088
1,705,136	1,245,637		196,900	431,820	1,705,136 1,908,161
<u>1,705,136</u>	<u>2,058,587</u>	<u>45,088</u>	<u>196,900</u>	<u>431,820</u>	<u>5,681,942</u>
		42,516		27,198	69,714
	989,393		85,095		1,074,488
	564,858		61,943	10,190	1,510,278
		2,572			3,985
	190,370		49,862		441,380
	126,318			317,044	611,925
	11,797				11,797
<u>618,040</u>					<u>618,040</u>
<u>618,040</u>	<u>1,882,736</u>	<u>45,088</u>	<u>196,900</u>	<u>354,432</u>	<u>4,341,607</u>
<u>\$ 1,087,096</u>	<u>\$ 175,851</u>	<u>\$</u>	<u>\$</u>	<u>\$ 77,388</u>	<u>\$ 1,340,335</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, 2006

	<b>Balance July 1, 2005</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2006</b>
<b><u>ASSETS</u></b>				
Equity in central treasury cash	\$ 1,893,843	\$ 2,867,564	\$ 2,888,262	\$ 1,873,145
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 15,109	\$ 2,920,222	\$ 2,888,262	\$ 47,069
Due to student groups	1,878,734	2,867,564	2,920,222	1,826,076
Total liabilities	\$ 1,893,843	\$ 5,787,786	\$ 5,808,484	\$ 1,873,145

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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 177-187**

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 188-195**

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

## **Debt Capacity – pages 196-197**

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

## **Demographic and Economic Information – pages 198-199**

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

## **Operating Information – pages 200-207**

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.

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**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Net Assets by Component  
Last Five 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>	<b>2005-06</b>
Governmental activities:					
Invested in capital assets, net of related debt	\$ 3,851,369	\$ 3,501,604	\$ 3,613,084	\$ 3,918,778	\$ 4,235,371
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>	<u>16,687,930</u>
Total Net Assets	<u><u>\$ 27,676,443</u></u>	<u><u>\$ 25,822,057</u></u>	<u><u>\$ 24,330,426</u></u>	<u><u>\$ 26,344,933</u></u>	<u><u>\$ 20,923,301</u></u>

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

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Expenses, Program Revenues, and Net (Expense)/Revenue  
Last Five Fiscal Years  
(accrual basis of accounting)

	Fiscal Year				
	2001-02	2002-03	2003-04	2004-05	2005-06
<b>Expenses</b>					
Governmental activities:					
Instruction	\$ 66,171,759	\$ 67,453,075	\$ 67,660,701	\$ 68,023,960	\$ 74,278,540
Special education instruction	13,382,204	14,787,650	13,877,212	16,865,673	18,431,818
Special education support services- students	1,681,525	2,078,285	2,582,804	2,063,501	2,299,016
Support services - students	6,552,628	6,522,775	7,312,011	9,350,844	10,346,229
Support Services - instruction	5,081,273	6,498,343	6,974,143	9,209,619	10,253,369
School administration	4,799,454	4,936,782	4,774,139	5,154,874	5,357,561
School administration support services	2,911,294	3,454,402	3,276,869	3,818,035	3,950,664
District administration	1,320,843	1,399,353	1,416,391	1,528,370	1,714,097
District administration support services	5,319,599	5,660,384	5,871,070	6,316,689	7,330,027
Operations and maintenance of plant	14,704,252	15,382,626	15,231,101	17,873,136	19,346,287
Student activities	1,427,340	1,497,650	1,335,887	1,554,640	2,227,743
Student transportation service	8,487,332	9,004,576	8,923,006	8,745,633	9,160,416
Adult and continuing education instruction	178,035	130,498	84,038	53,217	17,333
Food services	4,222,604	4,077,988	3,945,655	4,284,462	4,598,738
Interest expense		63,089	42,359	18,658	
Total expenses	<u>136,240,142</u>	<u>142,947,476</u>	<u>143,307,386</u>	<u>154,861,311</u>	<u>169,311,838</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for Services					
Instruction	125,591	67,575	51,971	32,787	22,835
Support services - students			4,679	2,145	39,610
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	1,832,119
Operating grants and contributions	20,191,021	21,809,523	22,496,034	27,208,171	27,354,672
Capital grants and contributions	234,991	1,049,171	2,708,367	1,640,256	1,544,726
Total program revenues	<u>23,286,874</u>	<u>24,973,938</u>	<u>27,142,768</u>	<u>30,735,314</u>	<u>30,793,962</u>
<b>Net (Expense)/Revenue</b>					
Total net expense	<u>\$ (112,953,268)</u>	<u>\$ (117,973,538)</u>	<u>\$ (116,164,618)</u>	<u>\$ (124,125,997)</u>	<u>\$ (138,517,876)</u>

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

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

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

	Fiscal Year				
	2001-02	2002-03	2003-04	2004-05	2005-06
<b>Net (Expense)/Revenue</b>					
Total net expense	\$ (112,953,268)	\$ (117,973,538)	\$ (116,164,618)	\$ (124,125,997)	\$ (138,517,876)
<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	38,022,700
Foundation program	66,522,720	68,097,408	65,676,616	73,052,157	80,045,140
Federal impact aid	13,425,434	11,144,790	11,943,538	14,267,731	12,257,249
Other	2,530,417	2,611,399	2,045,539	1,805,004	1,831,103
Miscellaneous	325,097	719,855	461,594	469,912	940,052
Total general revenue	115,359,368	116,119,152	114,672,987	126,140,504	133,096,244
<b>Change in Net Assets</b>					
Total change in net assets	\$ 2,406,100	\$ (1,854,386)	\$ (1,491,631)	\$ 2,014,507	\$ (5,421,632)

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



**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

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

	Fiscal Year			
	1996-97	1997-98	1998-99	1999-2000 <sup>a</sup>
General Fund				
Reserved	\$ 6,996,704	\$ 2,080,665	\$ 1,559,569	\$ 10,328,283
Unreserved	1,989,392	3,350,793	3,610,755	4,279,985
Total general fund	<u>8,986,096</u>	<u>5,431,458</u>	<u>5,170,324</u>	<u>14,608,268</u>
All Other Governmental Funds				
Reserved	1,019,809	818,998	1,270,415	1,369,280
Unreserved, reported in:				
Special revenue funds	380,111	440,349	1,190,756	1,111,242
Capital projects funds	(651,020)	(263,238)	(644,984)	(740,215)
Total all other governmental funds	<u>\$ 748,900</u>	<u>\$ 996,109</u>	<u>\$ 1,816,187</u>	<u>\$ 1,740,307</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					
2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
\$ 9,830,675	\$ 11,348,640	\$ 12,234,963	\$ 12,537,659	\$ 13,011,879	\$ 13,728,824
8,756,129	10,272,208	8,579,741	7,066,592	10,825,614	11,029,488
<u>18,586,804</u>	<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>
497,855	468,955	474,455	921,493	738,533	482,925
814,215	674,863	1,085,639	926,818	592,387	561,167
411,975	450,569	1,170,525	466,960	907,233	1,256,796
<u>\$ 1,724,045</u>	<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>

