# Fairbanks North Star Borough

## Comprehensive Annual Financial Report
## For the Year Ended June 30, 2015

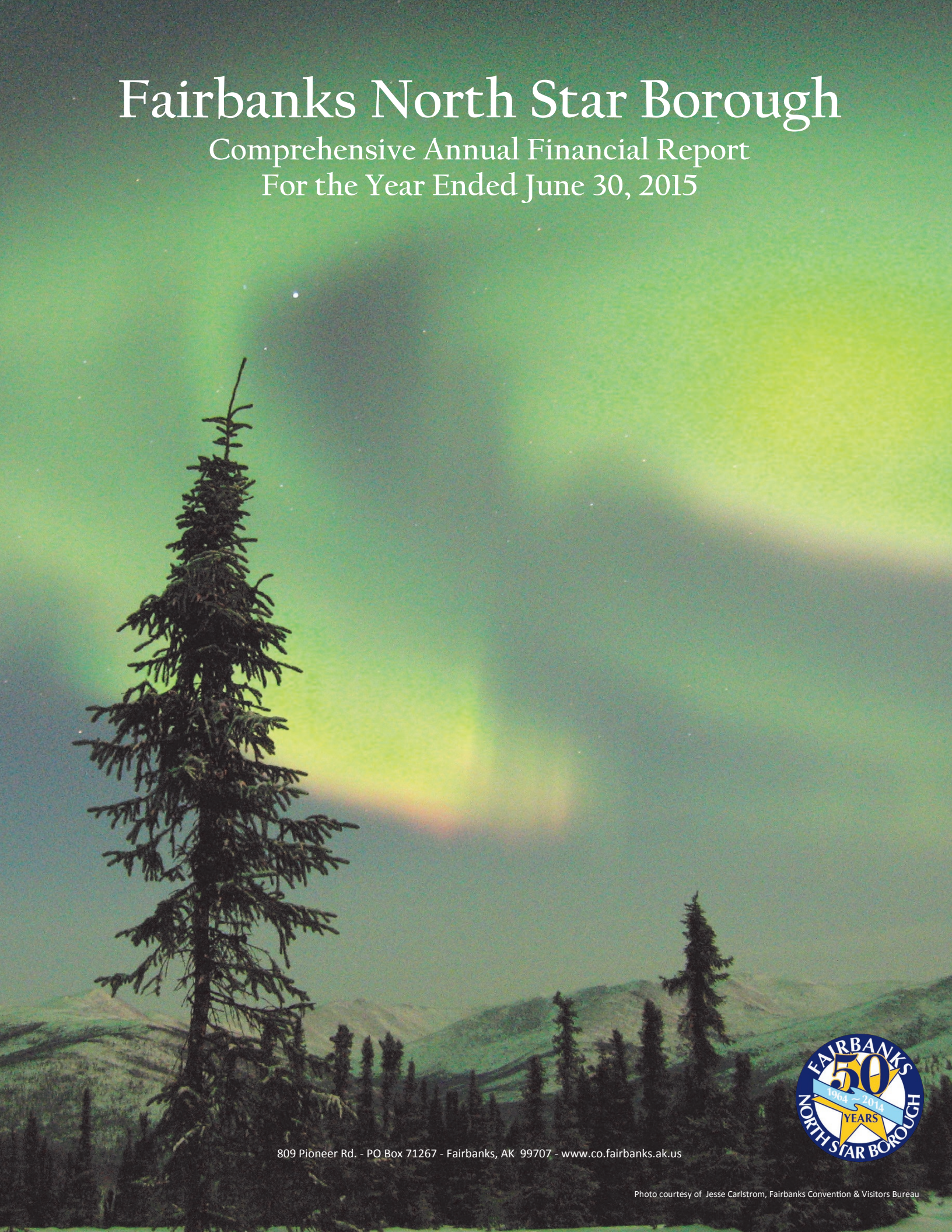

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Photo courtesy of Jesse Carlstrom, Fairbanks Convention & Visitors Bureau

# FAIRBANKS NORTH STAR BOROUGH

Fairbanks, Alaska

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015

Luke T. Hopkins, Borough Mayor
(as of June 30, 2015)

Prepared by
Financial Services Department:

Debra L. R. Brady, Chief Financial Officer
Joanne K. Pascoe, Controller

FAIRBANKS NORTH STAR BOROUGH

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015

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# INTRODUCTORY SECTION

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## GENERAL INFORMATION ABOUT THE BOROUGH

The Fairbanks North Star Borough is a second-class borough incorporated on January 1, 1964 under the provisions of the State of Alaska Borough Act (1963), as amended. The Borough covers 7,361 square miles within the Tanana River valley of the interior region of Alaska. The Borough population is 97,972[1] and has an assessed valuation for real property of $9.5 billion[2], of which $832.7 million[2] is related to the trans-Alaska oil pipeline system. There are two incorporated cities located within the Borough's boundaries: North Pole with 2,198[3] residents and Fairbanks with a population of 31,721[3]. North Pole was incorporated in 1953. Fairbanks was incorporated in 1903 following the nearby discovery of gold. There are also two large military installations within the Borough, Fort Wainwright army post and Eielson air force base.

Fairbanks is 200 miles south of the Arctic Circle with a semi-arid climate and very little wind. Precipitation averages just under 11 inches each year, including an annual snowfall of around five and a half feet. There is snow on the ground from October to April. By summer solstice, there are almost 22 hours of sunlight and the average high temperature in July is 73° F. Temperatures often reach into the 80s and can occasionally reach 90° F during the short summer. In the coldest month, January, the average low and high temperatures are -13° F and 2° F. At winter solstice, the sun is up for less than four hours. It is not uncommon for the temperature to get down to -40° F a few times each winter and even down to -60° F in some winters.

From Fairbanks International Airport, it is 50 minutes by air to Anchorage, four hours to Seattle, eight hours to Tokyo, eight and a half hours to New York, and nine and a half hours to London. Two domestic and seven regional carriers, along with two cargo-only carriers, serve Fairbanks, with another domestic and four international carriers providing seasonal service. All major highways in interior Alaska converge on Fairbanks. The Parks Highway connects the interior with Denali National Park and Anchorage. The Steese, Elliott, and Dalton Highways extend north and east to the Yukon River at Circle, north and west to the Tanana River at Manley Hot Springs, and north to the Arctic Ocean and the North Slope oil fields. The Richardson and Alaska Highways link Fairbanks to Valdez to the south and southeast to Dawson Creek, British Columbia, Canada. Fairbanks is the northern terminus of the Alaska Railroad, which carries freight and passengers to and from Denali National Park, Anchorage, Whittier, and Seward.

The University of Alaska Fairbanks (UAF) is the flagship campus of the State university system. UAF employs 2,242 regular staff (full and part-time). Fall 2015 enrollment reached 8,716 students (3,927 full-time and 4,792 part-time), and UAF currently has 1,109 students enrolled in graduate studies. In fiscal year 2015, 1,398 students graduated from an academic program. UAF expended $97.5 million in research in fiscal year 2015. The university has an exceptional museum which received 86,960 visitors in fiscal year 2015. UAF's excellent research facilities include the Geophysical Institute's Poker Flat Rocket Range, the only university-owned and operated sounding rocket launch facility in the world. UAF is a Land, Sea, and Space Grant institution, one of only a handful of such universities in the country.

The Fairbanks area provides a rich offering of arts, cultural, and recreational activities throughout the year. The Borough operates an outstanding library system and over 100 parks. A major attraction among the parks is the 44-acre Pioneer Park -- a look at yesteryear -- with historic buildings, a stern-wheeler riverboat, and small shops. The largest of the Borough parks is the 2,200-acre Chena Lake Recreation Area with 80 campsites, swimming, and boating. The second largest is the 780-acre Tanana Lakes Recreation Area, with a swim beach, picnic area, and calm-water boat launch (to the Tanana River) and dock facility. The Borough's parks and recreational facilities include over 850 miles of summer and winter trails, playgrounds, picnic areas and pavilions, indoor and outdoor ice rinks, a community activity and convention center, numerous athletic fields, and three indoor swimming pools.

In the Borough, there are 31 hotels and motels. In addition, 89 bed and breakfasts and several recreational vehicle parks and campgrounds supply accommodations in the area.

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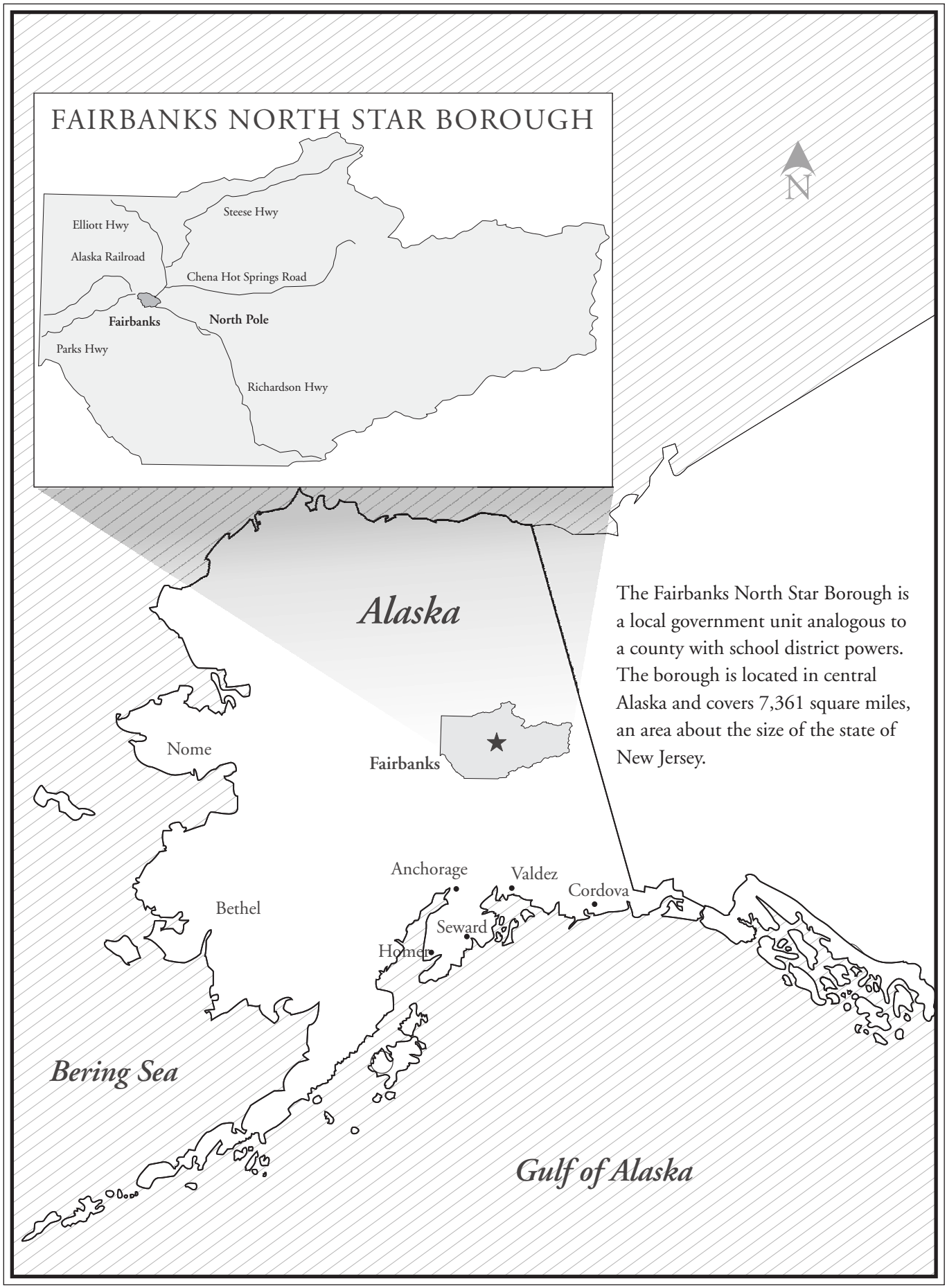
[1] population figures per Alaska Department of Labor and Workforce Development - 2014 estimate

[2] FNSB Assessing Department - 2015 tax year

[3] Alaska Department of Commerce, Community and Economic Development - 2014 certified municipal populations




The Fairbanks North Star Borough is a local government unit analogous to a county with school district powers. The borough is located in central Alaska and covers 7,361 square miles, an area about the size of the state of New Jersey.

Fairbanks North Star Borough
809 Pioneer Road P.O. Box 71267 Fairbanks, Alaska 99707-1267 907/459-1000
www.fnsb.us

January 29, 2016

To the Honorable Mayor,
Members of the Assembly, and Citizens
Fairbanks North Star Borough
Fairbanks, Alaska

I present to you the Comprehensive Annual Financial Report (CAFR) of the Fairbanks North Star Borough (Borough) for the fiscal year ended June 30, 2015. The CAFR includes financial statements and other information that were prepared and audited in accordance with the Fairbanks North Star Borough's Code of Ordinances, FNSBC 3.01.200, and with Alaska Statutes, AS 29.35.120.

## INTRODUCTION TO THE REPORT

### Responsibility

The Borough is responsible for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures. To the best of my knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position, changes in financial position, and disclosures of the various activity groupings and funds of the Borough in accordance with accounting principles generally accepted in the United States of America (GAAP).

### Internal Control

In accepting responsibility for the financial statements, management of the Borough relies on its establishment and maintenance of a comprehensive framework of internal control. Internal control is designed to provide reasonable, but not absolute, assurance regarding the achievement of:

- reliability of financial records for preparing financial statements that are fairly presented in conformity with GAAP,
- effectiveness and efficiency of operations, and
- compliance with applicable laws and regulations.

The concept of reasonable assurance recognizes that:

- the cost of a control should not exceed the benefits likely to be derived and
- evaluation of costs and benefits requires both quantitative and qualitative estimates and judgments by management of the Borough.

Furthermore, internal control, no matter how well designed and operated, has inherent limitations. Breakdowns in internal control can result from faulty human judgment in decision-making, collusion of two or more people, management override, or simple human error or mistake.

**Independent Financial Audit**

Cook & Haugeberg LLC (Cook & Haugeberg), a licensed certified public accounting firm, audited the Borough's fiscal year 2014-15 financial statements. Cook & Haugeberg rendered "clean" opinions, called unmodified opinions, on those financial statements. Their opinions assert that the financial statements of the Borough are fairly presented in conformity with GAAP. Cook & Haugeberg's report is the first item in the FINANCIAL SECTION of this CAFR.

**Single Audits of State and Federal Awards**

Annually, in addition to the financial audit described above, the Borough is required to undergo both a federal single audit and a State single audit. Single audits are designed to provide grantors with assurances regarding grants to the Borough, with the independent auditor conducting single audit work concurrent with their audit work on the Borough's financial statements. The federal single audit was performed in conformity with the provisions of the federal Single Audit Act of 1984, as amended by the Single Audit Act Amendments of 1996, and of the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The State single audit was performed under the State of Alaska's single audit regulations, 02 AAC 45.010.

The results of the Borough's single audits for the fiscal year ended June 30, 2015 provided no instances of material weaknesses or significant deficiencies in internal control, or any violations of applicable laws and regulations. Information related to these single audits, including the auditor's reports on internal control and compliance with applicable laws and regulations, and the schedules of expenditures of federal awards and of State financial assistance, are included in a report, under separate cover, entitled "Fairbanks North Star Borough Reports on Single Audit Requirements for the Fiscal Year Ended June 30, 2015." These reports show that, during the fiscal year ended June 30, 2015, the Borough expended $8,813,023 from 43 federal awards (down from $13,204,099 from 55 federal awards in fiscal year 2013-14) and $ 30,988,120 from 77 State financial assistance awards (down from $37,349,846 from 79 State awards in fiscal year 2013-14).

**Management's Discussion and Analysis**

The narrative introduction, overview, and analysis accompanying the basic financial statements, entitled Management's Discussion and Analysis (MD&A), provides an objective and easy-to-read analysis of noteworthy Borough financial activities based on currently known facts, decisions, and conditions. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. MD&A is located after the independent auditor's report in the FINANCIAL SECTION of this CAFR.

## PROFILE OF THE FAIRBANKS NORTH STAR BOROUGH

The Fairbanks North Star Borough was incorporated on January 1, 1964, as a second-class borough. Geographically, it covers an area about the size of the state of New Jersey. A borough is most similar to the county form of government used in much of the rest of the United States. Two incorporated cities are situated within the Borough's boundaries, Fairbanks and North Pole. The first page under the INTRODUCTORY SECTION tab provides some general and miscellaneous information about the borough. The second page under the tab shows a vicinity map.

**Form of Government**

The Borough operates under a Mayor-Assembly form of government and is classified as a strong mayor system. The elected full-time Mayor serves as the Borough's chief executive officer for a three-year term. The Mayor can introduce legislation, has veto power, and manages the everyday operations of the Borough. Legislative powers are vested in the Assembly. The Assembly's nine members are elected at-large, on a nonpartisan basis, for overlapping three-year terms.

**Powers of the Borough and Services Provided by the Borough**

Initially, the Borough exercised three mandatory powers: assessment and tax collection; primary and secondary education; and platting, planning and zoning. Additional powers have been assumed by the voters, transferred to it, or added by Alaska Statutes. The Borough currently provides the following services across the entire borough (i.e., areawide): property assessment and collection of property taxes; public schools; platting, planning and zoning; animal control; flood control; library; air pollution control; emergency services communications (911); solid waste disposal (landfill); parks and recreation; public transportation system; limited health and social services; tourism marketing funded by hotel-motel room taxes; and a natural gas utility which began November 15, 2012.

Non-areawide powers are exercised in the geographic area of the Borough outside the cities of Fairbanks and North Pole. Those powers are emergency disaster, emergency medical services, fireworks control, and economic development. The collection of solid waste is exercised in the geographic area of the Borough outside the City of Fairbanks. In addition, the Borough is also responsible for more than one hundred active service areas. Service areas are smaller units within the Borough's boundaries that provide certain specific services, such as roads, fire protection, sewer and water, or streetlights. The Mayor appoints volunteer commissioners, who are confirmed by the Borough Assembly, to oversee the affairs of each service area. This CAFR includes the financial data for these service areas.

Taxes levied on an areawide basis may only be expended on areawide functions. Likewise, taxes levied on a non-areawide basis or within a service area may only be expended on a non-areawide basis or within that service area, respectively. However, in accordance with a statutory exception, the Borough expends some areawide taxes on economic development (a non-areawide power) in conformity with an agreement between the Borough and the Cities of Fairbanks and North Pole.

**The Borough and the School District**

The Borough is financially accountable for the Fairbanks North Star Borough School District, even though the School District is governed by an independently elected school board. Therefore, the School District is a component unit of the Borough and summary information for the School District is included in separate columns of the Borough's government-wide financial statements. The School District provides areawide primary and secondary education to the children of the borough. The School District has no taxing authority and cannot borrow funds. The Borough owns and has responsibility for all school facilities.

The School District has 30-plus schools serving approximately 13,760 students. For more information about the Borough and School District's relationship, see Note 1. A. to the financial statements. The School District publishes separate, complete audited financial statements which can be obtained from the

School District Department of Administrative Services, 520 Fifth Avenue, Fairbanks, Alaska 99701; phone number 907-452-2000. The report is also available on their web site at: www.k12northstar.org/Page/1877.

**The Interior Alaska Natural Gas Utility (IGU)**

Effective November 15, 2012, the Borough acquired its natural gas utility power via transfers from the City of Fairbanks and the City of North Pole and established the Interior Alaska Natural Gas Utility (IGU) "to facilitate if possible or provide, if necessary, affordable natural and/or manufactured gas to the largest number of people in the Fairbanks North Star Borough in the shortest amount of time". See the **Borough Initiatives**, *Efforts to Lower Energy Costs / Interior Gas Utility* subsection, below.

As a wholly-owned instrumentality, the IGU is a component unit of the Borough, but is legally independent and separate. (See Note 1. A. to the financial statements.) The board of directors has full authority to independently manage and operate the IGU. The board is comprised of four members elected at large and three appointed and confirmed by the respective local governments.

General obligation bonds may not be issued without voter approval and the Borough is not liable for the debts or liabilities of the IGU, although the Assembly may authorize such liability in the future. Deficit budgets must be approved by the Assembly, but only to the extent of the total budget amount. Earnings are retained by the IGU. The IGU publishes separate, audited financial statements which are available on their web site at: www.interiorgas.com/docs/.

**Budgetary Control and Accounting**

In early April, the Borough Mayor is required to submit an annual budget to the Borough Assembly (Assembly) for the upcoming fiscal year beginning July 1. After at least one public hearing, the Assembly must adopt a budget by May 31. As with most governments, the Borough budget is law and provides the Assembly with expenditure control over the Borough Administration. For management purposes, the Accounting division of the Financial Services department maintains object-level control over all appropriated budgets of the Borough. However, the legal level of budgetary control for operating funds is, generally, the department within a fund. The budgetary process is explained in Note 2. A. to the financial statements. This note includes a budget calendar and describes in more detail the legal level at which the Borough Administration cannot overspend budgets without supplemental authorization from the Assembly.

## ECONOMIC CONDITION INFORMATION

The basic financial statements focus on the Borough's financial position. In MD&A, the Borough's financial position and the changes in that position are discussed and analyzed. The focus of financial position is on the Borough's existing resources and the claims on those resources. Economic condition is a broader concept than financial position. Economic condition encompasses both the Borough's current financial position and the future possibilities for an improving, deteriorating, or stable financial position. Additional information to further help you, the reader, in your assessment of the Borough's economic condition is provided in this section of the transmittal letter.

## Economy

Located near the center of the state, and as Alaska's second largest urban area, the Borough serves as the economic hub for interior and northern Alaska, including the oil-rich North Slope. Total average annual employment for 2014 was 38,500. The Alaska Department of Labor and Workforce Development expected the addition of 200 jobs in 2015, after two years of job losses. For the first nine months of 2015, employment was on track to meet that prediction.

*Employment and Industries*

Over the last five years, all industry sectors have retained fairly constant rates of employment relative to total borough employment, although federal government employment has seen a steady decline. Fairbanks-area employment is dominated by the services-providing domain. Eighty-seven percent of the borough workforce is employed in this domain. Thirteen percent is employed in the goods-producing domain.

Government (excluding the uniformed military) remains the largest employment sector at 29 percent of total borough employment (7 percent federal, 14 percent State, 8 percent local). The State of Alaska, including the University of Alaska (based in Fairbanks), is the largest employer in the borough. According to the Alaska Department of Labor and Workforce Development, the federal job loss trend looks to have ended.

Trade, transportation, and utilities is the next largest employment sector in the borough, accounting for 21 percent of total employment. Wal-Mart/Sam's Club, Fred Meyer, and Carrs/Safeway are the largest employers in this sector and among the largest in the borough. Wal-Mart, Fred Meyer West, the Bentley Mall, Fred Meyer East, and Sam's Club are currently the eighth, tenth, twelfth, fourteenth, and sixteenth largest taxable properties in the Borough, respectively. Walgreens, the nation's largest drugstore chain, opened its first Fairbanks store in November 2014, with a second store opened in February 2015. And two Auto Zone stores and an ULTA Beauty retail store were constructed and opened in fiscal year 2015.

In the transportation subsector, Alyeska Pipeline Service Company (Alyeska) is the consortium of oil companies operating the trans-Alaska pipeline system (TAPS) that transports oil from the North Slope to the Gulf of Alaska. Federal and State rights-of-way for TAPS are valid through 2034. Alyeska is the Borough's largest property taxpayer (exclusive of federal impact aid for education; see **State and Federal Funding to the Borough and School District** section, below). See MD&A and Note 17. C. to the financial statements for information about the Borough's litigation with Alyeska over the State's assessed valuation of TAPS.

The third largest taxable property in the Borough belongs to Doyon Utilities, LLC, a joint venture between Doyon Properties Inc. (a subsidiary of Doyon, Limited) and Fairbanks Sewer & Water Inc. (a subsidiary of Inland Pacific Resources, Inc.). Doyon, Limited is the Alaska Native regional corporation for Interior Alaska and is the largest private landowner in Alaska. In fall 2007, the U.S. Army awarded Doyon Utilities a 50-year, $3.9 billion contract to take ownership of 12 water, sewer, heat, and electricity systems at Fort Wainwright Army Post in Fairbanks, Fort Greely in Delta Junction (just south of the Borough), and Fort Richardson in Anchorage (now part of Joint Base Elmendorf-Richardson) – the largest and most complex Army utility privatization contract ever awarded up to that date.

Fourteen percent of total borough employment is in the educational and health services sector. The borough's largest private employer is Banner Health, which operates Fairbanks Memorial Hospital and

other health services in Fairbanks. The hospital facilities are owned by the non-profit Greater Fairbanks Community Hospital Foundation, Inc. and are exempt from property taxes in accordance with Alaska Statutes and Borough Code. In spring 2015, ground was broke for the Foundation's two-year, $88 million project to replace and expand the hospital's surgery wing. The Tanana Chiefs Conference (TCC) is the Alaska Native regional nonprofit and traditional tribal consortium of 42 villages in Interior Alaska. TCC is one of the borough's largest employers and oversees the Chief Andrew Isaac Health Center (CAIHC) for ambulatory care. The Tanana Valley Clinic is the eleventh largest taxable property in the Borough and the largest locally-owned clinic in the state of Alaska.

Approximately ten percent of the borough workforce is employed in the leisure and hospitality sector. The Westmark Fairbanks Hotel and Fairbanks Princess Riverside Lodge are the ninth and thirteenth largest taxable properties in the Borough, respectively. In October 2013, the Princess Lodge announced its switch to a summer-only hotel, due to high heating costs and increased competition. On the positive side, the Alaska Federation of Natives (AFN) hosted its annual convention in Fairbanks in October 2013 and will return for their 2016 and 2018 conventions; the estimated economic impact to the community of the 2013 convention was $4 million.

The borough's smallest sector, information, at 1.3 percent of total employment, includes the telecommunications industry. Alaska Communications Systems (ACS) and GCI, Inc, both telecommunication providers, own the Borough's sixth and seventh largest taxable properties, respectively. In June 2012, the two Alaska-based companies announced an agreement to combine their cellular network infrastructure ("The Alaska Wireless Network" - AWN). In February 2015, GCI completed its buyout of ACS's stake in the AWN and ACS's wireless customer base. Verizon spent over two years constructing its 25-tower Fairbanks area network, along with networks in other populated areas of the state, for entrance into the Alaska market. In June 2013, Verizon began offering data-only services. Verizon activated its voice services and opened a Fairbanks retail store in September 2014.

The remaining employment sectors in the services-producing domain are professional and business services (6.1 percent), financial activities (3.1 percent), and other services (3.1 percent). The construction, mining and logging, and manufacturing sectors comprise the goods-producing domain, and represent 7.3 percent, 3.8 percent, and 1.6 percent of total employment, respectively.

Natural resources are an important part of the borough's economy. Flint Hills Resources is the Borough's fifth largest property. For fiscal years 2013 and 2014, Flint Hills Resources was the Borough's fourth largest taxable property. Previously the largest refinery in the state, Flint Hills Resources ceased refinery operations in May 2014, citing the high costs of doing business in Alaska and its ongoing obligations from groundwater contamination. Flint Hills Resources continues to operate as a terminal distribution center for the local market, railing gasoline and jet fuel imported through the Port of Anchorage or from other in-state refineries. The refinery facility has been decommissioned, a condition that would allow a prospective buyer to resume refinery production more quickly. Fairbanks Gold Mining, Inc., operating at Fort Knox, is the second largest taxable property. Gold processing at Fort Knox is expected to continue to 2020. Active continuing exploration is ongoing to prolong the life of the mine.

Overall, employment in the construction industry was forecasted to be stable in 2015. Ongoing construction projects extending into 2016 include the hospital expansion discussed above, replacement of the power and heating plant at the University of Alaska Fairbanks, replacement of Ryan Middle School (see **Borough Initiatives**, *Ryan Middle School Gym Wing Renovation and Academic Building Replacement* subsection, below), bond-funded major maintenance at Borough schools, additional laying

of natural gas pipe (see **Borough Initiatives**, *Efforts to Lower Energy Costs / Interior Gas Utility* subsection, below), and the completion of the reconstruction of Cushman Street. In addition, several projects will begin in the next construction season including for various roads within the Borough and for the military installations in and near the Borough (see *Military Installations*, next).

*Military Installations*

There are two large military installations within the Borough, Fort Wainwright Army Post (Fort Wainwright) and Eielson Air Force Base (Eielson). Uniformed military and their dependents comprise about 20 percent of the Borough's total population.

In August 2014, the Air Force announced its selection of Eielson as the preferred base to host the first two F-35 squadrons for the Pacific Air Force. The decision is contingent on the satisfactory completion of an environmental impact statement (EIS) analysis process, expected to be complete in early 2016. No alternate bases were included in the Air Force's decision. The Fairbanks Economic Development Corporation's impact study estimates more than 3,000 additional jobs would result from basing the squadrons at Eielson, more than doubling the base's current workforce. If the EIS analysis process is favorable, the Air Force anticipates the F-35s would arrive in 2019. The U.S. Consolidated Appropriations Act, 2016, passed in mid-December 2015, includes $37 million for building the F-35 simulator building at Eielson. It also includes $34 million for Eielson's central heat and power plant.

Eielson currently hosts an F-16 squadron. At this time last year, the Air Force was re-evaluating the location of that squadron, with consideration given to keeping the squadron at Eielson as one of the alternatives. In April 2015, the Air Force announced that the F-16s are staying at Eielson.

In January 2012, the U.S. Army announced a force reduction of 80,000 soldiers, from a wartime high of 570,000 to 490,000. In June 2013, following community meetings across the country and extensive study and analysis to downsize, the Army announced plans to cut ten U.S.-based brigade combat teams, with some additions for the remaining teams. Fort Wainwright gained 367 soldiers from the reorganization, most part of a new engineer battalion which was activated in September 2014.

In February 2014, the U.S. Secretary of Defense proposed to further reduce Army forces to between 440,000 and 450,000 by federal fiscal year 2017, in response to budget pressures. In June 2014, the Army released its supplemental report outlining options to achieve this lower level. In addition, further reductions, to a level of 420,000 troops by federal fiscal year 2019, may be required by federal sequestration rules and options for this level were also included in the report. A population reduction at Fort Wainwright of up to 5,800 soldiers and Army civilians (over 75 percent) is among the many options in the report. For the 450,000 troop target level, reductions were announced in July 2015; 75 troops will be withdrawn from Fort Wainwright.

A new battalion was activated at Fort Wainwright in September 2015. The battalion's Apache helicopters, which replace the older Kiowa helicopters, began arriving in August and the last of the 24 helicopters are expected to arrive in April 2016. The Apaches work in tandem with Gray Eagle unmanned combat air vehicles ("drones"). In June 2015, it was announced that nine Gray Eagles and their supporting personnel will also be stationed at Fort Wainwright by 2017.

As the economic hub for interior Alaska, the Borough is also affected by activities at Fort Greely, about 100 miles southeast of Fairbanks, and at Clear Air Force Station (Clear), about 80 miles southwest of Fairbanks. In December 2014, Congress approved $50 million toward improvements to, and expansions

of, the ground-based missile defense system at Fort Greely. In May 2015, the U.S. Defense Department announced that Clear is the chosen site, pending the required environmental analysis, for a Long Range Discrimination Radar system, part of a five-year, $1.9 billion program.

*Real Property Values*

Net taxable assessed values (taxable values less exemptions) within the Borough, without the trans-Alaska pipeline system (TAPS), increased by $89 million from tax year 2014 to 2015, after increasing by $348 million from tax year 2013 to 2014 and having remained flat from tax year 2012 to 2013. These net taxable assessed values have increased 4.2 percent annually, on average, since 2006. Excluding new construction, TAPS, and exemptions in each year, assessed values increased by 3.7 percent ($298 million) from 2014 to 2015. As a percentage of total net taxable assessed values, 2015 valuations on new construction ($222 million) are down to 2.6 percent, which is less than the average percentage for the previous decade. In dollars, tax year 2015 State-mandated and voter-approved exemptions are now at $963 million, up from $916 million for tax year 2014. The tax year 2015 TAPS valuation decreased 4.2 percent, by $37 million, after a previous year decrease of 8.6 percent or $81 million, and is 8.8 percent of net taxable value. The 2015 tax year generates revenue for the 2015-16 fiscal year.

The trans-Alaska pipeline system (TAPS) and all other oil and gas properties are valued by the State of Alaska for all governments which encompass its route and include its properties. In November 2010, the Alaska Superior Court issued a final judgment increasing the State's valuation of TAPS for the 2006 tax year. The Borough's portion of the increase in valuation was $421.3 million. In February 2014, the Alaska Supreme Court affirmed the Superior Court's ruling. In March 2012, the Alaska Superior Court issued a final judgment increasing the State's valuations of TAPS for the 2007, 2008, and 2009 tax years. The Borough's portions of the increases in valuations were $288.5 million, $260.6 million, and $14.3 million, respectively. Over the last ten years, the value of TAPS has both increased and decreased, in amount and as a percentage of total assessed value. After adjusting for the Court valuations, the lowest percentage of TAPS to total assessed value was 7.6 percent in the 2012 tax year and the highest was 11.7 percent in the 2006 tax year. See MD&A and Note 17.C. to the financial statements for more information about the judgments, the various pending litigation, the disputed valuations for the 2010, 2011, 2012, 2013, 2014, and 2015 tax years, and the proposed settlement.

*Unemployment Rate*

The average Borough monthly unemployment rate for the twelve months ended September 30, 2015 was 5.5 percent, down from 5.8 percent for the same period last year, back in the range of pre-recession rates. Also back to pre-recession trends is that the Borough unemployment is better than the average statewide rate and higher than the national rate.

*State Gasline Efforts*

Over the years, there have been numerous, diverse efforts to bring North Slope natural gas and natural gas by-products to market, for both in-state use and possible export. See the following web sites for further information:

www.AGDC.us (Alaska Gasline Development Corp.)
AK-LNG.com (Alaska LNG Project)
asapgas.agdc.us (Alaska Stand Alone Pipeline)
www.arcticgas.gov (Office of the Federal Coordinator/Alaska Natural Gas Transportation Projects)
www.arcticgas.gov/sites/default/files/documents/guide-to-alaska-natural-gas-projects.pdf

Note: The Office of the Federal Coordinator closed in March 2015.

*Energy Costs / Interior Energy Project*

According to the Council for Community and Economic Research, in the first quarter of 2015, Fairbanks utility costs were the highest in the nation of the surveyed urban areas at 145 percent above the national average; in the first quarter of 2014, Fairbanks had the second highest utility costs of 300 urban areas throughout the nation, 142 percent above the average; in the first quarter of 2013, Fairbanks had the highest utility costs of 307 urban areas throughout the nation; and in the third quarter of 2012, Fairbanks had the highest utility costs of 304 urban areas. In spring 2008, borough residents and businesses faced heating fuel, electricity, and gasoline prices that had doubled or tripled since 2003, with increases for home heating fuel up over 40 percent in just six months and electricity up 25 percent in just eight months. Winter heating bills in the Borough were often greater than the mortgage or rent payments made by residents.

There have been a number of efforts over these years to bring affordable, clean natural gas and natural gas by-products to Interior Alaska, either by pipeline or by truck. The most recent endeavor, which commenced in 2013, is the State's Interior Energy Project (IEP) under the responsibility of the Alaska Industrial Development and Export Authority (AIDEA) and its affiliated Alaska Energy Authority. For further information, see the IEP's web site at www.interiorenergyproject.com.

The $362.5 million IEP plans to finance a liquefied natural gas (LNG) production system and natural gas distribution system for the Fairbanks North Star Borough and potentially for other road and river communities in Interior Alaska. The original IEP included $275 million of loans and bonding authorization through AIDEA's sustainable energy transmission and supply development fund (SETS) to bring financing to a partnership for a liquefaction plant on the North Slope and for development of a natural gas distribution system in the borough, $57.5 million in State general funds for grants for a liquefied natural gas production and distribution system, and $30 million of existing gas storage credits. The bill for the $275 million passed the Legislature unanimously. The IEP intends to reduce heating bills for residential ratepayers by 40 to 50 percent from peak costs in 2008 and to substantially improve air quality in the region (see **Borough Initiatives**, *$PM_{2.5}$ Air Quality Standards* subsection, below).

In late 2014, the State's public/private partnership for the North Slope liquefaction plant failed to reach financial close because of the plant's higher-than-expected construction costs. In January 2015, AIDEA began investigating alternatives and in April 2015, the Alaska Legislature removed the North Slope geographic restriction from IEP's funding authority. In early December 2015, AIDEA selected two private-company finalists for proposals to supply additional gas to the Interior, one with LNG to be trucked from the North Slope and one with LNG to be trucked or railed from Cook Inlet in southcentral Alaska. AIDEA's final decision is expected in early February 2016.

In April 2014, AIDEA approved two loans of funds from the SETS program for natural gas distribution systems in the borough. The loan to Fairbanks Natural Gas (FNG) is $15.0 million. FNG is a previously private gas distribution utility serving a portion of the most densely populated areas of the Borough. The Borough's Interior Gas Utility (IGU) was authorized an $8.1 million loan. In February 2015, the AIDEA Board approved increasing the IGU's line of credit to $37.8 million.

In January 2015, AIDEA announced its intent to purchase FNG and its sister companies. The purchase was closed in October 2015. Under State ownership, utility rates for FNG's customers have been reduced 11.0 to 13.5 percent effective January 1, 2016. The State does not plan to retain ownership of FNG, but rather, intends to merge FNG with the IGU by mid-2016.

For information on the Borough's efforts to lower energy costs, see *Efforts to Lower Energy Costs / Interior Gas Utility*, in the **Borough Initiatives** section, below.

*Borough Community Research Center*
The Borough's Community Research Center compiles socio-economic data from a variety of sources and on a quarterly basis, publishes a review of those compilations. Electronic copies of the current and past publications are available at fnsb.us/cp/Pages/crc.aspx.

**Local Tax Limit**

The Borough has an ordinance, effective since 1987 and reconfirmed by voters every two years, that limits the amount of tax revenue that may be levied by the Borough government. Under this tax cap, the total amount of tax levied during fiscal year 2014-15 could not exceed the total amount levied for fiscal year 2013-14, adjusted for inflation with certain defined exclusions. For computational purposes, the fiscal year 2013-14 tax levy was adjusted for new construction, voter-approved services, certain hotel-motel taxes transferred to the hotel-motel room tax fund (used primarily to fund tourism marketing), and any amount withdrawn from the general fund's fund balance in the preceding year if designated by the Assembly as a reduction to the property tax levy. Furthermore, the limitation applies to all taxing authorities, but does not apply to any levy used for payments on bonds. By Alaska Statutes, reconfirmation by the voters bars the Assembly from overriding or otherwise changing the cap for a two-year period.

**State and Federal Funding to the Borough and School District**

The State government's fiscal condition is greatly affected by the precipitous drop in crude oil prices since mid-2014. Approximately 88 percent of the State's fiscal year 2014 unrestricted revenue was attributable to oil. Oil prices are expected to stay low until after 2016. Substantial cuts to expenditures were made in the State's fiscal year 2016 budget, along with an estimated $3.5 billion draw on reserves. Significant reserve funds allow the State flexibility in managing the current and projected revenue declines. However, in December 2014, Moody's lowered the State's rating outlook to "negative" and in August 2015, Standard & Poor's did the same. In early January 2016, Standard and Poor's also lowered the State's bond rating to AA+ from AAA. The Alaska Governor has proposed a fiscal year 2017 budget which cuts additional expenditures, leverages reserve funds (including the Alaska Permanent Fund), and diversifies revenues (including a new personal income tax). With an upcoming election year, it will take political will on the part of the 2016 legislature to "enact significant fiscal reforms" and adopt a realistic fiscal plan as recommended by the ratings agencies. In the opinion of Fitch ratings, "the impact [to local governments in the state] is less direct and much more gradual, driven by changes in property taxes revenues that are not directly linked to oil prices."[1] Nevertheless, the State's virtual elimination of its capital grants to municipalities directly affects the Borough.

The State of Alaska (State) has a debt service and cash payments reimbursement program for school construction. The vast majority of the Borough's debt service on general obligation school bonds is partially reimbursed by the State of Alaska at 70 percent. The Borough received $10.3 million of reimbursements in fiscal year 2015. The State has historically funded this program at 100 percent of the

[1] "Fitch: Alaska Revises FY2015 Oil Price Forecast; Increases Budget Gap; No Immediate Rating Impact." *Press Release*. FitchRatings, 11 Dec 2014 12:34 PM (EST). <https://www.fitchratings.com/site/fitch-home/pressrelease?id=948537>

entitlement amount. In response to the State's fiscal crisis brought on by the drastic fall in oil prices, the 2015 legislature placed a five and a half year moratorium on the State's reimbursement program for debt service on school bonds approved in elections between January 1, 2015 and June 30, 2020. All of the Borough's bonds were authorized in elections held prior to the moratorium period.

In the 2008 legislative session, State Statutes were amended to add a Community Revenue Sharing Program (CRS) and establish a CRS Fund. Until the 2014 legislative session, the State had annually "forward-funded" the program for three years to allow for the maximum $60,000,000 total annual distribution prescribed by Statutes. The total distribution to the Borough for fiscal year 2015 was $3.7 million, of which $222,200 was passed through to unincorporated communities within the Borough. During the 2014 legislative session, in response to the State's fiscal crisis, the State did not "forward-fund" enough to allow for a maximum distribution in fiscal year 2016. The total distribution for fiscal year 2016 for all communities is approximately $57,333,000, a reduction of about 4.4 percent. The distribution already received for fiscal year 2016 was $3.5 million. In the 2015 legislative session, the State did not contribute any money to the CRS Fund, which will reduce the total fiscal year 2017 distribution by a third to approximately $38,222,000.

The Borough receives various other recurring amounts from the State and federal governments. The largest of these receipts in fiscal year 2015 were for operations of the Borough's mass transit system ($865,380), federal and State payments in lieu of taxes ($433,180), State telephone/electric co-op taxes ($420,830), the State's Health & Human Services Community Matching Grant Program ($406,890), federal aid for debt service on ARRA Recovery Zone bonds ($197,830), emergency management planning ($142,000), transportation planning and air quality planning and programs – "FMATS" ($131,310), and air quality monitoring ($125,000).

The Borough has also received numerous State and federal non-recurring grants. In fiscal year 2015, the largest of these were State capital grants to municipalities of $5.57 million for Borough service area roads, $2.37 million for an artificial turf field, $1.76 million for construction of and equipment for the new North Pole Branch library, $998,500 for the parking lot and access at Weller Elementary School, $464,200 toward the replacement of Ryan Middle School, $201,600 to convert building heating systems to dual fuel (oil and natural gas), and other additional State capital grants to the Borough of $981,700. The largest of the remaining revenues from federal and other State grants included $2.95 million for a wood stove conversion program, studies, and projects related to the $PM_{2.5}$ air quality standard; $1.19 million for operating the Borough's new and expanded bus routes; $575,200 for a solid waste leachate recirculation system; $309,300 for improvements and new shelters at bus stops; $269,100 for upgrades and replacements of underground fuel storage tanks; $223,900 for sewer and parking improvements at Pioneer Park; $172,000 for continued development at the Tanana Lakes Recreation Area; and $100,200 for development of a van pool ride sharing program. (Some of these projects are part of larger initiatives; see discussions under **Borough Initiatives**, below.)

Expenditures of federal and State awards in fiscal year 2015 totaled $35,256,000. In fiscal year 2014, expenditures were $47,318,000.

The School District's major sources of State revenues are the public school foundation funding program, at $117.7 million for fiscal year 2015, and pupil transportation at $12.0 million. Federal impact aid is received for educating student-dependents of the uniformed military and totaled $17.7 million in fiscal year 2015.

## Long-Term Financial Planning

*Reserves*

The Borough has established a number of reserves for a variety of purposes. The balances in these reserves are reported in Additional Information Schedule 6. Further details follow here.

Information on the Borough's $3.1 million health care contingency reserve can be found in Note 14 to the financial statements.

The Borough established a facilities maintenance reserve (FMR) in March 1999 specifically to accumulate funds for major maintenance, repairs, and upgrades to its 87 major facilities. This reserve provides steady funding to preserve these facilities, which are insured at about $741 million. As of June 30, 2015, the Assembly has set aside $36.7 million in the FMR through the years, of which $35.3 million has been allocated to fund 187 discrete projects, leaving almost $1.4 million available for future projects. Beginning in 2005, the Fairbanks North Star Borough's Code of Ordinances, FNSBC 3.01.060A, requires a transfer to the FMR of two-thirds of each fiscal year's net operating general fund budgetary surplus, limited to that year's increase in the operating general fund's unassigned fund balance. The transfer to the FMR in fiscal year 2015 was $1.9 million. There will be no transfer in fiscal year 2016 as there was a decrease in the operating general fund's unassigned fund balance.

Information on the Borough's voluntary landfill closure and postclosure care reserve can be found in Note 11 to the financial statements.

In July 2004, the Borough Assembly created an asset replacement reserve (ARF) to 1) enable the prompt replacement of any needed equipment not anticipated and appropriated as part of the annual budget, and 2) purchase host-based software that meets the Borough's capitalization criteria, and for related hardware. Vehicle and equipment replacements covered by the vehicle and equipment fleet internal service fund are excluded from using ARF funds. Like the FMR, the ordinance adopted by the Assembly provides for an annual deposit. For the ARF, five percent of each fiscal year's net operating general fund budgetary surplus, with the same limit, is transferred to the ARF in addition to an initial deposit of $500,000. Through the years, $2,430,300 has been deposited into the ARF and $1,766,000 has been set aside or used for purchases, with an additional $350,000 withdrawn from the ARF to aid in providing taxpayer relief by assisting in balancing a prior year's budget. At June 30, 2015, the available balance is over $314,300. Almost $144,000 was transferred in fiscal year 2015. As with the FMR, there will be no transfer in fiscal year 2016 because there was a decrease in the operating general fund's unassigned fund balance.

In September 2009, the Borough Assembly established a School District facilities maintenance reserve (SDFMR), to be funded by a transfer of the first 28.5 percent of the School District's annual budgetary surplus, for the purpose of major maintenance, repairs, and upgrades of School District facilities. Beginning in March 2012, the annual transfer amount is capped at $800,000. In addition, State reimbursements for school construction are deposited to the SDFMR beginning in fiscal year 2014. As of June 30, 2015, $6.6 million has been transferred or deposited to the SDFMR, of which over $5.2 million has been used for seven projects, leaving about $1.4 million remaining for future projects. The fiscal year 2014-15 contribution, based on the fiscal year 2013-13 surplus, was $800,000. There will be no fiscal year 2015-16 contribution, based on the fiscal year 2014-15 surplus, as the transfer was waived by the Assembly for one year only.

*Capital Projects*

Although a large portion of the expenditures in the capital projects funds are capitalizable, most are for replacement facilities, or to preserve the useful life of existing facilities. As a result, operating and maintenance costs usually remain flat, or fall slightly due to updated building systems and equipment. Furthermore, in the case of some new parks, user groups provide much of the ongoing maintenance.

See the capital assets section of MD&A for information about the various multi-year capital projects of the Borough.

*Solid Waste Facility*

The Borough began operating the Solid Waste Facility after acquiring the South Cushman landfill in 1973 by a transfer of power from the City of Fairbanks. Following the 1991 issuance of EPA regulations for solid waste disposal facilities, the Borough adopted a Solid Waste Management Plan in 1994 and adjacent property was purchased from private owners in 1996. The Borough's current operations include active usage of Cell 2 and Cell 3; a recycling and household hazardous waste program; the original South Cushman landfill now used primarily for the disposal of construction debris and asbestos, along with postclosure care of a portion of that original landfill; and postclosure care of, and leachate recirculation in, Cell 1. Construction of Cell 3 was substantially complete in September 2014 and usage began on July 1, 2015. Cell 4 base layer work was completed in fiscal year 2013-14 which won't be worked on again for quite a few years. (A cell is a self-contained mini-landfill.) There is space on the existing property for nine expansion cells in total, with usage estimated through 2064.

Operation, closure, and postclosure care of the Solid Waste Facility is an expensive enterprise and continual planning is required. Gas generation in Cell 1, where leachate recirculation is occurring, is beginning to produce landfill gas that could potentially be captured for energy generation in the future. Cell construction has been largely funded through low-interest loans from the State under the federal Clean Water Act. Operations, closure, and postclosure care activities are predominantly funded through user fees. In the setting of user fees, the objective is for the user to pay, at the time waste is tipped, the full cost of the Solid Waste Facility from disposing of the waste through to postclosure care.

**Borough Initiatives**

Please see MD&A for information about ongoing Borough initiatives. Further details about some of the following initiatives can be found through the Borough's web site at fnsb.us.

*Property Taxes*

Alaska has no statewide sales tax and no individual income tax. Consequently, Alaska's individual burden for all State and local taxes is one of the lowest in the nation. For general operations, property taxes are the Borough's largest revenue source at almost 70 percent of total revenues. Median property taxes paid on owner-occupied property in the Borough is 37 percent greater than the national median (2010), but over 6 percent lower than the median for Alaska (2010). Also of note is that property value exemptions increase the Borough's areawide mill rate about 10.8 percent higher than it would be without exemptions, including both State-mandated exemptions (7.5 percent) and optional exemptions (3.3 percent).

A persistent concern for the Borough is the financial pressure on homeowners and businesses that can result from combining the high cost of space heating energy in arctic Interior Alaska (relative to Anchorage or the Lower 48) with high property taxes. (See the **Economy**, *Energy Costs / Interior Energy*

*Project* subsection, above.) Consequently, there is constant pressure to avoid increases in property taxes, chiefly large increases, to free up money for property owners to pay for the costs of energy.

As mentioned previously, the trans-Alaska pipeline system (TAPS) is valued by the State of Alaska. (See **Economy**, *Real Property Values* subsection, above.) When the Borough is preparing its annual budget, it must use the value as established by the State's Department of Revenue. Since the 2006 tax year, the State Department of Revenue's annual valuation has been appealed to the State Assessment Review Board (SARB) both by the owners and by the Borough and other municipalities. Subsequent to budget adoption, but prior to the setting of the annual mill levy, the Borough has received the SARB's valuation, which has consistently been higher than the Department of Revenue's.

The Mayor initially proposed to keep the fiscal year 2016 areawide mill rate the same as the fiscal year 2015 mill rate. However, given the estimated fiscal year 2016 $11 million budget shortfall at the School District, and the overwhelming public testimony in support of an increase, the Assembly increased the appropriation for local direct support to the School District by almost $5.5 million over the previous fiscal year. $1 million of that increase was taken from fund balance, and along with an after-budget-adoption increase in the valuation of TAPS by the SARB, allowed mill rates for the last eight fiscal years to remain lower than any mill rate in the 19-year period from fiscal year 1990 through fiscal year 2008. This was only the third mill rate increase in the last 14 years.

In many prior years, a stable mill rate was achievable due to the annual addition of new construction assessed values and rising values of existing properties. (See **Economy**, *Real Property Values* subsection, above.) For fiscal year 2015, areawide property taxes were levied $6.6 million under the tax limit. Fiscal year 2016's levy is $6.0 million under the limit. Historically, for many years, the Borough has levied significantly under the tax limit, a combined total of $72.0 million over the last 20 years; compounded, the amount not collected in those 20 years is almost $490 million. A levy under the limit, if not partially recaptured in the next budget under very specific rules, will become a permanent reduction in the amount of taxes that can be levied in all subsequent years. The average cumulative effect for those 20 years is $24.5 million annually.

*Efforts to Lower Energy Costs / Interior Gas Utility*

For a discussion of the forces driving the Borough's efforts to lower energy costs and State actions toward lowering energy costs, see the **Economy**, *Energy Costs / Interior Energy Project* subsection, above. In October 2011, the Borough put forth a solicitation for a firm to perform a definition and analysis of a supply-neutral plan for distribution within the Borough of natural gas, liquefied natural gas (LNG), and/or propane by truck, pipeline, or both. The distribution plan is to provide for rapid infrastructure build-out to enable delivery as affordably as possible to the largest number of residences and businesses in the Borough. The major findings of the June 2012 report estimate community-wide savings of $315 million with a non-private distribution entity and affirm conversion to natural gas for space heating would bring the Borough's $PM_{2.5}$ non-attainment area into compliance with federal air quality standards. (See "FNSB Gas Distribution System Analysis" report, financial model, and presentations available on the Borough's Interior Alaska Natural Gas Utility page at http://www.fnsb.us/mayor/Pages/Interior-Alaska-Natural-Gas-Utility.aspx# and *$PM_{2.5}$ Air Quality Standards*, below.)

In August 2012, the Mayor put forward an ordinance to establish the Interior Alaska Natural Gas Utility, known as the Interior Gas Utility or IGU. Its establishment required the transfer of utility powers to the Borough from the City of North Pole and from the City of Fairbanks. In October 2012, the Borough accepted those powers and the IGU was established, effective November 15, 2012. See **PROFILE OF**

**THE FAIRBANKS NORTH STAR BOROUGH, The Interior Alaska Natural Gas Utility (IGU)** section, above.

In November 2012, the IGU board sent a letter to then Governor Parnell requesting State financial assistance for the construction of a liquefaction plant and for grants and low-cost loans to build a distribution system within the Borough. As related in the **Economy**, *Energy Costs / Interior Energy Project* subsection, above, the State has created the Interior Energy Project (IEP) with $362.5 million of financing toward those goals, assigning the Alaska Industrial Development and Export Authority responsibility for moving the IEP forward.

In December 2013, the Regulatory Commission of Alaska (RCA) granted the IGU the right to distribute natural gas to the North Pole area and to the medium-density population areas in the rest of the borough which are not served by the then-private gas distribution utility, Fairbanks Natural Gas (FNG). In January 2014, the IGU awarded its contract management services to MWH Americas, Inc. In March 2014, the Borough Assembly approved a $7.5 million line of credit to the IGU, of which $500,000 was loaned in August 2014. In April 2014, AIDEA authorized an $8.1 million loan to the IGU from the SETS program through the IEP. The line of credit amount was increased to $37.8 million in February 2015. (See the **Economy**, *Energy Costs / Interior Energy Project* subsection, above.)

As described in the **Economy**, *Energy Costs / Interior Energy Project* subsection, above, AIDEA purchased FNG in October 2015 and does not plan to retain ownership. AIDEA intends to merge FNG with the IGU by mid-2016.

The IGU's line of credit with AIDEA funded over 70 miles of pipe that was laid in the North Pole area during the 2015 construction season. The line of credit will also be used to fund temporary storage and design, right-of-way acquisitions, and permitting for the next two phases of continued expansion northwest of North Pole. The vacancy announcement for a paid general manager position closed on December 31, 2015, with a tentative starting date in mid-April 2016. The selection of a gas distribution system operator is scheduled to occur in mid-2016. Current estimates are for gas to be available in late 2017 or early 2018. See www.interiorgas.com for more information about the Interior Gas Utility.

*$PM_{2.5}$ Air Quality Standards*

In September 2006, the U.S. Environmental Protection Agency (EPA) issued regulations with more stringent air quality requirements for fine particulate matter less than 2.5 micrometers in diameter ($PM_{2.5}$). In 2009, the EPA designated the more populated portions of the borough as a non-attainment area for air quality related to $PM_{2.5}$. With wildfires being an exceptional event under national air quality standards, Fairbanks' non-attainment occurs in the wintertime when regularly occurring, extremely strong temperature inversions trap high levels of $PM_{2.5}$. Testing has determined that at least 50 percent of Fairbanks' wintertime $PM_{2.5}$ air pollution derives from wood burning, with 60 to 80 percent from solid fuel heating. With an arctic climate and historically high energy costs, wood is a popular, relatively low-cost heating source for borough citizens. Thus, attainment efforts have focused on changing out wood and other solid fuel burning devices with cleaner-burning devices, proper operation of solid fuel burning devices, supplemented with transportation projects such as new and expanded bus routes and van pools, electrical plug-ins for pre-warming vehicle engines, and anti-idling programs — all funded primarily with federal and State grants. Following a favorable vote in the Borough in October 2014 (and reconfirmed in October 2015), the Borough adopted its own local air quality regulations during fiscal year 2015. The Borough's long-term efforts for clean air are focused on bringing clean, affordable natural gas and propane to the Fairbanks area for space heating; see the **Economy**, *Energy Costs / Interior Energy*

*Project* subsection, above, and in this section, the *Efforts to Lower Energy Costs / Interior Gas Utility* subsection, immediately above.

The federal Clean Air Act and its regulations required the State to submit to the EPA, by December 31, 2014, its State Implementation Plan (SIP) for bringing the air quality in the "moderate" nonattainment area into compliance. The State adopted the SIP and related regulations on December 24, 2014 and submitted the SIP to EPA on the December 31st deadline. Attainment is supposed to be reached by December 31, 2015, but extensions are available to December 31, 2019.

Attainment will not be reached by December 31, 2015. The State anticipates EPA will reclassify the nonattainment area from "moderate" to "serious" in summer 2016, resulting in the commencement of additional control measures. The State will have 18 months to submit a "serious" air quality plan to EPA.

In November 2015, the State submitted a request to EPA to divide the nonattainment area into two separate, east and west, areas. If the areas were already separate, it is possible that the western area would able to reach attainment in 2015; however, the eastern area has already exceeded the maximum number of nonattainment occurrences allowed to reach attainment. EPA has until May 2017 to evaluate the request for two areas.

Current modeling shows expected continuous progress, with attainment achievable by 2019. The modeling relies primarily on continued change-outs of solid fuel burning devices and on natural gas being more widely distributed in the community.

The Borough continues to work with the State in monitoring air quality and in researching, quantifying, and modeling viable actions for attainment. Scientific work related to $PM_{2.5}$ in the Fairbanks nonattainment area continues with federal funding. Grants from the federal and State governments have also been utilized to fund a $PM_{2.5}$ education program, education to increase the use of dry wood in solid fuel burning devices, a voluntary replacement/repair program for solid fuel burning devices (primarily wood stoves and hydronic heaters), and the operation and maintenance of the Borough's multi-pollutant monitoring site. Furthermore, the Borough has appropriated its own funds to continue the replacement/repair program in the absence of additional State funding. See, also, *Efforts to Lower Energy Costs / Interior Gas Utility*, above.

*Ryan Middle School Gym Wing Renovation and Academic Building Replacement*

Ryan Middle School was originally constructed in 1967 and the gym wing was added in 1969. Major maintenance has been performed throughout its life. Several years ago, a routine building assessment revealed structural integrity issues at the school. Temporary earthquake reinforcements were installed. While more in-depth and further analysis was underway, the Borough prepared a $9.9 million bond proposition for the voters to renovate the gym wing; the voters gave their approval in October 2011. Based on the in-depth analysis, the Borough determined that replacement of the academic building was the best approach. The State awarded an $880,000 grant toward that effort in spring 2013. In October 2013, voters approved a $37.15 million ballot proposition for the replacement of Ryan's academic building. The gym renovation was complete in time for the 2014-15 school year. The construction of the replacement of the academic building is on time to be ready for the 2016-17 school year.

*North Pole Branch Library*

In November 2006, the Borough acquired a $426,600, nine-acre site in North Pole on which to construct an 18,500 square-foot replacement for the North Pole Branch Library (NPBL). The old NPBL was a 4,400

square-foot building on less than one acre of land. The site acquisition was funded from the library special revenue fund (see Capital Assets section of MD&A). The official groundbreaking for the new $13.6 million facility occurred in June 2013. Construction was funded by $6.2 million from the library special revenue fund, a $6.8 million State grant, and a $500,000 "top-off" grant from a private foundation which was contingent on another $100,000 being contributed by the local community, which occurred during fiscal year 2014. The new NPBL opened in November 2014.

*Solid Waste Transfer Sites*

In fall 2013, the Mayor brought forward a proposed appropriating ordinance for $4 million of major maintenance and improvements to the Borough's 14 solid waste transfer sites. These sites serve the portion of the Borough outside the City of Fairbanks. The Assembly appropriated the first $1 million for the project. The Borough contracted with an engineering firm to complete a comprehensive master plan for the project, which was completed in August 2015. In October 2015, the Assembly appropriated an additional $2,970,000 for major maintenance and improvements at three transfer sites, two minor projects, and engineering design for three more transfer sites.

*Parks and Recreation*

The Borough and the State both own lands on the north bank of the Tanana River, south of Fairbanks. The Borough is developing a 781-acre section into a multi-use recreation area and wildlife preserve, named the Tanana Lakes Recreation Area (TLRA). In May 2007, the Borough approved a master plan for the TLRA. In September 2007, the State executed a 55-year lease to the Borough, at no cost, of over 285 acres of State land within the TLRA. In November 2015, the Assembly authorized the Mayor to lease an additional 210 acres. Both grant awards and local funds have been appropriated for various development activities at the TLRA. In addition, the Borough actively pursues future grant awards. The TLRA opened to the public in June 2014. There were an estimated 75,000 visitors to the TLRA during its short first season, from mid-June to mid-September 2014 and an estimated 175,000 visitors during the 2015 summer season. Work in summer 2015 included additional construction of the non-motorized trail system and other improvements. Grants have been secured for the construction of a playground.

The Borough owns over 500 acres, and has a use permit with the U.S. Army for additional acreage (see Note 8 to the financial statements), at the Birch Hill Recreation Area. In cooperation with the local Nordic ski club, the Borough was awarded a grant to construct a new maintenance garage. The club was also awarded funds to build a new ski trail on the permitted land.

In March 2000, the Borough approved a master plan for the 128-acre sports-focused South Davis Park. Volunteer community partners perform most of the ongoing development work at the park. In summer 2015, a picnic pavilion was constructed and a dog park trail was completed, among other continuing work. Work on a playground, walking paths, and a parking area is planned for summer 2016, along with ongoing development of youth and adult soccer field complexes.

In June and December of 2009, the Borough accepted donations of the first 177 acres, of a proposed total of approximately 650 acres, for the Chena Flats Greenbelt, located between the base of Chena ridge and Chena Pump Road. In August 2011, the Borough accepted another 139-acre donation. In December 2013, another 68 acres were donated to the Borough. In December 2015, 95 acres were donated. In exchange for the acceptance of these properties, the Borough is bound by a conservation easement to the donor requiring the property to be passively maintained for open space recreation.

In the Cripple Creek subdivision west of Fairbanks, the Borough is working on the development of a 471-acre, trail-focused recreation area, called the Isberg Recreation Area. A master plan for the area was approved by the Assembly in December 2007. The Borough constructed an eight-vehicle trailhead parking lot in fiscal year 2015.

Peirce Park is a 71-acre parcel donated to the Borough in 1987 with restrictions for it to be maintained as a public park and recreation area with limited development permitted. The parcel is located just east of Effie Kokrine School. In January 2015, a conceptual design report was completed for Peirce Park. The conceptual design was completed pro bono by a local architectural and planning firm, with input from the Borough, the National Park Service, the federal Bureau of Land Management, and Effie Kokrine students.

## OTHER INFORMATION

### Awards

The Borough received the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report for the fiscal year ended June 30, 2014, its twenty-seventh such award. The Certificate of Achievement is a prestigious national award recognizing conformity with the highest standards for preparation of state and local government financial reports. In order to be awarded the Certificate, the Borough published an easily readable and efficiently organized comprehensive annual financial report, whose contents conformed to program standards. The report satisfied both generally accepted accounting principles and applicable legal requirements. I believe the Borough's current report also conforms to the Certificate of Achievement technical requirements and plan to submit it for review.

The Borough also received GFOA's prestigious national Award for Distinguished Budget Presentation for its annual operating budget for the fiscal years beginning July 1, 2014 and July 1, 2015, its twenty-fifth and twenty-sixth consecutive awards. In order to receive the Award, the Borough published a budget document that met program criteria as a policy document, as a financial plan, as an operations guide, and as a communication medium. Each award is valid for a period of one year only.

### Acknowledgments

I give my special thanks to those who contributed to and assisted with the preparation of this report, most especially the Borough's Controller, along with other members of the Accounting and Treasury & Budget divisions of the Financial Services department, and the Personnel/Payroll Manager in the Human Resources department. My appreciation is also extended to the Mayors, Assembly members, and department directors and to their staffs for their cooperation and assistance throughout the year in matters pertaining to the financial affairs of the Fairbanks North Star Borough.

Respectfully submitted,

Debra L R Brady

Debra L. R. Brady
Chief Financial Officer

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Fairbanks North Star Borough**

**Alaska**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

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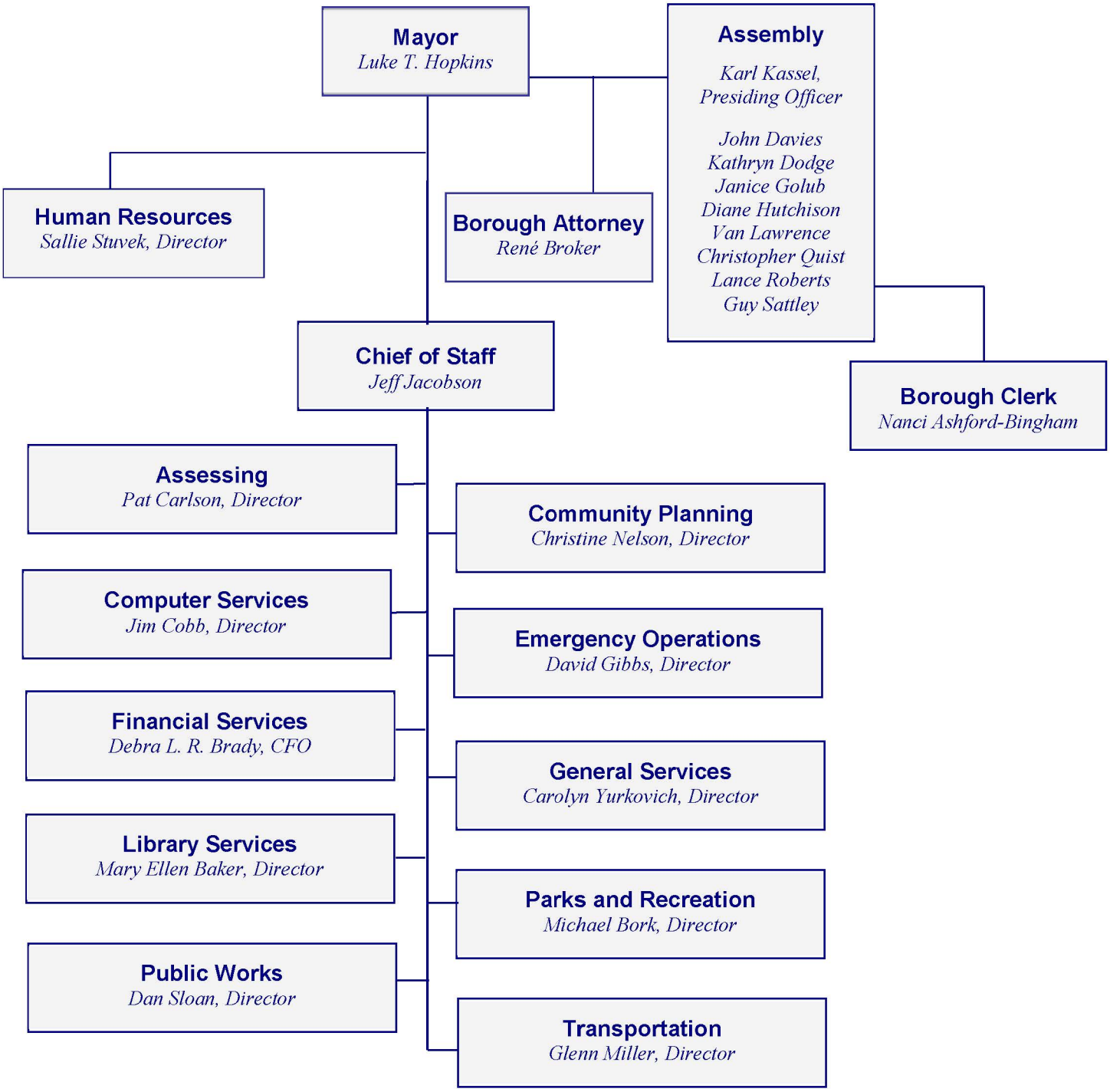
# Fairbanks North Star Borough

## Organization Chart

*As of June 30, 2015*



Fairbanks North Star Borough

## LIST OF PRINCIPAL OFFICIALS

as of June 30, 2015

### Borough Assembly

Karl Kassel, Presiding Officer
John Davies, Deputy Presiding Officer
Kathryn Dodge
Janice Golub
Diane Hutchison
Van Lawrence
Christopher Quist
Lance Roberts
Guy Sattley

### Board of Education

Heidi Hass, President
Wendy Dominique, Vice President
Allyson Lambert, Treasurer
Lisa Gentry, Clerk
Sue Hull, Member
Michael O'Brien, Member
Sean Rice, Member
Col. Larry G. Rice, Jr., Base Representative
Col. Sidney Zemp, Post Representative
Kobe Rizk, Student Representative

### Borough Mayor

Luke T. Hopkins

### Administration

| | |
|---|---|
| Borough Clerk | Nanci Ashford-Bingham |
| Borough Attorney | René Broker |
| Chief of Staff | Jeff Jacobson |
| Director Assessing | Pat Carlson |
| Director Community Planning | Christine Nelson |
| Director Computer Services | Jim Cobb |
| Director Emergency Operations | David Gibbs |
| Chief Financial Officer | Debra L. R. Brady |
| Chief Procurement Officer | Carolyn Yurkovich |
| Director Human Resources | Sallie Stuvek |
| Director Library Services | Mary Ellen Baker |
| Director Parks and Recreation | Michael Bork |
| Director Public Works | Dan Sloan |
| Director Transportation | Glenn Miller |

### School District

Superintendent of Schools, Dr. Karen Gaborik
Assistant Superintendent, Secondary Education, Danny A. Schmidt
Assistant Superintendent, Elementary Education, Sandra Kowalski
Chief Financial Officer, Lisa Pearce

# FINANCIAL SECTION

Independent Auditor's Report

Basic Financial Statements and Required Supplementary Information

Combining and Individual Fund Statements and Schedules

Additional Information

Cook & Haugeberg LLC
CERTIFIED PUBLIC ACCOUNTANTS

January 29, 2016

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the Assembly
Fairbanks North Star Borough

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Fairbanks North Star Borough (Borough), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Borough's nonma jor governmental, internal service, and fiduciary funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements and schedules as of and for the year ended June 30, 2015, as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

119 North Cushman Street, Suite 300 • Fairbanks, Alaska 99701 • 907-456-7762
www.ch-cpa.com e-mail: contact@ch-cpa.com
Senior Consultants: James F. Dieringer, Jr., CPA and Michael T. Cook, CPA FAX 907-452-6184

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

### *Opinions*

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Fairbanks North Star Borough, as of June 30, 2015 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds with annual budgets for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements and schedules referred to previously present fairly, in all material respects, the respective financial position of each nonmajor governmental, internal service, and fiduciary fund of the Fairbanks North Star Borough, as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Emphasis Of Matter*

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

### *Other Matters*

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary and Other Information*

Our audit for the year ended June 30, 2015 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fairbanks North Star Borough's basic financial statements. The accompanying additional information schedules for the year ended June 30, 2015 are presented for purposes of additional analysis and are not a required part of the basic financial

statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The additional information schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements for the year ended June 30, 2015, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional information schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2015.

