



Northwest Arctic Borough, Alaska

Basic Financial Statements, Required
Supplementary Information and
Supplementary Information
Year Ended June 30, 2015

Northwest Arctic Borough, Alaska

Basic Financial Statements, Required Supplementary Information and
Supplementary Information
Year Ended June 30, 2015

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, 2015 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

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, 2015, 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

Change in Accounting Principle

As discussed in Note 15 to the financial statements, in 2015 the Borough adopted the provisions of Governmental Accounting Standards Board (GASB) Statement Number 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 6-12, the budgetary comparison information on pages 48-56, and the schedules of net pension liability and pension contributions on pages 57-58 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 February 29, 2016 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
February 29, 2016

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Management's Discussion and Analysis

Northwest Arctic Borough, Alaska

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

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, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our financial statements. 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 and deferred outflows of the Borough exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$118,415,707 (net position). Of this amount, \$17,992,368 (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 \$4,676,643.
- As of the close of the current fiscal year, the Borough's governmental funds reported combined ending fund balances of \$21,164,265 an increase of \$1,646,898 over the prior year. Of this total amount, \$17,918,753 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 \$18,013,883, or 134% of total General Fund expenditures and transfers.
- The Northwest Arctic Borough's total long-term liabilities decreased by \$1,659,493. In 2015 the Borough refunded certain GO Bonds outstanding and also recognized a net pension liability for the first time, due to new accounting rules in effect this year.

Overview of the Financial Statements

This discussion and analysis is 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 position. 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 numerous 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 those funds meeting the quantitative criteria for major fund presentation. These include the General Fund, Debt Service Fund, Shell Exploration Collaborative Research Project, Kivalina Evacuation & Access Road, Wind Farm Construction Capital Project, and NW Magnet School and High School Project. Data from all other 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. Budgetary comparison statements have been provided for the General Fund and major special revenue funds to demonstrate compliance with the budget in the required supplementary information. Budgets for the other funds are provided in the supplementary information section of this report.

The governmental fund financial statements can be found on pages 16-19 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 20-46 of this report.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund financial statements and schedules can be found on pages 62-124 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 \$118,415,707 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>	2015	2014
Current and other assets	\$ 22,883,684	\$ 24,975,069
Capital assets	141,883,733	142,916,250
Deferred outflows of resources	2,274,400	1,825,272
Total assets and deferred outflows of resources	167,041,817	169,716,591
Long-term liabilities outstanding	46,037,923	43,359,500
Other liabilities	2,283,944	9,203,567
Deferred inflows of resources	304,243	1,137,857
Total liabilities and deferred inflows of resources	48,626,110	53,700,924
Net investment in capital assets	100,373,621	97,162,022
Restricted	49,718	49,718
Unrestricted	17,992,368	18,803,927
Total Net Position	\$ 118,415,707	\$ 116,015,667

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 \$3,211,599 due to capital asset additions, especially school buildings, in excess of depreciation expense incurred during the year and well as an overall reduction in capital related debt. Restricted net position represents unexpended interest earnings that are required to be used for approved construction activity. Restricted net position remained static at \$49,718.

Governmental Activities

The Borough's net position increased by \$4,676,643 during the current year, exclusive of changes related to GASB 68 implementation. Key elements of this net increase are as follows:

Northwest Arctic Borough's Changes in Net Position

<i>Year Ended June 30,</i>	2015	2014	Increase (Decrease)
Revenues:			
Program:			
Charges for services	\$ 256,375	\$ 176,135	\$ 80,240
Operating grants and contributions	14,465,442	13,816,525	648,917
Capital grants	5,138,686	5,944,020	(805,334)
General:			
Payment in lieu of taxes	2,174,225	1,062,047	1,112,178
Teck agreement	9,301,954	8,800,380	501,574
Borough Usage Fee	2,126,016	2,126,016	-
Investment earnings	119,549	756,824	(637,275)
Grants and contributions not restricted to specific programs	454,473	464,363	(9,890)
Total revenues	34,036,720	33,146,310	890,410
Expenses:			
General government	4,180,293	3,403,937	776,356
Planning	1,408,523	1,536,656	(128,941)
Public services	10,701,831	9,272,230	1,429,601
Education	10,555,929	10,944,113	(388,184)
Economic development	788,043	953,503	(165,460)
Interest on long term debt	1,725,458	2,044,512	(319,054)
Total expenses	29,360,077	28,154,953	1,205,124
Change in net position	4,676,643	4,991,357	(314,714)
Beginning Net Position	116,015,667	111,024,310	4,991,357
Restatement for GASB 68 adoption	(2,276,603)	-	(2,276,603)
Beginning Net Position, as restated	113,739,064	111,024,310	2,714,754
Ending Net Position	\$ 118,415,707	\$ 116,015,667	\$ 2,400,040

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 \$17,918,753 or 85% 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 \$21,164,265 representing an increase of \$1,646,898 in comparison with the prior year.

At June 30, 2015, \$2,933,873 of the fund balance had been assigned, and the remainder of fund balance is either not available for new spending because it is nonspendable, \$237,173, or has already been restricted for construction, \$49,718, or committed for other purposes \$24,748.

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 \$18,013,883, while total fund balance reached \$19,916,999. 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 148%, respectively of total General Fund expenditures, including transfers to other funds.

The fund balance for the Borough's General Fund increased by \$1,589,694 during the current fiscal year.

The Debt Service Fund has a total fund balance of \$189,646, 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 \$30,734.

Capital Asset and Debt Administration

Capital Assets. The Borough's investment in capital assets for its governmental activities as of June 30, 2015, amounts to \$141,883,733 (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 \$1,032,517 for governmental activities.

Northwest Arctic Borough, Alaska

Management's Discussion and Analysis

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

	2015	2014
Land	\$ 873,853	\$ 873,853
Buildings	140,635,204	141,677,800
Furniture, equipment and vehicles	374,676	364,597
Total Capital Assets	\$ 141,883,733	\$ 142,916,250

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 \$43,286,970 (including \$3,921,970 of unamortized bond premiums of which a portion is 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 \$117,592 at year end. In 2015, the Borough adopted the provisions of GASB Statement 68 which requires the recognition of the Borough's proportionate share of the unfunded pension liability associated with its participation in the State of Alaska Public Employees Retirement System.

Northwest Arctic Borough's Long-term Debt

	2015	2014
General obligation bonds	\$ 39,365,000	\$ 44,485,000
Unamortized bond premium	3,921,970	3,094,500
Accrued leave	117,592	117,916
Net pension liability	2,633,361	-
Total Long-term Debt	\$ 46,037,923	\$ 47,697,416

The Borough's general long-term debt decreased by \$1,659,493 or (3%) 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 32-34 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 15.9%, which is consistent with the prior year. This compares unfavorably to the State's average unemployment rate of 6.7% and the national average rate of 5.7%.
- 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 2016 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, 2015</i>	Primary Government Governmental Activities	Component Unit
Assets		
Cash and investments	\$ 20,445,106	\$ 33,716,791
Receivables, net of allowance for uncollectible amounts:		
Interest	45,476	-
Federal and state grants	2,155,069	2,750,894
Inventory	85,614	692,850
Lease deposit	860	-
Prepaid items	151,559	2,378,477
Capital assets:		
Land, improvements and construction in progress	873,853	-
Other capital assets, net of depreciation	141,009,880	1,496,795
Total Assets	164,767,417	41,035,807
Deferred Outflows of Resources		
Unamortized deferred loss on refunding	1,776,858	-
Pension related	497,542	1,581,341
Total Deferred Outflows of Resources	2,274,400	1,581,341
Total Assets and Deferred Outflows of Resources	\$ 167,041,817	\$ 42,617,148
Liabilities		
Accounts payable	\$ 1,057,690	\$ 1,703,675
Accrued payroll liabilities	135,653	967,687
Accrued health and life benefits	-	1,707,873
Due to Borough	-	61
Unearned revenue	526,076	1,760,486
Interest payable	564,525	-
Noncurrent liabilities:		
Due within one year:		
Accrued leave	117,592	652,884
General obligation bonds	4,370,000	-
Due in more than one year:		
General obligation bonds, including unamortized premium of \$3,921,970	38,916,970	-
Net pension liability	2,633,361	15,032,265
Total Liabilities	48,321,867	21,824,931
Deferred Inflows of Resources		
Pension related	304,243	1,676,591
Total Liabilities and Deferred Inflows of Resources	48,626,110	23,501,522
Net Position		
Net investment in capital assets	100,373,621	1,496,795
Restricted:		
Construction	49,718	-
Education	-	2,538,949
Unrestricted	17,992,368	15,079,882
Total Net Position	118,415,707	19,115,626
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 167,041,817	\$ 42,617,148

See accompanying notes to basic financial statements.

