



Northwest Arctic Borough, Alaska

Basic Financial Statements, Required
Supplementary Information and
Supplementary Information
Year Ended June 30, 2014

Northwest Arctic Borough, Alaska

Basic Financial Statements, Required Supplementary Information and
Supplementary Information
Year Ended June 30, 2014

Northwest Arctic Borough, Alaska

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Independent Auditor's Report

Honorable Mayor and
Members of the Borough Assembly
Northwest Arctic Borough
Kotzebue, Alaska

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Northwest Arctic Borough, Alaska (the Borough), as of and for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Northwest Arctic Borough, Alaska, as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 6-12 and 42-49 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Northwest Arctic Borough's basic financial statements. The accompanying combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining and individual fund financial statements and schedules listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2014 on our consideration of Northwest Arctic 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 that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Northwest Arctic Borough's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
November 14, 2014

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Management's Discussion and Analysis

Northwest Arctic Borough, Alaska

Management's Discussion and Analysis

As management of the Northwest Arctic 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, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our financial statements, which can be found on pages 14-115 of this report. All amounts, unless otherwise indicated, are expressed in whole dollars. Information related to the Borough's only discretely presented component unit, the Northwest Arctic Borough School District's (School District) financial statements is not included in our discussion and analysis. The School District's separate financial statements are available from the Northwest Arctic Borough School District, Kotzebue, Alaska.

Financial Highlights

- The assets of the Borough exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$116,015,667 (net position). Of this amount, \$18,803,927 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$4,991,357.
- As of the close of the current fiscal year, the Borough's governmental funds reported combined ending fund balances of \$19,517,367 an increase of \$1,050,302 over the prior year. Of this total amount, \$16,898,125 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$16,945,700, or 134% of total General Fund expenditures and transfers.
- The Northwest Arctic Borough's total long-term liabilities decreased by \$4,628,244 in the current fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Northwest Arctic 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. The 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 Northwest Arctic Borough's assets and liabilities, with the difference between the two reported as net positions. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Northwest Arctic Borough is improving or deteriorating.

Northwest Arctic Borough, Alaska

Management's Discussion and Analysis

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

All of the functions reported in the government-wide financial statements are considered governmental activities as they are principally supported by local, state and federal revenues and are not expected to recover significant costs through user charges. The governmental activities of the Borough include general government, planning, public services, education, and economic development.

The government-wide financial statements include not only the Borough itself (known as the primary government), but also a legally separate school district for which the Borough is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 14-15 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 are reported as governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, 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 fund balance sheet and the governmental fund 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 57 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Kobuk K-12 School Renovation Capital Project, Shell Exploration Collaborative Research Project, Wind Farm Construction Capital Project, and NW Magnet School Project which are considered to be major funds. Data from the other 51 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Northwest Arctic Borough, Alaska

Management's Discussion and Analysis

The Borough adopts an annual appropriated budget for its General Fund, Special Revenue Funds and Debt Service Fund and project length budgets for Capital Project Funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget in the basic financial statements. Budgets for the other funds are provided in the supplementary information section of this report.

The governmental financial statements can be found on pages 16-17 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19-39 of this report.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 52-115 of this report.

Government Wide Financial Statements

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 \$116,015,667 at the close of the most recent fiscal year.

By far the largest portion of the Borough's net position reflects its investment in capital assets (e.g., land, buildings, schools and equipment), less any related debt used to acquire those assets that is still outstanding. The Northwest Arctic 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, since the capital assets themselves cannot be used to liquidate these liabilities.

Northwest Arctic Borough's Net Position

<i>June 30,</i>	2014	Restated 2013
Current and other assets	\$ 24,975,069	\$ 22,192,412
Capital assets	142,916,250	143,172,830
Deferred outflows of resources	1,825,272	2,089,537
Total assets and deferred outflows of resources	169,716,591	167,454,779
Long-term liabilities outstanding	43,359,500	47,987,744
Other liabilities	9,203,567	7,380,578
Deferred inflows of resources	1,137,857	1,062,147
Total liabilities and deferred inflows of resources	53,700,924	56,430,469
Net investment in capital assets	97,162,022	93,249,623
Restricted	49,718	49,718
Unrestricted	18,803,927	17,724,969
Total Net Position	\$ 116,015,667	\$ 111,024,310

Northwest Arctic Borough, Alaska

Management's Discussion and Analysis

At the end of the current fiscal year, the Borough is able to report positive balances in all three of the categories of net position, for the government as a whole. Net investment in capital assets increased by \$3,912,399 due to decrease in debt service payments and depreciation expense incurred during the year. Restricted net position represents unexpended interest earnings that is required to be used for approved construction activity. Unrestricted net position increased by \$1,078,958.

Governmental Activities

The Borough's net position increased by \$4,991,357 during the current year. Key elements of this net increase are as follows:

Northwest Arctic Borough's Changes in Net Position

<i>Year Ended June 30,</i>	2014	Restated 2013	Increase (Decrease)
Revenues:			
Program:			
Charges for services	\$ 176,135	\$ 115,902	\$ 60,233
Operating grants and contributions	13,816,525	4,229,913	9,586,612
Capital Grants	5,944,020	23,293,341	(17,349,321)
General:			
Payment in lieu of taxes	1,062,047	1,086,998	(24,951)
Teck agreement	8,800,380	8,738,685	61,695
Borough Usage Fee	2,126,016	-	2,126,016
Investment earnings	756,824	(34,255)	791,079
Grants and contributions not restricted to specific programs	464,363	644,683	(180,320)
Total revenues	33,146,310	38,075,267	(4,928,957)
Expenses:			
General government	3,403,937	3,284,833	119,104
Planning	1,536,656	1,134,624	402,032
Public services	9,272,230	4,402,673	4,869,547
Education	10,944,113	8,248,116	2,695,999
Economic development	953,503	1,024,490	(70,987)
Interest on long term debt	2,044,512	2,108,704	(64,192)
Total expenses	28,154,953	20,203,440	7,951,513
Change in net position	4,991,357	17,871,827	(12,880,470)
Beginning Net Position	111,024,310	93,152,483	17,871,827
Ending Net Position	\$ 116,015,667	\$ 111,024,310	\$ 4,991,357

Northwest Arctic Borough, Alaska

Management's Discussion and Analysis

Financial Analysis of the Government 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. At the end of the current year, unassigned fund balance was \$16,898,125, or 86% of total fund balances. This is available for spending at the government's discretion.

As of the end of the current fiscal year, the Borough's governmental funds reported combined ending fund balances of \$19,517,367 representing an increase of \$1,050,302 in comparison with the prior year.

At June 30, 2014, \$2,458,665 of the fund balance had been assigned, and the remainder of fund balance is either not available for new spending because it is nonspendable, \$86,114, or has already been restricted for construction, \$49,718, or committed for a variety of other purposes \$24,745.

The General Fund is the chief operating fund of the Borough. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$16,945,700, while total fund balance reached \$18,327,305. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers. Unassigned and total fund balance each represent approximately 134% and 145%, respectively of total General Fund expenditures, including transfers to other funds.

The fund balance for the Borough's General Fund increased by \$907,418 during the current fiscal year.

The Debt Service Fund has a total fund balance of \$158,912, all of which is assigned for approved school capital improvement projects. The net increase in fund balance during the current year in the Debt Service Fund was \$16,078.

Capital Asset and Debt Administration

Capital Assets. The Borough's investment in capital assets for its governmental activities as of June 30, 2014, amounts to \$142,916,250 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, furniture, equipment, and vehicles. The total decrease in the Borough's investment in capital assets for the current fiscal year was \$256,580 for governmental activities.

Northwest Arctic Borough, Alaska

Management's Discussion and Analysis

Northwest Arctic Borough's Capital Assets (Net of Depreciation)

	2014	2013
Land	\$ 873,853	\$ 873,853
Buildings	141,677,800	142,158,740
Furniture, equipment and vehicles	364,597	140,237
Total Capital Assets	\$ 142,916,250	\$ 143,172,830

Additional information on the Borough's capital assets can be found on page 30 of this report.

Long-term Debt. At the end of the current fiscal year, the Borough had total bonded debt outstanding of \$47,579,502 (including \$,094,500 of unamortized bond premiums and \$1,825,272 deferred loss), of which 78% is 70% reimbursed by the State of Alaska, and 22% is 60% reimbursed by the State of Alaska; subject to annual State of Alaska legislative appropriation. This debt is backed by the full faith and credit of the Borough. In addition, the Borough had accrued leave payable of \$107,860 at year end.

Northwest Arctic Borough's Long-term Debt

	2014	2013
General obligation bonds	\$ 44,485,000	\$ 48,510,000
Unamortized bond premium	3,094,500	3,502,744
Accrued leave	117,916	107,860
Total Long-term Debt	\$ 47,697,416	\$ 52,120,604

The Borough's general long-term debt decreased by \$4,423,188 or (8.5%) for the current fiscal year.

The Borough does not maintain a rating from Standard & Poor's or Moody's or other rating agency for its general obligation debt. The Northwest Arctic Borough issues its debt through the Alaska Municipal Bond Bank.

Additional information on the Borough's long-term debt can be found on pages 31-32 of this report.

Northwest Arctic Borough, Alaska

Management's Discussion and Analysis

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the Northwest Arctic Borough is currently 14%, which is consistent with the prior year. This compares unfavorably to the State's average unemployment rate of 6.5% and the national average rate of 7.3%.
- Other economic trend information (Teck Alaska, State of Alaska or Northwest Arctic Borough School District) is available on each of the organization's websites.

All of these factors were considered in preparing the Borough's budget for the 2014 fiscal year.

Request for Information

This financial report is designed to provide a general overview of the Borough's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Treasurer, P.O. Box 1110, Northwest Arctic Borough, Alaska, 99752.

Basic Financial Statements

Northwest Arctic Borough, Alaska

Statement of Net Position

<i>June 30, 2014</i>	Primary Governmental Activities	Component Unit
Assets		
Cash and investments	\$ 20,057,558	\$ 28,998,687
Receivables, net of allowance for uncollectible amounts:		
Interest	30,243	-
Federal and state grants	4,800,294	3,998,018
Inventory	85,614	1,057,275
Lease deposit	860	-
Prepaid items	500	3,324,592
Capital assets:		
Land, improvements and construction in progress	873,853	-
Other capital assets, net of depreciation	142,042,397	1,706,628
Total Assets	167,891,319	39,085,200
Deferred Outflows		
Unamortized deferred loss on refunding	1,825,272	-
Total Assets and Deferred Outflows	\$ 169,716,591	\$ 39,085,200
Liabilities		
Accounts payable	\$ 3,182,090	\$ 1,530,714
Accrued payroll liabilities	94,512	1,483,612
Accrued health and life benefits	-	2,001,159
Due to Borough	-	61
Unearned revenue	1,043,243	1,229,335
Interest payable	545,806	-
Noncurrent liabilities:		
Due within one year:		
Accrued leave	117,916	373,659
General obligation bonds	4,220,000	-
Settlements payable	-	44,661
Due in more than one year:		
General obligation bonds, including unamortized premium of \$3,094,500	43,359,500	-
Total Liabilities	52,563,067	6,663,201
Deferred Inflows		
Payment in lieu of taxes	1,137,857	-
Total Liabilities and Deferred Inflows	53,700,924	6,663,201
Net Position		
Net investment in capital assets	97,162,022	1,706,628
Restricted:		
Construction	49,718	774,217
Education	-	29,941,154
Unrestricted	18,803,927	-
Total Net Position	116,015,667	32,421,999
Total Liabilities, Deferred Inflows and Net Position	\$ 169,716,591	\$ 39,085,200

See accompanying notes to basic financial statements.

Northwest Arctic Borough, Alaska

Statement of Activities

Year Ended June 30, 2014	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit School District
Functions/Programs						
Primary Government						
Governmental activities:						
General government	\$ 3,403,937	\$ 161,710	\$ 82,414	\$ -	\$ (3,159,813)	
Planning	1,536,656	14,425	630,841	-	(891,390)	
Economic development	953,503	-	309,949	-	(643,554)	
Education	10,944,115	-	4,272,346	5,944,020	(727,749)	
Public services	9,272,230	-	8,520,975	-	(751,255)	
Interest on long-term debt	2,044,512	-	-	-	(2,044,512)	
Total Primary Government	\$ 28,154,953	\$ 176,135	\$ 13,816,525	\$ 5,944,020	(8,218,273)	
Component Unit -						
School district	\$ 76,802,893	\$ 727,330	\$ 8,353,345	\$ 7,181,899		(60,540,319)
General Revenues						
Payment in lieu of taxes					1,062,047	-
Teck Alaska agreement					8,800,380	-
Borough usage fee					2,126,016	-
Unrestricted investment income					756,824	-
Grants and contributions not restricted to specific programs					464,363	51,168,166
E-Rate					-	5,090,634
Payments from Borough					-	4,142,165
Miscellaneous					-	3,681,711
Total General Revenues					13,209,630	64,082,676
Change in net position					4,991,357	3,542,357
Net Position, beginning of year					111,024,310	28,879,642
Net Position, end of year					\$ 116,015,667	\$ 32,421,999

See accompanying notes to basic financial statements.