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Borough as of and for the year ended June 30, 2014 (not presented herein), and have issued our report thereon dated December 31, 2014, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information and the financial statements of each of the Borough's nonmajor governmental, internal service and fiduciary funds. The additional information schedules for the year ended June 30, 2014 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 financial statements. The additional information schedules have been subjected to the auditing procedures applied in the audit of the 2014 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional information schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2014.

*Prior Year Comparative Information*

We have previously audited the Borough's 2014 financial statements, and we expressed unmodified audit opinions on the respective financial statements and schedules of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, the internal service and fiduciary funds, and the combining and individual nonmajor fund financial statements and schedules in our report dated December 31, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

Honorable Mayor and Members of the Assembly
Fairbanks North Star Borough

January 29, 2016

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards,* we have also issued our reports dated January 29, 2016 on our consideration of the Fairbanks North Star Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

Cook + Haugeberg LLC

# BASIC FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis (RSI)

Basic Financial Statements:

Government-wide Financial Statements

Fund Financial Statements

Notes to the Financial Statements

Required Supplementary Information:

Schedule of Proportionate Share of the PERS Net Pension Liability

Schedule of PERS Contributions

# MANAGEMENT'S DISCUSSION AND ANALYSIS

(part of the Required Supplementary Information)

This narrative provides an overview and analysis of the financial activities of the Borough.

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**FAIRBANKS NORTH STAR BOROUGH**

**Management's Discussion and Analysis**
**For the Year Ended June 30, 2015**

As management of the Fairbanks North Star Borough, we offer readers of the Borough's financial statements this narrative overview and analysis of the financial activities of the Borough for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with the additional information in our letter of transmittal in the Introductory Section of this report and with the Borough's financial statements in the Financial Section.

The Borough implemented Governmental Accounting Standards Board (GASB) Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 (GASB 71), *Pension Transition for Contributions Made Subsequent to the Measurement Date,* for fiscal year 2014-15. Information on the Borough's implementation of these GASB Statements can be found in Notes 1. K. and 16 to the financial statements.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Borough's basic financial statements. The Borough's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### Government-wide Financial Statements

Government-wide financial statements are designed to provide readers with a broad overview of the Borough's finances, in a manner similar to a private-sector business.

- The statement of net position presents information on all of the Borough's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Borough is improving or deteriorating.

- The statement of activities presents information showing how the Borough's net position changed during the fiscal year. Changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of 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., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the Borough that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that recover some portion of their costs through user fees and charges (business-type activities). The governmental activities of the Borough include general government, community planning, public works including solid waste collections, parks and recreation, library, road and other service areas, support to education, emergency operations, and fire service areas. The business-type activities of the Borough include providing public transportation, overseeing operations of the John A. Carlson Community Activity Center, and providing solid waste disposal services at the Borough landfill.

The government-wide financial statements include not only the Borough itself (known as the primary government), but also two component units for which the Borough is financially accountable: the Fairbanks North Star Borough School District and the Interior Gas Utility. Financial information for each of these component units is reported separately from the financial information presented for the primary government itself. Complete financial information for the component units can be found in the School District's and Interior Gas Utility's separately issued financial statements.

The government-wide financial statements immediately follow this narrative in the Basic Financial Statements and Required Supplementary Information (RSI) section 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 Borough, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Borough can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

***Governmental funds***

Governmental funds are used to account for most of 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. Such information may be useful in evaluating a government's near-term financing requirements and in preparing and adopting an annual operating budget.

The focus of governmental funds is narrower than that of the government-wide financial statements. Therefore, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Borough maintains sixteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the five major funds: the general fund, the service areas special revenue fund, the debt service fund, the bond capital projects fund, and the local capital projects fund. Data from the eleven nonmajor governmental funds are combined into a single, aggregated presentation (column) in the governmental funds financial statements.

The Borough's general fund includes both annual (operating) and inception-to-date (multi-year) cost centers' activities. The Borough adopts an annual appropriated budget for the operating portion of its general fund and for other operating funds. Budgetary comparison statements have been provided for the operating general

fund and all service areas in the service areas special revenue fund, to demonstrate compliance with their budgets.

The basic governmental funds financial statements follow the government-wide financial statements in the Basic Financial Statements and RSI section.

***Proprietary funds***

The Borough maintains two different types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the functions presented as business-type activities in the government-wide financial statements. The Borough uses enterprise funds to account for its transit, Carlson Center, and solid waste disposal activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among a government's various functions. The Borough uses an internal service fund to account for the acquisition and financing of its vehicle and equipment fleet. Because this service predominantly benefits governmental rather than business-type functions, it is included within governmental activities in the government-wide financial statements.

The proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the transit, Carlson Center, and solid waste disposal enterprise funds, all of which are considered to be major funds of the Borough. The vehicle and equipment fleet internal service fund is also presented in the proprietary funds financial statements.

The basic proprietary funds financial statements follow the governmental funds financial statements in the Basic Financial Statements and RSI section.

***Fiduciary fund***

Fiduciary funds are used to account for resources held for the benefit of parties outside the Borough. The Borough's fiduciary fund, the taxes agency fund, is not reflected in the government-wide financial statements because the resources of that fund are not available to support the Borough's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement follows the proprietary funds financial statements in the Basic Financial Statements and RSI section.

**Notes to the Financial Statements**

The notes provide additional information, in narrative form with some tables, which is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow the fund financial statements in the Basic Financial Statements and RSI section.

## Other Information

This report also presents as RSI, the Borough's and School District's (component unit) proportionate share of the net pension liability and pension contributions for both the Public Employees' Retirement System (PERS) and the Teacher's Retirement System (TRS).

Combining, individual fund, and comparative data for the Borough's funds is provided in the Combining and Individual Fund Statements and Schedules section of this report. The other information is presented in the section following the notes to the Financial Statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Borough, assets exceeded liabilities by $593 million at the close of the most recent fiscal year.

**Net Position**
(shown in 000's)

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Current and other assets | $128,762 | $143,311 | $30,062 | $24,443 | $158,823 | $167,754 |
| Capital assets | 579,919 | 581,018 | 41,873 | 42,732 | 621,793 | 623,750 |
| Total assets | 708,681 | 724,329 | 71,935 | 67,175 | 780,616 | 791,504 |
| Deferred outflows of resources | 2,807 | 31 | 147 | | 2,954 | 31 |
| Long-term liabilities | 128,826 | 113,593 | 33,366 | 25,328 | 162,193 | 138,921 |
| Other liabilities | 11,946 | 14,608 | 1,344 | 3,404 | 13,290 | 18,012 |
| Total liabilities | 140,772 | 128,201 | 34,710 | 28,732 | 175,483 | 156,933 |
| Deferred inflows of resources | 15,056 | 11,887 | 164 | | 15,220 | 11,887 |
| Net position: | | | | | | |
| Net investment in capital assets | 511,500 | 504,309 | 32,444 | 37,597 | 543,944 | 541,906 |
| Restricted | 47,614 | 48,318 | 520 | 445 | 48,135 | 48,762 |
| Unrestricted (deficit) | (3,454) | 31,645 | 4,243 | 402 | 789 | 32,047 |
| Total net position | $555,660 | $584,272 | $37,207 | $38,444 | $592,867 | $622,716 |

By far the largest portion of the Borough's net position ($544 million or 91.7 percent) reflects its investment in capital assets (e.g., land, buildings, improvements other than buildings, equipment) less any related debt used to acquire those assets that is still outstanding. The Borough uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Borough's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this

debt must be provided from other sources (unrestricted net position or future revenues), because the capital assets themselves cannot be used to liquidate these debt obligations.

An additional portion of the Borough's net position ($48.1 million or 8.1 percent) represents resources that are subject to external restrictions on how they may be used, such as restrictions imposed by grant agreements, bond covenants, and agreements with other external parties, and restrictions for special taxing jurisdictions.

The remaining balance of unrestricted net position ($0.8 million or 0.1 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

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**Changes in Net Position**
(shown in 000's)

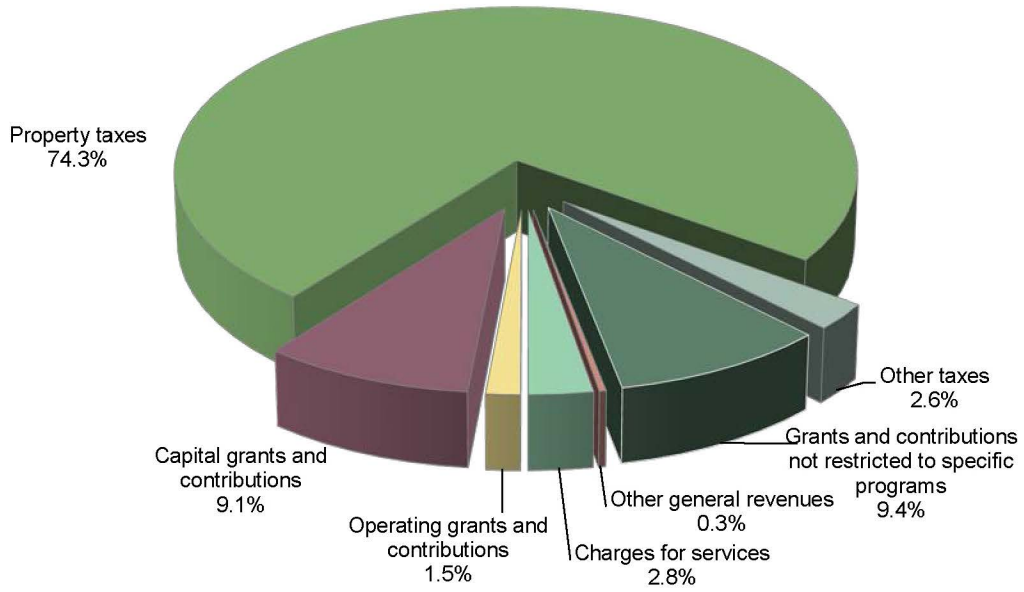
| | Governmental Activities | | Business-type Activities | | Totals | |
|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | $4,504 | $3,960 | $10,704 | $10,484 | $15,209 | $14,444 |
| Operating grants and contributions | 2,380 | 2,236 | 5,436 | 4,378 | 7,815 | 6,613 |
| Capital grants and contributions | 14,571 | 21,640 | 1,252 | 3,928 | 15,824 | 25,568 |
| General revenues: | | | | | | |
| Property taxes | 119,306 | 115,359 | | | 119,306 | 115,359 |
| Other taxes | 4,216 | 4,328 | | | 4,216 | 4,328 |
| Grants and contributions not restricted to specific programs | 15,064 | 15,210 | | | 15,064 | 15,210 |
| Other | 483 | 1,657 | 33 | 41 | 517 | 1,698 |
| Total revenues | 160,524 | 164,389 | 17,426 | 18,831 | 177,950 | 183,220 |
| Expenses, netted with indirect expenses allocation: | | | | | | |
| General government | 23,499 | 19,161 | | | 23,499 | 19,161 |
| Community planning | 1,700 | 1,824 | | | 1,700 | 1,824 |
| Public works | 13,143 | 13,004 | | | 13,143 | 13,004 |
| Parks and recreation | 11,078 | 10,131 | | | 11,078 | 10,131 |
| Library | 8,739 | 6,870 | | | 8,739 | 6,870 |
| Road and other service areas | 9,604 | 7,164 | | | 9,604 | 7,164 |
| Education | 68,815 | 66,374 | | | 68,815 | 66,374 |
| Emergency operations | 7,216 | 7,132 | | | 7,216 | 7,132 |
| Fire service areas | 7,462 | 7,270 | | | 7,462 | 7,270 |
| Interest on long-term debt | 2,905 | 3,157 | | | 2,905 | 3,157 |
| Transit | | | 12,724 | 10,551 | 12,724 | 10,551 |
| Carlson Center | | | 2,304 | 2,158 | 2,304 | 2,158 |
| Solid waste disposal | | | 9,518 | 8,739 | 9,518 | 8,739 |
| Total expenses, net | 154,161 | 142,087 | 24,546 | 21,448 | 178,707 | 163,535 |
| Changes in net position before transfers | 6,364 | 22,302 | (7,121) | (2,616) | (757) | 19,685 |
| Transfers | (7,339) | (7,207) | 7,339 | 7,207 | | |
| Changes in net position | (975) | 15,095 | 218 | 4,591 | (757) | 19,685 |
| Net position, beginning | 584,272 | 569,177 | 38,444 | 33,853 | 622,716 | 603,030 |
| Net pension liability adjustment | (27,637) | | (1,455) | | (29,091) | |
| Net position, ending | $555,660 | $584,272 | $37,207 | $38,444 | $592,867 | $622,715 |

At the end of the current fiscal year, the Borough is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. Table I in the Statistical Section of this report shows a history of net position by component (category) beginning with fiscal year 2005-06.

During the current fiscal year the Borough's net position decreased by almost $30.0 million, of which over $29.0 million is the result of an adjustment to beginning position for net pension liability recorded in accordance with GASB 68. See Notes 1.K. and 16 for more information. Significant differences from the prior year's $19.7 million increase in net position are discussed in various sections later in this Management's Discussion and Analysis (MD&A).

***Governmental activities***

**All Revenues by Source - Governmental Activities**
**(Does not include transfers.)**



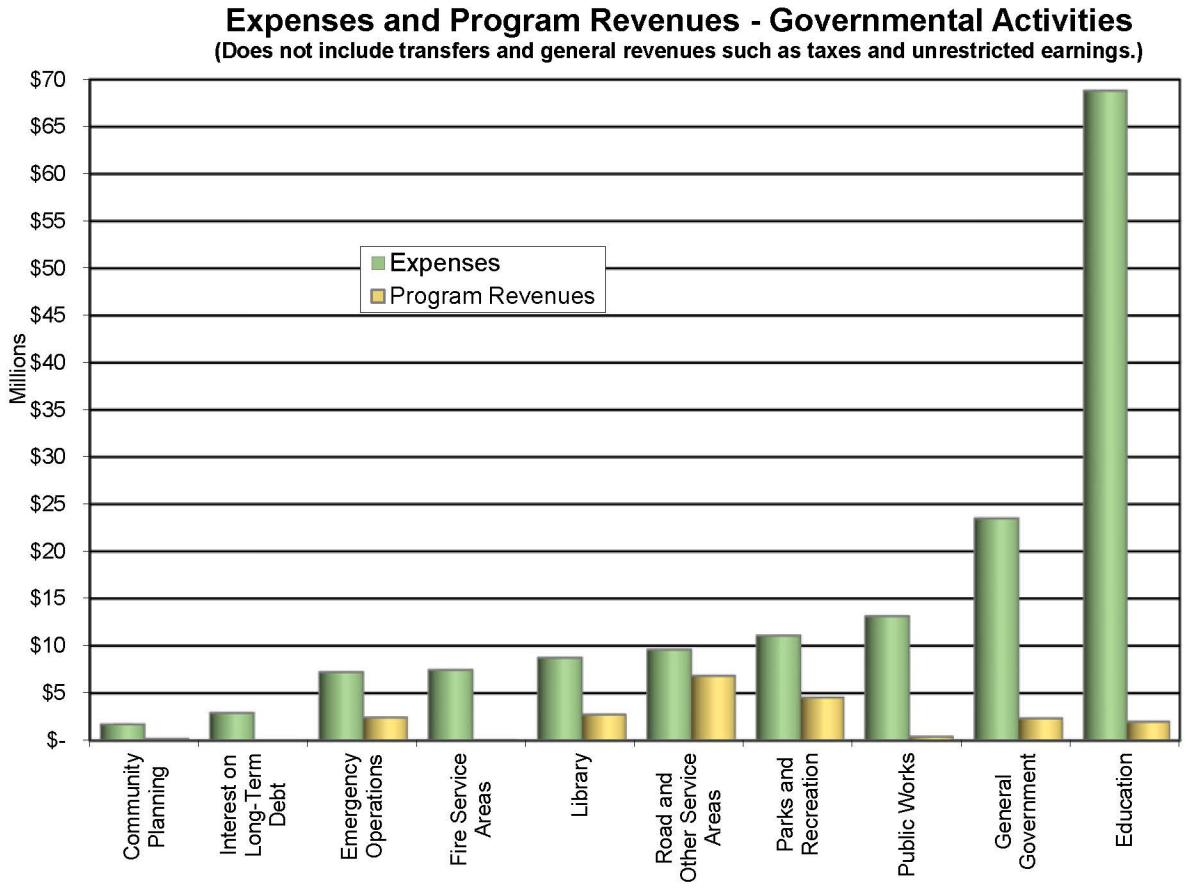

Governmental activities decreased the Borough's net position by $1.0 million during the current fiscal year compared to the $15.1 million increase in the prior fiscal year. Key elements of this change are as follows:

- Capital grants and contributions had a net decrease of $7.0 million as a result of the North Pole Branch Library project completion. The North Pole Branch Library is discussed in the Capital Assets section of this MD&A. There was also a reduction attributed to fewer road service area projects.

- Property tax revenues of governmental activities increased by $3.9 million from the prior fiscal year, with the majority of the increase being in areawide property tax revenue. The increase in revenue was needed to fund existing functions and programs and to help cover increasing costs for both the Borough and School District. However, in recognition that taxpayers were affected by increased

energy costs and other economic factors, property taxes were kept as low as possible while still maintaining existing basic functions. Refer to the Governmental Funds section of this MD&A for more information regarding property tax revenues.

- Expenses had a net increase of $12.0 million from the prior year. Of this amount, $4.3 million is the result of an overall increase in general government expenses and $1.8 million is for library maintenance. The School District received $2.4 million for various projects and spending for road service areas was at $2.4 million for continued maintenance and upgrading of the roads. State and federal grant revenues are down $1.2 million as projects funded in the prior fiscal year have concluded.

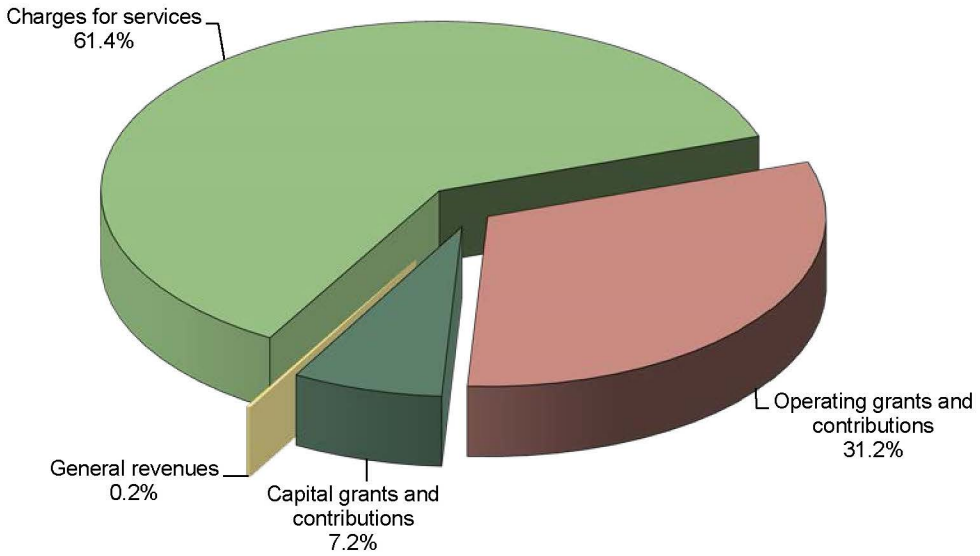



- There is an increase of $1.0 million across all governmental activities for pension expense as a result of implementing GASB 68. See Note 15 for more information on retirement plans.

- Other significant differences from the prior year are discussed in the Governmental Funds section of this MD&A.

***Business-type activities***

**All Revenues by Source - Business-type Activities**
**(Does not include transfers.)**




The business-type activities, including transfers not included in the charts, decreased the Borough's net position by $1.2 million in the current fiscal year, compared to the $3.2 million increase in the prior fiscal year. The most significant current year activity is as follows:

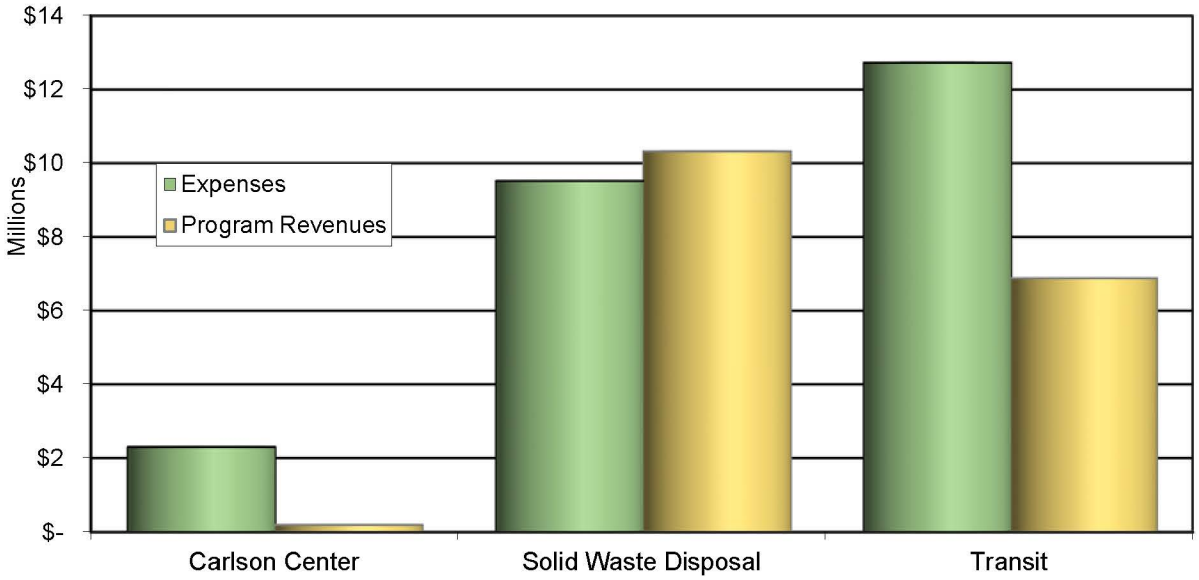
- Beginning net position of the solid waste disposal fund decreased by $1.5 million as a result of an adjustment for net pension liability recorded in accordance with GASB 68. See Notes 1. K. and 16 for more information.

- The transit function's expenses increased by $1.9 million and operating grants and contributions revenue increased by $1.0 million mainly due to a State sponsored wood stove conversion program designed to help the Borough meet the Environmental Protection Agency's air quality standards.

- Carlson Center enterprise fund revenues from capital grants and contributions decreased by $2.3 million from the prior fiscal year. This decrease is attributable to $2.2 million of state capital grant revenue received in the prior fiscal year for improvements to the Carlson Activity Center.

- Solid waste disposal's net position increased by $868,000 in the current fiscal year which included a $3.7 million increase in unrestricted net position due mainly to a $3.2 million increase in cash from loan proceeds received for cells 3 and 4 landfill construction project. Loans payable for cells 3 and 4 landfill expansion construction project increased by $4.3 million reducing net investment in capital assets.

**Expenses and Program Revenues - Business-type Activities**
**(Does not include transfers and general revenues such as unrestricted earnings.)**




## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

***Governmental funds***

The focus of the Borough's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Borough's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. This amount is also intended to cover cash flow requirements, normal variances in revenue and expenditure estimates, abnormal variances in estimated revenue from the State versus actual State appropriations and payments, advance funding of reimbursable debt service payments, advance funding of reimbursable grant expenditures, unforeseen litigation costs and judgments, and expenditures of an emergency nature, for both the Borough and the School District component unit.

As of the end of the current fiscal year, all of the Borough's governmental funds combined reported ending fund balances of $99.9 million, a decrease of $12.6 million from the prior year's governmental funds fund balance. Approximately 47 percent ($46.8 million) of ending fund balances is restricted by externally enforceable legal restrictions imposed by creditors, grantors, contributors, by the State through laws or regulations, or by law through enabling legislation or constitutional provision. Another 38 percent ($38.4 million) has been committed for various purposes by Assembly action, which remains binding unless removed in the same manner. Approximately 5 percent ($5 million) is assigned to reflect the Borough's intended use of

those resources. The remaining $9.7 million is unassigned fund balance, with $22.0 million reported in the general fund and a $12.3 million deficit reported in the bond capital projects fund. The Borough intentionally used general fund resources on an interim basis for some of the bonded capital projects. Further information on the fund balances of governmental funds can be found in the governmental funds balance sheet and in Notes 1. P. and 13 to the financial statements.

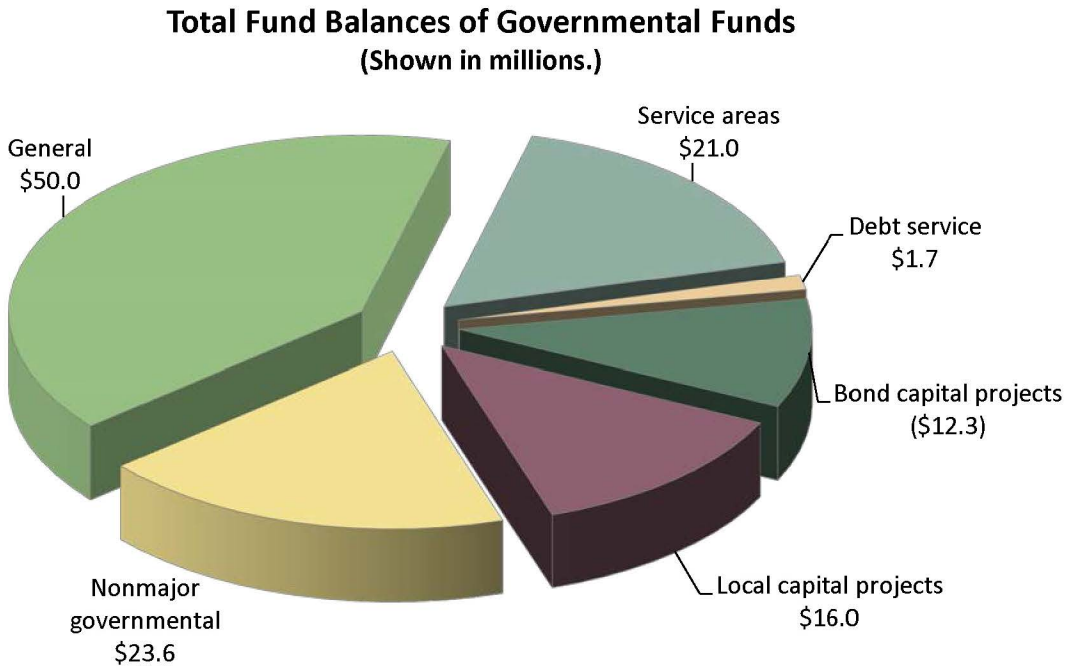
It should be noted that, in general, fund balance reported in the governmental projects funds (general fund multi-year programs; special revenue grants and local programs funds; and capital projects grants, bond, local, and capital purchases funds) has already been appropriated for specific projects. Certain appropriations, however, have been made to accumulate funds for future needs. Schedule 6 in the Additional Information section of this report shows balances in major reserve accounts. The major reserve accounts reported in governmental funds are facilities maintenance, asset replacement, hotel-motel room tax, health care contingency, land revenue reserve, and School District facilities maintenance.

Significant contributors to the $12.6 million decrease in governmental funds fund balance (and cash balance) during the current fiscal year include the following:

- Fund balance of the general fund decreased by $1.9 million from the prior year's amount. The change in general fund fund balance is discussed below.

- The net change in fund balance of the bond capital projects fund was an $11.1 million decrease as a result of spending in authorized bond projects prior to the issuance of the authorized bonds. At the beginning of the fiscal year, unassigned fund balance had a $1.1 million deficit. The largest current year expenditures were $4.7 million for the Ryan Middle School gym wing renovation and academic building replacement, $3.4 million for the North Pole High School vocational wing, $1.3 million for the Ticasuk Brown Elementary School roof replacement and exterior upgrades, and $1.3 million for the University Park Elementary School roof replacement and exterior upgrades, discussed in the Capital Assets section of this MD&A.

- Fund balance of the service areas special revenue fund increased by $1.5 million and cash increased by $1.5 million. This was due to a number of factors, including State funding for road service areas that was used for routine road maintenance and road improvements in the state grants capital projects fund, which resulted in a reduction of expenditures in the service areas fund. In addition, some service areas raised their mill rates by a vote of their citizens, and some service areas experienced an increase in assessed values due to new construction, both of which resulted in increased property tax revenue for service areas. Service areas generally accumulate funds over several years to be used for road improvement projects, new fire trucks, additions/improvements to fire stations, and other capital projects.




The general fund is the chief operating fund of the Borough and also includes locally-funded multi-year programs. At the end of the current fiscal year, unassigned fund balance of the general fund was $22.0 million, fund balance of $27.9 million was classified as restricted, committed, or assigned, and total general fund fund balance was $50.0 million. As a measure of the general fund's liquidity, it may be useful to compare these balances to total fund expenditures and transfers out. Restricted fund balance represents 0.2 percent of total general fund expenditures and transfers out, committed fund balance represents 18.8 percent, assigned fund balance represents 4.2 percent, and unassigned fund balance represents 18.3 percent of that same amount, while total fund balance represents 41.5 percent.

The total fund balance of the Borough's general fund decreased by $1.9 million during the current fiscal year, compared to a $3.2 million increase in the prior year. The major differences from the prior year's amount are as follows:

- Property tax revenue of the general fund (including interest and penalties) increased by $2.3 million from the prior year, although the property tax levy was $2.9 million under the Borough's tax cap. The fiscal year 2014-15 areawide mill rate was set at 11.356 mills, which is 0.140 mills higher than the previous year, a 1.2 percent increase. The Borough's increase in property tax revenue was primarily due to the increase in the mill rate and a slight increase in the assessed value of new construction.

- The Borough's direct local contribution to the School District increased by $1.5 million in the current fiscal year to $49.9 million. The Borough's support for education continues to increase due to increasing School District operational costs. In addition, the Borough's assessed values continue to increase, which by law has a negative impact on State funding received for education.

- Other general fund expenditures increased by $2.5 million across the Borough. The other major contributions to the increases were in the departments of law and computer services. Due to several ongoing legal disputes, the Boroughs' legal fees increased by 13 percent over the prior year's expenditures. Computer services, in an effort to upgrade and improve the Borough's network and meet the requirements of the Alaska Public Records Act, invested over $1.3 million, a 57 percent increase from the previous year.

The decrease in general fund cash of $9.4 million is due primarily to an $8.0 million increase in interfund receivables pending the issuance of general obligation school bonds, combined with variances in other assets, liabilities, and deferred inflows.

In the state grants capital projects fund, revenues from the State decreased by $4.8 million and related expenditures decreased significantly from the prior fiscal year. This is due to awards from the State legislature for projects being significantly reduced. The largest current year State grant revenue and expenditure was $2.7 million for Ryan Middle School construction, discussed above and in the Capital Assets section of this MD&A.

Fund balance of the governmental funds decreased by $12.6 million from the prior fiscal year, while governmental activities net position decreased by $1.3 million for a net difference of $13.9 million. Key differences between governmental funds and governmental activities relate to the accounting for capital assets, long-term liabilities, internal service fund activity, and various deferrals and accruals. For example, capital outlay expenditures reduce governmental fund balance but have no immediate effect on governmental activities total net position. In governmental activities, capital outlay expenditures become additions to capital assets and reduce net position over time as depreciation expense. In addition, capital asset dispositions, donations received, and transfers are recorded only in governmental activities. In the current year, capital outlay expenditures were less than depreciation expense by $1.0 million. Reconciliations between governmental funds and governmental activities are included as the last page of the governmental funds balance sheet and of the governmental funds statement of revenues, expenditures, and changes in fund balances, in the Basic Financial Statements and RSI section of this report.

***Proprietary funds***

The Borough's proprietary funds financial statements provide the same type of information found in the business-type activities section of the government-wide financial statements, but in more detail.

Unrestricted net position of the transit enterprise fund at the end of the current fiscal year amounted to $3.5 million, Carlson Center enterprise fund amounted to $573,000, solid waste disposal enterprise fund amounted to $62,000, and the vehicle and equipment fleet internal service fund was $812,000. The total increase in net position of the enterprise funds was $200,000, consisting of a $92,000 increase for the transit enterprise fund, a $759,000 decrease for the Carlson Center enterprise fund, and a $868,000 increase for the solid waste disposal enterprise fund. Net position of the internal service fund increased by $138,000.

Although the solid waste disposal enterprise fund has $22.5 million in cash, it has an unrestricted net position of $62,000. This difference is largely due to the $20.2 million accrued liability for landfill closure and postclosure care and $1.4 million for the net pension liability.

Schedule 6 in the Additional Information section of this report shows balances in major reserve accounts. The major reserve accounts reported in proprietary funds are Carlson Center for replacement of major equipment, renovations, or improvements to the Center, and the solid waste disposal fund's landfill closure and postclosure care.

Other major factors concerning the finances of these funds, if any, have already been addressed in the discussion of the Borough's business-type activities. Reconciliations between enterprise funds and business-type activities are included on the last page of the proprietary funds statement of net position and the proprietary funds statement of revenues, expenses, and changes in net position, in the Basic Financial Statements and RSI section of this report.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The $6.5 million increase from the general fund's original operating budget to the final amended operating budget for expenditures and transfers out included the following items:

- Transfers from the general fund operating to capital projects funds increased by $3.7 million from the original budget. This included a transfer of $1.9 million to the facilities maintenance reserve, which represents two-thirds of the fiscal year 2013-14 net general fund lapse (with certain limitations), and $144,000 to the asset replacement reserve, which represents five percent of the fiscal year 2013-14 net general fund lapse (with certain limitations), made in accordance with Borough Code. A net $1.6 million was transferred to upgrade the financial management system and replace the records management systems.

- Transfers from the general fund operating to the multi-year general subfund increased by $1.5 million. This was due to a transfer for ongoing litigation and appeal costs related to the trans-Alaska pipeline system valuation (TAPS). Additional information on the TAPS litigation can be found in Note 17. C. to the financial statements. An additional $388,000 was transferred for backfill salaries for the financial management system upgrade.

- A supplemental budget appropriation transferred $1.0 million from general fund fund balance to the transit enterprise projects fund for the enhanced voluntary removal, replacement, and repair program for solid fuel burning appliances.

During the current fiscal year, positive actual variances from the final budget increased general fund operating fund balance by $1.1 million, from the budgeted $2.9 million decrease in fund balance to the actual fund balance decrease of $1.7 million. The most significant budget-to-actual differences follow:

- Revenues from current year property taxes and payment in lieu of taxes (PILT) for privatized military housing were $636,000 and $522,000, respectively, less than budgeted. The Borough and the private contractor that provides property management services for the housing on Eielson Air Force base did not come to an agreement for a negotiated PILT and the contractor did not pay $1.6 million in property taxes due in fiscal year 2015.

- Revenue from State of Alaska aid for school construction was $1.0 million less than budgeted. Proposed bonds were not sold in fiscal year ended June 30, 2015 resulting in less reimbursement from the State.

- Of the $3.5 million expenditure budget lapse, $2.1 million was in the personnel services category due to position vacancies and corresponding benefits. Salary costs were lower due to various factors, many related to the large number of retirements and other staff turnover during the last several fiscal years. Some vacated positions were vacant for only a short time and then filled at lower entry-level rates of pay, which also reduced salary costs. Other positions have been vacant for longer periods, some for more than a year, and remained unfilled at year-end, due to a lack of qualified applicants, the impact of higher competing local wage levels for applicants that were qualified, or the differences in benefits offered by competing employers.

- In addition, all general fund departments and functions lapsed funds in most other expenditure categories roughly in line with past years' expenditures' lapses.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The Borough's investment in capital assets for its governmental and business-type activities as of June 30, 2015 amounts to $622 million (net of accumulated depreciation). This investment in capital assets includes land, land improvements such as service area roadbeds and the Tanana River levee, buildings, park facilities and other improvements, vehicles, machinery, equipment, furniture, works of art, library materials, and construction in progress. The total decrease in the Borough's investment in capital assets for the current fiscal year was $2.0 million (0.3 percent), a $1.1 million decrease (0.2 percent) for governmental activities and $0.9 million decrease (2.0 percent) for business-type activities.

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**Capital Assets**
(net of depreciation)
(shown in 000's)

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| All land and land improvements* | $256,894 | $256,963 | $1,876 | $1,883 | $258,770 | $258,846 |
| Buildings | 249,591 | 243,189 | 20,100 | 20,863 | 269,691 | 264,051 |
| Improvements other than buildings | 52,480 | 48,261 | 4,811 | 5,077 | 57,292 | 53,339 |
| Equipment | 12,174 | 9,956 | 4,375 | 4,952 | 16,549 | 14,908 |
| Works of art | 237 | 157 | 121 | 121 | 358 | 278 |
| Library materials | 2,255 | 2,218 | | | 2,255 | 2,218 |
| Construction in progress | 6,288 | 20,274 | 10,591 | 9,837 | 16,879 | 30,111 |
| Total | $579,919 | $581,018 | $41,873 | $42,732 | $621,793 | $623,750 |

* Land and land improvements includes 66,229 acres of undeveloped entitlement land received from the State that is currently carried at $1 per acre, as discussed in Note 1. J. to the financial statements.

Major capital asset events during the current fiscal year included the following:

Governmental activities:

- Work was substantially completed on the following facilities/projects:
  - $13.3 million replacement of the North Pole Branch Library building with a new 18,625 square foot North Pole Branch Library. The library nonmajor special revenue fund which accounts for donations received from several trusts (all now dissolved) of which the Borough Public Library was a 15 percent beneficiary, contributed $6.2 million to the project and $6.8 million was funded with a State grant. The remainder was financed with funding from the Rasmuson Foundation and the Fairbanks Library Foundation. The grand opening of the North Pole Branch Library was November 16, 2014.
  - $9.4 million phase II of the renovation of Ryan Middle School, financed with general obligation bonds. Phase II of the renovation concentrated on the gymnasium wing that included replacement of lighting systems; upgrade of the heating, ventilation, and air conditioning system; electrical system; lateral force resisting system; and building envelope; abatement of hazardous materials; and realignment of interior spaces according to the educational specification.
  - $4.0 million for artificial turf fields, financed with a State grant and with funding from the Rasmuson Foundation passed through the Fairbanks Youth Soccer Association. This project included planning, design, and construction of the artificial turf fields. Work included accessory items normally associated with sports fields such as scoreboards, lighting, bleachers, and other necessary improvements. The Fairbanks Youth Soccer Association held their first soccer practice on the field April 11, 2015.
  - $2.2 million in equipment purchases for emergency operations which included a Spartan aerial ladder fire truck, two Peterbuilt pumper fire trucks, and a Ford Expedition command vehicle.

- $1.6 million for site improvements to Weller Elementary School, funded with State grants. This included planning, design, and construction for site access improvements, traffic configuration revisions, and improvements to the drop-off areas, parking, and playgrounds to address safety concerns.

- Work continues on the following facilities/projects:
  - $37.2 million phase III for the replacement of a portion of Ryan Middle School, to be financed with general obligation bonds and a State grant. Phase III of the project will include construction of a new academic wing of approximately 62,600 square feet connected to the gymnasium building, demolishing the existing main academic building, reconstructing a ball field in a new location, and constructing a soccer field in the existing building location.
  - $1.8 million for replacement of the portable classrooms at Badger Elementary School with three permanent classrooms, financed with school district facilities maintenance reserve funds.
  - $1.6 million phase II of the reconstruction and major maintenance to the water and sewer systems at Pioneer Park, financed with a State grant. Phase II of the project is to finish replacing the existing wood stave sewer pipe to the public restrooms, to connect the Alaska Salmon Bake restaurant, and to expand sewer services to the waterfront area inside the park.
  - $1.3 million phase IV of the renovation of Barnette Magnet School, financed with a State grant. Phase IV of the renovation includes additional funding for the final design and construction of the building wing replacement which was started with phase III.

- Planning, design, or construction began on the following facilities:
  - $1.3 million for Birch Hill maintenance facility building to design, bid and build two bays with all associated ancillary work and associated site work, financed with a State grant.

- Governmental activities construction in progress was $6.3 million at fiscal year-end, a significant decrease from the prior fiscal year as large projects reached substantial completion and fewer dollars were expended for ongoing projects.

Business-type activities:

- Work continues on the following facilities/projects:
  - $11.2 million landfill expansion of cells 3 and 4, to be financed with an Alaska Department of Environmental Conservation loan.
  - $1.5 million project to construct bus shelters, passenger benches, and permanent sign installations, funded with federal grants. In the current fiscal year, there were five shelters completed and placed in service.

Additional information on the Borough's capital assets can be found in Notes 1. J. and 6 to the financial statements.

## Long-Term Debt

At the end of the current fiscal year, the Borough had total long-term debt outstanding of $105.4 million. The Borough's total long-term debt decreased by $6.2 million (5.5 percent) during the current fiscal year.

**Outstanding Debt**
(shown in 000's)

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| General obligation bonds | $92,755 | $103,605 | $ | $ | $92,755 | $103,605 |
| Solid waste disposal loans | | | 11,168 | 6,490 | 11,168 | 6,490 |
| Capital leases payable | 1,463 | 1,465 | | | 1,463 | 1,465 |
| Total | $94,218 | $105,070 | $11,168 | $6,490 | $105,386 | $111,560 |

The decrease in governmental activities long-term debt was due to the retirement of $10.85 million of bond principal. In business-type activities, the Borough drew down $4.29 million on the $10.50 million Alaska Department of Environmental Conservation (ADEC) solid waste landfill expansion (cells 3 and 4) loan, and drew down $0.38 million on the $3.50 million ADEC loan for the partial landfill closure.

Additional information on the Borough's long-term debt can be found in Notes 9 and 10 to the financial statements. Information about the Borough's other long-term liabilities can also be found in Note 10 to the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- Of the $20.29 million of school bonds approved by voters in October 2011, the Borough issued $11.50 million in June 2012. Issuance of the remaining authorized bonds is expected the first half of calendar year 2016.

- In October 2013, voters approved two bond propositions totaling $56.55 million for replacement of the Ryan Middle School academic building and for capital improvements to five schools in the Borough. Issuance of some portion of these authorized bonds is expected the first half of calendar year 2016.

- Alyeska Pipeline Service Company has paid tax years 2010 through 2015 taxes under protest (fiscal years 2010-11 through 2015-16), due to the disputed assessed valuation of the TAPS. There is various pending litigation regarding disputed valuations for tax years 2010, 2011, 2013, 2014, and 2015. However, there is a proposed settlement between the various parties to the litigation. In early January 2016, the Borough Assembly authorized the Mayor to enter into settlement agreements. Authorization to enter into settlement agreements is pending for some of the other parties.

  The Borough is required to use the State-set valuation for TAPS in building its budget. These valuations affect mill rate calculations and actual taxes collected from TAPS. If there is no settlement,

there exists a possibility that the Borough may have to refund taxes in the future; said amounts (if any) are unknown at this time and are not quantifiable, but the Borough considers this to be a material financial issue. The TAPS properties represent 8.80 percent of the Borough's total assessed valuation, based on the State's original 2015 assessed value of TAPS properties. This is a decrease from 9.29 percent in tax year 2014, due to a decrease in the State-set valuation for TAPS from $870 million in tax year 2014 to $833 million in tax year 2015. Additional information on the TAPS assessed valuation litigation, related appeals, and the proposed settlement can be found in Note 17. C. to the financial statements.

- In August 2014, Eielson Air Force Base was selected as the preferred location to receive two squadrons of F-35 fighter aircraft, pending an environmental impact statement (EIS) without insurmountable negative factors. Public comment on the draft EIS ended October 2015. This would mean about 2,000 Air Force personnel and dependents would transfer to Eielson. The fighter jets would be scheduled to arrive in 2019.

- The School District is financially dependent on the Borough, although it receives significant funding from the State and federal governments. Maintaining sustainable adequate future funding for the School District is an ongoing issue given changing federal education mandates and reductions based on the State's education foundation formula for school funding, combined with the School District's increasing salaries, benefits, and other costs. The Borough's direct local contribution to the School District has increased $17.3 million (46 percent) over the last ten fiscal years (fiscal year 2005-06 to fiscal year 2015-16). The fiscal year 2015-16 contribution was increased $4.5 million from the original recommended amount.

- In April 2014, the Alaska State Legislature passed SLA 2014 House Bill (HB) 385. In fiscal year 2014-15, the State paid down $1 billion of the PERS defined benefit plan's unfunded liability (a closed plan) and $2 billion of the TRS defined benefit plan's unfunded liability (also a closed plan). However, the bill also extended, by nine years, the amortization period over which employers would pay down the debt. By statute, the required employer contribution is 22 percent of the employee's wages, with the State paying the balance of the actuarially-determined amount. Under the bill, the State's annual payments will be lower, but the total cost to employers will be much greater. For the Borough, an estimated $104 million will be paid in retirement contributions for those additional nine years.

- The State of Alaska's Community Revenue Sharing (CRS) Program has not been fully funded, thus reducing our expected distribution from the fund.

  In fiscal year 2014-15, due to lower than normal state revenues, because of declining oil production and low oil prices, the legislature appropriated $52.0 million to the CRS fund which provided a distribution amount of $57.3 million. The lower appropriation will reduce the CRS fund balance and will affect program payments starting in fiscal year 2015-16.

- The Alaska State Legislature, in SLA 2015 Senate Bill (SB) 64, set a five-year moratorium on State debt reimbursement for newly authorized school project bonds, extending from January 1, 2015 to June 30, 2020. No existing authorizations of the Borough are affected.

- The State of Alaska is facing a profound fiscal crisis due to low oil production and declining oil prices. Up until fiscal year 2014-15, oil royalties and energy taxes have paid for about 90 percent of state functions. Fiscal year 2014-15 saw a State budget shortfall of $2.7 billion. The fiscal year 2015-16 State budget anticipated a $3.5 billion shortfall which was covered by savings. However, oil prices have since declined well below the per barrel price on which the budget was based. The impacts this situation might have on the Borough are not yet known.

## REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Borough's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Financial Services, Fairbanks North Star Borough, 809 Pioneer Road, Fairbanks, Alaska 99701.

# BASIC FINANCIAL STATEMENTS

### Government-wide Financial Statements

The government-wide financial statements consolidate and report on all of the Borough's nonfiduciary financial activities on an accrual basis of accounting. These statements have separate columns for the Borough's governmental activities, its business-type activities, and its component units, the School District and the Interior Gas Utility.

### Fund Financial Statements

The fund financial statements report the Borough's financial position and operations of the governmental funds and proprietary funds, and the financial position of the Borough's fiduciary fund. Governmental funds are accounted for on a modified accrual basis of accounting. Proprietary funds and the fiduciary fund are accounted for on an accrual basis of accounting. In addition, the governmental fund statements are reconciled to the governmental activities columns of the government-wide financial statements.

### Notes to Financial Statements

The notes to the financial statements provide a summary of significant accounting policies and other disclosures required for a fair presentation of the basic financial statements.

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# GOVERNMENT-WIDE FINANCIAL STATEMENTS

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**FAIRBANKS NORTH STAR BOROUGH**

**Statement of Net Position**
**June 30, 2015**

| | Primary Government | |
|---|---|---|
| | Governmental Activities | Business-type Activities |
| **Assets** | | |
| Equity in central treasury cash | $69,853,618 | $27,267,630 |
| Restricted equity in central treasury cash | 47,857,771 | 521,128 |
| Taxes receivable (net of allowance for uncollectibles - $855,112) | 4,366,290 | |
| Restricted taxes receivable | 729,478 | |
| Accounts receivable (net of allowance for uncollectibles - $36,545) | 59,179 | 566,867 |
| Restricted accounts receivable (net of allowance for uncollectibles - $1,519,345) | 571,814 | 3,607 |
| Accrued interest receivable | 23,672 | |
| Restricted accrued interest receivable | 1 | |
| Internal balances (payable from restricted assets: governmental activities - none; business-type activities - $656,949) | 639,403 | (639,403) |
| Due from Borough | | |
| Due from School District | 30,526 | |
| Due from governmental agencies | 117,343 | |
| Restricted due from governmental agencies | 3,514,737 | 805,266 |
| Inventories | | 1,536,484 |
| Other assets | 68,411 | |
| Notes receivable - line of credit | 500,000 | |
| Notes receivable - land sales | 429,325 | |
| Long-term receivables (net of allowance for uncollectibles - $182,250) | | |
| Capital assets (See Note 6) | | |
| Non-depreciable | 264,610,199 | 12,561,628 |
| Depreciable, net of accumulated depreciation | 315,309,147 | 29,311,848 |
| Assets total | 708,680,914 | 71,935,055 |
| **Deferred Outflows of Resources** | | |
| Deferred pensions | 2,788,472 | 146,761 |
| Deferred amount on refunding | 18,926 | |
| Deferred outflows total | 2,807,398 | 146,761 |
| Assets and deferred outflows total | 711,488,312 | 72,081,816 |

See accompanying notes to financial statements.

| Primary Government Totals | Component Units | |
|---|---|---|
| 2015 | School District | Interior Gas Utility |
| $97,121,248 | $26,900,472 | $6,721,738 |
| 48,378,900 | | |
| 4,366,290 | | |
| 729,478 | | |
| 626,046 | 8,706,780 | 24,632 |
| | | |
| 575,421 | | |
| 23,672 | | |
| 1 | | |
| | | |
| | 22,476 | |
| 30,526 | | |
| 117,343 | | |
| 4,320,003 | | |
| 1,536,484 | 906,091 | |
| 68,411 | 199,272 | 4,130 |
| 500,000 | | |
| 429,325 | | |
| | | |
| 277,171,827 | | 12,102,179 |
| 344,620,995 | 4,112,494 | 17,425 |
| 780,615,969 | 40,847,585 | 18,870,104 |
| | | |
| 2,935,233 | 7,679,304 | |
| 18,926 | | |
| 2,954,159 | 7,679,304 | |
| 783,570,128 | 48,526,889 | 18,870,104 |

## FAIRBANKS NORTH STAR BOROUGH

### Statement of Net Position
### June 30, 2015

| | Primary Government | |
|---|---|---|
| | Governmental Activities | Business-type Activities |
| **Liabilities** | | |
| Accounts payable | $6,088,870 | $418,791 |
| Due to Borough | | |
| Due to School District | 12,104 | |
| Wages and payroll taxes | 2,051,464 | 480,264 |
| Payable from restricted assets | | |
| Accounts payable | 1,839,309 | 152,006 |
| Due to School District | 10,372 | |
| Unearned revenues | 686,194 | 860 |
| Deposits from others | 9,888 | |
| Accrued interest payable | 985,251 | 292,097 |
| Deposits from others | 262,429 | |
| Line of credit - Alaska Industrial Development and Export Authority | | |
| Line of credit - Borough | | |
| Long-term liabilities (See Note 10) | | |
| Due within one year | 14,427,418 | 384,457 |
| Due in more than one year | 114,398,997 | 32,981,931 |
| Liabilities total | 140,772,294 | 34,710,406 |
| **Deferred Inflows of Resources** | | |
| Deferred amount on refunding | 31,535 | |
| Advance tax payments | 11,904,837 | |
| Deferred pensions | 3,119,619 | 164,190 |
| Deferred inflows of resources total | 15,055,991 | 164,190 |
| **Net Position** | | |
| Net investment in capital assets | 511,499,665 | 32,443,969 |
| Restricted for | | |
| Employee healthcare and labor relations | 3,171,428 | |
| Grant-funded special programs | 100,426 | |
| Service areas | 21,989,110 | |
| Non-areawide | 3,774,764 | |
| Solid waste collection | 7,500,998 | 20,865 |
| 911 | 2,436,861 | |
| Library special revenue (donor-restricted) | 3,651,071 | |
| Grant-funded capital projects | 4,889,100 | |
| School bond capital projects | 100,693 | |
| Proprietary fund grants and asset replacement | | 499,321 |
| Student allotments | | |
| Unrestricted (deficit) | (3,454,089) | 4,243,065 |
| Total net position (deficit) | $555,660,027 | $37,207,220 |

See accompanying notes to financial statements.

| Primary Government Totals | Component Units | |
|---|---|---|
| 2015 | School District | Interior Gas Utility |
| $6,507,661 | $846,892 | $4,823,887 |
| | 30,526 | |
| 12,104 | | |
| 2,531,728 | 1,885,494 | |
| 1,991,315 | | |
| 10,372 | | |
| 687,054 | 333,938 | |
| 9,888 | | |
| 1,277,348 | | |
| 262,429 | | |
| | | 12,487,219 |
| | | 500,000 |
| 14,811,875 | 7,986,757 | |
| 147,380,927 | 87,312,605 | |
| 175,482,701 | 98,396,212 | 17,811,106 |
| 31,535 | | |
| 11,904,837 | | |
| 3,283,809 | 10,368,062 | |
| 15,220,181 | 10,368,062 | |
| 543,943,634 | 4,112,494 | 729,676 |
| 3,171,428 | | |
| 100,426 | 1,416,525 | |
| 21,989,110 | | |
| 3,774,764 | | |
| 7,521,864 | | |
| 2,436,861 | | |
| 3,651,071 | | |
| 4,889,100 | | |
| 100,693 | | |
| 499,321 | | |
| | 35,108 | |
| 788,976 | (65,801,513) | 329,322 |
| $592,867,246 | ($60,237,386) | $1,058,998 |

## FAIRBANKS NORTH STAR BOROUGH

### Statement of Activities
### For the Year Ended June 30, 2015

| Functions/Programs | Expenses | Indirect Expenses Allocation | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions |
|---|---|---|---|---|---|
| Primary government | | | | | |
| Governmental activities | | | | | |
| General government | $27,563,763 | ($4,064,800) | $1,571,645 | $720,384 | $45,050 |
| Community planning | 1,699,842 | 443 | | 163,973 | 5,889 |
| Public works | 15,018,124 | (1,875,587) | 97,489 | 292,656 | |
| Parks and recreation | 11,059,381 | 18,419 | 1,225,195 | 352,771 | 2,962,000 |
| Library | 8,738,480 | 728 | 95,420 | 378,009 | 2,263,915 |
| Road and other service areas | 8,921,180 | 682,640 | | 26,673 | 6,802,972 |
| Education | 68,814,830 | | | 51,423 | 1,923,105 |
| Emergency operations | 6,547,343 | 669,004 | 1,514,723 | 386,226 | 524,422 |
| Fire service areas | 7,357,282 | 104,308 | | 7,491 | 43,900 |
| Interest on long-term debt | 2,905,221 | | | | |
| Total governmental activities | 158,625,446 | (4,464,845) | 4,504,472 | 2,379,605 | 14,571,254 |
| Business-type activities | | | | | |
| Transit | 11,674,653 | 1,049,704 | 1,027,392 | 5,274,788 | 578,422 |
| Carlson Center | 1,560,940 | 743,086 | | 92,173 | 98,713 |
| Solid waste disposal | 8,572,671 | 945,495 | 9,677,082 | 68,886 | 575,192 |
| Total business-type activities | 21,808,264 | 2,738,284 | 10,704,474 | 5,435,847 | 1,252,326 |
| Total primary government | $180,433,709 | ($1,726,561) | $15,208,946 | $7,815,451 | $15,823,580 |
| Component units | | | | | |
| School District | $268,537,167 | $1,726,561 | $1,655,445 | $81,118,672 | $911,562 |
| Interior Gas Utility | 95,071 | | | 111,061 | |
| Total component units | $268,632,238 | $1,726,561 | $1,655,445 | $81,229,733 | $911,562 |

General revenues
- Property taxes
- Hotel-motel taxes
- Alcoholic beverage taxes
- Tobacco excise taxes
- Grants and contributions not restricted to specific programs
- Foundation program
- Unrestricted other federal and state aid
- Unrestricted investment earnings
- Borough direct appropriation
- Other

Transfers

Total general revenues and transfers

Change in net position

Net position (deficit), beginning, as restated

Net position (deficit), ending

See accompanying notes to financial statements.

| Net (Expense) Revenue and Changes in Net Assets | | | | |
|---|---|---|---|---|
| Primary Government | | | Component Units | |
| Governmental Activities | Business-type Activities | Total 2015 | School District | Interior Gas Utility |
| ($21,161,883) | $ | ($21,161,883) | $ | $ |
| (1,530,423) | | (1,530,423) | | |
| (12,752,392) | | (12,752,392) | | |
| (6,537,835) | | (6,537,835) | | |
| (6,001,863) | | (6,001,863) | | |
| (2,774,176) | | (2,774,176) | | |
| (66,840,302) | | (66,840,302) | | |
| (4,790,977) | | (4,790,977) | | |
| (7,410,199) | | (7,410,199) | | |
| (2,905,221) | | (2,905,221) | | |
| (132,705,270) | | (132,705,270) | | |
| | (5,843,755) | (5,843,755) | | |
| | (2,113,140) | (2,113,140) | | |
| | 802,994 | 802,994 | | |
| | (7,153,900) | (7,153,900) | | |
| (132,705,270) | (7,153,900) | (139,859,170) | | |
| | | | (186,578,049) | |
| | | | | 15,990 |
| | | | (186,578,049) | 15,990 |
| 119,305,799 | | 119,305,799 | | |
| 1,746,676 | | 1,746,676 | | |
| 998,195 | | 998,195 | | |
| 1,470,899 | | 1,470,899 | | |
| 15,064,170 | | 15,064,170 | | |
| | | | 117,696,672 | |
| | | | 23,919,149 | |
| 166,385 | 18,913 | 185,298 | | |
| | | | 49,906,000 | |
| 316,884 | 14,361 | 331,245 | 1,507,611 | 1,893 |
| (7,338,636) | 7,338,636 | | | |
| 131,730,372 | 7,371,910 | 139,102,282 | 193,029,432 | 1,893 |
| (974,898) | 218,010 | (756,888) | 6,451,383 | 17,883 |
| 556,634,925 | 36,989,210 | 593,624,135 | (66,688,768) | 1,041,115 |
| $555,660,027 | $37,207,220 | $592,867,247 | ($60,237,385) | $1,058,998 |

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# FUND FINANCIAL STATEMENTS

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## FAIRBANKS NORTH STAR BOROUGH

### Governmental Funds

### Balance Sheet
### June 30, 2015

| | General | Service Areas | Debt Service |
|---|---|---|---|
| **Assets** | | | |
| Equity in central treasury cash | $53,713,806 | $21,490,065 | $970,153 |
| Taxes receivable (net of allowance for uncollectibles - $855,112) | 4,366,290 | 260,503 | |
| Accounts receivable (net of allowance for uncollectibles - $1,545,641) | 59,179 | | |
| Accrued interest receivable | 23,672 | | |
| Interfund receivable | 12,822,853 | | |
| Due from School District | 30,526 | | |
| Due from governmental agencies | 117,343 | | |
| Other assets | 61,458 | | 739,074 |
| Note receivable - line of credit | 500,000 | | |
| Notes receivable - land sales | 429,325 | | |
| Assets total | $72,124,452 | $21,750,568 | $1,709,227 |
| **Liabilities, Deferred Inflows, and Fund Balances** | | | |
| Liabilities | | | |
| Accounts payable | $2,934,434 | $535,390 | $7,102 |
| Wages and payroll taxes | 1,581,809 | | |
| Accrued self-insurance losses | 1,018,241 | | |
| Interfund payables | | 30,325 | |
| Due to School District | 7,210 | | |
| Deposits from others | 262,428 | | |
| Unearned revenues | 98,915 | | |
| Liabilities total | 5,903,037 | 565,715 | 7,102 |
| Deferred inflows of resources | | | |
| Unavailable revenues | 4,300,699 | 249,238 | |
| Advance tax payments | 11,904,837 | | |
| Deferred inflows of resources total | 16,205,536 | 249,238 | |
| Fund balances (deficit) | | | |
| Restricted | 231,448 | 20,935,615 | |
| Committed | 22,669,536 | | 1,702,124 |
| Assigned | 5,063,014 | | |
| Unassigned | 22,051,880 | | |
| Fund balances (deficit) total | 50,015,879 | 20,935,615 | 1,702,124 |
| Liabilities, deferred inflows, and fund balances (deficit) total | $72,124,452 | $21,750,568 | $1,709,227 |

See accompanying notes to financial statements.

| Bond Capital Projects | Local Capital Projects | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|
| $184,459 | $16,287,945 | $24,148,962 | $116,795,390 |
| | 740 | 468,236 | 5,095,768 |
| | | 571,814 | 630,993 |
| 1 | | | 23,673 |
| | | 113,881 | 12,936,734 |
| | | | 30,526 |
| | | 3,514,737 | 3,632,080 |
| | | | 800,532 |
| | | | 500,000 |
| | | | 429,325 |
| $184,460 | $16,288,685 | $28,817,629 | $140,875,021 |
| $2,919,527 | $199,320 | $1,228,101 | $7,823,874 |
| | | | 1,581,809 |
| | | | 1,018,241 |
| 9,583,239 | 83,556 | 2,520,523 | 12,217,643 |
| | 4,895 | 10,372 | 22,476 |
| | | 9,888 | 272,316 |
| | | 686,194 | 785,109 |
| 12,502,766 | 287,771 | 4,455,077 | 23,721,469 |
| | 657 | 752,469 | 5,303,062 |
| | | | 11,904,837 |
| | 657 | 752,469 | 17,207,899 |
| | 4,149,549 | 21,468,221 | 46,784,833 |
| | 11,850,708 | 2,141,862 | 38,364,231 |
| | | | 5,063,014 |
| (12,318,306) | | | 9,733,574 |
| (12,318,306) | 16,000,257 | 23,610,083 | 99,945,653 |
| $184,460 | $16,288,685 | $28,817,629 | $140,875,021 |

(Continued)

**FAIRBANKS NORTH STAR BOROUGH**

**Governmental Funds**

**Reconciliation of Balance Sheet**
**to the Statement of Net Position**
**June 30, 2015**

| | | |
|---|---|---|
| Fund balances - total governmental funds | | $ 99,945,653 |
| Amounts reported for governmental activities in the statement of net position are different because | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | |
| Capital assets cost | $ 854,191,308 | |
| Less accumulated depreciation | (278,180,303) | |
| | | 576,011,005 |
| Some long-term assets are not available to pay for current period expenditures and, therefore, are classified as deferred inflows of resources. | | |
| Deferred refunding on bonds | | (31,535) |
| Deferred pensions | | (3,119,619) |
| An internal service fund is used by management to charge the costs of vehicle and equipment fleet acquisitions and financing to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. | | 3,177,440 |
| Earned revenues that are not available to pay current period expenditures reduce revenues in the funds or are classified as deferred inflows of resources. | | 5,401,977 |
| Some liabilities, and related deferred outflows of resources, are not due and payable in the current period and, therefore, are not reported in the funds. | | |
| General obligation bonds payable | (92,755,000) | |
| Premiums on bonds | (4,148,388) | |
| Deferred refunding on bonds | 18,926 | |
| Deferred pensions | 2,788,472 | |
| Net pension liability | (27,001,727) | |
| Accrued interest payable on bonds | (985,251) | |
| Accrued compensated absences | (2,909,805) | |
| Other payables | (732,121) | |
| | | (125,724,894) |
| Net position of governmental activities | | $555,660,027 |

See accompanying notes to financial statements.

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**FAIRBANKS NORTH STAR BOROUGH**

**Governmental Funds**

**Statement of Revenues, Expenditures and Changes in Fund Balances**
**Year Ended June 30, 2015**

| | General | Service Areas | Debt Service |
|---|---|---|---|
| Revenues | | | |
| Taxes | $99,793,554 | $12,257,362 | $ |
| Intergovernmental revenues | 14,986,190 | | |
| Charges for services | 2,052,863 | | |
| Land sales and interest on land notes receivable | 142,266 | | |
| Other revenues | 1,235,621 | 132,000 | |
| Revenues total | 118,210,494 | 12,389,362 | |
| Expenditures | | | |
| Current | | | |
| General government | 20,437,293 | | |
| Community planning | 1,584,309 | | |
| Public works | 6,186,741 | | |
| Parks and recreation | 7,498,497 | | |
| Library | 5,662,825 | | |
| Road and other service areas | | 3,738,092 | |
| Education | 49,906,000 | | |
| Emergency operations | 1,864,497 | | |
| Fire service areas | | 6,811,710 | |
| Capital outlay | 524,584 | | |
| Debt service | | | |
| Principal retirement | | | 10,850,000 |
| Interest and other debt service costs | | | 4,090,506 |
| Expenditures total | 93,664,747 | 10,549,801 | 14,940,506 |
| Excess (deficiency) of revenues over expenditures | 24,545,747 | 1,839,560 | (14,940,506) |
| Other financing sources (uses) | | | |
| Transfers in | 347,943 | 344,959 | 15,580,800 |
| Transfers out | (26,840,781) | (707,043) | |
| Other financing sources (uses) total | (26,492,838) | (362,084) | 15,580,800 |
| Net change in fund balances | (1,947,091) | 1,477,476 | 640,294 |
| Fund balances (deficit), beginning | 51,962,970 | 19,458,139 | 1,061,830 |
| Fund balances (deficit), ending | $50,015,879 | $20,935,615 | $1,702,124 |

See accompanying notes to financial statements.

| Bond Capital Projects | Local Capital Projects | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|
| $ | $13,374 | $10,151,941 | $122,216,230 |
| | 469,380 | 13,593,824 | 29,049,395 |
| | | 2,437,125 | 4,489,989 |
| | | | 142,266 |
| 17 | 800,001 | 591,774 | 2,759,412 |
| 17 | 1,282,755 | 26,774,665 | 158,657,291 |
| | 46,914 | 1,564,700 | 22,048,907 |
| | | 77,995 | 1,662,304 |
| | 723,799 | 6,352,484 | 13,263,024 |
| | 1,513,701 | 9,926 | 9,022,124 |
| | 14,836 | 2,159,088 | 7,836,749 |
| | 463,139 | 5,394,958 | 9,596,189 |
| 6,499,027 | (32,077) | 500,956 | 56,873,906 |
| | 6,941 | 4,715,317 | 6,586,754 |
| | 219,319 | 44,115 | 7,075,144 |
| 4,672,637 | 2,419,972 | 7,432,374 | 15,049,567 |
| | | | 10,850,000 |
| | | | 4,090,506 |
| 11,171,665 | 5,376,543 | 28,251,912 | 163,955,174 |
| (11,171,648) | (4,093,788) | (1,477,247) | (5,297,883) |
| | 6,652,233 | 2,506,954 | 25,432,889 |
| | (4,365,578) | (858,123) | (32,771,525) |
| | 2,286,655 | 1,648,832 | (7,338,636) |
| (11,171,648) | (1,807,133) | 171,584 | (12,636,518) |
| (1,146,659) | 17,807,390 | 23,438,499 | 112,582,171 |
| ($12,318,306) | $16,000,257 | $23,610,083 | $99,945,653 |

(Continued)

## FAIRBANKS NORTH STAR BOROUGH

### Governmental Funds

### Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances To the Statement of Activities For the Year Ended June 30, 2015

| | | |
|---|---|---|
| Net change in fund balances - total governmental funds | | ($12,636,518) |
| Amounts reported for governmental activities in the statement of activities are different because | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period. | | |
| Capital outlay | $15,049,567 | |
| Depreciation expense | (16,103,996) | |
| | | (1,054,429) |
| The net effect of other transactions involving capital assets (i.e., dispositions, trade-ins, donations and transfers to/from other funds) is to increase (decrease) net position. | | (215,751) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | 6,471,474 |
| Tax revenues that were reported as resources in the funds but were earned in prior fiscal years are not reported in the statement of activities. | | (4,737,382) |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. | | |
| Deferred bond issuance costs | (6,046) | |
| Debt principal payments | 10,850,000 | |
| Accrued interest and amortization | 1,239,796 | |
| | | 12,083,750 |
| Some expenses reported in the statement of activities do not require the use of current financial resources (i.e., compensated absences, net pension liability), and therefore, are not reported as expenditures in governmental funds. | | (1,006,289) |
| An internal service fund is used by management to charge the cost of vehicle and equipment fleet acquisition and financing to individual funds. The change in net position of the internal service fund is reported with governmental activities. | | 137,913 |
| The internal service fund lookback adjustment results in a balance between governmental and business-type activities. | | (17,666) |
| Change in net position of governmental activities | | ($974,898) |

See accompanying notes to financial statements.