Northwest Arctic Borough, Alaska

Statement of Activities

Year Ended June 30, 2015	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contri- butions	Capital Grants and Contri- butions	Primary Govern- ment Govern- mental Activities	Component Unit School District
Functions/Programs						
Primary Government						
Governmental activities:						
General government	\$ 4,180,293	\$ 243,125	\$ 58,113	\$ -	\$ (3,879,055)	
Planning	1,408,523	13,250	767,612	-	(627,661)	
Economic development	788,043	-	356,750	-	(431,293)	
Education	10,555,929	-	4,123,247	5,138,686	(1,293,996)	
Public services	10,701,831	-	9,159,720	-	(1,542,111)	
Interest on long-term debt	1,725,458	-	-	-	(1,725,458)	
Total Primary Government	\$ 29,360,077	\$ 256,375	\$ 14,465,442	\$ 5,138,686	(9,499,574)	
Component Unit -						
School district	\$ 85,317,769	\$ 733,456	\$ 21,124,628	\$ 6,316,075		\$ (57,143,610)
General Revenues						
Payment in lieu of taxes				2,174,225	-	
Teck Alaska agreement				9,301,954	-	
Borough usage fee				2,126,016	-	
Unrestricted investment income				119,549	-	
Grants and contributions not restricted to specific programs				454,473	47,338,031	
E-Rate				-	4,017,144	
Payments from Borough				-	4,099,001	
Miscellaneous				-	3,456,341	
Total General Revenues				14,176,217	58,910,517	
Change in net position				4,676,643	1,766,907	
Net Position, beginning of year, as restated (Note 15)				113,739,064	17,348,719	
Net Position, end of year				\$ 118,415,707	\$ 19,115,626	

See accompanying notes to basic financial statements.

Northwest Arctic Borough, Alaska

Governmental Funds
Balance Sheet

	Major Funds							Total Govern- mental Funds
	General	Shell Oil Collaborative Research Project Special Revenue	Kivalina Evacuation & Access Road Special Revenue	Debt Service	Wind Farm Construction Capital Project	NW Magnet School and High School Capital Project	Nonmajor Funds	
<i>June 30, 2015</i>								
Assets								
Cash and investments	\$ 18,858,076	\$ 464,582	\$ -	\$ 141,184	\$ -	\$ -	\$ 981,264	\$ 20,445,106
Receivables:								
Federal and state grants	-	-	401,747	47,962	286,768	577,469	841,123	2,155,069
Interest	45,476	-	-	-	-	-	-	45,476
Inventory	-	-	-	-	-	-	85,614	85,614
Lease deposit	-	-	-	-	-	-	860	860
Due from other funds	1,300,887	-	-	-	-	-	-	1,300,887
Prepaid items	151,059	-	-	500	-	-	-	151,559
Total Assets	\$ 20,355,498	\$ 464,582	\$ 401,747	\$ 189,646	\$ 286,768	\$ 577,469	\$ 1,908,861	\$ 24,184,571
Liabilities and Fund Balances								
Liabilities								
Accounts payable	\$ 302,846	\$ 2,108	\$ 24,925	\$ -	\$ 24,883	\$ 456,669	\$ 246,259	\$ 1,057,690
Accrued payroll liabilities	135,653	-	-	-	-	-	-	135,653
Due to other funds	-	-	376,822	-	261,885	120,800	541,380	1,300,887
Unearned revenue	-	462,474	-	-	-	-	63,602	526,076
Total Liabilities	438,499	464,582	401,747	-	286,768	577,469	851,241	3,020,306
Fund Balances								
Nonspendable - inventory and prepaid items	151,059	-	-	500	-	-	85,614	237,173
Restricted for school construction	-	-	-	-	-	-	49,718	49,718
Committed:								
Economic development	-	-	-	-	-	-	455	455
Education	-	-	-	-	-	-	24,293	24,293
Assigned:								
Construction	-	-	-	-	-	-	136,766	136,766
Public services	-	-	-	-	-	-	523,532	523,532
Planning	-	-	-	-	-	-	49,730	49,730
Economic development	-	-	-	-	-	-	279,006	279,006
Education	-	-	-	189,146	-	-	3,636	192,782
Subsequent year's expenditures	1,752,057	-	-	-	-	-	-	1,752,057
Unassigned (deficit)	18,013,883	-	-	-	-	-	(95,130)	17,918,753
Total Fund Balances	19,916,999	-	-	189,646	-	-	1,057,620	21,164,265
Total Liabilities and Fund Balances	\$ 20,355,498	\$ -	\$ -	\$ 189,646	\$ 286,768	\$ 577,469	\$ 1,908,861	\$ 24,184,571

See accompanying notes to basic financial statements.

Northwest Arctic Borough, Alaska
Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position
June 30, 2015

Total fund balances of governmental funds		\$ 21,164,265
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets, net of accumulated depreciation consist of:		
Land and land improvements	\$ 873,853	
Buildings	278,907,274	
Furniture, equipment and vehicles	712,831	
Total capital assets	280,493,958	
Less accumulated depreciation	(138,610,225)	
Total capital assets, net of accumulated depreciation		141,883,733
Deferred outflow of resources and inflows of resources represent consumption or acquisition of net position applicable to future periods. These items consist of:		
Unamortized loss on bond refunding	1,776,858	
Deferred outflows for pensions	497,542	
Deferred inflows for pensions	(304,243)	
Total deferred outflows (inflows) of resources		1,970,157
Long-term liabilities are not deemed due and payable in the current period and therefore are not reported as governmental fund liabilities. The liabilities consist of:		
Accrued leave	(117,592)	
Accrued interest	(564,525)	
Long-term bonds	(39,365,000)	
Premium on bonds	(3,921,970)	
Net pension liability	(2,633,361)	
Total long-term liabilities		(46,602,448)
Total Net Position of Governmental Activities		\$ 118,415,707

See accompanying notes to basic financial statements.

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

Year Ended June 30, 2015	Major Funds							Total Governmen- tal Funds
	General	Shell Oil Collaborative Research Project Special Revenue	Kivalina Evacuation & Access Road Special Revenue	Debt Service	Wind Farm Construction Capital Project	NW Magnet School and High School Capital Project	Nonmajor Funds	
Revenues								
Local sources:								
Teck Alaska	\$ 9,301,954	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,301,954
Borough usage fee	2,126,016	-	-	-	-	-	-	2,126,016
Investment income (loss)	119,553	-	-	(4)	-	-	-	119,549
Other	256,757	686,651	-	-	-	-	405,156	1,348,564
Intergovernmental:								
Direct federal sources	2,174,225	-	-	41,353	-	-	2,009,036	4,224,614
State sources, including federal monies passed through State of Alaska	1,086,492	22,875	609,455	4,055,026	4,147,403	5,138,686	2,832,338	17,892,275
Total Revenues	15,064,997	709,526	609,455	4,096,375	4,147,403	5,138,686	5,246,530	35,012,972
Expenditures								
Current:								
General government	4,282,648	-	-	15,000	-	-	-	4,297,648
Planning	977,222	384,650	-	-	-	-	120,260	1,482,132
Economic development	356,822	-	-	-	-	-	496,091	852,913
Education:								
Payments to School District	4,099,001	-	-	-	-	-	-	4,099,001
Other	284,664	-	-	-	-	-	27,447	312,111
Public services	1,206,513	-	609,455	-	4,147,403	-	5,205,918	11,169,289
Debt service:								
Principal	-	-	-	4,220,000	-	-	-	4,220,000
Interest	-	-	-	1,783,600	-	-	-	1,783,600
Issuance costs and other	-	-	-	95,282	-	-	-	95,282
Capital outlay:								
Payments to School District	-	-	-	-	-	5,138,686	-	5,138,686
Design and construction	-	-	-	-	-	-	15,079	15,079
Total Expenditures	11,206,870	384,650	609,455	6,113,882	4,147,403	5,138,686	5,864,795	33,465,741
Excess (deficiency) of revenues over expenditures	3,858,127	324,876	-	(2,017,507)	-	-	(618,265)	1,547,231
Other Financing Sources (Uses)								
Refunding bonds issued	-	-	-	12,205,000	-	-	-	12,205,000
Refunding bonds premium	-	-	-	1,408,656	-	-	-	1,408,656
Payment to refunded bond escrow agent	-	-	-	(13,513,989)	-	-	-	(13,513,989)
Transfers from other funds	-	-	-	1,948,574	-	-	654,735	2,603,309
Transfers to other funds	(2,268,433)	(324,876)	-	-	-	-	(10,000)	(2,603,309)
Net Other Financing Sources (Uses)	(2,268,433)	(324,876)	-	2,048,241	-	-	644,735	99,667
Net change in fund balances	1,589,694	-	-	30,734	-	-	26,470	1,646,898
Fund Balances, beginning of year	18,327,305	-	-	158,912	-	-	1,031,150	19,517,367
Fund Balances, end of year	\$ 19,916,999	\$ -	\$ -	189,646	\$ -	\$ -	\$ 1,057,620	\$ 21,164,265

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, 2015

Net change in fund balances - total governmental funds \$ 1,646,898

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 (\$6,825,578) exceeded capital outlays (\$5,793,061). (1,032,517)

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	\$ 4,220,000	
Refunding bonds issued	(12,205,000)	
Payment to refunded bond escrow	\$ 13,105,000	
Net decrease in deferred loss on refunding	(48,414)	
Net increase in unamortized bond premium	<u>(827,470)</u>	
		4,244,116

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	(18,719)	
Accrued leave	<u>324</u>	
		<u>(18,395)</u>

Long-term changes in net pension liability and related accounts do not increase or decrease current financial position. This is the change in net pension liability and related deferred inflows/outflows of resources related to pensions. (163,459)

Change in Net Position of Governmental Activities \$ 4,676,643

See accompanying notes to basic financial statements.