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

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

	<b>Fiscal Year</b>			
	<b>1996-97</b>	<b>1997-98</b>	<b>1998-99</b>	<b>1999-2000</b>
Revenues from local sources:				
Borough direct appropriation	\$ 26,830,000	\$ 27,680,000	\$ 30,690,780	\$ 30,690,780
E-rate reimbursement			49,014	244,786
Food services	1,432,275	1,431,073	362,149	384,376
Earnings on investments	(255,524)	1,381	286,702	16,747
Other local revenue	780,972	575,417	1,738,219	1,859,183
Tuition from students	65,214	67,175	13,275	57,865
Total revenue from local sources	<u>28,852,937</u>	<u>29,755,046</u>	<u>33,140,139</u>	<u>33,253,737</u>
Revenue from state sources:				
Foundation program	66,257,441	67,102,629	65,997,508	66,557,417
QSI grant				
LOG grant				
Supplemental aid				
Tuition	392,403	365,714	263,665	596,762
On-base schools	1,435,923	1,435,923	1,450,000	1,450,000
Other state revenue	7,010,269	7,271,916	8,202,135	9,364,282
Total revenue from state sources	<u>75,096,036</u>	<u>76,176,182</u>	<u>75,913,308</u>	<u>77,968,461</u>
Revenue from federal sources:				
Direct	1,169,009	972,113	1,354,006	2,316,511
Through the State of Alaska and other intermediate agencies <sup>a</sup>	11,241,945	6,263,187	14,900,497	26,189,133
Total revenue from federal sources	<u>12,410,954</u>	<u>7,235,300</u>	<u>16,254,503</u>	<u>28,505,644</u>
Other sources	<u>11,210</u>	<u>45,124</u>	<u>54,134</u>	<u>6,576</u>
Total revenues	<u>\$ 116,371,137</u>	<u>\$ 113,211,652</u>	<u>\$ 125,362,084</u>	<u>\$ 139,734,418</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					
2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
\$ 32,045,700	\$ 32,555,700	\$ 33,545,700	\$ 34,545,700	\$ 36,545,700	\$ 38,022,700
220,433	25,489	244,595	251,090	255,646	250,778
364,958	323,058	284,170	1,835,140	1,837,593	1,829,036
10,015	324	236	61	23	11
2,556,832	2,737,088	2,405,696	518,316	1,428,281	1,720,043
48,420	185,997	141,913	41,093	12,141	
35,246,358	35,827,656	36,622,310	37,191,400	40,079,384	41,822,568
64,696,850	64,742,484	64,439,501	65,329,167	72,703,693	80,045,140
	357,066	356,140	347,449	348,464	347,525
	1,423,170	2,667,315			
		634,452			
697,596	847,097	667,967	97,864		
1,450,000	1,450,000	1,450,000	1,450,000	1,450,000	1,450,000
10,683,446	8,745,741	10,483,696	9,487,159	9,514,268	9,724,556
77,527,892	77,565,558	80,699,071	76,711,639	84,016,425	91,567,221
14,329,290	16,216,716	13,655,404	16,249,574	17,200,286	14,901,229
9,065,171	8,785,569	9,922,633	11,345,823	15,194,658	15,352,315
23,394,461	25,002,285	23,578,037	27,595,397	32,394,944	30,253,544
12,814	27,805	41,971	86,732	114,196	
\$ 136,181,525	\$ 138,423,304	\$ 140,941,389	\$ 141,585,168	\$ 156,604,949	\$ 163,643,333

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

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

	Fiscal Year			
	1996-97	1997-98	1998-99	1999-2000
Instruction	\$ 60,081,604	\$ 59,374,967	\$ 64,662,826	\$ 63,900,738
Special education instruction	12,303,041	9,828,447	10,571,123	12,265,871
Special education support services - students		1,532,471	1,383,790	1,640,581
Support services - students	7,257,721	3,913,636	4,212,571	5,472,435
Support services - instruction		2,761,346	3,041,258	3,662,597
School administration	6,288,863	6,601,249	7,131,197	7,611,407
School administration support services				
District administration		975,710	1,208,150	1,352,499
District administration support services	6,432,382	5,805,680	6,210,680	6,029,307
Operations and maintenance of plant	14,296,735	13,664,430	13,690,690	14,364,228
Student activities	1,376,616	1,386,956	1,523,947	1,742,970
Student transportation service	5,657,020	5,801,669	6,485,002	7,144,762
Adult and continuing education instruction	210,894	120,231	144,264	119,395
Food services	3,282,107	3,204,448	3,270,090	3,712,398
Capital outlay	1,226,701	1,191,988	1,267,552	2,158,791
Debt service				
Contribution to debt service	365,259	355,853		
Principal retirement	148,791			
Interest	2,855			
Total expenditures	<u>\$ 118,930,589</u>	<u>\$ 116,519,081</u>	<u>\$ 124,803,140</u>	<u>\$ 131,177,979</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 and 2005-06.

<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					
2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
\$ 63,338,177	\$ 65,858,858	\$ 66,171,884	\$ 64,574,677	\$ 66,766,094	\$ 70,789,698
12,734,020	13,363,432	14,586,791	13,891,957	16,562,850	17,600,175
1,459,317	1,676,261	2,031,842	2,593,004	2,026,832	2,189,892
6,045,824	6,536,088	6,422,978	7,346,447	9,006,169	9,781,117
4,590,331	5,005,634	6,347,659	6,963,972	9,079,305	9,955,245
7,377,956	4,791,419	4,854,888	4,795,942	5,184,832	5,162,345
	2,904,251	3,418,105	3,271,186	3,567,137	3,662,612
1,208,287	1,340,829	1,348,953	1,365,456	1,483,126	1,626,251
5,705,129	5,185,172	5,420,372	5,933,888	5,757,343	6,678,883
14,393,763	14,665,825	15,174,695	15,108,739	16,896,566	18,309,436
1,477,402	1,425,684	1,483,249	1,333,434	1,544,539	2,148,068
7,900,429	8,485,824	9,000,647	8,925,429	8,730,549	9,135,639
155,437	180,376	126,191	99,620	49,539	15,469
4,368,909	4,079,614	3,836,273	3,683,433	3,910,627	4,266,661
1,464,270	187,651	719,031	3,131,446	1,682,134	1,362,695
		144,897	165,627	189,327	
		63,089	42,359	18,658	
<u>\$ 132,219,251</u>	<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>\$</u>	<u>\$ 456,858</u>	<u>\$ 925,343</u>	<u>\$ 838,934</u>	<u>\$ 881,112</u>	<u>\$ 1,092,234</u>
<u>\$</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>
	0.00%	0.15%	0.15%	0.14%	0.00%

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

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

	Fiscal Year				
	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-2000</u>	<u>2000-01</u>
Excess of revenues over (under) expenditures	\$ (2,559,452)	\$ (3,307,429)	\$ 558,944	\$ 8,556,439	\$ 3,962,274
Other financing sources (uses):					
Proceeds from sale of capital assets					
Issuance of capital leases					
Transfers in	1,100,898	1,764,315	1,983,291	2,037,338	1,366,045
Transfers out	<u>(1,078,900)</u>	<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>21,998</u>				
Net change in fund balances	<u>\$ (2,537,454)</u>	<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 \$1,600,00 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
\$ 2,736,386	\$ (210,155)	\$ (1,641,448)	\$ 4,149,322	\$ 959,147
	6,300	15,647	6,802	24,407
	533,943			
1,831,975	3,226,044	1,784,852	828,950	618,073
(3,431,975)	(3,226,044)	(1,784,852)	(828,950)	(618,073)
(1,600,000)	540,243	15,647	6,802	24,407
<u>\$ 1,136,386</u>	<u>\$ 330,088</u>	<u>\$ (1,625,801)</u>	<u>\$ 4,156,124</u>	<u>\$ 983,554</u>



# FAIRBANKS NORTH STAR BOROUGH

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

<b>Fiscal Year of Levy</b>	<b>Calendar Year of Assessed Value</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Pipeline</b>
1996-97	1996	\$ 1,868,046,842	\$ 435,723,566	\$ 310,344,982	\$ 306,557,080
1997-98	1997	2,056,375,121	370,022,264	558,528,406	300,004,500
1998-99	1998	2,204,283,283	426,460,821	587,341,821	286,560,750
1999-00	1999	2,361,729,135	488,193,989	617,550,101	303,577,810
2000-01	2000	2,511,729,194	539,178,081	625,087,790	258,225,360
2001-02	2001	2,587,074,209	589,404,786	632,107,765	277,581,520
2002-03	2002	2,751,675,089	617,545,662	658,750,150	263,366,140
2003-04	2003	2,963,148,571	653,082,170	685,991,689	270,805,700
2004-05	2004	3,265,296,769	686,178,389	703,988,463	271,188,340
2005-06	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