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**FAIRBANKS NORTH STAR BOROUGH**

**General Fund - Operating**

**Statement of Revenues and Expenditures**
**Budget and Actual**
**Year Ended June 30, 2015**

| | Budgeted Amounts | | Actual on Budgetary Basis | Variance from Final Budget-Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | | | | |
| Property tax | $94,777,930 | $94,777,930 | $94,142,162 | ($635,768) |
| Hotel-motel tax | 1,800,000 | 1,800,000 | 1,735,740 | (64,260) |
| Alcoholic beverage tax | 1,075,000 | 1,075,000 | 995,277 | (79,723) |
| Tobacco excise tax | 1,450,000 | 1,450,000 | 1,469,443 | 19,443 |
| Interest and penalties on taxes | 536,100 | 536,100 | 579,879 | 43,779 |
| Payment in lieu of taxes for privatized military housing | 1,392,800 | 1,392,800 | 871,053 | (521,747) |
| Taxes total | 101,031,830 | 101,031,830 | 99,793,554 | (1,238,276) |
| Intergovernmental revenues | | | | |
| State of Alaska | | | | |
| Aid for school construction | 10,732,000 | 10,732,000 | 9,732,470 | (999,530) |
| Aid to local government | 3,710,625 | 3,710,625 | 3,710,625 | |
| Other shared revenue and assistance | 470,500 | 470,500 | 871,794 | 401,294 |
| Federal government | | | | |
| Payment in lieu of taxes | | | 399,833 | 399,833 |
| Aid for debt service | 216,120 | 216,120 | 200,469 | (15,651) |
| Grants | 60,000 | 71,000 | 71,000 | |
| Intergovernmental revenues total | 15,189,245 | 15,200,245 | 14,986,190 | (214,055) |
| Charges for services | 2,254,170 | 2,254,170 | 1,936,455 | (317,715) |
| Charges to School District | 1,999,300 | 1,999,300 | 1,726,561 | (272,739) |
| Other revenues | | | | |
| Charges to other funds | 4,539,430 | 4,539,430 | 4,439,194 | (100,236) |
| Investment income, including net unrealized investment gains/losses | 153,070 | 153,070 | 161,357 | 8,287 |
| Indirect charges to grants | 1,171,120 | 1,171,120 | 904,576 | (266,544) |
| Various | 125,000 | 127,030 | 146,645 | 19,615 |
| Other revenues total | 5,988,620 | 5,990,650 | 5,651,773 | (338,877) |
| Revenues total | 126,463,165 | 126,476,195 | 124,094,532 | (2,381,663) |

See accompanying notes to financial statements.

(Continued)

**FAIRBANKS NORTH STAR BOROUGH**

**General Fund - Operating**

**Statement of Revenues and Expenditures**
**Budget and Actual**
**Year Ended June 30, 2015**

| | Budgeted Amounts | | Actual on Budgetary Basis | Variance from Final Budget-Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| Expenditures | | | | |
| Current | | | | |
| General government | | | | |
| Non-departmental | $677,200 | $336,700 | $233,521 | $103,179 |
| Mayor | 969,970 | 965,453 | 901,969 | 63,484 |
| Assembly | 1,754,610 | 1,770,323 | 1,690,551 | 79,772 |
| Legal | 1,259,360 | 1,799,911 | 1,748,949 | 50,961 |
| Computer services | 4,631,600 | 4,513,845 | 4,471,927 | 41,918 |
| Financial services | 4,380,938 | 4,368,707 | 3,761,859 | 606,849 |
| Assessing | 3,364,190 | 3,343,912 | 3,038,463 | 305,449 |
| General services | 2,041,300 | 2,034,797 | 1,889,805 | 144,992 |
| Human resources | 3,454,490 | 3,438,065 | 3,238,089 | 199,975 |
| General government total | 22,533,658 | 22,571,714 | 20,975,134 | 1,596,581 |
| Community planning | 1,898,580 | 1,891,868 | 1,555,753 | 336,114 |
| Public works | 8,933,890 | 8,933,050 | 8,353,040 | 580,010 |
| Parks and recreation | 7,588,490 | 7,714,703 | 7,357,178 | 357,524 |
| Library | 5,687,090 | 5,634,426 | 5,360,380 | 274,047 |
| Education | 49,906,000 | 49,906,000 | 49,906,000 | |
| Emergency operations | 2,158,290 | 2,154,067 | 1,865,067 | 289,000 |
| Capital outlay | 712,690 | 973,253 | 956,106 | 17,147 |
| Expenditures total | 99,418,688 | 99,779,080 | 96,328,657 | 3,450,422 |

See accompanying notes to financial statements.

(Continued)

**FAIRBANKS NORTH STAR BOROUGH**

**General Fund - Operating**

**Statement of Revenues and Expenditures**
**Budget and Actual**
**Year Ended June 30, 2015**

| | Budgeted Amounts | | Actual on Budgetary Basis | Variance from Final Budget-Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| Excess (deficiency) of revenues over expenditures | $27,044,477 | $26,697,115 | $27,765,875 | $1,068,760 |
| Other financing sources (uses) | | | | |
| Transfers in | | | | |
| Capital projects funds | | | 3,943 | 3,943 |
| General fund - multi-year | 495,000 | 528,883 | 593,883 | 65,000 |
| Transfers out | | | | |
| Special revenue funds | (218,432) | (188,060) | (186,509) | 1,551 |
| Debt service fund | (15,580,800) | (15,580,800) | (15,580,800) | |
| Capital projects funds | (180,000) | (3,868,154) | (3,868,154) | |
| Enterprise funds | (6,181,820) | (7,203,540) | (7,203,540) | |
| General fund - multi-year | (1,760,000) | (3,250,182) | (3,250,182) | |
| Other financing sources (uses) total | (23,426,052) | (29,561,853) | (29,491,359) | 70,494 |
| Net change in fund balance | $3,618,425 | ($2,864,738) | ($1,725,484) | $1,139,254 |

See accompanying notes to financial statements.

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Statement of Revenues and Expenditures**
**Budget and Actual**
**Year Ended June 30, 2015**

| | Budgeted Amounts | | Actual on Budgetary Basis | Variance from Final Budget-Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| Air Park | | | | |
| Total revenues and transfers in | $10 | $10 | $2 | ($8) |
| Total expenditures and transfers out | $530 | $5,063 | $5,063 | $ |
| Airway | | | | |
| Total revenues and transfers in | $14,210 | $14,210 | $14,183 | ($27) |
| Total expenditures and transfers out | $66,533 | $66,533 | $10,340 | $56,193 |
| Arctic Fox | | | | |
| Total revenues and transfers in | $5,750 | $5,750 | $5,643 | ($107) |
| Total expenditures and transfers out | $41,171 | $41,171 | $1,828 | $39,343 |
| Aztec | | | | |
| Total revenues and transfers in | $27,230 | $27,230 | $27,192 | ($38) |
| Total expenditures and transfers out | $134,146 | $130,146 | $43,476 | $86,670 |
| Ballaine Lake Sewer & Water | | | | |
| Total revenues and transfers in | $30,640 | $30,640 | $30,248 | ($392) |
| Total expenditures and transfers out | $112,754 | $108,754 | $37,394 | $71,361 |
| Bear's Den Road | | | | |
| Total revenues and transfers in | $540 | $540 | $490 | ($50) |
| Total expenditures and transfers out | $540 | $540 | $539 | $1 |
| Becker Ridge | | | | |
| Total revenues and transfers in | $129,780 | $129,780 | $129,658 | ($122) |
| Total expenditures and transfers out | $253,677 | $322,677 | $216,996 | $105,681 |
| Birch Hill | | | | |
| Total revenues and transfers in | $137,510 | $137,510 | $138,069 | $559 |
| Total expenditures and transfers out | $495,349 | $495,349 | $80,622 | $414,726 |
| Bluebird Road | | | | |
| Total revenues and transfers in | $8,310 | $8,310 | $8,319 | $9 |
| Total expenditures and transfers out | $47,112 | $47,112 | $3,437 | $43,676 |

See accompanying notes to financial statements.

(Continued)

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Statement of Revenues and Expenditures**
**Budget and Actual**
**Year Ended June 30, 2015**

| | Budgeted Amounts | | Actual on Budgetary Basis | Variance from Final Budget-Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| Borda Road | | | | |
| Total revenues and transfers in | $31,910 | $31,910 | $31,944 | $34 |
| Total expenditures and transfers out | $183,228 | $183,228 | $31,387 | $151,841 |
| Brookside | | | | |
| Total revenues and transfers in | $9,310 | $9,310 | $9,494 | $184 |
| Total expenditures and transfers out | $30,012 | $50,012 | $16,851 | $33,160 |
| Chena Goldstream Volunteer Fire | | | | |
| Total revenues and transfers in | $1,533,540 | $1,533,540 | $1,535,407 | $1,867 |
| Total expenditures and transfers out | $2,832,258 | $2,903,100 | $1,181,082 | $1,722,018 |
| Chena Hills Road | | | | |
| Total revenues and transfers in | $112,390 | $112,390 | $115,528 | $3,138 |
| Total expenditures and transfers out | $145,144 | $179,144 | $147,395 | $31,749 |
| Chena Hot Springs II | | | | |
| Total revenues and transfers in | $ | $ | $3 | $3 |
| Total expenditures and transfers out | $109 | $109 | $ | $109 |
| Chena Marina | | | | |
| Total revenues and transfers in | $28,640 | $28,640 | $45,468 | $16,828 |
| Total expenditures and transfers out | $40,573 | $85,573 | $62,347 | $23,226 |
| Chena Point Road | | | | |
| Total revenues and transfers in | $144,260 | $144,260 | $142,981 | ($1,279) |
| Total expenditures and transfers out | $193,431 | $193,431 | $68,810 | $124,621 |
| Chena Spur | | | | |
| Total revenues and transfers in | $49,530 | $49,530 | $49,385 | ($145) |
| Total expenditures and transfers out | $176,323 | $176,323 | $79,694 | $96,629 |
| Cleary Summit | | | | |
| Total revenues and transfers in | $ | $ | $ | $ |
| Total expenditures and transfers out | $ | $713 | $705 | $9 |

See accompanying notes to financial statements.

(Continued)

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Statement of Revenues and Expenditures**
**Budget and Actual**
**Year Ended June 30, 2015**

| | Budgeted Amounts | | Actual on Budgetary Basis | Variance from Final Budget-Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| College | | | | |
| Total revenues and transfers in | $464,940 | $464,940 | $463,650 | ($1,290) |
| Total expenditures and transfers out | $3,115,269 | $3,115,269 | $507,543 | $2,607,726 |
| College Hills | | | | |
| Total revenues and transfers in | $28,880 | $28,880 | $28,530 | ($350) |
| Total expenditures and transfers out | $75,140 | $75,140 | $27,921 | $47,219 |
| Cooper Estates | | | | |
| Total revenues and transfers in | $32,240 | $32,240 | $39,549 | $7,309 |
| Total expenditures and transfers out | $153,048 | $153,048 | $27,142 | $125,906 |
| Cordes Drive | | | | |
| Total revenues and transfers in | $28,650 | $28,650 | $28,807 | $157 |
| Total expenditures and transfers out | $51,387 | $56,387 | $39,661 | $16,726 |
| Cripple Creek | | | | |
| Total revenues and transfers in | $80,420 | $80,420 | $82,008 | $1,588 |
| Total expenditures and transfers out | $273,588 | $273,588 | $57,735 | $215,853 |
| Deep Forest | | | | |
| Total revenues and transfers in | $25,940 | $25,940 | $25,965 | $25 |
| Total expenditures and transfers out | $77,785 | $77,785 | $11,309 | $66,476 |
| Diane Subdivision | | | | |
| Total revenues and transfers in | $3,930 | $3,930 | $33,398 | $29,468 |
| Total expenditures and transfers out | $23,735 | $23,735 | $2,359 | $21,376 |
| Drake Estates | | | | |
| Total revenues and transfers in | $9,040 | $9,040 | $8,899 | ($141) |
| Total expenditures and transfers out | $16,650 | $36,650 | $24,427 | $12,223 |
| Edanella Heights Road | | | | |
| Total revenues and transfers in | $47,680 | $47,680 | $48,721 | $1,041 |
| Total expenditures and transfers out | $61,866 | $61,866 | $31,660 | $30,206 |

See accompanying notes to financial statements.

(Continued)

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Statement of Revenues and Expenditures**
**Budget and Actual**
**Year Ended June 30, 2015**

| | Budgeted Amounts | | Actual on Budgetary Basis | Variance from Final Budget-Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| Ester Lump Road | | | | |
| Total revenues and transfers in | $36,500 | $36,500 | $36,060 | ($440) |
| Total expenditures and transfers out | $100,104 | $148,104 | $84,388 | $63,716 |
| Ester Volunteer Fire | | | | |
| Total revenues and transfers in | $466,780 | $466,780 | $469,847 | $3,067 |
| Total expenditures and transfers out | $615,186 | $616,036 | $415,279 | $200,757 |
| Fairfields | | | | |
| Total revenues and transfers in | $17,700 | $17,700 | $17,764 | $64 |
| Total expenditures and transfers out | $90,588 | $90,588 | $9,388 | $81,200 |
| Fairhill | | | | |
| Total revenues and transfers in | $12,390 | $12,390 | $12,178 | ($212) |
| Total expenditures and transfers out | $36,866 | $36,866 | $6,067 | $30,799 |
| Fairwest | | | | |
| Total revenues and transfers in | $25,870 | $25,870 | $25,932 | $62 |
| Total expenditures and transfers out | $226,986 | $251,986 | $13,469 | $238,516 |
| Garden | | | | |
| Total revenues and transfers in | $46,570 | $46,570 | $46,614 | $44 |
| Total expenditures and transfers out | $278,978 | $278,978 | $33,495 | $245,483 |
| Golden Valley Road | | | | |
| Total revenues and transfers in | $18,390 | $18,390 | $18,667 | $277 |
| Total expenditures and transfers out | $18,390 | $18,390 | $16,480 | $1,910 |
| Goldstream Alaska | | | | |
| Total revenues and transfers in | $30,860 | $30,860 | $30,849 | ($11) |
| Total expenditures and transfers out | $67,860 | $112,860 | $69,118 | $43,742 |
| Goldstream Moose Creek | | | | |
| Total revenues and transfers in | $63,460 | $63,460 | $71,426 | $7,966 |
| Total expenditures and transfers out | $77,575 | $100,223 | $89,131 | $11,092 |

See accompanying notes to financial statements.

(Continued)

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Statement of Revenues and Expenditures**
**Budget and Actual**
**Year Ended June 30, 2015**

| | Budgeted Amounts | | Actual on Budgetary Basis | Variance from Final Budget-Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| Gordon | | | | |
| Total revenues and transfers in | $60,870 | $60,870 | $60,979 | $109 |
| Total expenditures and transfers out | $364,900 | $364,900 | $57,241 | $307,658 |
| Granola Estates | | | | |
| Total revenues and transfers in | $7,160 | $7,160 | $6,204 | ($956) |
| Total expenditures and transfers out | $42,594 | $42,594 | $6,277 | $36,316 |
| Grieme Road | | | | |
| Total revenues and transfers in | $24,140 | $24,140 | $24,418 | $278 |
| Total expenditures and transfers out | $117,410 | $117,410 | $14,217 | $103,193 |
| Haystack | | | | |
| Total revenues and transfers in | $44,920 | $44,920 | $45,547 | $627 |
| Total expenditures and transfers out | $70,505 | $70,505 | $44,909 | $25,596 |
| Herning Hills | | | | |
| Total revenues and transfers in | $30,360 | $30,360 | $30,247 | ($113) |
| Total expenditures and transfers out | $66,511 | $66,511 | $30,290 | $36,221 |
| Hopeless | | | | |
| Total revenues and transfers in | $25,960 | $25,960 | $25,733 | ($227) |
| Total expenditures and transfers out | $73,010 | $71,610 | $32,900 | $38,710 |
| Horseshoe Downs | | | | |
| Total revenues and transfers in | $25,850 | $25,850 | $25,211 | ($639) |
| Total expenditures and transfers out | $40,805 | $40,805 | $19,960 | $20,846 |
| Jennifer Drive | | | | |
| Total revenues and transfers in | $6,420 | $6,420 | $6,420 | $ |
| Total expenditures and transfers out | $10,897 | $15,897 | $8,273 | $7,624 |
| Jones Road | | | | |
| Total revenues and transfers in | $73,890 | $73,890 | $73,684 | ($206) |
| Total expenditures and transfers out | $199,338 | $199,338 | $73,583 | $125,755 |

See accompanying notes to financial statements.

(Continued)

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Statement of Revenues and Expenditures**
**Budget and Actual**
**Year Ended June 30, 2015**

| | Budgeted Amounts | | Actual on Budgetary Basis | Variance from Final Budget-Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| Joy Road | | | | |
| Total revenues and transfers in | $9,180 | $9,180 | $9,522 | $342 |
| Total expenditures and transfers out | $37,859 | $37,848 | $9,233 | $28,615 |
| Keeney Road | | | | |
| Total revenues and transfers in | $2,360 | $2,360 | $2,363 | $3 |
| Total expenditures and transfers out | $13,973 | $13,973 | $1,193 | $12,780 |
| Kendall | | | | |
| Total revenues and transfers in | $12,890 | $12,890 | $12,607 | ($283) |
| Total expenditures and transfers out | $93,911 | $92,011 | $21,673 | $70,338 |
| Keystone | | | | |
| Total revenues and transfers in | $17,590 | $17,590 | $16,982 | ($608) |
| Total expenditures and transfers out | $70,456 | $70,456 | $5,227 | $65,229 |
| Kris Kringle | | | | |
| Total revenues and transfers in | $15,490 | $15,490 | $15,500 | $10 |
| Total expenditures and transfers out | $104,022 | $104,022 | $6,697 | $97,325 |
| Lakloey Hill | | | | |
| Total revenues and transfers in | $41,230 | $41,230 | $43,307 | $2,077 |
| Total expenditures and transfers out | $143,944 | $143,944 | $30,633 | $113,311 |
| Lee Lane | | | | |
| Total revenues and transfers in | $7,650 | $7,650 | $7,993 | $343 |
| Total expenditures and transfers out | $23,827 | $23,827 | $1,911 | $21,916 |
| Loose Moose | | | | |
| Total revenues and transfers in | $7,100 | $7,100 | $7,087 | ($13) |
| Total expenditures and transfers out | $14,551 | $17,551 | $9,052 | $8,499 |
| Martin | | | | |
| Total revenues and transfers in | $42,090 | $42,090 | $40,267 | ($1,823) |
| Total expenditures and transfers out | $113,598 | $113,598 | $41,450 | $72,149 |

See accompanying notes to financial statements.

(Continued)

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Statement of Revenues and Expenditures**
**Budget and Actual**
**Year Ended June 30, 2015**

| | Budgeted Amounts | | Actual on Budgetary Basis | Variance from Final Budget-Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| McCloud | | | | |
| Total revenues and transfers in | $27,960 | $27,960 | $27,192 | ($768) |
| Total expenditures and transfers out | $141,362 | $151,362 | $35,921 | $115,441 |
| McGrath Estates | | | | |
| Total revenues and transfers in | $77,830 | $77,830 | $77,705 | ($125) |
| Total expenditures and transfers out | $250,584 | $250,584 | $65,424 | $185,160 |
| McKinley View | | | | |
| Total revenues and transfers in | $7,890 | $7,890 | $7,908 | $18 |
| Total expenditures and transfers out | $37,490 | $37,490 | $2,506 | $34,983 |
| Mellow Woods Road | | | | |
| Total revenues and transfers in | $17,330 | $17,330 | $17,031 | ($299) |
| Total expenditures and transfers out | $110,394 | $110,394 | $11,774 | $98,621 |
| Miller Hill Extension | | | | |
| Total revenues and transfers in | $67,970 | $67,970 | $93,644 | $25,674 |
| Total expenditures and transfers out | $167,979 | $190,979 | $90,142 | $100,837 |
| Moose Creek | | | | |
| Total revenues and transfers in | $17,160 | $17,160 | $17,047 | ($113) |
| Total expenditures and transfers out | $50,504 | $47,504 | $26,630 | $20,874 |
| Moose Meadows | | | | |
| Total revenues and transfers in | $82,890 | $82,890 | $233,541 | $150,651 |
| Total expenditures and transfers out | $259,068 | $249,068 | $90,970 | $158,098 |
| Mt. View | | | | |
| Total revenues and transfers in | $28,840 | $28,840 | $43,735 | $14,895 |
| Total expenditures and transfers out | $119,809 | $116,809 | $22,452 | $94,357 |
| Murphy | | | | |
| Total revenues and transfers in | $16,290 | $56,290 | $56,365 | $75 |
| Total expenditures and transfers out | $30,113 | $80,113 | $66,392 | $13,720 |

See accompanying notes to financial statements.

(Continued)

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Statement of Revenues and Expenditures**
**Budget and Actual**
**Year Ended June 30, 2015**

| | Budgeted Amounts | | Actual on Budgetary Basis | Variance from Final Budget-Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| Musk Ox | | | | |
| Total revenues and transfers in | $39,420 | $39,420 | $39,416 | ($4) |
| Total expenditures and transfers out | $86,668 | $86,668 | $32,246 | $54,422 |
| Newby Park | | | | |
| Total revenues and transfers in | $18,460 | $18,460 | $18,272 | ($188) |
| Total expenditures and transfers out | $34,225 | $34,225 | $17,830 | $16,395 |
| North Ridge | | | | |
| Total revenues and transfers in | $14,440 | $14,440 | $14,456 | $16 |
| Total expenditures and transfers out | $14,440 | $59,194 | $51,058 | $8,136 |
| North Star Volunteer Fire | | | | |
| Total revenues and transfers in | $1,923,720 | $1,923,720 | $1,973,737 | $50,017 |
| Total expenditures and transfers out | $2,107,192 | $2,107,192 | $1,839,982 | $267,210 |
| O'Connor Creek | | | | |
| Total revenues and transfers in | $131,610 | $131,610 | $131,279 | ($331) |
| Total expenditures and transfers out | $334,621 | $434,621 | $109,712 | $324,908 |
| Old Wood Road | | | | |
| Total revenues and transfers in | $15,550 | $15,550 | $15,567 | $17 |
| Total expenditures and transfers out | $60,429 | $60,429 | $15,547 | $44,882 |
| Our | | | | |
| Total revenues and transfers in | $4,800 | $4,800 | $4,809 | $9 |
| Total expenditures and transfers out | $17,080 | $17,080 | $3,118 | $13,962 |
| Parksridge | | | | |
| Total revenues and transfers in | $14,380 | $14,380 | $14,512 | $132 |
| Total expenditures and transfers out | $33,549 | $33,549 | $9,370 | $24,179 |
| Peede Country Estates | | | | |
| Total revenues and transfers in | $9,170 | $9,170 | $9,176 | $6 |
| Total expenditures and transfers out | $42,637 | $42,637 | $6,408 | $36,229 |

See accompanying notes to financial statements.

(Continued)

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Statement of Revenues and Expenditures**
**Budget and Actual**
**Year Ended June 30, 2015**

| | Budgeted Amounts | | Actual on Budgetary Basis | Variance from Final Budget-Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| Pine Stream | | | | |
| Total revenues and transfers in | $33,270 | $33,270 | $33,085 | ($185) |
| Total expenditures and transfers out | $162,649 | $162,649 | $26,374 | $136,275 |
| Pleasureland | | | | |
| Total revenues and transfers in | $8,620 | $8,620 | $8,935 | $315 |
| Total expenditures and transfers out | $43,158 | $43,158 | $6,795 | $36,363 |
| Polar Heights | | | | |
| Total revenues and transfers in | $21,210 | $21,210 | $21,633 | $423 |
| Total expenditures and transfers out | $68,159 | $68,159 | $23,422 | $44,737 |
| Potlatch | | | | |
| Total revenues and transfers in | $14,450 | $14,450 | $15,065 | $615 |
| Total expenditures and transfers out | $47,024 | $47,024 | $7,338 | $39,686 |
| Prospect Park | | | | |
| Total revenues and transfers in | $8,660 | $8,660 | $8,674 | $14 |
| Total expenditures and transfers out | $48,786 | $48,786 | $4,131 | $44,654 |
| Reed Acres Road | | | | |
| Total revenues and transfers in | $10,240 | $10,240 | $10,352 | $112 |
| Total expenditures and transfers out | $77,444 | $71,444 | $35,199 | $36,245 |
| Ridgecrest | | | | |
| Total revenues and transfers in | $2,880 | $2,880 | $2,875 | ($5) |
| Total expenditures and transfers out | $3,720 | $3,720 | $2,207 | $1,513 |
| Salchaket Heights | | | | |
| Total revenues and transfers in | $5,110 | $5,110 | $5,043 | ($67) |
| Total expenditures and transfers out | $16,646 | $16,646 | $3,049 | $13,597 |
| Scenic Heights | | | | |
| Total revenues and transfers in | $21,340 | $21,340 | $21,337 | ($3) |
| Total expenditures and transfers out | $98,769 | $98,769 | $14,352 | $84,417 |

See accompanying notes to financial statements.

(Continued)

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Statement of Revenues and Expenditures**
**Budget and Actual**
**Year Ended June 30, 2015**

| | Budgeted Amounts | | Actual on Budgetary Basis | Variance from Final Budget-Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| Seavy | | | | |
| Total revenues and transfers in | $11,050 | $11,050 | $11,054 | $4 |
| Total expenditures and transfers out | $74,942 | $68,942 | $17,357 | $51,585 |
| Secluded Acres | | | | |
| Total revenues and transfers in | $17,660 | $17,660 | $17,653 | ($7) |
| Total expenditures and transfers out | $17,660 | $17,077 | $10,293 | $6,784 |
| Serendipity Hill | | | | |
| Total revenues and transfers in | $7,400 | $7,400 | $7,407 | $7 |
| Total expenditures and transfers out | $49,394 | $49,394 | $4,663 | $44,731 |
| Six Mile Village Road | | | | |
| Total revenues and transfers in | $9,670 | $9,670 | $9,444 | ($226) |
| Total expenditures and transfers out | $57,088 | $57,088 | $8,741 | $48,346 |
| Smallwood Trail Road | | | | |
| Total revenues and transfers in | $7,690 | $7,690 | $7,698 | $8 |
| Total expenditures and transfers out | $42,145 | $42,145 | $2,077 | $40,068 |
| Smith Ranch | | | | |
| Total revenues and transfers in | $8,910 | $8,910 | $8,896 | ($14) |
| Total expenditures and transfers out | $58,910 | $96,063 | $64,245 | $31,818 |
| Spring Glade | | | | |
| Total revenues and transfers in | $52,180 | $52,180 | $51,862 | ($318) |
| Total expenditures and transfers out | $126,151 | $126,151 | $64,014 | $62,137 |
| Spruce Acres | | | | |
| Total revenues and transfers in | $7,380 | $7,380 | $7,344 | ($36) |
| Total expenditures and transfers out | $38,968 | $38,968 | $3,353 | $35,615 |
| Steamboat Landing | | | | |
| Total revenues and transfers in | $19,850 | $19,850 | $25,223 | $5,373 |
| Total expenditures and transfers out | $57,074 | $57,074 | $13,864 | $43,210 |

See accompanying notes to financial statements.

(Continued)

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Statement of Revenues and Expenditures**
**Budget and Actual**
**Year Ended June 30, 2015**

| | Budgeted Amounts | | Actual on Budgetary Basis | Variance from Final Budget-Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| Steese Volunteer Fire | | | | |
| Total revenues and transfers in | $1,533,740 | $1,533,740 | $1,559,168 | $25,428 |
| Total expenditures and transfers out | $1,889,540 | $1,889,540 | $1,432,300 | $457,241 |
| Straight Creek | | | | |
| Total revenues and transfers in | $19,830 | $19,830 | $19,763 | ($67) |
| Total expenditures and transfers out | $45,920 | $45,920 | $12,754 | $33,165 |
| Summerwood | | | | |
| Total revenues and transfers in | $46,000 | $46,000 | $47,242 | $1,242 |
| Total expenditures and transfers out | $232,940 | $262,940 | $60,938 | $202,002 |
| Summit Drive | | | | |
| Total revenues and transfers in | $136,930 | $136,930 | $136,204 | ($726) |
| Total expenditures and transfers out | $583,686 | $583,686 | $121,770 | $461,916 |
| Sunny Hills Terrace | | | | |
| Total revenues and transfers in | $34,550 | $34,550 | $34,593 | $43 |
| Total expenditures and transfers out | $187,495 | $187,495 | $7,944 | $179,550 |
| Sunrise | | | | |
| Total revenues and transfers in | $13,680 | $13,680 | $32,442 | $18,762 |
| Total expenditures and transfers out | $94,650 | $94,650 | $11,050 | $83,600 |
| Tan Terra | | | | |
| Total revenues and transfers in | $35,700 | $35,700 | $35,720 | $20 |
| Total expenditures and transfers out | $98,384 | $98,384 | $28,802 | $69,582 |
| Thomas | | | | |
| Total revenues and transfers in | $13,450 | $13,450 | $13,191 | ($259) |
| Total expenditures and transfers out | $34,395 | $34,395 | $4,207 | $30,188 |
| Timberlane Road | | | | |
| Total revenues and transfers in | $8,430 | $8,430 | $8,397 | ($33) |
| Total expenditures and transfers out | $57,482 | $57,482 | $4,838 | $52,644 |

See accompanying notes to financial statements.

(Continued)

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Statement of Revenues and Expenditures**
**Budget and Actual**
**Year Ended June 30, 2015**

| | Budgeted Amounts | | Actual on Budgetary Basis | Variance from Final Budget-Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| Tungsten | | | | |
| Total revenues and transfers in | $53,590 | $53,590 | $53,174 | ($416) |
| Total expenditures and transfers out | $78,911 | $78,911 | $25,360 | $53,551 |
| Twenty Three Mile Slough | | | | |
| Total revenues and transfers in | $53,540 | $53,540 | $52,944 | ($596) |
| Total expenditures and transfers out | $159,215 | $158,195 | $58,386 | $99,809 |
| Ullrhaven | | | | |
| Total revenues and transfers in | $4,570 | $4,570 | $4,571 | $1 |
| Total expenditures and transfers out | $25,091 | $25,091 | $7,924 | $17,167 |
| University Fire | | | | |
| Total revenues and transfers in | $2,749,750 | $2,749,750 | $2,768,507 | $18,757 |
| Total expenditures and transfers out | $5,832,093 | $5,832,093 | $2,324,936 | $3,507,157 |
| University Heights | | | | |
| Total revenues and transfers in | $60,700 | $60,700 | $86,654 | $25,954 |
| Total expenditures and transfers out | $204,806 | $204,806 | $30,859 | $173,947 |
| University West Street Light | | | | |
| Total revenues and transfers in | $69,560 | $69,560 | $69,637 | $77 |
| Total expenditures and transfers out | $298,310 | $298,310 | $51,086 | $247,224 |
| Vienna Wood | | | | |
| Total revenues and transfers in | $26,960 | $26,960 | $26,958 | ($2) |
| Total expenditures and transfers out | $59,715 | $73,715 | $47,908 | $25,807 |
| Viewpointe | | | | |
| Total revenues and transfers in | $19,900 | $19,900 | $20,216 | $316 |
| Total expenditures and transfers out | $155,451 | $155,451 | $11,560 | $143,891 |
| Violet Drive | | | | |
| Total revenues and transfers in | $75,910 | $75,910 | $77,269 | $1,359 |
| Total expenditures and transfers out | $136,959 | $136,959 | $58,064 | $78,894 |

See accompanying notes to financial statements.

(Continued)

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Statement of Revenues and Expenditures**
**Budget and Actual**
**Year Ended June 30, 2015**

| | Budgeted Amounts | | Actual on Budgetary Basis | Variance from Final Budget-Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| Vista Gold Road | | | | |
| Total revenues and transfers in | $46,260 | $46,260 | $46,568 | $308 |
| Total expenditures and transfers out | $95,876 | $95,876 | $42,377 | $53,499 |
| Vue Crest | | | | |
| Total revenues and transfers in | $37,000 | $37,000 | $36,600 | ($400) |
| Total expenditures and transfers out | $156,791 | $156,791 | $25,635 | $131,156 |
| Whitman | | | | |
| Total revenues and transfers in | $4,750 | $4,750 | $4,797 | $47 |
| Total expenditures and transfers out | $24,724 | $27,724 | $3,735 | $23,989 |
| Wildview | | | | |
| Total revenues and transfers in | $212,220 | $212,220 | $213,201 | $981 |
| Total expenditures and transfers out | $864,691 | $886,691 | $128,083 | $758,608 |
| Woodland | | | | |
| Total revenues and transfers in | $2,780 | $2,780 | $2,781 | $1 |
| Total expenditures and transfers out | $9,408 | $11,408 | $1,318 | $10,091 |
| Yak Road | | | | |
| Total revenues and transfers in | $87,850 | $87,850 | $87,802 | ($48) |
| Total expenditures and transfers out | $173,627 | $173,627 | $82,162 | $91,465 |
| Total All Service Areas | | | | |
| Total revenues and transfers in | $12,289,880 | $12,329,880 | $12,734,320 | $404,440 |
| Total expenditures and transfers out | $28,202,992 | $28,916,571 | $11,262,211 | $17,654,360 |

See accompanying notes to financial statements.

## FAIRBANKS NORTH STAR BOROUGH

### Proprietary Funds

### Statement of Net Position
### June 30, 2015

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities |
|---|---|---|---|---|---|
| | Transit | Carlson Center | Solid Waste Disposal | Total | Internal Service Fund |
| **Assets** | | | | | |
| Current assets | | | | | |
| Equity in central treasury cash | $4,134,808 | $629,458 | $22,503,365 | $27,267,630 | $916,000 |
| Restricted equity in central treasury cash | 21,875 | 468,473 | 30,781 | 521,128 | |
| Accounts receivable (net of allowance for uncollectibles - $10,250) | 11,227 | | 555,639 | 566,867 | |
| Restricted accounts receivable | | 3,607 | | 3,607 | |
| Restricted due from governmental agencies | 739,273 | 24,874 | 41,119 | 805,266 | |
| Inventories | 269,447 | | 1,267,037 | 1,536,484 | |
| Current assets total | 5,176,629 | 1,126,412 | 24,397,941 | 30,700,982 | 916,000 |
| Noncurrent assets | | | | | |
| Long-term receivables (net of allowance for uncollectibles - $182,250) | | | | | |
| Capital assets - non-depreciable | | | | | |
| Land and land improvements | 595,234 | 509,032 | 746,003 | 1,850,269 | |
| Works of art | | 120,790 | | 120,790 | |
| Construction work in progress | 111,775 | | 10,478,793 | 10,590,568 | |
| Capital assets - depreciable | | | | | |
| Land | | | 346,044 | 346,044 | |
| Buildings | 4,045,284 | 21,346,731 | 7,951,549 | 33,343,564 | |
| Improvements other than buildings | 619,452 | 1,608,028 | 16,871,527 | 19,099,007 | |
| Equipment | 5,920,639 | 1,750,093 | 3,882,923 | 11,553,655 | 7,608,901 |
| Accumulated depreciation | (5,443,946) | (9,568,722) | (20,017,754) | (35,030,422) | (3,700,560) |
| Noncurrent assets (net) total | 5,848,437 | 15,765,953 | 20,259,086 | 41,873,476 | 3,908,341 |
| Assets total | 11,025,066 | 16,892,365 | 44,657,027 | 72,574,458 | 4,824,341 |
| **Deferred Outflows of Resources** | | | | | |
| Deferred pensions | | | 146,761 | 146,761 | |
| Deferred outflows total | | | 146,761 | 146,761 | |
| Assets and deferred outflows total | $11,025,066 | $16,892,365 | $44,803,788 | $72,721,219 | $4,824,341 |

See accompanying notes to financial statements.

**FAIRBANKS NORTH STAR BOROUGH**

**Proprietary Funds**

**Statement of Net Position**
**June 30, 2015**

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities |
|---|---|---|---|---|---|
| | Transit | Carlson Center | Solid Waste Disposal | Total | Internal Service Fund |
| **Liabilities** | | | | | |
| Current liabilities | | | | | |
| Accounts payable | $116,839 | $49,253 | $252,700 | $418,791 | $104,304 |
| Wages and payroll taxes | 344,456 | 5,665 | 130,144 | 480,264 | |
| Accrued interest payable | | | 292,097 | 292,097 | |
| Accrued compensated absences | 273,069 | 1,701 | 100,631 | 375,402 | |
| Accrued self-insurance losses | 9,055 | | | 9,055 | |
| Interfund payable | | | 62,142 | 62,142 | |
| Payable from restricted assets | | | | | |
| Accounts payable | 142,091 | | 9,915 | 152,006 | |
| Interfund payable | 590,956 | 24,874 | 41,119 | 656,949 | |
| Unearned revenues | 860 | | | 860 | |
| Capital leases payable | | | | | 511,506 |
| Current liabilities total | 1,477,326 | 81,492 | 888,748 | 2,447,566 | 615,810 |
| Long-term liabilities | | | | | |
| Accrued compensated absences | 124,502 | | 57,916 | 182,418 | |
| Accrued self-insurance losses | 19,291 | | 2,479 | 21,770 | |
| Capital leases payable | | | | | 951,404 |
| Net pension obligation | | | 1,421,143 | 1,421,143 | |
| Loans payable | | | 11,168,462 | 11,168,462 | |
| Landfill closure and postclosure care | | | 20,188,137 | 20,188,137 | |
| Long-term liabilities total | 143,794 | | 32,838,137 | 32,981,931 | 951,404 |
| Liabilities Total | 1,621,119 | 81,492 | 33,726,885 | 35,429,497 | 1,567,214 |
| **Deferred Inflows of Resources** | | | | | |
| Deferred pensions | | | 164,190 | 164,190 | |
| Deferred inflows total | | | 164,190 | 164,190 | |

**FAIRBANKS NORTH STAR BOROUGH**

**Proprietary Funds**

**Statement of Net Position**
**June 30, 2015**

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities |
|---|---|---|---|---|---|
| | Transit | Carlson Center | Solid Waste Disposal | Total | Internal Service Fund |
| **Net Position** | | | | | |
| Net investment in capital assets | $5,848,437 | $15,765,953 | $10,829,579 | $32,443,969 | $2,445,432 |
| Restricted for | | | | | |
| Asset replacement | | 472,080 | | 472,080 | |
| Grants | 27,240 | | | 27,240 | |
| Solid waste collection district | | | 20,865 | 20,865 | |
| Unrestricted (deficit) | 3,528,269 | 572,839 | 62,268 | 4,163,377 | 811,696 |
| Net position total | 9,403,947 | 16,810,872 | 10,912,712 | 37,127,532 | 3,257,128 |
| Liabilities, deferred inflows and net position total | $11,025,066 | $16,892,365 | $44,803,788 | | $4,824,341 |

Reconciliation to government-wide statement of net position:

| | |
|---|---|
| Adjustment to reflect consolidation of internal service fund activites related to enterprise funds | 79,688 |
| Net position of business-type activites | $37,207,220 |

See accompanying notes to financial statements.

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## FAIRBANKS NORTH STAR BOROUGH

### Proprietary Funds

### Statement of Revenues, Expenses and Changes in Net Position
### June 30, 2015

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities |
|---|---|---|---|---|---|
| | Transit | Carlson Center | Solid Waste Disposal | Total | Internal Service Fund |
| Operating revenues | | | | | |
| Fares | $435,180 | $ | $ | $435,180 | $ |
| Advertising | 19,086 | | | 19,086 | |
| Charges for services | 573,126 | 92,173 | 9,677,082 | 10,342,381 | 625,220 |
| State retirement contribution | | | 68,886 | 68,886 | |
| Operating revenues total | 1,027,392 | 92,173 | 9,745,968 | 10,865,533 | 625,220 |
| Operating expenses | | | | | |
| Wages and benefits | 6,104,297 | 69,509 | 1,918,242 | 8,092,048 | |
| Fuels, lubricants, and parts | 1,035,483 | | 271,684 | 1,307,167 | |
| Other commodities | 68,145 | | 6,625 | 74,770 | |
| Contractual services | 3,154,610 | 591,485 | 2,031,604 | 5,777,699 | 5,109 |
| Utilities | 154,179 | | 167,361 | 321,540 | |
| Professional services | 40,328 | 43,009 | 414,711 | 498,049 | |
| Depreciation | 588,900 | 689,444 | 1,106,726 | 2,385,070 | 462,729 |
| Training, dues, and professional expenses | 58,567 | | 15,567 | 74,134 | |
| Repairs and maintenance | 224,099 | 500 | 374,877 | 599,476 | 30 |
| Supplies | 125,577 | 39 | 129,452 | 255,068 | |
| Management contractor fee | | 169,378 | | 169,378 | |
| Landfill closure and postclosure care costs | | | 2,096,534 | 2,096,534 | |
| Interest expense - capital leases | | | | | 49,914 |
| Intragovernmental charges | 1,047,439 | 742,283 | 939,817 | 2,729,539 | 52,102 |
| Operating expenses total | 12,601,626 | 2,305,647 | 9,473,200 | 24,380,473 | 569,884 |
| Operating income (loss) | (11,574,234) | (2,213,474) | 272,768 | (13,514,940) | 55,336 |

See accompanying notes to financial statements.

(Continued)

## FAIRBANKS NORTH STAR BOROUGH

### Proprietary Funds

### Statement of Revenues, Expenses and Changes in Net Position June 30, 2015

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities |
|---|---|---|---|---|---|
| | Transit | Carlson Center | Solid Waste Disposal | Total | Internal Service Fund |
| Non-operating revenues (expenses) | | | | | |
| Interest expense | $ | $ | ($56,434) | ($56,434) | $ |
| Grants revenue | 5,274,788 | | | 5,274,788 | |
| Investment income | 2,280 | 604 | 16,029 | 18,913 | |
| Gain (loss) on disposal of capital assets | (127,306) | | | (127,306) | (12,661) |
| Miscellaneous revenue (expense) | 12,506 | 1,643 | 213 | 14,361 | |
| Non-operating revenues (expenses) total | 5,162,267 | 2,247 | (40,192) | 5,124,321 | (12,661) |
| Income (loss) before contributions and transfers | (6,411,967) | (2,211,227) | 232,575 | (8,390,618) | 42,675 |
| Transfers in | 5,925,240 | 1,353,300 | 87,500 | 7,366,040 | |
| Transfers out | | | (27,404) | (27,404) | |
| Capital contributions | 578,422 | 98,713 | 575,192 | 1,252,326 | 95,238 |
| Change in net position | 91,695 | (759,214) | 867,863 | 200,343 | 137,913 |
| Net position, beginning as restated | 9,312,252 | 17,570,087 | 10,044,850 | | 3,119,215 |
| Net position, ending | $9,403,947 | $16,810,872 | $10,912,712 | | $3,257,128 |

Reconciliation to government-wide statement of activities:

| | |
|---|---|
| Adjustment to reflect consolidation of internal service fund activities related to enterprise funds | 17,666 |
| Change in net position of business-type activities | $218,009 |

## FAIRBANKS NORTH STAR BOROUGH

### Proprietary Funds

### Statement of Cash Flows
### Increases (Decreases) in Equity in Central Treasury Cash
### For the Year Ended June 30, 2015

| | Business-type Activities - | |
|---|---|---|
| | Transit | Carlson Center |
| Cash flows from operating activities | | |
| Cash received from customers | $1,054,956 | $147,280 |
| Cash payments to suppliers for goods and services | (5,804,811) | (1,645,052) |
| Cash payments for employee services | (6,171,768) | (70,581) |
| Cash from surplus sale | 12,506 | 1,643 |
| Net cash provided by (used for) operating activities | (10,909,118) | (1,566,711) |
| Cash flows from noncapital financing activities | | |
| Grants received | 5,672,437 | |
| Transfers from other funds | 5,925,240 | 1,353,300 |
| Transfers to other funds | | |
| Proceeds from loans | | |
| Proceeds from (repayment of) interfund financing activity | (401,793) | |
| Net cash provided by (used for) noncapital financing activities | 11,195,884 | 1,353,300 |
| Cash flows from capital and related financing activities | | |
| Acquisition and construction of capital assets | (471,060) | (80,013) |
| Capital grants received | 574,319 | 203,978 |
| Capital lease payments | | |
| Interest on capital lease payments | | |
| Proceeds from disposal of capital assets | 6,851 | |
| Proceeds from (repayment of) interfund financing activity | 26,543 | (5,265) |
| Proceeds from loan | | |
| Net cash provided by (used for) capital and related financing activities | 136,653 | 118,700 |
| Cash flows from investing activities | | |
| Investment income allocation from central treasury | 2,280 | 604 |
| Net cash provided by investing activities | 2,280 | 604 |
| Net increase (decrease) in equity in central treasury cash | 425,699 | (94,107) |
| Equity in central treasury cash at beginning of year | 3,730,982 | 1,192,037 |
| Equity in central treasury cash at end of year | $4,156,683 | $1,097,931 |

See accompanying notes to financial statements.

| Enterprise Funds | | Governmental Activities |
|---|---|---|
| Solid Waste Disposal | Total | Internal Service Fund |
| $9,638,653 | $10,840,889 | $625,220 |
| (6,060,538) | (13,510,401) | (57,034) |
| (1,897,584) | (8,139,933) | |
| 213 | 14,362 | |
| 1,680,744 | (10,795,084) | 568,186 |
| | 5,672,437 | |
| 87,500 | 7,366,040 | |
| (27,404) | (27,404) | |
| 384,121 | 384,121 | |
| | (401,793) | |
| 444,217 | 12,993,401 | |
| (1,009,109) | (1,560,182) | (1,997) |
| 575,192 | 1,353,489 | |
| | | (571,207) |
| | | (49,914) |
| | 6,851 | 77,153 |
| (1,496,926) | (1,475,648) | |
| 4,294,291 | 4,294,291 | |
| 2,363,448 | 2,618,801 | (545,965) |
| 16,029 | 18,913 | |
| 16,029 | 18,913 | |
| 4,504,438 | 4,836,031 | 22,221 |
| 18,029,710 | 22,952,731 | 893,779 |
| $22,534,146 | $27,788,758 | $916,000 |

## FAIRBANKS NORTH STAR BOROUGH

### Proprietary Funds

### Statement of Cash Flows
### Increases (Decreases) in Equity in Central Treasury Cash
### For the Year Ended June 30, 2015

| | Business-type Activities - | |
|---|---|---|
| | Transit | Carlson Center |
| Reconciliation of equity in central treasury cash to Statement of Net Position accounts | | |
| Equity in central treasury cash | $4,134,808 | $629,458 |
| Restricted equity in central treasury cash | 21,875 | 468,473 |
| Equity in central treasury cash at end of year | $4,156,683 | $1,097,931 |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activites | | |
| Operating income (loss) | ($11,574,234) | ($2,213,474) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities | | |
| Depreciation | 588,900 | 689,444 |
| Miscellaneous non-operating income | 12,506 | 1,643 |
| Interest expense for capital leases | | |
| Change in assets and liabilities | | |
| (Increase) decrease in receivables | 27,563 | 55,107 |
| (Increase) decrease in inventories | 62,917 | |
| (Increase) decrease in deferred outflows of resources | | |
| Increase (decrease) in accounts payable | 40,700 | (98,358) |
| Increase (decrease) in wages and payroll taxes | 38,085 | (1,538) |
| Increase (decrease) in accrued compensated absences | 44,659 | 465 |
| Increase (decrease) in net pension liability | | |
| Increase (decrease) in accrued self-insurance losses | (150,214) | |
| Increase (decrease) in landfill closure and postclosure care liability | | |
| Increase (decrease) in deferred inflows of resources | | |
| Adjustments total | 665,116 | 646,763 |
| Net cash provided by (used for) operating activities | ($10,909,118) | ($1,566,711) |
| Noncash investing, capital, and financing activities | | |
| Capital leases | | |
| Capital asset transfer from other funds | | |
| Purchase of equipment on account | | |
| Accrued interest payable | | |
| Capital grants receivable, net change | $4,103 | ($105,265) |
| Operating grants receivable, net change | (396,789) | |
| Operating grants unearned revenues, net change | 860 | |

See accompanying notes to financial statements.

| Enterprise Funds | | Governmental Activities |
|---|---|---|
| Solid Waste Disposal | Total | Internal Service Fund |
| $22,503,365 | $27,267,630 | $916,000 |
| 30,781 | 521,128 | |
| $22,534,146 | $27,788,758 | $916,000 |
| $272,768 | ($13,514,940) | $55,336 |
| 1,106,726 | 2,385,070 | 462,729 |
| 213 | 14,361 | |
| | | 49,914 |
| (38,429) | 44,241 | |
| 507,439 | 570,356 | |
| (29,718) | (29,718) | |
| (2,216,278) | (2,273,936) | 207 |
| 20,110 | 56,657 | |
| 28,381 | 73,505 | |
| (150,472) | (150,472) | |
| (80,719) | (230,933) | |
| 2,096,534 | 2,096,534 | |
| 164,190 | 164,190 | |
| 1,407,977 | 2,719,855 | 512,850 |
| $1,680,744 | ($10,795,084) | $568,186 |
| | | $569,358 |
| | | 95,238 |
| | | 103,597 |
| ($156,460) | | |

## FAIRBANKS NORTH STAR BOROUGH

### Fiduciary Fund

### Statement of Net Position
### June 30, 2015

| | Taxes Agency Fund |
|---|---|
| **Assets** | |
| Equity in central treasury cash | $396,968 |
| Property tax liens receivable | 334,666 |
| Assets total | $731,634 |
| **Liabilities** | |
| Due to other governmental agencies for collected taxes | $30,815 |
| Due to other governmental agencies for uncollected taxes | 334,666 |
| Advance tax payments | 366,153 |
| Liabilities total | $731,634 |

See accompanying notes to financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. REPORTING ENTITY

The Fairbanks North Star Borough (Borough) was incorporated January 1, 1964 as a second class borough under the provisions of the State of Alaska Borough Act (1963), as amended. The Borough operates under a Mayor-Assembly form of government and provides the following services:

Areawide: property assessment and collections of taxes, public schools, planning and zoning, animal control, flood control, library, air pollution control, solid waste disposal (landfill), parks and recreation, transportation system, health and social services (limited), emergency communication services (911), tourism marketing funded by hotel-motel room taxes, and natural gas utility by transfer November 15, 2012. These services are provided throughout the entire borough. The Borough also has hospital and housing financing powers, neither of which are exercised.

Non-areawide: emergency medical services, emergency disaster, economic development, and fireworks control. These activities service the area of the Borough outside the two cities of Fairbanks and North Pole.

Service area: road construction and maintenance is provided to 107 neighborhoods and regions, fire protection to five regions, water supply and sewage disposal to one neighborhood, and streetlights to one neighborhood. There are 114 service areas.

Solid Waste Collection District: solid waste collection and transfer to the landfill. The District services the area of the Borough outside the City of Fairbanks.

The accompanying financial statements present the Borough (primary government) and its discretely presented component units, the Fairbanks North Star Borough School District (School District), and the Interior Alaska Natural Gas Utility (IGU).

Although the School District is governed by an independently elected school board, it is included in these financial statements because it is financially accountable to the Borough in the following ways:

Any year-end fund balance surplus in excess of seven percent of the local appropriation to the School District lapses back to the Borough's general fund, and 28.5 percent of the annual lapse, not to exceed $800,000, is returned to the Borough and deposited in the School District facility maintenance reserve.

The Borough Assembly is responsible for approving and appropriating the amount for local support for education to the School District.

The Borough has responsibility for funding any deficits of the School District.

The Borough is responsible for the levying and collecting of taxes. The School District has no taxing authority.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### A. REPORTING ENTITY (continued)

The School District cannot borrow funds, but the Borough may and does issue bonds to finance school construction, renovation, technology upgrades, and major maintenance.

All land, buildings, and improvements other than buildings used by the School District are owned by the Borough and provided to the School District at no charge. School buildings located on Fort Wainwright Army Post and on Eielson Air Force Base are owned by the Borough; the land is leased through agreements with the Secretary of the Army and the Secretary of the Air Force.

The School District is required to deposit all school money in the Borough's central treasury.

The School District is reported in a separate column in the government-wide financial statements. Complete financial statements of the School District can be obtained from the School District's Department of Administrative Services at 520 Fifth Avenue. Fairbanks, Alaska 99701-4756; telephone number 907-452-2000. The report is also available on their website at http://www.k12northstar.org/Page/1877.

The IGU is a legally separate entity, with some of the board of directors appointed by the Borough and the two municipalities, and others elected at-large. The Board has full authority to manage and operate the utility. The IGU is reported in these financial statements because the Borough is financially accountable for the IGU in the following ways:

Borough Assembly approval of the IGU's budget is required when the IGU's annual budgeted revenues are less than its budgeted expenditures. The Borough Assembly has the ability, by ordinance, to require Assembly approval for the IGU's entire budget.

The Borough Assembly has the ability, by ordinance, to require Assembly approval for any debt issued by the IGU.

The Borough Assembly has the ability, by ordinance, to access the resources of the IGU.

The Borough Assembly has authorized the Borough to provide resources to the IGU board, such as staff and equipment, through November 15, 2015.

The IGU is reported in a separate column in the government-wide financial statements. Complete financial statements for the IGU can be obtained from the Interior Gas Utility, P.O. Box 70200, Fairbanks, Alaska 99707; phone number 907-374-4474. Information can also be found on their website at http://www.interiorgas.com/docs/.

### B. FUNDS

The accounts of the Borough are organized and operated on the basis of funds. A fund is an independent fiscal and accounting unit with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purposes and is used to aid Borough management in demonstrating compliance with finance-related legal and contractual provisions. There are eleven fund types, of which the Borough uses seven. The

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### B. FUNDS (continued)

fund types used by the Borough are general, special revenue, debt service, capital projects, enterprise, internal service, and agency. All fund types can be categorized into three broad classifications: governmental, proprietary, and fiduciary.

Governmental Funds

The Borough has five major governmental funds:

The general fund is the government's primary operating fund. It is used to account for resources traditionally associated with government, which are not required legally or by sound financial management to be accounted for in another fund. Programs in the multi-year general subfund are of a non-capital, non-enterprise nature.

The service areas special revenue fund is used to account for property taxes, other revenues, and expenditures that are restricted for the Borough's four service area activities: road maintenance and construction, fire protection, streetlights, and water supply and sewage disposal. There are 107 active road service areas, five fire service areas, one streetlight service area, and one sewer and water service area.

The debt service fund is used to account for the accumulation of resources and payment of general obligation bond principal, interest, and related costs.

The bond capital projects fund is used to account for all bond-funded capital projects.

The local capital projects fund is used to account for all locally-funded capital projects.

In addition, the Borough has eleven nonmajor governmental funds. The nonmajor special revenue funds are State grants, federal pass-through grants, federal grants, local programs, 911, non-areawide, solid waste collection district, and library. The nonmajor capital projects are state grants capital projects, federal pass-through grants, and capital purchases.

Proprietary Funds

In the proprietary fund type, the Borough reports all of its enterprise funds as major:

The transit enterprise fund is used to account for the activities of the public transportation system (the MACS Metropolitan Area Commuter System and the paratransit Van Tran service), the air quality function and maintenance of the Borough's vehicle fleet.

The Carlson Center enterprise fund is used to account for the operations of the John A. Carlson Community Activity Center.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### B. FUNDS (continued)

The solid waste disposal enterprise fund is used to account for the activities of the Borough's solid waste disposal function, which includes operation of the landfill, household hazardous waste disposal, and recycling of various materials.

Additionally, the Borough has one internal service fund (proprietary fund type):

The vehicle and equipment fleet fund is used to account for the acquisition and financing of Borough vehicles and equipment.

Fiduciary Fund

The Borough also has only one fiduciary fund, an agency fund:

The taxes agency fund is used to account for real property taxes collected by the Borough as an agent for the two cities, Fairbanks and North Pole.

### C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

There are two government-wide financial statements: the statement of net position and the statement of activities. These statements report information on all of the nonfiduciary activities of the Borough as a primary government and its component units, the School District and IGU. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities (the Borough's enterprise funds), which use some amount of fees and charges for support. The Borough is reported separately from the School District and IGU.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Indirect expense allocations made in the funds are reversed and presented in a separate column. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program and 2) grants and contributions that are restricted to meet the operational or capital requirements of a particular function or program. Taxes and other items not properly included among the program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All nonmajor governmental funds are combined into a single, aggregated column.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 transit enterprise fund, the Carlson Center enterprise fund, the solid waste disposal enterprise fund, and the

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Borough's internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and the internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

### D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements, as well as the financial statements of the proprietary funds, are reported using the economic resources measurement focus and the accrual basis of accounting. The fiduciary fund uses the accrual basis of accounting. Revenues are recognized when earned. Expenditures are recognized when they are incurred, except for estimated landfill closure and postclosure care costs which are recognized based on landfill usage.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include interfund goods and services provided and used between Borough functions. Elimination of these charges would distort direct costs and program revenues for the various functions concerned.

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. During fiscal year 2015, the Borough decreased the availability period from 45 to 40 days. The Borough considers revenues to be available if they are collected within 40 days of the end of the current fiscal period, except for land sales, which use a 30-day availability period.

Property taxes are levied by June 15 but not accrued until July 1 of the subsequent fiscal year when they are available to finance expenditures of that period. Taxes collected prior to July 1 are recorded as advance tax payments. State entitlements and shared revenues are recorded as revenue in the period of allocation. Certain grant revenues are dependent upon expenditures or other criteria, and revenues from these grants are recognized when the expenditures are made, or the criteria are met. Revenues from other grants are recognized on the cash basis. Interest income is accrued when earned. For investments with maturities greater than one year, unrealized gains and losses are recorded at the end of the reporting period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded when payment is due.

The School District reports district-wide information using the economic resources measurement focus and the accrual basis of accounting. As a general rule, the effect of interfund activity has been eliminated from the district-wide information.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### E. EQUITY IN CENTRAL TREASURY CASH – DEPOSIT AND INVESTMENTS

Cash resources of all Borough funds, and of the School District component unit, are combined and invested with the following objectives: ensure safety of the principal, maintain sufficient liquidity to meet cash flow requirements, and achieve a reasonable market rate of return. Central treasury investments are reported at fair value.

Investment income is earned by or allocated to the following funds and accounts based upon their cumulative, month-end cash equity balances: land revenue reserve general fund, multi-year program and any capital projects funded by the land revenue reserve, service areas special revenue fund and any capital projects funded by service areas, health care contingency reserve local special revenue program, 911 special revenue fund and any capital projects funded by the 911 fund, the library special revenue fund and any capital projects funded by the library fund, federal grants in all funds, all bond-funded capital projects, capital projects to renovate the Mary Siah tennis courts funded by a donation, Chena Riverfront Trust local capital project, enterprise funds, and the School District for pupil activities. The balance of investment income is allocated to the general fund.

### F. STATEMENT OF CASH FLOWS

For purposes of the statement of cash flows, the cash and cash equivalents of the enterprise funds and the internal service fund are their equity in central treasury cash.

### G. INTERFUND RECEIVABLES AND PAYABLES

During the course of operations, interfund receivables and payables transactions arise. On the government-wide statement of net position, the internal balances represent the amounts that are receivable or payable between business-type activities and governmental activities.

### 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. INVENTORIES

Inventories of the transit enterprise fund and the solid waste disposal enterprise fund are stated at cost. An average cost method is used for parts. The first-in, first-out method is used for fuel. Inventories of the School District are valued at cost, using various methods. All inventories are recorded as expenditures when used (consumption method).

### J. CAPITAL ASSETS

In the government-wide financial statements and the fund financial statements of the proprietary funds, land, buildings, improvements, machinery and equipment, library materials, artwork, software, and construction in progress, are reported as capital assets. Capital assets are defined by the Borough as tangible or intangible

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### J. CAPITAL ASSETS (continued)

property for use in operations with an initial, individual cost of $5,000 or more for machinery and equipment and for artwork, $1,000,000 for software (intangible asset), and $50,000 or more for all other assets, except library materials, with an estimated useful life of over one year; library materials with a useful life greater than one year are grouped by type for capitalization purposes. Such assets are recorded at cost at the time of acquisition or construction. Donated capital assets are recorded at estimated fair value at the date of donation. During the conversion to GASB No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* if the cost of the asset was not readily available, the historical cost was estimated. This was done using the current replacement cost of the asset and applying a relevant index to back-trend this amount to the date of acquisition or construction.

Land and land improvements includes entitlement land, received by the Borough under the State of Alaska's Municipal Entitlement Act, which is recorded as a donation in the statement of activities. The land donated by the State is valued at $1 per acre when tentative approval for the land is received from the State until such time as the estimated fair value is readily determinable. When the fair value of the land can be determined, it is back-trended to the date of donation and that portion exceeding $1 per acre is then recorded as donation revenue.

The cost of the road service areas' rights-of-way and roadbeds is also included in the amount of land and land improvements. Due to its road service powers, the Borough manages and maintains the roads on rights-of-way located on public land. Roadbeds are considered a non-exhaustible land improvement. Additions to the road service areas' rights-of-way and roadbeds due to annexation, subdivision development, and construction are recorded as donations. In addition, the amount of land and land improvements includes the cost of the Tanana River levee. The Tanana River levee includes the levee itself, drainage channels, and protective groins and is considered to be a permanent land improvement. As a second class borough, the Borough has no major general infrastructure assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects become substantially complete. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed (see Note 6).

Most capital assets of the Borough are depreciated or amortized over their estimated useful lives using the straight-line method, half-year convention. Beginning in fiscal year 2007, land put into service for solid waste disposal is being depreciated using the activity method. All land for solid waste disposal put into service prior to fiscal year 2007 is depreciated using the straight-line method, half-year convention. Land not in service for solid waste disposal, land improvements, works of art, and construction in progress are not depreciated. In addition, the following categories of library materials are non-circulating permanent collections that are appreciating in value and, as such, they are not depreciated: microfilm, Alaskana materials, and the antiquarian collection. Estimated useful lives are as follows:

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### J. CAPITAL ASSETS (continued)

| | Years |
|---|---|
| Buildings | 15-50 |
| Improvements | 20-50 |
| Equipment | 5-35 |
| Library materials – books and media | 6 |
| Software | 5-20 |

The capital assets of the School District consist of machinery, equipment (including commissioned works of art installed in school buildings), and certain intangible assets (software). Capital assets are defined by the School District as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of two years. School District equipment is valued at cost or estimated historical cost when original cost is not available. Donated equipment is valued at its estimated fair market value on the date received. The Borough owns and provides to the School District all school land, buildings, and improvements, except for certain land that is leased.

The School District records straight-line depreciation and amortization over the following estimated useful lives:

| | Years |
|---|---|
| Machinery and Equipment | 5-25 |
| Intangible assets (software) | 5-10 |

### K. DEFERRED OUTFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that is applicable to a future period and will not be recognized as an outflow of resources (expenses/expenditures) until then. The Borough has two such items that are reportable in the government-wide statement of net position. The first is the deferred amount on debt refunding. A deferred outflow on refunding results when the carrying value of refunded debt is less than its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. The second item is deferred outflows for pensions which include employer contributions made subsequent to the plan measurement date, and changes in the net pension liability as disclosed in Note 15. The deferred outflows of resources for pensions is also reportable in the solid waste enterprise fund.

### L. ACCRUED COMPENSATED ABSENSES

It is the Borough's policy to permit employees to accumulate earned but unused annual leave. Annual leave is subject to certain restrictions and maximum accumulations. Employees are paid for any accumulated annual leave upon use or at termination. All annual leave is accrued when incurred in the government-wide and proprietary fund 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.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### M. UNEARNED REVENUES

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

### N. OTHER LONG-TERM LIABILITIES

In the government-wide financial statements and the fund financial statements of the proprietary funds, long term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds.

In the fund financial statements, governmental funds recognize bond premiums as revenues and discounts, as well as bond issuance costs, as expenditures during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### O. DEFERRED INFLOWS OF RESOURCES

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that is applicable to a future period and will not be recognized as an inflow of resources (revenues) until then. The Borough has four items it reports in this category. The first item is the deferred amount on debt refunding reported in the government-wide statement of net position (when the carrying value of the old debt exceeds its reacquisition price). The second item is advance tax payments presented in both the governmental fund statements and the government-wide statement of net position. The third item, unavailable revenues, includes amounts recognized as receivables but not as revenues on the modified accrual basis of accounting since the revenue recognition criterion (availability) has not been met. Accordingly, the item, unavailable revenues, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The fourth item relates to inflows from changes in the net pension liability presented in the statements of net position for the government-wide and for the solid waste disposal enterprise fund. This item is discussed in Note 15.

### P. ENVIRONMENTAL LIABILITIES

The Borough's policy requires accrual of material pollution remediation obligation amounts when (a) a specific obligating event is met and (b) the amount can be reasonably estimated. Potential cost recoveries such as insurance proceeds, if any, are evaluated separately from the Borough's pollution remediation obligation. Costs incurred for pollution remediation obligations are recorded as environmental expenditures unless specific criteria are met that allow them to be capitalized.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Q. PENSIONS

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

### R. FUND EQUITY

Fund equity is classified in the government-wide and the proprietary funds statement of net position. The governmental fund statements classify fund equity as fund balance. The Borough's governmental fund balances are classified based on the nature and extent of any constraints on them, defined as follows:

Restricted – fund balances are subject to externally enforceable legal restrictions imposed by creditors, grantors, contributors, by the State through laws or regulations, or by law through enabling legislation or constitutional provision.

Committed – fund balances are constrained by limitations that the Borough Assembly and the Mayor formally and officially impose upon the Borough itself and which remain binding unless removed in the same manner. The Borough Assembly commits fund balance through the passage of an ordinance.

Assigned – fund balances reflect the Borough's intended use of resources. In accordance with policy that has been codified in the Borough Code of Ordinances, certain assignments for specific uses can be made by a committee of the Assembly, by the Mayor, or by a designated official such as the Chief Financial Officer, as is the case of honoring purchase orders against prior year appropriations. Assignments may also be made by the Assembly through the passage of an ordinance or resolution.

Unassigned – fund balance is reported in the general fund and represents the residual amount that is not constrained by any other fund balance classifications. In addition, any governmental fund in a deficit position reports that deficit as a negative unassigned fund balance.

When both restricted and unrestricted resources are available for a particular purpose, restricted grant funds are used first, except when there are matching requirements; then the grant funds and matching funds are expended proportionately. For the library special revenue fund, unrestricted interest earnings are used first, then restricted donations. In the Carlson Center enterprise fund, use of the restricted reserve funds is determined on a case-by-case basis. The use of restricted donations is also determined on a case-by-case basis. 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. For unrestricted amounts of fund balance it is the Borough and School District's policy to use fund balance in the following order: committed, assigned, unassigned.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### S. IN-KIND SUPPORT TO THE SCHOOL DISTRICT

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, major facility maintenance, and certain equipment purchases. The cost of these services and assets have not been charged to the School District.