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements Year Ended June 30, 2015

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

The *Kivalina Evacuation & Access Road Special Revenue Fund* accounts for a specific Kivalina Evacuation Road grant project of the same name.

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 *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.

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, 2015, 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.

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.

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

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. 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.

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

3. 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."

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, 2015:

Bank deposits and money market funds	\$ 12,346,147
Scholarship account	24,293
Investments	8,074,666

Total Cash and Investments	\$ 20,445,106
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	Government-wide Statement of Net Position
Cash and investments	\$ 20,445,106

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;

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

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;
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);

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

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);

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	\$ 1,585,736	\$ -	\$ 1,585,736
Mutual funds	1,754,161		
Cash and cash equivalents	483,383		
U.S. Treasuries	886,147		
Domestic and foreign equities	3,365,239		
Total Investments	\$ 8,074,666		

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 bonds of \$1,585,736 are credit rated as follows:

<i>Investment Type</i>	Fair Value	Standard and Poor's Rating	Moody's Rating	Fitch Rating
Corporate bonds	\$ 50,443	A-	Baa1	BBB+
	202,124	A	A2	
	202,404	A	A2	
	200,510	AA-	Aa3	A
	109,232		Baa1	BBB+
	130,706		A3	A
	221,002	A-	A2	
	199,928	A+	A1	A+
	218,572	BBB+	Baa1	A-
	50,815	A	A3	A+
Total Corporate Bonds	\$ 1,585,736			

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

4. 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).

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 is negotiating with Teck Alaska to renew or extend this agreement.

The Borough recognized \$8,800,000 on the base contract and \$501,954 in additional funding related to the zinc price escalator payment from Teck Alaska in fiscal year 2015.

5. Payments in Lieu of Taxes (PILT)

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, 2015, the Borough received \$1,036,368 for payment in lieu of taxes from the federal government. Due to a change in accounting principle, the PILT payments must now be recognized in the year received, rather than deferred to a future budget period. As a result of this change, the Borough recognized \$2,174,225 in PILT revenues in FY15, the equivalent of two years payments.

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

6. Capital Assets

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

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<i>Capital assets not being depreciated - land</i>	\$ 873,853	\$ -	\$ -	\$ 873,853
<i>Capital assets being depreciated:</i>				
Buildings	273,224,169	5,683,105	-	278,907,274
Furniture, equipment, and vehicles	602,875	109,956	-	712,831
Total capital assets being depreciated	273,827,044	5,793,061	-	279,620,105
<i>Less accumulated depreciation:</i>				
Buildings	131,546,369	6,725,701	-	138,272,070
Furniture, equipment, and vehicles	238,278	99,877	-	338,155
Total accumulated depreciation	131,784,647	6,825,578	-	138,610,225
Total capital assets being depreciated, net	142,042,397	(1,032,517)	-	141,009,880
Borough Capital Assets, net	\$ 142,916,250	\$ (1,032,517)	\$ -	\$ 141,883,733

Depreciation expense was charged to functions/programs of the Borough as follows for the year ended June 30, 2015:

General government	\$ 110,930
Public services	73,772
Education	6,640,876
Total Depreciation Expense	\$ 6,825,578

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

Net investment in capital assets at June 30, 2015 is comprised of:

Capital assets, net	\$ 141,883,733
Bonds payable	(39,365,000)
Unamortized bond premiums	(3,921,970)
Unamortized deferred loss	1,776,858
Net Investment in Capital Assets	\$ 100,373,621

7. 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, 2015 are as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 1,300,887	\$ -
Kivalina Evacuation & Access Road Special Revenue Fund	-	376,822
Wind Farm Construction Capital Project Fund	-	261,885
Northwest Magnet School and High School Capital Project Fund	-	120,800
Aggregate nonmajor funds	-	541,380
Totals	\$ 1,300,887	\$ 1,300,887

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, 2015 follow:

	Transfers from Other Funds	Transfers to Other Funds
General Fund	\$ -	\$ 2,268,433
Shell Oil Collaborative Research Project Special Revenue Fund	-	324,876
Debt Service Fund	1,948,574	-
Aggregate nonmajor funds	654,735	10,000
Totals	\$ 2,603,309	\$ 2,603,309

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

Payments from the Borough to the School District for the year ended June 30, 2015 are as follows:

	To Component Unit	From Primary Government
General Fund - operating Component unit	\$ 4,099,001 -	\$ - 4,099,001
Totals	\$ 4,099,001	\$ 4,099,001

8. Long-Term Debt

Advance Refunding of Debt

During 2015, the Borough issued \$12,205,000 in general obligation refunding bonds to advance refund \$13,105,000 in prior outstanding general obligation bonds. The proceeds of the new bonds were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the old bonds have been removed from the Borough's financial statements. This advance refunding was undertaken to reduce total debt service payments over the next 11 years by \$1,390,967 resulting in an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$1,274,345. For accounting purposes, the Borough has recognized a deferred loss on refunding associated with these transactions in the amount of \$1,160,603.

Of the \$13,105,000 defeased during 2015, \$9,160,000 was called in April of 2015, prior to year end. The remaining defeased balance, in the amount of \$3,945,000, carries a call date of October 2015.

Long-term debt activity for the year ended June 30, 2015, follows:

	Balance July 1, 2014	Additions	Retired	Balance June 30, 2015	Due Within One Year
General Obligation School Bonds:					
\$3,535,000 refunding 2014 Series Three bond, due in annual installments of \$290,000 to \$435,000 through 2026, plus semi- annual interest payments at rates ranging from 1.25% to 5% per annum.	\$ -	\$ 3,535,000	\$ -	\$ 3,535,000	\$ -
\$8,670,000 refunding 2015 Series A bond, due in annual installments of \$1,315,000 to \$1,600,000 through 2021, plus semi-annual interest payments at rates ranging from 2% to 5% per annum.	-	8,670,000	-	8,670,000	1,315,000

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

	Balance July 1, 2014	Additions	Retired	Balance June 30, 2015	Due Within One Year
\$13,635,000 refunding 2011 Series Three bond, due in annual installments of \$1,145,000 to \$1,640,000 through 2024, plus semi-annual interest payments at rates ranging from 4% to 5% per annum.	\$13,635,000	\$ -	\$ 1,095,000	\$12,540,000	\$ 1,145,000
\$5,980,000 refunding 2011 Series Three bond, due in annual installments of \$530,000 to \$740,000 through 2023, plus semi- annual interest payments at rates ranging from 4% to 5% per annum.	5,575,000	-	515,000	5,060,000	530,000
\$5,675,000 refunding 2007 Series One bond, due in annual installments of \$5,000 to \$1,220,000 through 2021, plus semi-annual interest payments at rates ranging from 4% to 5.50% per annum.	5,640,000	-	5,000	5,635,000	5,000
\$13,040,000 2005 Series A refunded bond, final payment of \$1,275,000 was paid in 2015. The remaining balance was refunded in 2015.	10,435,000	-	10,435,000	-	-
\$4,445,000 2010 Series One A refunding bond, due in final installment of \$930,000 in 2016, plus semi-annual interest payments at rates ranging from 2% to 5% per annum.	1,835,000	-	905,000	930,000	930,000
\$1,505,000 2010 Series One A bond, due in annual installments of \$135,000 to \$165,000 through 2021, plus semi-annual interest payments at rates ranging from 2% to 5% per annum.	1,020,000		130,000	890,000	135,000

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

	Balance July 1, 2014	Additions	Retired	Balance June 30, 2015	Due Within One Year
\$1,795,000 2010 Series One B bond, due in annual installments of \$170,000 to \$230,000 through 2030, plus semi-annual interest payments at rates ranging from 1.36% to 6.341% per annum.	\$ 1,795,000	\$ -	\$ -	\$ 1,795,000	\$ -
\$6,525,000 2005 Series C refunded bond, due in final installments of \$310,000 in 2016.	4,550,000	-	4,240,000	310,000	310,000
Total Bonds Payable	44,485,000	12,205,000	(17,325,000)	39,365,000	4,370,000
Accrued Leave (net)	117,916	-	324	117,592	117,592
Net Pension Liability (net)	2,492,286	141,075	-	2,633,361	-
Total Long-Term Debt	\$47,095,202	\$12,346,075	\$ 17,325,324	42,115,953	\$ 4,487,592
Plus unamortized bond premiums				<u>3,921,970</u>	
				<u>\$46,037,923</u>	

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
2016	\$ 4,370,000	\$ 1,899,409	\$ 6,269,409
2017	4,585,000	1,534,122	6,119,122
2018	4,770,000	1,331,412	6,101,412
2019	4,995,000	1,110,440	6,105,440
2020	5,210,000	891,565	6,101,565
2021-2025	13,925,000	1,720,366	15,645,366
2026-2030	1,510,000	220,445	1,730,445
	\$ 39,365,000	\$ 8,707,759	\$ 48,072,759

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

9. 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, 2015:

	General Fund	Debt Service Fund	Nonmajor Funds	Totals
Nonspendable -				
Inventory and prepaids	\$ 151,059	\$ 500	\$ 85,614	\$ 237,173
Restricted -				
school construction	-	-	49,718	49,718
Committed:				
Economic development	-	-	455	455
Education	-	-	24,293	24,293
Total committed	-	-	24,748	24,748
Assigned:				
Construction	-	-	136,766	136,766
Public services	-	-	523,532	523,532
Planning	-	-	49,730	49,730
Economic development	-	-	279,006	279,006
Education	-	189,146	3,636	192,782
Subsequent year's expenditures	1,752,057	-	-	1,752,057
Total assigned	1,752,057	189,146	992,670	2,993,873
Unassigned (deficit)	18,013,883	-	(95,130)	17,918,753
Total Fund Balances	\$ 19,916,999	\$ 189,646	\$ 1,057,620	\$ 21,164,265

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.