<u>Vacant Land</u>	<u>Less: Tax Exempt Property</u>	<u>Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
\$ 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 - Milage									
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
This Borough:										
Areawide	13.777	13.495	13.390	13.775	14.480	13.662	13.860	13.693	13.693	13.606
Non-Areawide	0.594	0.543	0.552	0.511	0.516	0.522	0.521	0.525	0.523	0.435
Solid Waste Collection District	1.158	1.136	1.159	1.166	1.188	1.159	1.162	1.187	1.187	1.183
Airway S.A.	1.252	1.238	1.234	1.177	1.201	1.175	1.259	1.251	1.214	1.210
Arctic Fox S.A.	0.897	0.911	0.862	0.865	1.184	2.158	2.283	2.325	2.167	2.272
Aztec S.A.	1.550	1.596	1.621	1.623	1.647	1.622	1.674	1.580	1.555	1.576
Ballaine Lake S & W S.A.	7.680	7.382	7.813	8.134	8.085	8.411	8.797	11.744	11.543	11.758
Becker Ridge S.A.	1.491	1.524	1.521	1.495	1.517	1.490	1.542	1.527	1.490	1.500
Birch Hill S.A.	1.993	2.106	2.146	2.130	2.146	2.080	2.085	2.083	2.025	1.986
Bluebird				1.977	1.967	2.195	2.253	2.326	2.329	2.408
Borda Road S.A.	1.180	1.179	1.192	1.216	1.240	1.177	1.192	1.195	1.166	1.152
Brookside S.A.	0.416	0.464	0.469	0.462	0.493	0.484	0.488	0.487	0.495	0.482
Chena-Goldstream										
Volunteer Fire S.A.	2.000	2.000	1.700	1.672	1.678	1.632	1.674	1.639	1.627	1.615
Chena Hills Road S.A.	0.595	0.602	1.057	1.038	1.059	1.046	1.097	1.051	1.067	1.068
Chena Marina S.A.								0.493	0.471	0.893
Chena Point				1.863	1.974	1.997	2.002	1.708	1.710	1.705
Chena Spur				0.943	0.934	0.930	0.945	0.893	0.893	0.897
College S.A.	1.485	1.505	1.537	1.508	1.502	1.469	1.476	1.480	1.418	1.391
College Hills S.A.	0.932	0.938	0.956	0.935	0.941	0.917	0.919	0.927	0.923	0.922
Cooper Estates S.A.	2.115	2.181	2.108	2.094	2.089	3.233	3.291	3.149	2.927	3.045
Cordes Drive S.A.	1.278	1.287	1.305	1.264	1.230	1.306	1.338	1.338	1.403	1.337
Cripple Creek S.A.	1.884	1.893	1.931	1.974	1.923	1.835	1.875	1.868	1.835	1.754
Deep Forest S.A.								0.865	0.944	6.229
Diane Subdivision S.A.	0.370	0.380	0.387	0.384	0.377	0.362	0.359	0.359	0.362	0.351
Drake Estates S.A. (a)									1.931	2.120
Edanella Heights Road S.A.	1.058	1.051	1.064	1.035	1.033	1.013	1.027	0.984	0.945	0.977
Ester Lump Road S.A.	2.009	2.062	2.083	2.027	2.031	2.000	2.016	2.000	2.053	2.021
Ester Volunteer Fire S.A.	2.505	2.565	2.633	2.611	2.577	2.545	2.580	2.634	2.657	2.590
Fairfields S.A.	0.780	0.892	0.892	0.871	0.894	0.870	0.887	0.861	0.824	0.812
Fairhill S.A.	1.227	1.329	1.347	1.311	1.328	1.305	1.296	1.332	1.295	1.211
Fairwest S.A.	1.893	2.013	2.095	2.029	2.015	2.030	2.007	2.024	1.999	1.971
Garden S.A.				1.255	1.250	1.203	1.225	1.205	1.116	1.158
Golden Valley Road S.A.	3.418	3.684	3.612	3.553	3.541	3.362	3.427	3.224	2.728	2.618
Goldstream Alaska S.A.		1.641	1.657	1.612	1.609	1.524	1.567	1.536	1.498	1.512
Goldstream Moose Creek S.A. (b)					2.022	1.971	2.057	2.064	1.988	1.873
Gordon S.A.	1.288	1.328	1.331	1.314	1.312	1.267	1.303	1.289	1.281	1.245
Granola Estates S.A.	1.213	1.321	1.233	1.230	1.173	1.164	1.207	1.253	1.216	1.210
Grieme Road S.A.	2.671	2.582	2.657	2.892	3.016	2.855	3.617	3.542	3.137	3.144
Haystack S.A.	1.910	1.597	1.651	1.670	1.675	1.672	1.664	3.175	3.309	3.285
Herning Hills S.A.	1.361	1.375	1.414	1.397	1.480	1.465	1.495	1.469	1.511	1.482
Horseshoe Downs S.A.	1.248	1.326	1.379	1.384	1.459	1.447	1.486	1.577	2.633	2.591
Jennifer Drive S.A.	0.595	0.588	0.595	0.568	0.567	0.563	0.578	0.575	0.571	0.500
Jones Road S.A.	1.046	1.075	1.104	1.075	1.078	1.825	1.798	1.820	1.762	1.697
Joy Road S.A.	1.511	1.517	1.465	1.439	1.440	1.389	1.517	1.508	1.424	1.401
Keeney Road S.A.	0.616	0.635	0.664	0.673	0.683	0.668	0.681	0.706	0.670	0.646
Kendall S.A.	0.503	0.498	0.508	0.494	0.975	0.960	1.001	0.993	0.941	0.958
Keystone S.A.	3.645	3.533	3.786	4.105	3.268	3.247	3.283	3.373	3.166	2.976
Kris Kringle S.A.	1.879	1.892	1.903	1.923	1.924	1.883	1.916	3.719	3.942	2.077
Lakloey Hill S.A.	1.139	1.158	1.191	1.173	1.160	1.144	1.176	1.173	1.172	1.130
Lee Lane S.A.	1.571	1.666	1.663	1.646	1.696	1.655	1.678	1.701	1.650	1.649
Loose Moose S.A.	1.000	1.065	1.084	1.073	1.049	1.015	1.004	0.981	0.926	0.918
Martin S.A.	8.603	8.726	8.627	8.520	6.283	5.813	5.946	6.094	6.267	5.934
McCloud S.A.	10.715	10.925	11.204	11.163	9.301	9.190	8.992	9.164	8.620	8.237
McGrath Estates S.A.	1.269	1.271	1.305	1.300	1.315	1.308	1.336	1.322	1.440	1.431
McKinley View S.A.	1.525	1.506	1.536	1.523	1.725	2.842	2.532	2.510	2.191	2.055
Mellow Woods Road S.A.	0.803	0.878	0.879	0.869	0.897	1.236	1.297	1.275	1.360	1.330
Miller Hill Extension S.A.	2.698	2.547	2.669	2.560	2.641	2.507	2.569	2.493	2.516	5.597
Moose Creek Road S.A.	0.327	0.341	0.357	0.361	0.372	0.390	0.390	0.394	0.559	0.572
Moose Meadows S.A.										0.886

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

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
\$41,077	\$42,765	\$45,813	\$50,177	\$56,487	\$55,566	\$58,314	\$60,682	\$64,568	\$69,324
1,086	1,079	1,213	1,189	1,290	1,356	1,412	1,496	1,588	1,424
2,299	2,435	2,743	2,932	3,260	3,295	3,436	3,683	3,916	4,194
6	7	7	8	8	8	8	9	9	10
1	1	1	1	2	4	4	4	4	5
10	11	11	11	12	13	13	13	14	16
11	11	11	11	12	13	13	18	18	19
41	45	46	48	50	52	55	59	64	70
21	34	38	45	50	53	55	59	63	68
			4	4	4	5	5	5	6
7	8	8	11	13	14	14	16	19	21
4	5	5	5	6	6	6	6	7	7
353	395	349	384	414	449	479	521	572	637
9	9	17	19	24	30	35	39	45	54
							7	7	15
			2	5	9	11	15	18	24
			8	8	9	9	9	10	10
273	287	300	312	322	330	341	356	370	390
15	16	16	17	17	18	19	20	21	22
6	6	6	7	7	12	12	12	13	16
4	4	4	4	5	12	13	13	15	17
14	15	16	18	21	24	27	29	32	37
							11	15	46
2	2	2	3	3	3	3	3	3	3
								10	12
11	12	13	13	14	14	15	16	16	17
9	10	10	11	12	12	12	13	14	14
115	125	134	144	155	166	182	195	207	228
10	11	12	12	12	12	13	13	14	14
7	8	8	8	8	8	9	10	10	10
12	14	14	15	15	16	16	17	17	18
			8	8	9	9	10	10	12
3	3	3	3	3	3	3	4	4	5
	5	6	6	7	7	8	9	9	11
				10	11	12	12	30	33
12	13	18	21	22	22	24	25	26	29
2	3	3	3	3	3	3	3	3	4
1	1	2	2	3	5	5	6	7	9
4	5	5	6	7	7	7	15	16	18
11	12	13	13	15	16	16	17	19	20
3	3	3	4	4	4	4	5	9	10
1	1	1	1	1	1	1	1	1	1
14	16	17	18	19	33	35	36	37	37
3	3	3	3	4	4	4	5	5	5
1	1	1	1	1	2	2	2	2	2
3	3	3	3	7	7	7	7	7	9
4	4	5	6	7	7	7	8	8	8
5	5	5	6	6	7	7	16	17	10
18	19	20	20	21	22	22	23	25	26
2	3	3	3	3	3	4	4	4	4
4	4	4	4	5	5	5	5	5	5
4	4	5	5	6	6	7	7	7	9
4	4	5	7	7	8	9	9	9	11
30	32	34	38	40	42	44	46	53	58
2	2	2	2	2	4	4	4	4	4
5	5	6	7	7	11	12	12	14	15
10	11	11	12	13	14	15	16	16	37
8	8	9	8	9	10	10	10	13	14