### T. COMPARATIVE DATA/RECLASSIFICATION

The financial statements include partial prior-year comparative information in order to provide an understanding of the changes in the financial position and operations of the Borough's funds. Such information does not include all of the information required to constitute a presentation of conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Borough's financial statements for the year ending June 30, 2014, from which partial information was derived. Also, certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

### U. ROUNDING

Each amount in the financial statements is rounded to its natural whole number. As a result, some subtotals and totals may not equal the sum of the detail amounts.

## 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### A. BUDGETARY PROCESS

The budgetary data presented in the financial statements are established by the following procedures:

1. On or before the first Thursday following April 1, the Mayor submits to the Borough Assembly a proposed operating budget for the following fiscal year. The annual operating budget includes proposed expenditures and the means for financing them. In accordance with Alaska Statute 14.14.060(c) and the Fairbanks North Star Borough Code of Ordinances (FNSBC) 3.03.010A, the School District's Board of Education is required to adopt and submit its annual budget to the Borough Assembly by April 1 for approval of the amount of local support for education.

2. At least one public hearing is held.

3. By May 31, the budget is legally enacted through the passage of an appropriating ordinance, including the local support share of School District funding.

4. The Mayor is authorized to transfer budgeted amounts within an appropriation, generally a department or a service area, if equal to or less than $20,000. Transfers above that amount are reported to the Borough Assembly through the administration by memorandum. All transfers between departments, between service areas, or between funds require Borough Assembly approval.

## 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

### A. BUDGETARY PROCESS (continued)

Annual budgets are legally adopted for the operating portion of the general fund, certain special revenue funds (911, non-areawide, solid waste collection district, and service areas), and the debt service fund. In addition, an appropriation is made for each service area's separate operating savings account, which reflects their available fund balance as of June 30. Differences in accounting for encumbrances exist between the basis of accounting used for budgetary purposes and that used for reporting in accordance with generally accepted accounting principles. The multi-year general subfund, the remaining special revenue funds (except library), and all the capital projects funds are controlled through project or program budgets. Adopted project or program budgets provide authorization to complete projects or programs that extend beyond one fiscal year. Multi-fiscal year projects and programs are controlled by comparing inception-to-date expenditures with project or program budgets.

Annual budgets are also adopted for the enterprise funds and the internal service fund. However, generally accepted accounting principles do not require the adoption of budgets for enterprise funds and internal service funds, and budgetary comparison schedules are not included for these funds because the measurement focus is based upon determination of net income and financial position.

Formal budgetary integration is employed as a management control device for all funds of the Borough. Appropriations are authorized by ordinance at the department level for the operating portion of the general fund, 911 special revenue fund, non-areawide special revenue fund, solid waste collection district special revenue fund, enterprise funds, and internal service fund; at the service area level in the service areas special revenue fund; and at the project or program level for the multi-year general subfund, the remaining special revenue funds, and the capital projects funds. All other appropriations are at the fund level.

Expenditures may not exceed these appropriations which are the legal levels of budgetary control. Administrative control is maintained through the establishment of more detailed, object-level budgets.

## 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

### B. RECONCILIATION OF BUDGETARY BASIS WITH GAAP BASIS

The following schedule reconciles revenues and expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balances presented in accordance with generally accepted accounting principles (GAAP) to revenues and expenditures on the Statement of Revenues and Expenditures – Budget and Actual for the general fund and all service areas:

| | General Fund | Service Areas |
|---|---|---|
| Revenues reported on the basis of budgeting | $124,094,532 | $12,734,320 |
| Revenues reported in multi-year general subfund | 281,716 | |
| Adjustment for other financing sources – uses (transfers in) | | (344,959) |
| Adjustment for intragovernmental cost plan revenues | (6,165,755) | |
| Revenues reported on the basis of GAAP | $118,210,494 | $12,389,362 |
| | | |
| Expenditures reported on the basis of budgeting | $96,328,657 | $11,262,211 |
| Expenditures reported in multi-year general subfund | 3,237,555 | |
| Expenditures on prior year encumbrances | 777,962 | 1,918 |
| Current year encumbrances | (535,244) | (7,285) |
| Adjustment for other financing sources – uses (transfers out) | | (707,043) |
| Adjustment for intragovernmental cost plan | (6,165,755) | |
| Adjustment for accrued compensated absences | 21,571 | |
| Expenditures reported on the basis of GAAP | $93,664,747 | $10,549,801 |

Because encumbrances constitute the equivalent of expenditures for budgetary purposes, the accompanying statements present comparisons of actual results to the annual budgets of the general fund and all service areas 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 statements. The adjustments include the addition for current year encumbrances and the deduction for expenditures of prior year encumbrances. The original budget column is that adopted by the Assembly in its annual appropriation. The final budget column combines the original budget column and budget amendments made during the current fiscal year. Refer to the management's discussion and analysis (MD&A) budgetary highlights section for discussion of significant budget variances.

The intragovernmental cost plan revenues and expenditures are reflected for budgetary purposes as a revenue and an expenditure in the applicable cost units. For GAAP purposes, the actual intragovernmental cost plan revenues are subtracted from actual expenditures and the net amount is shown as expenditures for the corresponding cost pool.

For budgetary purposes, the accrual basis of accounting is used and the entire amount of the accrued compensated absences that was earned is reported as a liability. For GAAP purposes, the modified accrual basis of accounting is used and only that portion of the accrued compensated absences that is due and payable is shown as a liability.

## 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

### B. RECONCILIATION OF BUDGETARY BASIS WITH GAAP BASIS (continued)

The threshold for capitalizing machinery and equipment is $5,000. However, for control purposes, assets with a cost of $750 or greater are tracked and referred to as "controlled" assets. These "controlled" assets are included as part of capital outlay for budgeting purposes, and they are included as current expenditures for GAAP purposes.

### C. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The Carlson Center enterprise fund had an excess of expenditures over appropriations for the fiscal year ended June 30, 2015. The $219,830 of excess expenditures was the result of unanticipated facilities maintenance costs in excess of those budgeted. As of November 2015, these expenditures were appropriated by ordinance.

### D. DEFICIT FUND EQUITY

There was a deficit fund balance at June 30, 2015 in the Golden Valley road service area of $17,825 resulting from a loan for a road construction project. There was also a deficit fund balance in the Bear's Den road service area of $48 due to uncollected property taxes.

### E. TAXES LEVIED IN EXCESS OF MAXIMUM TAX COMPUTATION

Forty-five service areas and the non-areawide taxing authorities levied a total of $2,188 of taxes in excess of the maximum tax computation by which the subsequent years levy will be reduced (see Note 4).

### F. SCHOOL DISTRICT FUND BALANCE LIMIT

In accordance with Alaska Statute 14.14.060(c) and FNSBC 3.03.040, the Assembly annually appropriates the amount of local support for school purposes. FNSBC 3.01.060 E limits the amount of the School District's local appropriation fund balance. Local appropriation fund balance in excess of seven percent lapses to the Borough's general fund and 28.5 percent of the annual lapse, not to exceed $800,000, is returned to the Borough for the School District facilities maintenance reserve. The carry over amount formally designated by the School Board to be used for expenditures in the immediately subsequent fiscal year is required to be shown as local revenues in that following year's budget. In March 2015, the Assembly approved a one-time waiver of the lapse requirement for fiscal year ending June 30, 2015, due to an anticipated budget shortfall. At June 30, 2015, the School District's local appropriation fund balance was within the seven percent limitation.

## 3. DEPOSITS AND INVESTMENTS

Equity in central treasury cash is composed of deposits and investments for all Borough funds and all funds of the School District component unit.

*Deposits* - Banking services are provided to the Borough under a contract with Wells Fargo Bank Alaska N.A. (WFB). These services are paid for monthly through a fee based structure.

## 3. DEPOSITS AND INVESTMENTS (continued)

*Investments* - FNSBC 3.04 (Code) describes the objectives, policies, and procedures for the investment of Borough funds. Moneys may be invested only in the following instruments, with the listed maximum maturities from date of purchase: 1) U.S. Treasuries - 5 years; 2) other obligations guaranteed by the United States government or its agencies and instrumentalities - 5 years; 3) repurchase agreements of securities specified in 1) and 2) above, subject to qualifications of the financial institution and specified margin requirements – 5 years; 4) collateralized certificates of deposit and other deposits - 5 years; 5) bank deposits insured by FDIC, NCUA, or FSLIC - 5 years; 6) bonds or notes of any state or political subdivision thereof, rated A or higher - 5 years; 7) prime commercial paper graded A1/P1 or higher - 270 days; 8) prime bankers acceptances of the fifty largest international banks - 180 days; 9) money market mutual funds consisting entirely of instruments specified in 1), 2), and 3) above - maturity date not applicable; and 10) the Alaska Municipal League Investment Pool, Inc.

FNSBC 3.04.050 (Code) describes the diversification of investments to minimize the risk of loss resulting from a concentration of investments in a specific maturity, issuer, and class of security or a specific financial institution. The total amount of principal and accumulated interest which will be paid to the Borough at maturity of all certificates of deposit, other deposits, and/or repurchase agreements invested with any one financial institution shall not at any time exceed 20 percent of the total net worth of the financial institution, as shown on said financial institution's most current annual financial statements. At no time shall the total value of Borough monies invested in repurchase agreements, certificates of deposit, and/or other deposits with a single financial institution, including interest which will be payable to the Borough at the maturity of each investment, exceed 30 percent of the total principal value of the entire Borough investment portfolio.

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, as noted above. In addition, the Borough's entire investment portfolio cannot have an average maturity exceeding three years. Further, at the time of purchasing an investment, not more than 30 percent of the prior 12-month moving average value of the portfolio may be in the three- to five-year range.

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

The Alaska Municipal League Investment Pool, Inc. (Pool) is not SEC-registered, but is a 2a7-like money market fund, operating in a manner consistent with that rule. In September 2014, Standard & Poor's affirmed its AAAm principal stability fund rating to the Pool. Stand-alone financial statements can be obtained by writing to the Alaska Permanent Capital Management Co., 900 West Fifth Avenue, Suite 601, Anchorage, Alaska 99501.

Regulatory oversight of the Pool is established by Alaska Statute 37.23. The law sets forth numerous requirements regarding authorized investments and reporting. The Pool is incorporated in the State of Alaska as a nonprofit corporation and reports to a board of directors. Alaska Statute 37.23.050 requires the retention

## 3. DEPOSITS AND INVESTMENTS (continued)

of an investment manager. The manager is required to produce monthly disclosure statements for the Pool. The Pool also has retained an investment advisor who monitors the performance of the investment manager to ensure compliance with investment policies. All participation in the Pool is voluntary. 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. On a monthly basis, the investments in the Pool are reviewed for fair value by an independent pricing service. As of June 30, 2015, the fair value of the investments in the Pool approximates the amortized cost at which the investments were reported. The fair value of the Borough's investments in the Pool is the same as the value of its Pool units.

The Borough's investments, by investment type, at June 30, 2015, are:

| Investment Type | Fair Value | Maturity | Ratings |
|---|---|---|---|
| Government securities money market funds: | | | |
| Fidelity Institutional Money Market Government Fund | $209,339 | | AAAm/Aaa |
| BNY Goldman Sachs Financial Square Government Fund | 474,819 | | AAAm/Aaa |
| Invesco Government & Agency Portfolio Cash Management | 4,562,632 | | AAAm/Aaa |
| Invesco Government TaxAdvantage Portfolio Cash Management | 12,489,683 | | AAAm/Aaa |
| Morgan Stanley Government Portfolio Institutional | 70,887,051 | | AAAm/Aaa |
| External investment pool – money market fund | | | |
| Alaska Municipal League Investment Pool | 46,243,661 | | AAAm |
| Certificates of Deposit | | | |
| Certificates of Deposit Account Registry Service - CDARS | 5,000,000 | October 8, 2015 | n/a |
| Certificates of Deposit Account Registry Service - CDARS | 5,000,000 | October 8, 2015 | n/a |
| Certificates of Deposit Account Registry Service - CDARS | 5,000,000 | January 7, 2016 | n/a |
| Certificates of Deposit Account Registry Service - CDARS | 5,000,000 | April 7, 2016 | n/a |
| | $154,867,185 | | |
| Alaska Rule of Civil Procedure No. 67* | | | |
| Wells Fargo Bank Alaska N.A. | $10,607,416 | | |

*Alaska Rule of Civil Procedure No. 67: The Borough received a settlement for 2007, 2008, and 2009 tax years combined from Alyeska Pipeline Service Company as a result of trials in dispute of the assessed

## 3. DEPOSITS AND INVESTMENTS (continued)

valuation for the trans-Alaska pipeline system (see Note 17). The Borough has deposited said funds with the Alaska Court System in a Rule 67 interest bearing account. Money deposited with the Court under this rule shall be managed in accordance with the provisions of Rule 5, Rules Governing the Administration of All Courts and in accordance with FNSBC 3.04. The June 30, 2015 amount reflected in the Rule 67 account is the fair value of the account which includes interest net of fees.

## 4. PROPERTY AND OTHER TAXES

During the preceding fiscal year, property was assessed as of January 1 and taxes were levied by June 15. During the current fiscal year, these taxes attached on property as an enforceable lien on July 1 and were payable in two installments on September 1 and November 1. Property tax revenues were accrued on July 1 when they became available to finance expenditures of the current fiscal year.

Property taxes receivable, including associated penalties and interest receivable, are shown net of an allowance for doubtful accounts. The vast majority of property taxes are ultimately collectible through the lien and foreclosure process. The allowance is based on an estimate of those delinquent properties not subject to that process.

All penalties and interest on delinquent property taxes of the Borough belong to the general fund. Under the modified accrual basis of accounting used by the general fund, these penalties and interest are recognized when they are both measurable and available to finance expenditures of the fiscal year. The Borough's availability period extends for 40 days after the end of its fiscal year (see Note 1.D.).

Alaska Statute 29.45.090 limits the amount of taxes levied to three percent of the assessed value of the property within the Borough. Furthermore, no Borough, or combination of municipalities occupying the same geographical area, may levy taxes which will result in tax revenues from all sources exceeding $1,500 a year for each person residing in the Borough or which exceed the product of 225 percent of the average per capita assessed full and true value of property in the state multiplied by the number of residents of the Borough. However, there is no taxing limitation for debt service per Alaska Statute 29.45.100.

FNSBC 3.08.141 (Code) limits the Borough's taxing authority. The total amount of tax that can be levied during a year cannot exceed the total amount levied for the preceding year (see Note 2.E.). For computation purposes, the preceding year's tax levy is adjusted for inflation, new construction, additional voter-approved services, new judgments against the Borough, special appropriations necessary on an emergency basis, and any appropriations from fund balance designated by the Borough Assembly as a tax reduction. The limitation does not apply to any appropriation for payments on bonds. The Code requires inclusion of both property tax and other tax revenues within the tax cap computation and requires publication of tax cap computations by May 31 of each year. In October of 2014, the voters reconfirmed the Code provision limiting the Borough's taxing authority.

## 5. NOTES RECEIVABLE

### A. INTERIOR GAS UTILITY

The Borough issued a revolving line of credit to the Interior Gas Utility (IGU) on May 15, 2014 in the amount of $7,500,000. The terms of the line of credit stipulate that the interest rate will be based upon the federal funds rate on the date of the withdrawal, adjusted annually on January 1, to the annual rate of the preceding year. Each withdrawal amount, along with its accrued interest, will be repaid within three years following the date of the withdrawal. Payments will be applied to accrued unpaid interest, if any, then to principal. The line of credit will expire on June 30, 2021, and all payments, to include withdrawals and accrued interest, will need to be paid no later than June 30, 2024.

The principal balance outstanding at June 30, 2015 was $500,000. The anticipated date of repayment, including the principal and interest, is August 2017.

### B. LAND SALES

All real estate sales financed by the Borough use notes receivable secured by deeds of trust. Annual installments are due over a period of up to fifteen years from the time of sale with a stated interest rate of 6.00 percent to 10.00 percent and a weighted average interest rate of 6.93 percent. The annual installments of principal due for the next five years on notes receivable – land sales are as follows:

| June 30 | Annual Installments |
|---|---|
| 2016 | $39,726 |
| 2017 | 34,667 |
| 2018 | 32,947 |
| 2019 | 92,956 |
| 2020 | 20,579 |

No allowances for uncollectible notes are recorded as the Borough expects non-judicial foreclosure actions to recoup at least the outstanding receivable amount on each delinquent property. As of June 30, 2015, the total receivable for delinquent accounts amounted to $71,279.

## 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015, was as follows:

**Primary Government**

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Governmental activities:** | | | | |
| Capital assets, not being depreciated: | | | | |
| Land and land improvements | $256,963,343 | $1,281,438 | ($1,350,320) | $256,894,461 |
| Works of art | 156,800 | 79,950 | | 236,750 |
| Library materials | 1,168,105 | 22,621 | | 1,190,725 |
| Construction work in progress | 20,273,889 | 11,920,709 | (25,906,335) | 6,288,263 |
| Total capital assets, not being depreciated | 278,562,136 | 13,304,717 | (27,256,655) | 264,610,199 |
| Capital assets, being depreciated: | | | | |
| Buildings | 460,577,549 | 18,510,646 | | 479,088,195 |
| Improvements other than buildings | 85,268,497 | 7,077,689 | | 92,346,186 |
| Machinery and equipment | 21,766,834 | 3,773,737 | (1,868,114) | 23,672,457 |
| Library materials | 2,037,934 | 357,881 | (312,642) | 2,083,173 |
| Total capital assets, being depreciated | 569,650,813 | 29,719,953 | (2,180,756) | 597,190,011 |
| Less accumulated depreciation for: | | | | |
| Buildings | (217,388,840) | (12,108,402) | | (229,497,241) |
| Improvements other than buildings | (37,007,134) | (2,858,761) | | (39,865,895) |
| Machinery and equipment | (11,810,910) | (1,256,136) | 1,568,552 | (11,498,494) |
| Library materials | (988,450) | (343,426) | 312,642 | (1,019,233) |
| Total accumulated depreciation | (267,195,333) | (16,566,725) | 1,881,194 | (281,880,863) |
| Total capital assets, being depreciated, net | 302,455,480 | 13,153,229 | (299,562) | 315,309,147 |
| Governmental activities capital assets, net | $581,017,616 | $26,457,946 | ($27,556,217) | $579,919,346 |

## 6. CAPITAL ASSETS (continued)

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Business-type activities:** | | | | |
| Capital assets, not being depreciated: | | | | |
| Land and land improvements | $1,850,269 | $ | $ | $1,850,269 |
| Works of art | 120,790 | | | 120,790 |
| Construction work in progress | 9,837,406 | 1,387,978 | (634,816) | 10,590,568 |
| Total capital assets, not being depreciated | 11,808,465 | 1,387,978 | (634,816) | 12,561,628 |
| Capital assets, being depreciated: | | | | |
| Land and land improvements | 346,044 | | | 346,044 |
| Buildings | 33,263,552 | 80,013 | | 33,343,564 |
| Improvements other than buildings | 18,748,851 | 350,156 | | 19,099,007 |
| Machinery and equipment | 11,337,062 | 476,877 | (260,284) | 11,553,655 |
| Total capital assets, being depreciated | 63,695,509 | 907,046 | (260,284) | 64,342,271 |
| Less accumulated depreciation for: | | | | |
| Land and land improvements | (313,806) | (6,875) | | (320,682) |
| Buildings | (12,400,817) | (843,056) | | (13,243,873) |
| Improvements other than buildings | (13,671,649) | (615,905) | | (14,287,555) |
| Machinery and equipment | (6,385,205) | (919,233) | 126,126 | (7,178,313) |
| Total accumulated depreciation | (32,771,478) | (2,385,070) | 126,126 | (35,030,422) |
| Total capital assets, being depreciated, net | 30,924,031 | (1,478,025) | (134,158) | 29,311,848 |
| Business-type activities capital assets, net | $42,732,496 | ($90,047) | ($768,973) | $41,873,476 |

Capitalized interest costs for business-type activities construction work in progress increased by $100,026 in fiscal year 2015 (see Note 10.B.).

**Component Unit – School District**

| | Beginning Balance | Increases | Decreases | Adjustments | Ending Balance |
|---|---|---|---|---|---|
| Machinery and equipment | $9,563,787 | $851,759 | ($321,805) | ($13,146) | $10,080,595 |
| Less accumulated depreciation | (6,343,138) | (665,559) | 321,525 | | (6,687,172) |
| Total, net of accumulated depreciation | 3,220,649 | 186,200 | (280) | (13,146) | 3,393,423 |
| Intangible assets (software) | 1,400,107 | 64,740 | | 13,146 | 1,477,993 |
| Less accumulated amortization | (618,842) | (140,080) | | | (758,922) |
| Total, net of accumulated amortization | 781,265 | (75,340) | | 13,146 | 719,071 |
| Component unit capital assets, net | $4,001,914 | $110,860 | ($280) | $ | $4,112,494 |

## 6. CAPITAL ASSETS (continued)

**Component Unit – Interior Gas Utility**

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Gas plant in service | $ | $19,524 | $ | $19,524 |
| Less accumulated depreciation | | (2,099) | | (2,099) |
| Total, net of accumulated depreciation | | 17,425 | | 17,425 |
| Construction work in progress | 301,865 | 11,070,638 | | 11,372,503 |
| Intangible plant | 729,676 | | | 729,676 |
| Component unit capital assets, net | $1,031,541 | $11,088,063 | $ | $12,119,604 |

Depreciation expense was charged to functions/programs of the primary government as follows:

| | |
|---|---|
| Governmental activities: | |
| General government | $220,464 |
| Public works | 91,135 |
| Parks and recreation | 2,091,264 |
| Library | 790,525 |
| Education | 11,936,333 |
| Emergency operations | 288,666 |
| Fire service areas | 685,609 |
| In addition, depreciation on capital assets held by the Borough's internal service fund is charged to the various functions based on their usage of assets. | 462,729 |
| Total depreciation expense – governmental activities | $16,566,725 |
| Business-type activities: | |
| Transit | $588,900 |
| Carlson Center | 689,444 |
| Solid waste disposal | 1,106,726 |
| Total depreciation expense – business-type activities | $2,385,070 |

## 7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund balances for the purpose of the government-wide statements have been eliminated with the exception of internal balances that represent the amounts that are receivables or payables between business-type activities and governmental activities. The composition of interfund balances in the fund financial statements as of June 30, 2015, were as follows:

## 7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (continued)

| Receivable | Payable | Amount |
|---|---|---|
| General fund | State grants capital projects | $2,140,232 |
| General fund | Nonmajor governmental | 380,291 |
| General fund | Transit enterprise | 590,956 |
| General fund | Carlson Center enterprise | 24,874 |
| General fund | Solid waste disposal enterprise | 103,261 |
| General fund | Bond capital projects | 9,583,239 |
| State grants capital projects | Local capital projects | 83,556 |
| State grants capital projects | Service areas special revenue | 30,325 |
| Total interfund receivable/payable | | $12,936,734 |

- The general fund receivable totaling $12,822,853 is due to the individual funds' overdrafts of pooled cash in the central treasury, primarily for expenditure-driven grants for which grantor reimbursement has not yet been received.
- The state grants capital projects receivable totaling $113,881 is three loans to Golden Valley, Murphy, and Potlatch road service areas from the road service revolving loan fund for road reconstruction projects. The balances are to be paid over 10 years, with the Golden Valley loan at an interest rate of 4.25 percent on $50,000 through November 15, 2023, the Murphy loan at an interest rate of 4.25 percent on $33,507 through November 15, 2021, and the Potlatch loan at an interest rate of 8.25 percent on $16,587 through July 1, 2019.

Transfers are used for funding of capital projects, debt service, and subsidies for various Borough operations accounted for in other funds in accordance with budgetary authorizations.

Transfers for the year ended June 30, 2015, were as follows:

| | Transfers Out | | | | | | |
|---|---|---|---|---|---|---|---|
| Transfers In | General Fund | Service Areas Special Revenue | State Grants Capital Projects | Local Capital Projects | Nonmajor Governmental | Solid Waste Disposal Enterprise | Total All Funds |
| General fund | $ | $ | $ | $ | $347,943 | $ | $347,943 |
| Service areas special revenue | | | | 344,958 | | | 344,958 |
| Debt service | 15,580,800 | | | | | | 15,580,800 |
| Local capital projects | 2,071,681 | 633,043 | 11,460 | 3,936,050 | | | 6,652,234 |
| Nonmajor governmental | 1,984,760 | 74,000 | | 9,570 | 411,220 | 27,404 | 2,506,954 |
| Transit enterprise | 5,925,240 | | | | | | 5,925,240 |
| Carlson Center enterprise | 1,278,300 | | | 75,000 | | | 1,353,300 |
| Solid waste disposal enterprise | | | | | 87,500 | | 87,500 |
| Total transfers in | $26,840,781 | $707,043 | $11,460 | $4,365,578 | $846,663 | $27,404 | $32,798,929 |

## 8. OPERATING LEASES

The Borough is obligated under certain site and equipment leases accounted for as operating leases. Operating leases do not give rise to property rights or recorded lease obligations; and therefore, the results of the lease agreements are not reflected as assets or liabilities. Operating lease expenditures for the year ended June 30, 2015 were $480,859.

The Borough has several significant operating leases:

- land lease for West Valley High School. In fiscal year 1996, the Borough paid a one-time lease payment to the University of Alaska for an extension to 2043.
- land lease for Hutchison High School, which is housed within the Hutchison Institute of Technology. In fiscal year 2000, the Borough paid a one dollar, one-time lease payment to the University of Alaska. The lease expires in 2043.
- five land leases for the following school sites: Crawford Elementary School, Anderson Elementary School, Ladd Elementary School/Tanana Middle School, Arctic Light Elementary School, and Ben Eielson High School. All land lease agreements are for twenty-five years expiring in 2021, 2023, 2024, 2028, and 2030 respectively, and revocable at will by either the Secretary of the Army or the Secretary of the Air Force, as applicable. Payment is made through ongoing maintenance, repairs, operations, protection and improvement of the schools, except for Ladd Elementary School/Tanana Middle School for which a $25 annual lease payment is made by the School District. Ladd and Tanana are located on land owned by the military, but are not on post.
- land lease for the School District central kitchen facility and food supply warehouse. In fiscal year 2008, the Borough paid a one-time lease payment of $163,491 to the Alaska Railroad Corporation. The lease expires in 2057.
- Chena Lake Recreation Area land lease with the U.S. Army Corps of Engineers. The fifty-year lease expires in 2034. Payment is made through ongoing operation and management for parks and recreation purposes.
- biathlon range and certain ski trails at Birch Hill Recreation Area. The five-year lease expires in January 2018, but is revocable at will by the Secretary of the Army. Payment is made through trail construction and ongoing maintenance for public use.
- Tanana Lakes Recreation Area land lease with the State of Alaska, Department of Natural Resources. The fifty-five year lease expires in August 2062. The lease is at no cost and subject to the Tanana Lakes Recreation Master Plan. Payment is made through maintenance and repairs of the recreation area.
- Alaska Railroad Corporation permit lease for a crossing drainage channel at Chena Lake. The lease expires in 2019.
- various equipment leases, data/voice communication leases, and dumpster site leases.

The future minimum lease payments for all operating leases are as follows:

## 8. OPERATING LEASES (continued)

| Year Ending June 30 | Amount |
|---|---|
| 2016 | $396,327 |
| 2017 | 254,450 |
| 2018 | 120,975 |
| 2019 | 44,402 |
| 2020 | - |
| Total | $816,154 |

There are no other operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2015.

The School District is obligated under a building operating lease for a small school facility for the B.R.I.D.G.E. program. The lease terminates June 30, 2022 unless terminated earlier by a mutual written consent of both parties or by the School District if there is insufficient or other lack of funds lawfully appropriated for its performance. Operating lease expense for fiscal year 2015 was $296,134.

## 9. CAPITAL LEASES

The Borough has entered into a master lease agreement as lessee for financing the acquisition of vehicles and equipment. The leases from this agreement qualify as capital leases for accounting purposes. The leased assets and their related obligations are all accounted for in the internal service proprietary fund. The assets acquired through capital leases are as follows:

| | Proprietary Fund |
|---|---|
| Machinery and equipment | $3,565,143 |
| Less: Accumulated depreciation | (818,870) |
| Total | $2,746,273 |

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015, were as follows:

| Year Ending June 30 | Proprietary Fund |
|---|---|
| 2016 | $551,752 |
| 2017 | 444,654 |
| 2018 | 306,138 |
| 2019 | 190,139 |
| 2020 | 53,394 |
| Total minimum lease payments | 1,546,078 |
| Less: Amount representing interest | (83,169) |
| Present value of minimum lease payments | $1,462,909 |

## 10. LONG-TERM LIABILITIES AND SUBSEQUENT EVENTS

### A. GENERAL OBLIGATION BONDS

The Borough issues general obligation bonds to provide funds for the acquisition, construction, renovation, and major maintenance of major capital facilities. General obligation bonds have been issued for governmental activities only. General obligation bonds are direct obligations and pledge the full faith and credit of the Borough. These bonds generally are issued as 20-year serial bonds. General obligation bonds currently outstanding are as follows:

| | Amount |
|---|---|
| $9,750,000 2006 Series I school facilities bonds due in annual installments of $460,000 to $735,000 through November 1, 2025 at 4.25 to 4.30% interest | $6,445,000 |
| $12,000,000 2007 Series J school facilities bonds due in annual installments of $550,000 to $880,000 through November 1, 2026 at 4.25 to 4.50% interest | 8,425,000 |
| $10,460,000 2007 Series K refunding bonds due in annual installments of $1,255,000 to $1,320,000 through November 1, 2016 at 4.00% interest | 2,575,000 |
| $11,128,000 2008 Series L school facilities bonds due in annual installments of $485,000 to $835,000 through November 1, 2027 at 3.625 to 4.50% interest | 8,340,000 |
| $11,950,000 2010 Series M school facilities bonds due in annual installments of $495,000 to $820,000 through July 1, 2029 at 3.25 to 5.75% interest | 9,685,000 |
| $17,480,000 2010 Series N refunding bonds due in annual installments of $2,300,000 to $2,450,000 through November 1, 2017 at 5.00% interest | 7,115,000 |
| $13,680,000 2010 Series O refunding bonds due in annual installments of $1,530,000 to $1,760,000 through April 1, 2019 at 4.00 to 5.00% interest | 6,560,000 |
| $5,565,000 2011 Series P refunding bonds due in annual installments of $540,000 to $645,000 through December 1, 2020 at 2.00 to 3.00% interest | 3,550,000 |
| $21,000,000 2011 Series Q refunding bonds due in annual installments of $1,815,000 to $1,850,000 through September 1, 2022 at 4.00 to 5.00% interest | 15,945,000 |
| $11,500,000 2012 Series R school facilities bonds due in annual installments of $500,000 to $730,000 through May 1, 2032 at 2.00 to 3.10% interest | 10,030,000 |
| $16,670,000 2012 Series S refunding bonds due in annual installments of $800,000 to $1,685,000 through October 1, 2024 at 2.00 to 5.00% interest | 14,085,000 |
| Total | $92,755,000 |

## 10. LONG-TERM LIABILITIES AND SUBSEQUENT EVENTS (continued)

### A. GENERAL OBLIGATION BONDS (continued)

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

| Year Ending June 30 | Governmental Activities | |
|---|---|---|
| | Principal | Interest |
| 2016 | $11,265,000 | $3,677,497 |
| 2017 | 11,665,000 | 3,234,934 |
| 2018 | 10,760,000 | 2,766,459 |
| 2019 | 8,635,000 | 2,365,750 |
| 2020 | 7,140,000 | 2,009,723 |
| 2021-2025 | 29,935,000 | 5,822,305 |
| 2026-2030 | 11,915,000 | 1,341,625 |
| 2031-2032 | 1,440,000 | 67,270 |
| Total | $92,755,000 | $21,285,563 |

On October 4, 2011, voters approved two bond authorizations totaling $20,290,000 for capital improvements to North Pole and Ryan Middle Schools, Salcha and Woodriver Elementary Schools, and North Pole High School. At June 30, 2015, $8,790,000 of these bonds remain unissued, but will be sold in the first half of calendar year 2016.

On October 1, 2013, voters approved two bond authorizations totaling $56,550,000 for the replacement of Ryan Middle School and capital improvements to Ticasuk Brown and University Park Elementary Schools, Tanana and North Pole Middle Schools, and Two Rivers K-8 School. These bonds will be sold in the first half of calendar year 2016.

### B. SOLID WASTE DISPOSAL ENTERPRISE FUND

The long-term debt in the solid waste disposal enterprise fund at June 30, 2015, is as follows:

| | |
|---|---|
| Loans payable | |
| $9,429,507 of Alaska Clean Water Fund loan drawdowns for solid waste expansion (cell 3 and cell 4). Interest accrual of 1.0 percent commenced April 2013 on project-to-date drawdowns. Payments due in five annual installments. | $9,429,507 |
| $1,738,955 of Alaska Clean Water Fund loan drawdowns for partial landfill closure. Interest accrual of 1.0 percent commenced October 2013 on project-to-date drawdowns. Payments due in five annual installments. | 1,738,955 |
| Total | $11,168,462 |

## 10. LONG-TERM LIABILITIES AND SUBSEQUENT EVENTS (continued)

### B. SOLID WASTE DISPOSAL ENTERPRISE FUND (continued)

In January 2011, the Borough negotiated an $8 million loan with Alaska Department of Environmental Conservation (ADEC) for construction of the landfill expansion (cell 3 and cell 4). In 2013, ADEC made an additional $3 million of loan funds available to the Borough. Of the total $11 million loan amount, there was a funding subsidy (principal forgiveness) of $503,552 which is not required to be repaid. Repayment is due in five annual installments beginning one year after substantial completion and initiation of operations. Cell 3 was substantially complete in July 2015.

The Borough negotiated a $3.5 million loan with Alaska Department of Environmental Conservation for partial landfill closure in December 2009. Repayment is due in five annual installments beginning one year after substantial completion. Substantial completion is estimated to be January 2018.

On August 6, 2015, the Borough received an additional funding subsidy of $513,243 from ADEC in the form of a principal reduction, for construction of the landfill expansion (cell 3 and cell 4).

### C. CHANGES IN LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2015, was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds | $103,605,000 | $ | ($10,850,000) | $92,755,000 | $11,265,000 |
| Plus (less) unamortized amounts: | | | | | |
| For issuance premiums | 5,299,246 | | (1,150,859) | 4,148,388 | |
| Bonds payable total | 108,904,246 | | (12,000,859) | 96,903,388 | 11,265,000 |
| Capital leases | 1,464,759 | | (1,850) | 1,462,910 | 511,506 |
| Self-insurance losses | 773,708 | 8,317,324 | (8,072,792) | 1,018,241 | 968,721 |
| Accrued compensated absences | 2,450,514 | 2,821,160 | (2,831,524) | 2,440,150 | 1,682,191 |
| Net pension liability | | 29,860,685 | (2,858,958) | 27,001,727 | |
| Governmental activities long-term liabilities | $113,593,228 | $40,999,169 | ($25,765,983) | $128,826,415 | $14,427,418 |
| **Business-type Activities:** | | | | | |
| Loans payable | $6,490,050 | $4,678,412 | $ | $11,168,462 | $ |
| Landfill closure and postclosure care | 18,091,603 | 2,685,218 | (588,684) | 20,188,137 | |
| Self-insurance losses | 261,758 | | (230,934) | 30,825 | 9,055 |
| Accrued compensated absences | 484,316 | 661,626 | (588,122) | 557,820 | 375,402 |
| Net pension liability | | 1,571,615 | (150,472) | 1,421,143 | |
| Business-type activities long-term liabilities | $25,327,727 | $9,596,871 | ($1,558,212) | $33,366,388 | $384,457 |

## 10. LONG-TERM LIABILITIES AND SUBSEQUENT EVENTS (continued)

### C. CHANGES IN LONG-TERM LIABILITIES (continued)

The Borough's internal service fund predominantly serves the governmental funds. Accordingly, its long-term liabilities, the capital leases, are included as part of the above totals for governmental activities. Also, for governmental activities, self-insurance losses, accrued compensated absences, and net pension liability are primarily liquidated by the general fund.

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

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

## 11. MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require the Borough to place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. Landfill closure and postclosure care costs, and their related liability, are recognized in the solid waste disposal enterprise fund and are based on the amount of landfill capacity used during the year. As of June 30, 2015, the estimated liability for landfill closure and postclosure care costs was $20,188,137, which was based on 90.06 percent of the landfill used (filled) to date. It is estimated that an additional $2,293,808 will be recognized as closure and postclosure care expenses between the date of the balance sheet and the date the landfill will be filled to capacity in 2064. The estimated total cost for future landfill closure and postclosure care ($23,070,629) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2015. However, the actual cost of closure and postclosure care may be higher or lower due to inflation or deflation, changes in technology, or changes in landfill laws and regulations.

The Borough is required by state and federal laws and regulations to demonstrate financial responsibility for future closure and postclosure care costs by meeting the requirements of a specially designed local government financial test. This test includes a financial component, a public notice component, and a record-keeping component. The Borough is in compliance with these requirements as of June 30, 2015.

## 11. MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS (continued)

While not required by state or federal laws and regulations, the Borough Assembly established a landfill closure reserve account in 1994. In many of the years since, the Borough has contributed varying amounts to the reserve and, in more recent years, has used varying amounts from the reserve toward closure and postclosure care costs of closed portions of the landfill. In fiscal year 2013, the Borough contributed $1,000,000 to the reserve. The landfill closure reserve is accounted for as a separate cost center within the solid waste disposal enterprise fund and has a balance of $2,449,363 in central treasury cash as of June 30, 2015. During fiscal year 2009, cell 1 at the solid waste landfill reached its capacity and the design and construction project for closure of this cell was started. During fiscal year 2013, the Borough appropriated $2,779,000 from the solid waste landfill closure reserve to expand cell 3 and portions of cell 4. A reserve balance of $3,521,000 was left for the closure of cell 1, of which $3,485,395 was expended by June 30, 2015. Anticipated future inflation costs and additional costs that might arise from changes in postclosure care requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users.

## 12. COMMITMENTS

The Borough's capital improvement and other multi-year programs in effect at June 30, 2015 contain authorizations for numerous programs and projects in the multi-year general subfund, four multi-year special revenue funds, six capital projects funds, and three enterprise funds.

The programs in the multi-year general subfund and in the multi-year special revenue funds are multi-year activities of a non-capital, non-enterprise nature. The projects undertaken in the capital projects funds include Borough facilities, fire and emergency medical services, public athletic and recreational sites, roads, School District projects, and sewer and utilities. In the enterprise funds, projects include facilities and major equipment, air quality initiatives, mass transit assistance, and solid waste landfill cell closures and construction.

The Borough has hundreds of commitments for architectural, engineering, construction services and other professional and contractual services under various continuing contracts that are recorded as encumbrances. Funding sources for the capital and other projects and programs include general obligation bonds, state revenues, federal revenues, contributions from the general and special revenue operating funds, and net position of the enterprise funds.

As of June 30, 2015 the Borough has encumbered amounts that it intends to honor in the subsequent year for the following governmental and business-type funds:

## 12. COMMITMENTS (continued)

| | |
|---|---|
| Major governmental funds | |
| General | $1,030,347 |
| Service areas special revenue | 7,285 |
| Bond capital projects | 29,554,491 |
| Local capital projects | 1,061,126 |
| Nonmajor governmental funds | 4,655,648 |
| | 36,308,895 |
| | |
| Major business-type funds | |
| Transit enterprise | 1,170,667 |
| Carlson Center enterprise | 65,743 |
| Solid waste disposal enterprise | 917,595 |
| | 2,154,005 |
| Total – all funds | $38,462,900 |

The Interior Gas Utility (IGU), a discretely presented component unit of the Borough, has entered into several commitments for engineering and related utility build-out planning services. As of June 30, 2015 the IGU has commitments totaling $27,505,427.

The IGU has a line of credit with the Alaska Industrial Development and Export Authority (AIDEA) dated June 30, 2014 and amended April 2, 2015 to finance the costs of construction of the IGU's distribution system. The interest rate for advances under the line of credit is zero percent until December 31, 2017. Amounts drawn on the line of credit are expected to be converted into a long-term note prior to December 31, 2017, with interest accruing at one percent. Security is the capitalized construction work in progress. If the project is deemed uneconomical, the construction work in progress will revert to AIDEA and the loan will be forgiven. The balance outstanding at June 30, 2015 was $12,487,219.

## 13. FUND BALANCE – GOVERNMENTAL FUNDS AND SCHOOL DISTRICT COMPONENT UNIT

The Borough is reporting restricted, committed, and assigned fund balances at June 30, 2015. The dollar amounts and purposes for each of these classifications follow:

| | General Fund | Service Areas | Local Capital Projects | Nonmajor Governmental | Total |
|---|---|---|---|---|---|
| **Restricted** | | | | | |
| Road and fire service areas | $ | $20,935,615 | $ | $ | $20,935,615 |
| 911 | | | | 2,362,040 | 2,362,040 |
| Nonareawide | | | | 3,106,077 | 3,106,077 |
| Economic development | 221,448 | | | | 221,448 |
| General government | | | | 30,000 | 30,000 |
| Health and social services | | | | 6,295 | 6,295 |
| Parks and recreation | | | | 16,463 | 16,463 |
| Emergency operations | 10,000 | | | | 10,000 |
| Health care and labor relations | | | | 3,172,665 | 3,172,665 |
| Solid waste collections | | | | 6,329,202 | 6,329,202 |
| Library | | | | 1,123,547 | 1,123,547 |
| Capital projects | | | 4,149,549 | 5,142,314 | 9,291,863 |
| Multi-year programs | | | | 179,618 | 179,618 |
| | $231,448 | $20,935,615 | $4,149,549 | $21,468,221 | $46,784,833 |

| | General Fund | Service Areas | Local Capital Projects | Nonmajor Governmental | Total |
|---|---|---|---|---|---|
| **Committed** | | | | | |
| Compensated absences | $2,278,313 | $ | $ | $ | $2,278,313 |
| Self-insurance losses | 1,500,000 | | | | 1,500,000 |
| Interior Gas Utility line of credit | 7,000,000 | | | | 7,000,000 |
| Pipeline valuation deposits | 9,436,565 | | | | 9,436,565 |
| Health and social services | 321,477 | | | | 321,477 |
| Health care and labor relations | 164,622 | | | | 164,622 |
| Community planning | 30,880 | | | | 30,880 |
| Emergency operations | 240 | | | | 240 |
| Land revenue reserve | 328,588 | | | | 328,588 |
| General fund multi-year projects | 930,164 | | | | 930,164 |
| Economic development | 395,237 | | | | 395,237 |
| Public works | 194,569 | | | | 194,569 |
| Parks and recreation | 1,189 | | | | 1,189 |
| Transportation | 2,521 | | | | 2,521 |
| Library | 85,171 | | | 19,628 | 104,799 |
| Debt service | | 1,702,124 | | | 1,702,124 |
| Capital projects | | | 11,850,708 | 2,122,235 | 13,972,943 |
| | $22,669,536 | $1,702,124 | $11,850,708 | $2,141,863 | $38,364,231 |

## 13. FUND BALANCE – GOVERNMENTAL FUNDS AND SCHOOL DISTRICT COMPONENT UNIT (continued)

| **Assigned** | General Fund |
|---|---|
| Purchases on order | $535,244 |
| Subsequent year's expenditures | 4,527,770 |
| | $5,063,014 |

Details for the fund balance classifications of the School District's general fund are as follows:

| | |
|---|---|
| **Nonspendable** | |
| Inventories | $425,380 |
| Prepaid items | 199,272 |
| | $624,652 |
| **Restricted** | |
| Student Allotments | $35,108 |
| **Assigned** | |
| Encumbrances | $1,658,795 |
| Impact aid advance | 16,402,515 |
| Subsequent year's expenditures | 1,911,426 |
| | $20,632,496 |

## 14. RISK MANAGEMENT

The Borough and its component unit, the School District, are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to, and illnesses of, employees and their dependents; and natural disasters. The Borough's risk management program includes both the Borough and the School District. The program employs various combinations of insurance policies provided by commercial carriers, and self-insured retention amounts, depending upon the type of risk. Commercial insurance with zero or small deductibles is secured for the following coverage: auto and general liability, and property for fire service areas; general liability for road and streetlight service areas; physical damage to Borough vehicles; employee life insurance; and employee fidelity bonds. The program self-insures some portion of the following risk exposures: employee and dependent medical, auto and general liability, workers' compensation, errors and omission/public officials, property, and employment practices. Commercial insurance has also been obtained for excess coverage above self-retention limits for all risk exposures except environmental. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. In addition, the Borough has committed fund balance in the amount of $1,500,000 to provide resources for catastrophic losses up to self-retention limits and for contractual indemnification purposes, as well as to demonstrate financial responsibility to insurance carriers of excess coverage. The adequacy of this committed amount is re-evaluated periodically.

Furthermore, in conjunction with employee union contracts, and in accordance with Assembly ordinance, the Borough instituted a health care contingency reserve (HCCR) in September 1997. The purpose of the HCCR is to smooth employee healthcare benefit costs over time. Contributions from employee payroll deductions of

## 14. RISK MANAGEMENT (continued)

$10 per pay period, along with an equal match from the Borough, if applicable, and interest earnings, are deposited into the HCCR. When annual actual costs are less than budgeted costs, the savings are deposited into the HCCR, subject to a target balance, above which no savings are deposited. The target balance is one third of the health care costs budgeted for that fiscal year. Withdrawals are made when healthcare costs exceed budgeted costs and, at June 30, 2015, $132,511 was withdrawn. In addition, for fiscal year 2013 through fiscal year 2015, withdrawals of $50 per employee per month were scheduled from the HCCR to offset budgeted costs provided that: 1) there was an increase in the health plan estimate from the prior fiscal year; and 2) the balance of the HCCR is at least 50 percent of the established target for the prior fiscal year. The June 30, 2015 HCCR restricted fund balance of $3,150,372 is reported in local programs, a nonmajor special revenue fund.

The joint Borough/School District risk management program is accounted for within the Borough's general fund with charge backs to the School District and other funds. Self-insurance losses are accrued when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Accrued self-insurance losses 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 self-insured claims liabilities for fiscal years 2015 and 2014 follow:

| Borough | 2014-15 Accrued Self-Insurance Losses | 2013-14 Accrued Self-Insurance Losses |
|---|---|---|
| July 1 | $1,035,466 | $1,553,079 |
| Current year claims | 8,577,325 | 6,870,346 |
| Changes in estimates | (259,998) | (79,015) |
| Claims payments | (8,303,727) | (7,308,944) |
| June 30 | $1,049,066 | $1,035,466 |
| **School District** | | |
| July 1 | $5,652,454 | $5,322,299 |
| Current year claims | 38,207,696 | 35,690,954 |
| Changes in estimates | (787,590) | (278,481) |
| Claims payments | (38,444,720) | (35,082,317) |
| June 30 | $4,627,839 | $5,652,454 |

## 15. RETIREMENT PLANS

Substantially all regular employees of the Borough and the School District component unit are members of either the Alaska Public Employee's Retirement System (PERS) or the Alaska Teachers' Retirement System

## 15. RETIREMENT PLANS (continued)

(TRS). Stand-alone financial statements for either system can be obtained by writing to the Alaska Department of Administration, Division of Retirement and Benefits, Finance Section, P.O. Box 110203, Juneau, Alaska 99811-0203, by calling 800-821-2251, or by sending a request by email to doa.drb.accountants@alaska.gov. Financial statements are also available on the web: the PERS financial statements are available at http://doa.alaska.gov/drb/pers/employee/resources/financialStatements.html and the TRS financial statements are available at http://doa.alaska.gov/drb/trs/employee/resources/financialStatements.html. The Borough and the School District participate in the PERS under separate agreements.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* (GASB 68). In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68* (GASB 71). Both statements are effective July 1, 2014. For the financial effects of the Borough's implementation of these statements, please see Note 16.

The two new GASB statements change the Borough's accounting and financial reporting requirements for the pension and related benefits portions of the PERS and TRS for both the defined benefit plan and the defined contribution hybrid plan. The new requirements separate accounting and financial reporting from how pensions are funded and require changes in these notes to the financial statements and in required supplementary information.

The accounting and financial reporting requirements for the postemployment healthcare portions of the PERS and TRS plans (both defined benefit and defined contribution) remain unchanged. However, in June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). The Borough must implement GASB 75 no later than fiscal year 2017-18.

### A. ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

#### System Description

The Alaska Public Employees' Retirement System (PERS) was established and is administered by the State of Alaska (State) to provide pension, postemployment healthcare, survivor, and disability benefits to eligible employees. It is a component unit of the State of Alaska. PERS is governed by the Alaska Retirement Management Board (ARMB). Contribution and benefit provisions for PERS are established by State law and may be amended only by the State Legislature; benefit provisions can be amended only prospectively. For the Borough and the School District, membership in PERS is mandatory for permanent employees scheduled to work at least 15 hours per week (except for Assembly members, School Board members, and election workers), unless the employee is covered by the Alaska Teachers' Retirement System. PERS consists of a defined benefit plan (Tiers I, II, and III) and a defined contribution plan with a component of defined benefit postemployment healthcare (Tier IV). The defined benefit plan (Tiers I, II, III) is closed to new members. Eligible employees who first enter PERS after June 30, 2006 participate in the defined contribution hybrid plan (Tier IV). Effective July 1, 2008, State legislation changed the PERS defined benefit plan from a single agent, multiple-employer plan to a cost-sharing, multiple-employer plan.

## 15. RETIREMENT PLANS (continued)

### A. ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (continued)

#### System Description (continued)

The PERS plans consist of the following:

| | Plan Type | Benefits |
|---|---|---|
| PERS Defined Benefit Plan Tiers I, II, III (DB Plan) | | |
| Defined Benefit Pension Plan | cost-sharing, defined benefit pension | pension, disability, and death |
| Alaska Retiree Health Care Trust (ARHCT) | cost-sharing, defined benefit OPEB | healthcare |
| PERS Defined Contribution Hybrid Plan Tier IV (DCH Plan) | | |
| Defined Contribution Retirement Trust | defined contribution pension | pension |
| Health Reimbursement Arrangement Plan | defined contribution OPEB | healthcare |
| Retiree Major Medical Plan | cost-sharing, defined benefit OPEB | healthcare |
| Occupational Death and Disability Plan | cost-sharing defined benefit OPEB | disability and death |

OPEB is other postemployment benefits. Actuarial valuations are prepared for the PERS Defined Benefit Plan (the pension plan and the ARHCT combined), and for the Retiree Major Medical Plan and the Occupational Death and Disability Plan combined. These valuation reports are available from the Alaska Division of Retirement and Benefits web page http://doa.alaska.gov/drb/pers/employee/resources/actuarialValuationReports.html.

#### PERS Defined Benefit Plan Tiers I, II, and III (DB Plan): Benefits Provided

The PERS Defined Benefit Plan for Tiers I, II, and III (DB Plan) provides pension, disability, death, and healthcare benefits.

*DB Plan Pension Benefits - Pension.* Members are eligible to retire and receive monthly benefits when vested and at retirement age. Vesting occurs with five paid-up years of service. The tiers determine differing criteria regarding normal retirement age, early retirement age, years-of-service eligibility, the calculation of average monthly salary, and the 10 percent cost of living allowance for Alaska residents. For all DB tiers, full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. An automatic postretirement pension adjustment (PRPA) is issued annually to all eligible benefit recipients, when the cost of living increases in the previous calendar year.

*DB Plan Pension Benefits - Disability*. Active members who become totally and permanently disabled from either occupational or nonoccupational causes may be eligible to receive a monthly disability benefit.

*DB Plan Pension Benefits - Death.* Survivor beneficiaries receive benefits when a member dies from either occupational or nonoccupational causes before a member's retirement.

*DB Plan Other Postemployment Benefits - Healthcare*. Major medical benefits are provided to retirees without cost for all members hired before July 1, 1986 (Tier I). Members hired on or after July 1, 1986 (Tier II) with five years of credited service (or ten years of credited service for those first hired on or after July 1, 1996 (Tier III))

## 15. RETIREMENT PLANS (continued)

### A. ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (continued)

#### PERS Defined Benefit Plan Tiers I, II, and III (DB Plan): Benefits Provided (continued)

may pay the full monthly premium if they are under age 60 (or over age 60 with less than ten years of service for those first hired on or after July 1, 1996), and receive benefits at no premium cost if they are over age 60 or are receiving disability benefits.

#### PERS Defined Benefit Plan Tiers I, II, and III (DB Plan): Contribution Requirements for Pension Benefits and Funding Policy for Other Postemployment Benefits

*Funding Policy and Contribution Rates*. Employee contribution rates for the PERS Defined Benefit Plan for Tiers I, II, and III are set by Alaska Statutes at 6.75 percent of eligible compensation for general employees and 7.50 percent for firefighters. Some School District employees who meet certain conditions can elect to contribute 9.60 percent. Employee contributions go fully towards the normal cost of pension benefits. Employees do not contribute to the Alaska Retiree Healthcare Trust for postemployment healthcare.

The employer contribution rate for the PERS Defined Benefit Plan for Tiers I, II, and III is set by Alaska Statutes at the greater of 22.00 percent of eligible compensation or the actuarially determined normal cost rate. When the 22.00 percent exceeds the normal cost rate, the excess is applied to the past service liability of the plan. The actuarial valuation as of June 30, 2012 was used to determine the actuarial normal cost rate for fiscal year 2015. Since the normal cost rate was less than 22.00 percent, the employer statutory contribution rate for fiscal year 2015 was set at the 22.00 percent as follows:

| | Employer Statutory Rate |
|---|---|
| Pension | 12.54% |
| Postemployment healthcare | 9.46 |
| Total PERS contribution rate | 22.00% |

Additionally, there is a Defined Benefit Unfunded Liability (DBUL) amount levied against the Defined Contribution Hybrid (DCH) Plan payroll. The DBUL amount is computed as the difference between the statutory employer contribution rate of 22.00 percent for fiscal year 2015, less the total of the employer contributions for DCH Plan employees for the Defined Contribution Retirement Trust, the Health Reimbursement Arrangement Plan, the Retiree Major Medical Plan, and the Occupational Death and Disability Plan. The difference is deposited, based on an actuarial allocation, into the DB Plan's pension and healthcare funds.

As adopted by the ARMB, the funding policy for the PERS Defined Benefit Plan for Tiers I, II, and III provides for calculation of actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate the assets necessary to meet both pension and postemployment healthcare benefits

## 15. RETIREMENT PLANS (continued)

### A. ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (continued)

**PERS Defined Benefit Plan Tiers I, II, and III (DB Plan):**
**Contribution Requirements for Pension Benefits and**
**Funding Policy for Other Postemployment Benefits** (continued)

when due. In accordance with Alaska Statutes, those actuarially determined rates are paid by a combination of periodic employer contributions and a direct on-behalf nonemployer contribution by the State. In accordance with those statutes, the State's direct on-behalf nonemployer contribution is an amount that, when combined with the employer contribution, will be sufficient to pay the total contribution rate adopted by the ARMB. The actuarial valuation as of June 30, 2012 was used to determine the actuarial rate for fiscal year 2015. Since the 22.00 percent contribution rate paid by employers includes their required contributions to the Defined Contribution Hybrid (DCH) Plan, the ARMB-adopted rate includes an additional 4.18 percent for the normal cost of the DCH Plan. This methodology provides for an easier calculation of the State's required annual on-behalf nonemployer contribution. For fiscal year 2015, the actuarially determined contribution rates are as follows:

| | Actuarially Determined Rates |
|---|---|
| Pension | 23.24% |
| Postemployment healthcare | 16.61 |
| Total PERS DB contribution rate | 39.85% |
| ARMB-adopted contribution rate | 44.03% |

However, for fiscal year 2015, the State contributed more funding than actuarially required, in anticipation that this additional funding would decrease future nonemployer contributions. Legislation enacted by the State appropriated $1 billion for the State's on-behalf nonemployer contributions for all employers in the PERS DB Plan, resulting in an on-behalf nonemployer contribution rate for fiscal year 2015 of 42.41 percent. The State applied all of its contributions to the unfunded liability for pension benefits and none to healthcare benefits. The legislation also stated the legislature's intent that the two-year rate-setting lag be eliminated.

In 2012, the ARMB had adopted the level dollar method (a front-loaded method) for amortizing the past service liability to be effective for fiscal year 2015. Legislation effective beginning in fiscal year 2015 negated that method, mandating the level percent of pay method (a back-loaded method). The legislation also reinitialized the 25-year closed amortization period. These actions extend the pay-off period by nine years (to 2039), substantially increasing the required Borough retirement contributions for those extra nine years.

The adoption of the cap on the employers' rate and the statutorily-required additional State contribution was, in part, a recognition of the State's obligation to the Plan arising from its fiduciary duty to, and its administrative control of, the PERS.

## 15. RETIREMENT PLANS (continued)

### A. ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (continued)

**PERS Defined Benefit Plan Tiers I, II, and III (DB Plan):**
**Contribution Requirements for Pension Benefits and**
**Funding Policy for Other Postemployment Benefits** (continued)

The funding ratio as of June 30, 2014 (the most recent actuarial valuation) for the PERS Defined Benefit Plan for Tiers I, II, and III was 70.1 percent, up from 62.6 percent at June 30, 2013.

*Contribution Amounts*. The amounts contributed by the Borough and the School District for the PERS Defined Benefit Plan for Tiers I, II, and III for the fiscal years ended June 30 were as follows:

| PERS Defined Benefit Plan Tiers I, II, III (DB Plan) | 2015 | 2014 |
|---|---|---|
| Pension: | | |
| Borough contributions, including DBUL | $2,613,466 | $2,340,866 |
| School District contributions, including DBUL | 3,512,945 | 3,195,365 |

| PERS Defined Benefit Plan Tiers I, II, III (DB Plan) | 2015 | 2014 | 2013 |
|---|---|---|---|
| Postemployment healthcare (ARHCT): | | | |
| Borough contributions, including DBUL | $1,971,879 | $2,328,504 | $2,630,218 |
| School District contributions, including DBUL | 2,654,200 | 3,164,938 | 3,630,592 |

The amounts contributed by the Borough and the School District for postemployment healthcare, shown above, were equal to the required employer contributions for each of the last three years. Included in both the pension and postemployment healthcare amounts above are the DBUL amounts contributed by the Borough and the School District for the PERS Defined Benefit Plan for Tiers I, II, and III, levied against the PERS Defined Contribution Hybrid Plan payroll. These DBUL amounts for the fiscal years ended June 30 were as follows:

| PERS DBUL Amount Levied Against the DCH Plan Payroll | 2015 | 2014 |
|---|---|---|
| Pension: | | |
| Borough contributions | $613,473 | $570,235 |
| School District contributions | 859,969 | 821,935 |

| PERS DBUL Amount Levied Against the DCH Plan Payroll | 2015 | 2014 | 2013 |
|---|---|---|---|
| Postemployment healthcare (ARHCT): | | | |
| Borough contributions | $463,063 | $437,995 | $476,073 |
| School District contributions | 652,736 | 630,757 | 743,716 |

## 15. RETIREMENT PLANS (continued)

### A. ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (continued)

**PERS Defined Benefit Plan Tiers I, II, and III (DB Plan):**
**Contribution Requirements for Pension Benefits and**
**Funding Policy for Other Postemployment Benefits** (continued)

The amounts of on-behalf nonemployer contributions from the State of Alaska for postemployment healthcare benefits for the PERS Defined Benefit Plan for Tiers I, II, and III for the fiscal years ended June 30 were as follows:

| State On-Behalf Nonemployer Contributions for PERS Defined Benefit Plan Tiers I, II, III (DB Plan) | 2015 | 2014 | 2013 |
|---|---|---|---|
| Postemployment healthcare (ARHCT): | | | |
| for the Borough | $ | $1,543,499 | $1,627,656 |
| for the School District | | 2,185,937 | 2,349,421 |

**PERS Defined Benefit Plan Tiers I, II, and III (DB Plan):**
**Pension Liabilities, Pension Expense, and Deferred Outflows of**
**Resources and Deferred Inflows of Resources Related to Pensions**

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2015 the Borough and School District reported a liability for the proportionate share of the net pension liability that reflected a reduction for pension support provided by the State. The amount recognized by the Borough and the School District as their respective proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability were as follows:

| | Borough | School District |
|---|---|---|
| Entity's proportionate share of the net pension liability | $28,422,870 | $38,961,973 |
| State's proportionate share of the net pension liability associated with the entity | 24,457,662 | 34,637,437 |
| Total | $52,880,532 | $73,559,410 |

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 which was rolled forward to June 30, 2014. Each entity's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating PERS employers and the State of Alaska, as actuarially determined. At June 30, 2014, the proportions and changes were as follows:

## 15. RETIREMENT PLANS (continued)

### A. ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (continued)

**PERS Defined Benefit Plan Tiers I, II, and III (DB Plan):**
**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (continued)

| | Borough | School District |
|---|---|---|
| June 30, 2014 proportion | .60939164% | .83535198% |
| Increase (decrease) from June 30, 2013 | .01084054 | .00955957 |

For the year ended June 30, 2015, the Borough recognized pension expense of $1,057,733 and revenue of $1,377,721 equal to the nonemployer portion of total pension expense. At June 30, 2015 the following deferred outflows of resources and deferred inflows of resources related to pensions were reported:

| Borough | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Net difference between projected and actual earnings on pension plan investments | | $3,283,809 |
| Changes in proportion and difference between contributions and proportionate share of contributions | $321,767 | |
| Contributions subsequent to the measurement date | 2,613,466 | |
| Total | $2,935,233 | $3,283,809 |

## 15. RETIREMENT PLANS (continued)

### A. ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (continued)

### PERS Defined Benefit Plan Tiers I, II, and III (DB Plan): Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

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

| School District | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Net difference between projected and actual earnings on pension plan investments | | $4,501,435 |
| Changes in proportion and difference between contributions and proportionate share of contributions | $283,745 | |
| Contributions subsequent to the measurement date | 3,512,945 | |
| Total | $3,796,690 | $4,501,435 |

The deferred outflows of resources related to pensions of $2,613,466 for the Borough and $3,512,945 for the School District resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year-ended June 30 | Borough | School District |
|---|---|---|
| 2016 | $573,439 | $907,093 |
| 2017 | 746,698 | 1,059,879 |
| 2018 | 820,952 | 1,125,359 |
| 2019 | 820,952 | 1,125,359 |
| | $2,962,041 | $4,217,690 |

*Actuarial Assumptions*. The total pension liability was determined by an actuarial valuation as of June 30, 2013, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2014. The actuarial valuation for the year ended June 30, 2014 was prepared by Buck Consultants, LLC. The actuarial assumptions used in the June 30, 2013 valuations were based on the results of an actuarial experience study for the period from July 1, 2005 to June 30, 2009,

## 15. RETIREMENT PLANS (continued)

### A. ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (continued)

### PERS Defined Benefit Plan Tiers I, II, and III (DB Plan): Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

resulting in changes in actuarial assumptions adopted by the ARMB to better reflect expected future experience.

| | |
|---|---|
| Inflation rate | 3.12% |
| Salary increases | Graded by service, from 6.36% to 4.12% for peace officers/firefighters. Graded by age and service from 9.6% to 3.62% for all others. |
| Investment rate of return | 8% net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88% |
| Mortality | Rates based on the 1994 group Annuity Mortality Table, sex distinct, 1994 Base year without margin projected to 2013 using Projection Scale AA, 80% of the male table and 60% of the female table for pre-termination mortality for peace officers/firefighters. For all others 75% for male and 55% for female for pre-termination; and 100% for males and 1-year set-forward for females for post-termination. |

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by an asset allocation percentage, which is based on the nature and mix of current and expected plan investments, and by adding expected inflation.

## 15. RETIREMENT PLANS (continued)

### A. ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (continued)

### PERS Defined Benefit Plan Tiers I, II, and III (DB Plan): Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The best estimates of arithmetic real rates of return for each major asset class included in the PERS current and expected asset allocation is summarized in the following table (note that the rates shown below exclude the inflation component):

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

*Discount rate*. The discount rate used to measure the total pension liability was 8.0 percent. The projection of cash flows used to determine the discount rate assumed that employer and nonemployer contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the PERS fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Discount rate sensitivity*. The following presents the PERS net pension liability and the Borough and School District's proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what the PERS, Borough and School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

## 15. RETIREMENT PLANS (continued)

### A. ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (continued)

**PERS Defined Benefit Plan Tiers I, II, and III (DB Plan):**
**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (continued)

| | Proportionate Share | 1% Decrease (7.00%) | Current Discount Rate (8.00%) | 1% Increase (9.00%) |
|---|---|---|---|---|
| PERS net pension liability | 100.00% | $6,115,581,980 | $4,664,138,458 | $3,441,888,494 |
| Proportionate share of the net pension liability | | | | |
| Borough | 0.60939164% | $37,267,845 | $28,422,870 | $20,974,581 |
| School District | 0.83535198% | $51,086,635 | $38,961,973 | $28,751,884 |

*Pension Plan Fiduciary Net Position.* Detailed information about the PERS fiduciary net position is available in the separately issued PERS financial report.

**PERS Defined Contribution Hybrid Plan Tier IV (DCH Plan):**
**Benefits Provided**

The PERS Defined Contribution Hybrid Plan for Tier IV (DCH Plan) provides pension, occupational disability, death, and healthcare benefits. The Defined Contribution Plans for PERS Tier IV and for TRS Tier III are together called the PERS/TRS Defined Contribution Retirement Plan.

*DCH Plan Pension Benefits - Pension*. The Defined Contribution Retirement Trust is a defined contribution plan. Employees immediately vest 100 percent in their own contributions. An employee vests 25 percent in the employer's contributions with two years of service, 50 percent with three years of service, 75 percent with four years of service, and 100 percent with five years of service. Contributions consist solely of employee and employer contributions, with no special funding or other nonemployer contributions. Alaska Statutes require that forfeitures be used to reduce employer contributions and cannot be used to increase the benefits of any member. The State is working on a policy for forfeitures.

*DCH Plan OPEB Benefits - Occupational Disability*. The Occupational Death and Disability Plan is a defined benefit plan. Employees who become totally and permanently disabled from occupational causes may be eligible to receive a monthly disability benefit.

*DCH Plan OPEB Benefits - Death*. The Occupational Death and Disability Plan is a defined benefit plan. Survivor beneficiaries receive benefits when an employee dies from occupational causes before retirement.

*DCH Plan OPEB Benefits - Healthcare*. The Retiree Major Medical Plan is a defined benefit plan. Currently, no members are eligible to use the Retiree Major Medical Plan until they have at least 10 years of service. Members will be eligible for the DCH Plan's healthcare benefits beginning in June 2016. The State is in the process of formalizing and finalizing the Retiree Major Medical Plan. The Health Reimbursement Arrangement

## 15. RETIREMENT PLANS (continued)

### A. ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (continued)

#### PERS Defined Contribution Hybrid Plan Tier IV (DCH Plan): Benefits Provided (continued)

Plan (HRA) is a defined contribution plan which allows medical expenses to be reimbursed from individual savings accounts established for eligible participants.

#### PERS Defined Contribution Hybrid Plan Tier IV (DCH Plan): Contribution Requirements for Defined Contribution Pension Benefits and for Defined Contribution Other Postemployment Benefits and Funding Policy for Defined Benefit Other Postemployment Benefits

*Funding Policy and Contribution Rates*. The employee contribution rate for the PERS Defined Contribution Hybrid Plan for Tier IV is set by Alaska Statute at 8.00 percent of eligible compensation. Employee contributions go fully toward each member's individual pension account. Employees do not contribute to the postemployment benefit plans for the Health Reimbursement Arrangement (a defined contribution plan), Retiree Major Medical (a defined benefit plan), or Occupational Death and Disability (a defined benefit plan).

The employer contribution rate for the PERS Defined Contribution Hybrid Plan for Tier IV is set by Alaska Statute at the same rate as the PERS Defined Benefit Plan for Tiers I, II, and III. That rate is greater of 22.00 percent or the actuarially determined normal cost rate of the PERS Defined Benefit Plan for Tiers I, II, and III. The 22.00 percent rate for the Defined Contribution Hybrid Plan for Tier IV for fiscal year 2015 is comprised of five elements: 5.00 percent to each member's individual pension account, 1.66 percent into the Retiree Major Medical Plan, 1.06 percent for firefighters and 0.22 percent for general members for occupational death and disability benefits, a flat dollar amount per employee based on 3.00 percent of the average annual compensation of all PERS and TRS employees of all employers in the plan (into the individual employee's Health Reimbursement Arrangement account), and a residual contribution applied as a payment to the PERS Defined Benefit Plan's unfunded liability (DBUL). For both the Borough and the School District, the HRA flat dollar amount per employee for fiscal year 2015 was $75.41 per pay period for full-time employees and $1.26 per hour for part-time employees. The actuarial valuation as of June 30, 2012 was used to determine the actuarial rates for fiscal year 2015 for the defined benefits of the PERS Defined Contribution Hybrid Plan for Tier IV: Retiree Major Medical and Occupational Death and Disability.