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.

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

At June 30, 2015, the reserve funds were as follows:

Total General Fund unassigned fund balance	\$ 18,013,883
Working capital reserve	3,049,067
Financial contingency	6,152,345
Total reserve funds	9,201,412
Remaining Balance Of Unassigned Fund Balance In The General Fund	\$ 8,812,471

10. 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>	Limit of Coverage	Deductible
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, 2015. 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 \$8,822,942 and \$8,005,912 for the years ended June 30, 2015 and 2014, respectively, and consisted of 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>	2015	2014
Beginning Liability	\$ 2,001,159	\$ 1,999,882
Annual cost	8,822,942	8,005,912
Claims paid	(9,116,228)	(8,004,635)
Ending Liability	\$ 1,707,873	\$ 2,001,159

11. Defined Benefit (DB) Pension Plan

General Information About the Plan

The Borough participates in the Alaska 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. 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. That report is available via the internet at <http://doa.alaska.gov/drb/pers>. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

The Plan provides for retirement, death and disability, and post-employment health care benefits. There are three tiers of employees, based on entry date. For all tiers within the Defined Benefit (DB) plan, full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary (AMS) times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. Police/Fire employees accrue benefits at an accelerated rate. The tiers within the Plan establish differing criteria regarding normal retirement age, early retirement age, and the criteria for calculation of AMS, COLA adjustments, and other OPEB benefits. A complete benefit comparison chart is available at the website noted above.

The PERS DB Plan was closed to new entrants effective June 30, 2006. New employees hired after that date participate in the PERS Defined Contribution (DC) Plan described later in these notes.

Historical Context and Special Funding Situation

In April 2008, the Alaska Legislature passed legislation converting the previously existing PERS plan from an agent-multiple employer plan to a cost-sharing plan with an effective date of July 1, 2008. In connection with this conversion, the State of Alaska passed additional legislation which statutorily capped the employer contribution rate, established a state funded "on-behalf" contribution (subject to funding availability), and required that employer contributions be calculated against *all* PERS eligible wages, including wages paid to participants of the PERS Tier IV defined contribution plan described later in these notes.

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

Alaska Statute 39.35.255 requires the State of Alaska to contribute to the Plan an amount such that, when combined with the employer contribution, is sufficient to pay the Plan's past service liability contribution rate as adopted by the Alaska Retirement Management Board.

Although current statutes call for the State of Alaska to contribute to the Plan, the Alaska Department of Law has determined that the statute does not create a legal obligation to assume the liabilities of the Plan; rather it establishes a contribution mechanism to provide employer relief against the rising contribution rates. This relief payment is subject to funding availability, and therefore not legally mandated. As a result, the State has determined that the Plan is *not* in a special funding situation.

Management of the Borough strongly disagrees with the State's position and believes that AS 39.35.255 constitutes a special funding situation under GASB 68 rules and has recorded all pension related liabilities, deferred inflows/outflows, and disclosures on this basis, pending a final legal determination, as may be required to settle the matter.

The Borough records the on-behalf contributions as revenue and expense/expenditures in the fund financial statements. However, the expenditures are adjusted to deferred outflows in the government-wide financial statements.

Employee Contribution Rates

Regular employees are required to contribute 6.75% of their annual covered salary (Police and firefighters are required to contribute 7.5% of their annual covered salary. Non-Teacher School District employees are required to contribute 9.6% of their annual covered salary.

Employer and Other Contribution Rates

There are several contribution rates associated with the pension and healthcare contributions and related liabilities. These amounts are calculated on an annual basis.

Employer Effective Rate: This is the contractual employer pay-in rate. Under current legislation, this rate is statutorily capped at 22% of eligible wages, subject to a wage floor, and other termination events. This 22% rate is calculated on *all* PERS participating wages, including those wages attributable to employees in the defined contribution plan. Contributions derived from the defined contribution employees are referred to as the Defined Benefit Unfunded Liability or DBUL contribution.

ARM Board Adopted Rate: This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Prior to July 1, 2015, there were no constraints or restrictions on the actuarial cost method or other assumptions used in the ARM Board valuation. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25 year term which ends in 2039. This will result in lower ARM Board Rates in future years.

On-behalf Contribution Rate: This is the rate paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. However, in 2015, the State Legislature appropriated a one-time contribution to the Plan in the amount of \$1 billion. As a result, the On-behalf Contribution Rate for 2015

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

significantly exceeds the statutory amount. In the governmental fund financial statements, on-behalf contribution amounts have been recognized as additional revenues and expenditures. On the government-wide financial statements, the on-behalf amounts are included in revenue, but are recorded as deferred outflows, rather than pension expense.

GASB 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. Additionally, the GASB Rate disregards all future Medicare Part D payments. For FY15, the rate uses an 8.00% pension discount rate and a 4.90% healthcare discount rate.

The GASB Rate and the ARM Board Adopted Rate differ significantly as a direct result of variances in the actuarial methods and assumptions used.

Contribution rates for the year ended June 30, 2015 were determined in the June 30, 2012 actuarial valuation.

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate	GASB Rate
Pension	12.54%	25.09%	42.41%	33.05%
Postemployment healthcare (see Note 13)	9.46%	18.94%	- %	55.07%
Total Contribution Rates	22.00%	44.03%	42.41%	88.12%

In 2015, the Borough was credited with the following contributions into the pension plan.

	Measurement Period	
	Borough FY14	Borough FY15
Employer contributions (including DBUL)	\$ 215,683	\$ 230,397
Nonemployer contributions (on-behalf)	198,435	1,174,687
Total Contributions	\$ 414,118	\$ 1,405,084

In addition, employee contributions to the Plan totaled \$62,612 during the Borough fiscal year.

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the Borough reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the Borough. The amount recognized by the Borough for its proportional share, the related State proportion, and the total were as follows:

	2015
Borough proportionate share of NPL	\$ 2,633,361
State's proportionate share of NPL associated with the Borough	2,413,039
Total Net Pension Liability	\$ 5,046,400

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At June 30, 2014, the Borough's proportion was 0.05645976 percent, which was an increase of 0.0090003 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Borough recognized pension expense of \$592,848 and on-behalf revenue of \$198,435 for support provided by the State. At June 30, 2015, the Borough reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(304,243)
Changes in proportion and differences between Borough contributions and proportionate share of contributions	267,145	-
Borough contributions subsequent to the measurement date	230,397	-
Total Deferred Outflows and Deferred Inflows	\$ 497,542	\$ (304,243)

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

The \$230,397 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,

2016	\$	129,436
2017		(14,412)
2018		(76,061)
2019		(76,061)

Net Amortization to Expense	\$	(37,098)
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Actuarial Assumptions

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

Inflation	3.12%
Salary Increases	Graded by service, from 6.36% to 4.12% for Peace Officers/Firefighters. Graded by age and service, from 9.6% to 3.62% for all others.
Investment Return / Discount Rate	8.00% net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and real rate of return over 4.88%.
Mortality	Rates based on the 1994 Group Annuity Mortality Table, sex distinct, 1994 Base year without margin projected to 2013 using Projection Scale AA, 80% of the male table and 60% of the female table for pre-termination mortality for Peace officers/fire fighters. 75% for male and 55% for female for pre-termination for all others; and 100% for males and 1-year set-forward for females for post-termination.

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class are summarized in the following table (note that the rates shown below exclude the inflation component):

<i>Asset Class</i>	Long-Term Expected Real Rate of Return
Domestic equity	6.77%
International equity	7.50%
Private equity	10.86%
Fixed income	2.05%
Real estate	3.63%
Absolute return	4.80%

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that Employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following presents the Retirement System's net pension liability and the Borough's proportionate share of the net pension liability calculated using the discount rate of 8.00 percent, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate:

	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Borough's proportionate share of the net pension liability	0.05645976%	\$ 3,452,843	\$ 2,633,361	\$ 1,943,282

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

12. Defined Contribution (DC) Pension Plan

Employees hired after July 1, 2006 participate in PERS Tier IV, a defined contribution plan. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plan noted above. 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. This Plan is included in the comprehensive annual financial report for PERS, and at the following website, as noted above. <http://doa.alaska.gov/drb/pers>.

Contributions to the DC plan consist solely of employer and employee contributions with no special funding or other nonemployer contributions. In addition, actual remittances to the PERS system require that the Borough contribute at 22%. After deducting the DC plan contributions (and related OPEB contributions), the remaining remittance (the DBUL) is deposited into the DB plan as noted earlier.