Northwest Arctic Borough, Alaska

Governmental Funds
Balance Sheet

	Major Funds							Total Governmen- tal Funds
	General	Shell Exploration Collaborative Research Project Special Revenue	Debt Service	Wind Farm Construction Capital Project	Kobuk K-12 School Renovation Capital Project	NW Magnet School and High School Capital Project	Nonmajor Funds	
<i>June 30, 2014</i>								
Assets								
Cash and investments	\$ 17,969,278	\$ 994,778	\$ 109,170	\$ -	\$ 49,718	\$ -	\$ 934,614	\$ 20,057,558
Receivables:								
Federal and state grants	-	-	49,242	2,100,504	77,782	1,306,394	1,266,372	4,800,294
Interest	30,243	-	-	-	-	-	-	30,243
Inventory	-	-	-	-	-	-	85,614	85,614
Lease deposit	-	-	-	-	-	-	860	860
Due from other funds	1,796,364	-	-	-	-	-	-	1,796,364
Prepaid items	-	-	500	-	-	-	-	500
Total Assets	\$ 19,795,885	\$ 994,778	\$ 158,912	\$ 2,100,504	\$ 127,500	\$ 1,306,394	\$ 2,287,460	\$ 26,771,433
Liabilities, Deferred Inflows and Fund Balances								
Liabilities								
Accounts payable	\$ 236,211	\$ 584	\$ -	\$ 1,481,599	\$ 77,782	\$ 1,306,394	\$ 79,520	\$ 3,182,090
Accrued payroll liabilities	94,512	-	-	-	-	-	-	94,512
Due to other funds	-	-	-	618,905	-	-	1,177,459	1,796,364
Unearned revenue	-	994,194	-	-	-	-	49,049	1,043,243
Total Liabilities	330,723	994,778	-	2,100,504	77,782	1,306,394	1,306,028	6,116,209
Deferred Inflows								
Payment in lieu of taxes	1,137,857	-	-	-	-	-	-	1,137,857
Total Liabilities and Deferred Inflows	1,468,580	994,778	-	2,100,504	77,782	1,306,394	1,306,028	7,254,066
Fund Balances								
Nonspendable - inventory and prepaid items	-	-	500	-	-	-	85,614	86,114
Restricted for school construction	-	-	-	-	49,718	-	-	49,718
Committed:								
Economic development	-	-	-	-	-	-	455	455
Education	-	-	-	-	-	-	24,290	24,290
Assigned:								
Construction	-	-	-	-	-	-	151,845	151,845
Public services	-	-	-	-	-	-	397,944	397,944
Planning	-	-	-	-	-	-	87,802	87,802
Economic development	-	-	-	-	-	-	276,839	276,839
Education	-	-	158,412	-	-	-	4,218	162,630
Subsequent year's expenditures	1,381,605	-	-	-	-	-	-	1,381,605
Unassigned (deficit)	16,945,700	-	-	-	-	-	(47,575)	16,898,125
Total Fund Balances	18,327,305	-	158,912	-	49,718	-	981,432	19,517,367
Total Liabilities, Deferred Inflows and Fund Balances	\$ 19,795,885	\$ 994,778	\$ 158,912	\$ 2,100,504	\$ 127,500	\$ 1,306,394	\$ 2,287,460	

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.	142,916,250
Deferred outflows of resources represent the consumption of the Borough's net position that is applicable to future reporting periods. This consists of an unamortized loss on refunding.	1,825,272
Interest payable on long-term debt is not due and payable in the current period and therefore is not reported in the funds.	(545,806)
Long-term liabilities, including bonds payable and accrued leave, are not due and payable in the current period and therefore are not reported in the funds.	(47,697,416)

Total Net Position of Governmental Activities

\$ 116,015,667

See accompanying notes to basic financial statements.

Northwest Arctic Borough, Alaska
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances

<i>June 30, 2014</i>	Major Funds							Total Govern- mental Funds
	General	Shell Exploration Collaborative Research Project Special Revenue	Debt Service	Wind Farm Construction Capital Project	Kobuk K-12 School Renovation Capital Project	NW Magnet School and High School Capital Project	Nonmajor Funds	
Revenues								
Local sources:								
Teck Alaska	\$ 8,800,380	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,800,380
Borough usage fee	2,126,016	-	-	-	-	-	-	2,126,016
Investment income (loss)	756,786	-	38	-	-	-	-	756,824
Other	176,135	158,751	-	-	-	-	667,810	1,002,696
Intergovernmental:								
Direct federal sources	1,062,047	-	41,040	-	-	-	1,313,718	2,416,805
State sources, including federal monies passed through State of Alaska	660,937	7,005	4,231,577	3,030,513	2,055,249	3,227,798	4,029,761	17,242,840
Other federal pass through	-	-	-	-	-	-	180,816	180,816
Total Revenues	13,582,301	165,756	4,272,655	3,030,513	2,055,249	3,227,798	6,192,105	32,526,377
Expenditures								
Current:								
General government	3,433,630	-	-	-	-	-	-	3,433,630
Planning	995,025	72,970	-	-	-	-	468,661	1,536,656
Economic development	423,482	-	-	-	-	-	530,021	953,503
Education:								
Payments to School District	4,142,165	-	-	-	-	-	-	4,142,165
Other	289,123	-	-	-	-	-	40,855	329,978
Public services	1,132,250	-	-	3,030,513	-	-	5,314,077	9,476,840
Debt service:								
Principal	-	-	4,025,000	-	-	-	-	4,025,000
Interest	-	-	2,227,203	-	-	-	-	2,227,203
Issuance costs and other	-	-	25,000	-	-	-	-	25,000
Capital outlay:								
Payments to School District	-	-	-	-	2,055,249	3,227,798	40,794	5,323,841
Design and construction	-	-	-	-	-	-	2,259	2,259
Total Expenditures	10,415,675	72,970	6,277,203	3,030,513	2,055,249	3,227,798	6,396,667	31,476,075
Excess (deficiency) of revenues over expenditures	3,166,626	92,786	(2,004,548)	-	-	-	(204,562)	1,050,302
Other Financing Sources (Uses)								
Transfers from other funds	-	-	2,020,626	-	-	-	268,368	2,288,994
Transfers to other funds	(2,196,208)	(92,786)	-	-	-	-	-	(2,288,994)
Net Other Financing Sources (Uses)	(2,196,208)	(92,786)	2,020,626	-	-	-	268,368	-
Net change in fund balances	970,418	-	16,078	-	-	-	63,806	1,050,302
Fund Balances, beginning of year	17,356,887	-	142,834	-	49,718	-	917,626	18,467,065
Fund Balances, end of year	\$ 18,327,305	\$ -	\$ 158,912	\$ -	\$ 49,718	\$ -	\$ 981,432	\$ 19,517,367

See accompanying notes to basic financial statements.

Northwest Arctic Borough, Alaska

Reconciliation of Change in Fund Balances of Governmental Funds to Statement of Activities Year Ended June 30, 2014

Net change in fund balances - total governmental funds \$ 1,050,302

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 (\$6,596,975) exceeded capital outlays (\$5,720,462) and capital assets received from the School District (\$619,933). (256,580)

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amount are deferred and amortized in the statement of activities.

This adjustment combines the net change in the balances:

General obligation bond payments	\$ 4,025,000	
Net decrease in deferred loss on refunding bonds	(264,265)	
Net decrease in unamortized bond premium	408,244	
		4,168,979

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the (increase) decrease in:

Accrued interest payable	38,712	
Accrued leave	(10,056)	
		28,656

Change in Net Position of Governmental Activities \$ 4,991,357

See accompanying notes to basic financial statements.

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements Year Ended June 30, 2014

1. Summary of Significant Accounting Policies

Reporting Entity

The Northwest Arctic Borough (Borough) was incorporated June 2, 1986 under the laws of the State of Alaska as a first-class borough. Effective October 9, 1987, the Borough was reclassified as a home-rule borough in accordance with the provisions of Alaska Statute 29.10.080. The Borough operates under an Assembly-Mayor form of government.

The accompanying financial statements present the Borough and its component unit, an entity for which the Borough is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Borough.

Discretely Presented Component Unit

Public education provided to area residents is a function of the Borough that has been delegated to the Northwest Arctic Borough School District (School District), a component unit of the Borough, in accordance with Alaska Statute 29.43.030. The School District is responsible for elementary and secondary education within the Borough's jurisdiction. The Borough has retained budgetary approval powers over the School District and ownership of certain physical buildings and property. The Borough's government-wide financial statements include financial information of all departments and programs over which the Borough Assembly exercises authority.

The School District met the criteria for discrete presentation. The School District issues separate financial statements and has a June 30 year-end. The School District's separate financial statements are available from the Northwest Arctic Borough School District, Kotzebue, Alaska.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. The primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 segment and 2) grants and contributions, including investment earnings, that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in these fund financial statements.

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Borough considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Charges for services, intergovernmental revenues, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when received by the Borough.

The Borough reports the following major governmental funds based on the required quantitative criteria:

The *General Fund* is the general operating fund of the Borough. It is used to account for all financial resources except those required to be accounted for in another fund.

The *Debt Service Fund* accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt. Revenue is received from a State of Alaska Debt Reimbursement Program, investment earnings on bond proceeds, and a federal interest subsidy. The bond indenture and State of Alaska Department of Education requirements restrict investment earnings to construction purposes.

The *Shell Exploration Collaborative Research Project Special Revenue Fund* is a fund designated for the scientific research in the Chukchi Sea.

The *AEA Wind Farm Construction Capital Project Fund* is a fund designated for the design and construction of wind farms in Buckland, Deering and Noorvik.

The *Northwest Magnet School and High School Capital Project Fund* is a fund designated for planning, design and construction of the Magnet School and High School residential facility.

In addition, the Borough has elected to report the following funds as major due to public interest:

The *Kobuk K-12 School Renovation Capital Project Special Revenue Fund* is a fund designated for the renovation of the school in Kobuk.

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

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

Amounts reported as program revenues include 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

In preparing the financial statements, management is required to make estimates that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the balance sheet, and revenue and expenditures or expenses for the period. Actual results could differ from those estimates.

Deposits and Investments

The Borough's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Except for the money in the Frank R. Ferguson Scholarship Special Revenue Fund for which a separate bank account is maintained, the Borough maintains a cash and investment pool, or central treasury, that is available for use by all other funds. Each fund's portion of this pool is displayed on the balance sheet as "cash and investments" or in the case of "negative cash," is included in "due to other funds".

Investments for the Borough are reported at fair value. Section 6 of the Borough Code specifies the Borough's investment policy. Generally, the Borough must deposit all monies in federally insured financial institutions that have been previously designated by the Borough Assembly through resolution. The Borough may invest in bonds, notes, or other obligations, direct or otherwise, of the United States or the State of Alaska; bonds or other evidence of indebtedness of any municipality or political subdivision of the State of Alaska; or certificates of deposit of any bank providing that the total certificates of deposit of any such institution shall not exceed the paid-in capital of such institution. The investment policy requires collateralization of all deposits.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

As of June 30, 2014, the Borough has determined that no allowance is necessary on its receivables from external parties.

Unearned Revenue

Unearned revenue represents advance payments on cost reimbursable grant awards that have been received but not yet earned.

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

Inventory

All inventory is valued at cost using the specific identification method. Inventory in governmental funds are recorded as expenditures when consumed rather than when purchased.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Expense/expenditures are recognized on the consumption method.

Capital Assets

Capital assets, which include property, buildings, and equipment, are reported in the government-wide financial statements. The Borough defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value, plus ancillary charges, if any, at the date of donation.

The Northwest Arctic Borough owns the land and buildings related to the School District. Therefore, the value of these assets is not accounted for separately by the School District. The Borough assigns responsibility for maintenance and capital improvements to land and buildings, including the construction of new buildings, to the School District. School District capital improvements to land and buildings are funded by capital grants, federal Impact Aid and local sources of the School District or by payments from the Borough to the School District. As the School District incurs construction expenditures, the Borough records a contribution from the School District equal to the cost incurred by the School District.

The cost 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 are constructed.

Property, buildings, and equipment of the borough are depreciated using the straight line method over the following estimated useful lives:

	Years
Buildings	30
Original schools	20
Vehicles	5
Equipment and furniture	5

Compensated Absences

It is the Borough's policy to permit employees to accumulate earned but unused annual leave benefits. All annual leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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.

The Borough recognizes all liabilities on the government-wide statement of net position; however, governmental funds only recognize liabilities to the extent that they normally are expected to be liquidated with available financial resources. Accordingly, accrued interest on long-term debt reported on the government-wide statement of net position is not reported in the governmental funds.

Grants and Other Intergovernmental Revenues

In applying the measurable and available concepts to grants and intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts are considered "earned"; therefore, revenues are recognized based upon expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the measurable and available criteria are met.

Interfund Transactions

During the course of normal operations, the Borough has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers.

Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form—prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of fund balances comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

Restricted fund balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - These amounts can only be used for specific purposes pursuant to constraints imposed by formal ordinances of the Borough Assembly - the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Borough Assembly removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance - This classification reflects the amounts constrained by the Borough's "intent" to be used for specific purposes, but are neither restricted nor committed. The Borough Assembly and Mayor have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Borough's policy to use externally restricted resources first, then unrestricted resources—committed, assigned, and unassigned—in order as needed.

2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position

The governmental funds balance sheet includes a reconciliation between fund balance - total governmental funds and net position of governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains, "Long-term liabilities, including bonds payable and accrued leave are not due and payable in the current period and therefore are not reported in the funds." The total reconciliation difference resulting from this element is \$(47,697,416).

June 30, 2014

General obligation bond principal	\$ (44,485,000)
Unamortized bond premium	(3,094,500)
Accrued leave	(117,916)
	<hr/>
	\$ (47,697,416)

Another element of this reconciliation states, "Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds." The total reconciliation difference resulting from this element is \$142,916,250.

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

Another element of this reconciliation states, "Interest payable on long-term debt is not due and payable in the current period and therefore is not reported in the funds." The total reconciliation difference resulting from this element is \$(545,806).