The funding ratio as of June 30, 2014 (the most recent actuarial valuation) for the defined benefits (Retiree Major Medical and Occupational Death and Disability) of the PERS Defined Contribution Hybrid Plan for Tier IV was 83.1 percent, up from 50.7 percent at June 30, 2013.

*Contribution Amounts*. The amounts contributed by the Borough and the School District for the defined contribution postemployment healthcare portion (Health Reimbursement Arrangement) of the PERS Defined Contribution Plan for Tier IV for the fiscal years ended June 30 were as follows:

## 15. RETIREMENT PLANS (continued)

### A. ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (continued)

**PERS Defined Contribution Hybrid Plan Tier IV (DCH Plan):
Contribution Requirements for Defined Contribution Pension Benefits
and for Defined Contribution Other Postemployment Benefits
and Funding Policy for Defined Benefit Other Postemployment Benefits** (continued)

| PERS Defined Contribution Hybrid Plan Tier IV (DCH Plan) | 2015 | 2014 |
|---|---|---|
| Postemployment defined contributions - healthcare: | | |
| Borough contributions | $325,246 | $261,233 |
| School District contributions | 687,970 | 651,430 |

The amounts contributed by the Borough and the School District for the defined benefit postemployment healthcare and other benefits portions (Retiree Major Medical Plan and Occupational Death and Disability Plan) of the PERS Defined Contribution Hybrid Plan for Tier IV for the fiscal years ended June 30 were as follows:

| PERS Defined Contribution Hybrid Plan Tier IV (DCH Plan) | 2015 | 2014 | 2013 |
|---|---|---|---|
| Postemployment defined benefits - healthcare and other benefits: | | | |
| Borough contributions | $174,135 | $52,898 | $40,430 |
| School District contributions | 274,432 | 87,652 | 72,836 |

The amounts contributed by the Borough and the School District for postemployment healthcare and other benefits (Retiree Major Medical Plan and Occupational Death and Disability Plan), shown above, were equal to the required employer contributions for each the last three years.

### B. ALASKA TEACHERS' RETIREMENT SYSTEM

**System Description**

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

## 15. RETIREMENT PLANS (continued)

### B. ALASKA TEACHERS' RETIREMENT SYSTEM (continued)

#### System Description (continued)

The TRS plans consist of the following:

| | Plan Type | Benefits |
|---|---|---|
| TRS Defined Benefit Plan (Tiers I, II, III) | | |
| Defined Benefit Pension Plan | cost-sharing, defined benefit pension | pension, disability, and death |
| Alaska Retiree Healthcare Trust (ARHCT) | cost-sharing, defined benefit OPEB | healthcare |
| Defined Contribution Hybrid Plan (Tier IV) | | |
| Defined Contribution Retirement Trust | defined contribution pension | pension, survivor |
| Healthcare Reimbursement Arrangement Plan | defined contribution OPEB | healthcare |
| Retiree Major Medical Plan | cost-sharing, defined benefit OPEB | healthcare |
| Occupational Death and Disability Plan | cost-sharing defined benefit OPEB | disability and death |

OPEB is other postemployment benefits. Actuarial valuations are prepared for the TRS Defined Benefit Plan (the pension plan and the ARHCT combined) and for the Retiree Major Medical Plan and the Occupational Death and Disability Plan combined. These valuation reports are available from the Alaska Division of Retirement and Benefits web page http://doa.alaska.gov/drb/trs/employee/resources/actuarialValuationReports.html.

#### TRS Defined Benefit Plan Tiers I and II (DB Plan): Benefits Provided

The TRS Defined Benefit Plan for Tiers I and II (DB Plan) provides pension, disability, death, and healthcare benefits.

*DB Plan Pension Benefits - Pension.* Members are eligible to retire and receive monthly benefits when vested and at retirement age. Vesting occurs with eight paid-up years of service. The tiers determine differing criteria regarding normal retirement age, early retirement age, and the 10 percent cost of living allowance for Alaska residents. For all DB tiers, full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. An automatic postretirement pension adjustment (PRPA) is issued annually to all eligible benefit recipients, when the cost of living increases in the previous calendar year.

*DB Plan Pension Benefits - Disability*. Active members who become totally and permanently disabled from either occupational or nonoccupational causes may be eligible to receive a monthly disability benefit.

*DB Plan Pension Benefits - Death.* Survivor beneficiaries receive benefits when a member dies from either occupational or nonoccupational causes before a member's retirement.

*DB Plan Other Postemployment Benefits - Healthcare*. Major medical benefits are provided to retirees without cost for all members hired before July 1, 1990 (Tier I). Members hired on or after July 1, 1990 (Tier II) with eight years of credited service may pay the full monthly premium if they are under age 60, and receive benefits at no premium cost if they are over age 60 or are receiving disability benefits.

## 15. RETIREMENT PLANS (continued)

### B. ALASKA TEACHERS' RETIREMENT SYSTEM (continued)

#### TRS Defined Benefit Plan Tiers I and II (DB Plan): Contribution Requirements for Pension Benefits and Funding Policy for Other Postemployment Benefits

*Funding Policy and Contribution Rates*. Employee contribution rates for the TRS Defined Benefit Plan for Tiers I and II are set by Alaska Statutes at 8.65 percent of eligible compensation. Some School District employees who meet certain conditions can elect to contribute 9.60 percent. Employee contributions go fully towards the normal cost of pension benefits. Employees do not contribute to the Alaska Retiree Healthcare Trust for postemployment healthcare.

The employer contribution rate for the TRS Defined Benefit Plan for Tiers I and II is set by Alaska Statutes at the greater of 12.56 percent of eligible compensation or the actuarially determined normal cost rate. When the 12.56 percent exceeds the normal cost rate, the excess is applied to the past service liability of the plan. The actuarial valuation as of June 30, 2012 was used to determine the actuarial normal cost rate for fiscal year 2015. Since the normal cost rate was less than 12.56 percent, the employer statutory contribution rate for fiscal year 2015 was set at the 12.56 percent as follows:

| | Employer Statutory Rate |
|---|---|
| Pension | 7.22% |
| Postemployment healthcare | 5.34 |
| Total TRS contribution rate | 12.56% |

Additionally, there is a Defined Benefit Unfunded Liability (DBUL) amount levied against the Defined Contribution Hybrid (DCH) Plan payroll. The DBUL amount is computed as the difference between the statutory employer contribution rate of 12.56 percent for fiscal year 2015, less the total of the employer contributions for DCH Plan employees for the Defined Contribution Retirement Trust, the Health Reimbursement Arrangement Plan, the Retiree Major Medical Plan, and the Occupational Death and Disability Plan. The difference is deposited, based on an actuarial allocation, into the DB Plan's pension and healthcare funds.

As adopted by the ARMB, the funding policy for the TRS Defined Benefit Plan for Tiers I and II provides for calculation of actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate the assets necessary to meet both pension and postemployment healthcare benefits when due. In accordance with Alaska Statutes, those actuarially determined rates are paid by a combination of periodic employer contributions and a direct on-behalf nonemployer contribution by the State. In accordance with those statutes, the State's direct on-behalf nonemployer contribution is an amount that, when combined with the employer contribution, will be sufficient to pay the total contribution rate adopted by the

## 15. RETIREMENT PLANS (continued)

### B. ALASKA TEACHERS' RETIREMENT SYSTEM (continued)

### TRS Defined Benefit Plan Tiers I and II (DB Plan): Contribution Requirements for Pension Benefits and Funding Policy for Other Postemployment Benefits (continued)

ARMB. The actuarial valuation as of June 30, 2012 was used to determine the actuarial rate for fiscal year 2015. Since the 12.56 percent contribution rate paid by employers includes their required contributions to the Defined Contribution Hybrid (DCH) Plan, the ARMB-adopted rate includes an additional 4.44 percent for the normal cost of the DCH Plan. This methodology provides for an easier calculation of the State's required annual on-behalf nonemployer contribution. For fiscal year 2015, the actuarially determined contribution rates are as follows:

| | Actuarially Determined Rates |
|---|---|
| Pension | 44.28% |
| Postemployment healthcare | 21.76 |
| Total TRS DB contribution rate | 66.31% |
| ARMB-adopted contribution rate | 70.75% |

However, for fiscal year 2015, the State contributed more funding than actuarially required, in anticipation that this additional funding would decrease future nonemployer contributions. Legislation enacted by the State appropriated $2 billion for the State's on-behalf nonemployer contributions for all employers in the TRS DB Plan, resulting in an on-behalf nonemployer contribution rate for fiscal year 2015 of 255.29 percent (212.24 percent for pension and 43.05 percent for postemployment healthcare). The legislation also stated the legislature's intent that the two-year rate-setting lag be eliminated.

In 2012, the ARMB had adopted the level dollar method (a front-loaded method) for amortizing the past service liability to be effective for fiscal year 2015. Legislation effective beginning in fiscal year 2015 negated that method, mandating the level percent of pay method (a back-loaded method). The legislation also reinitialized the 25-year closed amortization period. These actions extend the pay-off period by nine years (to 2039).

The adoption of the cap on the employers' rate and the statutorily-required additional State contribution was, in part, a recognition of the State's obligation to the Plan arising from its fiduciary duty to, and its administrative control of, the TRS.

The funding ratio as of June 30, 2014 (the most recent actuarial valuation) for the TRS Defined Benefit Plan for Tiers I and II was 61.2 percent, up from 53.6 percent at June 30, 2013.

## 15. RETIREMENT PLANS (continued)

### B. ALASKA TEACHERS' RETIREMENT SYSTEM (continued)

### TRS Defined Benefit Plan Tiers I and II (DB Plan): Contribution Requirements for Pension Benefits and Funding Policy for Other Postemployment Benefits (continued)

*Contribution Amounts*. The amounts contributed by the School District for the TRS Defined Benefit Plan for Tiers I and II for the fiscal years ended June 30 were as follows:

| TRS Defined Benefit Plan Tiers I and II (DB Plan) | 2015 | 2014 |
|---|---|---|
| Pension: | | |
| School District contributions, including DBUL | $3,882,614 | $3,928,801 |

| TRS Defined Benefit Plan Tiers I and II (DB Plan) | 2015 | 2014 | 2013 |
|---|---|---|---|
| Postemployment healthcare (ARHCT): | | | |
| School District contributions, including DBUL | $2,876,731 | $3,372,054 | $3,703,736 |

The amounts contributed by the School District for postemployment healthcare, shown above, were equal to the required employer contributions for each of the last three years. Included in both the pension and postemployment healthcare amounts above are the DBUL amounts contributed by the School District for the TRS Defined Benefit Plan for Tiers I and II, levied against the TRS Defined Contribution Hybrid Plan payroll. These DBUL amounts for the fiscal years ended June 30 were as follows:

| TRS DBUL Amount Levied Against the DCH Plan Payroll | 2015 | 2014 |
|---|---|---|
| Pension: | | |
| School District contributions | $123,500 | $294,074 |

| TRS DBUL Amount Levied Against the DCH Plan Payroll | 2015 | 2014 | 2013 |
|---|---|---|---|
| Postemployment healthcare (ARHCT): | | | |
| School District contributions | $91,322 | $151,962 | $189,389 |

The amounts of on-behalf nonemployer contributions from the State of Alaska for postemployment healthcare benefits for the TRS Defined Benefit Plan for Tiers I and II for the fiscal years ended June 30 were as follows:

| State On-Behalf Nonemployer Contributions for TRS Defined Benefit Plan Tiers I and II (DB Plan) | 2015 | 2014 | 2013 |
|---|---|---|---|
| Postemployment healthcare (ARHCT): for the School District | $32,951,841 | $10,613,670 | $10,566,563 |

### TRS Defined Benefit Plan Tiers I and II (DB Plan): Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*. At June 30, 2015 the School District reported a liability for the proportionate share of the

## 15. RETIREMENT PLANS (continued)

### B. ALASKA TEACHERS' RETIREMENT SYSTEM (continued)

### TRS Defined Benefit Plan Tiers I and II (DB Plan): Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

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

| | |
|---|---|
| School District's proportionate share of the net pension liability | $47,586,729 |
| State's proportionate share of the net pension liability associated with the School District | 249,903,789 |
| Total | $297,490,518 |

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

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Net difference between projected and actual earnings on pension plan investments | | $5,866,627 |
| Contributions subsequent to the measurement date | $3,882,614 | |
| Total | $3,882,614 | $5,866,627 |

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

## 15. RETIREMENT PLANS (continued)

### B. ALASKA TEACHERS' RETIREMENT SYSTEM (continued)

**TRS Defined Benefit Plan Tiers I and II (DB Plan):**
**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (continued)

| Year-ended June 30 | |
|---|---|
| 2016 | $2,306,930 |
| 2017 | 1,435,535 |
| 2018 | 1,062,081 |
| 2019 | 1,062,081 |
| | $5,866,627 |

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

| | |
|---|---|
| Inflation rate | 3.12% |
| Salary increases | Graded by service, from 6.11% to 3.62% |
| Investment rate of return | 8% net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88% |
| Mortality | Rates based on the 1994 group Annuity Mortality Table, sex distinct, 1994 Base year without margin projected to 2013 using Projection Scale AA, 55% for female and 45% for male for pre-termination mortality. 3-year set-back for females and a 4-year set-back for males post-termination mortality |

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by an asset allocation percentage, which is based on the nature and mix of current and expected plan investments, and by adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class

## 15. RETIREMENT PLANS (continued)

### B. ALASKA TEACHERS' RETIREMENT SYSTEM (continued)

### TRS Defined Benefit Plan Tiers I and II (DB Plan): Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

included in the TRS current and expected asset allocation is summarized in the following table (note that the rates shown below exclude the inflation component):

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

*Discount rate.* The discount rate used to measure the total pension liability was 8.0 percent. The projection of cash flows used to determine the discount rate assumed that employer and nonemployer contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the TRS fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Discount rate sensitivity.* The following presents the TRS net pension liability and the School District's proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what the TRS, and the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

## 15. RETIREMENT PLANS (continued)

### B. ALASKA TEACHERS' RETIREMENT SYSTEM (continued)

**TRS Defined Benefit Plan Tiers I and II (DB Plan):**
**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (continued)

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

*Pension Plan Fiduciary Net Position*. Detailed information about the TRS fiduciary net position is available in the separately issued TRS financial report.

**TRS Defined Contribution Hybrid Plan Tier III (DCH Plan):**
**Benefits Provided**

The TRS Defined Contribution Hybrid Plan for Tier III (DCH Plan) provides pension, occupational disability, death, and healthcare benefits. The Defined Contribution Plans for PERS Tier IV and for TRS Tier III are together called the PERS/TRS Defined Contribution Retirement Plan.

*DCH Plan Pension Benefits - Pension*. The Defined Contribution Retirement Trust is a defined contribution plan. Employees immediately vest 100 percent in their own contributions. An employee vests 25 percent in the employer's contributions with two years of service, 50 percent with three years of service, 75 percent with four years of service, and 100 percent with five years of service. Contributions consist solely of employee and employer contributions, with no special funding or other nonemployer contributions. Alaska Statutes require that forfeitures be used to reduce employer contributions and cannot be used to increase the benefits of any member. The State is working on a policy for forfeitures.

*DCH Plan OPEB Benefits - Occupational Disability*. The Occupational Death and Disability Plan is a defined benefit plan. Employees who become totally and permanently disabled from occupational causes may be eligible to receive a monthly disability benefit.

*DCH Plan OPEB Benefits - Death*. The Occupational Death and Disability Plan is a defined benefit plan. Survivor beneficiaries receive benefits when an employee dies from occupational causes before retirement.

*DCH Plan OPEB Benefits - Healthcare*. The Retiree Major Medical Plan is a defined benefit plan. Currently, no members are eligible to use the Retiree Major Medical Plan until they have at least 10 years of service.

Members will be eligible for the DCH Plan's healthcare benefits beginning in June 2016. The State is in the process of formalizing and finalizing the Retiree Major Medical Plan. The Health Reimbursement Arrangement

## 15. RETIREMENT PLANS (continued)

### B. ALASKA TEACHERS' RETIREMENT SYSTEM (continued)

### TRS Defined Contribution Hybrid Plan Tier III (DCH Plan): Benefits Provided (continued)

Plan (HRA) is a defined contribution plan which allows medical expenses to be reimbursed from individual savings accounts established for eligible participants.

### TRS Defined Contribution Hybrid Plan Tier III (DCH Plan): Contribution Requirements for Defined Contribution Pension Benefits and for Defined Contribution Other Postemployment Benefits and Funding Policy for Defined Benefit Other Postemployment Benefits

*Funding Policy and Contribution Rates*. The employee contribution rate for the TRS Defined Contribution Hybrid Plan for Tier III is set by Alaska Statute at 8.00 percent of eligible compensation. Employee contributions go fully toward each member's individual pension account. Employees do not contribute to the postemployment benefit plans for the Health Reimbursement Arrangement (a defined contribution plan), Retiree Major Medical (a defined benefit plan), or Occupational Death and Disability (a defined benefit plan).

The employer contribution rate for the TRS Defined Contribution Hybrid Plan for Tier III is set by Alaska Statute at the same rate as the TRS Defined Benefit Plan for Tiers I and II. That rate is greater of 12.56 percent or the actuarially determined normal cost rate of the TRS Defined Benefit Plan for Tiers I and II. The 12.56 percent rate for the Defined Contribution Hybrid Plan for Tier III for fiscal year 2015 is comprised of five elements: 7.00 percent to each member's individual pension account, 2.04 percent into the Retiree Major Medical Plan, 0.00 percent for occupational death and disability benefits, a flat dollar amount per employee based on 3.00 percent of the average annual compensation of all PERS and TRS employees of all employers in the plan (into the individual employee's Health Reimbursement Arrangement account), and a residual contribution applied as a payment to the TRS Defined Benefit Plan's unfunded liability (DBUL). For the School District, the HRA flat dollar amount per employee for fiscal year 2015 was $75.41 per pay period for full-time employees. The rate for part-time employees is based on the contract percentage worked multiplied by the flat dollar amount per pay period for full-time employees. The actuarial valuation as of June 30, 2012 was used to determine the actuarial rates for fiscal year 2015 for the defined benefits of the TRS Defined Contribution Hybrid Plan for Tier III: Retiree Major Medical and Occupational Death and Disability.

The funding ratio as of June 30, 2014 (the most recent actuarial valuation) for the defined benefits (Retiree Major Medical and Occupational Death and Disability) of the TRS Defined Contribution Hybrid Plan for Tier III was 90.3 percent, up from 51.4 percent at June 30, 2013.

*Contribution Amounts*. The amounts contributed by the School District for the defined contribution postemployment healthcare portion (Health Reimbursement Arrangement) of the TRS Defined Contribution Plan for Tier III for the fiscal years ended June 30 were as follows:

| TRS Defined Contribution Hybrid Plan Tier III (DCH Plan) | 2015 | 2014 |
|---|---|---|
| Postemployment defined contributions - healthcare: | | |
| School District contributions | $608,508 | $608,461 |

## 15. RETIREMENT PLANS (continued)

### B. ALASKA TEACHERS' RETIREMENT SYSTEM (continued)

**TRS Defined Contribution Hybrid Plan Tier III (DCH Plan):**
**Contribution Requirements for Defined Contribution Pension Benefits**
**and for Defined Contribution Other Postemployment Benefits**
**and Funding Policy for Defined Benefit Other Postemployment Benefits** (continued)

The amounts contributed by the School District for the defined benefit postemployment healthcare and other benefits portions (Retiree Major Medical Plan and Occupational Death and Disability Plan) of the TRS Defined Contribution Hybrid Plan for Tier III for the fiscal years ended June 30 were as follows:

| TRS Defined Contribution Hybrid Plan Tier III (DCH Plan) | 2015 | 2014 | 2013 |
|---|---|---|---|
| Postemployment defined benefits - healthcare and other benefits: | | | |
| School District contributions | $470,185 | $97,322 | $91,194 |

The amounts contributed by the School District for postemployment healthcare and other benefits (Retiree Major Medical Plan and Occupational Death and Disability Plan), shown above, were equal to the required employer contributions for each the last three years.

## 16. CHANGE IN ACCOUNTING PRINCIPLE

The Borough implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27,* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*, during the fiscal year ended June 30, 2015. The provisions of these statements require the Borough to recognize its proportional share of the net pension liability and the related deferred outflow and inflow accounts available at the beginning of the fiscal year.

Application of these statements resulted in a $27,636,862 decrease to the governmental activities beginning net position, and a $1,454,572 decrease to the business-type activities beginning net position as follows:

| | |
|---|---|
| Government activities | |
| Net position at July 1, 2014, as previously reported | $584,271,787 |
| Net pension liability adjustment | (27,636,862) |
| Net position at July 1, 2014, as restated | $556,634,925 |
| | |
| Business-type activities | |
| Net position at July 1, 2014, as previously reported | $38,443,782 |
| Net pension liability adjustment | (1,454,572) |
| Net position at July 1, 2014, as restated | $36,989,210 |

## 17. CONTINGENCIES AND SUBSEQUENT EVENTS

### A. LITIGATION AND OTHER DISPUTES

The Borough and the School District, in the normal course of their activities, are involved in various claims, litigation, environmental matters, and tax disputes and have accrued amounts they consider sufficient to cover settlements that may be payable as a result of unfavorable outcomes. An accrual is generally made when a potential loss is probable and the loss can be estimated, and for environmental matters, when the Borough has committed to a formal plan of action. Depending on the circumstances and amount of a potential loss, an accrual may be made when the potential loss is only reasonably possible. Accruals for claims and litigation covered by the Borough's risk management program, excluding environmental claims, are recorded as accrued self-insurance losses. Any environmental matters, and all other accrued claims and litigation, including tax disputes, are recorded in accounts payable or estimated claims, judgments, and settlements payable. In the opinion of management and the Borough attorney, the disposition of these matters is not expected to have a material positive or adverse effect on the Borough's financial statements, except for the trans-Alaska pipeline system (TAPS) valuation disputes discussed below. Accruals for claims and litigation covered by the Borough's risk management program, excluding environmental claims, are recorded as accrued self-insurance losses. Any environmental matters, and all other accrued claims and litigation, including tax disputes, are recorded in accounts payable or estimated claims, judgments, and settlements payable.

### B. GRANTS

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies. Any disallowed claims, including amounts already collected, would become a liability of the general or other applicable funds. Disallowances, if any, cannot be determined at this time. In the Borough's opinion, any such disallowances would be immaterial.

### C. VALUATION OF THE TRANS-ALASKA PIPELINE SYSTEM AND RELATED PROPERTIES

Due to disputes of the assessed valuations of the trans-Alaska pipeline system (TAPS) and related properties, taxes for tax years 2006 through 2014 (fiscal years 2007 through 2015) were paid under protest by Alyeska Pipeline Service Company (pipeline owners). The Alaska Department of Revenue is responsible for setting the valuations. The Department's valuations were appealed by the pipeline owners as being too high and by certain affected municipalities, including the Borough, as being too low. The State Assessment Review Board (SARB) heard the appeals for tax years 2006 through 2011, 2013, and 2014 (fiscal years 2007 through 2012, 2014, and 2015) and decided on values closer to those argued for by the three municipalities. The owners appealed the Board's decisions on the valuations for tax years 2006 through 2011, 2013, and 2014 (fiscal years 2007 through 2012, 2014, and 2015) to the Superior Court, and certain municipalities, including the Borough, cross-appealed. There is a separate agreement for the 2012 tax year (fiscal year 2013) valuation that is dependent on the Court's decisions on the valuations for the adjacent tax years.

In the trials for tax year 2006 (fiscal year 2007) and for tax years 2007, 2008, and 2009 combined (fiscal years 2008 through 2010), final decisions were rendered setting the valuations favorable to the municipalities. Settlements of the TAPS valuation litigation by the Superior Court for tax year 2006, and tax years 2007, 2008, and 2009 combined, resulted in the Borough receiving $8.6 million (in fiscal year 2011) and $10.5 million (in

## 17. CONTINGENCIES AND SUBSEQUENT EVENTS (continued)

### C. VALUATION OF THE TRANS-ALASKA PIPELINE SYSTEM AND RELATED PROPERTIES (continued)

fiscal year 2012) respectively, of combined property tax revenue and related interest and penalties for those tax years. Furthermore, the decisions for the 2006 tax year and the 2007, 2008, and 2009 tax years also included the recovery of attorney fees and costs. The Borough received attorneys' fees of $891,600 for the 2007, 2008, and 2009 combined award in fiscal year 2014. This fee award has been appealed to the Supreme Court, but oral arguments scheduled for December 2015 are postponed pending the outcome of settlement talks. The Borough Assembly directed that receipts from the Superior Court's rulings (excluding attorneys' fees) be set aside in Court accounts until final determinations by the Alaska Supreme Court. The Superior Court approved the voluntary deposits of the awards into two separate (Court) Rule 67 accounts, one for the 2006 tax year (fiscal year 2007) award and one for the award for tax years 2007, 2008, and 2009 combined (fiscal years 2008, 2009, and 2010). In February 2014, the Supreme Court affirmed the Superior Court's ruling for tax year 2006 (fiscal year 2007).

Following the Supreme Court's affirmation for tax year 2006 (fiscal year 2007), the Borough withdrew its funds from that Rule 67 account, effective in November 2014. In August 2015, the Supreme Court affirmed the Superior Court's ruling for tax years 2007, 2008, and 2009 combined (fiscal years 2008, 2009, and 2010). Withdrawal of Borough funds from the last Rule 67 account is taking place in January 2016.

For purposes of trial, appeals have been consolidated for tax years 2010, 2011, and 2013 through 2015 valuations (fiscal years 2011, 2012, 2014 through 2016); a trial date has been set for September 2017. However, there is a proposed settlement between the municipalities (including the Borough), the State of Alaska, and the pipeline owners. The proposed terms include a) setting the valuation of the pipeline for tax years 2010 through 2015 (fiscal years 2011 through 2016) to the amounts previously set prior to Court appeals (no payments and no refunds to or from any of the parties), b) setting the total valuation for tax years 2016 through 2020 (fiscal years 2017 through 2021) at $8.0 billion for each year, c) determining the valuation allocation for the Borough's portion for tax years 2016 through 2020 (fiscal years 2017 through 2021), and d) settling separate litigation (not involving the Borough) between the other municipalities and the State regarding a dispute about how to interpret a State tax cap law as it relates to tax payments made by the pipeline owners after the Court decisions.

In early January 2016, the Borough Assembly authorized the Mayor to enter into settlement agreements concerning the valuation of TAPS and its allocation through 2020. Also in early January 2016, the Assembly of one of the other two municipalities authorized its mayor to enter into the settlement agreements and into an additional settlement agreement for the State tax cap dispute. The Council of the third and remaining municipality has not taken public action on the proposed settlement.

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# REQUIRED SUPPLEMENTARY INFORMATION (RSI)

Schedule of Proportionate Share of Net Pension Liability

Schedule of Contributions

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

Schedule of School District's Contributions

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## FAIRBANKS NORTH STAR BOROUGH

### Required Supplementary Information
### Schedule of Proportionate Share of the Net Pension Liability
### Public Employees Retirement System
### Last Ten Fiscal Years*

| | 2014-15 (a) |
|---|---|
| **Borough** | |
| Proportion of the net pension liability | 0.60939164% |
| Proportionate share of the net pension liability | $28,422,870 |
| State's proportionate share of the net pension liability associated with the Borough | 24,457,662 |
| Total | $52,880,532 |
| Covered-employee payroll (b) | $17,454,524 |
| Proportionate share of the net pension liability as a percentage of covered-employee payroll | 162.84% |
| Pension plan fiduciary net position as a percentage of the total pension liability (funding ratio) | 62.37% |
| **Component unit: School District** | |
| Proportion of the net pension liability | 0.83535198% |
| Proportionate share of the net pension liability | $38,961,973 |
| State's proportionate share of the net pension liability associated with the Borough | 34,637,437 |
| Total | $73,599,410 |
| Covered-employee payroll | $36,563,439 |
| Proportionate share of the net pension liability as a percentage of its covered-employee payroll | 106.56% |
| Pension plan fiduciary net position as a percentage of the total pension liability (funding ratio) | 62.37% |

**Notes:**

(a) The amount presented for the current fiscal year was determined as of the pension plan measurement date of June 30, 2014.

(b) GASB Statement No. 68 defines covered-employee payroll as "the payroll of employees that are provided with pensions through the pension plan". Borough covered payroll is $16,641,540 and the proportionate share of the net pension liability is 170.79%.

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

## FAIRBANKS NORTH STAR BOROUGH

### Required Supplementary Information
### Schedule of Contributions
### Public Employees Retirement System
### Last Ten Fiscal Years*

| | 2014-15 |
|---|---|
| **Borough** | |
| Contractually required contribution | $2,613,466 |
| Contributions made in relation to the contractually required contribution | (2,613,466) |
| Contribution deficiency | $ - |
| Covered-employee payroll (a) | $16,838,689 |
| Contributions as a percentage of covered-employee payroll | 15.52% |
| **Component unit: School District** | |
| Contractually required contribution | $3,512,945 |
| Contributions made in relation to the contractually required contribution | (3,512,945) |
| Contribution deficiency | $ - |
| Covered-employee payroll | $37,360,029 |
| Contributions as a percentage of covered-employee payroll | 9.40% |

**Notes:**

(a) GASB Statement No. 68 defines covered-employee payroll as "the payroll of employees that are provided with pensions through the pension plan". Borough covered payroll is $15,949,130 and contributions as a percentage of covered payroll is 16.39%.

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

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Required Supplementary Information
### Schedule of Proportionate Share of the Net Pension Liability
### Teacher's Retirement System
### Last Ten Fiscal Years*

| | 2014-15 |
|---|---|
| | (a) |
| **Component unit: School District** | |
| Proportion of the net pension liability | 1.58672024% |
| Proportionate share of the net pension liability | $47,586,729 |
| State's proportionate share of the net pension liability associated with the Borough | 249,903,789 |
| Total | $297,490,518 |
| Covered-employee payroll | $76,128,081 |
| Proportionate share of the net pension liability as a percentage of covered-employee payroll | 62.51% |
| Pension plan fiduciary net position as a percentage of the total pension liability (funding ratio) | 55.70% |

**Notes:**

(a) The amount presented for the current fiscal year was determined as of the pension plan measurement date of June 30, 2014.

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

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### Required Supplementary Information
### Schedule of Contributions
### Teacher's Retirement System
### Last Ten Fiscal Years*

| | 2014-15 |
|---|---|
| **Component unit: School District** | |
| Contractually required contribution | $3,882,614 |
| Contributions made in relation to the contractually required contribution | (3,882,614) |
| Contribution deficiency | $ - |
| Covered-employee payroll | $75,915,632 |
| Contributions as a percentage of covered-employee payroll | 5.11% |

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

# COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Governmental Funds:

Combining Statements for Nonmajor Funds
General Fund
Special Revenue Funds
Debt Service Fund
Capital Projects Funds

Proprietary Funds:

Enterprise Funds
Internal Service Fund

Fiduciary Fund:

Agency Fund

# GOVERNMENTAL FUNDS

Combining Statements

General Fund

Special Revenue Funds

Debt Service Fund

Capital Projects Funds

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# COMBINING STATEMENTS

These statements combine the **nonmajor governmental funds**.

## FAIRBANKS NORTH STAR BOROUGH

### Nonmajor Governmental Funds

### Combining Balance Sheet
### June 30, 2015

| | Special Revenue Funds | Capital Projects Funds | Total Other Governmental Funds |
|---|---|---|---|
| **Assets** | | | |
| Equity in central treasury cash | $16,736,375 | $7,412,587 | $24,148,962 |
| Taxes receivable | 468,236 | | 468,236 |
| Accounts receivable (net of allowance for uncollectibles - $1,519,345) | 571,814 | | 571,814 |
| Interfund receivable | | 113,881 | 113,881 |
| Due from governmental agencies | 268,222 | 3,246,515 | 3,514,737 |
| Assets total | $18,044,646 | $10,772,983 | $28,817,629 |
| **Liabilities, Deferred Inflows, and Fund Balances** | | | |
| Liabilities | | | |
| Accounts payable | $275,816 | $952,285 | $1,228,101 |
| Interfund payables | 195,603 | 2,324,920 | 2,520,523 |
| Due to School District | 10,372 | | 10,372 |
| Deposits from others | 9,888 | | 9,888 |
| Unearned revenues | 454,965 | 231,229 | 686,194 |
| Liabilities total | 946,643 | 3,508,434 | 4,455,077 |
| Deferred inflows of resources | | | |
| Unavailable revenues | 752,469 | | 752,469 |
| Deferred inflows of resources total | 752,469 | | 752,469 |
| Fund balances (deficit) | | | |
| Restricted | 16,325,907 | 5,142,314 | 21,468,221 |
| Committed | 19,628 | 2,122,235 | 2,141,862 |
| Fund balances (deficit) total | 16,345,534 | 7,264,549 | 23,610,083 |
| Liabilities, deferred inflows, and fund balances (deficit) total | $18,044,646 | $10,772,983 | $28,817,629 |

See accompanying notes to financial statements.

## FAIRBANKS NORTH STAR BOROUGH

### Nonmajor Governmental Funds

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances
### Year Ended June 30, 2015

| | Special Revenue Funds | Capital Projects Funds | Total Other Governmental Funds |
|---|---|---|---|
| Revenues | | | |
| Taxes | $10,151,941 | $ | $10,151,941 |
| Intergovernmental revenues | 1,609,211 | 11,984,614 | 13,593,824 |
| Charges for services | 2,437,125 | | 2,437,125 |
| Other revenues | 312,701 | 279,073 | 591,774 |
| Revenues total | 14,510,978 | 12,263,687 | 26,774,665 |
| Expenditures | | | |
| Current | | | |
| General government | 1,076,371 | 488,329 | 1,564,700 |
| Community planning | 77,995 | | 77,995 |
| Public works | 6,342,914 | 9,570 | 6,352,484 |
| Parks and recreation | 4,225 | 5,701 | 9,926 |
| Library | 35,932 | 2,123,156 | 2,159,088 |
| Road and other service areas | | 5,394,958 | 5,394,958 |
| Education | 216,253 | 284,703 | 500,956 |
| Emergency operations | 4,398,649 | 316,668 | 4,715,317 |
| Fire service areas | | 44,115 | 44,115 |
| Capital outlay | 589,853 | 6,842,521 | 7,432,374 |
| Expenditures total | 12,742,190 | 15,509,722 | 28,251,912 |
| Excess (deficiency) of revenues over expenditures | 1,768,787 | (3,246,035) | (1,477,247) |
| Other financing sources (uses) | | | |
| Transfers in | 213,913 | 2,293,041 | 2,506,954 |
| Transfers out | (501,500) | (356,623) | (858,123) |
| Other financing sources (uses) total | (287,587) | 1,936,418 | 1,648,832 |
| Net change in fund balances | 1,481,201 | (1,309,617) | 171,584 |
| Fund balances (deficit), beginning | 14,864,333 | 8,574,166 | 23,438,499 |
| Fund balances (deficit), ending | $16,345,534 | $7,264,549 | $23,610,083 |

See accompanying notes to financial statements.

# GENERAL FUND

The **General Fund** is always considered a major fund and is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund. Programs in the multi-year general subfund are of a non-capital, non-enterprise nature.

## FAIRBANKS NORTH STAR BOROUGH

### General Fund

### Combining Balance Sheet
### June 30, 2015

| | Operating | Multi-Year | Total General Fund |
|---|---|---|---|
| **Assets** | | | |
| Equity in central treasury cash | $50,748,490 | $2,965,316 | $53,713,806 |
| Taxes receivable (net of allowance for uncollectibles - $855,112) | 4,366,290 | | 4,366,290 |
| Accounts receivable (net of allowance for uncollectibles - $26,295) | 42,112 | 17,067 | 59,179 |
| Accrued interest receivable | 23,672 | | 23,672 |
| Interfund receivable | 12,822,853 | | 12,822,853 |
| Due from School District | 30,526 | | 30,526 |
| Due from governmental agencies | 117,343 | | 117,343 |
| Other assets | 61,458 | | 61,458 |
| Note receivable - line of credit | 500,000 | | 500,000 |
| Notes receivable - land sales | | 429,325 | 429,325 |
| Assets total | $68,712,744 | $3,411,709 | $72,124,452 |
| **Liabilities, Deferred Inflows, and Fund Balances** | | | |
| Liabilities | | | |
| Accounts payable | $2,645,954 | $288,480 | $2,934,434 |
| Wages and payroll taxes | 1,581,809 | | 1,581,809 |
| Accrued self-insurance losses | 1,018,241 | | 1,018,241 |
| Due to School District | 7,210 | | 7,210 |
| Deposits from others | 254,632 | 7,797 | 262,428 |
| Unearned revenues | 98,915 | | 98,915 |
| Liabilities total | 5,606,760 | 296,277 | 5,903,037 |
| Deferred inflows of resources | | | |
| Unavailable revenues | 3,871,373 | 429,325 | 4,300,699 |
| Advance tax payments | 11,904,837 | | 11,904,837 |
| Deferred inflows of resources total | 15,776,211 | 429,325 | 16,205,536 |
| Fund balances | | | |
| Restricted | | 231,448 | 231,448 |
| Committed | 20,214,879 | 2,454,657 | 22,669,536 |
| Assigned | 5,063,014 | | 5,063,014 |
| Unassigned | 22,051,880 | | 22,051,880 |
| Fund balances total | 47,329,773 | 2,686,106 | 50,015,879 |
| Liabilities, deferred inflows, and fund balances total | $68,712,744 | $3,411,709 | $72,124,452 |

See accompanying notes to financial statements.

## FAIRBANKS NORTH STAR BOROUGH

### General Fund

### Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
### June 30, 2015

| | Operating | Multi-Year | Total General Fund |
|---|---|---|---|
| Revenues | | | |
| Taxes | | | |
| Property tax | $94,142,162 | $ | $94,142,162 |
| Hotel-motel tax | 1,735,740 | | 1,735,740 |
| Alcoholic beverage tax | 995,277 | | 995,277 |
| Tobacco excise tax | 1,469,443 | | 1,469,443 |
| Interest and penalties on taxes | 579,879 | | 579,879 |
| Payment in lieu of taxes for privatized military housing | 871,053 | | 871,053 |
| Taxes total | 99,793,554 | | 99,793,554 |
| Intergovernmental revenues | | | |
| State of Alaska | | | |
| Aid for school construction | 9,732,470 | | 9,732,470 |
| Aid to local government | 3,710,625 | | 3,710,625 |
| Other shared revenue and assistance | 871,794 | | 871,794 |
| Federal government | | | |
| Payment in lieu of taxes | 399,833 | | 399,833 |
| Aid for debt service | 200,469 | | 200,469 |
| Grants | 71,000 | | 71,000 |
| Intergovernmental revenues total | 14,986,190 | | 14,986,190 |
| Charges for services | 1,936,455 | 116,408 | 2,052,863 |
| Land sales and interest on land notes receivable | | 142,266 | 142,266 |
| Other revenues | | | |
| Investment income, including net unrealized investment gains/losses | 161,357 | 734 | 162,091 |
| Indirect charges to grants | 904,576 | | 904,576 |
| Various | 146,645 | 22,308 | 168,953 |
| Other revenues total | 1,212,579 | 23,042 | 1,235,621 |
| Revenues total | 117,928,777 | 281,716 | 118,210,494 |

See accompanying notes to financial statements.

(Continued)

## FAIRBANKS NORTH STAR BOROUGH

### General Fund

### Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
### June 30, 2015

| | Operating | Multi-Year | Total General Fund |
|---|---|---|---|
| Expenditures | | | |
| Current | | | |
| General government | | | |
| Non-departmental | $239,921 | $ | $239,921 |
| Mayor | 860,574 | 1,803,428 | 2,664,002 |
| Assembly | 1,601,514 | 20,000 | 1,621,514 |
| Legal | 1,651,300 | 1,011,021 | 2,662,321 |
| Computer services | 4,050,272 | 42,700 | 4,092,972 |
| Financial services | 3,126,431 | 232,401 | 3,358,832 |
| Assessing | 3,091,809 | 20,239 | 3,112,049 |
| General services | 1,647,026 | | 1,647,026 |
| Human resources | 1,034,993 | 3,663 | 1,038,656 |
| General government total | 17,303,841 | 3,133,452 | 20,437,293 |
| Community planning | 1,584,309 | | 1,584,309 |
| Public works | 6,158,512 | 28,228 | 6,186,741 |
| Parks and recreation | 7,423,814 | 74,683 | 7,498,497 |
| Library | 5,662,825 | | 5,662,825 |
| Education | 49,906,000 | | 49,906,000 |
| Emergency operations | 1,864,497 | | 1,864,497 |
| Capital outlay | 523,392 | 1,192 | 524,584 |
| Expenditures total | 90,427,191 | 3,237,555 | 93,664,747 |

See accompanying notes to financial statements.

(Continued)

## FAIRBANKS NORTH STAR BOROUGH

### General Fund

### Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
### June 30, 2015

| | Operating | Multi-Year | Total General Fund |
|---|---|---|---|
| Excess (deficiency) of revenues over expenditures | $27,501,586 | ($2,955,839) | $24,545,747 |
| Other financing sources (uses) | | | |
| Transfers in | | | |
| Special revenue funds | | 344,000 | 344,000 |
| Capital projects funds | 3,943 | | 3,943 |
| General fund - multi-year | 593,883 | 4,430,182 | 5,024,064 |
| Transfers out | | | |
| Special revenue funds | (186,509) | | (186,509) |
| Debt service fund | (15,580,800) | | (15,580,800) |
| Capital projects funds | (3,868,154) | (1,778) | (3,869,932) |
| Enterprise funds | (7,203,540) | | (7,203,540) |
| General fund - multi-year | (3,250,182) | (1,773,883) | (5,024,064) |
| Other financing sources (uses) total | (29,491,359) | 2,998,521 | (26,492,838) |
| Net change in fund balance | (1,989,773) | 42,682 | (1,947,091) |
| Fund balance, beginning | 49,319,547 | 2,643,424 | 51,962,970 |
| Fund balance, ending | $47,329,773 | $2,686,106 | $50,015,879 |

See accompanying notes to financial statements.

## FAIRBANKS NORTH STAR BOROUGH

### General Fund - Operating

### Comparative Balance Sheet
### June 30, 2015 and 2014

| | 2015 | 2014 |
|---|---|---|
| **Assets** | | |
| Equity in central treasury cash | $50,748,490 | $60,174,445 |
| Taxes receivable (net of allowance for uncollectibles 2015 - $855,112; 2014 - $814,514) | 4,366,290 | 2,484,864 |
| Accounts receivable (net of allowance for uncollectibles 2015 - $8,202; 2014 - $9,710) | 42,112 | 42,676 |
| Accrued interest receivable | 23,672 | 41,410 |
| Interfund receivable | 12,822,853 | 4,856,596 |
| Due from School District | 30,526 | |
| Due from governmental agencies | 117,343 | 527,535 |
| Other assets | 61,458 | 37,620 |
| Note receivable - line of credit | 500,000 | |
| Assets total | $68,712,744 | $68,165,145 |
| **Liabilities, Deferred Inflows, and Fund Balance** | | |
| Liabilities | | |
| Accounts payable | $2,645,954 | $1,331,162 |
| Wages and payroll taxes | 1,581,809 | 1,524,153 |
| Accrued self-insurance losses | 1,018,241 | 773,708 |
| Due to School District | 7,210 | 6,213 |
| Deposits from others | 254,632 | 189,295 |
| Unearned revenues | 98,915 | 101,554 |
| Liabilities total | 5,606,760 | 3,926,084 |
| Deferred inflows of resources | | |
| Unavailable revenues | 3,871,373 | 3,070,130 |
| Advance tax payments | 11,904,837 | 11,849,384 |
| Deferred inflows of resources total | 15,776,211 | 14,919,515 |
| Fund balances | | |
| Committed | 20,214,879 | 20,965,339 |
| Assigned | 5,063,014 | 4,420,000 |
| Unassigned | 22,051,880 | 23,934,207 |
| Fund balance total | 47,329,773 | 49,319,547 |
| Liabilities, deferred inflows, and fund balance total | $68,712,744 | $68,165,145 |

See accompanying notes to financial statements.

## FAIRBANKS NORTH STAR BOROUGH

### General Fund - Operating

### Comparative Schedule of Revenues and Expenditures
### Budgetary Basis
### June 30, 2015 and 2014

| | 2015 | 2014 |
|---|---|---|
| Revenues | | |
| Taxes | | |
| Property tax | $94,142,162 | $91,637,775 |
| Hotel-motel tax | 1,735,740 | 1,853,945 |
| Alcoholic beverage tax | 995,277 | 1,044,090 |
| Tobacco excise tax | 1,469,443 | 1,421,403 |
| Interest and penalties on taxes | 579,879 | 795,480 |
| Payment in lieu of taxes for privatized military housing | 871,053 | 792,797 |
| Taxes total | 99,793,554 | 97,545,489 |
| Intergovernmental revenues | | |
| State of Alaska | | |
| Aid for school construction | 9,732,470 | 10,350,725 |
| Aid to local government | 3,710,625 | 3,756,906 |
| Other shared revenue and assistance | 871,794 | 423,939 |
| Federal government | | |
| Payment in lieu of taxes | 399,833 | 438,822 |
| Aid for debt service | 200,469 | 204,931 |
| Grants | 71,000 | 71,250 |
| Intergovernmental revenues total | 14,986,190 | 15,246,573 |
| Charges for services | 1,936,455 | 1,950,877 |
| Charges to School District | 1,726,561 | 1,798,235 |
| Other revenues | | |
| Charges to other funds | 4,439,194 | 3,798,229 |
| Investment income, including net unrealized investment gains/losses | 161,357 | 266,805 |
| Indirect charges to grants | 904,576 | 1,861,686 |
| Various | 146,645 | 48,463 |
| Other revenues total | 5,651,773 | 5,975,183 |
| Revenues total | 124,094,532 | 122,516,357 |

See accompanying notes to financial statements.

(Continued)

## FAIRBANKS NORTH STAR BOROUGH

### General Fund - Operating

### Comparative Schedule of Revenues and Expenditures
### Budgetary Basis
### June 30, 2015 and 2014

| | 2015 | 2014 |
|---|---|---|
| Expenditures | | |
| Current | | |
| General government | | |
| Non-departmental | $233,521 | $272,094 |
| Mayor | 901,969 | 864,483 |
| Assembly | 1,690,551 | 1,549,267 |
| Legal | 1,748,949 | 1,090,553 |
| Computer services | 4,471,927 | 3,987,525 |
| Financial services | 3,761,859 | 3,367,633 |
| Assessing | 3,038,463 | 2,462,649 |
| General services | 1,889,805 | 1,827,507 |
| Human resources | 3,238,089 | 3,249,182 |
| Land management | | 782,124 |
| General government total | 20,975,134 | 19,453,017 |
| Community planning | 1,555,753 | 1,680,902 |
| Public works | 8,353,040 | 8,019,581 |
| Parks and recreation | 7,357,178 | 7,000,429 |
| Library | 5,360,380 | 5,109,215 |
| Education | 49,906,000 | 48,360,000 |
| Emergency operations | 1,865,067 | 1,870,735 |
| Capital outlay | 956,106 | 981,587 |
| Expenditures total | 96,328,657 | 92,475,466 |

See accompanying notes to financial statements.

(Continued)

## FAIRBANKS NORTH STAR BOROUGH

### General Fund - Operating

### Comparative Schedule of Revenues and Expenditures
### Budgetary Basis
### June 30, 2015 and 2014

| | 2015 | 2014 |
|---|---|---|
| Excess (deficiency) of revenues over expenditures | $27,765,875 | $30,040,892 |
| Other financing sources (uses) | | |
| Transfers in | | |
| Special revenue funds | | 59,619 |
| Capital projects funds | 3,943 | 4,826 |
| General fund - multi-year | 593,883 | 451,255 |
| Transfers out | | |
| Special revenue funds | (186,509) | (218,342) |
| Debt service fund | (15,580,800) | (15,127,450) |
| Capital projects funds | (3,868,154) | (3,081,254) |
| Enterprise funds | (7,203,540) | (6,740,010) |
| General fund - multi-year | (3,250,182) | (3,272,170) |
| Other financing sources (uses) total | (29,491,359) | (27,923,527) |
| Net change in fund balance | ($1,725,484) | $2,117,365 |

See accompanying notes to financial statements.

## FAIRBANKS NORTH STAR BOROUGH

### General Fund - Multi-Year

### Program-Length Schedule of Revenues and Expenditures
### Budget and Actual
### From Inception and for Year Ended June 30, 2015

| | Actual | | | Program Budgets | Variance from Program Budgets |
|---|---|---|---|---|---|
| | 2015 | Prior Years | Total | | |
| Revenues | | | | | |
| Charges for services | $116,408 | $251,336 | $367,745 | $114,190 | $253,555 |
| Land sales and interest on land notes receivable | 142,266 | 1,244,200 | 1,386,466 | 237,540 | 1,148,926 |
| Other revenues | 23,042 | 1,905,807 | 1,928,849 | 1,953,057 | (24,207) |
| Revenues total | 281,716 | 3,401,344 | 3,683,060 | 2,304,787 | 1,378,273 |
| Expenditures | | | | | |
| Current | | | | | |
| General government | 3,133,452 | 10,990,817 | 14,124,270 | 16,184,784 | 2,060,515 |
| Community planning | | 26,018 | 26,018 | 56,898 | 30,880 |
| Public works | 28,228 | 104,989 | 133,217 | 222,926 | 89,708 |
| Parks and recreation | 74,683 | 227,858 | 302,541 | 327,143 | 24,602 |
| Library | | 185 | 185 | 376 | 191 |
| Emergency operations | | 100,000 | 100,000 | 100,240 | 240 |
| Capital outlay | 1,192 | 2,637 | 3,828 | 88,774 | 84,945 |
| Expenditures total | 3,237,555 | 11,452,504 | 14,690,060 | 16,981,141 | 2,291,081 |
| Excess (deficiency) of revenues over expenditures | (2,955,839) | (8,051,160) | (11,007,000) | (14,676,354) | 3,669,354 |
| Other financing sources (uses) | | | | | |
| Transfers in | 4,774,182 | 18,859,139 | 23,633,320 | 21,232,288 | 2,401,032 |
| Transfers out | (1,775,660) | (8,164,554) | (9,940,215) | (9,893,391) | (46,824) |
| Other financing sources (uses) total | 2,998,521 | 10,694,584 | 13,693,105 | 11,338,897 | 2,354,208 |
| Net change in fund balance | $42,682 | $2,643,424 | $2,686,106 | ($3,337,457) | $6,023,563 |

See accompanying notes to financial statements.

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# SPECIAL REVENUE FUNDS

**Special Revenue Funds** are used to account for specific revenues that are legally and externally restricted to expenditure for particular purposes of a non-capital nature.

## NONMAJOR SPECIAL REVENUE FUNDS

**State Grants Fund** - This fund is used to account for grants, received directly from the State of Alaska, of a non-capital nature.

* * * * *

**Federal Pass-Through Grants Fund** - This fund is used to account for grants, received from the federal government through the State of Alaska, of a non-capital nature.

* * * * *

**Federal Grants Fund**- This fund is used to account for grants, received directly from the federal government, of a non-capital nature.

* * * * *

**Local Programs Fund** - This fund is used to account for local funds used for multi-fiscal year projects, of a non-capital nature.

* * * * *

**911 Fund** - This fund is used to account for the revenues and expenditures of the Fairbanks North Star Borough's emergency communications service.

* * * * *

**Non-Areawide Fund** - This fund is used to account for the revenues and expenditures of the Fairbanks North Star Borough's non-areawide activities: emergency disaster, emergency medical services and economic development. Non-areawide activities service the area of the Borough outside the two cities, Fairbanks and North Pole.

* * * * *

**Solid Waste Collection District Fund** - This fund is used to account for the revenues and expenditures of the Fairbanks North Star Borough's solid waste collection activities, which include servicing the solid waste transfer sites in the area of the Borough outside the City of Fairbanks.

* * * * *

**Library Fund** - This fund is used to account for donations received by the Fairbanks North Star Borough Public Library as a beneficiary of a trust.

## MAJOR SPECIAL REVENUE FUNDS

**Service Areas Fund** - This fund is used to account for the revenues and expenditures of the Fairbanks North Star Borough's four service area activities: road maintenance and construction, fire protection, street lights, and sewer and water. There are 107 active road service areas, five fire service areas, one street lights service area, and one sewer and water service area.

## FAIRBANKS NORTH STAR BOROUGH

### Nonmajor Special Revenue Funds

### Combining Balance Sheet
### June 30, 2015

| | State Grants | Federal Pass-Through Grants | Federal Grants | Local Programs |
|---|---|---|---|---|
| **Assets** | | | | |
| Equity in central treasury cash | $300,162 | $ | $349,230 | $3,380,590 |
| Taxes receivable | | | | |
| Accounts receivable (net of allowance for uncollectibles - $1,519,345) | | | | |
| Due from governmental agencies | 169,974 | 69,986 | 10,587 | |
| Assets total | $470,136 | $69,986 | $359,816 | $3,380,590 |
| **Liabilities, Deferred Inflows, and Fund Balances** | | | | |
| Liabilities | | | | |
| Accounts payable | $57,656 | $ | $1,725 | $5,793 |
| Interfund payables | 120,625 | 66,116 | 8,862 | |
| Due to School District | 9,052 | 1,320 | | |
| Deposits from others | | | | 9,888 |
| Unearned revenues | 105,736 | | 349,230 | |
| Liabilities total | 293,068 | 67,436 | 359,816 | 15,681 |
| Deferred inflows of resources | | | | |
| Unavailable revenues | | | | |
| Deferred inflows of resources total | | | | |
| Fund balances (deficit) | | | | |
| Restricted | 177,068 | 2,550 | | 3,364,909 |
| Committed | | | | |
| Fund balances (deficit) total | 177,068 | 2,550 | | 3,364,909 |
| Liabilities,deferred inflows, and fund balances (deficit) total | $470,136 | $69,986 | $359,816 | $3,380,590 |

See accompanying notes to financial statement.

| 911 | Non-Areawide | Solid Waste Collection District | Library | Total Nonmajor Special Revenue Funds |
|---|---|---|---|---|
| $2,102,631 | $2,989,111 | $6,510,964 | $1,103,688 | $16,736,375 |
| | 130,138 | 338,098 | | 468,236 |
| 212,808 | 359,006 | | | 571,814 |
| | 17,675 | | | 268,222 |
| $2,315,438 | $3,495,929 | $6,849,062 | $1,103,688 | $18,044,646 |
| $4,498 | $19,137 | $187,007 | $ | $275,816 |
| | | | | 195,603 |
| | | | | 10,372 |
| | | | | 9,888 |
| | | | | 454,965 |
| 4,498 | 19,137 | 187,007 | | 946,643 |
| 48,900 | 370,716 | 332,852 | | 752,469 |
| 48,900 | 370,716 | 332,852 | | 752,469 |
| 2,262,040 | 3,106,077 | 6,329,202 | 1,084,061 | 16,325,907 |
| | | | 19,628 | 19,628 |
| 2,262,040 | 3,106,077 | 6,329,202 | 1,103,688 | 16,345,534 |
| $2,315,438 | $3,495,929 | $6,849,062 | $1,103,688 | $18,044,646 |

**FAIRBANKS NORTH STAR BOROUGH**

**Nonmajor Special Revenue Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances Year Ended June 30, 2015**

| | State Grants | Federal Pass-Through Grants | Federal Grants | Local Programs |
|---|---|---|---|---|
| Revenues | | | | |
| Taxes | $ | $ | $ | $ |
| Intergovernmental revenues | 1,322,155 | 199,054 | 17,001 | |
| Charges for services | | | | |
| Other revenues | | | | 278,353 |
| Revenues total | 1,322,155 | 199,054 | 17,001 | 278,353 |
| Expenditures | | | | |
| Current | | | | |
| General government | 731,994 | 40,585 | 5,448 | 160,382 |
| Community planning | 701 | 65,740 | 11,554 | |
| Public works | | | | |
| Parks and recreation | | | | 4,225 |
| Library | 13,897 | 10,802 | | 11,233 |
| Education | 200,084 | 16,169 | | |
| Emergency operations | 26,073 | 17,838 | | 98 |
| Capital outlay | 524,250 | 62,679 | | 2,924 |
| Expenditures total | 1,496,999 | 213,813 | 17,001 | 178,862 |
| Excess (deficiency) of revenues over expenditures | (174,844) | (14,758) | | 99,491 |
| Other financing sources (uses) | | | | |
| Transfers in | 177,684 | 8,825 | | |
| Transfers out | | | | |
| Other financing sources (uses) total | 177,684 | 8,825 | | |
| Net change in fund balances | 2,840 | (5,933) | | 99,491 |
| Fund balances (deficit), beginning | 174,228 | 8,483 | | 3,265,418 |
| Fund balances (deficit), ending | $177,068 | $2,550 | $ | $3,364,909 |

See accompanying notes to financial statement.

| 911 | Non-Areawide | Solid Waste Collection District | Library | Total Nonmajor Special Revenue Funds |
|---|---|---|---|---|
| $ | $2,689,338 | $7,462,603 | $ | $10,151,941 |
| | 71,000 | | | 1,609,211 |
| 1,303,977 | 1,133,148 | | | 2,437,125 |
| 19,845 | 11,289 | | 3,214 | 312,701 |
| 1,323,822 | 3,904,776 | 7,462,603 | 3,214 | 14,510,978 |
| | 137,961 | | | 1,076,371 |
| | | | | 77,995 |
| | | 6,342,914 | | 6,342,914 |
| | | | | 4,225 |
| | | | | 35,932 |
| | | | | 216,253 |
| 1,128,950 | 3,225,690 | | | 4,398,649 |
| | | | | 589,853 |
| 1,128,950 | 3,363,652 | 6,342,914 | | 12,742,190 |
| 194,872 | 541,124 | 1,119,689 | 3,214 | 1,768,787 |
| | | 27,404 | | 213,913 |
| | (390,000) | (111,500) | | (501,500) |
| | (390,000) | (84,096) | | (287,587) |
| 194,872 | 151,124 | 1,035,593 | 3,214 | 1,481,201 |
| 2,067,168 | 2,954,953 | 5,293,609 | 1,100,475 | 14,864,333 |
| $2,262,040 | $3,106,077 | $6,329,202 | $1,103,688 | $16,345,534 |

## FAIRBANKS NORTH STAR BOROUGH

### Special Revenue Fund - State Grants

### Program-Length Schedule of Revenues and Expenditures
### Budget and Actual
### From Inception and for Year Ended June 30, 2015

| | Actual | | | Program Budgets | Variance from Program Budgets |
|---|---|---|---|---|---|
| | 2015 | Prior Years | Total | | |
| Revenues | | | | | |
| Intergovernmental revenues | $1,322,155 | $6,219,824 | $7,541,979 | $9,129,208 | ($1,587,229) |
| Revenues total | 1,322,155 | 6,219,824 | 7,541,979 | 9,129,208 | (1,587,229) |
| Expenditures | | | | | |
| Current | | | | | |
| General government | 731,994 | 4,121,938 | 4,853,932 | 6,090,711 | 1,236,779 |
| Community planning | 701 | 149,962 | 150,664 | 250,000 | 99,336 |
| Public works | | 60,566 | 60,566 | 60,566 | |
| Parks and recreation | | 380,462 | 380,462 | 415,347 | 34,885 |
| Library | 13,897 | 34,853 | 48,750 | 49,850 | 1,100 |
| Education | 200,084 | 1,439,471 | 1,639,554 | 1,794,098 | 154,544 |
| Emergency operations | 26,073 | 41,833 | 67,906 | 305,460 | 237,554 |
| Fire service areas | | 888 | 888 | 888 | |
| Capital outlay | 524,250 | 249,804 | 774,054 | 774,153 | 99 |
| Expenditures total | 1,496,999 | 6,479,775 | 7,976,774 | 9,741,071 | 1,764,297 |
| Excess (deficiency) of revenues over expenditures | (174,844) | (259,951) | (434,795) | (611,863) | 177,068 |
| Other financing sources (uses) | | | | | |
| Transfers in | 177,684 | 434,300 | 611,984 | 611,984 | |
| Transfers out | | (120) | (120) | (120) | |
| Other financing sources (uses) total | 177,684 | 434,179 | 611,863 | 611,863 | |
| Net change in fund balances | $2,840 | $174,228 | $177,068 | $ | $177,068 |

See accompanying notes to financial statements.

## FAIRBANKS NORTH STAR BOROUGH

### Special Revenue Fund - Federal Pass-Through Grants

### Program-Length Schedule of Revenues and Expenditures
### Budget and Actual
### From Inception and for Year Ended June 30, 2015

| | Actual | | | Program Budgets | Variance from Program Budgets |
|---|---|---|---|---|---|
| | 2015 | Prior Years | Total | | |
| Revenues | | | | | |
| Intergovernmental revenues | $199,054 | $1,311,226 | $1,510,281 | $1,855,983 | ($345,702) |
| Revenues total | 199,054 | 1,311,226 | 1,510,281 | 1,855,983 | (345,702) |
| Expenditures | | | | | |
| Current | | | | | |
| General government | 40,585 | 67,431 | 108,017 | 123,170 | 15,153 |
| Community planning | 65,740 | 184,121 | 249,860 | 265,805 | 15,944 |
| Library | 10,802 | 273,315 | 284,117 | 289,996 | 5,878 |
| Education | 16,169 | 8,220 | 24,390 | 240,000 | 215,610 |
| Emergency operations | 17,838 | 510,309 | 528,146 | 623,813 | 95,666 |
| Capital outlay | 62,679 | 259,347 | 322,025 | 322,025 | |
| Expenditures total | 213,813 | 1,302,743 | 1,516,556 | 1,864,808 | 348,252 |
| Excess (deficiency) of revenues over expenditures | (14,758) | 8,483 | (6,275) | (8,825) | 2,550 |
| Other financing sources (uses) | | | | | |
| Transfers in | 8,825 | | 8,825 | 8,825 | |
| Other financing sources (uses) total | 8,825 | | 8,825 | 8,825 | |
| Net change in fund balances | ($5,933) | $8,483 | $2,550 | $ | $2,550 |

See accompanying notes to financial statements.

## FAIRBANKS NORTH STAR BOROUGH

### Special Revenue Fund - Federal Grants

### Program-Length Schedule of Revenues and Expenditures
### Budget and Actual
### From Inception and for Year Ended June 30, 2015

| | Actual | | | Program Budgets | Variance from Program Budgets |
|---|---|---|---|---|---|
| | 2015 | Prior Years | Total | | |
| Revenues | | | | | |
| Intergovernmental revenues | $17,001 | $440,302 | $457,304 | $1,037,863 | ($580,559) |
| Revenues total | 17,001 | 440,302 | 457,304 | 1,037,863 | (580,559) |
| Expenditures | | | | | |
| Current | | | | | |
| General government | 5,448 | 43,913 | 49,361 | 94,000 | 44,639 |
| Community planning | 11,554 | 127,239 | 138,793 | 299,082 | 160,289 |
| Emergency operations | | 269,150 | 269,150 | 644,781 | 375,631 |
| Expenditures total | 17,001 | 440,302 | 457,304 | 1,037,863 | 580,559 |
| Excess (deficiency) of revenues over expenditures | | | | | |
| Net change in fund balances | $ | $ | $ | $ | $ |

See accompanying notes to financial statements.

## FAIRBANKS NORTH STAR BOROUGH

### Special Revenue Fund - Local Programs

### Program-Length Schedule of Revenues and Expenditures
### Budget and Actual
### From Inception and for Year Ended June 30, 2015

| | Actual | | | Program Budgets | Variance from Program Budgets |
|---|---|---|---|---|---|
| | 2015 | Prior Years | Total | | |
| Revenues | | | | | |
| Intergovernmental revenues | $ | $105,737 | $105,737 | $105,737 | $ |
| Other revenues | 278,353 | 4,810,471 | 5,088,824 | 3,418,116 | 1,670,708 |
| Revenues total | 278,353 | 4,916,208 | 5,194,561 | 3,523,854 | 1,670,708 |
| Expenditures | | | | | |
| Current | | | | | |
| General government | 160,382 | 994,115 | 1,154,498 | 2,734,054 | 1,579,556 |
| Parks and recreation | 4,225 | 250,462 | 254,687 | 271,150 | 16,463 |
| Library | 11,233 | 80,935 | 92,167 | 115,736 | 23,569 |
| Emergency operations | 98 | 66,020 | 66,119 | 66,119 | |
| Capital outlay | 2,924 | 9,528 | 12,452 | 128,370 | 115,917 |
| Expenditures total | 178,862 | 1,401,061 | 1,579,923 | 3,315,429 | 1,735,505 |
| Excess (deficiency) of revenues over expenditures | 99,491 | 3,515,147 | 3,614,638 | 208,425 | 3,406,213 |
| Other financing sources (uses) | | | | | |
| Transfers in | | 100,000 | 100,000 | 100,000 | |
| Transfers out | | (349,729) | (349,729) | (349,729) | |
| Other financing sources (uses) total | | (249,729) | (249,729) | (249,729) | |
| Net change in fund balances | $99,491 | $3,265,418 | $3,364,909 | ($41,304) | $3,406,213 |

See accompanying notes to financial statements.

## FAIRBANKS NORTH STAR BOROUGH

### Special Revenue Fund - 911

### Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
### Years Ended June 30, 2015 and 2014

| | 2015 | 2014 |
|---|---|---|
| Revenues | | |
| Charges for services | $1,303,977 | $1,274,065 |
| Other revenues | 19,845 | 1,919 |
| Revenues total | 1,323,822 | 1,275,984 |
| Expenditures | | |
| Current | | |
| Emergency operations | 1,128,950 | 1,041,012 |
| Expenditures total | 1,128,950 | 1,041,012 |
| Excess (deficiency) of revenues over expenditures | 194,872 | 234,972 |
| Other financing sources (uses) | | |
| Transfers out | | (31,268) |
| Other financing sources (uses) total | | (31,268) |
| Net change in fund balance | 194,872 | 203,703 |
| Fund balance, beginning | 2,067,168 | 1,863,465 |
| Fund balance, ending | $2,262,040 | $2,067,168 |

See accompanying notes to financial statements.

## FAIRBANKS NORTH STAR BOROUGH

### Special Revenue Fund - 911

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended June 30, 2015

| | Budget | Actual | Adjustment to Budgetary Basis | Actual on Budgetary Basis | Variance from Budget-Positive (Negative) |
|---|---|---|---|---|---|
| Revenues | | | | | |
| Charges for services | $1,296,930 | $1,303,977 | $ | $1,303,977 | $7,047 |
| Other revenues | 1,270 | 19,845 | | 19,845 | 18,575 |
| Revenues total | 1,298,200 | 1,323,822 | | 1,323,822 | 25,622 |
| Expenditures | | | | | |
| Current | | | | | |
| Emergency operations | 1,190,560 | 1,128,950 | 39,250 | 1,168,200 | 22,360 |
| Expenditures total | 1,190,560 | 1,128,950 | 39,250 | 1,168,200 | 22,360 |
| Net change in fund balance | $107,640 | 194,872 | ($39,250) | $155,622 | ($47,982) |
| Fund balance, beginning | | 2,067,168 | | | |
| Fund balance, ending | | $2,262,040 | | | |

See accompanying notes to financial statements.

## FAIRBANKS NORTH STAR BOROUGH

### Special Revenue Fund - Non-Areawide

### Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
### Years Ended June 30, 2015 and 2014

| | 2015 | 2014 |
|---|---|---|
| Revenues | | |
| Taxes | $2,689,338 | $2,828,050 |
| Intergovernmental revenues | 71,000 | 71,250 |
| Charges for services | 1,133,148 | 714,998 |
| Other revenues | 11,289 | 594 |
| Revenues total | 3,904,776 | 3,614,893 |
| Expenditures | | |
| Current | | |
| General government | 137,961 | 93,846 |
| Emergency operations | 3,225,690 | 3,126,379 |
| Expenditures total | 3,363,652 | 3,220,225 |
| Excess (deficiency) of revenues over expenditures | 541,124 | 394,668 |
| Other financing sources (uses) | | |
| Transfers in | | 1,337 |
| Transfers out | (390,000) | (300,000) |
| Other financing sources (uses) total | (390,000) | (298,663) |
| Net change in fund balance | 151,124 | 96,005 |
| Fund balance, beginning | 2,954,953 | 2,858,948 |
| Fund balance, ending | $3,106,077 | $2,954,953 |

See accompanying notes to financial statements.