# FAIRBANKS NORTH STAR BOROUGH

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

	Tax Rates - Milage									
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Mountain View S.A.	1.224	1.217	1.279	1.243	1.269	1.272	1.276	1.278	1.262	1.247
Murphy S.A.	1.920	1.940	1.969	1.833	1.773	1.708	1.744	1.761	1.647	1.593
Musk Ox S.A.	1.289	1.294	1.315	1.300	1.305	1.288	1.357	1.369	1.344	1.320
Newby Park S.A.	0.451	0.455	0.462	0.456	0.456	0.453	0.459	0.459	0.495	0.477
North Ridge S.A.							4.075	4.446	3.858	3.921
North Star Volunteer Fire S.A.	1.314	1.344	1.369	1.362	1.377	1.359	1.382	1.374	1.488	1.462
O'Connor Creek S.A.	11.472	11.994	12.814	13.550	14.005	15.006	14.670	15.176	15.693	16.029
Old Wood Road S.A.	1.361	1.520	1.615	1.621	1.638	1.603	1.794	1.813	2.045	1.988
Our S.A.	1.008	1.001	1.028	1.004	1.012	0.975	0.983	0.970	1.015	0.986
Parkside S.A.	1.471	1.482	1.508	1.494	1.507	1.479	1.579	1.600	1.600	1.584
Peede Country Estates S.A.	1.617	1.637	1.639	1.587	1.683	1.558	1.585	1.554	1.499	1.475
Pinestream S.A.		1.002	1.022	1.009	1.064	1.041	1.039	1.028	0.989	0.975
Pleasureland S.A.	1.165	1.154	1.152	1.119	1.152	1.112	1.096	1.090	1.047	0.998
Polar Heights S.A.	1.637	1.017	1.052	1.064	1.088	1.091	1.095	1.081	1.172	1.166
Potlatch S.A.	2.619	2.692	2.706	2.655	2.594	2.551	2.595	2.496	2.430	3.514
Prospect Park S.A.	0.810	0.825	0.838	0.836	0.858	0.850	0.892	0.891	0.961	0.891
Reed Acres Road S.A.	1.382	1.333	1.376	1.373	1.374	1.381	1.411	1.371	1.380	1.359
Ridgecrest S.A.					1.044	1.015	1.028	0.938	0.928	0.887
Salchaket Heights S.A.	4.570	4.314	4.429	4.393	4.475	4.465	4.589	4.543	4.668	4.292
Scenic Heights S.A.	1.708	1.646	1.687	1.652	1.664	1.698	1.701	1.573	1.584	1.527
Seavy S.A.		0.424	0.438	0.433	0.444	0.447	0.448	0.446	0.444	0.418
Secluded Acres						1.739	1.583	1.585	1.431	1.442
Serendipity Hill S.A.	2.132	2.171	2.624	2.590	2.605	2.661	2.674	3.377	3.287	3.153
Six-Mile Village Road S.A..	1.341	1.381	1.408	1.387	1.400	1.525	1.526	1.378	1.408	1.354
Smallwood Trail Road S.A.	0.708	0.687	0.697	0.685	0.694	0.674	0.688	0.680	0.787	0.743
Spring Glade S.A.	1.021	1.015	1.059	1.024	1.024	1.011	1.056	1.041	1.008	0.893
Spruce Acres S.A.	1.913	1.854	1.934	1.855	1.725	1.613	1.712	1.665	1.647	1.698
Steamboat Landing S.A.	1.235	1.322	1.334	1.318	1.356	1.334	1.315	1.260	1.251	1.317
Steese Volunteer Fire S.A	1.428	1.444	1.482	1.465	1.469	1.466	1.494	1.937	1.861	1.809
Straight Creek S.A.						3.472	3.376	3.373	3.444	3.315
Summerwood S.A.	1.704	1.743	1.736	1.719	1.735	1.657	4.683	2.716	2.658	2.506
Summit Drive S.A.	1.062	1.073	1.102	1.069	1.074	1.065	1.079	1.085	1.060	1.037
Sunny Hills Terrace S.A.	0.785	0.846	0.905	2.278	2.317	2.422	2.484	2.378	2.377	2.432
Sunrise S.A.	2.681	2.548	2.607	2.478	2.543	2.430	2.501	2.467	2.357	2.349
Tan Terra S.A.	1.025	1.026	1.071	1.041	1.079	1.023	1.027	0.970	0.977	0.926
Thomas S.A.			1.557	1.537	1.455	1.381	1.272	1.284	1.297	1.209
Timberlane Road S.A.	1.621	1.641	1.666	1.626	1.639	1.577	1.589	1.556	1.470	1.485
Tungsten S.A.	2.371	2.450	2.438	2.471	2.560	2.606	2.797	2.752	2.778	2.737
Twenty Three Mile Slough S.A.				2.925	3.120	2.912	2.847	2.455	2.445	2.489
Ullrhaven A.A.	2.115	2.084	2.266	2.062	1.958	1.897	1.928	1.926	1.916	1.835
University Fire S.A.	2.280	2.317	2.365	2.339	2.305	2.310	2.319	2.326	2.300	2.285
University Heights S.A.	1.646	1.644	1.694	1.704	1.706	1.700	1.684	1.697	1.652	1.600
University West Street Lights S.A.	0.535	0.538	0.551	0.545	0.541	0.529	0.527	0.528	0.500	0.485
Vienna Woods						1.151	1.179	1.148	0.960	0.904
Viewpointe S.A.	1.075	1.066	1.091	1.061	1.058	1.072	1.055	1.076	1.069	1.021
Violet Drive S.A.	2.293	2.304	2.344	2.315	2.356	2.244	2.264	2.203	2.191	2.118
Vista Gold Road S.A.	3.225	3.156	3.271	3.075	3.005	2.912	2.943	2.959	2.883	2.733
Vue Crest, S.A	1.414	1.468	1.497	1.472	1.521	1.532	1.550	1.510	1.467	1.462
Whitman S.A.	4.000	4.009	4.078	4.057	1.897	1.863	1.742	1.625	1.616	1.623
Wildview S.A.	2.983	3.073	3.129	3.099	3.136	3.090	3.142	3.021	3.078	2.896
Woodland S.A.	1.424	1.432	1.571	1.420	1.332	1.233	1.246	1.222	1.204	1.189
Woodridge/Mark Acres Road S.A. (c)	2.917	2.987	3.066	3.016	3.016	2.802				
Yak Road S.A.	0.952	0.939	0.951	0.945	0.973	0.963	0.983	0.956	0.956	0.934
City of Fairbanks	5.055	4.964	5.966	5.999	6.000	6.442	6.426	6.511	6.516	7.171
City of North Pole	2.350	2.300	2.300	2.300	2.300	2.400	2.400	3.000	3.000	3.000

(a) Deep Forest Road S.A. starting in 2004 includes a 2 year road project under a Differential Tax Zone.

(b) Drake Estates road S.A. established October 10, 2002

(c) Formerly Spinach Creek Road S.A.

(d) Woodridge/Mark Acres Road S.A. merged with Summerwood S.A. in 2001-02 Fiscal year.