Another element of this reconciliation states, "Deferred outflows of resources represent the consumption of the Borough's net position that is applicable to future reporting periods." The total reconciliation difference resulting from this element is \$1,825,272.

3. Stewardship, Compliance, and Accountability

Budgetary Information

The Borough follows these procedures in establishing the budgetary data reflected in the financial statements. The Borough's budgetary basis of accounting is the same as required under accounting principles generally accepted in the United States of America.

- a. No later than sixty days before the end of the fiscal period the Mayor submits a budget for the following fiscal year to the Borough Assembly.
- b. After appropriate notice has been given, a public meeting is conducted before June 15 by the Borough Assembly to obtain taxpayer comments.
- c. The Borough Assembly must adopt a budget and capital improvements program by ordinance no later than June 30.
- d. Amendments to the adopted budget can occur at any time during the fiscal year by ordinance passed by the Borough Assembly.
- e. The budget is a complete financial plan for all operations of the Borough showing all reserves, estimated revenues from all sources, and proposed expenditures for all purposes. Budgets are adopted each fiscal year for the General Fund, Debt Service Fund, and Special Revenue Funds on a basis consistent with accounting principles generally accepted in the United States for governmental funds. Capital project funds adopt project-length budgets.
- f. Expenditures at the department level cannot legally exceed appropriations. Budgetary appropriations lapse on June 30 of each year.

4. Cash and Investments

Deposits and Investments

The Borough's deposits (including certificates of deposit) during the year and at year-end were covered by federal depository insurance or collateral (U.S. government securities) held by the Borough's agent in the Borough's name.

The Borough utilizes a central treasury that is available for use by all funds. Each fund's portion of the central treasury is displayed on the balance sheet as "cash and investments" or in the case of negative equity in the central treasury, is included in "due to other funds."

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

Reconciliation of Deposit and Investment Balances

The following is a reconciliation of the Borough's deposit and investment balances to the financial statements as of June 30, 2014.

June 30, 2014

Bank deposits and money market funds	\$ 12,108,536
Scholarship account	24,290
Investments	7,924,732
	<hr/>
	\$ 20,057,558

Government-wide
Statement of Net
Position

Cash and investments	\$ 20,057,558
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General Investments

Investment Policy

According to Section 6 of the Borough Code, the Borough moneys shall be invested only in the following instruments:

1. Obligations of, or obligations insured or guaranteed by the United States and United States Agency obligations;
2. Certificates of deposit and other deposits at banks and savings and loan associations collateralized as provided in NABC 6.20.040;
3. Federally insured deposits at banks and savings and loan associations;
4. Bonds and notes which are issued by any state or political subdivision thereof, or pursuant to the Tribal Tax Status Act 26 USC Section 7871 and which are rated A or higher by a nationally recognized rating service;
5. TIPS - Treasury Inflation-Protection Security issued by the U.S. Treasury;
6. Banker's acceptances drawn on and accepted by: (a) bank, all of whose debt issues are rated at least AA or its equivalent by a nationally recognized rating service; or (b) if the bank is a subsidiary of one bank holding company, all of whose commercially held paper has the highest rating given by a nationally recognized rating service or whose debt issues meet the requirements in subsection (A)(6) of this section;
7. Money market mutual funds whose portfolios consist entirely of instruments, maturity date not applicable, which are U.S. government, or U.S. government guaranteed obligations, which have a constant net asset value. It is understood that the money market funds will not use leverage or use derivatives;

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

8. Repurchase agreements, the securities underlying the agreement being any of the items listed in subsections (A)(1) and (A)(6) of this section which meet a margin requirement of 102 percent;
9. Corporate bonds which are rated BBB or higher, by a nationally recognized rating service. Limitations include a 10 year maximum maturity on any bond series and not more than five percent of assets invested in a single company. If after purchase, these obligations are downgraded below investment grade, the obligations shall be sold in an orderly manner within 90 days of downgrading;
10. Mortgage-backed securities (MBS), asset backed securities (ABS), and commercial mortgage backed securities (CMBS) rated A or higher by a nationally recognized rating organization;
11. Domestic equities, which taken as a whole, attempt to mirror the characteristics or replicate the Standard & Poor's 500 Index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETFs);
12. Domestic equities, which taken as a whole, attempt to mirror the characteristics or replicate the Standard & Poor's 400 Mid Cap Index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETFs);
13. Domestic equities, which taken as a whole, attempt to mirror the characteristics or replicate the Standard & Poor's 600 Small Cap Index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETFs);
14. International equities, which taken as a whole, attempt to mirror the characteristics or replicate the Financial Times Stock Exchange Developed ex North America Index or another index of similar characteristics including both mutual funds and exchange traded funds (ETFs);
15. Emerging market equities, which taken as a whole, attempt to mirror the characteristics or replicate the Financial Times Stock Exchange Emerging Index or another index of similar characteristics including both mutual funds and exchange traded funds (ETFs);
16. Equities, which taken as a whole, attempt to mirror the characteristics or replicate the universe of domestic real estate investment trusts as represented by the Standard & Poor's REIT composite index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETFs);
17. Bond funds, which taken as a whole, attempt to mirror the characteristics or replicate the U.S. Treasury Inflation Protected Securities universe or portion thereof, including both mutual funds and exchange traded funds (ETFs);
18. Bond funds, which taken as a whole, attempt to replicate the Barclays Capital Global Treasury ex-US Capped Bond Index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETFs);
19. Bond funds, which taken as a whole, attempt to replicate the Barclays Capital Global Treasury ex-US Capped Bond Index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETFs).

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Investment maturities in general investments are limited as follows:

<i>Investment Type</i>	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1-5
Corporate bonds	\$ 1,646,654	\$ -	\$ 1,646,654
Mutual funds	1,432,125		
U.S. Treasuries	577,213		
Domestic and foreign equities	4,268,740		
Total Investments	\$ 7,924,732		

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Borough's investments in corporate and municipal bonds of \$1,646,654 are credit rated as follows:

<i>Investment Type</i>	Fair Value	Standard and Poor's Rating	Moody's Rating	Fitch Rating
Corporate bonds	\$ 203,794	A	A3	-
	220,224	AA	Aa2	-
	207,952	A-	-	-
	226,206	BBB+	A2	-
	51,259	A2	BBB+	-
	200,056	A+	A1	-
	110,971	-	-	BBB+
	226,330	A3	A-	-
	199,862	Aa3	AA-	-
Total Corporate Bonds	\$ 1,646,654			

5. Teck Alaska Revenue

The Borough entered into an agreement with Teck Alaska Incorporated (Teck Alaska), which provides the Borough monies to institute programs for assisting villages within the Borough boundaries and to provide public services that may directly or indirectly support Teck Alaska's Red Dog Mine Project (Project).

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

Amounts receivable by the Borough under this agreement are due in increasing quarterly installments over fifteen years, and began in the first quarter of 1999. In addition to the base payments, the Borough may be entitled to additional zinc price escalator payments of fifty thousand dollars (\$50,000) annually for each cent (\$.01) per pound the twelve month average London Metal Exchange (LME) settlement price for zinc exceeds an adjustable 1996 base price of sixty cents (\$.60) per pound.

If Teck Alaska abandons or suspends the development, production, or operation activities of the Project, the agreement with the Borough remains in full force and all required payments are due according to the schedule for a period of twelve months. After this period, Teck Alaska can terminate the agreement without further penalty.

On September 29, 2000, the Borough and Teck Alaska amended this agreement. Teck Alaska agreed to pay the Borough a \$750,000 signing bonus on October 16, 2000 and an additional \$300,000 per quarter to be made on and after August 23, 2002, which is contingent upon the VIP Mill Optimization Project having been completed and operational by that date, producing zinc concentrate at a rate equal to at least 60% of current VIP design criteria. This condition was met on August 23, 2002.

On September 23, 2003, the Teck Alaska agreement was amended to increase the payments to the Borough by \$528,000 a year.

On June 28, 2011, the Borough and Teck Alaska amended this agreement. Teck Alaska agreed to pay the Borough \$8,000,000 less payments made in 2011 through June 30, 2011. On June 1 of each succeeding Borough fiscal year through June 1, 2015, Teck Alaska shall make annual payments in the amount of \$8,400,000 on June 1, 2013; \$8,600,000 on June 1, 2014; \$8,800,000 on June 1, 2015. In addition to the payments stated above, Teck Alaska shall pay the Borough a zinc price escalator payment based on the price of zinc per the London Metal Exchange (LME). This agreement expires on December 31, 2015.

The Borough recognized \$8,800,380 including a zinc price escalator payment from Teck Alaska in fiscal year 2014. During fiscal year 2015, the Borough is scheduled to receive \$8,800,000. The Borough is negotiating with Teck Alaska to renew or extend this agreement.

6. Payments in Lieu of Taxes

The United States Congress passed legislation, which entitles the Borough to receive payments in lieu of taxes on federal lands within the Borough's boundaries. During the year ended June 30, 2014, the Borough recognized \$1,062,047 as revenue for payment in lieu of taxes from the federal government.

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

7. Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
<i>Capital assets not being depreciated - land</i>	\$ 873,853	\$ -	\$ -	\$ 873,853
<i>Capital assets being depreciated:</i>				
Buildings	267,181,038	6,043,131	-	273,224,169
Furniture, equipment, and vehicles	305,611	297,264	-	602,875
Total capital assets being depreciated	267,486,649	6,340,395	-	273,827,044
Less accumulated depreciation:				
Buildings	125,022,298	6,524,071	-	131,546,369
Furniture, equipment, and vehicles	165,374	72,904	-	238,278
Total accumulated depreciation	125,187,672	6,596,975	-	131,784,647
Total capital assets being depreciated, net	142,298,977	(256,580)	-	142,042,397
Borough Capital Assets, net	\$ 143,172,830	\$ (256,580)	\$ -	\$ 142,916,250

Depreciation expense was charged to functions/programs of the Borough as follows for the year ended June 30, 2014:

General government	\$	106,399
Public services		43,604
Education		6,446,972
Total Depreciation Expense	\$	6,596,975

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

Net investment in capital assets at June 30, 2014 is comprised of:

Capital assets, net	\$ 142,916,250
Bonds payable	(44,485,000)
Unamortized bond premiums	(3,094,500)
Unamortized deferred loss	1,825,272
	\$ 97,162,022

8. Interfund Receivables, Payables, and Transfers

Interfund receivables and payables represent interfund borrowings from various funds to finance expenditures in programs funded with cost reimbursable grant programs.

Individual fund interfund receivable and payable balances at June 30, 2014 are as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 1,796,364	\$ -
Wind Farm Construction Capital Project Fund	-	618,905
Aggregate nonmajor funds	-	1,177,459
Totals	\$ 1,796,364	\$ 1,796,364

Transfers from the General Fund to the Debt Service Fund are necessary to pay the debt service on school construction bonds that is not funded by the State of Alaska debt reimbursement program and federal interest subsidy.

Transfers between funds of the Borough for the year ended June 30, 2014 follow:

	Transfers from Other Funds	Transfers to Other Funds
General Fund	\$ -	\$ 2,196,208
Debt Service Fund	2,020,626	-
Shell Exploration Collaborative Research Special Revenue Fund	-	92,786
Aggregate nonmajor funds	268,368	-
Totals	\$ 2,288,994	\$ 2,288,994

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

Payments from the Borough to the School District for the year ended June 30, 2014 are as follows:

	To Component Unit	From Primary Government
General Fund - operating Component unit	\$ 4,142,165 -	- 4,142,165
Totals	\$ 4,142,165	\$ 4,142,165

During the year ended June 30, 2014, the Borough received \$619,933 of school improvements from the Northwest Arctic Borough School District. This is included in capital contributions in the education function on the government-wide Statement of Activities.

9. Long-Term Debt

Long-term debt activity for the year ended June 30, 2014, follows:

	Balance at July 1, 2013	Additions	Retired	Balance at June 30, 2014	Due Within One Year
General obligation bonds	\$ 48,510,000	\$ -	\$ 4,025,000	\$ 44,485,000	\$ 4,220,000
Accrued leave (net)	107,860	10,056	-	117,916	117,916
Total Long-Term Debt	\$ 48,617,860	\$ 10,056	\$ 4,025,000	44,602,916	\$ 4,337,916
Plus unamortized bond premiums				3,094,502	
				\$ 47,697,418	

Other long-term liabilities such as accrued leave are generally liquidated by the General Fund.

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

<i>Fiscal Year:</i>	General Obligation Bonds		
	Principal	Interest	Total
2015	\$ 4,220,000	\$ 2,027,316	\$ 6,247,316
2016	4,400,000	1,841,653	6,241,653
2017	4,670,000	1,612,415	6,282,415
2018	4,890,000	1,380,344	6,270,344
2019	5,135,000	1,138,947	6,273,947
2020-2024	18,985,000	2,489,504	21,474,504
2025-2029	1,955,000	314,057	2,269,057
2030	230,000	14,584	244,584
	\$ 44,485,000	\$ 10,818,820	\$ 55,303,820

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

Subsequent to year end the Borough has begun the process of advance refunding a portion of its outstanding general obligation school bonds. The preliminary offering statement indicates the issuance of \$3,560,000 in bonds to defease \$3,495,000. This transaction is expected to result in approximately \$350,000 of cash flow savings.