## FAIRBANKS NORTH STAR BOROUGH

### Special Revenue Fund - Non-Areawide

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended June 30, 2015

| | Budget | Actual | Adjustment to Budgetary Basis | Actual on Budgetary Basis | Variance from Budget-Positive (Negative) |
|---|---|---|---|---|---|
| Revenues | | | | | |
| Taxes | $2,730,064 | $2,689,338 | $ | $2,689,338 | ($40,726) |
| Intergovernmental revenues | 71,000 | 71,000 | | 71,000 | |
| Charges for services | 1,005,600 | 1,133,148 | | 1,133,148 | 127,548 |
| Other revenues | 88,876 | 11,289 | | 11,289 | (77,587) |
| Revenues total | 3,895,540 | 3,904,776 | | 3,904,776 | 9,236 |
| Expenditures | | | | | |
| Current | | | | | |
| General government | 167,820 | 137,961 | 1,200 | 139,161 | 28,659 |
| Emergency operations | 3,393,358 | 3,225,690 | (1,575) | 3,224,116 | 169,243 |
| Capital outlay | 3,362 | | 3,362 | 3,362 | |
| Expenditures total | 3,564,540 | 3,363,652 | 2,987 | 3,366,639 | 197,901 |
| Excess (deficiency) of revenues over expenditures | 331,000 | 541,124 | (2,987) | 538,137 | 207,137 |
| Other financing sources (uses) | | | | | |
| Transfers out | (390,000) | (390,000) | | (390,000) | |
| Other financing sources (uses) total | (390,000) | (390,000) | | (390,000) | |
| Net change in fund balance | ($59,000) | 151,124 | ($2,987) | $148,137 | $207,137 |
| Fund balance, beginning | | 2,954,953 | | | |
| Fund balance, ending | | $3,106,077 | | | |

See accompanying notes to financial statements.

## FAIRBANKS NORTH STAR BOROUGH

### Special Revenue Fund - Solid Waste Collection District

### Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
### Years Ended June 30, 2015 and 2014

| | 2015 | 2014 |
|---|---|---|
| Revenues | | |
| Taxes | $7,462,603 | $7,022,838 |
| Revenues total | 7,462,603 | 7,022,838 |
| Expenditures | | |
| Current | | |
| Public works | 6,342,914 | 6,580,713 |
| Expenditures total | 6,342,914 | 6,580,713 |
| Excess (deficiency) of revenues over expenditures | 1,119,689 | 442,125 |
| Other financing sources (uses) | | |
| Transfers in | 27,404 | |
| Transfers out | (111,500) | (1,086,500) |
| Other financing sources (uses) total | (84,096) | (1,086,500) |
| Net change in fund balance | 1,035,593 | (644,375) |
| Fund balance, beginning | 5,293,609 | 5,937,984 |
| Fund balance, ending | $6,329,202 | $5,293,609 |

See accompanying notes to financial statements.

## FAIRBANKS NORTH STAR BOROUGH

### Special Revenue Fund - Solid Waste Collection District

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended June 30, 2015

| | Budget | Actual | Adjustment to Budgetary Basis | Actual on Budgetary Basis | Variance from Budget-Positive (Negative) |
|---|---|---|---|---|---|
| Revenues | | | | | |
| Taxes | $7,568,140 | $7,462,603 | $ | $7,462,603 | ($105,537) |
| Revenues total | 7,568,140 | 7,462,603 | | 7,462,603 | (105,537) |
| Expenditures | | | | | |
| Current | | | | | |
| Public works | 6,384,670 | 6,342,914 | (2,750) | 6,340,164 | 44,506 |
| Expenditures total | 6,384,670 | 6,342,914 | (2,750) | 6,340,164 | 44,506 |
| Excess (deficiency) of revenues over expenditures | 1,183,470 | 1,119,689 | 2,750 | 1,122,439 | (61,031) |
| Other financing sources (uses) | | | | | |
| Transfers in | | 27,404 | | 27,404 | 27,404 |
| Transfers out | (111,500) | (111,500) | | (111,500) | |
| Other financing sources (uses) total | (111,500) | (84,096) | | (84,096) | 27,404 |
| Net change in fund balance | $1,071,970 | 1,035,593 | $2,750 | $1,038,343 | ($33,627) |
| Fund balance, beginning | | 5,293,609 | | | |
| Fund balance, ending | | $6,329,202 | | | |

See accompanying notes to financial statements.

## FAIRBANKS NORTH STAR BOROUGH

### Special Revenue Fund - Library

### Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
### Years Ended June 30, 2015 and 2014

| | 2015 | 2014 |
|---|---|---|
| Revenues | | |
| Investment income | $3,137 | $7,191 |
| Donations | 77 | 65 |
| Revenues total | 3,214 | 7,256 |
| Expenditures | | |
| Excess (deficiency) of revenues over expenditures | 3,214 | 7,256 |
| Other financing sources (uses) | | |
| Transfers in | | 31,268 |
| Other financing sources (uses) total | | 31,268 |
| Net change in fund balance | 3,214 | 38,525 |
| Fund balance, beginning | 1,100,475 | 1,061,950 |
| Fund balance, ending | $1,103,688 | $1,100,475 |

See accompanying notes to financial statements.

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**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Balance Sheet**
**June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | Air Park | Airway | Arctic Fox | Aztec |
|---|---|---|---|---|
| **Assets** | | | | |
| Equity in central treasury cash | $115 | $59,009 | $40,386 | $115,086 |
| Taxes receivable | | 39 | 1,649 | 1,402 |
| Assets total | $115 | $59,048 | $42,036 | $116,487 |
| **Liabilities, Deferred Inflows, and Fund Balances** | | | | |
| Liabilities | | | | |
| Accounts payable | $ | $ | $ | $19,555 |
| Interfund payables | | | | |
| Liabilities | | | | 19,555 |
| Deferred inflows of resources | | | | |
| Unavailable revenues | | 39 | 1,649 | 855 |
| Deferred inflows of resources total | | 39 | 1,649 | 855 |
| Fund balances (deficit) | | | | |
| Restricted | 115 | 59,009 | 40,386 | 96,078 |
| Fund balances (deficit) total | 115 | 59,009 | 40,386 | 96,078 |
| Liabilities, deferred inflows, and fund balances (deficit) total | $115 | $59,048 | $42,036 | $116,487 |

See accompanying notes to financial statements.

| Ballaine Lake Sewer & Water | Bear's Den Road | Becker Ridge | Birch Hill | Bluebird Road |
|---|---|---|---|---|
| $81,161 | ($48) | $159,565 | $451,742 | $45,347 |
| 2,232 | 98 | 4,288 | 477 | |
| $83,392 | $50 | $163,853 | $452,219 | $45,347 |
| | | | | |
| $64 | $ | $8,319 | $8,954 | $ |
| 64 | | 8,319 | 8,954 | |
| 2,232 | 97 | 4,219 | 477 | |
| 2,232 | 97 | 4,219 | 477 | |
| 81,097 | (48) | 151,315 | 442,788 | 45,347 |
| 81,097 | (48) | 151,315 | 442,788 | 45,347 |
| $83,392 | $50 | $163,853 | $452,219 | $45,347 |

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Balance Sheet**
**June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | Borda Road | Brookside | Chena Goldstream Volunteer Fire | Chena Hills Road |
|---|---|---|---|---|
| **Assets** | | | | |
| Equity in central treasury cash | $161,149 | $39,207 | $1,941,944 | $65,365 |
| Taxes receivable | 402 | 152 | 37,001 | 1,953 |
| Assets total | $161,551 | $39,359 | $1,978,944 | $67,318 |
| **Liabilities, Deferred Inflows, and Fund Balances** | | | | |
| Liabilities | | | | |
| Accounts payable | $2,892 | $ | $ | $ |
| Interfund payables | | | | |
| Liabilities | 2,892 | | | |
| Deferred inflows of resources | | | | |
| Unavailable revenues | 402 | 152 | 35,452 | 1,953 |
| Deferred inflows of resources total | 402 | 152 | 35,452 | 1,953 |
| Fund balances (deficit) | | | | |
| Restricted | 158,257 | 39,207 | 1,943,492 | 65,365 |
| Fund balances (deficit) total | 158,257 | 39,207 | 1,943,492 | 65,365 |
| Liabilities, deferred inflows, and fund balances (deficit) total | $161,551 | $39,359 | $1,978,944 | $67,318 |

See accompanying notes to financial statements.

| Chena Hot Springs II | Chena Marina | Chena Point Road | Chena Spur | Cleary Summit |
|---|---|---|---|---|
| $113 | $45,724 | $153,908 | $116,284 | $9 |
| | 1,258 | 3,781 | 595 | |
| $113 | $46,982 | $157,689 | $116,879 | $9 |
| | | | | |
| $ | $ | $1,715 | $ | $ |
| | | 1,715 | | |
| | 1,200 | 3,781 | 489 | |
| | 1,200 | 3,781 | 489 | |
| 113 | 45,782 | 152,194 | 116,390 | 9 |
| 113 | 45,782 | 152,194 | 116,390 | 9 |
| $113 | $46,982 | $157,689 | $116,879 | $9 |

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Balance Sheet**
**June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | College | College Hills | Cooper Estates | Cordes Drive |
|---|---|---|---|---|
| **Assets** | | | | |
| Equity in central treasury cash | $2,816,633 | $57,085 | $139,663 | $25,369 |
| Taxes receivable | 8,314 | 1,260 | 2,299 | 848 |
| Assets total | $2,824,948 | $58,345 | $141,962 | $26,218 |
| **Liabilities, Deferred Inflows, and Fund Balances** | | | | |
| Liabilities | | | | |
| Accounts payable | $117,223 | $ | $ | $ |
| Interfund payables | | | | |
| Liabilities | 117,223 | | | |
| Deferred inflows of resources | | | | |
| Unavailable revenues | 8,300 | 1,260 | 2,299 | 604 |
| Deferred inflows of resources total | 8,300 | 1,260 | 2,299 | 604 |
| Fund balances (deficit) | | | | |
| Restricted | 2,699,424 | 57,085 | 139,663 | 25,613 |
| Fund balances (deficit) total | 2,699,424 | 57,085 | 139,663 | 25,613 |
| Liabilities, deferred inflows, and fund balances (deficit) total | $2,824,948 | $58,345 | $141,962 | $26,218 |

See accompanying notes to financial statements.

| Cripple Creek | Deep Forest | Diane Subdivision | Drake Estates | Edanella Heights Road |
|---|---|---|---|---|
| $235,888 | $74,981 | $51,630 | $17,890 | $40,783 |
| 1,054 | | 32 | 134 | 1,279 |
| $236,942 | $74,981 | $51,661 | $18,024 | $42,063 |
| $2,363 | $ | $ | $ | $ |
| 2,363 | | | | |
| 1,054 | | 32 | 134 | 1,279 |
| 1,054 | | 32 | 134 | 1,279 |
| 233,525 | 74,981 | 51,630 | 17,890 | 40,783 |
| 233,525 | 74,981 | 51,630 | 17,890 | 40,783 |
| $236,942 | $74,981 | $51,661 | $18,024 | $42,063 |

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Balance Sheet**
**June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | Ester Lump Road | Ester Volunteer Fire | Fairfields | Fairhill |
|---|---|---|---|---|
| **Assets** | | | | |
| Equity in central treasury cash | $72,918 | $286,671 | $84,804 | $34,256 |
| Taxes receivable | 116 | 8,748 | 7 | 228 |
| Assets total | $73,034 | $295,419 | $84,812 | $34,484 |
| **Liabilities, Deferred Inflows, and Fund Balances** | | | | |
| Liabilities | | | | |
| Accounts payable | $342 | $ | $ | $1,191 |
| Interfund payables | | | | |
| Liabilities | 342 | | | 1,191 |
| Deferred inflows of resources | | | | |
| Unavailable revenues | 116 | 8,696 | 7 | 228 |
| Deferred inflows of resources total | 116 | 8,696 | 7 | 228 |
| Fund balances (deficit) | | | | |
| Restricted | 72,576 | 286,723 | 84,804 | 33,065 |
| Fund balances (deficit) total | 72,576 | 286,723 | 84,804 | 33,065 |
| Liabilities, deferred inflows, and fund balances (deficit) total | $73,034 | $295,419 | $84,812 | $34,484 |

See accompanying notes to financial statements.

| Fairwest | Garden | Golden Valley Road | Goldstream Alaska | Goldstream Moose Creek |
|---|---|---|---|---|
| $248,752 | $254,792 | $12,500 | $58,807 | $39,102 |
| | 236 | 244 | 1,347 | |
| $248,752 | $255,027 | $12,744 | $60,154 | $39,102 |
| $ | $ | $ | $ | $ |
| | | 30,325 | | |
| | | 30,325 | | |
| | 186 | 244 | 1,250 | |
| | 186 | 244 | 1,250 | |
| 248,752 | 254,842 | (17,825) | 58,903 | 39,102 |
| 248,752 | 254,842 | (17,825) | 58,903 | 39,102 |
| $248,752 | $255,027 | $12,744 | $60,154 | $39,102 |

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Balance Sheet**
**June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | Gordon | Granola Estates | Grieme Road | Haystack |
|---|---|---|---|---|
| **Assets** | | | | |
| Equity in central treasury cash | $331,117 | $38,138 | $108,299 | $38,103 |
| Taxes receivable | 1,304 | 1,001 | 157 | 3,645 |
| Assets total | $332,421 | $39,139 | $108,456 | $41,748 |
| **Liabilities, Deferred Inflows, and Fund Balances** | | | | |
| Liabilities | | | | |
| Accounts payable | $11,176 | $1,346 | $ | $2,943 |
| Interfund payables | | | | |
| Liabilities | 11,176 | 1,346 | | 2,943 |
| Deferred inflows of resources | | | | |
| Unavailable revenues | 1,304 | 1,001 | 157 | 3,598 |
| Deferred inflows of resources total | 1,304 | 1,001 | 157 | 3,598 |
| Fund balances (deficit) | | | | |
| Restricted | 319,941 | 36,793 | 108,299 | 35,207 |
| Fund balances (deficit) total | 319,941 | 36,793 | 108,299 | 35,207 |
| Liabilities, deferred inflows, and fund balances (deficit) total | $332,421 | $39,139 | $108,456 | $41,748 |

See accompanying notes to financial statements.

| Herning Hills | Hopeless | Horseshoe Downs | Jennifer Drive | Jones Road |
|---|---|---|---|---|
| $58,306 | $45,376 | $26,256 | $9,908 | $154,136 |
| 713 | 1,119 | 2,006 | | 1,430 |
| $59,019 | $46,495 | $28,262 | $9,908 | $155,566 |
| | | | | |
| $16,126 | $ | $ | $ | $13,871 |
| 16,126 | | | | 13,871 |
| | | | | |
| 713 | 1,036 | 1,885 | | 1,369 |
| 713 | 1,036 | 1,885 | | 1,369 |
| | | | | |
| 42,180 | 45,459 | 26,377 | 9,908 | 140,327 |
| 42,180 | 45,459 | 26,377 | 9,908 | 140,327 |
| | | | | |
| $59,019 | $46,495 | $28,262 | $9,908 | $155,566 |

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Balance Sheet**
**June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | Joy Road | Keeney Road | Kendall | Keystone |
|---|---|---|---|---|
| **Assets** | | | | |
| Equity in central treasury cash | $32,918 | $13,255 | $84,036 | $68,139 |
| Taxes receivable | 835 | 88 | 586 | 918 |
| Assets total | $33,752 | $13,343 | $84,621 | $69,056 |
| **Liabilities, Deferred Inflows, and Fund Balances** | | | | |
| Liabilities | | | | |
| Accounts payable | $2,114 | $ | $9,519 | $ |
| Interfund payables | | | | |
| Liabilities | 2,114 | | 9,519 | |
| Deferred inflows of resources | | | | |
| Unavailable revenues | 835 | 88 | 569 | 918 |
| Deferred inflows of resources total | 835 | 88 | 569 | 918 |
| Fund balances (deficit) | | | | |
| Restricted | 30,804 | 13,255 | 74,533 | 68,139 |
| Fund balances (deficit) total | 30,804 | 13,255 | 74,533 | 68,139 |
| Liabilities, deferred inflows, and fund balances (deficit) total | $33,752 | $13,343 | $84,621 | $69,056 |

See accompanying notes to financial statements.

| Kris Kringle | Lakloey Hill | Lee Lane | Loose Moose | Martin |
|---|---|---|---|---|
| $100,433 | $123,634 | $23,789 | $10,507 | $80,379 |
| | | 133 | 61 | 5,098 |
| $100,433 | $123,634 | $23,922 | $10,568 | $85,477 |

| | | | | |
|---|---|---|---|---|
| $ | $ | $ | $ | $1,636 |
| | | | | 1,636 |
| | | 133 | 61 | 5,098 |
| | | 133 | 61 | 5,098 |
| 100,433 | 123,634 | 23,789 | 10,507 | 78,743 |
| 100,433 | 123,634 | 23,789 | 10,507 | 78,743 |
| $100,433 | $123,634 | $23,922 | $10,568 | $85,477 |

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Balance Sheet**
**June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | McCloud | McGrath Estates | McKinley View | Mellow Woods Road |
|---|---|---|---|---|
| **Assets** | | | | |
| Equity in central treasury cash | $132,244 | $222,007 | $36,580 | $101,787 |
| Taxes receivable | 2,310 | 602 | | 611 |
| Assets total | $134,555 | $222,609 | $36,580 | $102,399 |
| **Liabilities, Deferred Inflows, and Fund Balances** | | | | |
| Liabilities | | | | |
| Accounts payable | $9,979 | $21,482 | $ | $ |
| Interfund payables | | | | |
| Liabilities | 9,979 | 21,482 | | |
| Deferred inflows of resources | | | | |
| Unavailable revenues | 2,310 | 526 | | 611 |
| Deferred inflows of resources total | 2,310 | 526 | | 611 |
| Fund balances (deficit) | | | | |
| Restricted | 122,265 | 200,600 | 36,580 | 101,787 |
| Fund balances (deficit) total | 122,265 | 200,600 | 36,580 | 101,787 |
| Liabilities, deferred inflows, and fund balances (deficit) total | $134,555 | $222,609 | $36,580 | $102,399 |

See accompanying notes to financial statements.

| Miller Hill Extension | Moose Creek | Moose Meadows | Mt. View | Murphy |
|---|---|---|---|---|
| $164,895 | $38,981 | $358,541 | $118,141 | $21,564 |
| 2,566 | 477 | 1,827 | | 221 |
| $167,461 | $39,457 | $360,369 | $118,141 | $21,785 |
| | | | | |
| $25,804 | $ | $19,031 | $120 | $2,395 |
| 25,804 | | 19,031 | 120 | 2,395 |
| | | | | |
| 1,552 | 451 | 1,760 | | 201 |
| 1,552 | 451 | 1,760 | | 201 |
| | | | | |
| 140,105 | 39,006 | 339,577 | 118,021 | 19,190 |
| 140,105 | 39,006 | 339,577 | 118,021 | 19,190 |
| | | | | |
| $167,461 | $39,457 | $360,369 | $118,141 | $21,785 |

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Balance Sheet**
**June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | Musk Ox | Newby Park | North Ridge | North Star Volunteer Fire |
|---|---|---|---|---|
| **Assets** | | | | |
| Equity in central treasury cash | $62,302 | $19,899 | $11,538 | $822,696 |
| Taxes receivable | | 244 | | 57,644 |
| Assets total | $62,302 | $20,143 | $11,538 | $880,340 |
| **Liabilities, Deferred Inflows, and Fund Balances** | | | | |
| Liabilities | | | | |
| Accounts payable | $ | $ | $498 | $ |
| Interfund payables | | | | |
| Liabilities | | | 498 | |
| Deferred inflows of resources | | | | |
| Unavailable revenues | | 244 | | 55,025 |
| Deferred inflows of resources total | | 244 | | 55,025 |
| Fund balances (deficit) | | | | |
| Restricted | 62,302 | 19,899 | 11,040 | 825,315 |
| Fund balances (deficit) total | 62,302 | 19,899 | 11,040 | 825,315 |
| Liabilities, deferred inflows, and fund balances (deficit) total | $62,302 | $20,143 | $11,538 | $880,340 |

See accompanying notes to financial statements.

| O'Connor Creek | Old Wood Road | Our | Parksridge | Peede Country Estates |
|---|---|---|---|---|
| $610,074 | $54,227 | $14,931 | $27,186 | $42,378 |
| 2,677 | | | 530 | 528 |
| $612,751 | $54,227 | $14,931 | $27,716 | $42,906 |
| | | | | |
| $2,107 | $6,219 | $ | $ | $4,308 |
| 2,107 | 6,219 | | | 4,308 |
| 1,698 | | | 530 | 528 |
| 1,698 | | | 530 | 528 |
| 608,946 | 48,008 | 14,931 | 27,186 | 38,070 |
| 608,946 | 48,008 | 14,931 | 27,186 | 38,070 |
| $612,751 | $54,227 | $14,931 | $27,716 | $42,906 |

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Balance Sheet**
**June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | Pine Stream | Pleasureland | Polar Heights | Potlatch |
|---|---|---|---|---|
| **Assets** | | | | |
| Equity in central treasury cash | $145,172 | $43,856 | $73,354 | $43,192 |
| Taxes receivable | 392 | 834 | 83 | 360 |
| Assets total | $145,564 | $44,691 | $73,437 | $43,552 |
| **Liabilities, Deferred Inflows, and Fund Balances** | | | | |
| Liabilities | | | | |
| Accounts payable | $2,429 | $5,455 | $14,329 | $ |
| Interfund payables | | | | |
| Liabilities | 2,429 | 5,455 | 14,329 | |
| Deferred inflows of resources | | | | |
| Unavailable revenues | 392 | 834 | 83 | 360 |
| Deferred inflows of resources total | 392 | 834 | 83 | 360 |
| Fund balances (deficit) | | | | |
| Restricted | 142,744 | 38,401 | 59,025 | 43,192 |
| Fund balances (deficit) total | 142,744 | 38,401 | 59,025 | 43,192 |
| Liabilities, deferred inflows, and fund balances (deficit) total | $145,564 | $44,691 | $73,437 | $43,552 |

See accompanying notes to financial statements.

| Prospect Park | Reed Acres Road | Ridgecrest | Salchaket Heights | Scenic Heights |
|---|---|---|---|---|
| $46,400 | $73,502<br>192 | $2,825 | $14,553<br>130 | $89,632 |
| $46,400 | $73,693 | $2,825 | $14,683 | $89,632 |

| | | | | |
|---|---|---|---|---|
| $ | $29,096 | $740 | $ | $950 |
| | 29,096 | 740 | | 950 |
| | 192 | | 130 | |
| | 192 | | 130 | |
| 46,400 | 44,406 | 2,084 | 14,553 | 88,682 |
| 46,400 | 44,406 | 2,084 | 14,553 | 88,682 |
| $46,400 | $73,693 | $2,825 | $14,683 | $89,632 |

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Balance Sheet**
**June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | Seavy | Secluded Acres | Serendipity Hill | Six Mile Village Road |
|---|---|---|---|---|
| **Assets** | | | | |
| Equity in central treasury cash | $65,154 | $10,192 | $46,218 | $53,457 |
| Taxes receivable | 97 | 30 | | 910 |
| Assets total | $65,250 | $10,222 | $46,218 | $54,368 |
| **Liabilities, Deferred Inflows, and Fund Balances** | | | | |
| Liabilities | | | | |
| Accounts payable | $3,047 | $ | $ | $3,403 |
| Interfund payables | | | | |
| Liabilities | 3,047 | | | 3,403 |
| Deferred inflows of resources | | | | |
| Unavailable revenues | 97 | 30 | | 910 |
| Deferred inflows of resources total | 97 | 30 | | 910 |
| Fund balances (deficit) | | | | |
| Restricted | 62,107 | 10,192 | 46,218 | 50,054 |
| Fund balances (deficit) total | 62,107 | 10,192 | 46,218 | 50,054 |
| Liabilities, deferred inflows, and fund balances (deficit) total | $65,250 | $10,222 | $46,218 | $54,368 |

See accompanying notes to financial statements.

| Smallwood Trail Road | Smith Ranch | Spring Glade | Spruce Acres | Steamboat Landing |
|---|---|---|---|---|
| $41,614 | $51,016 | $96,738 | $37,055 | $52,078 |
| | 29 | 691 | 513 | 2,945 |
| $41,614 | $51,045 | $97,429 | $37,568 | $55,023 |

| | | | | |
|---|---|---|---|---|
| $ | $ | $21,953 | $ | $ |
| | | 21,953 | | |
| | 29 | 691 | 513 | 2,470 |
| | 29 | 691 | 513 | 2,470 |
| 41,614 | 51,016 | 74,786 | 37,055 | 52,553 |
| 41,614 | 51,016 | 74,786 | 37,055 | 52,553 |
| $41,614 | $51,045 | $97,429 | $37,568 | $55,023 |

## FAIRBANKS NORTH STAR BOROUGH

### Special Revenue Fund - All Service Areas

**Balance Sheet**
**June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | Steese Volunteer Fire | Straight Creek | Summerwood | Summit Drive |
|---|---|---|---|---|
| **Assets** | | | | |
| Equity in central treasury cash | $906,488 | $37,065 | $226,539 | $540,626 |
| Taxes receivable | 33,088 | 81 | 727 | 1,239 |
| Assets total | $939,576 | $37,146 | $227,266 | $541,865 |
| **Liabilities, Deferred Inflows, and Fund Balances** | | | | |
| Liabilities | | | | |
| Accounts payable | $ | $ | $14,231 | $52,146 |
| Interfund payables | | | | |
| Liabilities | | | 14,231 | 52,146 |
| Deferred inflows of resources | | | | |
| Unavailable revenues | 32,279 | 81 | 592 | 1,143 |
| Deferred inflows of resources total | 32,279 | 81 | 592 | 1,143 |
| Fund balances (deficit) | | | | |
| Restricted | 907,297 | 37,065 | 212,444 | 488,576 |
| Fund balances (deficit) total | 907,297 | 37,065 | 212,444 | 488,576 |
| Liabilities, deferred inflows, and fund balances (deficit) total | $939,576 | $37,146 | $227,266 | $541,865 |

See accompanying notes to financial statements.

| Sunny Hills Terrace | Sunrise | Tan Terra | Thomas | Timberlane Road |
|---|---|---|---|---|
| $186,504 | $113,213 | $76,742 | $32,619 | $54,297 |
| | | 130 | 2,387 | 51 |
| $186,504 | $113,213 | $76,872 | $35,006 | $54,347 |

| | | | | |
|---|---|---|---|---|
| $ | $8,115 | $ | $ | $ |
| | 8,115 | | | |
| | | 130 | 2,387 | 51 |
| | | 130 | 2,387 | 51 |
| 186,504 | 105,098 | 76,742 | 32,619 | 54,297 |
| 186,504 | 105,098 | 76,742 | 32,619 | 54,297 |
| $186,504 | $113,213 | $76,872 | $35,006 | $54,347 |

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Balance Sheet**
**June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | Tungsten | Twenty Three Mile Slough | Ullrhaven | University Fire |
|---|---|---|---|---|
| **Assets** | | | | |
| Equity in central treasury cash | $64,934 | $114,766 | $19,062 | $3,925,873 |
| Taxes receivable | 790 | 5,437 | | 36,276 |
| Assets total | $65,724 | $120,203 | $19,062 | $3,962,150 |
| **Liabilities, Deferred Inflows, and Fund Balances** | | | | |
| Liabilities | | | | |
| Accounts payable | $1,080 | $3,825 | $ | $ |
| Interfund payables | | | | |
| Liabilities | 1,080 | 3,825 | | |
| Deferred inflows of resources | | | | |
| Unavailable revenues | 790 | 5,437 | | 34,817 |
| Deferred inflows of resources total | 790 | 5,437 | | 34,817 |
| Fund balances (deficit) | | | | |
| Restricted | 63,854 | 110,941 | 19,062 | 3,927,333 |
| Fund balances (deficit) total | 63,854 | 110,941 | 19,062 | 3,927,333 |
| Liabilities, deferred inflows, and fund balances (deficit) total | $65,724 | $120,203 | $19,062 | $3,962,150 |

See accompanying notes to financial statements.

| University Heights | University West Street Light | Vienna Wood | Viewpointe | Violet Drive |
|---|---|---|---|---|
| $212,041 | $262,577 | $56,589 | $149,353 | $100,990 |
| | 386 | | 1 | 616 |
| $212,041 | $262,964 | $56,589 | $149,354 | $101,606 |
| $ | $1,364 | $13,212 | $1,165 | $5,929 |
| | 1,364 | 13,212 | 1,165 | 5,929 |
| | 386 | | 1 | 242 |
| | 386 | | 1 | 242 |
| 212,041 | 261,213 | 43,377 | 148,188 | 95,436 |
| 212,041 | 261,213 | 43,377 | 148,188 | 95,436 |
| $212,041 | $262,964 | $56,589 | $149,354 | $101,606 |

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Balance Sheet**
**June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | Vista Gold Road | Vue Crest | Whitman | Wildview |
|---|---|---|---|---|
| **Assets** | | | | |
| Equity in central treasury cash | $70,934 | $138,156 | $25,585 | $807,343 |
| Taxes receivable | 451 | | | 828 |
| Assets total | $71,385 | $138,156 | $25,585 | $808,171 |
| **Liabilities, Deferred Inflows, and Fund Balances** | | | | |
| Liabilities | | | | |
| Accounts payable | $7,874 | $ | $ | $5,310 |
| Interfund payables | | | | |
| Liabilities | 7,874 | | | 5,310 |
| Deferred inflows of resources | | | | |
| Unavailable revenues | 451 | | | 828 |
| Deferred inflows of resources total | 451 | | | 828 |
| Fund balances (deficit) | | | | |
| Restricted | 63,060 | 138,156 | 25,585 | 802,032 |
| Fund balances (deficit) total | 63,060 | 138,156 | 25,585 | 802,032 |
| Liabilities, deferred inflows, and fund balances (deficit) total | $71,385 | $138,156 | $25,585 | $808,171 |

See accompanying notes to financial statements.

| | | Totals | |
|---|---|---|---|
| Woodland | Yak Road | 2015 | 2014 |
| $11,165 | $135,315 | $21,490,065 | $19,982,679 |
| | | 260,503 | 253,197 |
| $11,165 | $135,315 | $21,750,568 | $20,235,876 |
| $118 | $26,328 | $535,390 | $489,434 |
| | | 30,325 | 50,000 |
| 118 | 26,328 | 565,715 | 539,434 |
| | | 249,238 | 238,302 |
| | | 249,238 | 238,302 |
| 11,048 | 108,987 | 20,935,615 | 19,458,139 |
| 11,048 | 108,987 | 20,935,615 | 19,458,139 |
| $11,165 | $135,315 | $21,750,568 | $20,235,876 |

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**
**Year Ended June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | Air Park | Airway | Arctic Fox | Aztec |
|---|---|---|---|---|
| Revenues | | | | |
| Taxes | $ | $14,138 | $5,613 | $27,102 |
| Other revenues | 2 | 45 | 30 | 90 |
| Revenues total | 2 | 14,183 | 5,643 | 27,192 |
| Expenditures | | | | |
| Current | | | | |
| Road and other service areas | 5,063 | 10,340 | 1,828 | 43,476 |
| Fire service areas | | | | |
| Expenditures total | 5,063 | 10,340 | 1,828 | 43,476 |
| Excess (deficiency) of revenues over expenditures | (5,061) | 3,843 | 3,815 | (16,284) |
| Other financing sources (uses) | | | | |
| Transfers in | | | | |
| Transfers out | | | | |
| Other financing sources (uses) total | | | | |
| Net change in fund balances | (5,061) | 3,843 | 3,815 | (16,284) |
| Fund balances (deficit), beginning | 5,176 | 55,165 | 36,571 | 112,362 |
| Fund balances (deficit), ending | $115 | $59,009 | $40,386 | $96,078 |

See accompanying notes to financial statements.

| Ballaine Lake Sewer & Water | Bear's Den Road | Becker Ridge | Birch Hill | Bluebird Road |
|---|---|---|---|---|
| $30,177 | $490 | $129,511 | $137,704 | $8,285 |
| 72 | | 147 | 365 | 34 |
| 30,248 | 490 | 129,658 | 138,069 | 8,319 |
| 37,394 | 539 | 216,996 | 80,622 | 3,437 |
| 37,394 | 539 | 216,996 | 80,622 | 3,437 |
| (7,145) | (49) | (87,338) | 57,447 | 4,882 |
| (7,145) | (49) | (87,338) | 57,447 | 4,882 |
| 88,242 | 2 | 238,653 | 385,341 | 40,464 |
| $81,097 | ($48) | $151,315 | $442,788 | $45,347 |

## FAIRBANKS NORTH STAR BOROUGH

**Special Revenue Fund - All Service Areas**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**
**Year Ended June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | Borda Road | Brookside | Chena Goldstream Volunteer Fire | Chena Hills Road |
|---|---|---|---|---|
| Revenues | | | | |
| Taxes | $31,807 | $9,459 | $1,529,225 | $112,856 |
| Other revenues | 137 | 35 | 6,182 | 2,672 |
| Revenues total | 31,944 | 9,494 | 1,535,407 | 115,528 |
| Expenditures | | | | |
| Current | | | | |
| Road and other service areas | 21,387 | 16,851 | | 147,395 |
| Fire service areas | | | 1,101,082 | |
| Expenditures total | 21,387 | 16,851 | 1,101,082 | 147,395 |
| Excess (deficiency) of revenues over expenditures | 10,557 | (7,357) | 434,325 | (31,868) |
| Other financing sources (uses) | | | | |
| Transfers in | | | | |
| Transfers out | (10,000) | | (80,000) | |
| Other financing sources (uses) total | (10,000) | | (80,000) | |
| Net change in fund balances | 557 | (7,357) | 354,325 | (31,868) |
| Fund balances (deficit), beginning | 157,700 | 46,564 | 1,589,168 | 97,232 |
| Fund balances (deficit), ending | $158,257 | $39,207 | $1,943,492 | $65,365 |

See accompanying notes to financial statements.

| Chena Hot Springs II | Chena Marina | Chena Point Road | Chena Spur | Cleary Summit |
|---|---|---|---|---|
| $3 | $28,526 | $142,865 | $49,283 | $ |
| | 67 | 116 | 102 | |
| 3 | 28,593 | 142,981 | 49,385 | |
| | 17,347 | 68,810 | 79,694 | 705 |
| | 17,347 | 68,810 | 79,694 | 705 |
| 3 | 11,246 | 74,171 | (30,309) | (705) |
| | 16,875 | | | |
| | (45,000) | | | |
| | (28,125) | | | |
| 3 | (16,879) | 74,171 | (30,309) | (705) |
| 109 | 62,661 | 78,023 | 146,699 | 713 |
| $113 | $45,782 | $152,194 | $116,390 | $9 |

## FAIRBANKS NORTH STAR BOROUGH

### Special Revenue Fund - All Service Areas

### Schedule of Revenues, Expenditures and Changes in Fund Balances
### Year Ended June 30, 2015
### With Comparative Totals for June 30, 2014

| | College | College Hills | Cooper Estates | Cordes Drive |
|---|---|---|---|---|
| Revenues | | | | |
| Taxes | $461,484 | $28,482 | $31,062 | $28,785 |
| Other revenues | 2,167 | 48 | 113 | 22 |
| Revenues total | 463,650 | 28,530 | 31,176 | 28,807 |
| Expenditures | | | | |
| Current | | | | |
| Road and other service areas | 454,278 | 23,481 | 27,142 | 39,661 |
| Fire service areas | | | | |
| Expenditures total | 454,278 | 23,481 | 27,142 | 39,661 |
| Excess (deficiency) of revenues over expenditures | 9,372 | 5,049 | 4,033 | (10,853) |
| Other financing sources (uses) | | | | |
| Transfers in | | | 8,373 | |
| Transfers out | (53,265) | | | |
| Other financing sources (uses) total | (53,265) | | 8,373 | |
| Net change in fund balances | (43,893) | 5,049 | 12,406 | (10,853) |
| Fund balances (deficit), beginning | 2,743,317 | 52,036 | 127,256 | 36,467 |
| Fund balances (deficit), ending | $2,699,424 | $57,085 | $139,663 | $25,613 |

See accompanying notes to financial statements.

| Cripple Creek | Deep Forest | Diane Subdivision | Drake Estates | Edanella Heights Road |
|---|---|---|---|---|
| $81,799 | $25,911 | $3,877 | $8,885 | $48,664 |
| 208 | 54 | 39 | 14 | 57 |
| 82,008 | 25,965 | 3,916 | 8,899 | 48,721 |
| 57,735 | 11,309 | 2,359 | 24,427 | 31,660 |
| 57,735 | 11,309 | 2,359 | 24,427 | 31,660 |
| 24,273 | 14,656 | 1,557 | (15,528) | 17,061 |
| | | 29,482 | | |
| | | 29,482 | | |
| 24,273 | 14,656 | 31,039 | (15,528) | 17,061 |
| 209,252 | 60,325 | 20,591 | 33,418 | 23,722 |
| $233,525 | $74,981 | $51,630 | $17,890 | $40,783 |

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**
**Year Ended June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | Ester Lump Road | Ester Volunteer Fire | Fairfields | Fairhill |
|---|---|---|---|---|
| Revenues | | | | |
| Taxes | $35,963 | $467,163 | $17,701 | $12,152 |
| Other revenues | 97 | 2,685 | 63 | 26 |
| Revenues total | 36,060 | 469,847 | 17,764 | 12,178 |
| Expenditures | | | | |
| Current | | | | |
| Road and other service areas | 34,388 | | 9,388 | 6,067 |
| Fire service areas | | 415,279 | | |
| Expenditures total | 34,388 | 415,279 | 9,388 | 6,067 |
| Excess (deficiency) of revenues over expenditures | 1,672 | 54,568 | 8,376 | 6,110 |
| Other financing sources (uses) | | | | |
| Transfers in | | | | |
| Transfers out | (50,000) | | | |
| Other financing sources (uses) total | (50,000) | | | |
| Net change in fund balances | (48,328) | 54,568 | 8,376 | 6,110 |
| Fund balances (deficit), beginning | 120,904 | 232,154 | 76,428 | 26,954 |
| Fund balances (deficit), ending | $72,576 | $286,723 | $84,804 | $33,065 |

See accompanying notes to financial statements.

| Fairwest | Garden | Golden Valley Road | Goldstream Alaska | Goldstream Moose Creek |
|---|---|---|---|---|
| $25,745 | $46,420 | $18,639 | $30,784 | $63,388 |
| 187 | 195 | 28 | 65 | 38 |
| 25,932 | 46,614 | 18,667 | 30,849 | 63,426 |
| 13,469 | 33,495 | 16,480 | 69,118 | 89,131 |
| 13,469 | 33,495 | 16,480 | 69,118 | 89,131 |
| 12,463 | 13,119 | 2,186 | (38,268) | (25,705) |
| | | | | 8,000 |
| | | | | 8,000 |
| 12,463 | 13,119 | 2,186 | (38,268) | (17,705) |
| 236,290 | 241,722 | (20,011) | 97,172 | 56,807 |
| $248,752 | $254,842 | ($17,825) | $58,903 | $39,102 |

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**
**Year Ended June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | Gordon | Granola Estates | Grieme Road | Haystack |
|---|---|---|---|---|
| Revenues | | | | |
| Taxes | $60,693 | $6,175 | $24,336 | $45,113 |
| Other revenues | 286 | 29 | 82 | 36 |
| Revenues total | 60,979 | 6,204 | 24,418 | 45,149 |
| Expenditures | | | | |
| Current | | | | |
| Road and other service areas | 57,241 | 6,277 | 14,217 | 44,909 |
| Fire service areas | | | | |
| Expenditures total | 57,241 | 6,277 | 14,217 | 44,909 |
| Excess (deficiency) of revenues over expenditures | 3,738 | (73) | 10,201 | 240 |
| Other financing sources (uses) | | | | |
| Transfers in | | | | 397 |
| Transfers out | | | | |
| Other financing sources (uses) total | | | | 397 |
| Net change in fund balances | 3,738 | (73) | 10,201 | 638 |
| Fund balances (deficit), beginning | 316,204 | 36,866 | 98,098 | 34,569 |
| Fund balances (deficit), ending | $319,941 | $36,793 | $108,299 | $35,207 |

See accompanying notes to financial statements.

| Herning Hills | Hopeless | Horseshoe Downs | Jennifer Drive | Jones Road |
|---|---|---|---|---|
| $30,185 | $25,687 | $25,191 | $6,413 | $73,558 |
| 62 | 45 | 20 | 8 | 125 |
| 30,247 | 25,733 | 25,211 | 6,420 | 73,684 |
| 30,290 | 34,818 | 19,960 | 8,273 | 73,583 |
| 30,290 | 34,818 | 19,960 | 8,273 | 73,583 |
| (43) | (9,085) | 5,251 | (1,853) | 100 |
| | | | | |
| | | | | |
| (43) | (9,085) | 5,251 | (1,853) | 100 |
| 42,223 | 54,544 | 21,125 | 11,761 | 140,226 |
| $42,180 | $45,459 | $26,377 | $9,908 | $140,327 |

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**
**Year Ended June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | Joy Road | Keeney Road | Kendall | Keystone |
|---|---|---|---|---|
| Revenues | | | | |
| Taxes | $9,495 | $2,353 | $12,543 | $16,923 |
| Other revenues | 27 | 10 | 64 | 59 |
| Revenues total | 9,522 | 2,363 | 12,607 | 16,982 |
| Expenditures | | | | |
| Current | | | | |
| Road and other service areas | 9,233 | 1,193 | 21,673 | 5,227 |
| Fire service areas | | | | |
| Expenditures total | 9,233 | 1,193 | 21,673 | 5,227 |
| Excess (deficiency) of revenues over expenditures | 289 | 1,170 | (9,066) | 11,755 |
| Other financing sources (uses) | | | | |
| Transfers in | | | | |
| Transfers out | | | | |
| Other financing sources (uses) total | | | | |
| Net change in fund balances | 289 | 1,170 | (9,066) | 11,755 |
| Fund balances (deficit), beginning | 30,515 | 12,085 | 83,599 | 56,384 |
| Fund balances (deficit), ending | $30,804 | $13,255 | $74,533 | $68,139 |

See accompanying notes to financial statements.

| Kris Kringle | Lakloey Hill | Lee Lane | Loose Moose | Martin |
|---|---|---|---|---|
| $15,426<br>74 | $41,138<br>97 | $7,976<br>17 | $7,079<br>9 | $40,192<br>75 |
| 15,500 | 41,234 | 7,993 | 7,087 | 40,267 |
| 6,697 | 30,633 | 1,911 | 9,052 | 41,450 |
| 6,697 | 30,633 | 1,911 | 9,052 | 41,450 |
| 8,803 | 10,601 | 6,082 | (1,965) | (1,183) |
| | 2,073 | | | |
| | 2,073 | | | |
| 8,803 | 12,674 | 6,082 | (1,965) | (1,183) |
| 91,630 | 110,960 | 17,707 | 12,471 | 79,926 |
| $100,433 | $123,634 | $23,789 | $10,507 | $78,743 |

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**
**Year Ended June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | McCloud | McGrath Estates | McKinley View | Mellow Woods Road |
|---|---|---|---|---|
| Revenues | | | | |
| Taxes | $27,091 | $77,536 | $7,881 | $16,954 |
| Other revenues | 102 | 168 | 27 | 76 |
| Revenues total | 27,192 | 77,705 | 7,908 | 17,031 |
| Expenditures | | | | |
| Current | | | | |
| Road and other service areas | 35,921 | 65,424 | 2,506 | 11,774 |
| Fire service areas | | | | |
| Expenditures total | 35,921 | 65,424 | 2,506 | 11,774 |
| Excess (deficiency) of revenues over expenditures | (8,729) | 12,281 | 5,402 | 5,257 |
| Other financing sources (uses) | | | | |
| Transfers in | | | | |
| Transfers out | | | | |
| Other financing sources (uses) total | | | | |
| Net change in fund balances | (8,729) | 12,281 | 5,402 | 5,257 |
| Fund balances (deficit), beginning | 130,994 | 188,320 | 31,178 | 96,530 |
| Fund balances (deficit), ending | $122,265 | $200,600 | $36,580 | $101,787 |

See accompanying notes to financial statements.

| Miller Hill Extension | Moose Creek | Moose Meadows | Mt. View | Murphy |
|---|---|---|---|---|
| $68,851 | $17,018 | $83,267 | $28,766 | $16,325 |
| 138 | 29 | 274 | 93 | 40 |
| 68,989 | 17,047 | 83,541 | 28,858 | 16,365 |
| 67,142 | 26,630 | 90,970 | 22,452 | 16,392 |
| 67,142 | 26,630 | 90,970 | 22,452 | 16,392 |
| 1,846 | (9,584) | (7,429) | 6,406 | (27) |
| 24,656 | | 150,000 | 14,877 | 40,000 |
| (23,000) | | | | (50,000) |
| 1,656 | | 150,000 | 14,877 | (10,000) |
| 3,502 | (9,584) | 142,571 | 21,283 | (10,027) |
| 136,603 | 48,590 | 197,006 | 96,737 | 29,217 |
| $140,105 | $39,006 | $339,577 | $118,021 | $19,190 |

## FAIRBANKS NORTH STAR BOROUGH

**Special Revenue Fund - All Service Areas**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**
**Year Ended June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | Musk Ox | Newby Park | North Ridge | North Star Volunteer Fire |
|---|---|---|---|---|
| Revenues | | | | |
| Taxes | $39,365 | $18,257 | $14,414 | $1,917,712 |
| Other revenues | 51 | 15 | 42 | 56,025 |
| Revenues total | 39,416 | 18,272 | 14,456 | 1,973,737 |
| Expenditures | | | | |
| Current | | | | |
| Road and other service areas | 32,246 | 17,830 | 6,304 | |
| Fire service areas | | | | 1,837,137 |
| Expenditures total | 32,246 | 17,830 | 6,304 | 1,837,137 |
| Excess (deficiency) of revenues over expenditures | 7,170 | 442 | 8,152 | 136,600 |
| Other financing sources (uses) | | | | |
| Transfers in | | | | |
| Transfers out | | | (44,754) | |
| Other financing sources (uses) total | | | (44,754) | |
| Net change in fund balances | 7,170 | 442 | (36,602) | 136,600 |
| Fund balances (deficit), beginning | 55,132 | 19,457 | 47,642 | 688,715 |
| Fund balances (deficit), ending | $62,302 | $19,899 | $11,040 | $825,315 |

See accompanying notes to financial statements.

| O'Connor Creek | Old Wood Road | Our | Parksridge | Peede Country Estates |
|---|---|---|---|---|
| $130,949 | $15,525 | $4,797 | $14,469 | $9,145 |
| 330 | 41 | 12 | 43 | 31 |
| 131,279 | 15,567 | 4,809 | 14,512 | 9,176 |
| 109,712 | 15,547 | 3,118 | 9,370 | 6,408 |
| 109,712 | 15,547 | 3,118 | 9,370 | 6,408 |
| 21,567 | 19 | 1,691 | 5,141 | 2,768 |
| | | | | |
| | | | | |
| 21,567 | 19 | 1,691 | 5,141 | 2,768 |
| 587,379 | 47,989 | 13,240 | 22,045 | 35,301 |
| $608,946 | $48,008 | $14,931 | $27,186 | $38,070 |

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**
**Year Ended June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | Pine Stream | Pleasureland | Polar Heights | Potlatch |
|---|---|---|---|---|
| Revenues | | | | |
| Taxes | $32,975 | $8,278 | $21,583 | $15,032 |
| Other revenues | 110 | 32 | 50 | 33 |
| Revenues total | 33,085 | 8,310 | 21,633 | 15,065 |
| Expenditures | | | | |
| Current | | | | |
| Road and other service areas | 26,374 | 6,795 | 23,422 | 7,338 |
| Fire service areas | | | | |
| Expenditures total | 26,374 | 6,795 | 23,422 | 7,338 |
| Excess (deficiency) of revenues over expenditures | 6,710 | 1,515 | (1,789) | 7,727 |
| Other financing sources (uses) | | | | |
| Transfers in | | 624 | | |
| Transfers out | | | | |
| Other financing sources (uses) total | | 624 | | |
| Net change in fund balances | 6,710 | 2,140 | (1,789) | 7,727 |
| Fund balances (deficit), beginning | 136,033 | 36,262 | 60,814 | 35,464 |
| Fund balances (deficit), ending | $142,744 | $38,401 | $59,025 | $43,192 |

See accompanying notes to financial statements.

| Prospect Park | Reed Acres Road | Ridgecrest | Salchaket Heights | Scenic Heights |
|---|---|---|---|---|
| $8,639 | $10,298 | $2,873 | $5,033 | $21,269 |
| 35 | 55 | 2 | 11 | 68 |
| 8,674 | 10,352 | 2,875 | 5,043 | 21,337 |
| 4,131 | 35,199 | 2,207 | 3,049 | 14,352 |
| 4,131 | 35,199 | 2,207 | 3,049 | 14,352 |
| 4,542 | (24,846) | 669 | 1,994 | 6,985 |
| | | | | |
| | | | | |
| 4,542 | (24,846) | 669 | 1,994 | 6,985 |
| 41,858 | 69,252 | 1,416 | 12,558 | 81,697 |
| $46,400 | $44,406 | $2,084 | $14,553 | $88,682 |

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**
**Year Ended June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | Seavy | Secluded Acres | Serendipity Hill | Six Mile Village Road |
|---|---|---|---|---|
| Revenues | | | | |
| Taxes | $11,002 | $17,624 | $7,372 | $9,404 |
| Other revenues | 51 | 29 | 35 | 40 |
| Revenues total | 11,054 | 17,653 | 7,407 | 9,444 |
| Expenditures | | | | |
| Current | | | | |
| Road and other service areas | 17,357 | 10,293 | 4,663 | 8,741 |
| Fire service areas | | | | |
| Expenditures total | 17,357 | 10,293 | 4,663 | 8,741 |
| Excess (deficiency) of revenues over expenditures | (6,303) | 7,360 | 2,744 | 703 |
| Other financing sources (uses) | | | | |
| Transfers in | | | | |
| Transfers out | | | | |
| Other financing sources (uses) total | | | | |
| Net change in fund balances | (6,303) | 7,360 | 2,744 | 703 |
| Fund balances (deficit), beginning | 68,410 | 2,832 | 43,474 | 49,352 |
| Fund balances (deficit), ending | $62,107 | $10,192 | $46,218 | $50,054 |

See accompanying notes to financial statements.

| Smallwood Trail Road | Smith Ranch | Spring Glade | Spruce Acres | Steamboat Landing |
|---|---|---|---|---|
| $7,668 | $8,853 | $51,786 | $7,317 | $20,192 |
| 30 | 42 | 76 | 27 | 38 |
| 7,698 | 8,896 | 51,862 | 7,344 | 20,229 |
| 2,077 | 64,245 | 64,014 | 3,353 | 13,864 |
| 2,077 | 64,245 | 64,014 | 3,353 | 13,864 |
| 5,621 | (55,350) | (12,151) | 3,991 | 6,365 |
| | | | | 4,994 |
| | | | | 4,994 |
| 5,621 | (55,350) | (12,151) | 3,991 | 11,359 |
| 35,993 | 106,366 | 86,937 | 33,064 | 41,194 |
| $41,614 | $51,016 | $74,786 | $37,055 | $52,553 |

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**
**Year Ended June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | Steese Volunteer Fire | Straight Creek | Summerwood | Summit Drive |
|---|---|---|---|---|
| Revenues | | | | |
| Taxes | $1,531,670 | $19,733 | $47,050 | $135,799 |
| Other revenues | 27,498 | 30 | 191 | 405 |
| Revenues total | 1,559,168 | 19,763 | 47,242 | 136,204 |
| Expenditures | | | | |
| Current | | | | |
| Road and other service areas | | 12,754 | 30,938 | 121,770 |
| Fire service areas | 1,432,300 | | | |
| Expenditures total | 1,432,300 | 12,754 | 30,938 | 121,770 |
| Excess (deficiency) of revenues over expenditures | 126,868 | 7,009 | 16,303 | 14,434 |
| Other financing sources (uses) | | | | |
| Transfers in | | | | |
| Transfers out | | | (30,000) | |
| Other financing sources (uses) total | | | (30,000) | |
| Net change in fund balances | 126,868 | 7,009 | (13,697) | 14,434 |
| Fund balances (deficit), beginning | 780,429 | 30,056 | 226,140 | 474,142 |
| Fund balances (deficit), ending | $907,297 | $37,065 | $212,444 | $488,576 |

See accompanying notes to financial statements.

| Sunny Hills Terrace | Sunrise | Tan Terra | Thomas | Timberlane Road |
|---|---|---|---|---|
| $34,432 | $13,644 | $35,653 | $13,167 | $8,356 |
| 161 | 83 | 66 | 24 | 41 |
| 34,593 | 13,727 | 35,720 | 13,191 | 8,397 |
| 7,944 | 11,050 | 28,802 | 4,207 | 4,838 |
| 7,944 | 11,050 | 28,802 | 4,207 | 4,838 |
| 26,649 | 2,677 | 6,918 | 8,983 | 3,559 |
| | 18,715 | | | |
| | 18,715 | | | |
| 26,649 | 21,392 | 6,918 | 8,983 | 3,559 |
| 159,855 | 83,706 | 69,824 | 23,635 | 50,738 |
| $186,504 | $105,098 | $76,742 | $32,619 | $54,297 |

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**
**Year Ended June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | Tungsten | Twenty Three Mile Slough | Ullrhaven | University Fire |
|---|---|---|---|---|
| Revenues | | | | |
| Taxes | $53,046 | $52,852 | $4,556 | $2,742,434 |
| Other revenues | 128 | 92 | 15 | 26,073 |
| Revenues total | 53,174 | 52,944 | 4,571 | 2,768,507 |
| Expenditures | | | | |
| Current | | | | |
| Road and other service areas | 25,360 | 58,386 | 7,924 | |
| Fire service areas | | | | 2,025,912 |
| Expenditures total | 25,360 | 58,386 | 7,924 | 2,025,912 |
| Excess (deficiency) of revenues over expenditures | 27,814 | (5,442) | (3,353) | 742,595 |
| Other financing sources (uses) | | | | |
| Transfers in | | | | |
| Transfers out | | | | (299,024) |
| Other financing sources (uses) total | | | | (299,024) |
| Net change in fund balances | 27,814 | (5,442) | (3,353) | 443,571 |
| Fund balances (deficit), beginning | 36,039 | 116,383 | 22,415 | 3,483,761 |
| Fund balances (deficit), ending | $63,854 | $110,941 | $19,062 | $3,927,333 |

See accompanying notes to financial statements.

| University Heights | University West Street Light | Vienna Wood | Viewpointe | Violet Drive |
|---|---|---|---|---|
| $60,597 | $69,434 | $26,912 | $20,104 | $77,191 |
| 165 | 203 | 46 | 112 | 78 |
| 60,762 | 69,637 | 26,958 | 20,216 | 77,269 |
| 30,859 | 51,086 | 47,908 | 11,560 | 58,064 |
| 30,859 | 51,086 | 47,908 | 11,560 | 58,064 |
| 29,903 | 18,551 | (20,950) | 8,656 | 19,205 |
| 25,892 | | | | |
| 25,892 | | | | |
| 55,796 | 18,551 | (20,950) | 8,656 | 19,205 |
| 156,246 | 242,662 | 64,326 | 139,531 | 76,231 |
| $212,041 | $261,213 | $43,377 | $148,188 | $95,436 |

**FAIRBANKS NORTH STAR BOROUGH**

**Special Revenue Fund - All Service Areas**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**
**Year Ended June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | Vista Gold Road | Vue Crest | Whitman | Wildview |
|---|---|---|---|---|
| Revenues | | | | |
| Taxes | $46,513 | $36,495 | $4,777 | $212,566 |
| Other revenues | 56 | 105 | 20 | 635 |
| Revenues total | 46,568 | 36,600 | 4,797 | 213,201 |
| Expenditures | | | | |
| Current | | | | |
| Road and other service areas | 42,377 | 25,635 | 3,735 | 106,083 |
| Fire service areas | | | | |
| Expenditures total | 42,377 | 25,635 | 3,735 | 106,083 |
| Excess (deficiency) of revenues over expenditures | 4,192 | 10,965 | 1,062 | 107,118 |
| Other financing sources (uses) | | | | |
| Transfers in | | | | |
| Transfers out | | | | (22,000) |
| Other financing sources (uses) total | | | | (22,000) |
| Net change in fund balances | 4,192 | 10,965 | 1,062 | 85,118 |
| Fund balances (deficit), beginning | 58,868 | 127,191 | 24,524 | 716,915 |
| Fund balances (deficit), ending | $63,060 | $138,156 | $25,585 | $802,032 |

See accompanying notes to financial statements.

| | | Totals | |
|---|---|---|---|
| Woodland | Yak Road | 2015 | 2014 |
| $2,773 | $87,666 | $12,257,362 | $11,659,085 |
| 8 | 137 | 132,000 | 131,703 |
| 2,781 | 87,802 | 12,389,362 | 11,790,788 |
| 1,318 | 82,162 | 3,738,092 | 2,792,320 |
| | | 6,811,710 | 6,457,652 |
| 1,318 | 82,162 | 10,549,801 | 9,249,972 |
| 1,463 | 5,640 | 1,839,560 | 2,540,816 |
| | | 344,959 | 37,009 |
| | | (707,043) | (625,468) |
| | | (362,084) | (588,459) |
| 1,463 | 5,640 | 1,477,476 | 1,952,356 |
| 9,584 | 103,347 | 19,458,139 | 17,505,783 |
| $11,048 | $108,987 | $20,935,615 | $19,458,139 |

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# DEBT SERVICE FUND

The **Debt Service Fund** is a major fund and is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

## FAIRBANKS NORTH STAR BOROUGH

### Debt Service Fund

### Comparative Balance Sheet
### June 30, 2015 and 2014

| | 2015 | 2014 |
|---|---|---|
| **Assets** | | |
| Equity in central treasury cash | $970,153 | $333,647 |
| Other assets | 739,074 | 728,184 |
| Assets total | $1,709,227 | $1,061,830 |
| **Liabilities and Fund Balance** | | |
| Liabilities | | |
| Accounts payable | $7,102 | $ |
| Liabilities total | 7,102 | |
| Fund balance | | |
| Committed | 1,702,124 | 1,061,830 |
| Fund balance total | 1,702,124 | 1,061,830 |
| Liabilities and fund balance total | $1,709,227 | $1,061,830 |

See accompanying notes to financial statements.

## FAIRBANKS NORTH STAR BOROUGH

### Debt Service Fund

### Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
### June 30, 2015 and 2014

| | 2015 | 2014 |
|---|---|---|
| Revenues | | |
| Other revenues | $ | $ |
| Expenditures | | |
| Debt service | | |
| Other debt service costs | 1,450 | 1,300 |
| Principal retirement of bonds | 10,850,000 | 10,515,000 |
| Interest on bonds | 4,089,056 | 4,445,156 |
| Expenditures total | 14,940,506 | 14,961,456 |
| Excess (deficiency) of revenues over expenditures | (14,940,506) | (14,961,456) |
| Other financing sources (uses) | | |
| Transfers in | 15,580,800 | 15,127,450 |
| Other financing sources (uses) total | 15,580,800 | 15,127,450 |
| Net change in fund balance | 640,294 | 165,994 |
| Fund balance, beginning | 1,061,830 | 895,836 |
| Fund balance, ending | $1,702,124 | $1,061,830 |

See accompanying notes to financial statements.

## FAIRBANKS NORTH STAR BOROUGH

### Debt Service Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended June 30, 2015

| | Budget | Actual | Adjustment to Budgetary Basis | Actual on Budgetary Basis | Variance from Budget-Positive (Negative) |
|---|---|---|---|---|---|
| Revenues | | | | | |
| Other revenues | $ | $ | $ | $ | $ |
| Expenditures | | | | | |
| Debt service | | | | | |
| Other debt service costs | 4,317 | 1,450 | | 1,450 | 2,867 |
| Principal retirement of bonds | 11,841,364 | 10,850,000 | | 10,850,000 | 991,364 |
| Interest on bonds | 4,535,119 | 4,089,056 | | 4,089,056 | 446,063 |
| Expenditures total | 16,380,800 | 14,940,506 | | 14,940,506 | 1,440,294 |
| Excess (deficiency) of revenues over expenditures | (16,380,800) | (14,940,506) | | (14,940,506) | 1,440,294 |
| Other financing sources (uses) | | | | | |
| Transfers in | 15,580,800 | 15,580,800 | | 15,580,800 | |
| Other financing sources (uses) total | 15,580,800 | 15,580,800 | | 15,580,800 | |
| Net change in fund balance | ($800,000) | 640,294 | $ | $640,294 | $1,440,294 |
| Fund balance, beginning | | 1,061,830 | | | |
| Fund balance, ending | | $1,702,124 | | | |

See accompanying notes to financial statements.

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# CAPITAL PROJECTS FUNDS

**Capital Projects Funds** are used to account for the acquisition, construction, renovation, or major maintenance of significant capital items and capital facilities.

## NONMAJOR CAPITAL PROJECTS FUNDS

**State Grants Fund** - This fund is used to account for all grants received directly from the State of Alaska for capital projects.

* * * * *

**Federal Pass-Through Grants Fund** - This fund is used to account for all grants received from the federal government through the State of Alaska and other entities for capital projects.

* * * * *

**Capital Purchases Fund** - This fund is used to account for local funds used for purchases of a capital nature.

## MAJOR CAPITAL PROJECTS FUNDS

**Bond Projects Fund** - This fund is used to account for all bond-funded capital projects.

* * * * *

**Local Projects Fund** - This fund is used to account for local funds used for multi-fiscal year capital projects.

## FAIRBANKS NORTH STAR BOROUGH

### Nonmajor Capital Projects Funds

### Combining Balance Sheet
### June 30, 2015

| | State Capital Grants | Federal Pass-Through Grants | Capital Purchases | Total Nonmajor Capital Projects Funds |
|---|---|---|---|---|
| **Assets** | | | | |
| Equity in central treasury cash | $5,035,330 | $10,153 | $2,367,104 | $7,412,587 |
| Interfund receivable | 113,881 | | | 113,881 |
| Due from governmental agencies | 3,053,635 | 192,881 | | 3,246,515 |
| Assets total | $8,202,845 | $203,034 | $2,367,104 | $10,772,983 |
| **Liabilities and Fund Balances** | | | | |
| Liabilities | | | | |
| Accounts payable | $911,652 | $8,221 | $32,412 | $952,285 |
| Interfund payables | 2,140,232 | 184,688 | | 2,324,920 |
| Unearned revenues | 231,229 | | | 231,229 |
| Liabilities total | 3,283,114 | 192,909 | 32,412 | 3,508,434 |
| Fund balances (deficit) | | | | |
| Restricted | 4,919,732 | 10,125 | 212,457 | 5,142,314 |
| Committed | | | 2,122,235 | 2,122,235 |
| Fund balances (deficit) total | 4,919,732 | 10,125 | 2,334,692 | 7,264,549 |
| Liabilities and fund balances (deficit) total | $8,202,845 | $203,034 | $2,367,104 | $10,772,983 |

See accompanying notes to financial statements.

## FAIRBANKS NORTH STAR BOROUGH

### Nonmajor Capital Projects Funds

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances
### Year Ended June 30, 2015

| | State Capital Grants | Federal Pass-Through Grants | Capital Purchases | Total Nonmajor Capital Projects Funds |
|---|---|---|---|---|
| Revenues | | | | |
| Intergovernmental revenues | $11,765,001 | $219,613 | $ | $11,984,614 |
| Other revenues | 4,526 | | 274,548 | 279,073 |
| Revenues total | 11,769,527 | 219,613 | 274,548 | 12,263,687 |
| Expenditures | | | | |
| Current | | | | |
| General government | | 4,925 | 483,404 | 488,329 |
| Public works | | | 9,570 | 9,570 |
| Parks and recreation | 5,701 | | | 5,701 |
| Library | 1,753,968 | | 369,188 | 2,123,156 |
| Road and other service areas | 5,393,725 | 1,233 | | 5,394,958 |
| Education | 283,024 | 1,013 | 667 | 284,703 |
| Emergency operations | | | 316,668 | 316,668 |
| Fire service areas | 42,690 | | 1,425 | 44,115 |
| Capital outlay | 4,376,934 | 219,742 | 2,245,846 | 6,842,521 |
| Expenditures total | 11,856,042 | 226,913 | 3,426,767 | 15,509,722 |
| Excess (deficiency) of revenues over expenditures | (86,516) | (7,300) | (3,152,219) | (3,246,035) |
| Other financing sources (uses) | | | | |
| Transfers in | | 12,500 | 2,280,541 | 2,293,041 |
| Transfers out | (11,460) | | (345,163) | (356,623) |
| Other financing sources (uses) | (11,460) | 12,500 | 1,935,378 | 1,936,418 |
| Net change in fund balances | (97,976) | 5,200 | (1,216,841) | (1,309,617) |
| Fund balances (deficit), beginning | 5,017,707 | 4,925 | 3,551,534 | 8,574,166 |
| Fund balances (deficit), ending | $4,919,732 | $10,125 | $2,334,692 | $7,264,549 |

See accompanying notes to financial statements.

## FAIRBANKS NORTH STAR BOROUGH

### Capital Projects Funds

### Project-length Schedule of Revenues and Expenditures
### Budget and Actual
### Beginning of Projects to June 30, 2015

| | Nonmajor Capital Projects Funds | | |
|---|---|---|---|
| | State Grants | Federal Pass-Through Grants | Capital Purchases |
| Total project expenditure budget | $74,693,145 | $2,062,234 | $7,968,664 |
| Revenues and other financing sources | | | |
| Taxes | $ | $ | $ |
| Intergovernmental | | | |
| Federal | | 1,304,870 | |
| State | 60,571,990 | 180,359 | |
| Local | 24,266 | | 589,753 |
| Transfers in and prior year's operating transfers in | 1,497,658 | 143,780 | 7,413,315 |
| Bond issuance | | | |
| Premium on bond debt | | | |
| Revenues and other financing sources total | $62,093,914 | $1,629,010 | $8,003,068 |
| Expenditures and other financing uses | $57,174,182 | $1,618,885 | $5,668,376 |

See accompanying notes to financial statements.

| Major Capital Projects Funds | | |
|---|---|---|
| Bond Projects | Local Projects | 2015 Project-to-Date Totals |
| $97,207,687 | $84,968,762 | $266,900,492 |
| | | |
| $ | $44,595 | $44,595 |
| | | 1,304,870 |
| | 5,719,380 | 66,471,729 |
| 596,257 | 5,031,279 | 6,241,555 |
| | 74,381,930 | 83,436,683 |
| 29,922,570 | | 29,922,570 |
| 1,348,862 | | 1,348,862 |
| $31,867,689 | $85,177,184 | $188,770,865 |
| $44,185,996 | $70,176,926 | $178,824,365 |

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# PROPRIETARY FUNDS

Enterprise Funds

Internal Service Fund

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# ENTERPRISE FUNDS

**Enterprise Funds** may be used to account for any activity for which a fee is charged to external users for goods or services.

## MAJOR ENTERPRISE FUNDS

**Transit Enterprise Fund** - This fund is used to account for the activities of the public transportation system (Metropolitan Area Commuter System – MACS – for fixed route service and Van Tran for limited on-demand service with wheelchair lift-equipped vans), the air quality function, and maintenance of the Borough's vehicle fleet.

* * * * *

**Carlson Center Enterprise Fund** - This fund is used to account for the operations of the John A. Carlson Community Activity Center.

* * * * *

**Solid Waste Disposal Enterprise Fund** - This fund is used to account for the activities of the Borough's solid waste disposal function, which includes operation of the landfill, household hazardous waste disposal, and recycling of paper and other materials.

## FAIRBANKS NORTH STAR BOROUGH

### Enterprise Fund - Transit

### Comparative Statement of Net Position
### June 30, 2015 and 2014

| | 2015 | 2014 |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Equity in central treasury cash | $4,134,808 | $3,706,846 |
| Restricted equity in central treasury cash | 21,875 | 24,136 |
| Accounts receivable | 11,227 | 38,791 |
| Restricted due from governmental agencies | 739,273 | 1,131,958 |
| Inventories | 269,447 | 332,363 |
| Current assets total | 5,176,629 | 5,234,095 |
| Noncurrent assets | | |
| Capital assets - non-depreciable | | |
| Land and land improvements | 595,234 | 595,234 |
| Construction work in progress | 111,775 | 397,463 |
| Capital assets - depreciable | | |
| Buildings | 4,045,284 | 4,045,284 |
| Improvements other than buildings | 619,452 | 269,296 |
| Equipment | 5,920,639 | 5,774,331 |
| Accumulated depreciation | (5,443,946) | (4,981,172) |
| Noncurrent assets (net) total | 5,848,437 | 6,100,436 |
| Assets total | $11,025,066 | $11,334,531 |

See accompanying notes to financial statements.