Benefit Terms

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service.

Employee Contribution Rate

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

Employer Contribution Rate

For the year ended June 30, 2015, the Borough was required to contribute 5% of covered salary into the Plan.

The Borough and employee contributions to PERS for pensions for the year ended June 30, 2015 were \$81,734 and \$130,772, respectively. The Borough contribution amount was recognized as pension expense/expenditures.

13. Other Post-Employment Benefit (OPEB) Plans

Defined Benefit OPEB

As part of its participation in the PERS DB Plan (Tiers I, II, III), the Borough participates in the Alaska Retiree Healthcare Trust (ARHCT). The ARHCT is self-funded and provides major medical coverage to retirees of the System. Benefits vary by Tier level. The Plan is administered by the State of Alaska, Department of Administration. Employer contribution rates are established in concert with the Defined Benefit Pension Plan described earlier in these notes.

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

Employer Contribution Rate

The Borough is required to contribute 9.46% of covered payroll into the OPEB plan. Employees do not contribute.

Annual Postemployment Healthcare Cost

Actual contributions into the Plan for the last three years were as follows. The amounts reported here include only the employer required contributions and do not include any amounts attributed to the on-behalf contributions by the State. In 2015, there were no on-behalf contributions into the OPEB Plan; however, on-behalf contributions to the OPEB Plan in 2014 and 2013 were \$152,284 and \$147,897, respectively.

<i>Year Ended June 30,</i>	Annual OPEB Costs	Borough Contributions	% of Costs Contributed
2015	\$ 173,811	\$ 173,811	100 %
2014	\$ 152,284	\$ 152,284	100 %
2013	\$ 208,698	\$ 208,698	100 %

Defined Contribution OPEB

Defined Contribution Pension Plan participants (PERS Tier IV) participate in the Occupational Death and Disability Plan (ODD), and the Retiree Medical Plan. Information on these plans is included in the comprehensive annual financial report for the PERS Plan noted above. These plans provide for death, disability, and post-employment health care benefits.

Employer Contribution Rates

Employees do not contribute to the DC OPEB plans. Employer contribution rates for the year ended June 30, 2015 were as follows:

	Other Tier IV	Police/Fire Tier IV
Retiree medical plan	1.66%	1.66%
Occupational death and disability benefits	0.22%	1.06%
Total Contribution Rates	1.88%	2.72%

In addition, PERS defined contribution members also participate in 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, 2014, for actual remittance, this amount is calculated as a flat rate for each full time or part-time employee per pay period and approximates \$1,961 per year for each full-time employee, and \$1.26 per hour for part-time employees.

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

Annual Postemployment Healthcare Cost

In 2015, the Borough contributed \$75,191 in DC OPEB costs. These amounts have been recognized as expense/expenditures.

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. Change in Accounting Principle

As discussed in Note 11 to the financial statements, the Borough participates in the Alaska Public Employees Retirement System (PERS) plan. In 2015, the Borough adopted the provisions of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*, which, among other accounting and reporting criteria, requires the Borough to recognize its proportional share of the Net Pension Liability (and related deferred inflow/outflow accounts), as of the beginning of the Borough's fiscal year. As a result of the implementation of this statement, the Borough has recorded an opening balance adjustment to reflect opening balance pension liabilities and related accounts and to decrease opening net position as follows:

	Opening Net Position, as Originally Presented	Change in Accounting Principle Adjustment	Opening Net Position, as Restated
Governmental Activities	\$ 116,015,667	\$ (2,276,603)	\$ 113,739,064
School District Component Unit	32,421,999	(15,073,280)	17,348,719

16. 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.

Northwest Arctic Borough, Alaska

Notes to Basic Financial Statements

17. Subsequent Events

Subsequent to year end, following unsuccessful negotiations with Teck Alaska related to contractual payments in lieu of tax payments connected with the Red Dog Mine operations, the Borough levied a severance tax with an estimated value of \$30-\$40 million annually. In January 2016, Teck Alaska filed litigation against the Borough seeking an injunction on the tax and continued negotiations. It is unclear at this time what, if any, financial impact may result from this item.

18. 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 75 will result in the biggest reporting change. However, actual impacts have not yet been determined.

GASB 72 - Fair Value Measurement and Application - Effective for year-end June 30, 2016 - This statement defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. This statement is expected to primarily affect investment disclosures.

GASB 73 - Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68 - This statement contains certain clarifications and amendments to GASB 67 and 68 as well as establishing requirements for both defined benefit and defined contribution pensions not within the scope of GASB 68. Effective for fiscal year end June 30, 2016—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for year ending June 30, 2017.

GASB 74 - Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans - Effective for year-end June 30, 2017, with earlier application encouraged - This statement contains reporting financial reporting guidelines for Postemployment Benefit Plans. This is the Plan side requirements applicable to OPEB benefits and generally brings the OPEB reporting rules into alignment with the new GASB 67 Pension rules.

GASB 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions - Effective for year-end June 30, 2018, with earlier application encouraged - This statement contains accounting and financial reporting guidelines for OPEB related activities at the participating employer level and generally brings the OPEB reporting rules into alignment with the new GASB 68 Pension rules.

GASB 76 - The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments - Effective for year-end June 30, 2016, with earlier application encouraged - This statement clarifies the hierarchy of generally accepted accounting principles to be used in the preparation of state and local government financial statements. This statement supersedes the previous hierarchy established in GASB 55.

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, 2015</i>	Budget		Actual	Variance
	Original	Final		
Revenues				
Local sources:				
Teck Alaska	\$ 8,800,000	\$ 9,301,954	\$ 9,301,954	\$ -
Borough usage fee	2,126,016	2,126,016	2,126,016	-
Permit fees	15,000	15,000	13,250	(1,750)
Investment income	550,000	275,000	119,553	(155,447)
Miscellaneous	255,000	255,000	243,507	(11,493)
Total local sources	11,746,016	11,972,970	11,804,280	(168,690)
State sources:				
Revenue sharing	427,738	449,454	449,454	-
PERS relief	-	-	632,401	632,401
Other	10,000	10,000	4,637	(5,363)
Total state sources	437,738	459,454	1,086,492	627,038
Federal sources - payment in lieu of taxes	1,062,047	1,137,857	2,174,225	1,036,368
Total Revenues	13,245,801	13,570,281	15,064,997	1,494,716
Expenditures				
General government:				
Assembly:				
Salaries	140,942	140,942	111,511	29,431
FICA	13,458	13,458	11,642	1,816
Unemployment insurance	2,827	2,827	2,962	(135)
PERS	27,793	27,793	74,019	(46,226)
Workers' compensation	1,071	1,071	699	372
Medical benefits	328,848	328,848	326,878	1,970
Legal and consultants	25,000	25,000	37,297	(12,297)
Lobbyists	30,000	30,000	36,924	(6,924)
Revenue sharing program	402,000	402,000	402,000	-
Telephone and postage	6,000	6,000	2,995	3,005
Elections	31,011	31,011	28,389	2,622

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

<i>Year Ended June 30, 2015</i>	Budget		Actual	Variance
	Original	Final		
Expenditures, continued				
General government, continued:				
Assembly, continued:				
Transportation	\$ 101,831	\$ 111,831	\$ 120,748	\$ (8,917)
Per diem	133,050	123,050	125,967	(2,917)
Meeting fees	144,200	144,200	128,950	15,250
Dues and subscriptions	10,000	10,000	7,283	2,717
Printing and publications	10,000	10,000	2,725	7,275
Business costs	5,000	5,000	4,760	240
Donations	330,000	330,000	330,000	-
Inupiaq Language Commission	7,500	7,500	7,500	-
ICC membership	20,000	20,000	20,000	-
Assembly retreat	5,000	5,000	15,706	(10,706)
Healthy communities/wellness	5,000	5,000	800	4,200
Regional elders support	7,500	7,500	-	7,500
Total assembly	1,788,031	1,788,031	1,799,755	(11,724)
Mayor:				
Salaries	376,751	376,751	315,258	61,493
FICA	5,153	5,153	4,568	585
Unemployment insurance	4,489	4,489	4,238	251
PERS	74,441	74,441	213,743	(139,302)
Workers' compensation	2,863	2,863	1,975	888
Medical benefits	75,888	75,888	76,672	(784)
Consultants	86,000	138,625	78,705	59,920
Legal services	235,000	235,000	275,462	(40,462)
Telephone and postage	12,500	12,500	7,231	5,269
Transportation	57,950	57,950	57,410	540
Per diem	54,421	54,421	50,764	3,657
Dues and subscriptions	5,500	5,500	4,808	692
Printing and publications	10,000	10,000	11,599	(1,599)
Miscellaneous	5,000	5,000	10,274	(5,274)
Charitable donations	70,000	70,000	77,922	(7,922)
Training	10,000	10,000	-	10,000
NW Leadership Team	82,000	82,000	65,237	16,763
Emergency disaster relief	75,000	75,000	43,670	31,330
Education Summit	10,000	10,000	8,881	1,119
Cultural camps	40,000	40,000	26,000	14,000
Total mayor	1,292,956	1,345,581	1,334,417	11,164