10. Fund Balances

Fund balances, as reported for the major funds and the nonmajor funds in the aggregate on the governmental funds balance sheet, are subject to the following constraints at June 30, 2014:

	General Fund	Debt Service	Kobuk School Capital Project	Nonmajor Funds	Totals
Nonspendable -					
Inventory and prepaids	\$ -	\$ 500	\$ -	\$ 85,614	\$ 86,114
Restricted -					
school construction	-	-	49,718	-	49,718
Committed:					
Economic development	-	-	-	455	455
Education	-	-	-	24,290	24,290
Total committed	-	-	-	24,745	24,745
Assigned:					
Construction	-	-	-	151,845	151,845
Public services	-	-	-	389,691	389,691
Planning	-	-	-	87,802	87,802
Economic development	-	-	-	285,092	285,092
Education	-	158,412	-	4,218	162,630
Subsequent year's expenditures	1,381,605	-	-	-	1,381,605
Total assigned	1,381,605	158,412	-	918,648	2,458,665
Unassigned (deficit)	16,945,700	-	-	(47,575)	16,898,125
Total Fund Balances	\$ 18,327,305	\$ 158,912	\$ 49,718	\$ 981,432	\$ 19,517,367

Northwest Arctic Borough Code also establishes two internal designations within the unassigned fund balance of the General Fund.

Code Section 6.12.225 establishes a working capital reserve account in the amount of 20% of the annual General Fund appropriation. Withdrawals from this account shall be made only when there are no other general funds available to fund General Fund obligations.

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

Code Section 6.12.230 establishes a financial contingency reserve account. Deposits to the fund are based on revenues derived under Code Section 6.08.020 that exceed \$7.8 million annually. These revenues are primarily comprised of agreements with corporations making capital investments within the Borough boundaries. Funds in the contingency fund may be appropriated only by a two-thirds majority vote of the Assembly. Historically, this appropriation has been used to fund bonded debt service.

At June 30, 2014, the reserve funds were as follows:

Total General Fund unassigned fund balance	\$ 16,945,700
Working capital reserve	2,994,616
Financial contingency	6,598,984
Total reserve funds	9,593,600
Remaining Balance Of Unassigned Fund Balance In The General Fund	\$ 7,352,100

11. Risk Management

The Borough is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Borough carries commercial insurance. The Borough's insurance is on a claims occurred basis, except for public officials' coverage that is on a claim made basis. Coverages are as follows:

<i>Type of Coverage</i>	<i>Limit of Coverage</i>	<i>Deductible</i>
General liability	\$10,250,000	
Workers' compensation	Statutory benefits	
Employers' liability	\$2,500,000 per occurrence	
Comp and Collision	Actual cash value	\$ 500
All risk property	Replacement cost/\$250m per occurrence	\$ 10,000
Nonowned/hired autos	\$30,000	\$ 500
Earthquake/flood	\$5 million \$250 million per occurrence/ aggregate	5/10% \$100,000 min/ \$100,000 aggregate

Claims on insurance have not exceeded coverages in any of the last three years. The Borough did not reduce any of its insurance coverage during the year ended June 30, 2014. The Borough also participates in the School District's self-funded health and medical benefit program.

The School District maintains a health and medical benefit program which covers all full time employees of the School District and Borough. The School District and Borough have retained a major portion of the risk for this plan and, accordingly, are liable for any employee health claims that are approved for payment. Stop-loss coverage limits were \$75,000 for individual claims with no maximum for aggregate claims. Health and medical benefits costs were \$8,005,912 and \$8,190,269 for the years ended June 30, 2014 and 2013, respectively, and consisted of paid claims, stop-loss premiums, and administrative fees.

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

The following is a reconciliation of the accrued health and life benefits liability:

<i>June 30,</i>	2014	2013
Beginning Liability	\$ 1,999,882	\$ 1,809,242
Annual cost	8,005,912	8,190,269
Claims paid	(8,004,635)	(7,999,629)
Ending Liability	\$ 2,001,159	\$ 1,999,882

12. Defined Benefit Pension Plan

The Borough participates in the Public Employees' Retirement System (PERS). PERS is a cost-sharing multiple employer plan which covers eligible State and local government employees, other than teachers. The Plan was established and is administered by the State of Alaska Department of Administration to provide pension, postemployment healthcare, death, and disability benefits. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

The Plan is included in a comprehensive annual financial report that includes financial statements and other required supplemental information. The report is available at the following address:

Department of Administration
Division of Retirement and Benefits
P.O. Box 110203
Juneau, Alaska 99811-0203

Conversion to Cost Sharing

In April 2008, the Alaska Legislature passed legislation which converted the existing Public Employees Retirement System (PERS) from an agent-multiple employer plan to a cost-sharing plan with an effective date of July 1, 2008. Under the cost-sharing arrangement, the State of Alaska Division of Retirement and Benefits no longer tracks individual employer assets and liabilities. Rather, all plan costs and past service liabilities are shared among all participating employers.

That same year, the State of Alaska passed additional legislation which statutorily capped the employer contribution, established a state funded "on-behalf" contribution, and required that employer contributions be calculated against all PERS eligible wages, including wages attributable to the defined contribution plan described later in these footnotes.

Employee Contribution Rates

Regular employees are required to contribute 6.75% of their annual covered salary (2.97% for pension and 3.78% for healthcare). Police and firefighters are required to contribute 7.5% of their annual covered salary (3.29% for pension and 4.21% for healthcare).

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

Employer and Other Contribution Rates

There are three contribution rates associated with the pension and healthcare contributions and related liabilities:

Contractual Rate: This is the required funding rate for participating employers. The contractual rate is statutorily capped at 22% of eligible wages, subject to a wage floor, and other termination events. This 22% rate includes all PERS participating wages, including those wages attributable to employees in the defined contribution plan.

ARM Board Adopted Rate: This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined to calculate annual funding requirements of the Plan, without regard to the statutory rate cap. There are no constraints or restrictions on the actuarial cost method or other assumptions used in this valuation, other than those established and agreed to by the ARM Board.

Current legislation provides that the State of Alaska will contribute the difference between the ARM Board adopted rate and the contractual (statutory) rate. These additional contributions are recognized by each employer as an on-behalf payment and are reflected as revenue and expense/expenditures within the financial statements.

GASB 43 Rate: This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes in accordance with generally accepted accounting principles as established by GASB. Certain actuarial methods and assumptions for this rate calculation are mandated by GASB. For FY14, the rate uses an 8.00% pension discount rate and a 5.41% healthcare discount rate. Additionally, the GASB 43 rate disregards all future Medicare Part D payments.

The GASB 43 rate differs significantly from the ARM Board adopted rate as a direct result of differences in the actuarial valuation methodology and assumptions.

Contribution rates for the year ended June 30, 2014 were determined as part of the June 30, 2011 actuarial valuation and are as follows:

	Contractual Rate	ARM Board Adopted Rate	GASB 43 Rate
Pension	10.64%	18.38%	27.94%
Postemployment healthcare	11.36%	17.30%	52.55%
Total contribution rate	22.00%	35.68%	80.49%

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

Annual Pension and Postemployment Healthcare Cost

The Borough is required to contribute 22% of covered payroll, subject to a wage floor. In addition, the State of Alaska contributed approximately 13.68% of covered payroll to the Plan. In accordance with the provisions of GASB Statement Number 24, this contribution is considered an on-behalf payment and is recorded as revenue and expense/expenditures in these financial statements. However, because the Borough is not statutorily obligated for these payments, the State's contributions, in the amounts of \$350,719, \$317,348, and \$261,886 for 2014, 2013, and 2012, respectively, have been excluded from pension and OPEB cost as shown below.

<i>Year Ended June 30,</i>	Annual Pension Cost	Annual OPEB Total Benefit Cost (TBC)	Borough Contri- butions	% of TBC Contributed
2014	\$ 200,247	\$ 213,828	\$ 414,075	100%
2013	163,639	208,692	372,331	100%
2012	184,166	202,737	386,903	100%

13. Defined Contribution Pension Plan

Employees hired after July 1, 2006 participate in PERS Tier IV, a defined contribution plan. The Plan is administered by the State of Alaska, Department of Administration. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the Plan are individual pension accounts, retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan.

Employee Contribution Rates

Employees are required to contribute 8.0% of their annual covered salary. This amount goes directly to the individual's account.

Employer Contribution Rates

For the year ended June 30, 2014, the Borough was required to contribute the following amounts based on covered salary:

	Other Tier IV	Police/Fire Tier IV
Individual account	5.00%	5.00%
Retiree medical plan	0.48%	0.48%
Occupational death and disability benefits	0.20%	1.14%
	5.68%	6.62%

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

In addition, the employer must contribute to the Health Reimbursement Arrangement. AS 39.30.370 establishes this contribution amount as "three percent of the average annual employee compensation of *all employees of all employers* in the plan". As of July 1, 2013, for actual remittance, this amount is calculated as a flat rate for each full time or part-time employee per pay period and approximates \$1,897 per year for each full-time employee, and \$1.22 per hour for part-time employees.

Finally, the total employer contribution must equal 22% of covered payroll. After subtracting the defined contribution (DC) rates and the HRA contribution, any residual amount of the 22% will be deposited into the defined benefit (DB) plan. Known as the DBUL payment, this amount is intended to mitigate against the declining payroll base that resulted from the creation of the DC plan.

Employees are immediately vested in their own contributions and vest 25% per year in employer contributions. The Borough and employee contributions to PERS including the HRA contribution for the year ended June 30, 2014 were \$115,533 and \$110,213, respectively.

14. Deferred Compensation Plan

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. In accordance with the Internal Revenue Code, all assets and income of the Plan are held in trust for the exclusive benefit of participants and their beneficiaries.

15. Contingent Liabilities and Commitments

Grants

Amounts received or receivable from grantors are subject to audit and adjustment by the grantor agencies. Any disallowed claims, including amounts already collected, would become a liability of the General Fund or other applicable fund. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Borough expects such amounts, if any, to be immaterial.

The Borough, in the normal course of its activities, is involved in various claims and litigation. In the opinion of management and the Borough's legal counsel, the disposition of these matters is not expected to have a material adverse effect on the Borough's financial statements.

16. New Accounting Pronouncements

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, but believes that GASB Statement 68 will result in the biggest reporting change. Actual impacts have not yet been determined:

GASB 68 - Accounting and Financial Reporting for Pensions - Effective for year-end June 30, 2015 - This statement changes the reporting and disclosure requirements for governments that participate in pension plans. This statement modifies the participating employer side reporting in connection with the Plan reporting at GASB 67.

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

GASB 69 - Government Combinations and Disposals of Government Operations - Effective for year-end June 30, 2015 - This statement contains certain disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and effects of these transactions.

GASB 71 - Pension Transition for Contributions Made Subsequent to the Measurement Date - Effective for year-end June 30, 2015 - This statement is a companion to GASB Statement 68 and clarifies treatment of contributions made by a contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

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Required Supplementary Information

Northwest Arctic Borough, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget		Actual	Variance
	Original	Final		
Revenues				
Local sources:				
Teck Alaska	\$ 8,600,000	\$ 8,800,380	\$ 8,800,380	\$ -
Borough usage fee	2,126,016	2,126,016	2,126,016	-
Permit fees	30,000	30,000	14,425	(15,575)
Investment income	360,000	360,000	756,786	396,786
Miscellaneous	110,813	233,203	161,710	(71,493)
Total local sources	11,226,829	11,549,599	11,859,317	309,718
State sources:				
Revenue sharing	428,298	448,731	449,794	1,063
PERS relief	-	59,675	196,574	136,899
Other	10,000	10,000	14,569	4,569
Total state sources	438,298	518,406	660,937	142,531
Federal sources - payment in lieu of taxes	992,429	1,062,047	1,062,047	-
Total Revenues	12,657,556	13,130,052	13,582,301	452,249
Expenditures				
General government:				
Assembly:				
Salaries	144,062	144,062	104,369	39,693
FICA	13,121	13,121	10,460	2,661
Unemployment insurance	2,827	2,827	3,372	(545)
PERS	31,694	36,147	37,367	(1,220)
Workers' compensation	1,095	1,095	793	302
Medical benefits	306,228	317,393	331,428	(14,035)
Legal and consultants	45,000	45,000	29,484	15,516
Lobbyists	50,000	50,000	50,000	-
Revenue sharing program	335,000	402,000	397,283	4,717
Telephone and postage	6,000	6,000	6,338	(338)
Elections	31,011	31,011	32,047	(1,036)

Northwest Arctic Borough, Alaska

General Fund

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual, continued

Year Ended June 30, 2014	Budget		Actual	Variance
	Original	Final		
Expenditures, continued				
General government, continued:				
Assembly, continued:				
Transportation	\$ 94,631	\$ 101,831	\$ 60,834	\$ 40,997
Per diem	123,546	133,050	93,895	39,155
Meeting fees	144,200	144,200	116,250	27,950
Dues and subscriptions	10,000	10,000	7,595	2,405
Printing and publications	10,000	10,000	2,565	7,435
Business costs	5,000	5,000	6,716	(1,716)
Donations	190,000	193,500	180,000	13,500
ICC membership	20,000	20,000	20,000	-
Assembly retreat	10,000	10,000	1,927	8,073
Healthy communities/wellness	5,000	5,000	-	5,000
Regional elders support	10,500	10,500	10,500	-
Equipment	9,500	9,500	4,826	4,674
Total assembly	1,598,415	1,701,237	1,508,049	193,188
Mayor:				
Salaries	360,315	360,315	277,094	83,221
FICA	4,946	4,946	4,032	914
Unemployment insurance	4,240	4,240	5,310	(1,070)
PERS	79,269	90,406	100,575	(10,169)
Workers' compensation	2,738	2,738	2,104	634
Medical benefits	70,668	73,713	65,617	8,096
Consultants	236,000	202,500	81,561	120,939
Legal services	175,000	200,000	233,488	(33,488)
Telephone and postage	12,500	12,500	5,325	7,175
Transportation	57,950	57,950	48,756	9,194
Per diem	54,421	54,421	56,985	(2,564)
Dues and subscriptions	5,500	5,500	6,246	(746)
Printing and publications	5,000	5,000	5,478	(478)
Miscellaneous	10,000	10,000	8,729	1,271
Charitable donations	75,000	75,000	77,242	(2,242)
Training	21,900	21,900	7,792	14,108
NW Leadership Team	22,000	28,000	14,113	13,887
Emergency disaster relief	60,000	60,000	1,500	58,500
Cultural camps	50,000	50,000	27,000	23,000
Total mayor	1,307,447	1,319,129	1,028,947	290,182