**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)**

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
17	17	18	19	19	20	20	21	22	23
3	3	3	4	4	5	5	5	6	7
14	14	15	15	16	17	18	19	20	21
5	6	6	6	6	6	6	7	8	9
						3	4	4	5
551	592	624	666	709	770	815	867	1,019	1,110
68	70	72	73	78	79	81	83	85	87
4	4	5	5	6	6	7	7	9	9
1	1	1	2	2	2	2	2	2	2
3	3	3	4	4	4	4	5	5	5
3	3	3	3	3	3	3	4	4	4
	9	10	10	12	13	14	14	14	15
3	3	3	4	4	4	5	5	5	6
15	11	11	12	12	13	13	13	14	15
5	5	6	7	7	8	9	9	9	7
3	3	3	3	3	3	4	4	5	5
4	4	4	4	4	5	5	5	6	6
				1	1	1	1	2	2
1	1	1	1	1	2	2	2	2	2
12	12	12	13	14	14	14	14	15	16
	4	5	6	6	6	7	7	8	9
					5	5	5	6	6
2	2	2	2	2	3	4	5	6	6
3	3	3	3	3	4	4	4	5	5
2	3	3	3	3	3	3	3	4	5
11	12	12	13	15	15	16	18	20	20
4	4	4	4	4	4	4	4	5	5
5	6	7	7	7	8	8	8	9	10
353	377	401	430	460	490	516	736	800	862
					7	8	8	8	9
3	3	4	4	4	5	13	21	23	26
28	30	32	33	35	37	38	42	45	48
6	6	7	18	19	19	20	20	21	23
6	6	7	7	7	8	8	8	9	9
6	6	6	7	7	7	7	8	8	9
		3	3	3	4	4	4	4	4
5	5	5	6	6	6	6	6	6	7
3	3	4	4	5	7	10	13	17	22
			4	5	7	8	9	10	12
2	2	2	2	2	2	2	3	3	3
947	1,003	1055	1,116	1,172	1,266	1,355	1,432	1,519	1,609
24	27	29	33	33	36	38	40	42	44
35	37	38	40	41	41	43	44	46	49
					8	10	11	12	14
11	11	12	12	12	13	13	14	14	15
18	19	20	21	22	23	24	26	27	29
12	14	16	17	18	20	21	23	26	28
16	16	17	18	18	19	19	20	21	22
5	5	6	6	3	3	3	2	3	3
50	56	60	67	73	80	89	97	109	120
1	1	2	2	1	2	2	2	2	2
5	6	6	7	7	7				
5	6	13	15	31	35	37	43	48	56
5,030	5,087	6,285	6,628	6,883	7,861	8,033	8,648	9,227	11,113
367	361	389	431	562	589	591	759	789	813

# FAIRBANKS NORTH STAR BOROUGH

## Principal Taxpayers 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%	\$ 317,707,660	1	10.28%
Fort Knox	gold mining	230,374,288	2	4.01			
Flint Hills Resources, LLC <sup>c</sup>	oil refining	141,162,159	3	2.46	94,090,751	2	3.04
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.	hotel	26,303,374	7	0.46	13,700,087	7	0.44
Wal-Mart	shopping center	22,362,412	8	0.39			
North Star Alaska Housing	military housing	21,670,713	9	0.38			
Fred Meyer of Alaska, Inc.	shopping center	21,277,457	10	0.37	17,817,404	5	0.58
Wainwright Housing	military housing				35,247,307	3	1.14
Cool Homes, Inc.	military housing				18,334,583	4	0.59
Dura Corporation	military housing				14,219,289	6	0.46
Sam's Club <sup>d</sup>	shopping center				13,480,445	8	0.44
K Mart Corporation	shopping center				12,370,717	9	0.40
Bentley Mall	shopping center				11,482,267	10	0.37
		<u>\$ 845,158,386</u>		<u>14.73%</u>	<u>\$ 548,450,510</u>		<u>17.74%</u>

### Notes:

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

<sup>b</sup> \$3,090,824,209

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

<sup>d</sup> Wal-Mart

**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	69,344,073	99.77	681,207	70,025,280	100.75

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

Total tax collections include all subsequent collections. Subsequent tax adjustments are not included in the net tax levied.

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

Current taxes are due and payable July 1 of each year, but may be paid in two equal installments without incurring penalties or interest. The first installment is due September 1 and becomes delinquent September 2. The second installment is due November 1, becoming delinquent November 2. Delinquencies carry a 10% penalty and 8% interest. Chapter 3.32 of the Fairbanks North Star Borough Code describes the Borough's policies regarding foreclosure.

The net tax levy is adjusted for State-mandated property tax exemptions for senior citizens, disabled veterans, and widows and widowers.

**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>
1995-96	\$ 148,791	0.01%	\$ 1.82
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	

**Note:**

<sup>a</sup> See page 198 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

### Computation of Direct and Underlying Debt June 30, 2005

	<u>Net General Obligation Debt Outstanding</u>	<u>Percentage Applicable to this Governmental Unit</u>	<u>Share of Debt</u>
This governmental unit:			
Education	\$ 139,346,277		
Library	<u>978,723</u>		
Total	<u>\$ 140,325,000</u>	100%	\$ 140,325,000
Cities within Borough: <sup>a</sup>			
City of North Pole			1,529,928
City of Fairbanks			<u>12,255,000</u>
Total direct and underlying debt			<u>\$ 154,109,928</u>

**Note:**

<sup>a</sup> General obligation debt outstanding is as of June 30, 2005 including revenue bonds in the amount of \$179,928 for the City of North Pole

**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

## Demographic and Economic Statistics Last Ten Calendar Years

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></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

### Sources:

- <sup>a</sup> State of Alaska, Department of Labor and Workforce Development, Research and Analysis Section, "Alaska Population Overview: 1999 Estimates". State Demographer, May 2000. Website: [www.state.ak.us](http://www.state.ak.us), 2004.
- <sup>b</sup> Bureau of Economic Analysis, U.S. Department of Commerce, Regional Economic Accounts.
- <sup>c</sup> Calculated based on State of Alaska and Bureau of Economic Analysis sources.
- <sup>d</sup> Alaska Department of Labor, Research and Analysis Section, Anchorage, Alaska. Website: [www.labor.state.ak.us](http://www.labor.state.ak.us).

# FAIRBANKS NORTH STAR BOROUGH

Principal Employers  
Current Year and Nine Years Ago

Employer	2004			1995		
	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>	3,356	1	8.25%	3,013	1	7.93%
University of Alaska Fairbanks <sup>d</sup>	2,414	2	5.94	2,479	2	6.52
Fairbanks North Star Borough School District	2,021	3	4.97	1,709	4	4.50
State Government - Department Personnel <sup>e</sup>	1,799	4	4.42	1,811	3	4.77
Banner Health System <sup>f</sup>	1,196	5	2.94	973	5	2.56
Sam's Club <sup>g</sup>	573	6	1.41	167	8	0.44
Fred Meyer	563	7	1.38	555	6	1.46
Fairbanks North Star Borough	433	8	1.06	378	7	0.99
Fairbanks Gold Mining Company (Ft. Knox)	411	9	1.01	59	9	0.16
Houston/Nana Joint Venture <sup>h</sup>	404	10	0.99			
	<u>13,170</u>		<u>32.39%</u>	<u>11,144</u>		<u>29.33%</u>

## Notes:

<sup>a</sup> 40,659

<sup>b</sup> 37,993

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

<sup>d</sup> Student employment not included; 2004 - 1,018; 1995 - Not available

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

<sup>f</sup> Fairbanks Memorial Hospital (Lutheran Health Services in 1995)

<sup>g</sup> Wal-Mart

<sup>h</sup> Houston/Nana Joint Venture information not available in 1995

**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 Five Fiscal Years

	Actual as of June 30				Revised Budget as of June 30
	2001-02	2002-03	2003-04	2004-05	2005-06
<b>Personnel by Department</b>					
Board / Superintendent	7.50	7.20	7.50	7.50	7.50
Program Planning and Evaluation	2.50	3.00	3.00	3.00	3.00
Administrative Services	31.00	39.00	37.00	38.04	39.04
Human Resources	6.50	9.50	9.00	10.50	19.00
Facilities Management	187.00	189.00	185.00	189.60	189.60
Instruction and Supervision	47.00	62.25	62.85	41.25	43.20
Curriculum	4.50	7.00	3.50	3.00	4.50
Special Education	255.10	265.60	261.20	254.20	251.20
Technology and Information Systems	23.50	29.00	29.00	23.80	29.80
Elementary Schools	484.50	476.50	478.50	465.74	469.64
Middle Schools	166.50	164.50	154.00	144.80	142.30
Junior/Senior High School	49.50	48.00	49.00	48.50	50.50
Alternative Learning System <sup>a</sup>	40.00				
Senior High Schools	251.16	269.16	268.50	271.00	275.00
Charter Schools				25.50	48.58
<b>Total Personnel</b>	<b>1,556.26</b>	<b>1,569.71</b>	<b>1,548.05</b>	<b>1,526.43</b>	<b>1,572.86</b>
<b>Personnel by Employee Type</b>					
Districtwide Administration	4.00	4.00	4.00	4.00	4.00
Professional Staff	43.00	49.95	49.75	49.59	61.04
Principals / Assistant Principals	44.66	44.66	44.00	43.00	43.00
Certified Staff	941.60	933.60	913.20	880.70	897.20
Support Staff	523.00	537.50	537.10	549.14	567.62
<b>Total Personnel</b>	<b>1,556.26</b>	<b>1,569.71</b>	<b>1,548.05</b>	<b>1,526.43</b>	<b>1,572.86</b>