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

<i>Year Ended June 30, 2015</i>	Budget		Actual	Variance
	Original	Final		
Expenditures, continued				
General government, continued:				
Administration and finance:				
Salaries	\$ 442,008	\$ 442,008	\$ 289,818	\$ 152,190
FICA	7,266	7,266	5,544	1,722
Unemployment insurance	7,641	7,641	5,255	2,386
PERS	86,187	86,187	204,865	(118,678)
Workers' compensation	3,359	3,359	1,814	1,545
Medical benefits	120,165	120,165	91,610	28,555
Accounting and auditing	190,116	190,116	222,808	(32,692)
Office supplies	25,000	25,000	24,391	609
Telephone and postage	20,000	20,000	18,489	1,511
Insurance	90,000	71,000	70,501	499
Transportation	14,600	14,600	4,184	10,416
Per diem	8,760	8,760	3,068	5,692
Office building utilities	55,100	55,100	53,414	1,686
Gas and oil	10,000	10,000	3,160	6,840
Equipment repairs and maintenance	10,000	10,000	4,990	5,010
Dues and subscriptions	2,500	2,500	706	1,794
Printing and publications	16,000	16,000	17,407	(1,407)
Computer support and internet	72,000	72,000	61,699	10,301
Software upgrades	6,000	6,000	3,448	2,552
Computer training	10,000	10,000	6,705	3,295
Noatak airport lease	7,292	7,292	6,456	836
Equipment	40,000	40,000	48,144	(8,144)
Total administration and finance	1,243,994	1,224,994	1,148,476	76,518
Total general government	4,324,981	4,358,606	4,282,648	75,958

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

<i>Year Ended June 30, 2015</i>	Budget		Actual	Variance
	Original	Final		
Expenditures, continued				
Planning:				
Planning and community:				
Salaries	\$ 277,370	\$ 277,370	\$ 251,255	\$ 26,115
FICA	4,052	4,052	3,651	401
Unemployment insurance	4,240	4,240	4,346	(106)
PERS	54,861	54,861	138,696	(83,835)
Workers' compensation	2,108	2,108	1,584	524
Medical benefits	75,888	75,888	80,173	(4,285)
Consultants	339,000	354,360	351,707	2,653
Title Nine monitoring	50,000	50,000	50,000	-
Supplies	1,800	1,800	1,338	462
Telephone and postage	3,500	3,500	4,334	(834)
Transportation	37,650	22,290	16,475	5,815
Per diem	51,722	36,722	14,827	21,895
Village rent	15,000	15,000	-	15,000
Printing and publications	1,500	1,500	1,370	130
Training	2,000	2,000	296	1,704
Planning grants	45,000	45,000	30,799	14,201
Equipment	5,000	5,000	1,160	3,840
Total planning and community	970,691	955,691	952,011	3,680
Planning commission:				
FICA	536	536	241	295
Supplies	-	-	211	(211)
Transportation	19,250	19,250	7,984	11,266
Per diem	27,768	25,268	13,625	11,643
Meeting fees	7,000	4,500	3,150	1,350
Total planning commission	54,554	49,554	25,211	24,343
Total planning	1,025,245	1,005,245	977,222	28,023
Economic development:				
Administration:				
Salaries	158,288	134,915	116,537	18,378
FICA	2,995	2,657	1,912	745
Unemployment insurance	3,764	2,869	2,689	180

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

<i>Year Ended June 30, 2015</i>	Budget		Actual	Variance
	Original	Final		
Expenditures, continued				
Economic development, continued:				
Administration, continued:				
PERS	\$ 42,961	\$ 37,819	\$ 89,530	\$ (51,711)
Workers' compensation	1,570	1,393	819	574
Medical benefits	75,888	69,564	56,938	12,626
Consultants	15,000	10,000	-	10,000
Supplies	4,800	1,175	1,175	-
Telephone and postage	3,780	6,480	7,448	(968)
Transportation	18,000	17,400	22,067	(4,667)
Per diem	10,400	22,300	23,553	(1,253)
Dues and subscriptions	2,000	283	283	-
Printing and publications	500	-	-	-
Training	4,000	1,789	5,233	(3,444)
Small business grants	25,500	28,189	26,621	1,568
Equipment	5,000	1,364	1,420	(56)
Total administration	374,446	338,197	356,225	(18,028)
Economic development commission:				
FICA	490	490	-	490
Supplies	3,000	3,000	88	2,912
Transportation	8,000	8,000	-	8,000
Per diem	8,000	8,000	392	7,608
Meeting fees	6,413	6,413	117	6,296
Training	900	900	-	900
Total economic development commission	26,803	26,803	597	26,206
Total economic development	401,249	365,000	356,822	8,178
Education:				
Payments to School District	4,099,001	4,099,001	4,099,001	-
Scholarships	180,000	180,000	184,664	(4,664)
Payment to Chukchi Library	100,000	100,000	100,000	-
Total education	4,379,001	4,379,001	4,383,665	(4,664)

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

<i>Year Ended June 30, 2015</i>	Budget		Actual	Variance
	Original	Final		
Expenditures, continued				
Public services:				
Public safety commission:				
FICA	\$ 432	\$ 432	\$ 54	\$ 378
Transportation	10,500	5,500	3,902	1,598
Per diem	13,200	8,200	3,387	4,813
Meeting fees	5,500	5,500	700	4,800
Community safety	12,500	10,000	2,280	7,720
Public safety support	2,500	-	-	-
VPO pass-thru	200,000	180,000	185,000	(5,000)
Equipment	5,000	5,000	5,816	(816)
Total public safety commission	249,632	214,632	201,139	13,493
Public services department:				
Salaries	408,212	408,212	316,387	91,825
FICA	6,017	6,017	4,800	1,217
Unemployment insurance	6,838	6,838	7,295	(457)
PERS	89,807	89,807	213,055	(123,248)
Workers' compensation	3,102	3,102	3,704	(602)
Medical benefits	126,480	126,480	118,059	8,421
Supplies	-	5,000	4,379	621
Telephone	12,000	12,000	4,612	7,388
Transportation	52,000	54,000	41,229	12,771
Per diem	43,074	44,074	27,384	16,690
LEPC meetings	15,000	9,000	9,643	(643)
Village office rent	13,200	13,200	7,248	5,952
Dues and Subscriptions	5,000	6,000	3,207	2,793
Printing and publications	3,000	3,000	2,743	257
Miscellaneous	-	3,500	6,440	(2,940)
Search and Rescue stipends	66,000	55,500	58,500	(3,000)
Battalion chief performance grants	60,000	54,000	62,774	(8,774)
Battalion chief meetings	10,000	7,374	1,634	5,740
Winter trails	147,990	147,990	83,683	64,307

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

<i>Year Ended June 30, 2015</i>	Budget		Actual	Variance
	Original	Final		
Expenditures, continued				
Public services, continued:				
Public services department, continued:				
Search and Rescue meetings	\$ 15,000	\$ 12,000	\$ 9,374	\$ 2,626
Fire fighting safety	15,000	15,000	13,785	1,215
Equipment	10,000	10,000	5,439	4,561
Total public services department	1,107,720	1,092,094	1,005,374	86,720
Total public services	1,357,352	1,306,726	1,206,513	100,213
Total Expenditures	11,487,828	11,414,578	11,206,870	207,708
Excess of revenues over expenditures	1,757,973	2,155,703	3,858,127	1,702,424
Other Financing Uses				
Transfers to other funds	(2,139,578)	(2,328,802)	(2,268,433)	60,369
Financial contingency reserve	(1,000,000)	(1,501,954)	-	1,501,954
Total Other Financing Uses	(3,139,578)	(3,830,756)	(2,268,433)	1,562,323
Net change in fund balance	<u>\$ (1,381,605)</u>	<u>\$ (1,675,053)</u>	1,589,694	<u>\$ 3,264,747</u>
Fund Balance, beginning of year			<u>18,327,305</u>	
Fund Balance, end of year			<u>\$ 19,916,999</u>	

See accompanying notes to required supplementary information.

Northwest Arctic Borough, Alaska
Shell Oil Collaborative Research Project Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2015</i>	Original and Final Budget	Actual	Variance
Revenues			
Local sources	\$ 994,193	\$ 686,651	\$ (307,542)
State of Alaska PERS relief	-	22,875	22,875
Total Revenues	994,193	709,526	(284,667)
Expenditures			
Planning	586,979	384,650	202,329
Excess of revenues over expenditures	407,214	324,876	(82,338)
Other Financing Uses			
Transfers to other funds	(407,214)	(324,876)	82,338
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

See accompanying notes to required supplementary information.

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

<i>Year Ended June 30, 2015</i>	Original and Final Budget	Actual	Variance
Revenues			
State of Alaska	\$ 2,200,000	\$ 609,455	\$ (1,590,545)
Expenditures			
Public services	2,200,000	609,455	1,590,545
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

See accompanying notes to required supplementary information.

Northwest Arctic Borough, Alaska
Public Employees Retirement System
Schedule of the Borough's Information on the Net Pension Liability
June 30, 2015

	2015
Borough's proportion of the net pension liability	0.05645976%
Borough's proportionate share of the net pension liability	\$ 2,633,361
State of Alaska proportionate share of the net pension liability	\$ 2,413,039
Total net pension liability	\$ 5,046,400
Borough's covered-employee payroll	\$ 1,029,367
Borough's proportionate share of the net pension liability as a percentage of covered-employee payroll	255.82%
Plan fiduciary net position as a percentage of the total pension liability	62.37%

See accompanying notes to required supplementary information.