(Continued)

FAIRBANKS NORTH STAR BOROUGH

**Enterprise Fund - Transit**

**Comparative Statement of Net Position**
**June 30, 2015 and 2014**

| | 2015 | 2014 |
|---|---|---|
| **Liabilities and Net Position** | | |
| Current liabilities | | |
| Accounts payable | $116,839 | $93,259 |
| Wages and payroll taxes | 344,456 | 306,371 |
| Accrued compensated absences | 273,069 | 260,791 |
| Accrued self-insurance losses | 9,055 | 63,867 |
| Payable from restricted assets | | |
| Accounts payable | 142,091 | 124,970 |
| Interfund payable | 590,956 | 966,206 |
| Unearned revenues | 860 | |
| Current liabilities total | 1,477,326 | 1,815,465 |
| Long-term liabilities | | |
| Accrued compensated absences | 124,502 | 92,122 |
| Accrued self-insurance losses | 19,291 | 114,693 |
| Long-term liabilities total | 143,794 | 206,814 |
| Liabilities total | 1,621,119 | 2,022,279 |
| Net position | | |
| Investment in capital assets | 5,848,437 | 6,100,436 |
| Restricted for | | |
| Grants | 27,240 | 64,919 |
| Unrestricted | 3,528,269 | 3,146,897 |
| Net position total | 9,403,947 | 9,312,252 |
| Liabilities and net position total | $11,025,066 | $11,334,531 |

## FAIRBANKS NORTH STAR BOROUGH

### Enterprise Fund - Transit

### Comparative Statement of Revenues, Expenses and Changes in Net Position
### June 30, 2015 and 2014

| | 2015 | 2014 |
|---|---|---|
| Operating revenues | | |
| Fares | $435,180 | $343,751 |
| Advertising | 19,086 | 20,521 |
| Charges for services | 573,126 | 727,371 |
| Operating revenues total | 1,027,392 | 1,091,643 |
| Operating expenses | | |
| Wages and benefits | 6,104,297 | 5,718,787 |
| Fuels, lubricants, and parts | 1,035,483 | 953,619 |
| Other commodities | 68,145 | 24,830 |
| Contractual services | 3,154,610 | 1,712,894 |
| Utilities | 154,179 | 166,147 |
| Professional services | 40,328 | 210,108 |
| Depreciation | 588,900 | 565,374 |
| Training, dues, and professional expenses | 58,567 | 73,019 |
| Repairs and maintenance | 224,099 | 207,255 |
| Supplies | 125,577 | 90,751 |
| Intragovernmental charges | 1,047,439 | 830,862 |
| Operating expenses total | 12,601,626 | 10,553,646 |
| Operating income (loss) | (11,574,234) | (9,462,003) |

See accompanying notes to financial statements.

(Continued)

## FAIRBANKS NORTH STAR BOROUGH

### Enterprise Fund - Transit

### Comparative Statement of Revenues, Expenses and Changes in Net Position
### June 30, 2015 and 2014

| | 2015 | 2014 |
|---|---|---|
| Non-operating revenues (expenses) | | |
| Grants revenue | $5,274,788 | $4,271,199 |
| Investment income | 2,280 | 2,039 |
| Gain (loss) on disposal of capital assets | (127,306) | 19,725 |
| Miscellaneous revenue (expense) | 12,506 | 223 |
| Non-operating revenues (expenses) total | 5,162,267 | 4,293,186 |
| Income (loss) before contributions and transfers | (6,411,967) | (5,168,817) |
| Transfers in | 5,925,240 | 5,583,720 |
| Capital contributions | 578,422 | 1,404,027 |
| Change in net position | 91,695 | 1,818,930 |
| Net position, beginning | 9,312,252 | 7,493,322 |
| Net position, ending | $9,403,947 | $9,312,252 |

## FAIRBANKS NORTH STAR BOROUGH

### Enterprise Fund - Carlson Center

### Comparative Statement of Net Position
### June 30, 2015 and 2014

| | 2015 | 2014 |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Equity in central treasury cash | $629,458 | $815,214 |
| Restricted equity in central treasury cash | 468,473 | 376,823 |
| Accounts receivable | | 55,942 |
| Restricted accounts receivable | 3,607 | 2,772 |
| Restricted due from governmental agencies | 24,874 | 130,139 |
| Current assets total | 1,126,412 | 1,380,891 |
| Noncurrent assets | | |
| Capital assets - non-depreciable | | |
| Land and land improvements | 509,032 | 509,032 |
| Works of art | 120,790 | 120,790 |
| Capital assets - depreciable | | |
| Buildings | 21,346,731 | 21,266,719 |
| Improvements other than buildings | 1,608,028 | 1,608,028 |
| Equipment | 1,750,093 | 1,750,093 |
| Accumulated depreciation | (9,568,722) | (8,879,278) |
| Noncurrent assets (net) total | 15,765,953 | 16,375,384 |
| Assets total | $16,892,365 | $17,756,274 |

See accompanying notes to financial statements.

(Continued)

## FAIRBANKS NORTH STAR BOROUGH

### Enterprise Fund - Carlson Center

### Comparative Statement of Net Position
### June 30, 2015 and 2014

| | 2015 | 2014 |
|---|---|---|
| **Liabilities and Net Position** | | |
| Current liabilities | | |
| Accounts payable | $49,253 | $47,610 |
| Wages and payroll taxes | 5,665 | 7,202 |
| Accrued compensated absences | 1,701 | 1,236 |
| Payable from restricted assets | | |
| Accounts payable | | 100,000 |
| Interfund payable | 24,874 | 30,139 |
| Current liabilities total | 81,492 | 186,188 |
| Liabilities total | 81,492 | 186,188 |
| Net position | | |
| Investment in capital assets | 15,765,953 | 16,375,384 |
| Restricted for | | |
| Asset replacement | 472,080 | 379,595 |
| Unrestricted | 572,839 | 815,107 |
| Net position total | 16,810,872 | 17,570,087 |
| Liabilities and net position total | $16,892,365 | $17,756,274 |

## FAIRBANKS NORTH STAR BOROUGH

### Enterprise Fund - Carlson Center

### Comparative Statement of Revenues, Expenses and Changes in Net Position
### June 30, 2015 and 2014

| | 2015 | 2014 |
|---|---|---|
| Operating revenues | | |
| Charges for services | $92,173 | $106,341 |
| Operating revenues total | 92,173 | 106,341 |
| Operating expenses | | |
| Wages and benefits | 69,509 | 56,963 |
| Other commodities | | 13,123 |
| Contractual services | 591,485 | 691,226 |
| Professional services | 43,009 | 30,898 |
| Depreciation | 689,444 | 607,310 |
| Repairs and maintenance | 500 | 500 |
| Supplies | 39 | 12,550 |
| Management contractor fee | 169,378 | 184,144 |
| Intragovernmental charges | 742,283 | 556,124 |
| Operating expenses total | 2,305,647 | 2,152,838 |
| Operating income (loss) | (2,213,474) | (2,046,497) |

See accompanying notes to financial statements.

(Continued)

## FAIRBANKS NORTH STAR BOROUGH

### Enterprise Fund - Carlson Center

### Comparative Statement of Revenues, Expenses and Changes in Net Position
### June 30, 2015 and 2014

| | 2015 | 2014 |
|---|---|---|
| Non-operating revenues (expenses) | | |
| Investment income | $604 | $356 |
| Gain (loss) on disposal of capital assets | | (6,757) |
| Miscellaneous revenue (expense) | 1,643 | 982 |
| Non-operating revenues (expenses) total | 2,247 | (5,419) |
| Income (loss) before contributions and transfers | (2,211,227) | (2,051,916) |
| Transfers in | 1,353,300 | 1,418,790 |
| Transfers out | | (13,167) |
| Capital contributions | 98,713 | 2,433,549 |
| Change in net position | (759,214) | 1,787,255 |
| Net position, beginning | 17,570,087 | 15,782,831 |
| Net position, ending | $16,810,872 | $17,570,087 |

## FAIRBANKS NORTH STAR BOROUGH

### Enterprise Fund - Solid Waste Disposal

### Statement of Net Position
### June 30, 2015

| | 2015 |
|---|---|
| **Assets** | |
| Current assets | |
| Equity in central treasury cash | $22,503,365 |
| Restricted equity in central treasury cash | 30,781 |
| Accounts receivable (net of allowance for uncollectibles - $10,250) | 555,639 |
| Restricted due from governmental agencies | 41,119 |
| Inventories | 1,267,037 |
| Current assets total | 24,397,941 |
| Noncurrent assets | |
| Long-term receivables (net of allowance for uncollectibles - $182,250) | |
| Capital assets - non-depreciable | |
| Land and land improvements | 746,003 |
| Construction work in progress | 10,478,793 |
| Capital assets - depreciable | |
| Land | 346,044 |
| Buildings | 7,951,549 |
| Improvements other than buildings | 16,871,527 |
| Equipment | 3,882,923 |
| Accumulated depreciation | (20,017,754) |
| Noncurrent assets (net) total | 20,259,086 |
| Assets total | 44,657,027 |
| **Deferred Outflows of Resources** | |
| Deferred pensions | 146,761 |
| Deferred outflows total | 146,761 |
| Assets and deferred outflows total | $44,803,788 |

See accompanying notes to financial statements.

(Continued)

## FAIRBANKS NORTH STAR BOROUGH

### Enterprise Fund - Solid Waste Disposal

### Statement of Net Position
### June 30, 2015

| | 2015 |
|---|---|
| **Liabilities** | |
| Current liabilities | |
| Accounts payable | $252,700 |
| Wages and payroll taxes | 130,144 |
| Accrued interest payable | 292,097 |
| Accrued compensated absences | 100,631 |
| Accrued self-insurance losses | |
| Interfund payable | 62,142 |
| Payable from restricted assets | |
| Accounts payable | 9,915 |
| Interfund payable | 41,119 |
| Current liabilities total | 888,748 |
| Long-term liabilities | |
| Accrued compensated absences | 57,916 |
| Accrued self-insurance losses | 2,479 |
| Net pension obligation | 1,421,143 |
| Loans payable | 11,168,462 |
| Landfill closure and postclosure care | 20,188,137 |
| Long-term liabilities total | 32,838,137 |
| Liabilities total | 33,726,885 |
| **Deferred Inflows of Resources** | |
| Deferred pensions | 164,190 |
| Deferred inflows total | 164,190 |
| Liabilities and deferred inflows total | 33,891,075 |
| **Net Position** | |
| Net investment in capital assets | 10,829,579 |
| Restricted for | |
| Solid waste collection district | 20,865 |
| Unrestricted (deficit) | 62,268 |
| Net position total | 10,912,712 |
| Liabilities, deferred inflows and net position total | $44,803,788 |

## FAIRBANKS NORTH STAR BOROUGH

### Enterprise Fund - Solid Waste Disposal

### Statement of Revenues, Expenses and Changes in Net Position
### June 30, 2015

| | 2015 |
|---|---|
| Operating revenues | |
| Charges for services | $9,677,082 |
| State retirement contribution | 68,886 |
| Operating revenues total | 9,745,968 |
| Operating expenses | |
| Wages and benefits | 1,918,242 |
| Fuels, lubricants, and parts | 271,684 |
| Other commodities | 6,625 |
| Contractual services | 2,031,604 |
| Utilities | 167,361 |
| Professional services | 414,711 |
| Depreciation | 1,106,726 |
| Training, dues, and professional expenses | 15,567 |
| Repairs and maintenance | 374,877 |
| Supplies | 129,452 |
| Landfill closure and postclosure care costs | 2,096,534 |
| Intragovernmental charges | 939,817 |
| Operating expenses total | 9,473,200 |
| Operating income (loss) | 272,768 |

See accompanying notes to financial statements.

(Continued)

## FAIRBANKS NORTH STAR BOROUGH

### Enterprise Fund - Solid Waste Disposal

### Statement of Revenues, Expenses and Changes in Net Position
### June 30, 2015

| | 2015 |
|---|---|
| Non-operating revenues (expenses) | |
| Interest expense | ($56,434) |
| Investment income | 16,029 |
| Miscellaneous revenue (expense) | 213 |
| Non-operating revenues (expenses) total | (40,192) |
| Income (loss) before contributions and transfers | 232,575 |
| Transfers in | 87,500 |
| Transfers out | (27,404) |
| Capital contributions | 575,192 |
| Change in net position | 867,863 |
| Net position, beginning as restated (see note 16) | 10,044,850 |
| Net position, ending | $10,912,712 |

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# INTERNAL SERVICE FUND

**Internal Service Funds** are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government on a cost-reimbursement basis.

**Vehicle and Equipment Fleet Internal Service Fund –** This fund is used to account for the acquisition and financing of Borough vehicles and equipment.

## FAIRBANKS NORTH STAR BOROUGH

### Internal Service Fund - Vehicle and Equipment Fleet

### Comparative Statement of Net Position
### June 30, 2015 and 2014

| | 2015 | 2014 |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Equity in central treasury cash | $916,000 | $893,779 |
| Current assets total | 916,000 | 893,779 |
| Noncurrent assets | | |
| Capital assets - depreciable | | |
| Equipment | 7,608,901 | 7,502,076 |
| Accumulated depreciation | (3,700,560) | (3,765,644) |
| Noncurrent assets (net) total | 3,908,341 | 3,736,432 |
| Assets total | $4,824,341 | $4,630,211 |
| **Liabilities and Net Position** | | |
| Current liabilities | | |
| Accounts payable | $104,304 | $46,237 |
| Capital leases payable | 511,506 | 519,236 |
| Current liabilities total | 615,810 | 565,473 |
| Long-term liabilities | | |
| Capital leases payable | 951,404 | 945,523 |
| Long-term liabilities total | 951,404 | 945,523 |
| Liabilities total | 1,567,214 | 1,510,997 |
| Net position | | |
| Net investment in capital assets | 2,445,432 | 2,271,673 |
| Unrestricted | 811,696 | 847,542 |
| Net position total | 3,257,128 | 3,119,215 |
| Liabilities and net position total | $4,824,341 | $4,630,211 |

See accompanying notes to financial statements.

## FAIRBANKS NORTH STAR BOROUGH

### Internal Service Fund - Vehicle and Equipment Fleet

### Comparative Statement of Revenues, Expenses and Changes in Net Position
### June 30, 2015 and 2014

| | 2015 | 2014 |
|---|---|---|
| Operating revenues | | |
| Charges for services | $625,220 | $603,012 |
| Operating revenues total | 625,220 | 603,012 |
| Operating expenses | | |
| Contractual services | 5,109 | 5,571 |
| Depreciation | 462,729 | 465,445 |
| Repairs and maintenance | 30 | 25 |
| Interest expense - capital leases | 49,914 | 50,219 |
| Intragovernmental charges | 52,102 | 47,031 |
| Operating expenses total | 569,884 | 568,291 |
| Operating income (loss) | 55,336 | 34,721 |
| Non-operating revenues (expenses) | | |
| Gain (loss) on disposal of capital assets | (12,661) | (2,578) |
| Non-operating revenues (expenses) total | (12,661) | (2,578) |
| Income (loss) before contributions and transfers | 42,675 | 32,143 |
| Capital contributions | 95,238 | |
| Change in net position | 137,913 | 32,143 |
| Net position, beginning | 3,119,215 | 3,087,072 |
| Net position, ending | $3,257,128 | $3,119,215 |

See accompanying notes to financial statements.

# FIDUCIARY FUND

Agency Fund

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# AGENCY FUND

**Agency Funds** are used to account for assets held by the government as an agent for individuals, private organizations, and/or other governments.

**Taxes Agency Fund** – This fund is used to account for property taxes collected by the Borough as an agent for the Cities of Fairbanks and North Pole.

## FAIRBANKS NORTH STAR BOROUGH

### Agency Fund - Taxes

### Statement of Changes in Assets and Liabilities
### Year Ended June 30, 2015

| | Balance July 1, 2014 | Additions | Deletions | Balance June 30, 2015 |
|---|---|---|---|---|
| **Assets** | | | | |
| Equity in central treasury cash | $491,243 | $15,714,341 | $15,808,617 | $396,968 |
| Property tax liens receivable | 336,471 | 15,340,563 | 15,342,368 | 334,666 |
| Assets total | $827,714 | $31,054,904 | $31,150,984 | $731,634 |
| **Liabilities** | | | | |
| Due to other governmental agencies for collected taxes | $28,749 | $15,348,188 | $15,346,123 | $30,815 |
| Due to other governmental agencies for uncollected taxes | 336,471 | 15,340,563 | 15,342,368 | 334,666 |
| Advance tax payments | 462,494 | 366,153 | 462,494 | 366,153 |
| Liabilities total | $827,714 | $31,054,904 | $31,150,984 | $731,634 |

See accompanying notes to financial statements.

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# ADDITIONAL INFORMATION

These schedules provide additional fiscal data considered valuable in meeting other informational needs and in providing a better understanding of the finances of the Borough.

**FAIRBANKS NORTH STAR BOROUGH** **Schedule 1**

**Cash and Investment Balances Classified by Depository**
**All Funds and School District**
**June 30, 2015**
**With Comparative Totals for June 30, 2014**

| | Fair Value of Cash Invested | Outstanding Checks and Cash on Hand | Totals | |
|---|---|---|---|---|
| | | | 2015 | 2014 |
| | (a) | | | |
| Change and petty cash funds | $ | $15,630 | $15,630 | $176,560 |
| Central treasury cash | | 7,348,158 | 7,348,158 | |
| Fidelity Institutional Money Market Government Fund | 209,339 | | 209,339 | 209,318 |
| BNY Goldman Sachs Financial Square Government Fund (b) | 474,819 | | 474,819 | 474,789 |
| Invesco Government & Agency Portfolio Cash Management | 4,562,632 | | 4,562,632 | 37,010,832 |
| Invesco Government TaxAdvantage Portfolio Cash Management | 12,489,683 | | 12,489,683 | 25,665,131 |
| Morgan Stanley Government Portfolio Institutional | 70,887,051 | | 70,887,051 | 52,959,868 |
| Certificates of Deposit Account Registry Service (CDARS) | 20,000,000 | | 20,000,000 | 20,000,000 |
| Commercial paper | | | | 4,986,734 |
| Wells Fargo Bank Alaska N.A. | | | | 3,538,878 |
| Alaska Municipal League Investment Pool | 46,243,661 | | 46,243,661 | 14,493,210 |
| Cash and investments | 154,867,186 | 7,363,788 | 162,230,973 | 159,515,320 |
| Less: Fiduciary Fund - Borough | (396,968) | | (396,968) | (491,243) |
| Less: Fiduciary Fund - School District | (40,801) | | (40,801) | (50,725) |
| Cash and investments total | $154,429,417 | $7,363,788 | $161,793,204 | $158,973,352 |
| Alaska Rule of Civil Procedure No. 67 | | | | |
| Wells Fargo Bank Alaska N.A. (c) | $ | | $ | $ 8,720,807 |
| Wells Fargo Bank Alaska N.A. (d) | 10,607,416 | | 10,607,416 | 10,525,587 |
| Alaska rule of civil procedure no. 67 total | $10,607,416 | | $10,607,416 | $19,246,394 |

(a) Investment in deferred compensation plan is not included.

(b) These funds are invested by the Borough's custodial bank, Bank of New York Mellon, BNY Western Trust.

(c) The Borough received funds from Alyeska Pipeline Service Company as a result of a favorable decision in the trial to settle the assessed valuation dispute for the trans-Alaska pipeline system for the 2006 tax year. The decision was appealed favorably to the Supreme Court. (Note 17. C.)

(d) The Borough received funds from Alyeska Pipeline Service Company as a result of a favorable decision in the trial to settle the assessed valuation dispute for the trans-Alaska pipeline system for the 2007, 2008, and 2009 tax years. The decision was appealed favorably to the Supreme Court. (Note 17. C.)

**FAIRBANKS NORTH STAR BOROUGH** **Schedule 2**

**Enterprise Funds**
**Cash Balances**
**June 30, 2015**

| | Operating | Project Appropriations | Total |
|---|---|---|---|
| Transit | $3,004,061 | $1,152,621 | $4,156,682 |
| Carlson Center | 428,384 | 669,547 | 1,097,931 |
| Solid waste disposal | 13,475,438 | 9,058,707 | 22,534,145 |
| Enterprise funds total | $16,907,883 | $10,880,875 | $27,788,758 |

Each of the Borough's three enterprise funds are comprised of operating cost centers for which annual budgets are adopted, and of project cost centers for appropriations for specific projects that extend beyond one fiscal year.

## Combined Schedule of Investments
## All Funds and School District
## June 30, 2015

| | Maturity Dates | Interest (Coupon) | Principal | Fair Value |
|---|---|---|---|---|
| Government Securities Money Market Funds | | | | |
| BNY Goldman Sachs Financial Square Government Fund | | 0.010% | 474,819 | 474,819 |
| Fidelity Institutional Money Market Government Fund | | 0.010 | 209,339 | 209,339 |
| Wells Fargo Securities: | | | | |
| Invesco Government & Agency Portfolio Cash Management | | 0.040 | 4,562,632 | 4,562,632 |
| Invesco Government TaxAdvantage Portfolio Cash Management | | 0.040 | 12,489,683 | 12,489,683 |
| Morgan Stanley Government Portfolio Institutional | | 0.040 | 70,887,051 | 70,887,051 |
| Government securities money market funds total | | | 88,623,525 | 88,623,525 |
| External Investment Pool | | | | |
| Alaska Municipal League Investment Pool | | 0.010 | 46,243,661 | 46,243,661 |
| Certificates of Deposit | | | | |
| Certificates of Deposit Account Registry Service (CDARS) | 10/08/15 | 0.300 | 5,000,000 | 5,000,000 |
| Certificates of Deposit Account Registry Service (CDARS) | 01/07/16 | 0.280 | 5,000,000 | 5,000,000 |
| Certificates of Deposit Account Registry Service (CDARS) | 10/08/15 | 0.150 | 5,000,000 | 5,000,000 |
| Certificates of Deposit Account Registry Service (CDARS) | 04/07/16 | 0.350 | 5,000,000 | 5,000,000 |
| Certificates of deposit total | | | 20,000,000 | 20,000,000 |
| Investments total | | | $154,867,186 | $154,867,186 |
| Alaska Rule of Civil Procedure No. 67 (note 17.A.) | | | | |
| Wells Fargo Bank Alaska N.A. | | | $10,607,416 | $10,607,416 |

## Combined Schedule of Delinquent Property Taxes Receivable
## By Fund Type
## June 30, 2015

| | Total | General Fund | Special Revenue Funds | Capital Projects Funds | Agency Fund |
|---|---|---|---|---|---|
| Delinquent property taxes | | | | | |
| 2011 and prior | $303,453 | $234,699 | $39,815 | $ | $28,939 |
| 2012 | 133,847 | 98,180 | 22,122 | 45 | 13,499 |
| 2013 | 747,887 | 533,889 | 129,080 | 220 | 84,698 |
| Delinquent property taxes total | $1,185,186 | $866,768 | $191,017 | $266 | $127,136 |

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**FAIRBANKS NORTH STAR BOROUGH**

**Combined Schedule of Long-Term Debt**
**June 30, 2015 and 2014**

| | Interest Rates on Remaining Coupons | Payment Dates | Bond Date | Final Maturity Date |
|---|---|---|---|---|
| General Obligation Bonds Payable: | | | | |
| 2006 Series I - school facilities | 4.25% - 4.30% | 11-01 / 05-01 | 01-31-06 | 11-01-25 |
| 2007 Series J - school facilities | 4.25% - 4.50% | 11-01 / 05-01 | 02-16-07 | 11-01-26 |
| 2007 Refunding Series K - school facilities (1996 Series U) | 4.00% | 11-01 / 05-01 | 02-16-07 | 11-01-16 |

| Remaining Annual Serial Payments (a) | Authorized | Issued | Retired | June 30, 2015 Outstanding | June 30, 2014 Outstanding |
|---|---|---|---|---|---|
| $460,000 (2015) | $9,750,000 | $9,750,000 | $3,305,000 | $6,445,000 | $6,885,000 |
| 480,000 (2016) | | | | | |
| 505,000 (2017) | | | | | |
| 525,000 (2018) | | | | | |
| 550,000 (2019) | | | | | |
| 580,000 (2020) | | | | | |
| 605,000 (2021) | | | | | |
| 635,000 (2022) | | | | | |
| 670,000 (2023) | | | | | |
| 700,000 (2024) | | | | | |
| 735,000 (2025) | | | | | |
| 550,000 (2015) | 12,000,000 | 12,000,000 | 3,575,000 | 8,425,000 | 8,955,000 |
| 570,000 (2016) | | | | | |
| 600,000 (2017) | | | | | |
| 625,000 (2018) | | | | | |
| 650,000 (2019) | | | | | |
| 680,000 (2020) | | | | | |
| 710,000 (2021) | | | | | |
| 740,000 (2022) | | | | | |
| 775,000 (2023) | | | | | |
| 805,000 (2024) | | | | | |
| 840,000 (2025) | | | | | |
| 880,000 (2026) | | | | | |
| 1,255,000 (2015) | 10,460,000 | 10,460,000 | 7,885,000 | 2,575,000 | 3,745,000 |
| 1,320,000 (2016) | | | | | |

**FAIRBANKS NORTH STAR BOROUGH**

**Combined Schedule of Long-Term Debt**
**June 30, 2015 and 2014**

| | Interest Rates on Remaining Coupons | Payment Dates | Bond Date | Final Maturity Date |
|---|---|---|---|---|
| 2008 Series L - school facilities | 3.625% - 4.50% | 11-01 / 05-01 | 01-25-08 | 11-01-27 |
| 2010 Series M - school facilities | 3.25% - 5.75% | 07-01 / 01-01 | 02-26-10 | 07-01-29 |

| Remaining Annual Serial Payments (a) | Authorized | Issued | Retired | June 30, 2015 Outstanding | June 30, 2014 Outstanding |
|---|---|---|---|---|---|
| $485,000 (2015) | $11,128,000 | $11,128,000 | $2,788,000 | $8,340,000 | $8,805,000 |
| 505,000 (2016) | | | | | |
| 525,000 (2017) | | | | | |
| 550,000 (2018) | | | | | |
| 575,000 (2019) | | | | | |
| 600,000 (2020) | | | | | |
| 630,000 (2021) | | | | | |
| 660,000 (2022) | | | | | |
| 690,000 (2023) | | | | | |
| 725,000 (2024) | | | | | |
| 760,000 (2025) | | | | | |
| 800,000 (2026) | | | | | |
| 835,000 (2027) | | | | | |
| 495,000 (2015) | 11,950,000 | 11,950,000 | 2,265,000 | 9,685,000 | 10,170,000 |
| 510,000 (2016) | | | | | |
| 530,000 (2017) | | | | | |
| 545,000 (2018) | | | | | |
| 565,000 (2019) | | | | | |
| 590,000 (2020) | | | | | |
| 615,000 (2021) | | | | | |
| 635,000 (2022) | | | | | |
| 670,000 (2023) | | | | | |
| 695,000 (2024) | | | | | |
| 710,000 (2025) | | | | | |
| 745,000 (2026) | | | | | |
| 770,000 (2027) | | | | | |
| 790,000 (2028) | | | | | |
| 820,000 (2029) | | | | | |

**FAIRBANKS NORTH STAR BOROUGH**

**Combined Schedule of Long-Term Debt**
**June 30, 2015 and 2014**

| | Interest Rates on Remaining Coupons | Payment Dates | Bond Date | Final Maturity Date |
|---|---|---|---|---|
| 2010 Refunding Series N - school facilities - library (1997 Series A) | 5.00% | 11-01 / 05-01 | 02-26-10 | 11-01-17 |
| 2010 Refunding Series O - school facilities (1999 Series B) | 4.00% - 5.00% | 10-01 / 04-01 | 12-10-10 | 04-01-19 |
| 2011 Refunding Series P - school facilities (2000 Series C) | 2.00% - 3.00% | 12-01 / 06-01 | 09-02-11 | 12-01-20 |
| 2011 Refunding Series Q - school facilities (2001 Series D) (2002 Series E) (2003 Series F) | 4.00% - 5.00% | 09-01 / 03-01 | 11-23-11 | 09-01-22 |

| Remaining Annual Serial Payments (a) | Authorized | Issued | Retired | June 30, 2015 Outstanding | June 30, 2014 Outstanding |
|---|---|---|---|---|---|
| $2,300,000 (2015) | $16,860,142 | $16,860,142 | $9,997,447 | $6,862,695 | $8,994,326 |
| 2,365,000 (2016) | 619,858 | 619,858 | 367,553 | 252,305 | 330,674 |
| 2,450,000 (2017) | | | | | |
| 1,530,000 (2016) | 13,680,000 | 13,680,000 | 7,120,000 | 6,560,000 | 8,035,000 |
| 1,595,000 (2017) | | | | | |
| 1,675,000 (2018) | | | | | |
| 1,760,000 (2019) | | | | | |
| 540,000 (2015) | 5,565,000 | 5,565,000 | 2,015,000 | 3,550,000 | 4,080,000 |
| 560,000 (2016) | | | | | |
| 580,000 (2017) | | | | | |
| 600,000 (2018) | | | | | |
| 625,000 (2019) | | | | | |
| 645,000 (2020) | | | | | |
| 1,815,000 (2015) | 21,000,000 | 21,000,000 | 5,055,000 | 15,945,000 | 17,690,000 |
| 1,900,000 (2016) | | | | | |
| 1,995,000 (2017) | | | | | |
| 2,100,000 (2018) | | | | | |
| 2,205,000 (2019) | | | | | |
| 2,320,000 (2020) | | | | | |
| 1,760,000 (2021) | | | | | |
| 1,850,000 (2022) | | | | | |

**FAIRBANKS NORTH STAR BOROUGH**

**Combined Schedule of Long-Term Debt**
**June 30, 2015 and 2014**

| | Interest Rates on Remaining Coupons | Payment Dates | Bond Date | Final Maturity Date |
|---|---|---|---|---|
| 2012 Series R - school facilities | 2.00% - 3.10% | 11-01 / 05-01 | 06-01-12 | 05-01-32 |
| 2012 Refunding Series S - school facilities (2004 Series G) (2005 Series H) | 2.00% - 5.00% | 10-01 / 04-01 | 11-02-12 | 10-01-24 |
| General obligation bonds payable total | | | | |

| Remaining Annual Serial Payments (a) | Authorized | Issued | Retired | June 30, 2015 Outstanding | June 30, 2014 Outstanding |
|---|---|---|---|---|---|
| $500,000 (2016) | $11,500,000 | $11,500,000 | $1,470,000 | $10,030,000 | $10,525,000 |
| 500,000 (2017) | | | | | |
| 510,000 (2018) | | | | | |
| 515,000 (2019) | | | | | |
| 525,000 (2020) | | | | | |
| 535,000 (2021) | | | | | |
| 550,000 (2022) | | | | | |
| 560,000 (2023) | | | | | |
| 575,000 (2024) | | | | | |
| 590,000 (2025) | | | | | |
| 610,000 (2026) | | | | | |
| 625,000 (2027) | | | | | |
| 645,000 (2028) | | | | | |
| 665,000 (2029) | | | | | |
| 685,000 (2030) | | | | | |
| 710,000 (2031) | | | | | |
| 730,000 (2032) | | | | | |
| 1,335,000 (2015) | 16,670,000 | 16,670,000 | 2,585,000 | 14,085,000 | 15,390,000 |
| 1,360,000 (2016) | | | | | |
| 1,390,000 (2017) | | | | | |
| 1,415,000 (2018) | | | | | |
| 1,445,000 (2019) | | | | | |
| 1,490,000 (2020) | | | | | |
| 1,550,000 (2021) | | | | | |
| 1,615,000 (2022) | | | | | |
| 1,685,000 (2023) | | | | | |
| 800,000 (2024) | | | | | |
| | 141,183,000 | 141,183,000 | 48,428,000 | 92,755,000 | 103,605,000 |

**FAIRBANKS NORTH STAR BOROUGH**

**Combined Schedule of Long-Term Debt**
**June 30, 2015 and 2014**

| | Interest Rates on Remaining Coupons | Payment Dates | Bond Date | Final Maturity Date |
|---|---|---|---|---|
| Proprietary Long-Term Debt: | | | | |
| Solid waste disposal loans payable | | | | |
| Cell 3 & 4 expansion - substantial completion as of 07/01/15 | 1.00% | Annual | 01-04-11 | 07-01-20 |
| Partial landfill closure - substantial completion estimated at 01/01/18 | 1.00% | Annual | 12-14-09 | 01-01-23 |
| Capital leases payable | 3.08% - 4.65% | Various | Various | Various |
| Proprietary long-term debt total | | | | |
| Long-term debt total | | | | |

(a) Years shown are calendar years.

| Remaining Annual Serial Payments (a) | Authorized | Issued | Retired | June 30, 2015 Outstanding | June 30, 2014 Outstanding |
|---|---|---|---|---|---|
| $1,848,559 (2016) | $10,496,448 | $9,429,507 | $ | $9,429,507 | $5,135,216 |
| 1,867,044 (2017) | | | | | |
| 1,885,715 (2018) | | | | | |
| 1,904,572 (2019) | | | | | |
| 1,923,618 (2020) | | | | | |
| 340,904 (2019) | 3,500,000 | 1,738,955 | | 1,738,955 | 1,354,838 |
| 344,313 (2020) | | | | | |
| 347,757 (2021) | | | | | |
| 351,234 (2022) | | | | | |
| 354,747 (2023) | | | | | |
| Various | | 3,456,585 | 1,993,675 | 1,462,910 | 1,464,759 |
| | 13,996,448 | 14,625,047 | 1,993,675 | 12,631,371 | 7,954,813 |
| | $155,179,448 | $155,808,047 | $50,421,675 | $105,386,371 | $111,559,813 |

**FAIRBANKS NORTH STAR BOROUGH** **Schedule 6**

## Balances in Major Reserve Accounts
## June 30, 2015 and 2014

| | 2015 | 2014 |
|---|---|---|
| Facilities Maintenance (a) | $1,386,429 | $3,098,305 |
| Asset Replacement | 314,365 | 592,929 |
| Carlson Center (b) | 412,177 | 338,528 |
| Landfill Closure and Postclosure Care | 2,449,363 | 2,445,428 |
| Hotel-Motel Room Tax (c) | 61,863 | 181,798 |
| Health Care Contingency | 3,150,372 | 3,089,861 |
| Land Revenue Reserve | 319,318 | 406,661 |
| School District Facilities Maintenance | 1,375,699 | 106,319 |
| Reserves total | $9,469,587 | $10,259,829 |

(a) In fiscal year 2014-15, $1,915,615 was transferred in from the general fund as part of a lapse provision required by Borough Code of Ordinances, section 3.01.060A.

(b) Used for replacement of building systems, major equipment, and renovations and improvements to the Center.

(c) Used primarily for destination marketing.

**FAIRBANKS NORTH STAR BOROUGH** **Schedule 7**

## Library Special Revenue Fund
## Selected Financial Information
## For the Fiscal Year Ended June 30, 2015

| | 2015 |
|---|---|
| Fund balance restricted for library endowment | $1,084,061 |
| Fund balance committed for library endowment | 19,628 |
| Donation | 77 |
| Interest revenue | 3,137 |
| Balance eligible for spending as stated in FNSBC 3.01.045 | 9,814 |

The library fund was established April 30, 1990 to account for the donations received from two trusts created by siblings of the Bentley family. Upon the mandated dissolution of the trusts, assets remaining were transferred to the Bentley Beneficiaries Trust. The "Fairbanks North Star Borough Public Library" was a 15 percent beneficiary of each of these trusts. On December 13, 2011, the Borough received $2,843, which represents the final distribution from the Bentley Beneficiaries Trust. On September 21, 2012, the Borough received $276 related to the Enron Victim Trust Securities Litigation Settlement. On November 7, 2013, the Borough received $24, and on February 12, 2014, the Borough received $41, both related to the Enron Victim Trust Securities Litigation Settlement. On March 5, 2015, the Borough received $77 related to the Enron Victim Trust Securities Litigation Settlement.

On behalf of the library, the Borough enacted FNSBC 3.01.045 to set its own rules for managing those donations and the related earnings. Under FNSBC 3.01.045, the donations from the trusts shall be deemed fund principal and are classified as restricted fund balance. The fund may not spend the principal nor may it spend more than 50 percent of any income earned on this principal. Income earned on principal is classified as committed fund balance.

Notwithstanding the provisions of FNSBC 3.01.045, the Assembly appropriated $1,000,000 from the library fund in 1996 and 1997 to partially finance an expansion at the Noel Wien library; $370,000 in 2002 and 2003 for the creation and construction of the Cheryl Bidwell Story Garden on the library grounds; $65,000 in 2005 to plan for a remodel/addition of the Noel Wien library and $75,000 for a library materials security system; $424,979 in 2006 to search for and acquire a new site for the North Pole branch library replacement and $120,000 for upgrading compact shelving; and $6,220,000 in 2012 for the North Pole branch library replacement and $2,493,437 for the Noel Wien library roof replacement.

**FAIRBANKS NORTH STAR BOROUGH** **Schedule 8**

## John A. Carlson Community Activity Center
## Contractor Operations
## Fiscal Years Ended June 30, 2015 and 2014

| | 2015 | 2014 |
|---|---|---|
| Operating revenues | | |
| Vending and concession, net of cost | $535,266 | $659,339 |
| Arena rental | 363,526 | 338,593 |
| Self-promoted events | 126,109 | 119,092 |
| Signage | 147,928 | 163,801 |
| Equipment rental and service | 74,753 | 90,568 |
| Other | 142,196 | 133,122 |
| | 1,389,778 | 1,504,515 |
| Operating expenses | | |
| Concession supplies and fees | 44,503 | 48,429 |
| Conferences and meetings | 15,521 | 26,696 |
| Contractual services | 36,020 | 32,830 |
| Insurance | 43,778 | 56,525 |
| Contractor management fee | 89,874 | 87,258 |
| Contractor incentive fees | 79,608 | 96,886 |
| Office and operating supplies | 48,022 | 59,660 |
| Professional services | 3,556 | 1,123 |
| Repairs and maintenance | 94,067 | 98,475 |
| Self-promoted events | 15,770 | 19,332 |
| Utilities | 551,209 | 563,361 |
| Wages and benefits - event labor | 403,607 | 408,032 |
| Wages and benefits - operations | 543,786 | 515,216 |
| Bad debt | | 3,750 |
| | 1,969,321 | 2,017,573 |
| Operating loss | (579,543) | (513,058) |
| Non-operating revenues (expenses) | | |
| Provision for asset replacement | (92,173) | (106,340) |
| Net loss | ($671,716) | ($619,398) |

The Carlson Center can seat over 5,000 and is available for sports, concerts, trade shows, banquets, and meetings. An outside contractor, whose activities are audited by independent certified public accountants, manages the Center's operations. The Center operates at a loss and under the contract, the Borough provides the contractor with the subsidy funds necessary to operate the Center.

## Risk Management
## Coverage for Largest Exposures
## Year Ended June 30, 2015

| | Self-Insured Retention/ Deductible | Upper Coverage Limit of Excess Insurance Policies |
|---|---|---|
| Employee/dependent medical | $ (a) | $ (a) |
| Auto and general liability | | |
| Road and fire service areas | | 25,500,000 |
| All other | 250,000 | 25,000,000 |
| Workers' compensation | | |
| Fire service areas | | (b) |
| All other | 500,000 | (b) |
| Errors and omissions / public officials / employment practices (c) | 20,000 | 25,250,000 |
| Property | | |
| Flood | 100,000 | 25,000,000 |
| All other | 50,000 | 500,000,000 |
| Employee dishonesty & faithful performance bond | 10,000 | 1,000,000 |

(a) The specific stop loss amount per covered individual is $125,000 and $375,000 per year for the Borough and School District, respectively. The annual aggregate stop loss is computed by formula at the end of the fiscal year. The maximum claim liability per employee per month for fiscal year 2014-15 is $1,879 and $1,870 for the Borough and School District, respectively. Medical coverage offered to employees is a lifetime unlimited maximum per individual covered.

(b) covered to statutory limits

(c) Employment practices deductible is $35,000.

## Miscellaneous Additional Data
## June 30, 2015

| | |
|---|---|
| Authority of Incorporation: | State of Alaska Borough Act of 1963, as amended |
| Date of Incorporation: | January 1, 1964 |
| Form of Government: | Second Class Borough, Mayor-Assembly. The Borough Mayor is elected for a three-year term. The Assembly is composed of nine Assembly members elected at large for staggered three-year terms. |
| Areawide Powers/Activities: | Assessment and Collection of Taxes, Education, Elections, Library, Planning and Zoning, Air Pollution Control, Solid Waste Disposal (landfill), Animal Control, Parks and Recreation, Flood Control, Hospital (not exercised), Transit, Housing Financing, Emergency Communication Services (911), limited Health and Social Services, and Natural Gas Utility by transfer November 15, 2012 |
| Non-Areawide Powers/Activities: | Fireworks Control, Emergency Medical Services, Emergency Disaster, and Economic Development for the area of the Borough outside the two cities of Fairbanks and North Pole |
| Service Area Powers/Activities: | Sewer and Water, Street Lights, Fire Protection, and Road Maintenance and Construction for 114 neighborhoods and communities |
| Solid Waste District Powers/ Activities: | Solid Waste Collection for the area of the Borough outside the City of Fairbanks |

### Elections Information

| | |
|---|---|
| Number of registered voters: | |
| 2014 State general election | 69,019 |
| 2014 Borough municipal election | 67,776 |
| Number of votes cast in: | |
| 2014 State general election | 33,878 |
| 2014 Borough municipal election | 11,456 |
| Percentage of registered voters in: | |
| 2014 State general election | 42.5% |
| 2014 Borough municipal election | 16.9% |

**Note**: Last State general election was in November 2014.
Last Borough municipal election was in October 2014.

### Annual Salaries of Principal Officials of the Borough Government

| | |
|---|---|
| Borough Mayor | $102,500 |
| Borough Clerk | 112,745 |
| Chief of Staff | 126,222 |
| Borough Attorney | 143,998 |

### Annual Salaries of Principal Officials of the School District

| | |
|---|---|
| Superintendent of Schools | $157,817 |
| Assistant Superintendent, Secondary Education | 150,302 |
| Assistant Superintendent, Elementary Education | 150,302 |
| Chief Financial Officer | 139,973 |

## Miscellaneous Additional Data
## June 30, 2015

| | **Number of School District Personnel** (a) |
|---|---|
| Districtwide administration | 4 |
| Professional staff | 68 |
| Principals and assistant principals | 43 |
| Certified staff | 905 |
| Support staff | 690 |
| Number of schools | 35 |

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

(a) Fairbanks North Star Borough School District Approved Budget document for fiscal year 2014-15
(b) 2014-15 20-Day Average Daily Membership Official Enrollment as reported by the Fairbanks North Star Borough School District

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# STATISTICAL SECTION

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Borough's overall financial health.

# STATISTICAL SECTION

| | Table Numbers |
|---|---|
| **Financial Trends** - These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. | I - IV |

* * * * *

| | |
|---|---|
| **Revenue Capacity** - These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. | V - VIII |

* * * * *

| | |
|---|---|
| **Debt Capacity** - These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. | IX - X |

*The Borough is not subject to debt limitation requirements and does not have pledged revenue; consequently, these tables are not presented.*

* * * * *

| | |
|---|---|
| **Demographic and Economic Information** - These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. | XI - XII |

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| | |
|---|---|
| **Operating Information** - These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. | XIII - XV |

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

## FAIRBANKS NORTH STAR BOROUGH

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

| | Fiscal | | | |
|---|---|---|---|---|
| | 2005-06 | 2006-07 | 2007-08 | 2008-09 |
| Governmental activities | | | | |
| Net investment in capital assets | $472,363,319 | $472,797,399 | $476,565,063 | $487,414,214 |
| Restricted | 29,113,034 | 45,210,932 | 48,144,782 | 47,678,853 |
| Unrestricted | 8,305,423 | 9,762,506 | 7,591,655 | 2,991,349 |
| Total governmental activities net position | $509,781,777 | $527,770,837 | $532,301,500 | $538,084,417 |
| Business-type activities | | | | |
| Net investment in capital assets | $24,830,906 | $25,308,779 | $30,494,592 | $31,738,913 |
| Restricted | 306,887 | 259,648 | 424,453 | 586,075 |
| Unrestricted | 16,153,220 | 20,119,274 | 19,465,432 | 12,013,314 |
| Total business-type activities net position | $41,291,013 | $45,687,701 | $50,384,477 | $44,338,302 |
| Primary government | | | | |
| Net investment in capital assets | $497,194,225 | $498,106,178 | $507,059,656 | $519,153,127 |
| Restricted | 29,419,921 | 45,470,580 | 48,569,234 | 48,264,929 |
| Unrestricted | 24,458,643 | 29,881,780 | 27,057,087 | 15,004,446 |
| Total primary government net position | $551,072,789 | $573,458,538 | $582,685,977 | $582,422,502 |
| Component unit: School District | | | | |
| Net investment in capital assets | $4,235,371 | $4,080,319 | $3,967,368 | $2,941,680 |
| Restricted | | | | |
| Unrestricted | 16,687,930 | 18,453,760 | 18,535,860 | 20,059,660 |
| Total component unit net position (deficit) | $20,923,301 | $22,534,079 | $22,503,228 | $23,001,340 |
| Component unit: Interior Gas Utility | | | | |
| Net investment in capital assets | | | | |
| Unrestricted | | | | |
| Total component unit net position | | | | |

Notes: (a) In fiscal year 2009-10, the land enterprise fund was transferred from business-type activities to governmental activities.

(b) Effective November 15, 2012, the Borough was transferred natural gas utility powers from the Cities of Fairbanks and North Pole. Beginning in fiscal year 2013-14, the IGU is reported in the government-wide financial statements as a discretely presented component unit.

(c) Beginning net position at July 1, 2014 has been adjusted for the implementation of GASB Statements No. 68 and 71. See Note 16.

**Table I**

| Year | | | | | |
|---|---|---|---|---|---|
| 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
| (a) | | | | (b) | (c) |
| $493,418,704 | $489,022,291 | $482,777,987 | $490,532,654 | $504,309,177 | $511,499,665 |
| 46,093,672 | 45,974,529 | 52,285,602 | 50,099,619 | 48,317,716 | 47,614,451 |
| 8,711,560 | 19,231,946 | 27,396,313 | 28,544,906 | 31,644,893 | (3,454,089) |
| $548,223,936 | $554,228,766 | $562,459,901 | $569,177,178 | $584,271,787 | $555,660,027 |
| $31,212,287 | $31,030,372 | $31,455,764 | $32,409,668 | $37,597,280 | $32,443,969 |
| 557,235 | 563,473 | 678,507 | 723,243 | 444,514 | 520,186 |
| (2,378,977) | (3,178,064) | (2,677,725) | 720,127 | 401,988 | 4,243,065 |
| $29,390,545 | $28,415,781 | $29,456,546 | $33,853,039 | $38,443,782 | $37,207,220 |
| $524,630,990 | $520,052,662 | $514,233,751 | $522,942,322 | $541,906,457 | $543,943,634 |
| 46,650,907 | 46,538,002 | 52,964,109 | 50,822,862 | 48,762,230 | 48,134,638 |
| 6,332,583 | 16,053,882 | 24,718,588 | 29,265,034 | 32,046,882 | 788,976 |
| $577,614,480 | $582,644,546 | $591,916,447 | $603,030,216 | $622,715,570 | $592,867,246 |
| $4,180,344 | $4,449,676 | $4,391,797 | $4,169,278 | $4,001,914 | $4,112,494 |
| | | | | | 1,451,633 |
| 20,954,280 | 20,747,031 | 17,380,499 | 19,123,971 | 20,941,096 | (65,801,513) |
| $25,134,624 | $25,196,707 | $21,772,296 | $23,293,249 | $24,943,010 | ($60,237,386) |
| | | | | $1,031,541 | $729,676 |
| | | | | 9,574 | 329,322 |
| | | | | $1,041,115 | $1,058,998 |

## FAIRBANKS NORTH STAR BOROUGH

### Changes in Net Position
### Last Ten Fiscal Years
*(accrual basis of accounting)*

| | Fiscal | | | |
|---|---|---|---|---|
| | 2005-06 | 2006-07 | 2007-08 | 2008-09 |
| Expenses | | | | |
| Governmental activities | | | | |
| General government | $15,583,246 | $16,144,958 | $16,373,018 | $19,296,522 |
| Community planning | 1,879,673 | 2,011,929 | 1,948,949 | 1,875,392 |
| Public works | 8,842,658 | 8,567,422 | 9,622,350 | 10,563,903 |
| Parks and recreation | 7,478,378 | 9,090,178 | 9,324,514 | 9,257,309 |
| Library | 4,776,959 | 5,125,795 | 4,966,535 | 5,591,433 |
| Road and other service areas | 2,011,343 | 2,656,458 | 3,816,780 | 4,393,522 |
| Education | 53,694,197 | 56,771,562 | 59,958,407 | 61,898,187 |
| Emergency operations | 4,796,649 | 5,235,955 | 5,468,214 | 5,732,871 |
| Fire service areas | 4,854,626 | 4,968,182 | 4,938,156 | 5,398,620 |
| Interest on long-term debt | 6,437,366 | 6,128,977 | 6,550,818 | 6,052,131 |
| Total governmental activities expenses | 110,355,095 | 116,701,416 | 122,967,742 | 130,059,889 |
| Business-type activities | | | | |
| Transit | 6,052,940 | 6,245,393 | 6,623,980 | 7,282,170 |
| Land | 2,009,504 | 1,166,463 | 1,264,690 | 1,333,141 |
| Carlson Center | 1,570,809 | 1,360,931 | 1,622,048 | 1,596,110 |
| Solid waste disposal | 6,087,732 | 6,484,640 | 5,913,299 | 11,235,460 |
| Total business-type activities expenses | 15,720,985 | 15,257,426 | 15,424,017 | 21,446,881 |
| Total primary government expenses | $126,076,080 | $131,958,842 | $138,391,759 | $151,506,770 |
| Component units | | | | |
| School District | $169,311,838 | $175,241,013 | $206,099,005 | $206,735,507 |
| Interior Gas Utility | | | | |
| Total component units expenses | $169,311,838 | $175,241,013 | $206,099,005 | $206,735,507 |
| Program revenues | | | | |
| Governmental activities | | | | |
| Charges for services | | | | |
| General government | $640,713 | $773,783 | $928,108 | $995,973 |
| Public works | 119,708 | 123,915 | 69,393 | 52,268 |
| Parks and recreation | 1,003,199 | 1,005,680 | 1,154,422 | 1,106,668 |
| Library | 28,995 | 44,579 | 58,947 | 93,804 |
| Emergency operations | 973,475 | 1,041,582 | 1,091,326 | 1,111,970 |
| Operating grants and contributions | 6,041,259 | 5,086,603 | 4,245,873 | 3,653,545 |
| Capital grants and contributions | 5,687,000 | 14,069,248 | 6,061,315 | 19,787,620 |
| Total governmental activities program revenues | 14,494,348 | 22,145,391 | 13,609,384 | 26,801,848 |
| Business-type activities | | | | |
| Charges for services | | | | |
| Transit | 1,206,101 | 1,370,952 | 1,372,828 | 1,429,331 |
| Land | 1,894,329 | 633,582 | 898,626 | 736,617 |
| Solid waste disposal | 5,331,961 | 5,605,897 | 6,289,283 | 5,920,210 |
| Operating grants and contributions | 2,206,461 | 1,191,719 | 1,416,592 | 2,053,623 |
| Capital grants and contributions | 2,223,778 | 1,366,454 | 4,004,895 | 76,866 |
| Total business-type activities program revenues | 12,862,631 | 10,168,604 | 13,982,223 | 10,216,647 |
| Total primary government program revenues | $27,356,978 | $32,313,995 | $27,591,607 | $37,018,494 |

| Year | | | | | |
|---|---|---|---|---|---|
| 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
| (a) | | | | (b) | |
| $20,760,267 | $21,863,878 | $21,971,871 | $22,847,843 | $19,161,160 | $23,498,963 |
| 2,263,729 | 2,295,159 | 2,094,665 | 1,880,835 | 1,823,758 | 1,700,286 |
| 10,781,943 | 11,667,694 | 12,568,035 | 12,261,122 | 13,004,001 | 13,142,537 |
| 9,733,515 | 9,336,208 | 9,668,480 | 10,363,824 | 10,130,544 | 11,077,800 |
| 5,979,887 | 6,173,512 | 7,247,930 | 6,865,392 | 6,870,221 | 8,739,207 |
| 5,711,907 | 5,173,543 | 5,707,825 | 7,720,282 | 7,163,765 | 9,603,820 |
| 62,819,397 | 63,404,301 | 65,216,545 | 65,496,736 | 66,374,349 | 68,814,830 |
| 5,862,703 | 5,987,348 | 6,089,052 | 6,857,704 | 7,132,387 | 7,216,348 |
| 6,115,495 | 6,173,408 | 6,535,660 | 6,893,994 | 7,270,382 | 7,461,590 |
| 5,484,528 | 5,302,775 | 4,193,718 | 3,601,263 | 3,156,513 | 2,905,221 |
| 135,513,371 | 137,377,828 | 141,293,781 | 144,788,996 | 142,087,081 | 154,160,601 |
| 7,844,619 | 8,878,240 | 10,905,695 | 10,748,837 | 10,550,643 | 12,724,357 |
| 1,557,872 | 2,278,941 | 1,906,771 | 1,670,480 | 2,158,318 | 2,304,026 |
| 5,974,645 | 7,779,315 | 6,068,204 | 6,363,157 | 8,738,667 | 9,518,165 |
| 15,377,135 | 18,936,496 | 18,880,669 | 18,782,474 | 21,447,628 | 24,546,548 |
| $150,890,505 | $156,314,324 | $160,174,450 | $163,571,470 | $163,534,709 | $178,707,148 |
| $223,158,805 | $233,201,957 | $245,679,952 | $254,269,882 | $253,580,970 | $270,263,728 |
| | | | | 391,120 | 95,071 |
| $223,158,805 | $233,201,957 | $245,679,952 | $254,269,882 | $253,972,090 | $270,358,799 |
| $910,610 | $1,199,254 | $1,244,583 | $972,077 | $1,024,435 | $1,571,645 |
| 52,318 | 43,602 | 50,849 | 53,457 | 53,777 | 97,489 |
| 1,120,921 | 1,223,243 | 1,219,837 | 1,281,648 | 1,248,394 | 1,225,195 |
| 77,233 | 90,904 | 84,516 | 76,887 | 80,107 | 95,420 |
| 1,129,474 | 1,196,018 | 1,580,414 | 1,558,882 | 1,552,994 | 1,514,723 |
| 2,337,538 | 2,163,092 | 2,360,782 | 3,563,186 | 2,235,787 | 2,379,605 |
| 4,601,870 | 5,972,484 | 7,260,485 | 17,541,549 | 21,639,784 | 14,571,254 |
| 10,229,964 | 11,888,597 | 13,801,466 | 25,047,686 | 27,835,278 | 21,455,331 |
| 1,167,823 | 810,882 | 933,114 | 1,064,697 | 1,091,643 | 1,027,392 |
| 6,854,740 | 7,370,161 | 8,123,831 | 8,320,996 | 9,392,173 | 9,677,082 |
| 1,724,701 | 2,399,972 | 4,425,044 | 4,322,073 | 4,377,539 | 5,435,847 |
| 2,802,345 | 1,716,683 | 575,352 | 3,195,497 | 3,928,337 | 1,252,326 |
| 12,549,610 | 12,297,698 | 14,057,341 | 16,903,263 | 18,789,692 | 17,392,647 |
| $22,779,572 | $24,186,298 | $27,858,807 | $41,950,949 | $46,624,971 | $38,847,978 |

## FAIRBANKS NORTH STAR BOROUGH

### Changes in Net Position
### Last Ten Fiscal Years
*(accrual basis of accounting)*

| | Fiscal | | | |
|---|---|---|---|---|
| | 2005-06 | 2006-07 | 2007-08 | 2008-09 |
| Component units | | | | |
| School District | | | | |
| Charges for services - program revenues | $1,894,564 | $2,034,531 | $2,162,538 | $2,365,595 |
| Operating grants and contributions | 27,354,672 | 27,084,712 | 55,175,797 | 50,760,894 |
| Capital grants and contributions | 1,544,726 | 676,148 | 511,057 | 2,515,129 |
| Interior Gas Utility | | | | |
| Operating grants and contributions | | | | |
| Total component units program revenues | $30,793,962 | $29,795,391 | $57,849,392 | $55,641,618 |
| Net revenues (expenses) | | | | |
| Governmental activities | ($95,860,748) | ($94,556,026) | ($109,358,359) | ($103,258,041) |
| Business-type activities | (2,858,354) | (5,088,821) | (1,441,793) | (11,230,235) |
| Total primary government net expenses | ($98,719,102) | ($99,644,847) | ($110,800,152) | ($114,488,276) |
| Component units | | | | |
| School District | ($138,517,876) | ($145,445,622) | ($148,249,613) | ($151,093,889) |
| Interior Gas Utility | | | | |
| Total component units net expenses | ($138,517,876) | ($145,445,622) | ($148,249,613) | ($151,093,889) |
| General revenues and other changes in net position | | | | |
| Governmental activities | | | | |
| Taxes | | | | |
| Property taxes | $82,605,092 | $88,584,284 | $93,330,750 | $93,707,963 |
| Hotel-motel taxes | 1,551,623 | 1,696,639 | 1,824,832 | 1,660,803 |
| Alcoholic beverage taxes | 1,233,545 | 1,329,319 | 1,434,006 | 1,384,156 |
| Tobacco excise taxes | 1,013,728 | 994,039 | 983,683 | 1,077,166 |
| Unrestricted grants and contributions | 13,775,527 | 18,660,580 | 15,069,990 | 14,124,381 |
| Unrestricted investment earnings | 3,968,731 | 5,897,632 | 5,959,023 | 1,639,379 |
| Other | 401,295 | 172,986 | 327,873 | 356,210 |
| Transfers | (3,636,875) | (4,790,392) | (5,041,135) | (5,022,034) |
| Total governmental activities | $100,912,665 | $112,545,086 | $113,889,022 | $108,928,023 |
| Business-type activities | | | | |
| Unrestricted grants and contributions | $114,509 | $3,574,961 | $308,995 | $41,495 |
| Unrestricted investment earnings | 852,984 | 1,108,130 | 759,665 | 228,395 |
| Other | 1,161 | 12,026 | 28,773 | 4,854 |
| Transfers | 3,636,875 | 4,790,392 | 5,041,135 | 5,022,034 |
| Total business-type activities | $4,605,530 | $9,485,509 | $6,138,567 | $5,296,777 |
| Component units | | | | |
| School District | | | | |
| Foundation program | $80,045,140 | $90,029,160 | $85,688,097 | $96,001,077 |
| Other federal and state aid | 12,257,249 | 11,405,933 | 19,037,350 | 11,418,547 |
| Borough direct appropriation | 38,022,700 | 40,022,700 | 42,222,700 | 44,222,700 |
| Other | 2,771,155 | 3,819,360 | 1,270,615 | 680,263 |
| Total School District | $133,096,244 | $145,277,153 | $148,218,762 | $152,322,587 |
| Interior Gas Utility | | | | |
| Unrestricted grants and contributions | $ | $ | $ | $ |
| Other | | | | |
| Total Interior Gas Utility | $ | $ | $ | $ |

| Year | | | | | |
|---|---|---|---|---|---|
| 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
| (a) | | | | (b) | |
| $2,216,143 | $2,128,703 | $2,127,984 | $1,832,792 | $1,782,643 | $1,655,445 |
| 52,835,590 | 54,664,159 | 59,782,158 | 66,613,379 | 68,202,040 | 81,118,672 |
| 369,871 | 69,000 | 378,803 | 69,419 | 126,935 | 911,562 |
| | | | | 1,304,556 | 111,061 |
| $55,421,604 | $56,861,862 | $62,288,945 | $68,515,590 | $71,416,174 | $83,796,740 |
| ($125,283,407) | ($125,489,229) | ($127,492,315) | ($119,741,310) | ($114,251,803) | ($132,705,270) |
| (2,827,526) | (6,638,797) | (4,823,329) | (1,879,211) | (2,657,936) | (7,153,900) |
| ($128,110,932) | ($132,128,026) | ($132,315,644) | ($121,620,522) | ($116,909,738) | ($139,859,170) |
| ($167,737,201) | ($176,340,095) | ($183,391,007) | ($185,754,292) | ($183,469,352) | ($186,578,049) |
| | | | | 913,436 | 15,990 |
| ($167,737,201) | ($176,340,095) | ($183,391,007) | ($185,754,292) | ($182,555,916) | ($186,562,059) |
| $98,489,612 | $115,170,486 | $118,827,272 | $110,650,804 | $115,359,140 | $119,305,799 |
| 1,698,466 | 1,695,265 | 1,923,485 | 2,031,249 | 1,857,091 | 1,746,676 |
| 1,358,690 | 1,001,201 | 1,051,664 | 1,104,640 | 1,049,356 | 998,195 |
| 1,684,657 | 1,521,730 | 1,503,265 | 1,464,783 | 1,421,503 | 1,470,899 |
| 16,604,140 | 14,154,365 | 16,283,827 | 16,406,955 | 15,210,021 | 15,064,170 |
| 165,512 | 75,424 | 106,081 | 93,696 | 271,672 | 166,385 |
| 2,990,559 | 3,521,672 | 1,866,550 | 2,538,930 | 1,384,839 | 316,884 |
| 12,266,595 | (5,646,084) | (5,838,695) | (6,263,996) | (7,207,210) | (7,338,636) |
| $135,258,232 | $131,494,059 | $135,723,450 | $128,027,062 | $129,346,412 | $131,730,372 |
| $ | $ | $ | $ | $ | $ |
| 25,152 | 12,714 | 10,241 | 11,654 | 18,870 | 18,913 |
| 8,493 | 5,235 | 15,159 | 53 | 22,600 | 14,361 |
| (12,266,595) | 5,646,084 | 5,838,695 | 6,263,996 | 7,207,210 | 7,338,636 |
| ($12,232,950) | $5,664,033 | $5,864,095 | $6,275,703 | $7,248,680 | $7,371,910 |
| $109,730,232 | $112,387,761 | $113,227,755 | $119,814,989 | $117,038,885 | $117,696,672 |
| 13,862,337 | 16,403,207 | 18,195,860 | 19,464,610 | 18,671,590 | 23,919,149 |
| 45,522,700 | 46,522,700 | 47,359,300 | 47,000,000 | 48,360,000 | 49,906,000 |
| 755,216 | 1,088,510 | 1,183,681 | 995,646 | 1,048,638 | 1,507,611 |
| $169,870,485 | $176,402,178 | $179,966,596 | $187,275,245 | $185,119,113 | $193,029,432 |
| $ | $ | $ | $ | $9,500 | $ |
| | | | | | 1,893 |
| $ | $ | $ | $ | $9,500 | $1,893 |

## FAIRBANKS NORTH STAR BOROUGH

### Changes in Net Position
### Last Ten Fiscal Years
*(accrual basis of accounting)*

| | Fiscal | | | |
|---|---|---|---|---|
| | 2005-06 | 2006-07 | 2007-08 | 2008-09 |
| Change in net position | | | | |
| Governmental activities | $5,051,918 | $17,989,060 | $4,530,663 | $5,669,982 |
| Business-type activities | 1,747,176 | 4,396,688 | 4,696,774 | (5,933,457) |
| Total primary government | $6,799,093 | $22,385,748 | $9,227,438 | ($263,475) |
| Component units | | | | |
| School District | ($5,421,632) | ($168,469) | ($30,851) | $1,228,698 |
| Interior Gas Utility | | | | |
| Total component units | ($5,421,632) | ($168,469) | ($30,851) | $1,228,698 |

Note: (a) In fiscal year 2009-10, the land enterprise fund was transferred from business-type activities to governmental activities.

(b) Effective November 15, 2012, the Borough was transferred natural gas utility powers from the Cities of Fairbanks and North Pole. Beginning in fiscal year 2013-14, the IGU is reported in the government-wide financial statements as a discretely presented component unit.

| Year | | | | | |
|---|---|---|---|---|---|
| 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
| (a) | | | | (b) | |
| $9,974,825 | $6,004,830 | $8,231,135 | $8,285,752 | $15,094,609 | ($974,898) |
| (15,060,475) | (974,764) | 1,040,766 | 4,396,492 | 4,590,744 | 218,010 |
| ($5,085,650) | $5,030,066 | $9,271,901 | $12,682,243 | $19,685,353 | ($756,888) |
| $2,133,284 | $62,083 | ($3,424,411) | $1,520,953 | $1,649,761 | $6,451,383 |
| | | | | 922,936 | 17,883 |
| $2,133,284 | $62,083 | ($3,424,411) | $1,520,953 | $2,572,697 | $6,469,266 |

## FAIRBANKS NORTH STAR BOROUGH

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

| | | | | | Fiscal |
|---|---|---|---|---|---|
| | 2005-06 | 2006-07 (a) | 2007-08 (b) | 2008-09 | 2009-10 (c) |
| General fund | | | | | |
| Restricted | | | | | |
| Committed | | | | | |
| Assigned | | | | | |
| Unassigned | | | | | |
| Total general fund | | | | | |
| All other governmental funds | | | | | |
| Restricted | | | | | |
| Committed | | | | | |
| Unassigned | | | | | |
| Total all other governmental funds | | | | | |
| General fund | | | | | |
| Reserved | $2,445,532 | $1,746,549 | $286,354 | $233,114 | $224,738 |
| Unreserved, designated | 4,034,592 | 6,771,813 | 7,067,050 | 8,072,713 | 7,942,322 |
| Unreserved, undesignated | 12,257,177 | 17,063,104 | 17,665,754 | 14,169,609 | 16,954,927 |
| Total general fund | $18,737,301 | $25,581,466 | $25,019,157 | $22,475,436 | $25,121,987 |
| All other governmental funds | | | | | |
| Reserved | $10,232,691 | $6,632,400 | $23,880,617 | $13,950,338 | $8,764,443 |
| Unreserved, reported in: | | | | | |
| Annual special revenue funds | 18,014,755 | 21,049,041 | 24,774,630 | 27,358,102 | 28,963,892 |
| Other special revenue funds | 5,155,174 | 6,159,683 | 7,021,689 | 4,629,847 | 6,123,687 |
| Debt service fund | 13,600 | 288,099 | 416,380 | 428,038 | 517,531 |
| Capital projects funds | 18,170,915 | 35,075,210 | 20,506,225 | 21,673,821 | 25,990,019 |
| Total all other governmental funds | $51,587,135 | $69,204,433 | $76,599,541 | $68,040,147 | $70,359,572 |

Notes:

(a) The increase in general fund unreserved, undesignated was the result of increased property tax revenue and additional state fiscal relief funding. All other governmental funds (capital projects) fund balance increased as a result of issuing $12.0 million in new bonds.

(b) The increase in fiscal year 2007-08 governmental funds reserved balance was caused by encumbrances in capital projects funds. The Borough had commitments for renovations in several schools.

(c) Beginning in fiscal year 2009-10, the land enterprise fund was eliminated and land management activities were transferred from business-type activities to governmental activities with balances moved to the general fund, other special revenue funds, and capital projects funds.

(d) Beginning in fiscal year 2010-11, the Borough implemented GASB Statement No. 54 and elected not to restate prior year fund balances.

**Table III**

| Year | | | | |
|---|---|---|---|---|
| 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
| (d), (e) | (f), (g) | | (h) | (h) |
| $344,454 | $375,978 | $310,491 | $211,240 | $231,448 |
| 14,213,903 | 24,171,856 | 22,621,457 | 23,397,523 | 22,669,536 |
| 5,271,233 | 4,825,609 | 3,926,435 | 4,420,000 | 5,063,014 |
| 16,442,029 | 19,357,703 | 21,874,921 | 23,934,207 | 22,051,881 |
| $36,271,620 | $48,731,147 | $48,733,305 | $51,962,970 | $50,015,879 |
| $51,802,246 | $61,975,055 | $55,272,349 | $46,453,574 | 46,553,385 |
| 13,899,708 | 12,174,001 | 14,878,345 | 15,312,285 | 15,694,695 |
| (9,082) | | | (1,146,659) | (12,318,306) |
| $65,692,872 | $74,149,055 | $70,150,695 | $60,619,200 | $49,929,773 |

(e) The general fund received $8.6 million from the court-ordered settlement of the trans-Alaska pipeline system's assessed value for the 2006-07 fiscal year.

(f) See (e) above. For the 2007-08, 2008-09, and 2009-10 fiscal years, $10.5 million was received from the combined court-ordered settlement.

(g) All other governmental funds (capital projects) fund balance increased as a result of issuing $11.5 million in new bonds.

(h) All other governmental funds (capital projects) restricted fund balance decreased by $9.5 million and negative unassigned fund balance increased by $1.1 million for the 2013-14 fiscal year. Negative unassigned fund balance increased by $11.1 million for the 2014-15 fiscal year. The decrease in fund balance for both fiscal years is the result of project spending that occurred prior to the issuance of new bonds.