### 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, and 2006-07.

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

## Operating Statistics Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Cost of Employer's Contribution to		Average Class Size			Percentage of Students Eligible for Free or Reduced-Price Meals		
				Percentage Change	Employer's Contribution to PERS / TRS	Percentage Change	Senior High Schools				
							Elementary Schools	Middle Schools			
1996-97	16,322	\$ 118,930,589	\$ 7,287	1.89%	\$ 8,342,637	\$ 511	1.32%	23.2	24.7	24.2	29%
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	13.86	16,935,386	1,167	41.20	23.4	21.8	23.5	32

**Note:** Operating Expenditures are total expenditures in Governmental Funds.

**Source:** Nonfinancial information from district records.

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Miscellaneous Statistical Data  
June 30, 2006

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

Number of District administrative personnel	4
Principals and assistant principals	43
Teachers (includes librarians and counselors)	898
Support staff	568
Professional and technical	61
Number of schools	34

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

Elementary Schools - District	
Anne Wien	447
Badger Road	559
Barnette	330
Chinook Charter School	157
Denali	390
Hunter	339
Joy	369
Ladd	371
Nordale	382
North Pole Elementary	458
Pearl Creek	448
Salcha	89
Ticasuk Brown	545
Two Rivers	113
University Park	543
Weller	510
Woodriver	465
Secondary Schools - District	
Effie Kokrine Charter School	169
Hutchison High	317
Lathrop Senior High	1,304
North Pole Middle	511
North Pole Senior High	883
Randy Smith Middle	410
Ryan Middle	342
Star of the North Charter	188
Tanana Middle	558
West Valley Senior High	1,219
Alternative Learning System	65
Elementary Schools - On-Base	
Anderson	361
Arctic Light	416
Crawford	409
Secondary Schools - On-Base	
Ben Eielson Junior/Senior High	572
Guided Independent Study	245
Fairbanks Youth Facility	32
Total	<u>14,516</u>

**Sources:**

<sup>a</sup> District records.

<sup>b</sup> 2005 20 Day ADM Official Enrollment as reported to the Department of Education and Early Development.

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

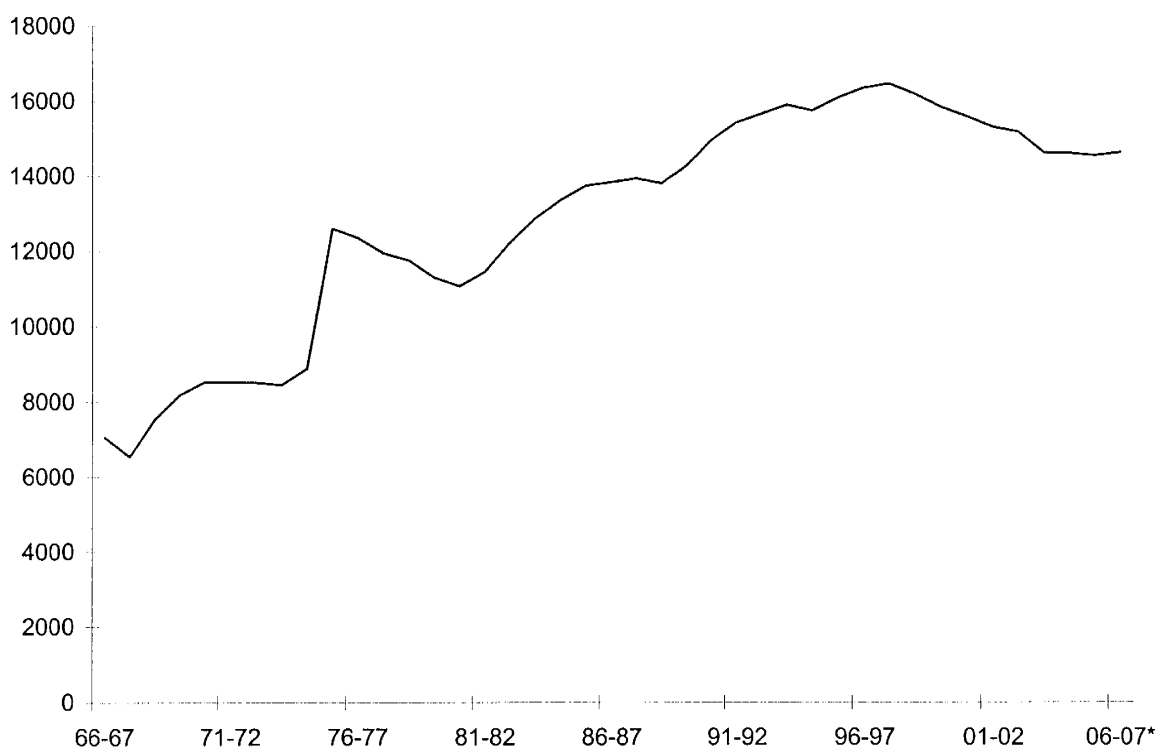
Historical Enrollment Data  
Actual Enrollments 1960-61 through 2005-06  
*and Projected\* Enrollment for 2006-07*

<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*	14,598	82	0.6%



## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

Actual and Projected\* Enrollment - 1967 through 2007



**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**

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

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

(continued)

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

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

	Fiscal Year		
	2001-02	2003-04	2005-06
<b><u>School</u></b>			
<b>Elementary (cont.)</b>			
Pearl Creek Elementary			
Square Feet	62,982	62,982	62,982
Capacity	569	548	548
Enrollment	498	453	448
Salcha Elementary			
Square Feet	13,608	13,608	13,608
Capacity	79	76	76
Enrollment	79	85	89
Ticasuk Brown Elementary			
Square Feet	63,761	63,761	63,761
Capacity	576	556	556
Enrollment	377	495	545
Two Rivers Elementary			
Square Feet	22,200	22,200	22,200
Capacity	158	99	98
Enrollment	88	96	113
University Park Elementary			
Square Feet	64,699	64,699	64,699
Capacity	585	564	564
Enrollment	561	515	543
Weller Elementary			
Square Feet	65,259	65,259	65,259
Capacity	590	569	569
Enrollment	540	497	510
Woodriver Elementary			
Square Feet	64,408	64,408	64,408
Capacity	582	561	561
Enrollment	488	420	465
<b>Middle</b>			
North Pole Middle			
Square Feet	113,306	113,306	113,306
Capacity	798	717	680
Enrollment	749	566	511
Randy Smith Middle			
Square Feet	74,589	74,589	74,589
Capacity	448	422	422
Enrollment	484	478	410
Ryan Middle			
Square Feet	99,880	99,880	99,880
Capacity	626	594	594
Enrollment	537	505	342
Tanana Middle			
Square Feet	101,069	101,069	101,069
Capacity	634	602	602
Enrollment	572	563	558

(continued)

# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

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

	Fiscal Year		
	2001-02	2003-04	2005-06
<b>School</b>			
<b>Junior/Senior</b>			
Ben Eielson Jr. Sr. High			
Square Feet	103,200	103,200	103,200
Capacity	649	616	616
Enrollment	636	607	572
<b>High</b>			
Hutchison High <sup>a</sup>			
Square Feet	70,744	83,000	87,190
Capacity	418	-	510
Enrollment	120	-	317
Lathrop High			
Square Feet	234,412	234,412	234,412
Capacity	1,493	1,421	1,421
Enrollment	1,490	1,338	1,304
Howard Luke			
Square Feet	30,856	30,856	30,856
Capacity	107	102	-
Enrollment	118	109	-
North Pole High			
Square Feet	156,362	156,362	156,362
Capacity	995	946	946
Enrollment	919	891	883
West Valley High			
Square Feet	216,884	216,884	216,884
Capacity	1,381	1,314	1,314
Enrollment	1,277	1,356	1,219

**Note:**

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

**Source:** District records.

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# **SINGLE AUDIT**

# **SINGLE AUDIT**

**Reports on Federal and State  
Single Audit Requirements**

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# **FEDERAL SINGLE AUDIT**

**Reports on Federal Single  
Audit Requirements**

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# Cook & Haugeberg LLC

CERTIFIED PUBLIC ACCOUNTANTS

October 6, 2006

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

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

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 as of and for the year ended June 30, 2006, which collectively comprise the School District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Fairbanks North Star Borough School District's nonmajor governmental, internal service, and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2006, and have issued our report thereon dated October 6, 2006. 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 opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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.