Northwest Arctic Borough, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual, continued

<i>Year Ended June 30, 2014</i>	Budget		Actual	Variance
	Original	Final		
Expenditures, continued				
General government, continued:				
Administration and finance:				
Salaries	\$ 225,453	\$ 225,453	\$ 197,890	\$ 27,563
FICA	4,131	4,131	3,693	438
Unemployment insurance	3,402	3,402	4,284	(882)
PERS	46,300	53,269	69,188	(15,919)
Workers' compensation	1,713	1,713	1,504	209
Medical benefits	47,112	49,142	45,687	3,455
Consultants	-	25,000	16,104	8,896
Accounting and auditing	140,300	155,300	175,091	(19,791)
Office supplies	25,000	25,000	26,604	(1,604)
Telephone and postage	20,000	20,000	17,946	2,054
Insurance	115,000	90,000	90,064	(64)
Transportation	14,600	14,600	8,247	6,353
Per diem	8,760	8,760	4,424	4,336
Office building utilities	60,100	60,100	49,106	10,994
Gas and oil	10,000	10,000	6,897	3,103
Equipment repairs and maintenance	15,000	15,000	3,981	11,019
Dues and subscriptions	2,500	2,500	1,119	1,381
Printing and publications	16,000	16,000	16,643	(643)
Computer support and internet	72,000	72,000	76,388	(4,388)
Software upgrades	6,000	6,000	5,854	146
Computer training	10,000	10,000	2,286	7,714
Noatak airport lease	7,292	7,292	6,039	1,253
Equipment	10,000	65,000	67,595	(2,595)
Total administration and finance	860,663	939,662	896,634	43,028
Total general government	3,766,525	3,960,028	3,433,630	526,398

Northwest Arctic Borough, Alaska

General Fund

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual, continued

Year Ended June 30, 2014	Budget		Actual	Variance
	Original	Final		
Expenditures, continued				
Planning:				
Planning and community:				
Salaries	\$ 278,700	\$ 278,700	\$ 241,075	\$ 37,625
FICA	4,024	4,024	3,496	528
Unemployment insurance	4,240	4,240	6,423	(2,183)
PERS	61,314	69,929	88,172	(18,243)
Workers' compensation	2,118	2,118	1,832	286
Medical benefits	70,668	73,713	73,711	2
Consultants	378,000	378,000	374,559	3,441
Title Nine monitoring	105,000	95,000	95,000	-
Supplies	1,800	1,800	1,766	34
Telephone and postage	3,500	3,500	3,640	(140)
Transportation	37,650	37,650	17,645	20,005
Per diem	71,722	71,722	15,127	56,595
Village rent	13,800	13,800	10,200	3,600
Printing and publications	1,500	1,500	37	1,463
Training	17,000	2,000	1,300	700
Planning grants	50,000	45,000	30,000	15,000
Equipment	12,500	12,500	9,368	3,132
Total planning and community	1,113,536	1,095,196	973,351	121,845
Planning commission:				
FICA	689	689	237	452
Supplies	400	400	162	238
Transportation	24,250	24,250	7,095	17,155
Per diem	32,768	32,768	11,080	21,688
Meeting fees	9,000	9,000	3,100	5,900
Total planning commission	67,107	67,107	21,674	45,433
Total planning	1,180,643	1,162,303	995,025	167,278
Economic development:				
Administration:				
Salaries	272,140	318,199	157,678	160,521
FICA	3,946	4,614	3,362	1,252
Unemployment insurance	4,240	5,653	5,582	71

Northwest Arctic Borough, Alaska

General Fund

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual, continued

Year Ended June 30, 2014	Budget		Actual	Variance
	Original	Final		
Expenditures, continued				
Economic development, continued:				
Administration, continued:				
PERS	\$ 59,891	\$ 80,646	\$ 78,013	\$ 2,633
Workers' compensation	2,068	2,418	1,753	665
Medical benefits	70,668	73,713	73,770	(57)
Consultants	15,000	22,000	27,780	(5,780)
Supplies	4,800	4,800	1,791	3,009
Telephone and postage	3,780	8,780	9,933	(1,153)
Transportation	18,000	18,000	17,798	202
Per diem	10,400	13,400	13,878	(478)
Dues and subscriptions	500	500	999	(499)
Printing and publications	500	500	-	500
Training	4,000	2,000	449	1,551
Small business grants	25,500	35,500	23,332	12,168
Equipment	5,000	1,500	1,500	-
Total administration	500,433	592,223	417,618	174,605
Economic development commission:				
FICA	723	723	31	692
Consultants	-	1,500	-	1,500
Supplies	1,500	13,625	2,475	11,150
Transportation	13,625	10,656	2,258	8,398
Per diem	10,656	8,550	1,100	7,450
Meeting fees	8,550	-	-	-
Total economic development commission	35,054	35,054	5,864	29,190
Total economic development	535,487	627,277	423,482	203,795
Education:				
Payments to School District	4,342,021	4,142,165	4,142,165	-
Scholarships	200,000	200,000	189,123	10,877
Payment to UAF	100,000	100,000	100,000	-
Total education	4,642,021	4,442,165	4,431,288	10,877

Northwest Arctic Borough, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual, continued

<i>Year Ended June 30, 2014</i>	Budget		Actual	Variance
	Original	Final		
Expenditures, continued				
Public services:				
Public safety commission:				
FICA	\$ 432	\$ 432	\$ 92	\$ 340
Transportation	14,000	14,000	2,554	11,446
Per diem	17,600	17,600	4,853	12,747
Meeting fees	5,500	5,500	1,200	4,300
Community safety	25,000	25,000	2,516	22,484
Public safety support	2,500	2,500	-	2,500
VPO pass-thru	150,000	200,000	175,000	25,000
Equipment	25,000	10,000	-	10,000
Total public safety commission	240,032	275,032	186,215	88,817
Public services department:				
Salaries	578,426	475,572	343,702	131,870
FICA	8,370	8,370	6,014	2,356
Unemployment insurance	10,382	10,382	10,037	345
PERS	127,254	120,133	120,727	(594)
Workers' compensation	4,396	4,396	3,845	551
Medical benefits	164,892	144,892	121,200	23,692
Consultants	20,000	15,000	5,118	9,882
Supplies	15,000	15,000	8,917	6,083
Telephone	17,500	17,500	11,649	5,851
Transportation	72,000	32,000	24,390	7,610
Per diem	46,074	38,074	31,173	6,901
LEPC meetings	20,000	20,000	20,791	(791)
Village office rent	13,200	13,200	7,248	5,952
Dues and Subscriptions	10,100	10,100	-	10,100
Printing and publications	6,000	6,000	-	6,000
Miscellaneous	10,000	10,000	6,055	3,945
Search and Rescue stipends	66,000	66,000	37,956	28,044
Battalion chief performance grants	60,000	60,000	45,226	14,774
Battalion chief meetings	10,000	10,000	4,498	5,502
Winter trails	147,990	147,990	82,466	65,524

Northwest Arctic Borough, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual, continued

<i>Year Ended June 30, 2014</i>	Budget		Actual	Variance
	Original	Final		
Expenditures, continued				
Public services, continued:				
Public services department, continued:				
Search and Rescue meetings	\$ 20,000	\$ 20,000	\$ 4,674	\$ 15,326
Fire fighting safety	30,000	30,000	10,560	19,440
Equipment	35,000	35,000	39,789	(4,789)
<hr/>				
Total public services department	1,492,584	1,309,609	946,035	363,574
<hr/>				
Total public services	1,732,616	1,584,641	1,132,250	452,391
<hr/>				
Total Expenditures	11,857,292	11,776,414	10,415,675	1,360,739
<hr/>				
Excess of revenues over expenditures	800,264	1,353,638	3,166,626	1,812,988
Other Financing Uses				
Transfers to other funds	(2,214,910)	(2,196,287)	(2,196,208)	79
Financial contingency reserve	(800,000)	(1,000,380)	-	1,000,380
<hr/>				
Total Other Financing Uses	(3,014,910)	(3,196,667)	(2,196,208)	1,000,459
<hr/>				
Net change in fund balance	<u>\$ (2,214,646)</u>	<u>\$ (1,843,029)</u>	970,418	<u>\$ 2,813,447</u>
Fund Balance, beginning of year			<u>17,356,887</u>	
Fund Balance, end of year			<u>\$ 18,327,305</u>	

Northwest Arctic Borough, Alaska

Shell Exploration Collaborative Research Project Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget		Actual	Variance
	Original	Final		
Revenues				
Local sources	\$ 1,152,945	\$ 1,152,945	\$ 158,751	\$ (994,194)
State of Alaska - PERS relief	-	-	7,005	7,005
Total Revenues	1,152,945	1,152,945	165,756	(987,189)
Expenditures				
Planning:				
Salaries and benefits	213,406	213,406	26,145	187,261
Contractual	20,000	20,000	-	20,000
Supplies	15,000	15,000	1,992	13,008
Telephone	1,500	1,500	126	1,374
Travel and per diem	199,170	199,170	24,000	175,170
Meeting fees	12,000	12,000	-	12,000
Equipment	30,000	30,000	-	30,000
Other	161,869	161,869	20,707	141,162
Total Expenditures	652,945	652,945	72,970	579,975
Excess of revenues over expenditures	500,000	500,000	92,786	(407,214)
Other Financing Uses				
Transfer out	(500,000)	(500,000)	(92,786)	407,214
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund Balance, beginning of year			-	
Fund Balance, end of year			\$ -	

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Supplementary Information

Northwest Arctic Borough, Alaska

Nonmajor Governmental Funds
Combining Balance Sheet

<i>June 30, 2014</i>	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Assets			
Cash and investments	\$ 764,459	\$ 170,155	\$ 934,614
Federal and state grants receivable	1,266,372	-	1,266,372
Revolving art inventory	85,614	-	85,614
Lease deposit	860	-	860
Total Assets	\$ 2,117,305	\$ 170,155	\$ 2,287,460
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 61,210	\$ 18,310	\$ 79,520
Due to other funds	1,134,363	43,096	1,177,459
Unearned revenue	49,049	-	49,049
Total Liabilities	1,244,622	61,406	1,306,028
Fund Balances			
Nonspendable - inventory	85,614	-	85,614
Committed:			
Economic development	455	-	455
Education	24,290	-	24,290
Assigned:			
Construction	-	151,845	151,845
Public services	397,944	-	397,944
Planning	87,802	-	87,802
Economic development	276,839	-	276,839
Education	4,218	-	4,218
Unassigned (deficits)	(4,479)	(43,096)	(47,575)
Total Fund Balances	872,683	108,749	981,432
Total Liabilities and Fund Balances	\$ 2,117,305	\$ 170,155	\$ 2,287,460

Northwest Arctic Borough, Alaska

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

<i>Year Ended June 30, 2014</i>	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues			
Local sources	\$ 667,810	\$ -	\$ 667,810
Intergovernmental:			
Direct federal sources	1,313,718	-	1,313,718
State sources, including federal monies passed through State of Alaska	4,029,761	-	4,029,761
Other federal pass through	180,816	-	180,816
Total Revenues	6,192,105	-	6,192,105
Expenditures			
Current:			
Planning	468,661	-	468,661
Economic development	530,021	-	530,021
Education	40,855	-	40,855
Public services	5,314,077	-	5,314,077
Capital outlay:			
Payments to School District	-	40,794	40,794
Design and construction	-	2,259	2,259
Total Expenditures	6,353,614	43,053	6,396,667
Deficiency of revenues over expenditures	(161,509)	(43,053)	(204,562)
Other Financing Sources			
Transfers from other funds	243,368	25,000	268,368
Net change in fund balances	81,859	(18,053)	63,806
Fund Balances, beginning of year	790,824	126,802	917,626
Fund Balances, end of year	\$ 872,683	\$ 108,749	\$ 981,432

Northwest Arctic Borough, Alaska
Nonmajor Special Revenue Funds
Combining Balance Sheet