Northwest Arctic Borough, Alaska
Public Employees Retirement System
Schedule of Borough Contributions
June 30, 2015

	2015
Contractually required contribution	\$ 230,397
Contributions in relation to the contractually required contribution	\$ 230,397
Contribution deficiency (excess)	\$ -
Borough's covered-employee payroll	\$ 917,964
Contributions as a percentage of covered-employee payroll	25.10%

See accompanying notes to required supplementary information.

Northwest Arctic Borough, Alaska
Notes to Required Supplementary Information
June 30, 2015

1. Schedule of Revenues, Expenditures, and Changes in Fund Balance - General Fund and Major Special Revenue Funds

The Governmental Accounting Standards Board requires budget and actual presentation for the General Fund and any major Special Revenue Funds to include the original budget, final budget, and actual results on a budgetary basis. The budgetary comparison schedules are presented on the modified accrual basis of accounting.

2. Public Employees Retirement System - Schedule of the Borough's Information on the Net Pension Liability

This table is presented based on the Plan measurement date. For June 30, 2015, the Plan measurement date is June 30, 2014.

This table is intended to present ten years of information. Additional years' information will be included as it becomes available.

There were no changes in benefit terms from the prior measurement period.

There were no changes in assumptions from the prior measurement period.

3. Public Employees Retirement System - Schedule of Borough Contributions

This table is based on the Borough's contributions during fiscal year 2015. These contributions are reported as a deferred outflow on the June 30, 2015 basic financial statements.

This table is intended to present ten years of information. Additional years' information will be included as it becomes available.

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Supplementary Information

Northwest Arctic Borough, Alaska

Nonmajor Governmental Funds
Combining Balance Sheet

<i>June 30, 2015</i>	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Assets			
Cash and investments	\$ 794,780	\$ 186,484	\$ 981,264
Federal and state grants receivable	841,123	-	841,123
Revolving art inventory	85,614	-	85,614
Lease deposit	860	-	860
Total Assets	\$ 1,722,377	\$ 186,484	\$ 1,908,861
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 246,259	\$ -	\$ 246,259
Due to other funds	498,284	43,096	541,380
Unearned revenue	63,602	-	63,602
Total Liabilities	808,145	43,096	851,241
Fund Balances			
Nonspendable - inventory	85,614	-	85,614
Restricted - construction	-	49,718	49,718
Committed:			
Economic development	455	-	455
Education	24,293	-	24,293
Assigned:			
Construction	-	136,766	136,766
Public services	523,532	-	523,532
Planning	49,730	-	49,730
Economic development	279,006	-	279,006
Education	3,636	-	3,636
Unassigned (deficits)	(52,034)	(43,096)	(95,130)
Total Fund Balances	914,232	143,388	1,057,620
Total Liabilities and Fund Balances	\$ 1,722,377	\$ 186,484	\$ 1,908,861

Northwest Arctic Borough, Alaska

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

<i>Year Ended June 30, 2015</i>	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues			
Local sources	\$ 405,156	\$ -	\$ 405,156
Intergovernmental:			
Direct federal sources	2,009,036	-	2,009,036
State sources, including federal monies passed through State of Alaska	2,832,338	-	2,832,338
Total Revenues	5,246,530	-	5,246,530
Expenditures			
Current:			
Planning	120,260	-	120,260
Economic development	496,091	-	496,091
Education	27,447	-	27,447
Public services	5,205,918	-	5,205,918
Capital outlay -			
Design and construction	-	15,079	15,079
Total Expenditures	5,849,716	15,079	5,864,795
Deficiency of revenues over expenditures	(603,186)	(15,079)	(618,265)
Other Financing Sources (Uses)			
Transfers from other funds	654,735	-	654,735
Transfers to other funds	(10,000)	-	(10,000)
Net Other Financing Sources (Uses)	644,735	-	644,735
Net change in fund balances	41,549	(15,079)	26,470
Fund Balances, beginning of year	872,683	158,467	1,031,150
Fund Balances, end of year	\$ 914,232	\$ 143,388	\$ 1,057,620

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

<i>June 30, 2015</i>	Deering Community Library Repairs and Maintenance	Mining Conference	Inupiaq Language Strategic Planning Grant	Oak Foundation Grant	CIAP Solar Energy Grant	CIAP Energy Conservation Grant	CIAP Improving Subsistence Information Grant	DNR Recreational Trails Grant	Conoco Mapping Initiative	Public Library Grant	Arctic Economic Develop- ment Conference
Assets											
Cash and investments	\$ -	\$ 4,163	\$ -	\$ 12,877	\$ -	\$ -	\$ -	\$ 10,674	\$ 46,070	\$ 5,114	\$ 14,887
Federal and state grants receivable	31	-	2,404	-	43,058	20,740	33,259	-	-	-	-
Revolving art inventory	-	-	-	-	-	-	-	-	-	-	-
Lease deposit	-	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 31	\$ 4,163	\$ 2,404	\$ 12,877	\$ 43,058	\$ 20,740	\$ 33,259	\$ 10,674	\$ 46,070	\$ 5,114	\$ 14,887
Liabilities and Fund Balances											
Liabilities											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 468	\$ -	\$ 38,760	\$ -	\$ 503	\$ -	\$ -
Due to other funds	31	-	6,883	-	42,590	20,740	24,836	-	-	-	-
Unearned revenue	-	-	-	12,877	-	-	-	10,674	-	1,478	-
Total Liabilities	31	-	6,883	12,877	43,058	20,740	63,596	10,674	503	1,478	-
Fund Balances											
Nonspendable - inventory	-	-	-	-	-	-	-	-	-	-	-
Committed:											
Economic development	-	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-	-
Assigned:											
Public services	-	-	-	-	-	-	-	-	-	-	-
Planning	-	4,163	-	-	-	-	-	-	45,567	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	14,887
Education	-	-	-	-	-	-	-	-	-	3,636	-
Unassigned (deficit)	-	-	(4,479)	-	-	-	(30,337)	-	-	-	-
Total Fund Balances	-	4,163	(4,479)	-	-	-	(30,337)	-	45,567	3,636	14,887
Total Liabilities and Fund Balances	31	4,163	2,404	12,877	43,058	20,740	33,259	10,674	46,070	5,114	14,887

Northwest Arctic Borough, Alaska

Nonmajor Special Revenue Funds
Combining Balance Sheet, continued

	Borough Wide LED Light Project Grant	Kivalina Evacuation Road	Economic Develop- ment Administration Grant	Alaska Regional Development Organization	Eocycle Wind Turbine Grant	Borough Wide Repair & Maintenance and Heavy Equipment 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
<i>June 30, 2015</i>														
Assets														
Cash and investments	\$ -	\$ 44,700	\$ 1,727	\$ 39,021	\$ -	\$ -	\$ 29,311	\$ -	\$ 233,083	\$ 957	\$ -	\$ -	\$ -	\$ -
Federal and state grants receivable	11,580	-	4,073	-	414	12,807	-	-	-	-	17,909	7,352	37,000	-
Revolving art inventory	-	-	-	-	-	-	-	-	85,614	-	-	-	-	-
Lease deposit	-	-	-	-	-	-	-	860	-	-	-	-	-	-
Total Assets	\$ 11,580	\$ 44,700	\$ 5,800	\$ 39,021	\$ 414	\$ 12,807	\$ 29,311	\$ 860	\$ 318,697	\$ 957	\$ 17,909	\$ 7,352	\$ 37,000	\$ -
Liabilities and Fund Balances														
Liabilities														
Accounts payable	\$ -	\$ -	\$ 5,800	\$ 2,850	\$ 414	\$ 2,542	\$ 3,048	\$ -	\$ -	\$ -	\$ 7,547	\$ -	\$ -	\$ -
Due to other funds	11,580	-	-	-	-	10,265	-	-	-	-	10,362	7,352	37,000	13,390
Unearned revenue	-	-	-	35,716	-	-	-	860	-	-	-	-	-	-
Total Liabilities	11,580	-	5,800	38,566	414	12,807	3,048	860	-	-	17,909	7,352	37,000	13,390
Fund Balances														
Nonspendable - inventory	-	-	-	-	-	-	-	-	85,614	-	-	-	-	-
Committed:														
Economic development	-	-	-	455	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assigned:														
Public services	-	44,700	-	-	-	-	-	-	-	957	-	-	-	-
Planning	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	26,263	-	233,083	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,390)
Total Fund Balances	-	44,700	-	455	-	-	26,263	-	318,697	957	-	-	-	(13,390)
Total Liabilities and Fund Balances	\$ 11,580	\$ 44,700	\$ 5,800	\$ 39,021	\$ 414	\$ 12,807	\$ 29,311	\$ 860	\$ 318,697	\$ 957	\$ 17,909	\$ 7,352	\$ 37,000	\$ -