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# Cook & Haugeberg LLC

CERTIFIED PUBLIC ACCOUNTANTS

October 6, 2006

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

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

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, 2006. 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, 2006.

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 requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the

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purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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.

A handwritten signature in black ink, reading "Cook & Humphrey LLC". The signature is written in a cursive, flowing style.

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2006

<b>Federal Grantor/ Pass-through Grantor/ Program or Cluster 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>Direct Programs</b>			
Impact Aid Earmark *	84.041E		\$ 19,226
Indian Education	84.060A		595,794
Grants to Reduce Alcohol Abuse	84.184A		49,424
Training For All Teachers	84.195B		171,490
4 R Children	84.215K		150,283
4 R Children II	84.215K		131,095
Bilingual Development & Implementation	84.288S		19,790
Emergency Response Plans	84.184E		38,157
Safe Schools/Healthy Students	84.184L		1,090,205
Fund for the Improvement of Education-GIS +	84.215K		98,792
Project ARTiculate	84.351D		78,231
Teaching American History	84.215X		172,979
<b>Passed through the State of Alaska Department of Education and Early Development</b>			
Title I-D, Delinquent and At-Risk Youth *	84.010	CD0501601	5,469
Title I-D, Delinquent and At-Risk Youth *	84.010	CD0601601	43,787
Title IA, 20% Choice/Supplemental Education Services *	84.010	IP0601601	60,370
Title IA, District Improvement *	84.010	IP0601601	294,789
Title I, School Improvement *	84.010	CA0601601	4,582
Title IA, Basic *	84.010A	IP0501601	24,735
Title IA, Basic *	84.010A	IP0601601	2,018,703
Title IA, Highly Qualified *	84.010A	IP0601601	3,550
Title IC, Migrant Education	84.011	IP0601601	96,274
Migrant Ed Summer	84.011	MS0601601	75,556
Title ID, Delinquent	84.013A	IP0601601	21,096
Title VI-B (P.L. 94-142)	84.027A	FG0501601	35,452
Title VI-B (P.L. 94-142)	84.027A	FG0601601	4,348,190
Title VI-B Capacity Building & Improvement	84.027A	FC0501601	6,430
Title VIII Impact Aid *	84.041	N/A	11,983,150
Title VIII Impact Aid for Construction *	84.041	N/A	91,000
Carl Perkins Basic Grant	84.048A	EK0501601	26,243
Carl Perkins Basic Grant	84.048A	EK0601601	218,527
Preschool Disabled	84.173	FN0601601	111,049
Title IV-A, Safe & Drug Free Schools	84.186	IP0601601	125,074
Star of the North Secondary Charter Implementation	84.282A	CS050161M	44,837
Star of the North Secondary Charter Implementation	84.282A	CS060161M	87,692
AK Community Centers Learning Program *	84.287C	AC0501601	2,401
AK Community Centers Learning Program *	84.287C	AC0601601	1,106,053
AK Community Centers Learning Program *	84.287C	AC0601602	12,981
Title V-A, Innovative Programs	84.298	IP0601601	63,409
Title II-D, Enhancing Education through Technology	84.318	IP05.016.01	10,890
Title II-D, Enhancing Education through Technology	84.318	IP0601601	94,605
Title II-D, Enhancing Education through Technology	84.318X	ET0601601	24,775
Title II-D, Enhancing Education through Technology	84.318X	ET0601602	95,563
Gear Up Alaska	84.334A	GU0501601	113
Gear Up Alaska	84.334A	GU0601601	7,681
Alaska Reading First	84.357A	RF0501601	38,926
Alaska Reading First	84.357A	RF0601601	1,066,759

\* Federal Major Program-FY06

(continued)

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2006

<b>Federal Grantor/ Pass-through Grantor/ Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
Title III-A, English Language Acquisition	84.365	IP0601601	29,496
Title IIA, Teacher & Principal Training & Recruitment	84.367	IP0501601	17,653
Title IIA, Teacher & Principal Training & Recruitment	84.367	IP0601601	1,289,402
Hurricane Education Recovery	84.938	N/A	13,399
Governor's Alternative Schools Grant	84.186B	AS0601601	29,994
Effie Kokrine Charter School Implementation	84.282A	CS060162M	288,515
Effie Kokrine Charter School Planning	84.282A	CS0600162P	29,420
<b>Passed through the Assoc. of Interior Native Educators</b>			
AINE Learning Styles Center	84.356A	N/A	197,518
<b>Passed through the Center for Civic Education</b>			
We the People: Project Citizen	84.929A	CC 04-05 5804 AK	8,538
<b>Passed through the Anchorage School District</b>			
Enhancing Education Through Technology (E2T2)	84.215K	U215K040158	28,115
<b>Passed through the Southeast Regional Resource Center</b>			
Project Appeal	84.330C	N/A	36,941
<b>Passed through the University of Alaska Anchorage</b>			
Statewide Tech Prep Mini-grant	84.243	P0336280	5,413
<b>Total U. S. Department of Education</b>			<u>26,840,581</u>
<b><u>U. S. Department of Agriculture</u></b>			
<b>Passed through the State of Alaska Department of Education and Early Development</b>			
Food Service	10.555	MA0401601	2,445,939
<b>Total U. S. Department of Agriculture</b>			<u>2,445,939</u>
<b><u>U. S. Department of Health and Human Services</u></b>			
<b>Passed through the State of Alaska Department of Education and Early Development</b>			
FAS Disorders Grant	93.230	FA0501601	(189)
<b>Passed through the State of Alaska Department of Health and Social Services</b>			
Options Child Care Grant	93.575	02-1185	995
<b>Total U. S. Department of Health and Human Services</b>			<u>806</u>
<b><u>U. S. Department of Justice</u></b>			
<b>Direct Program</b>			
Drug Free Community Support	16.729	2001-JN-FX-0150	26,870
<b>Passed through the City of North Pole, Alaska</b>			
Secure Our Schools	16.710	N/A	12,500
<b>Total U. S. Department of Justice</b>			<u>39,370</u>

\* Federal Major Program-FY06

(continued)



**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

## Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2006

<b>Federal Grantor/ Pass-through Grantor/ Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b><u>National Science Foundation</u></b>			
<b>Direct Program</b>			
National Science - Reihl	47.066		<u>1,644</u>
<b>Total National Science Foundation</b>			<u><u>1,644</u></u>
<b><u>National Endowment for the Arts</u></b>			
<b>Passed through the Alaska State Council on the Arts</b>			
Independent Artists in Schools Program	45.024		<u>3,900</u>
<b>Total National Endowment for the Arts</b>			<u><u>3,900</u></u>
<b>Grand Total - Expenditures of Federal Awards</b>			<u><u>\$ 29,332,240</u></u>

\* Federal Major Program-FY06

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

### **Notes to Schedule of Expenditures of Federal Awards June 30, 2006**

#### **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 value of food commodities expended in FY06 was \$172,186.

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

**Schedule of Findings and Questioned Costs**

**For the Year Ended June 30, 2006**

**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

Reportable conditions 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

Reportable conditions 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>
84.041	Title VIII Impact Aid
84.010	Title I Grants to Local Education Agencies
84.287	Alaska Community Centers Learning Program

Dollar threshold used to distinguish between type A and type B programs \$ 879,967

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

**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

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

No matters were reported

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# **STATE SINGLE AUDIT**

**Reports on State Single  
Audit Requirements**

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# Cook & Haugeberg LLC

CERTIFIED PUBLIC ACCOUNTANTS

October 6, 2006

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

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

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 as of and for the year ended June 30, 2006, which collectively comprise the School District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Fairbanks North Star Borough School District's nonmajor governmental, internal service, and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2006, and have issued our report thereon dated October 6, 2006. 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 opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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.