## FAIRBANKS NORTH STAR BOROUGH

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

| | 2005-06 | 2006-07 | 2007-08 | Fiscal 2008-09 |
|---|---|---|---|---|
| Revenues | | | | |
| Taxes | $86,260,935 | $92,771,899 | $97,420,541 | $98,097,157 |
| Intergovernmental revenues | 19,767,388 | 32,031,536 | 20,714,305 | 33,740,365 |
| Charges for services | 2,661,083 | 2,835,267 | 2,849,476 | 3,097,501 |
| Other revenues | 7,783,449 | 8,771,600 | 8,717,887 | 3,961,466 |
| Revenues total | 116,472,855 | 136,410,302 | 129,702,209 | 138,896,488 |
| Expenditures | | | | |
| Current | | | | |
| General government | 14,688,581 | 15,824,328 | 17,219,384 | 18,701,474 |
| Community planning | 1,812,730 | 1,967,873 | 2,098,840 | 1,873,065 |
| Public works | 8,750,017 | 8,487,852 | 10,184,809 | 10,682,814 |
| Parks and recreation | 5,814,749 | 7,526,894 | 8,021,967 | 7,589,790 |
| Library | 4,044,681 | 4,431,108 | 4,649,316 | 4,944,300 |
| Road and other service areas | 2,019,189 | 2,656,562 | 3,817,022 | 4,393,833 |
| Education | 43,386,995 | 45,984,740 | 49,137,624 | 50,993,244 |
| Emergency operations | 4,542,640 | 5,013,710 | 5,292,665 | 5,185,352 |
| Fire service areas | 4,314,473 | 4,183,744 | 4,570,079 | 5,286,090 |
| Capital outlay | 6,472,046 | 7,507,952 | 6,638,611 | 21,455,853 |
| Debt service | | | | |
| Principal retirement | 10,645,000 | 9,315,000 | 10,165,000 | 7,903,000 |
| Interest and other debt service costs | 6,591,969 | 6,601,766 | 6,421,184 | 6,262,825 |
| Payment to refunded bond escrow agent | | | | |
| Expenditures total | 113,083,071 | 119,501,528 | 128,216,500 | 145,271,640 |
| Excess (deficiency) of revenues over expenditures | 3,389,784 | 16,908,774 | 1,485,709 | (6,375,152) |
| Other financing sources (uses) | | | | |
| Transfers in | 32,020,697 | 24,684,907 | 38,733,398 | 25,534,095 |
| Transfers out | (35,797,855) | (29,424,785) | (44,623,126) | (30,262,058) |
| Bond issuance | 9,750,000 | 22,460,000 | 11,128,000 | |
| Premium on bond debt | 110,458 | 207,567 | 108,817 | |
| Payment to refunded bond escrow agent | | (10,375,000) | | |
| Other financing sources (uses) total | 6,083,300 | 7,552,689 | 5,347,090 | (4,727,963) |
| Net change in fund balances | 9,473,084 | 24,461,463 | 6,832,799 | (11,103,115) |
| Fund balances, beginning | 60,851,352 | 70,324,436 | 94,785,899 | 101,618,698 |
| Fund balances, ending | $70,324,436 | $94,785,899 | $101,618,698 | $90,515,583 |
| Debt service as a percentage of noncapital expenditures (a) | 16.17% | 14.21% | 13.64% | 11.44% |

Notes: (a) Beginning in fiscal year 2011-12, debt service: payment to refunded bond escrow agent is not included in this calculation.

**Table IV**

| Year | | | | | |
|---|---|---|---|---|---|
| 2009-10 | 2010-11 | 2011-12 (a) | 2012-13 | 2013-14 | 2014-15 |
| $102,653,387 | $119,624,335 | $123,539,053 | $114,936,855 | $119,063,814 | $122,216,230 |
| 22,484,328 | 20,692,580 | 24,160,189 | 36,121,935 | 35,824,390 | 29,049,395 |
| 3,430,485 | 3,711,819 | 4,260,781 | 4,591,641 | 3,996,800 | 4,489,989 |
| 3,808,139 | 3,469,576 | 3,650,020 | 2,993,328 | 4,811,712 | 2,901,678 |
| 132,376,340 | 147,498,310 | 155,610,044 | 158,643,760 | 163,696,716 | 158,657,291 |
| 19,986,947 | 21,255,283 | 21,605,680 | 22,978,241 | 20,409,744 | 22,078,751 |
| 2,234,446 | 2,289,171 | 2,102,001 | 1,872,159 | 1,861,053 | 1,662,304 |
| 10,822,062 | 11,771,404 | 12,557,660 | 12,353,651 | 13,103,430 | 13,306,095 |
| 8,044,732 | 7,674,175 | 7,878,588 | 8,524,547 | 8,231,316 | 9,022,124 |
| 5,275,861 | 5,521,826 | 6,593,577 | 6,212,766 | 6,239,540 | 7,731,304 |
| 5,717,742 | 5,173,201 | 5,718,078 | 7,718,115 | 7,164,576 | 9,596,189 |
| 51,838,473 | 51,900,649 | 54,076,498 | 53,940,126 | 54,912,700 | 56,873,906 |
| 5,643,297 | 5,727,956 | 5,842,947 | 6,575,943 | 7,109,496 | 6,586,754 |
| 5,587,701 | 5,613,105 | 5,986,544 | 6,620,443 | 6,607,882 | 7,075,144 |
| 8,504,052 | 4,373,537 | 3,076,629 | 14,516,290 | 22,195,509 | 15,082,097 |
| 8,380,000 | 8,755,000 | 9,790,000 | 10,185,000 | 10,515,000 | 10,850,000 |
| 5,834,083 | 5,413,909 | 5,908,490 | 5,104,569 | 4,446,456 | 4,090,506 |
| | | 29,644,200 | 18,497,025 | | |
| 137,869,397 | 135,469,215 | 170,780,892 | 175,098,875 | 162,796,702 | 163,955,174 |
| (5,493,057) | 12,029,095 | (15,170,848) | (16,455,116) | 900,015 | (5,297,883) |
| 31,663,332 | 28,400,978 | 33,868,738 | 23,677,528 | 27,269,781 | 25,432,889 |
| (32,953,416) | (34,047,062) | (39,695,484) | (29,935,886) | (34,471,624) | (32,771,525) |
| 29,430,000 | 13,680,000 | 38,065,000 | 16,670,000 | | |
| 1,869,007 | 1,294,921 | 3,848,305 | 2,047,271 | | |
| (19,100,000) | (14,875,000) | | | | |
| 10,908,922 | (5,546,163) | 36,086,558 | 12,458,913 | (7,201,843) | (7,338,636) |
| 5,415,865 | 6,482,932 | 20,915,710 | (3,996,203) | (6,301,828) | (12,636,518) |
| 90,065,694 | 95,481,559 | 101,964,492 | 122,880,202 | 118,883,999 | 112,582,171 |
| $95,481,559 | $101,964,492 | $122,880,202 | $118,883,999 | $112,582,171 | $99,945,653 |
| 10.99% | 10.81% | 11.37% | 10.76% | 10.64% | 10.04% |

## FAIRBANKS NORTH STAR BOROUGH

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

| Calendar Year | Residential Property | Commercial Property | Industrial Property | Pipeline and Personal Property (a) |
|---|---|---|---|---|
| 2005 | $3,690,431,430 | $757,571,240 | $699,161,448 | $275,302,600 |
| 2006 | 4,118,775,754 | 875,014,529 | 733,298,427 | 377,817,080 |
| 2007 | 4,595,949,320 | 943,261,759 | 767,721,675 | 369,500,480 |
| 2008 | 4,863,123,964 | 1,033,947,976 | 812,797,405 | 508,804,970 |
| 2009 | 4,904,177,806 | 1,084,908,136 | 925,518,536 | 694,077,720 |
| 2010 | 4,920,676,560 | 1,140,775,454 | 1,169,072,197 | 739,610,090 |
| 2011 | 5,092,908,211 | 1,219,689,461 | 1,220,419,599 | 706,617,790 |
| 2012 | 5,537,719,131 | 1,171,130,143 | 1,028,359,940 | 669,165,790 |
| 2013 | 5,161,733,840 | 1,308,735,243 | 1,297,245,790 | 947,537,770 |
| 2014 | 5,282,718,724 | 1,376,423,527 | 1,459,477,396 | 869,679,750 |

Source: Borough assessing department

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

(a) TAPS assessments, for all calendar years, are based on State Assessment Review Board (SARB) values. Valuations were disputed beginning in 2006. See Note 17. C.

(b) This column is the areawide mill rate.

(c) This column includes tax-exempt property.

**Table V**

| Vacant Land | Less: Tax-Exempt Property | Total Taxable Assessed Value | Total Direct Tax Rate (b) | Estimated Actual Taxable Value | Assessed Value as a Percentage of Actual Value (c) |
|---|---|---|---|---|---|
| $317,147,285 | $479,593,358 | $5,260,020,645 | 13.219 | $5,522,981,852 | 95.239% |
| 312,650,776 | 652,965,644 | 5,764,590,922 | 12.923 | 6,102,033,479 | 94.470 |
| 367,089,029 | 691,802,402 | 6,351,719,861 | 12.209 | 6,732,886,695 | 94.339 |
| 377,730,452 | 721,729,006 | 6,874,675,761 | 11.287 | 7,410,674,986 | 92.767 |
| 373,581,218 | 769,391,011 | 7,212,872,405 | 11.186 | 7,705,203,789 | 93.610 |
| 374,354,328 | 810,393,521 | 7,534,095,108 | 11.432 | 7,976,571,504 | 94.453 |
| 377,340,540 | 847,484,868 | 7,769,490,733 | 11.294 | 8,245,058,799 | 94.232 |
| 366,769,285 | 878,253,061 | 7,894,891,228 | 11.216 | 8,325,157,990 | 94.832 |
| 363,078,718 | 904,270,216 | 8,174,061,145 | 11.216 | 9,235,983,336 | 88.502 |
| 372,149,228 | 916,033,858 | 8,444,414,767 | 11.356 | 8,886,714,578 | 95.023 |

## FAIRBANKS NORTH STAR BOROUGH

### Direct and Overlapping Property Tax Rates and Levies
### Last Ten Calendar Years

| | Tax Rates - Millage | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Total direct | | | | | | | | | | |
| Borough areawide | 13.219 | 12.923 | 12.209 | 11.287 | 11.186 | 11.432 | 11.294 | 11.216 | 11.216 | 11.356 |
| Overlapping special Borough taxing jurisdictions except service areas | | | | | | | | | | |
| Non-areawide | 0.425 | 0.418 | 0.409 | 0.400 | 0.393 | 0.400 | 0.511 | 0.525 | 0.523 | 0.493 |
| Solid Waste Collection District | 1.167 | 1.150 | 1.126 | 1.103 | 1.121 | 1.141 | 1.194 | 1.229 | 1.232 | 1.300 |
| Borough direct and overlapping except service areas total (a) | 14.811 | 14.491 | 13.744 | 12.790 | 12.700 | 12.973 | 12.999 | 12.970 | 12.971 | 13.149 |
| Overlapping service area jurisdictions | | | | | | | | | | |
| Airway S.A. | 1.173 | 1.120 | 1.089 | 1.089 | 1.207 | 1.256 | 1.287 | 1.324 | 1.387 | 1.436 |
| Arctic Fox S.A. | 2.089 | 1.944 | 1.864 | 1.804 | 1.861 | 1.787 | 1.708 | 1.850 | 1.945 | 1.967 |
| Aztec S.A. | 1.531 | 1.431 | 1.339 | 1.257 | 1.259 | 1.319 | 1.342 | 1.406 | 1.469 | 1.533 |
| Ballaine Lake S.A. | 13.27 | 13.775 | 12.828 | 12.41 | 12.67 | 13.162 | 14.920 | 16.054 | 17.222 | 17.670 |
| Bear's Den Road S.A. | | | | | | | | | 0.329 | 0.356 |
| Becker Ridge S.A. | 1.412 | 1.359 | 1.346 | 1.376 | 1.450 | 1.486 | 1.496 | 1.440 | 1.509 | 1.612 |
| Birch Hill S.A. | 1.910 | 1.861 | 1.832 | 1.814 | 1.939 | 1.995 | 2.023 | 2.101 | 2.195 | 2.292 |
| Bluebird Road S.A. | 2.228 | 2.187 | 2.004 | 2.054 | 2.333 | 2.447 | 2.792 | 2.883 | 3.138 | 3.378 |
| Borda Road S.A. | 1.159 | 1.131 | 1.067 | 1.079 | 1.119 | 1.171 | 1.157 | 1.204 | 1.253 | 1.349 |
| Brookside S.A. | 0.465 | 0.457 | 0.435 | 0.437 | 0.479 | 0.498 | 0.503 | 0.526 | 0.546 | 0.559 |
| Chena Goldstream Fire S.A. | 1.544 | 1.483 | 1.434 | 1.473 | 1.547 | 1.603 | 1.644 | 2.142 | 2.241 | 2.340 |
| Chena Hills Road S.A. | 1.032 | 1.001 | 0.987 | 0.985 | 1.047 | 1.060 | 1.076 | 1.115 | 1.152 | 1.197 |
| Chena Hot Springs II S. A. | 2.991 | 0.681 | 0.888 | 0.698 | 0.713 | 0.732 | 0.746 | 0.412 | 0.312 | |
| Chena Marina S.A. | 0.880 | 0.825 | 0.792 | 0.756 | 0.796 | 0.830 | 0.857 | 0.880 | 0.966 | 1.001 |
| Chena Point Road S.A. | 2.957 | 3.176 | 3.154 | 2.958 | 3.064 | 3.065 | 3.128 | 3.247 | 3.352 | 3.488 |
| Chena Spur S.A. | 1.729 | 2.354 | 2.407 | 2.329 | 2.606 | 2.671 | 2.679 | 2.837 | 2.957 | 3.052 |
| Cleary Summit S.A. | 0.365 | | 0.189 | 0.183 | 0.190 | 0.191 | 0.158 | 0.132 | | |
| College S.A. | 1.342 | 1.292 | 1.249 | 1.257 | 1.391 | 1.437 | 1.427 | 1.457 | 1.216 | 1.269 |
| College Hills S.A. | 0.881 | 0.789 | 0.754 | 0.785 | 0.835 | 0.871 | 0.912 | 0.950 | 1.016 | 1.011 |
| Cooper Estates S.A. | 3.040 | 2.709 | 2.717 | 2.614 | 2.821 | 2.899 | 2.915 | 3.048 | 3.087 | 3.313 |
| Cordes Drive S.A. | 1.232 | 1.150 | 1.060 | 1.074 | 1.112 | 1.201 | 1.232 | 1.283 | 1.374 | 1.431 |
| Cripple Creek S.A. | 1.691 | 1.679 | 1.477 | 1.520 | 1.601 | 1.636 | 1.668 | 1.717 | 1.814 | 1.904 |
| Deep Forest S.A. (b) | 6.017 | 0.759 | 0.714 | 0.707 | 0.724 | 0.743 | 0.758 | 0.795 | 0.977 | 1.026 |
| Diane Subdivision S.A. | 0.336 | 0.322 | 0.303 | 0.310 | 0.333 | 0.348 | 0.345 | 0.357 | 0.374 | 0.391 |
| Drake Estates S.A. | 1.885 | 1.783 | 0.688 | 0.719 | 0.762 | 0.760 | 0.753 | 0.777 | 0.792 | 0.831 |
| Edanella Heights Road S.A. | 1.292 | 1.281 | 1.273 | 1.249 | 1.388 | 1.425 | 1.457 | 1.485 | 2.130 | 2.284 |
| Ester Lump Road S.A. | 1.922 | 1.881 | 1.710 | 1.741 | 1.773 | 3.093 | 3.160 | 3.333 | 3.550 | 3.765 |
| Ester Volunteer Fire S.A. | 2.492 | 2.501 | 2.270 | 2.384 | 2.444 | 2.568 | 2.619 | 2.726 | 2.887 | 3.033 |
| Fairfields S.A. | 0.762 | 0.707 | 0.683 | 0.675 | 0.713 | 0.752 | 0.750 | 0.789 | 0.834 | 0.867 |
| Fairhill S.A. | 1.173 | 1.170 | 1.163 | 1.093 | 1.188 | 2.255 | 2.294 | 2.315 | 1.156 | 1.213 |
| Fairwest S.A. | 1.939 | 1.878 | 1.850 | 1.789 | 1.896 | 1.948 | 1.903 | 1.989 | 2.082 | 2.119 |
| Garden S.A. | 1.136 | 1.103 | 1.074 | 1.035 | 1.089 | 1.126 | 1.099 | 1.135 | 1.188 | 1.244 |
| Golden Valley Road S.A. | 2.565 | 2.695 | 2.665 | 4.285 | 4.483 | 4.555 | 4.704 | 4.945 | 5.085 | 5.410 |
| Goldstream-Alaska S.A. | 1.430 | 2.294 | 2.109 | 2.171 | 2.246 | 2.333 | 2.422 | 2.435 | 2.591 | 2.835 |
| Goldstream Moose Creek S.A. | 1.763 | 1.723 | 1.586 | 1.635 | 1.598 | 1.682 | 1.694 | 1.720 | 1.758 | 1.831 |
| Gordon S.A. | 1.199 | 1.167 | 1.112 | 1.028 | 1.096 | 1.143 | 1.135 | 1.158 | 1.238 | 1.280 |
| Granola Estates S.A. | 1.298 | 1.323 | 1.117 | 1.089 | 1.239 | 1.281 | 1.321 | 1.441 | 1.534 | 1.587 |
| Grieme Road S.A. | 3.466 | 3.486 | 3.418 | 3.466 | 3.780 | 3.833 | 3.852 | 3.899 | 4.067 | 4.153 |
| Haystack S.A. | 3.219 | 3.106 | 2.875 | 2.901 | 3.231 | 3.324 | 3.615 | 3.767 | 3.815 | 3.974 |

See notes on Sheet 3 of 3.

| Tax Levies (in 000's) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| $74,094 | $79,537 | $82,628 | $82,551 | $86,102 | $92,077 | $93,726 | $94,876 | $98,349 | $103,053 |
| 1,543 | 1,672 | 1,812 | 1,921 | 1,991 | 2,126 | 2,773 | 2,910 | 3,053 | 2,987 |
| 4,536 | 4,912 | 5,319 | 5,636 | 6,038 | 6,422 | 6,870 | 7,214 | 7,562 | 8,272 |
| 10 | 11 | 12 | 12 | 14 | 14 | 15 | 15 | 16 | 17 |
| 5 | 5 | 5 | 5 | 5 | 6 | 5 | 6 | 6 | 7 |
| 17 | 19 | 18 | 20 | 21 | 23 | 26 | 28 | 30 | 31 |
| 22 | 25 | 26 | 26 | 28 | 29 | 34 | 37 | 38 | 41 |
| | | | | | | | | 1 | 1 |
| 82 | 90 | 98 | 105 | 113 | 116 | 122 | 128 | 135 | 145 |
| 75 | 87 | 100 | 104 | 111 | 116 | 122 | 129 | 143 | 151 |
| 6 | 6 | 6 | 7 | 7 | 8 | 9 | 9 | 10 | 12 |
| 23 | 25 | 27 | 28 | 29 | 30 | 30 | 32 | 33 | 36 |
| 7 | 8 | 8 | 9 | 9 | 10 | 10 | 10 | 11 | 11 |
| 710 | 779 | 853 | 933 | 1,007 | 1,057 | 1,111 | 1,498 | 1,579 | 1,678 |
| 63 | 71 | 80 | 88 | 95 | 100 | 103 | 109 | 114 | 121 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | |
| 17 | 19 | 20 | 21 | 22 | 24 | 25 | 26 | 30 | 32 |
| 48 | 60 | 86 | 90 | 95 | 99 | 112 | 124 | 137 | 149 |
| 23 | 35 | 38 | 39 | 43 | 45 | 47 | 51 | 52 | 56 |
| 1 | | 1 | 1 | 1 | 1 | 1 | 1 | | |
| 419 | 447 | 474 | 493 | 530 | 544 | 561 | 586 | 481 | 514 |
| 21 | 22 | 23 | 25 | 27 | 28 | 29 | 31 | 32 | 34 |
| 18 | 20 | 23 | 24 | 26 | 28 | 29 | 32 | 33 | 35 |
| 18 | 20 | 21 | 24 | 26 | 27 | 28 | 30 | 31 | 33 |
| 41 | 46 | 52 | 55 | 62 | 66 | 70 | 74 | 81 | 86 |
| 46 | 17 | 18 | 19 | 20 | 21 | 21 | 22 | 29 | 30 |
| 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 |
| 13 | 15 | 7 | 7 | 8 | 8 | 8 | 9 | 9 | 9 |
| 26 | 27 | 29 | 31 | 34 | 34 | 36 | 37 | 53 | 57 |
| 15 | 15 | 17 | 18 | 20 | 35 | 38 | 40 | 42 | 46 |
| 255 | 277 | 318 | 344 | 379 | 401 | 427 | 457 | 487 | 522 |
| 14 | 14 | 15 | 15 | 16 | 17 | 17 | 18 | 19 | 20 |
| 11 | 11 | 12 | 12 | 13 | 25 | 25 | 27 | 13 | 14 |
| 19 | 21 | 23 | 24 | 26 | 26 | 26 | 27 | 28 | 29 |
| 20 | 26 | 32 | 36 | 39 | 4 | 43 | 45 | 48 | 51 |
| 6 | 7 | 7 | 12 | 13 | 15 | 16 | 17 | 18 | 19 |
| 11 | 22 | 23 | 24 | 26 | 27 | 29 | 30 | 32 | 35 |
| 36 | 40 | 42 | 45 | 49 | 52 | 54 | 58 | 61 | 65 |
| 35 | 39 | 47 | 50 | 54 | 57 | 60 | 62 | 66 | 68 |
| 4 | 4 | 5 | 5 | 6 | 6 | 6 | 8 | 8 | 9 |
| 11 | 13 | 15 | 16 | 19 | 20 | 22 | 24 | 25 | 25 |
| 19 | 21 | 27 | 34 | 37 | 38 | 41 | 43 | 46 | 47 |

## FAIRBANKS NORTH STAR BOROUGH

### Direct and Overlapping Property Tax Rates and Levies
### Last Ten Calendar Years

| | Tax Rates - Millage | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Herning Hills S.A. | 1.376 | 1.382 | 1.318 | 1.258 | 1.368 | 1.394 | 1.441 | 1.501 | 1.506 | 1.571 |
| Hopeless S.A. | | 0.869 | 0.833 | 0.838 | 0.889 | 0.941 | 0.940 | 0.970 | 1.014 | 1.080 |
| Horseshoe Downs S.A. | 2.522 | 2.384 | 2.278 | 2.297 | 2.447 | 3.376 | 3.315 | 3.462 | 3.745 | 4.351 |
| Jennifer Drive S.A. | 1.745 | 1.695 | 1.533 | 1.554 | 1.654 | 1.742 | 1.816 | 2.019 | 2.202 | 2.328 |
| Jones Road S.A. | 1.641 | 1.570 | 1.447 | 1.470 | 1.522 | 1.630 | 1.689 | 1.737 | 1.815 | 1.905 |
| Joy Road S.A. | 1.355 | 1.274 | 1.186 | 1.189 | 1.265 | 1.271 | 1.271 | 1.314 | 1.313 | 1.329 |
| Keeney Road S.A. | 0.676 | 0.549 | 0.552 | 0.545 | 0.561 | 0.616 | 0.657 | 0.671 | 0.714 | 0.743 |
| Kendall S.A. | 0.958 | 0.939 | 0.874 | 0.854 | 0.903 | 0.957 | 1.021 | 1.045 | 1.073 | 1.165 |
| Keystone S.A. | 3.203 | 3.125 | 3.065 | 3.002 | 3.088 | 3.184 | 3.328 | 3.440 | 3.861 | 4.065 |
| Kris Kringle S.A. | 2.053 | 1.938 | 1.871 | 1.911 | 2.023 | 2.091 | 2.139 | 2.211 | 2.315 | 2.393 |
| Lakloey Hill S.A. | 1.074 | 1.030 | 0.992 | 0.933 | 1.003 | 1.036 | 1.059 | 1.110 | 1.177 | 1.214 |
| Lee Lane S.A. | 1.684 | 1.598 | 1.615 | 1.561 | 1.623 | 1.673 | 1.641 | 1.738 | 1.806 | 1.888 |
| Loose Moose S.A. | 0.901 | 0.875 | 0.786 | 0.808 | 0.905 | 1.002 | 0.982 | 1.034 | 1.042 | 1.086 |
| Martin S.A. | 5.857 | 7.714 | 8.034 | 8.555 | 8.190 | 8.588 | 8.833 | 9.417 | 9.943 | 10.323 |
| McCloud S.A. | 14.81 | 14.746 | 14.787 | 15.075 | 15.055 | 9.972 | 10.458 | 10.481 | 11.409 | 12.208 |
| McGrath Estates S.A. | 1.231 | 1.207 | 1.176 | 1.212 | 1.302 | 1.342 | 1.381 | 1.431 | 1.528 | 1.556 |
| McKinley View S.A. | 1.910 | 1.808 | 1.644 | 1.692 | 1.590 | 2.831 | 2.847 | 2.979 | 2.969 | 2.995 |
| Mellow Woods Road S.A. | 1.303 | 1.253 | 1.161 | 1.194 | 1.242 | 1.329 | 1.271 | 1.273 | 1.346 | 1.403 |
| Miller Hill Extension S.A. | 4.829 | 4.607 | 4.354 | 4.400 | 4.481 | 4.808 | 4.945 | 4.995 | 5.357 | 5.725 |
| Moose Creek S.A. | 0.475 | 0.421 | 0.434 | 0.373 | 0.350 | 0.344 | 0.380 | 0.387 | 0.344 | 0.383 |
| Moose Meadows S.A. | 0.856 | 0.818 | 0.784 | 0.774 | 0.829 | 0.869 | 0.877 | 0.910 | 0.923 | 0.968 |
| Mt. View S.A. | 1.137 | 1.143 | 1.083 | 1.119 | 1.191 | 1.297 | 1.358 | 1.399 | 1.504 | 1.520 |
| Murphy S.A. (d) | 1.622 | 1.571 | 1.456 | 1.506 | 1.564 | 1.618 | 1.642 | 1.692 | 1.784 | 1.844 |
| Musk Ox S.A. | 1.239 | 1.174 | 1.133 | 1.163 | 1.290 | 1.337 | 1.354 | 1.390 | 1.462 | 1.450 |
| Newby Park S.A. | 0.435 | 0.722 | 0.656 | 0.676 | 0.710 | 0.758 | 0.767 | 0.823 | 0.853 | 0.884 |
| North Ridge S.A. | 4.552 | 4.534 | 4.500 | 4.009 | 4.298 | 4.423 | 4.507 | 4.830 | 4.889 | 5.120 |
| North Star Fire S.A. | 1.316 | 1.257 | 1.205 | 1.153 | 1.198 | 1.241 | 1.258 | 1.306 | 1.329 | 1.399 |
| O'Connor Creek S.A. | 16.42 | 12.475 | 13.939 | 9.770 | 7.831 | 7.389 | 8.875 | 8.893 | 6.641 | 7.822 |
| Old Wood Road S.A. | 1.666 | 1.672 | 1.619 | 1.733 | 1.771 | 1.786 | 1.790 | 2.039 | 2.194 | 2.328 |
| Our S.A | 0.887 | 0.929 | 0.860 | 0.838 | 0.828 | 1.092 | 1.087 | 1.209 | 1.329 | 1.337 |
| Parksridge S.A. | 1.538 | 1.558 | 1.428 | 1.446 | 1.552 | 1.576 | 1.602 | 1.674 | 1.736 | 1.784 |
| Peede Country Estates S.A. | 1.488 | 1.402 | 1.345 | 1.287 | 1.409 | 1.482 | 1.326 | 1.357 | 1.446 | 1.485 |
| Pine Stream S.A. | 0.955 | 0.902 | 0.911 | 0.928 | 0.981 | 1.022 | 1.001 | 1.034 | 1.070 | 1.105 |
| Pleasureland S.A. | 0.989 | 0.976 | 0.916 | 0.881 | 0.962 | 0.995 | 0.970 | 0.998 | 1.023 | 1.078 |
| Polar Heights S.A. | 1.110 | 1.027 | 1.014 | 0.926 | 0.926 | 0.952 | 1.016 | 1.027 | 0.964 | 1.045 |
| Potlatch S.A. (c) | 3.260 | 2.374 | 2.277 | 2.436 | 4.553 | 2.705 | 2.665 | 2.755 | 2.885 | 3.354 |
| Prospect Park S.A. | 0.737 | 1.142 | 1.083 | 1.095 | 1.121 | 1.140 | 1.258 | 1.281 | 1.371 | 1.374 |
| Reed Acres Road S.A. | 1.302 | 1.259 | 1.145 | 1.146 | 1.206 | 1.260 | 1.355 | 1.382 | 1.476 | 1.521 |
| Ridgecrest S.A. | 0.907 | 0.899 | 0.890 | 0.840 | 0.975 | 1.078 | 1.099 | 1.129 | 1.172 | 1.199 |
| Salchaket Heights S.A. | 4.444 | 4.590 | 4.806 | 4.966 | 5.162 | 3.863 | 3.972 | 4.357 | 4.472 | 4.690 |
| Scenic Heights S.A. | 1.395 | 1.377 | 1.370 | 1.415 | 1.497 | 1.589 | 1.600 | 1.707 | 1.759 | 1.764 |
| Seavy S.A. | 0.366 | 0.349 | 0.335 | 0.294 | 0.299 | 0.303 | 0.311 | 0.320 | 0.316 | 0.341 |
| Secluded Acres S.A. | 1.428 | 1.451 | 1.416 | 1.310 | 1.365 | 1.396 | 1.452 | 1.495 | 1.567 | 2.190 |
| Serendipity Hill S.A. | 3.077 | 3.029 | 2.716 | 2.998 | 3.069 | 3.154 | 2.901 | 2.976 | 3.162 | 3.315 |
| Six Mile Village Road S.A. | 1.280 | 1.226 | 1.223 | 1.167 | 1.234 | 1.255 | 1.232 | 1.262 | 1.412 | 1.495 |
| Smallwood Trail Road S.A. | 0.625 | 0.613 | 0.600 | 0.596 | 0.673 | 0.742 | 0.751 | 0.756 | 0.794 | 0.831 |
| Smith Ranch S.A. | | | | 1.299 | 1.372 | 1.417 | 1.343 | 0.249 | 0.267 | 0.274 |
| Spring Glade S.A. | 0.827 | 0.826 | 0.779 | 0.813 | 0.850 | 0.877 | 0.898 | 0.926 | 0.981 | 1.570 |

See notes on Sheet 3 of 3.

| Tax Levies (in 000's) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| $21 | $23 | $25 | $26 | $28 | $28 | $30 | $32 | $33 | $35 |
| | 19 | 20 | 22 | 23 | 24 | 25 | 27 | 28 | 30 |
| 10 | 11 | 11 | 12 | 13 | 19 | 20 | 26 | 29 | 32 |
| 4 | 4 | 5 | 5 | 5 | 6 | 6 | 6 | 7 | 7 |
| 44 | 49 | 53 | 57 | 61 | 64 | 67 | 71 | 75 | 80 |
| 6 | 6 | 6 | 7 | 8 | 8 | 9 | 9 | 9 | 10 |
| 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 |
| 10 | 10 | 10 | 12 | 12 | 13 | 14 | 14 | 15 | 16 |
| 10 | 11 | 11 | 11 | 12 | 15 | 16 | 17 | 18 | 19 |
| 11 | 11 | 12 | 12 | 13 | 14 | 15 | 15 | 16 | 17 |
| 28 | 31 | 33 | 36 | 39 | 39 | 41 | 44 | 46 | 48 |
| 5 | 5 | 5 | 5 | 6 | 6 | 7 | 7 | 8 | 9 |
| 5 | 6 | 6 | 7 | 7 | 8 | 8 | 9 | 8 | 9 |
| 11 | 16 | 21 | 22 | 23 | 29 | 34 | 39 | 42 | 43 |
| 23 | 24 | 25 | 29 | 31 | 20 | 21 | 23 | 26 | 29 |
| 55 | 58 | 61 | 65 | 69 | 72 | 74 | 77 | 81 | 86 |
| 5 | 5 | 5 | 5 | 5 | 8 | 8 | 9 | 9 | 9 |
| 15 | 16 | 16 | 18 | 18 | 19 | 19 | 19 | 20 | 21 |
| 41 | 44 | 49 | 51 | 57 | 61 | 64 | 67 | 69 | 73 |
| 13 | 13 | 14 | 15 | 15 | 16 | 17 | 17 | 17 | 18 |
| 53 | 59 | 65 | 69 | 74 | 77 | 81 | 86 | 88 | 93 |
| 24 | 26 | 27 | 28 | 30 | 32 | 34 | 35 | 36 | 37 |
| 9 | 10 | 11 | 12 | 12 | 14 | 15 | 16 | 16 | 17 |
| 22 | 23 | 24 | 25 | 41 | 42 | 43 | 45 | 47 | 48 |
| 9 | 15 | 16 | 17 | 17 | 18 | 19 | 21 | 21 | 22 |
| 8 | 8 | 10 | 10 | 11 | 11 | 13 | 15 | 16 | 16 |
| 1,135 | 1,269 | 1,387 | 1,484 | 1,596 | 1,739 | 1,831 | 1,940 | 2,030 | 2,146 |
| 90 | 95 | 106 | 107 | 112 | 118 | 130 | 125 | 128 | 133 |
| 8 | 8 | 10 | 11 | 12 | 13 | 14 | 16 | 17 | 18 |
| 3 | 3 | 3 | 4 | 4 | 4 | 4 | 5 | 5 | 6 |
| 7 | 8 | 9 | 10 | 11 | 12 | 13 | 13 | 14 | 15 |
| 4 | 5 | 5 | 5 | 5 | 6 | 6 | 8 | 9 | 10 |
| 18 | 19 | 21 | 22 | 23 | 24 | 25 | 26 | 35 | 37 |
| 6 | 7 | 7 | 7 | 8 | 8 | 8 | 8 | 9 | 9 |
| 16 | 17 | 17 | 18 | 19 | 20 | 21 | 21 | 22 | 24 |
| 11 | 9 | 10 | 15 | 16 | 12 | 12 | 13 | 14 | 16 |
| 4 | 7 | 8 | 8 | 8 | 8 | 9 | 9 | 10 | 10 |
| 6 | 7 | 8 | 8 | 8 | 9 | 10 | 10 | 11 | 11 |
| 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 |
| 2 | 2 | 2 | 2 | 2 | 4 | 5 | 5 | 5 | 5 |
| 16 | 17 | 18 | 18 | 19 | 20 | 21 | 23 | 24 | 25 |
| 8 | 9 | 9 | 9 | 10 | 10 | 10 | 11 | 11 | 12 |
| 7 | 7 | 7 | 8 | 8 | 8 | 8 | 13 | 14 | 19 |
| 6 | 6 | 6 | 7 | 7 | 7 | 8 | 8 | 8 | 9 |
| 8 | 8 | 8 | 9 | 9 | 10 | 10 | 10 | 11 | 11 |
| 5 | 5 | 5 | 5 | 6 | 7 | 7 | 8 | 8 | 8 |
| | | | 36 | 40 | 45 | 47 | 9 | 9 | 10 |
| 22 | 24 | 26 | 27 | 29 | 31 | 32 | 34 | 35 | 58 |

## FAIRBANKS NORTH STAR BOROUGH

### Direct and Overlapping Property Tax Rates and Levies
### Last Ten Calendar Years

| | Tax Rates - Millage | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Spruce Acres S.A. | 1.633 | 1.568 | 1.515 | 1.470 | 1.614 | 1.692 | 1.610 | 1.562 | 1.573 | 1.629 |
| Steamboat Landing S.A. | 1.237 | 1.171 | 1.176 | 1.192 | 1.307 | 1.386 | 1.339 | 1.385 | 1.490 | 1.589 |
| Steese Volunteer Fire S.A. | 1.733 | 1.693 | 1.628 | 1.600 | 1.690 | 1.739 | 1.789 | 1.849 | 1.893 | 1.973 |
| Straight Creek S.A | 3.155 | 3.393 | 2.963 | 3.926 | 3.776 | 3.867 | 4.096 | 3.701 | 4.050 | 4.217 |
| Summerwood S.A. | 2.357 | 2.340 | 2.185 | 2.258 | 2.395 | 2.470 | 2.560 | 2.662 | 2.819 | 2.922 |
| Summit Drive S.A. | 1.483 | 1.450 | 1.375 | 1.381 | 1.447 | 1.496 | 1.542 | 1.603 | 1.690 | 1.710 |
| Sunny Hills Terrace S.A. | 2.380 | 2.355 | 2.249 | 2.367 | 2.498 | 2.702 | 2.772 | 2.946 | 3.120 | 3.224 |
| Sunrise S.A. | 2.069 | 2.078 | 1.865 | 1.926 | 2.031 | 2.136 | 2.171 | 2.198 | 2.381 | 2.419 |
| Tan Terra S.A. | 0.859 | 1.624 | 1.559 | 1.559 | 1.478 | 1.553 | 1.592 | 1.754 | 1.885 | 1.883 |
| Thomas S.A. | 2.538 | 2.442 | 2.485 | 2.460 | 2.759 | 2.842 | 2.791 | 2.861 | 3.008 | 3.449 |
| Timberlane Road S.A. | 1.420 | 1.347 | 1.251 | 1.274 | 1.371 | 1.485 | 1.464 | 1.448 | 1.594 | 1.642 |
| Tungsten S.A. | 2.681 | 2.687 | 2.682 | 2.648 | 2.814 | 2.875 | 2.921 | 2.992 | 3.165 | 3.320 |
| Twenty Three Mile Slough S.A. | 3.718 | 3.887 | 3.698 | 3.986 | 3.977 | 4.587 | 3.424 | 3.557 | 3.652 | 3.899 |
| Ullrhaven S.A. | 1.758 | 1.910 | 1.787 | 1.658 | 1.827 | 1.714 | 1.706 | 1.858 | 2.076 | 2.153 |
| University Fire S.A. | 2.215 | 2.163 | 2.108 | 2.138 | 2.301 | 2.370 | 2.464 | 2.510 | 2.643 | 2.689 |
| University Heights S.A. | 1.550 | 1.533 | 1.475 | 1.520 | 1.617 | 1.725 | 1.742 | 1.755 | 1.848 | 1.865 |
| University West Street Light S.A. | 0.468 | 0.443 | 0.418 | 0.419 | 0.447 | 0.467 | 0.472 | 0.485 | 0.512 | 0.527 |
| Vienna Wood S.A. | 0.878 | 0.856 | 0.815 | 0.772 | 0.794 | 0.815 | 0.836 | 0.860 | 0.809 | 0.858 |
| Viewpointe S.A. | 0.972 | 0.971 | 0.956 | 0.982 | 1.019 | 1.056 | 1.104 | 1.129 | 1.201 | 1.192 |
| Violet Drive S.A. | 2.780 | 2.711 | 2.667 | 2.572 | 2.798 | 2.912 | 2.990 | 3.075 | 3.265 | 3.399 |
| Vista Gold Road S.A. | 2.580 | 2.459 | 2.298 | 2.390 | 2.377 | 2.462 | 2.549 | 2.622 | 2.758 | 2.888 |
| Vue Crest S.A. | 1.418 | 1.389 | 1.310 | 1.303 | 1.429 | 1.479 | 1.497 | 1.517 | 1.587 | 1.657 |
| Whitman S.A. | 1.553 | 1.485 | 1.424 | 1.369 | 1.442 | 1.428 | 1.385 | 1.562 | 1.625 | 1.787 |
| Wildview S.A. | 2.776 | 2.790 | 2.579 | 2.651 | 2.898 | 2.999 | 2.975 | 3.052 | 3.215 | 3.359 |
| Woodland S.A. | 1.089 | 0.999 | 0.980 | 0.964 | 1.036 | 1.073 | 1.068 | 1.097 | 1.152 | 1.189 |
| Yak Road S.A. | 0.900 | 0.888 | 0.889 | 0.900 | 0.976 | 0.984 | 1.009 | 1.035 | 1.077 | 1.117 |
| Overlapping separate city governments | | | | | | | | | | |
| City of Fairbanks | 6.804 | 6.700 | 6.594 | 5.991 | 5.927 | 5.803 | 5.843 | 5.734 | 5.716 | 5.549 |
| Borough areawide | 13.219 | 12.923 | 12.209 | 11.287 | 11.186 | 11.432 | 11.294 | 11.216 | 11.216 | 11.356 |
| City of Fairbanks total (a) | 20.023 | 19.623 | 18.803 | 17.278 | 17.113 | 17.235 | 17.137 | 16.950 | 16.932 | 16.905 |
| City of North Pole | 3.000 | 3.000 | 3.000 | 3.000 | 3.000 | 3.000 | 3.000 | 3.000 | 3.500 | 3.500 |
| Borough areawide | 13.219 | 12.923 | 12.209 | 11.287 | 11.186 | 11.432 | 11.294 | 11.216 | 11.216 | 11.356 |
| Borough Solid Waste Collection District | 1.167 | 1.150 | 1.126 | 1.103 | 1.121 | 1.141 | 1.194 | 1.229 | 1.232 | 1.300 |
| City of North Pole total (a) | 17.386 | 17.073 | 16.335 | 15.390 | 15.307 | 15.573 | 15.488 | 15.445 | 15.948 | 16.156 |

Source: Borough treasury and budget division

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

Air Park S.A., Chena Hot Springs II S.A. and Cleary Summit S.A. do not levy taxes.

| Tax Levies (in 000's) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| $5 | $6 | $6 | $6 | $7 | $7 | $7 | $7 | $8 | $8 |
| 12 | 13 | 15 | 17 | 18 | 19 | 20 | 21 | 23 | 24 |
| 935 | 1,018 | 1,097 | 1,172 | 1,279 | 1,380 | 1,452 | 1,536 | 1,619 | 1,709 |
| 9 | 10 | 13 | 18 | 19 | 18 | 19 | 19 | 20 | 21 |
| 28 | 30 | 32 | 34 | 38 | 39 | 42 | 44 | 46 | 50 |
| 79 | 89 | 99 | 108 | 115 | 121 | 129 | 137 | 145 | 155 |
| 25 | 27 | 28 | 30 | 33 | 35 | 36 | 40 | 41 | 43 |
| 10 | 11 | 11 | 12 | 12 | 13 | 13 | 14 | 15 | 16 |
| 9 | 19 | 19 | 20 | 27 | 29 | 31 | 35 | 39 | 40 |
| 10 | 10 | 11 | 11 | 12 | 13 | 13 | 14 | 14 | 15 |
| 7 | 7 | 7 | 8 | 8 | 9 | 9 | 9 | 10 | 10 |
| 25 | 26 | 29 | 32 | 42 | 43 | 46 | 49 | 53 | 57 |
| 19 | 23 | 24 | 29 | 41 | 52 | 43 | 50 | 52 | 59 |
| 3 | 3 | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 6 |
| 1,727 | 1,866 | 2,020 | 2,135 | 2,337 | 2,434 | 2,590 | 2,724 | 2,871 | 3,005 |
| 46 | 49 | 52 | 55 | 58 | 62 | 63 | 65 | 67 | 69 |
| 52 | 57 | 60 | 62 | 66 | 68 | 70 | 72 | 75 | 78 |
| 16 | 19 | 20 | 21 | 23 | 25 | 25 | 26 | 27 | 28 |
| 15 | 16 | 17 | 18 | 18 | 19 | 20 | 21 | 23 | 23 |
| 44 | 48 | 53 | 57 | 61 | 64 | 69 | 74 | 79 | 86 |
| 29 | 31 | 33 | 35 | 38 | 40 | 42 | 44 | 47 | 49 |
| 23 | 25 | 27 | 30 | 32 | 33 | 34 | 36 | 38 | 40 |
| 3 | 3 | 3 | 4 | 4 | 4 | 4 | 5 | 5 | 6 |
| 131 | 145 | 158 | 171 | 184 | 193 | 202 | 212 | 224 | 236 |
| 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 |
| 62 | 66 | 70 | 73 | 78 | 81 | 84 | 87 | 90 | 95 |
| 11,688 | 12,619 | 13,477 | 13,210 | 13,701 | 14,876 | 14,960 | 14,945 | 15,155 | 15,161 |
| 770 | 815 | 883 | 924 | 959 | 938 | 982 | 980 | 1,054 | 1,066 |

(a) The Borough direct and overlapping except service areas total rate applies to all areas of the Borough outside the cities of Fairbanks and North Pole. Some neighborhoods of the Borough are also in one or more service area(s) and pay service area rate(s) in addition. Other areas of the Borough, including the cities of Fairbanks and North Pole, are not in any service area.

(b) Deep Forest S.A. includes a two-year road project under a differential tax zone in 2004 and 2005.

(c) Potlatch S.A., starting in 2008, includes a two-year road project under a differential tax zone.

(d) Murphy S.A., starting in 2012, includes a one-year road project under a differential tax zone. An additional one-year road project was authorized in 2015.

## FAIRBANKS NORTH STAR BOROUGH

**Table VII**

### Principal Taxable Properties
### Current Tax Year and Nine Years Ago

| | | 2014 | | | 2005 | | |
|---|---|---|---|---|---|---|---|
| Property | Type of Business | Taxable Assessed Valuation | Rank | Percentage of Total Assessed Valuation (a) | Taxable Assessed Valuation | Rank | Percentage of Total Assessed Valuation (b) |
| Alyeska and related activities | oil transportation | $869,679,750 | 1 | 10.30% | $275,302,600 | 1 | 5.23% |
| Fairbanks Gold Mining, Inc. (c) | gold mining | 524,981,109 | 2 | 6.22 | 230,374,288 | 2 | 4.38 |
| Doyon Utilities, LLC | utilities | 277,700,122 | 3 | 3.29 | | | |
| Corvias Military Living (Eielson AFB) | military housing | 141,364,005 | 4 | 1.67 | | | |
| Flint Hills Resources, LLC (d) | oil refining | 108,537,918 | 5 | 1.29 | 141,162,159 | 3 | 2.68 |
| Alaska Communications Systems | communications | 49,035,167 | 6 | 0.58 | 37,923,601 | 4 | 0.72 |
| GCI Cable Fairbanks, Inc. | utilities | 40,456,174 | 7 | 0.48 | | | |
| Wal-Mart | shopping center | 33,939,477 | 8 | 0.40 | 22,362,412 | 8 | 0.43 |
| Westmark Hotel | hotel | 33,251,338 | 9 | 0.39 | 31,674,072 | 6 | 0.60 |
| Fred Meyer Stores, Inc. (west) | shopping center | 29,573,561 | 10 | 0.35 | 21,277,457 | 10 | 0.40 |
| HEBL Housing (Eielson AFB) | military housing | | | | 37,107,710 | 5 | 0.71 |
| Alaska Hotel Properties , Inc. (e) | hotel | | | | 26,303,374 | 7 | 0.50 |
| North Star Alaska Housing Corp. | military housing | | | | 21,670,713 | 9 | 0.41 |
| | | $2,108,518,621 | | 24.97% | $845,158,386 | | 16.07% |

Sources: Borough treasury and budget division and assessing department

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

(a) $8,444,414,767
(b) $5,260,020,645
(c) Fort Knox
(d) Williams Alaska Petroleum, Inc. in 2005
(e) Fairbanks Princess Riverside Lodge

## FAIRBANKS NORTH STAR BOROUGH

**Table VIII**

### 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 |
| | (a) | (b) | | | | | |
| 2005-06 | $74,094,284 | $69,496,812 | $68,689,017 | 98.84% | $733,196 | $69,422,213 | 99.89% |
| 2006-07 (c) | 79,536,709 | 74,585,658 | 73,722,859 | 98.84 | 581,937 | 74,304,796 | 99.62 |
| 2007-08 (d) | 82,627,871 | 77,824,971 | 76,752,199 | 98.62 | 1,036,609 | 77,788,807 | 99.95 |
| 2008-09 (d) | 82,550,860 | 77,549,577 | 76,584,066 | 98.75 | 840,020 | 77,424,086 | 99.84 |
| 2009-10 (d) | 86,102,429 | 80,813,908 | 79,648,773 | 98.56 | 1,149,342 | 80,798,115 | 99.98 |
| 2010-11 | 92,077,064 | 86,709,188 | 85,643,722 | 98.77 | 1,025,732 | 86,669,454 | 99.95 |
| 2011-12 | 93,725,808 | 87,756,597 | 86,666,871 | 98.76 | 609,030 | 87,275,900 | 99.45 |
| 2012-13 | 94,876,332 | 88,499,301 | 87,427,560 | 98.79 | 1,018,580 | 88,446,140 | 99.94 |
| 2013-14 | 98,348,591 | 91,667,611 | 90,579,521 | 98.81 | 497,920 | 91,133,661 | 99.42 |
| 2014-15 | 103,052,677 | 95,894,341 | 93,194,499 | 97.18 | | | |

Source: Borough treasury and budget division and assessing department

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

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

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

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

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

(c) For the trans-Alaska pipeline system, taxes levied for a fiscal year are based on State Assessment Review Board (SARB) assessed values. Valuations were disputed beginning in 2006-07. See Note 17. C.

(d) Fiscal years 2008-2010 have not been adjusted for the Superior Court's March 6, 2012 decision increasing the trans-Alaska pipeline system's assessed value. See Note 17. C.

FAIRBANKS NORTH STAR BOROUGH

Table IX

**Ratios of Outstanding Debt by Type**
**Last Ten Fiscal Years**

| | Governmental Activities | | Business-type Activities | | | | |
|---|---|---|---|---|---|---|---|
| Fiscal Year | General Obligation Bonds (a) | Capital Leases | Loans Payable | Capital Leases | Total Primary Government | Percentage of Personal Income (b) | Outstanding Debt Per Capita (b) |
| 2005-06 | $140,050,407 | $1,478,140 | $5,865,425 | $16,261 | $147,410,233 | 4.69% | $1,630 |
| 2006-07 | 142,962,583 | 1,168,650 | 6,172,203 | | 150,303,436 | 4.44 | 1,660 |
| 2007-08 | 143,831,388 | 975,952 | 4,974,449 | | 149,781,789 | 4.12 | 1,601 |
| 2008-09 | 135,863,821 | 1,006,485 | 3,758,471 | | 140,628,777 | 3.54 | 1,487 |
| 2009-10 | 139,513,840 | 1,249,231 | 2,524,253 | | 143,287,324 | 3.61 | 1,505 |
| 2010-11 | 130,367,597 | 1,150,953 | 1,271,522 | | 132,790,072 | 3.22 | 1,352 |
| 2011-12 | 131,752,364 | 1,414,110 | 40,246 | | 133,206,720 | 2.98 | 1,342 |
| 2012-13 | 120,697,150 | 1,285,223 | 2,187,638 | | 124,170,011 | 2.69 | 1,240 |
| 2013-14 | 108,904,246 | 1,464,759 | 6,490,051 | | 116,859,056 | 2.57 | 1,164 |
| 2014-15 | 96,903,388 | 1,462,910 | 11,168,462 | | 109,534,760 | | |

Notes: Details regarding the Borough's outstanding debt can be found in the notes to the financial statements (Note 10).

(a) long-term general obligation bonds, deferred premiums, and deferred amounts on refundings, through 2011-12; long-term general obligation bonds and deferred premiums, beginning in 2012-13 with implementation of GASB Statement No. 65

(b) See Table XI, Demographic and Economic Statistics for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year. Data for calendar year 2014 is not available until April 2016.

**FAIRBANKS NORTH STAR BOROUGH** **Table X**

## Ratios of General Bonded Debt To Assessed Value and General Bonded Debt Per Capita Last Ten Fiscal Years

| Fiscal Year | Estimated Actual Value of Taxable Property | Population Calendar Year (a) | General Bonded Debt (b) | General Bonded Debt to Estimated Actual Value of Taxable Property | General Bonded Debt Per Capita |
|---|---|---|---|---|---|
| 2005-06 | $5,522,981,852 | 90,431 | $140,050,407 | 2.54% | $1,549 |
| 2006-07 | 6,102,033,479 | 90,545 | 142,962,583 | 2.34 | 1,579 |
| 2007-08 | 6,732,886,695 | 93,545 | 143,831,388 | 2.14 | 1,538 |
| 2008-09 | 7,410,674,986 | 94,552 | 135,863,820 | 1.83 | 1,437 |
| 2009-10 | 7,705,203,789 | 95,238 | 139,513,840 | 1.81 | 1,465 |
| 2010-11 | 7,976,571,504 | 98,190 | 130,367,597 | 1.63 | 1,328 |
| 2011-12 | 8,245,058,799 | 99,276 | 131,752,364 | 1.60 | 1,327 |
| 2012-13 | 8,325,157,990 | 100,141 | 120,697,150 | 1.45 | 1,205 |
| 2013-14 | 9,235,983,336 | 100,436 | 108,904,246 | 1.18 | 1,084 |
| 2014-15 | 8,886,714,578 | | 96,903,388 | 1.09 | |

Sources: Borough assessing department, U.S. Department of Commerce: Bureau of Economic Analysis

Notes: Details regarding the Borough's long-term debt can be found in the notes to the financial statements (Note 10).

(a) See Table XI. Population statistics may vary on an annual basis as adjusted by the State of Alaska. These ratios are calculated using data for the prior calendar years. Data for calendar year 2014 is not available until April 2016.

(b) long-term general obligation bonds, deferred premiums, and deferred amounts on refunding's, through 2011-12; long-term general obligation bonds and deferred premiums, beginning in 2012-13 with implementation of GASB Statement No. 65

**FAIRBANKS NORTH STAR BOROUGH** **Table XI**

**Demographic and Economic Statistics**
**Last Ten Calendar Years**

| Calendar Year | Population (a) | Personal Income in 000's (a) | Per Capita Personal Income (a) | Unemployment Rate (b) |
|---|---|---|---|---|
| 2004 | 89,043 | $2,907,439 | $32,652 | 6.4% |
| 2005 | 90,431 | 3,143,543 | 34,762 | 5.8 |
| 2006 | 90,545 | 3,382,130 | 37,353 | 5.6 |
| 2007 | 93,545 | 3,633,888 | 38,846 | 5.3 |
| 2008 | 94,552 | 3,968,768 | 41,974 | 5.8 |
| 2009 | 95,238 | 3,974,317 | 41,730 | 7.1 |
| 2010 | 98,190 | 4,123,897 | 41,999 | 6.7 |
| 2011 | 99,276 | 4,476,083 | 45,087 | 6.5 |
| 2012 | 100,141 | 4,609,819 | 46,033 | 6.1 |
| 2013 | 100,436 | 4,551,027 | 45,313 | 5.8 |

Sources: (a) U.S. Department of Commerce: Bureau of Economic Analysis
(b) State of Alaska Department of Labor and Workforce Development: Research and Analysis Section

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

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

Data for calendar year 2014 is not available until April 2016.

**FAIRBANKS NORTH STAR BOROUGH** **Table XII**

**Employment by Industry**
**Current Year and Nine Years Ago**

| | 2014 | | | 2005 | | |
|---|---|---|---|---|---|---|
| Type of Employer | Rank | Annual Average Monthly Employment (a) | Percentage of Total Borough Employment | Rank | Annual Average Monthly Employment (a) | Percentage of Total Borough Employment |
| Government (b) | 1 | 11,500 | 29.87% | 1 | 11,700 | 31.12% |
| Trade, transportation, utilities | 2 | 7,800 | 20.26 | 2 | 7,600 | 20.21 |
| Educational and health services | 3 | 5,200 | 13.51 | 4 | 4,200 | 11.17 |
| Leisure and hospitality | 4 | 4,200 | 10.91 | 3 | 4,100 | 10.90 |
| Construction | 5 | 2,600 | 6.75 | 5 | 2,900 | 7.71 |
| Professional and business services | 6 | 2,300 | 5.97 | 6 | 2,200 | 5.85 |
| Information, other services | 7 | 1,700 | 4.42 | 7 | 1,900 | 5.05 |
| Mining and logging | 8 | 1,400 | 3.64 | 9 | 1,000 | 2.66 |
| Financial activities | 9 | 1,200 | 3.12 | 8 | 1,400 | 3.72 |
| Manufacturing | 10 | 600 | 1.56 | 10 | 600 | 1.6 |
| | | 38,500 | 100.00% | | 37,600 | 100.00% |

Source: Alaska Department of Labor and Workforce Development (DOLWD), Research and Analysis Section, Fairbanks Metropolitan Statistical Area

Notes: (a) for the 12 months ended December 31

(b) federal government 2,900
state government 5,400
local government 3,200

## FAIRBANKS NORTH STAR BOROUGH

### Full-time Equivalent Borough Government Employees by Function
### Last Ten Fiscal Years

| Function / Program | Full-time Equivalent Employees | | | | |
|---|---|---|---|---|---|
| | 2006 | 2007 | 2008 | 2009 | 2010 (a), (b) |
| General government | 116.90 | 116.30 | 116.30 | 114.30 | 121.30 |
| Community planning | 20.00 | 21.00 | 22.00 | 20.00 | 20.00 |
| Public works | 38.32 | 38.32 | 40.32 | 40.32 | 39.32 |
| Parks and recreation | 49.82 | 53.70 | 54.70 | 55.70 | 55.70 |
| Library | 47.35 | 47.85 | 47.85 | 47.85 | 47.85 |
| Emergency operations | 19.01 | 21.00 | 21.00 | 20.50 | 21.00 |
| Fire service areas | 5.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| Transportation | 41.36 | 42.67 | 44.88 | 45.88 | 46.83 |
| Land management | 9.00 | 9.00 | 8.00 | 8.00 | |
| Solid waste disposal | 15.68 | 16.06 | 16.06 | 16.06 | 16.56 |
| Total | 362.44 | 369.90 | 375.11 | 372.61 | 372.56 |

Source: Borough treasury and budget division

Notes: (a) In fiscal year 2010, the land management function was moved into the general government function.

(b) Effective January 1, 2010, the transportation inspection/maintenance program for vehicle carbon monoxide emmissions was discontinued. Concurrently, the Borough initiated programs to mitigate fine particulate matter pollutants ($PM_{2.5}$).

(c) Beginning in fiscal year 2011, fire service area employees are no longer Borough employees.

(d) In fiscal year 2012, the child care assistance activity in the general government function was eliminated.

(e) Beginning July 1, 2014, the land management department was dissolved and the land function became part of assessing and the tax foreclosure function became part of the treasury and budget division of financial services.

**Table XIII**

| as of June 30 | | | | |
|---|---|---|---|---|
| 2011 | 2012 | 2013 | 2014 | 2015 |
| (c) | (d) | | | (e) |
| 122.30 | 115.60 | 119.60 | 120.40 | 120.40 |
| 20.00 | 20.00 | 18.00 | 18.00 | 17.50 |
| 40.32 | 40.32 | 41.32 | 42.32 | 44.32 |
| 55.20 | 55.20 | 55.50 | 55.50 | 56.67 |
| 48.35 | 48.35 | 47.85 | 47.60 | 48.70 |
| 21.00 | 21.00 | 21.00 | 21.00 | 23.00 |
| 45.58 | 46.26 | 54.21 | 60.84 | 60.84 |
| 16.56 | 16.56 | 16.56 | 16.56 | 17.56 |
| 369.31 | 363.29 | 374.04 | 382.22 | 388.99 |

## FAIRBANKS NORTH STAR BOROUGH

### Operating Indicators by Function/Program
### Last Ten Fiscal Years

| Function/Program | 2005-06 | 2006-07 | 2007-08 | Fiscal 2008-09 |
|---|---|---|---|---|
| General government | | | | |
| Annual operating budget | $121,996,319 | $124,835,720 | $133,920,867 | $135,135,900 |
| Community planning | | | | |
| Platting applications processed | 338 | 387 | 219 | 194 |
| Zoning and related permits issued | 349 | 328 | 265 | 165 |
| Public works | | | | |
| Average annual dollar value of projects completed | $33 million | $34 million | $25 million | $19 million |
| Facilities maintenance work orders | 3,230 | 2,862 | 2,704 | 2,703 |
| Parks and recreation | | | | |
| Aquatic facility attendance | 225,350 | 220,134 | 227,671 | 201,532 |
| Chena Lakes annual visitors (f) | 80,294 | 95,038 | 88,069 | 97,990 |
| Ice arena average daily attendance | 358 | 481 | 480 | 479 |
| Pioneer Park annual visitors | 259,985 | 275,581 | 265,100 | 212,448 |
| Carlson Center event tickets sold | 102,064 | 107,336 | 109,525 | 108,313 |
| Library | | | | |
| Items borrowed and used by patrons | 566,640 | 614,218 | 662,755 | 693,954 |
| Number of library visits by patrons | 363,653 | 327,850 | 344,723 | 343,411 |
| Road and other service areas | | | | |
| Number of volunteer commissioners | 278 | 266 | 265 | 283 |
| Education | | | | |
| Local support to School District | $38,022,700 | $40,022,700 | $42,222,700 | $44,222,700 |
| Emergency operations | | | | |
| Ambulance responses | 1,632 | 2,229 | 2,287 | 2,410 |
| Animal control call responses | 4,458 | 4,930 | 3,997 | 2,983 |
| 911 calls received (b) | 45,900 | 46,500 | 116,007 | 117,323 |
| Fire service areas | | | | |
| Call outs (calendar year) | 1,164 | 1,122 | 1,058 | 1,084 |
| Transportation and air quality | | | | |
| Total ridership | 392,024 | 294,865 | 292,142 | 357,964 |
| Paratransit van rides provided | 21,014 | 24,765 | 30,047 | 23,069 |
| Vehicle emission tests performed | 33,389 | 30,656 | 28,028 | 30,842 |
| Solid waste disposal | | | | |
| Number of tons into the landfill | 109,780 | 113,052 | 115,990 | 103,950 |
| Tons of waste paper recycled | 1,081 | 622 | (e) | (e) |

Sources: Various Borough departments

Notes: (a) This column contains budgeted numbers; actuals will not be available until the following year.

(b) Beginning in fiscal year 2007-08, the 911 system began tracking all calls rather than only those resulting in service. Starting in fiscal year 2011-12, reduction in call volume is due to implementation of improved call reporting software.

(c) The data is not available.

**Table XIV**

| Year | | | | | |
|---|---|---|---|---|---|
| 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
| | | | | | (a) |
| $142,046,812 | $145,622,014 | $150,777,316 | $155,436,415 | $159,006,867 | $165,617,452 |
| | | | | | |
| 193 | 183 | 144 | 182 | 236 | 232 |
| 249 | 239 | 232 | 211 | 226 | 242 |
| | | | | | |
| $23 million | $27 million | $24 million | $21 million | $22 million | $39 million |
| 2,646 | 2,431 | 2,148 | 2,215 | 2,575 | 2,552 |
| | | | | | |
| 198,581 | 219,403 | 206,668 | 205,962 | 198,000 | 198,000 |
| 114,617 | 119,888 | 103,404 | 86,831 | 73,270 | 9,781 |
| 497 | 521 | 552 | 546 | 654 | 530 |
| 253,040 | 275,182 | 306,466 | 354,191 | 366,829 | 370,000 |
| 107,098 | 106,878 | 103,197 | 100,743 | 84,880 | 86,870 |
| | | | | | |
| 726,830 | 691,356 | 718,206 | 704,209 | 711,020 | 719,630 |
| 345,699 | 332,367 | 314,422 | 345,266 | 375,526 | 336,100 |
| | | | | | |
| 285 | 279 | 271 | 270 | 295 | 288 |
| | | | | | |
| $45,522,700 | $46,522,700 | $47,359,300 | $47,000,000 | $48,360,000 | $49,906,000 |
| | | | | | |
| 2,544 | 2,564 | 2,600 | 2,609 | 2,670 | 2,460 |
| 2,998 | 3,822 | 2,968 | 3,582 | 3,749 | 3,000 |
| 129,165 | 118,235 | 59,097 | 57,011 | 68,022 | 64,615 |
| | | | | | |
| 1,105 | 1,217 | 1,271 | 1,352 | 1395 | (c) |
| | | | | | |
| 383,773 | 391,799 | 428,166 | 475,875 | 524,301 | 550,000 |
| 20,983 | 20,479 | 18,976 | 20,082 | 19,931 | 20,000 |
| 14,920 | (d) | (d) | (d) | (d) | (d) |
| | | | | | |
| 111,784 | 108,026 | 107,353 | 100,289 | 105,038 | 90,000 |
| (e) | (e) | (e) | (e) | (e) | (e) |

(d) The vehicle inspection and maintenance (I/M) program was discontinued December 31, 2009.

(e) The recycling program was suspended.

(f) During fiscal year 2014-15, the fees for all categories of day use passes were dropped and the count of non-paying vistors was no longer kept.

## FAIRBANKS NORTH STAR BOROUGH

### Capital Asset Statistics by Function/Program
### Last Ten Fiscal Years

| Function / Program | 2005-06 | 2006-07 | 2007-08 | Fiscal 2008-09 |
|---|---|---|---|---|
| General government | | | | |
| Administration square footage | 21,216 | 21,127 | 21,138 | 21,138 |
| Public works | | | | |
| Re-use areas | 5 | 5 | 5 | 5 |
| Transfer sites | 14 | 14 | 14 | 14 |
| Parks and recreation | | | | |
| Ball fields | 45 | 43 | 43 | 43 |
| Campgrounds | 5 | 5 | 5 | 5 |
| Ice rinks | 8 | 8 | 8 | 8 |
| Parks maintained | 133 | 133 | 132 | 136 |
| Picnic facilities | 28 | 30 | 30 | 30 |
| Pools | 3 | 3 | 3 | 3 |
| Soccer fields | 8 | 8 | 8 | 8 |
| Basketball, tennis, volleyball courts | 27 | 27 | 27 | 27 |
| Library | | | | |
| Items in collection | 337,639 | 347,291 | 348,380 | 350,881 |
| Public computers and printers | 63 | 63 | 64 | 72 |
| Road and other service areas | | | | |
| Miles of road | 466 | 470 | 473 | 476 |
| Education | | | | |
| Primary schools | 19 | 19 | 19 | 19 |
| Secondary schools | 10 | 10 | 10 | 10 |
| Emergency operations | | | | |
| Animal control vehicles | 6 | 6 | 7 | 7 |
| Emergency response vehicles | 6 | 6 | 7 | 6 |
| Fire service areas | | | | |
| Emergency response vehicles | 51 | 62 | 67 | 68 |
| Fire stations | 13 | 14 | 14 | 14 |
| Transportation and air quality | | | | |
| Buses | 9 | 9 | 13 | 13 |
| Paratransit vans | 18 | 12 | 9 | 9 |
| Air quality monitoring sites (a) | 4 | 8 | 8 | 9 |
| Solid waste disposal | | | | |
| Landfill cells | 2 | 2 | 2 | 2 |
| Recycling collection totes | 31 | 30 | 30 | 30 |

Sources: various Borough departments

Notes: (a) Certain populated portions of the Borough are designated as a carbon monoxide (CO) maintenance area by the U.S. Environmental Protection Agency (EPA). Following EPA tightening of fine particulate matter ($PM_{2.5}$) air quality standards in 2006, the EPA officially designated certain populated portions of the Borough as a $PM_{2.5}$ non-attainment area in 2009.

**Table XV**

| Year | | | | | |
|---|---|---|---|---|---|
| 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
| 22,899 | 23,055 | 23,055 | 23,287 | 23,287 | 24,729 |
| 5 | 5 | 5 | 5 | 5 | 5 |
| 14 | 14 | 14 | 14 | 14 | 14 |
| 43 | 43 | 48 | 48 | 49 | 49 |
| 5 | 5 | 5 | 5 | 5 | 5 |
| 8 | 8 | 8 | 8 | 7 | 7 |
| 136 | 136 | 138 | 138 | 137 | |
| 30 | 30 | 32 | 32 | 31 | 32 |
| 3 | 3 | 3 | 3 | 3 | 3 |
| 8 | 8 | 8 | 10 | 9 | 7 |
| 27 | 27 | 27 | 27 | 26 | 26 |
| 368,797 | 375,040 | 375,214 | 384,384 | 349,603 | 362,750 |
| 62 | 62 | 62 | 63 | 63 | 63 |
| 476 | 482 | 485 | 488 | 490 | 492 |
| 19 | 19 | 19 | 19 | 19 | 19 |
| 10 | 10 | 10 | 10 | 10 | 10 |
| 7 | 7 | 7 | 9 | 8 | 8 |
| 6 | 9 | 8 | 9 | 9 | 8 |
| 69 | 63 | 62 | 70 | 72 | 72 |
| 14 | 13 | 13 | 13 | 14 | 14 |
| 13 | 13 | 18 | 18 | 20 | 16 |
| 8 | 13 | 13 | 11 | 11 | 10 |
| 6 | 7 | 7 | 6 | 7 | 7 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 35 | 35 | 35 | 35 | 35 | 35 |

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