<i>June 30, 2014</i>	Mining Conference	Inupiaq Language Strategic Planning	Oak Foundation Grant	CIAP Solar Energy Grant	AEA Upper River Biomass Grant	CIAP Energy Conservation Grant	CIAP Improving Subsistence Information Grant	DNR Recreational Trails Grant	Conoco Mapping Initiative	Public Library Grant
Assets										
Cash and investments	\$ 4,163	\$ -	\$ 12,877	\$ -	\$ -	\$ -	\$ -	\$ 10,674	\$ 62,302	\$ 4,912
Federal and state grants receivable	-	2,404	-	9,736	11,753	3	27,534	-	-	-
Revolving art inventory	-	-	-	-	-	-	-	-	-	-
Lease deposit	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 4,163	\$ 2,404	\$ 12,877	\$ 9,736	\$ 11,753	\$ 3	\$ 27,534	\$ 10,674	\$ 62,302	\$ 4,912
Liabilities and Fund Balances										
Liabilities										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,631	\$ -	\$ -	\$ 50
Due to other funds	-	6,883	-	9,736	11,753	3	5,903	-	-	-
Unearned revenue	-	-	12,877	-	-	-	-	10,674	-	644
Total Liabilities	-	6,883	12,877	9,736	11,753	3	27,534	10,674	-	694
Fund Balances										
Nonspendable - inventory	-	-	-	-	-	-	-	-	-	-
Committed:										
Economic development	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Assigned:										
Public services	-	-	-	-	-	-	-	-	-	-
Planning	4,163	-	-	-	-	-	-	-	62,302	-
Economic development	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	4,218
Unassigned (deficit)	-	(4,479)	-	-	-	-	-	-	-	-
Total Fund Balances	4,163	(4,479)	-	-	-	-	-	-	62,302	4,218
Total Liabilities and Fund Balances	\$ 4,163	\$ 2,404	\$ 12,877	\$ 9,736	\$ 11,753	\$ 3	\$ 27,534	\$ 10,674	\$ 62,302	\$ 4,912

Northwest Arctic Borough, Alaska

Nonmajor Special Revenue Funds
Combining Balance Sheet, continued

<i>June 30, 2014</i>	Arctic Economic Development Conference	Kivalina Evacuation Road	EDA Grant	Alaska Regional Development Organization	Eocycle Wind Turbine Grant	Sulianich Arts Center	Teacher Housing	Revolving Loan Fund	Energy Summit	CIAP Admin Grant	CIAP North Tent City Grant	Economic Development Commission Grant
Assets												
Cash and investments	\$ 19,963	\$ 44,700	\$ 1,726	\$ -	\$ -	\$ 46,741	\$ -	\$ 210,856	\$ 957	\$ -	\$ -	\$ -
Federal and state grants receivable	-	-	-	46,968	4,846	-	-	-	-	44,447	8,437	54,152
Revolving art inventory	-	-	-	-	-	-	-	85,614	-	-	-	-
Lease deposit	-	-	-	-	-	-	860	-	-	-	-	-
Total Assets	\$ 19,963	\$ 44,700	\$ 1,726	\$ 46,968	\$ 4,846	\$ 46,741	\$ 860	\$ 296,470	\$ 957	\$ 44,447	\$ 8,437	\$ 54,152
Liabilities and Fund Balances												
Liabilities												
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,163	\$ -	\$ 3,435	\$ -	\$ 90	\$ -	\$ 20
Due to other funds	-	-	-	46,513	4,846	-	-	-	-	44,357	8,437	54,132
Unearned revenue	-	-	1,726	-	-	-	860	-	-	-	-	-
Total Liabilities	-	-	1,726	46,513	4,846	1,163	860	3,435	-	44,447	8,437	54,152
Fund Balances												
Nonspendable - inventory	-	-	-	-	-	-	-	85,614	-	-	-	-
Committed:												
Economic development	-	-	-	455	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-	-	-
Assigned:												
Public services	-	44,700	-	-	-	-	-	-	957	-	-	-
Planning	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	19,963	-	-	-	-	45,578	-	207,421	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	19,963	44,700	-	455	-	45,578	-	293,035	957	-	-	-
Total Liabilities and Fund Balances	\$ 19,963	\$ 44,700	\$ 1,726	\$ 46,968	\$ 4,846	\$ 46,741	\$ 860	\$ 296,470	\$ 957	\$ 44,447	\$ 8,437	\$ 54,152

Northwest Arctic Borough
Nonmajor Special Revenue Funds
Combining Balance Sheet, continued

<i>June 30, 2014</i>	Community Profile Mapping	VPSO Program Grant	CIAP Improving Management Capacity Grant	Kivalina Erosion Protection	Selawik Glycol Rehabilitation Project	Frank R. Ferguson Scholarship	Alaska Entrepre- neurial Consortium Grant	Search and Rescue Contract	Ice Road Grant	Shungnak Dumpsite Relocation Grant	Deering Heavy Equipment Grant	Energy Steering Committee
Assets												
Cash and investments	\$ -	\$ -	\$ -	\$ 251,386	\$ -	\$ 24,290	\$ 504	\$ 13,731	\$ 17,887	\$ -	\$ 1,414	\$ 3,877
Federal and state grants receivable	64,542	429,818	18,173	-	94,161	-	-	-	18,955	33,636	-	-
Revolving art inventory	-	-	-	-	-	-	-	-	-	-	-	-
Lease deposit	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 64,542	\$ 429,818	\$ 18,173	\$ 251,386	\$ 94,161	\$ 24,290	\$ 504	\$ 13,731	\$ 36,842	\$ 33,636	\$ 1,414	\$ 3,877
Liabilities and Fund Balances												
Liabilities												
Accounts payable	\$ -	\$ 8,683	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 342	\$ 19,723	\$ -	\$ -	\$ -
Due to other funds	43,205	368,179	18,173	-	94,161	-	-	-	-	33,636	-	-
Unearned revenue	-	-	-	-	-	-	504	-	-	-	1,414	-
Total Liabilities	43,205	376,862	18,173	-	94,161	-	504	342	19,723	33,636	1,414	-
Fund Balances												
Nonspendable - inventory	-	-	-	-	-	-	-	-	-	-	-	-
Committed:												
Economic development	-	-	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	24,290	-	-	-	-	-	-
Assigned:												
Public services	-	52,956	-	251,386	-	-	-	13,389	17,119	-	-	-
Planning	21,337	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	3,877
Education	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	21,337	52,956	-	251,386	-	24,290	-	13,389	17,119	-	-	3,877
Total Liabilities and Fund Balances	\$ 64,542	\$ 429,818	\$ 18,173	\$ 251,386	\$ 94,161	\$ 24,290	\$ 504	\$ 13,731	\$ 36,842	\$ 33,636	\$ 1,414	\$ 3,877

Northwest Arctic Borough
Nonmajor Special Revenue Funds
Combining Balance Sheet, continued

<i>June 30, 2014</i>	Noatak Winter Fuel Haul System Grant	CIAP Marine Debris Grant	CIAP Green Initiative Grant	CIAP Sustainable Tourism Grant	CIAP Waste Management Grant	Trade Fair	Rasmuson Public Services Grant	Rasmuson Sulianich Grant	Kiana Fuel Dispenser Upgrade Grant	Shungnak Heavy Equipment Grant	Total Nonmajor Special Revenue Funds
Assets											
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,130	\$ 2,687	\$ 16,682	\$ -	\$ -	\$ 764,459
Federal and state grants receivable	46,466	17,002	6,757	7,714	5,061	-	-	-	981	312,826	1,266,372
Revolving art inventory	-	-	-	-	-	-	-	-	-	-	85,614
Lease deposit	-	-	-	-	-	-	-	-	-	-	860
Total Assets	\$ 46,466	\$ 17,002	\$ 6,757	\$ 7,714	\$ 5,061	\$ 12,130	\$ 2,687	\$ 16,682	\$ 981	\$ 312,826	\$ 2,117,305
Liabilities and Fund Balances											
Liabilities											
Accounts payable	\$ -	\$ 4,953	\$ 360	\$ 400	\$ 360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,210
Due to other funds	41,159	12,049	6,397	7,314	4,701	-	-	-	-	312,826	1,134,363
Unearned revenue	-	-	-	-	-	-	2,687	16,682	981	-	49,049
Total Liabilities	41,159	17,002	6,757	7,714	5,061	-	2,687	16,682	981	312,826	1,244,622
Fund Balances											
Nonspendable - inventory	-	-	-	-	-	-	-	-	-	-	85,614
Committed:											
Economic development	-	-	-	-	-	-	-	-	-	-	455
Education	-	-	-	-	-	-	-	-	-	-	24,290
Assigned:											
Public services	5,307	-	-	-	-	12,130	-	-	-	-	397,944
Planning	-	-	-	-	-	-	-	-	-	-	87,802
Economic development	-	-	-	-	-	-	-	-	-	-	276,839
Education	-	-	-	-	-	-	-	-	-	-	4,218
Unassigned (deficit)	-	-	-	-	-	-	-	-	-	-	(4,479)
Total Fund Balances	5,307	-	-	-	-	12,130	-	-	-	-	872,683
Total Liabilities and Fund Balances	\$ 46,466	\$ 17,002	\$ 6,757	\$ 7,714	\$ 5,061	\$ 12,130	\$ 2,687	\$ 16,682	\$ 981	\$ 312,826	\$ 2,117,305

Northwest Arctic Borough, Alaska
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (Deficit)

<i>Year Ended June 30, 2014</i>	Mining Conference	Inupiaq Language Strategic Planning	Oak Foundation Grant	CIAP Solar Energy Grant	AEA Upper Kobuk River Biomass Grant	CIAP Energy Conservation Grant	CIAP Improving Subsistence Information Grant	Conoco Mapping Initiative	Public Library Grant	Cape Thompson Shelter Cabin Grant	Arctic Economic Develop- ment Conference
Revenues											
Local sources	\$ 2,039	\$ -	\$ 125,804	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,974
Intergovernmental:											
Direct federal sources	-	-	-	378,040	-	161,984	391,883	-	-	-	-
State sources, including federal monies passed through State of Alaska	-	-	11,723	6,035	180,726	-	22,334	-	21,369	23,583	-
Other federal pass through	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	2,039	-	137,527	384,075	180,726	161,984	414,217	-	21,369	23,583	1,974
Expenditures											
Current:											
Planning	3,000	-	137,527	-	-	-	-	37,698	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	4,829
Education	-	-	-	-	-	-	-	-	21,455	-	-
Public services	-	-	-	384,075	180,726	161,984	507,003	-	-	23,583	-
Total Expenditures	3,000	-	137,527	384,075	180,726	161,984	507,003	37,698	21,455	23,583	4,829
Excess (deficiency) of revenues over expenditures	(961)	-	-	-	-	-	(92,786)	(37,698)	(86)	-	(2,855)
Other Financing Sources											
Transfers from other funds	-	-	-	-	-	-	92,786	-	-	-	-
Net change in fund balances	(961)	-	-	-	-	-	-	(37,698)	(86)	-	(2,855)
Fund Balances (Deficit), beginning of year	5,124	(4,479)	-	-	-	-	-	100,000	4,304	-	22,818
Fund Balances (Deficit), end of year	\$ 4,163	\$ (4,479)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,302	\$ 4,218	\$ -	\$ 19,963

Northwest Arctic Borough, Alaska
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (Deficit), continued

<i>Year Ended June 30, 2014</i>	Kivalina Evacuation Road	Alaska Regional Develop- ment Organi- zation	Eocycle Wind Turbine Grant	Sulianich Arts Center	Teacher Housing	Revolving Loan Fund	Energy Summit	CIAP Admin Grant	CIAP North Tent City Grant	Economic Development Commission Grant	Community Profile Mapping	VPSO Program Grant
Revenues												
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 19,400	\$ 211,325	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental:												
Direct federal sources	-	-	-	-	-	-	-	208,875	8,437	-	-	-
State sources, including federal monies passed through State of Alaska	-	83,651	184,850	9,807	-	-	-	20,720	-	54,152	205,620	1,119,081
Other federal pass through	-	-	-	-	-	-	-	-	-	-	-	180,816
Total Revenues	-	83,651	184,850	9,807	19,400	211,325	-	229,595	8,437	54,152	205,620	1,299,897
Expenditures												
Current:												
Planning	-	-	-	-	-	-	-	-	-	-	290,436	-
Economic development	-	83,651	-	141,603	-	230,515	-	-	-	54,152	-	-
Education	-	-	-	-	19,400	-	-	-	-	-	-	-
Public services	-	-	184,850	-	-	-	-	229,595	8,437	-	-	1,308,282
Total Expenditures	-	83,651	184,850	141,603	19,400	230,515	-	229,595	8,437	54,152	290,436	1,308,282
Excess (deficiency) of revenues over expenditures	-	-	-	(131,796)	-	(19,190)	-	-	-	-	(84,816)	(8,385)
Other Financing Sources												
Transfers from other funds	-	-	-	111,082	-	-	-	-	-	-	19,500	-
Net change in fund balances	-	-	-	(20,714)	-	(19,190)	-	-	-	-	(65,316)	(8,385)
Fund Balances (Deficit), beginning of year	44,700	455	-	66,292	-	312,225	957	-	-	-	86,653	61,341
Fund Balances (Deficit), end of year	\$ 44,700	\$ 455	\$ -	\$ 45,578	\$ -	\$ 293,035	\$ 957	\$ -	\$ -	\$ -	\$ 21,337	\$ 52,956

Northwest Arctic Borough
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (Deficit), continued

<i>Year Ended June 30, 2014</i>	CIAP Improving Management Capacity Grant	Kivalina Erosion Protection	Selawik Glycol Rehabilitation Project	Frank R. Ferguson Scholarship	Search and Rescue Contract	Noorvik Storage Shed & Shop Grant	Ice Road Grant	Shungnak Dumpsite Relocation Grant	Energy Steering Committee	Kivalina Water and Sanitation Grant	Deering Fuel Truck Grant	Kiana Storage Shed & Shop Grant
Revenues												
Local sources	\$ -	\$ 281,211	\$ -	\$ 12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental:												
Direct federal sources	75,531	-	-	-	-	-	-	-	-	-	-	-
State sources, including federal monies passed through State of Alaska	-	-	400,157	-	68,531	174,000	18,955	71,250	-	21,073	5,868	200,785
Other federal pass through	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	75,531	281,211	400,157	12	68,531	174,000	18,955	71,250	-	21,073	5,868	200,785
Expenditures												
Current:												
Planning	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	12,455	-	-	-
Education	-	-	-	-	-	-	-	-	-	-	-	-
Public services	75,531	29,825	400,157	-	56,982	174,000	44,484	71,250	-	21,073	5,868	200,785
Total Expenditures	75,531	29,825	400,157	-	56,982	174,000	44,484	71,250	12,455	21,073	5,868	200,785
Excess (deficiency) of revenues over expenditures	-	251,386	-	12	11,549	-	(25,529)	-	(12,455)	-	-	-
Other Financing Sources												
Transfers from other funds	-	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	251,386	-	12	11,549	-	(25,529)	-	(12,455)	-	-	-
Fund Balances (Deficit), beginning of year	-	-	-	24,278	1,840	-	42,648	-	16,332	-	-	-
Fund Balances (Deficit), end of year	\$ -	\$ 251,386	\$ -	\$ 24,290	\$ 13,389	\$ -	\$ 17,119	\$ -	\$ 3,877	\$ -	\$ -	\$ -