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October 6, 2006

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

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

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, 2006. 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, 2006.

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 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 and to test and report on the internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major state program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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.

A handwritten signature in black ink, appearing to read "Cook & Humphrey LLC". The signature is written in a cursive, flowing style.

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**  
Schedule of Expenditures of State Awards  
For the Year Ended June 30, 2006

<b>State Grantor/ 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>		
Public School Foundation Funding Program *	N/A	\$ 80,045,140
On-Base Schools *	N/A	1,450,000
Pupil Transportation *	NA	8,861,465
Youth in Detention	EY0501601	120,407
State Charter School	SC0401601	16,781
Quality Schools *	N/A	347,525
<b><u>Passed through the Alaska State Council on the Arts</u></b>		
Independent Artists in Schools Program	FY06-IAIS-02	3,900
<b>Total State of Alaska Department of Education and Early Development</b>		<b>90,845,218</b>
<b><u>Alaska State Railroad</u></b>		
Host/Hostess Program - FY06	N/A	25,369
<b><u>State of Alaska Department of Community and Economic Development -</u></b>		
<b><u>Division of Advocacy</u></b>		
<b><u>Passed through the Fairbanks North Star Borough</u></b>		
Lathrop High School Technical Upgrades	05-DC-046	11,483
Capital Projects on the School District Small Grants List	06-DC-349	235,078
<b>Total State of Alaska Department of Community and Economic Development</b>		<b>246,561</b>
<b><u>State of Alaska Department of Transportation and Public Facilities</u></b>		
<b><u>Passed through the Fairbanks North Star Borough</u></b>		
Hutchison Student Head Bolt Outlet Power	501864	5,897
<b>Total State of Alaska Department of Transportation and Public Facilities</b>		<b>5,897</b>
<b>Grand Total - Expenditures of State Awards</b>		<b>\$ 91,123,045</b>

\*State Major Program-FY06

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Notes to Schedule of Expenditures of State Awards June 30, 2006

#### **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, 2006**

**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

Reportable conditions 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

Reportable conditions 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  
On-Base Schools  
Pupil Transportation  
Quality Schools

**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

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

No matters were reported.

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# **SUPPLEMENTAL REPORTS**

# **SUPPLEMENTAL REPORTS**

**Statements of Compliance**



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# Cook & Haugeberg LLC

CERTIFIED PUBLIC ACCOUNTANTS

October 6, 2006

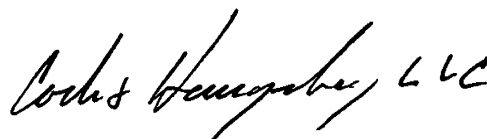
Members of the Board of Education  
Fairbanks North Star Borough School District

## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON FUND BALANCE COMPLIANCE REQUIREMENTS

We have audited the basic financial statements of the Fairbanks North Star Borough School District as of and for the year ended June 30, 2006, and have issued our report thereon dated October 6, 2006. 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.



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**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

Statement of Compliance - AS 14.17.505

Year Ended June 30, 2006

	<b>General Fund</b>		
	<b>Reserved Fund Balance</b>	<b>Unreserved Fund Balance</b>	<b>Total</b>
Reserved:			
Reserve for encumbrances	\$ 1,896,345	\$	\$ 1,896,345
Reserve for inventory	402,378		402,378
Reserve for impact aid advance	11,404,061		11,404,061
Reserve for prepaid items	26,040		26,040
Unreserved:			
Designated for subsequent year's expenditures		5,868,940	5,868,940
Undesignated		5,160,548	5,160,548
	<u>\$ 13,728,824</u>	<u>\$ 11,029,488</u>	<u>\$ 24,758,312</u>

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

$$\frac{\text{Unreserved fund balance}}{\text{Current year expenditures}} = \frac{\$ 11,029,488}{132,179,645} = 8.34\%$$

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# **Cook & Haugeberg** LLC

**CERTIFIED PUBLIC ACCOUNTANTS**

October 6, 2006

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

## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON CERTAIN STATE COMPLIANCE REQUIREMENTS

We have audited the basic financial statements of the Fairbanks North Star Borough School District as of and for the year ended June 30, 2006, and have issued our report thereon dated October 6, 2006. 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, Financial Budget and Accounting Manual for Public School Districts.
- c) The Fairbanks North Star Borough School District has not complied with the bonding requirements of AS 14.14.020.
- d) The financial statements contained in the Fairbanks North Star Borough School District's Comprehensive Annual Financial Report do not reflect the minimum accounting and reporting requirements of the Department of Education and Early Development Financial Budget and Accounting and Audit Manuals.

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.



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# **SUPPLEMENTAL REPORTS**

**Other Reports**



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# Cook & Haugeberg LLC

CERTIFIED PUBLIC ACCOUNTANTS

October 6, 2006

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

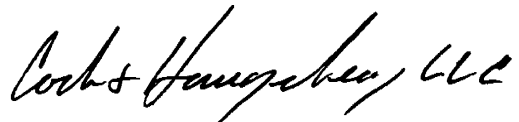
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON  
THE SUMMARY REPORT OF REIMBURSABLE EXPENDITURES

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, 2006. 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, 2006.

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, 2006**  
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	2,283,915	3,345	2,287,260

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
S – Refunding	First Trust NA	680,000	37,060	717,060

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	4,075,000	544,663	4,619,663

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	250,893	210,750	461,643

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	81,460	68,426	149,886
05-96-102 to 110,114	1997 A	AK USA Trust Co	1,446,809	1,353,489	2,800,298
05-96-102 to 110,114	1999 B	Union Bank of CA NA	1,050,139	962,114	2,012,253
05-99-141 to 144, 146, 147,150	2000 C	Wells Fargo Bank NA	340,000	410,250	750,250
05-99-141 to 144, 146, 147,150	2001 D	Wells Fargo Bank NA	340,000	384,044	724,044
05-99-141 to 144, 146, 147,150;	2002 E	Wells Fargo Bank NA	485,000	559,935	1,044,935
05-03-102 to 104	2003 F	JP Morgan Trst Co NA	480,000	536,813	1,016,813
05-03-102 to 104	2004 G	US Bank NA	540,000	486,476	1,026,476
DR-05-101	2005 H	Wells Fargo Bank NA	415,000	637,991	1,052,991

**SCHEDULE OF INTEREST PROCEEDS FOR BONDS APPROVED BY VOTERS  
FOR SCHOOL CONSTRUCTION AFTER JULY 1, 1986  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

**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)	None	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;	5/7/1996 (Ord. 96-009)	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	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 A;	5/7/1996 (Ord. 96-009)	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	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 B;	5/7/1996 (Ord. 96-009)	\$ - \$ 23 \$ 12 \$ - \$ 12 \$ 12 \$ 67 \$ 12 \$ 705 \$ -	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)	\$ 3,782 \$ 1,154 \$ 795 \$ 255 \$ 1,260 \$ 60 \$ 5,610	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)	\$ 41,561 \$ 40,567 \$ 167,272	N/A	N/A	N/A	N/A	03-102 03-103 03-104
Series H & I;	10/5/2004 (Ord 2004-23)	\$ 160,649	N/A	N/A	N/A	N/A	DR-05-101

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 6, 2006

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

## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON THE TUITION RATE REPORT

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, 2006. 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 (2005-2006 fiscal year). However, in our opinion, except for the average daily membership described in the preceding sentence and the resulting tuition rate (2005-2006 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.



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**STATE OF ALASKA**  
Department of Education and Early Development (DEED)  
Tuition Rate Report  
2006-07 Fiscal Year

**Fairbanks North Star Borough School District**

Local revenues for support of schools:	
Borough contribution to school district general fund	\$ 38,022,700
Expenditures by borough for school purposes:	
From: <i>Summary Report of Reimbursable Expenditures</i>	
Capital outlay	3,345
Bond redemption	16,376,312
Less: State aid for school construction	<u>(12,159,227)</u>
Total expenditures from local sources	<u>42,243,130</u>
Plus:	
Title VIII Impact Aid	12,257,249
On base tuition	<u>1,450,000</u>
	<u>13,707,249</u>
Total local cost for tuition purposes	<u><u>\$ 55,950,379</u></u>
Average daily membership as approved by the DEED for foundation support in FY 2005-06 (Form No. 05-00-014)	14,516
Tuition Rate	<u><u>\$ 3,854.39</u></u>

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Auditor's Certification  
See Accountant's Report



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