Northwest Arctic Borough
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (Deficit), continued

<i>Year Ended June 30, 2014</i>	Noatak Winter Fuel Haul System Grant	CIAP Marine Debris Grant	CIAP Green Initiative Grant	CIAP Sustainable Tourism Grant	CIAP Waste Management Grant	Trade Fair	Rasmuson Public Services Grant	Rasmuson Sulianich Grant	Kivalina Evacuation & Access Road Grant	Noorvik Dumpster & Fencing Grant	Kiana Fuel Dispenser Upgrade Grant	Shungnak Heavy Equipment Grant	Total Nonmajor Special Revenue Funds
Revenues													
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,516	\$ 15,713	\$ 2,816	\$ -	\$ -	\$ -	\$ -	\$ 667,810
Intergovernmental:													
Direct federal sources	-	29,102	22,736	12,716	24,414	-	-	-	-	-	-	-	1,313,718
State sources, including federal monies passed through State of Alaska	423,601	-	-	-	-	-	-	-	300,000	47,321	41,743	312,826	4,029,761
Other federal pass through	-	-	-	-	-	-	-	-	-	-	-	-	180,816
Total Revenues	423,601	29,102	22,736	12,716	24,414	7,516	15,713	2,816	300,000	47,321	41,743	312,826	6,192,105
Expenditures													
Current:													
Planning	-	-	-	-	-	-	-	-	-	-	-	-	468,661
Economic development	-	-	-	-	-	-	-	2,816	-	-	-	-	530,021
Education	-	-	-	-	-	-	-	-	-	-	-	-	40,855
Public services	438,294	29,102	22,736	12,716	24,414	722	15,713	-	300,000	47,321	41,743	312,826	5,314,077
Total Expenditures	438,294	29,102	22,736	12,716	24,414	722	15,713	2,816	300,000	47,321	41,743	312,826	6,353,614
Excess (deficiency) of revenues over expenditures	(14,693)	-	-	-	-	6,794	-	-	-	-	-	-	(161,509)
Other Financing Sources													
Transfers from other funds	20,000	-	-	-	-	-	-	-	-	-	-	-	243,368
Net change in fund balances	5,307	-	-	-	-	6,794	-	-	-	-	-	-	81,859
Fund Balances (Deficit), beginning of year	-	-	-	-	-	5,336	-	-	-	-	-	-	790,824
Fund Balances (Deficit), end of year	\$ 5,307	\$ -	\$ -	\$ -	\$ -	\$ 12,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 872,683

Northwest Arctic Borough, Alaska
Mining Conference Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
Local sources	\$ -	\$ 2,039	\$ 2,039
Expenditures			
Planning - conference costs	5,124	3,000	2,124
Net change in fund balance	<u>\$ (5,124)</u>	(961)	<u>\$ 4,163</u>
Fund Balance, beginning of year		<u>5,124</u>	
Fund Balance, end of year		<u>\$ 4,163</u>	

Northwest Arctic Borough, Alaska
Inupiaq Language Strategic Planning Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance (Deficit) - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
Local sources	\$ -	\$ -	\$ -
Expenditures			
Planning	-	-	-
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Deficit, beginning of year		<u>(4,479)</u>	
Deficit, end of year		<u>\$ (4,479)</u>	

Northwest Arctic Borough, Alaska
Oak Foundation Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
Local sources - other grants	\$ 125,866	\$ 125,804	\$ (62)
State of Alaska PERS relief	-	11,723	11,723
Total Revenues	125,866	137,527	11,661
Expenditures			
Planning:			
Salaries and benefits	124,692	132,937	(8,245)
Travel and conferences	692	4,590	(3,898)
Other	482	-	482
Total Expenditures	125,866	137,527	(11,661)
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
CIAP Solar Energy Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
Direct federal sources	\$ 1,514,964	\$ 378,040	\$ (1,136,924)
State of Alaska	-	6,035	6,035
Total Revenues	1,514,964	384,075	(1,130,889)
Expenditures			
Public services:			
Salaries and benefits	461,862	83,778	378,084
Contractual	286,779	281,250	5,529
Supplies	32,931	400	32,531
Travel	13,512	1,679	11,833
Other	8,758	9,580	(822)
Equipment	711,122	7,388	703,734
Total Expenditures	1,514,964	384,075	1,130,889
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska

Alaska Energy Authority Upper Kobuk River Biomass Grant Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 248,028	\$ 180,726	\$ (67,302)
Expenditures			
Public services:			
Contractual	243,028	179,868	63,160
Other	5,000	858	4,142
Total Expenditures	248,028	180,726	67,302
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
CIAP Energy Conservation Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
Direct federal sources	\$ 324,704	\$ 161,984	\$ (162,720)
Expenditures			
Public services:			
Salaries and benefits	-	1,072	(1,072)
Contractual	30,916	11,490	19,426
Supplies	200	-	200
Travel	8,266	1,435	6,831
Other	10,531	-	10,531
Equipment	274,791	147,987	126,804
Total Expenditures	324,704	161,984	162,720
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska

CIAP Improving Subsistence Information Grant Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
Direct federal sources	\$ 908,886	\$ 391,883	\$ (517,003)
State of Alaska PERS relief	-	22,334	22,334
Total Revenues	908,886	414,217	(494,669)
Expenditures			
Public services:			
Salaries and benefits	1,103,888	400,141	703,747
Contractual	91,791	69,704	22,087
Supplies	-	533	(533)
Telephone	3,823	2,253	1,570
Travel and per diem	32,927	21,528	11,399
Meeting fees	44,725	10,650	34,075
Youth activities	61,950	606	61,344
Other	55,735	1,588	54,147
Training	14,047	-	14,047
Total Expenditures	1,408,886	507,003	901,883
Excess (deficiency) of revenues over expenditures	(500,000)	(92,786)	407,214
Other Financing Sources			
Transfers from General Fund	500,000	92,786	(407,214)
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
DNR Recreational Trails Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
Federal passed through State of Alaska	\$ 16,297	\$ -	\$ (16,297)
Expenditures			
Public services:			
Fuel	1,150	-	1,150
Labor	15,147	-	15,147
Total Expenditures	16,297	-	16,297
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
Conoco Mapping Initiative Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
Local	\$ -	\$ -	\$ -
Expenditures			
Planning:			
Contractual	65,000	-	65,000
Travel	25,000	33,394	(8,394)
Training	10,000	4,304	5,696
Total Expenditures	100,000	37,698	62,302
Net change in fund balance	<u>\$ (100,000)</u>	(37,698)	<u>\$ 62,302</u>
Fund Balance, beginning of year		<u>100,000</u>	
Fund Balance, end of year		<u>\$ 62,302</u>	

Northwest Arctic Borough, Alaska
Public Library Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 21,369	\$ 21,369	\$ -
Expenditures			
Education:			
Salaries and benefits	11,706	11,374	332
Travel	-	860	(860)
Books	3,576	3,138	438
Equipment	5,463	5,463	-
Other supplies	624	620	4
Total Expenditures	21,369	21,455	(86)
Net change in fund balance	<u>\$ -</u>	(86)	<u>\$ (86)</u>
Fund Balance, beginning of year		<u>4,304</u>	
Fund Balance, end of year		<u>\$ 4,218</u>	

Northwest Arctic Borough, Alaska
Cape Thompson Shelter Cabin Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 25,600	\$ 23,583	\$ (2,017)
Expenditures			
Public services:			
Salaries and benefits	20,000	20,000	-
Contractual and materials	5,600	3,583	2,017
Total Expenditures	25,600	23,583	2,017
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska

Arctic Economic Development Conference Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
Local sources	\$ -	\$ 1,974	\$ 1,974
Expenditures			
Economic development - summit expenditures	22,818	4,829	17,989
Net change in fund balance	<u>\$ (22,818)</u>	(2,855)	<u>\$ 19,963</u>
Fund Balance, beginning of year		<u>22,818</u>	
Fund Balance, end of year		<u>\$ 19,963</u>	

Northwest Arctic Borough, Alaska
Kivalina Evacuation Road Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues	\$ -	\$ -	\$ -
Expenditures			
Public services - road expenditures	44,700	-	44,700
Net change in fund balance	<u>\$ (44,700)</u>	-	<u>\$ 44,700</u>
Fund Balance, beginning of year		<u>44,700</u>	
Fund Balance, end of year		<u>\$ 44,700</u>	

Northwest Arctic Borough, Alaska

Alaska Regional Development Organization Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 77,410	\$ 73,010	\$ (4,400)
State of Alaska PERS relief	-	10,641	10,641
Total Revenues	77,410	83,651	6,241
Expenditures			
Economic development - salaries and benefits	77,410	83,651	(6,241)
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>455</u>	
Fund Balance, end of year		<u>\$ 455</u>	

Northwest Arctic Borough, Alaska
Eocycle Wind Turbine Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 222,520	\$ 184,850	\$ (37,670)
Expenditures			
Public services:			
Salaries and benefits	25,000	-	25,000
Contractual	63,300	46,291	17,009
Rent and utilities	40,000	3,075	36,925
Equipment	94,220	135,484	(41,264)
Total Expenditures	222,520	184,850	37,670
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
Sulianich Arts Center Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
State of Alaska PERS relief	\$ -	\$ 9,807	\$ 9,807
Expenditures			
Economic development:			
Salaries and benefits	177,374	121,714	55,660
Utilities	-	19,889	(19,889)
Total Expenditures	177,374	141,603	35,771
Excess (deficiency) of revenues over expenditures	(177,374)	(131,796)	45,578
Other Financing Sources			
Transfers from General Fund	111,082	111,082	-
Net change in fund balance	<u>\$ (66,292)</u>	(20,714)	<u>\$ 45,578</u>
Fund Balance, beginning of year		<u>66,292</u>	
Fund Balance, end of year		<u>\$ 45,578</u>	

Northwest Arctic Borough, Alaska
Teacher Housing Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
Local sources	\$ 19,400	\$ 19,400	\$ -
Expenditures			
Education:			
Kobuk lease I	1,600	1,600	-
Kobuk lease II	2,400	2,400	-
Kobuk lease III	15,400	15,400	-
Total Expenditures	19,400	19,400	-
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
Revolving Loan Fund Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
Local sources - art sales	\$ 312,225	\$ 211,325	\$ (100,900)
Expenditures			
Economic development:			
Art purchases	292,225	212,054	80,171
Bank fees	15,000	13,461	1,539
Accounting and audit	5,000	5,000	-
Total Expenditures	312,225	230,515	81,710
Net change in fund balance	<u>\$ -</u>	(19,190)	<u>\$ (19,190)</u>
Fund Balance, beginning of year		<u>312,225</u>	
Fund Balance, end of year		<u>\$ 293,035</u>	

Northwest Arctic Borough, Alaska
CIAP Administration Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
Direct federal sources	\$ 936,484	\$ 208,875	\$ (727,609)
State of Alaska PERS relief	-	20,720	20,720
Total Revenues	936,484	229,595	(706,889)
Expenditures			
Public services:			
Salaries and benefits	700,604	209,868	490,736
Contractual	40,747	10,000	30,747
Transportation	90,421	5,623	84,798
Other	85,256	2,355	82,901
Supplies	3,602	258	3,344
Equipment	15,854	1,491	14,363
Total Expenditures	936,484	229,595	706,889
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
CIAP North Tent City Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
Direct federal sources	\$ 122,479	\$ 8,437	\$ (114,042)
Expenditures			
Public services:			
Salaries and benefits	61,492	-	61,492
Contractual	60,008	8,437	51,571
Equipment	979	-	979
Total Expenditures	122,479	8,437	114,042
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska

Economic Development Commission Grant Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 67,647	\$ 54,152	\$ (13,495)
Expenditures			
Economic development:			
Contractual	50,843	50,843	-
Supplies	5,567	291	5,276
Transportation	11,237	2,987	8,250
Other	-	31	(31)
Total Expenditures	67,647	54,152	13,495
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
Community Profile Mapping Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 190,578	\$ 151,892	\$ (38,686)
Federal sources, passed through the State of Alaska	77,998	53,728	(24,270)
Total Revenues	268,576	205,620	(62,956)
Expenditures			
Planning - contractual	388,076	290,436	97,640
Excess (deficiency) of revenues over expenditures	(119,500)	(84,816)	34,684
Other Financing Sources			
Transfer from other funds	19,500	19,500	-
Net change in fund balance	<u>\$ (100,000)</u>	(65,316)	<u>\$ 34,684</u>
Fund Balance, beginning of year		<u>86,653</u>	
Fund Balance, end of year		<u>\$ 21,337</u>	

Northwest Arctic Borough, Alaska
VPSO Program Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 1,129,427	\$ 1,053,201	\$ (76,226)
Federal sources, passed through Maniilaq Association	300,000	180,816	(119,184)
State of Alaska PERS relief	-	65,880	65,880
Total Revenues	1,429,427	1,299,897	(129,530)
Expenditures			
Public services:			
Salaries and benefits	739,718	772,470	(32,752)
Contractual	11,300	7,539	3,761
Transportation	34,952	41,460	(6,508)
Supplies	135,766	103,238	32,528
Improvements and equipment	383,282	254,622	128,660
Indirect costs	132,794	128,953	3,841
Total Expenditures	1,437,812	1,308,282	129,530
Net change in fund balance	<u>\$ (8,385)</u>	(8,385)	<u>\$ -</u>
Fund Balance, beginning of year		<u>61,341</u>	
Fund Balance, end of year		<u>\$ 52,956</u>	

Northwest Arctic Borough, Alaska
CIAP Improving Management Capacity to Protect
Coastal Areas Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
Direct federal sources	\$ 399,740	\$ 75,531	\$ (324,209)
Expenditures			
Public services:			
Salaries and benefits	117,394	26,222	91,172
Contractual	195,885	34,123	161,762
Supplies	20,853	-	20,853
Travel	13,733	1,714	12,019
Other	30,378	-	30,378
Equipment	21,497	13,472	8,025
Total Expenditures	399,740	75,531	324,209
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
Kivalina Erosion Protection Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
Local sources	\$ 281,210	\$ 281,211	\$ 1
Expenditures			
Public services:			
Transportation	40,000	29,825	10,175
Other	241,210	-	241,210
Total Expenditures	281,210	29,825	251,385
Net change in fund balance	<u>\$ -</u>	251,386	<u>\$ 251,386</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ 251,386</u>	

Northwest Arctic Borough, Alaska

Selawik Glycol Rehabilitation Project Grant Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 445,010	\$ 400,157	\$ (44,853)
Expenditures			
Public services - capital outlay	445,010	400,157	44,853
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
Frank R. Ferguson Scholarship Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
Local sources - interest income	\$ -	\$ 12	\$ 12
Expenditures			
	-	-	-
Net change in fund balance	<u>\$ -</u>	12	<u>\$ 12</u>
Fund Balance, beginning of year		<u>24,278</u>	
Fund Balance, end of year		<u>\$ 24,290</u>	

Northwest Arctic Borough, Alaska
Search and Rescue Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
State of Alaska - Search and Rescue Contract	\$ 68,451	\$ 68,531	\$ 80
Expenditures			
Public services - search and rescue	70,291	56,982	13,309
Net change in fund balance	<u>\$ (1,840)</u>	11,549	<u>\$ 13,389</u>
Fund Balance, beginning of year		<u>1,840</u>	
Fund Balance, end of year		<u>\$ 13,389</u>	

Northwest Arctic Borough, Alaska
Noorvik Storage Shed & Shop Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 174,886	\$ 174,000	\$ (886)
Expenditures			
Public services - capital outlay	174,886	174,000	886
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
Ice Road Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 50,000	\$ 18,955	\$ (31,045)
Expenditures			
Public services - ice road	75,529	44,484	31,045
Net change in fund balance	<u>\$ (25,529)</u>	(25,529)	<u>\$ -</u>
Fund Balance, beginning of year		<u>42,648</u>	
Fund Balance, end of year		<u>\$ 17,119</u>	

Northwest Arctic Borough, Alaska
Shungnak Dumpsite Relocation Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 75,000	\$ 71,250	\$ (3,750)
Expenditures			
Public services	75,000	71,250	3,750
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
Deering Heavy Equipment Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 11,434	\$ -	\$ (11,434)
Expenditures			
Public services	11,434	-	11,434
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
Energy Steering Committee Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Expenditures			
Economic development - meetings	\$ 16,332	\$ 12,455	\$ 3,877
Net change in fund balance	<u>\$ (16,332)</u>	(12,455)	<u>\$ 3,877</u>
Fund Balance, beginning of year		<u>16,332</u>	
Fund Balance, end of year		<u>\$ 3,877</u>	

Northwest Arctic Borough, Alaska
Kivalina Water and Sanitation Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 134,643	\$ 21,073	\$ (113,570)
Expenditures			
Public services - feasibility study	134,643	21,073	113,570
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
Deering Fuel Delivery Truck Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 31,867	\$ 5,868	\$ (25,999)
Expenditures			
Public services - capital outlay	31,867	5,868	25,999
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
Kiana Storage Shed & Shop Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 200,785	\$ 200,785	\$ -
Expenditures			
Public services - capital outlay	200,785	200,785	-
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
Noatak Winter Fuel Haul System Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 423,601	\$ 423,601	\$ -
Expenditures			
Public services - capital outlay	443,601	438,294	5,307
Excess (deficiency) of revenues over expenditures	(20,000)	(14,693)	5,307
Other Financing Sources			
Transfer from General Fund	20,000	20,000	-
Net change in fund balance	<u>\$ -</u>	5,307	<u>\$ 5,307</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ 5,307</u>	

Northwest Arctic Borough, Alaska
CIAP Marine Debris Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
Direct federal sources	\$ 105,392	\$ 29,102	\$ (76,290)
Expenditures			
Public services:			
Salaries and benefits	55,670	5,997	49,673
Contractual	9,600	875	8,725
Supplies	19,362	2,253	17,109
Travel	20,760	19,977	783
Total Expenditures	105,392	29,102	76,290
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
CIAP Green Initiative Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
Direct federal sources	\$ 569,504	\$ 22,736	\$ (546,768)
Expenditures			
Public services:			
Salaries and benefits	221,318	19,943	201,375
Contractual	81,410	200	81,210
Supplies	85,702	-	85,702
Travel	143,200	2,593	140,607
Equipment	37,874	-	37,874
Total Expenditures	569,504	22,736	546,768
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
CIAP Sustainable Tourism Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
Direct federal sources	\$ 173,289	\$ 12,716	\$ (160,573)
Expenditures			
Public services:			
Salaries and benefits	80,941	10,310	70,631
Contractual	58,300	-	58,300
Supplies	4,958	-	4,958
Travel	29,090	2,406	26,684
Total Expenditures	173,289	12,716	160,573
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
CIAP Waste Management Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
Direct federal sources	\$ 758,004	\$ 24,414	\$ (733,590)
Expenditures			
Public services:			
Salaries and benefits	346,394	15,173	331,221
Contractual	52,090	6,331	45,759
Supplies	16,700	-	16,700
Travel	105,420	2,910	102,510
Other	56,200	-	56,200
Training	4,800	-	4,800
Equipment	176,400	-	176,400
Total Expenditures	758,004	24,414	733,590
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
Trade Fair Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
Local sources	\$ 7,516	\$ 7,516	\$ -
Expenditures			
Public services:			
Travel	878	-	878
Other	11,974	722	11,252
Total Expenditures	12,852	722	12,130
Net change in fund balance	<u>\$ (5,336)</u>	6,794	<u>\$ 12,130</u>
Fund Balance, beginning of year		<u>5,336</u>	
Fund Balance, end of year		<u>\$ 12,130</u>	

Northwest Arctic Borough, Alaska
Rasmuson Public Services Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
Local sources	\$ 18,400	\$ 15,713	\$ (2,687)
Expenditures			
Public services - equipment	18,400	15,713	2,687
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
Rasmuson Sulianich Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
Local sources	\$ 19,498	\$ 2,816	\$ (16,682)
Expenditures			
Economic development - equipment	19,498	2,816	16,682
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
Kilvalina Evacuation & Access Road Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 2,500,000	\$ 300,000	\$ (2,200,000)
Expenditures			
Public services	2,500,000	300,000	2,200,000
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
Noorvik Dumpster & Fencing Project Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 200,000	\$ 47,321	\$ (152,679)
Expenditures			
Public services	200,000	47,321	152,679
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska

Kiana Fuel Dispenser Upgrade Project Grant Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 100,000	\$ 41,743	\$ (58,257)
Expenditures			
Public services	100,000	41,743	58,257
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
Shungnak Heavy Equipment Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 350,000	\$ 312,826	\$ (37,174)
Expenditures			
Public services	350,000	312,826	37,174
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
Kobuk Heavy Equipment Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 350,000	\$ -	\$ (350,000)
Expenditures			
Public services	350,000	-	350,000
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Northwest Arctic Borough, Alaska
Debt Service Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2014</i>	Budget	Actual	Variance
Revenues			
Investment income	\$ -	\$ 38	\$ 38
Direct federal sources - interest subsidy	41,040	41,040	-
State of Alaska	4,231,396	4,231,577	181
Total Revenues	4,272,436	4,272,655	219
Expenditures			
Audit fees	25,000	25,000	-
Debt service:			
Bond principal	4,025,000	4,025,000	-
Bond interest	2,227,201	2,227,203	(2)
Total Expenditures	6,277,201	6,277,203	(2)
Excess (deficiency) of revenues over expenditures	(2,004,765)	(2,004,548)	217
Other Financing Sources			
Transfer from General Fund	2,020,805	2,020,626	(179)
Net change in fund balance	<u>\$ 16,040</u>	16,078	<u>\$ 38</u>
Fund Balance, beginning of year		<u>142,834</u>	
Fund Balance, end of year		<u>\$ 158,912</u>	

Northwest Arctic Borough, Alaska

Nonmajor Capital Project Funds

Combining Balance Sheet

<i>June 30, 2014</i>	Improve- ments to Office	Kiana School	Selawik School	Kivalina Replacement School	Total Nonmajor Capital Project Funds
Assets					
Cash and investments	\$ 25,130	\$ -	\$ -	\$ 145,025	\$ 170,155
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 310	\$ -	\$ -	\$ 18,000	\$ 18,310
Due to other funds	-	38,873	4,223	-	43,096
Total Liabilities	310	38,873	4,223	18,000	61,406
Fund Balances					
Assigned for construction	24,820	-	-	127,025	151,845
Unassigned (deficit)	-	(38,873)	(4,223)	-	(43,096)
Total Fund Balances (Deficits)	24,820	(38,873)	(4,223)	127,025	108,749
Total Liabilities and Fund Balances	\$ 25,130	\$ -	\$ -	\$ 145,025	\$ 170,155

Northwest Arctic Borough, Alaska
Nonmajor Capital Project Funds
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (Deficits)

<i>Year Ended June 30, 2014</i>	Improve- ments to Office	Kiana School	Selawik School	Kivalina Replacement School	Total Nonmajor Capital Project Funds
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures					
Capital outlay:					
Payments to School District	-	-	-	40,794	40,794
Design and construction costs	2,259	-	-	-	2,259
Total Expenditures	2,259	-	-	40,794	43,053
Deficiency of revenues over expenditures	(2,259)	-	-	(40,794)	(43,053)
Other Financing Sources					
Transfers from other funds - General Fund	25,000	-	-	-	25,000
Net change in fund balances	22,741	-	-	(40,794)	(18,053)
Fund Balances (Deficits), beginning of year	2,079	(38,873)	(4,223)	167,819	126,802
Fund Balances (Deficits), end of year	\$ 24,820	\$ (38,873)	\$ (4,223)	\$ 127,025	\$ 108,749

Northwest Arctic Borough, Alaska

Capital Assets by Function

<i>June 30, 2014</i>	Land	Buildings	Furniture, Equipment, and Vehicles	Total
Borough Capital Assets				
Borough general operations	\$ 534,813	\$ 3,676,210	\$ 602,875	\$ 4,813,898
Schools:				
Ambler	-	16,678,069	-	16,678,069
Buckland	269,545	20,972,858	-	21,242,403
Deering	50,000	9,096,410	-	9,146,410
Kiana	-	22,758,278	-	22,758,278
Kivalina	-	5,345,308	-	5,345,308
Kobuk	-	15,519,434	-	15,519,434
Kotzebue	-	71,235,857	-	71,235,857
Noatak	-	43,206,519	-	43,206,519
Noorvik	-	30,563,719	-	30,563,719
Selawik	19,495	21,393,399	-	21,412,894
Shungnak	-	12,778,108	-	12,778,108
Total Borough Capital Assets	\$ 873,853	\$ 273,224,169	\$ 602,875	\$ 274,700,897

Northwest Arctic Borough, Alaska

Changes in Capital Assets by Function

<i>Year Ended June 30, 2014</i>	Balance at July 1, 2013	Additions	Retirements	Balance at June 30, 2014
Borough Capital Assets				
General operations:				
Land	\$ 534,813	\$ -	\$ -	\$ 534,813
Buildings	3,576,854	99,356	-	3,676,210
Furniture, equipment and vehicles	305,611	297,264	-	602,875
Total general operations	4,417,278	396,620	-	4,813,898
Schools:				
Ambler - buildings	16,678,069	-	-	16,678,069
Buckland - buildings	20,972,858	-	-	20,972,858
Buckland - land	269,545	-	-	269,545
Deering - buildings	9,096,410	-	-	9,096,410
Deering - land	50,000	-	-	50,000
Kiana - buildings	22,758,278	-	-	22,758,278
Kivalina - buildings	5,304,514	40,794	-	5,345,308
Kobuk - buildings	13,042,437	2,476,997	-	15,519,434
Kotzebue - buildings	67,809,873	3,425,984	-	71,235,857
Noatak - buildings	43,206,519	-	-	43,206,519
Noorvik - buildings	30,563,719	-	-	30,563,719
Selawik - buildings	21,393,399	-	-	21,393,399
Selawik - land	19,495	-	-	19,495
Shungnak - buildings	12,778,108	-	-	12,778,108
Total schools	263,943,224	5,943,775	-	269,886,999
Total Borough Capital Assets	\$ 268,360,502	\$ 6,340,395	\$ -	\$ 274,700,897