Northwest Arctic Borough, Alaska

Nonmajor Special Revenue Funds
Combining Balance Sheet, continued

<i>June 30, 2015</i>	Local Emergency Planning Committee Grant	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	ConocoPhillips Deering Lights Upgrades	Noorvik Storage Shed & Shop Grant	Ice Road Grant	Deering Heavy Equipment Grant	Energy Steering Committee
Assets													
Cash and investments	\$ -	\$ -	\$ -	\$ 234,488	\$ -	\$ 24,293	\$ 504	\$ 84,191	\$ 79	\$ -	\$ -	\$ 1,414	\$ 4,773
Federal and state grants receivable	4,628	284,164	25,872	-	35,239	-	-	26,152	-	20	33,157	-	-
Revolving art inventory	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease deposit	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 4,628	\$ 284,164	\$ 25,872	\$ 234,488	\$ 35,239	\$ 24,293	\$ 504	\$ 110,343	\$ 79	\$ 20	\$ 33,157	\$ 1,414	\$ 4,773
Liabilities and Fund Balances													
Liabilities													
Accounts payable	\$ 648	\$ 18,757	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114,171	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	3,980	30,419	25,872	-	35,239	-	-	-	-	20	28,762	-	-
Unearned revenue	-	-	-	-	-	-	504	-	79	-	-	1,414	-
Total Liabilities	4,628	49,176	25,872	-	35,239	-	504	114,171	79	20	28,762	1,414	-
Fund Balances													
Nonspendable - inventory	-	-	-	-	-	-	-	-	-	-	-	-	-
Committed:													
Economic development	-	-	-	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	24,293	-	-	-	-	-	-	-
Assigned:													
Public services	-	234,988	-	234,488	-	-	-	-	-	-	4,395	-	-
Planning	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-	4,773
Education	-	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	(3,828)	-	-	-	-	-
Total Fund Balances	-	234,988	-	234,488	-	24,293	-	(3,828)	-	-	4,395	-	4,773
Total Liabilities and Fund Balances	\$ 4,628	\$ 284,164	\$ 25,872	\$ 234,488	\$ 35,239	\$ 24,293	\$ 504	\$ 110,343	\$ 79	\$ 20	\$ 33,157	\$ 1,414	\$ 4,773

Northwest Arctic Borough, Alaska

Nonmajor Special Revenue Funds
Combining Balance Sheet, continued

	Kivalina and Sanitation Grant	Water Haul System	Noatak Winter Fuel Grant	CIAP Sustainable Tourism Grant	CIAP Marine Debris Grant	CIAP Green Initiative Grant	CIAP Waste Management Grant	Trade Fair	Rasmuson Public Services Grant	Rasmuson Sulianich Grant	Noorvik Dumpster & Fencing Grant	Kiana Fuel Dispenser Upgrade Grant	Shungnak Heavy Equipment Grant	Kobuk Heavy Equipment Grant	Total Nonmajor Special Revenue Funds
<i>June 30, 2015</i>															
Assets															
Cash and investments	\$ -	\$ -	\$ 2,454	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 794,780
Federal and state grants receivable	-	-	-	9,392	10,180	396	206,166	-	-	-	-	1,865	-	13,265	841,123
Revolving art inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85,614
Lease deposit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	860
Total Assets	\$ -	\$ -	\$ 2,454	\$ 9,392	\$ 10,180	\$ 396	\$ 206,166	\$ -	\$ -	\$ -	\$ -	\$ 1,865	\$ -	\$ 13,265	\$ 1,722,377
Liabilities and Fund Balances															
Liabilities															
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 336	\$ -	\$ 46,545	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,870	\$ 246,259
Due to other funds	-	-	-	9,392	8,294	396	159,621	-	-	-	-	1,865	-	9,395	498,284
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	63,602
Total Liabilities	-	-	-	9,392	8,630	396	206,166	-	-	-	-	1,865	-	13,265	808,145
Fund Balances															
Nonspendable - inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85,614
Committed:															
Economic development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	455
Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,293
Assigned:															
Public services	-	2,454	-	-	1,550	-	-	-	-	-	-	-	-	-	523,532
Planning	-	-	-	-	-	-	-	-	-	-	-	-	-	-	49,730
Economic development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	279,006
Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,636
Unassigned (deficit)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(52,034)
Total Fund Balances	-	2,454	-	9,392	10,180	396	206,166	-	-	-	-	1,865	-	13,265	914,232
Total Liabilities and Fund Balances	\$ -	\$ 2,454	\$ -	\$ 9,392	\$ 10,180	\$ 396	\$ 206,166	\$ -	\$ -	\$ -	\$ -	\$ 1,865	\$ -	\$ 13,265	\$ 1,722,377

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

<i>Year Ended June 30, 2015</i>	Kobuk Community Repairs and Maintenance	Deering Community Library Repairs and Maintenance	Mining Conference	Inupiaq Language Strategic Planning Grant	CIAP Solar Energy Grant	AEA Upper Kobuk River Biomass Grant	CIAP Energy Conservation Grant	Kivalina Heavy Equipment	CIAP Improving Subsistence Information Grant	Conoco Mapping Initiative	Public Library Grant	Arctic Economic Develop- ment Conference
Revenues												
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,757	\$ -	\$ -	\$ -
Intergovernmental:												
Direct federal sources	-	-	-	-	610,844	-	21,715	-	353,477	-	-	-
State sources, including federal monies passed through State of Alaska	-	5,295	-	-	22,146	3,169	-	-	98,812	-	12,465	-
Total Revenues	-	5,295	-	-	632,990	3,169	21,715	-	454,046	-	12,465	-
Expenditures												
Current:												
Planning	-	-	-	-	-	-	-	-	-	16,735	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	5,076
Education	-	-	-	-	-	-	-	-	-	-	13,047	-
Public services	-	5,295	-	-	632,990	3,169	21,715	-	809,259	-	-	-
Total Expenditures	-	5,295	-	-	632,990	3,169	21,715	-	809,259	16,735	13,047	5,076
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	(355,213)	(16,735)	(582)	(5,076)
Other Financing Sources (Uses)												
Transfers from other funds	-	-	-	-	-	-	-	-	324,876	-	-	-
Transfers to other funds	-	-	-	-	-	-	-	-	-	-	-	-
Net Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	324,876	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-	(30,337)	(16,735)	(582)	(5,076)
Fund Balances (Deficits), beginning of year	-	-	4,163	(4,479)	-	-	-	-	-	62,302	4,218	19,963
Fund Balances (Deficits), end of year	\$ -	\$ -	\$ 4,163	\$ (4,479)	\$ -	\$ -	\$ -	\$ -	\$ (30,337)	\$ 45,567	\$ 3,636	\$ 14,887

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

<i>Year Ended June 30, 2015</i>	Borough Wide LED Light Project Grant	Kivalina Evacuation Road	Economic Develop- ment Administration Grant	Alaska Regional Develop- ment Organi- zation	Eocycle Wind Turbine Grant	Borough Wide Repair & Maintenance and Heavy Equipment 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
Revenues														
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,400	\$ 216,955	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental:														
Direct federal sources	-	-	-	-	-	-	-	-	-	-	196,769	77,818	-	-
State sources, including federal monies passed through State of Alaska	184,223	-	5,800	41,694	29,627	12,807	33,086	-	-	-	32,119	-	50,494	62,990
Total Revenues	184,223	-	5,800	41,694	29,627	12,807	33,086	14,400	216,955	-	228,888	77,818	50,494	62,990
Expenditures														
Current:														
Planning	-	-	-	-	-	-	-	-	-	-	-	-	-	97,717
Economic development	-	-	5,800	41,694	-	-	173,036	-	191,293	-	-	-	50,494	-
Education	-	-	-	-	-	-	-	14,400	-	-	-	-	-	-
Public services	184,223	-	-	-	29,627	12,807	-	-	-	-	228,888	77,818	-	-
Total Expenditures	184,223	-	5,800	41,694	29,627	12,807	173,036	14,400	191,293	-	228,888	77,818	50,494	97,717
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	(139,950)	-	25,662	-	-	-	-	(34,727)
Other Financing Sources (Uses)														
Transfers from other funds	-	-	-	-	-	-	120,635	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Other Financing Sources (Uses)	-	-	-	-	-	-	120,635	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	(19,315)	-	25,662	-	-	-	-	(34,727)
Fund Balances (Deficits), beginning of year	-	44,700	-	455	-	-	45,578	-	293,035	957	-	-	-	21,337
Fund Balances (Deficits), end of year	\$ -	\$ 44,700	\$ -	\$ 455	\$ -	\$ -	\$ 26,263	\$ -	\$ 318,697	\$ 957	\$ -	\$ -	\$ -	\$ (13,390)

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

<i>Year Ended June 30, 2015</i>	Local Emergency Planning Committee Grant	VPSO Program Grant	CIAP Improving Management Capacity Grant	Kivalina Erosion Protection	Selawik Glycol Rehabilitation Project	Frank R. Ferguson Scholarship	Search and Rescue	ConocoPhillips Deering Lights Upgrades	Noorvik Storage Shed & Shop Grant	Ice Road Grant	Energy Steering Committee	Kivalina Water and Sanitation Grant
Revenues												
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ 122,714	\$ 14,121	\$ -	\$ 5,000	\$ 9,288	\$ -
Intergovernmental:												
Direct federal sources	-	-	192,653	-	-	-	-	-	-	-	-	-
State sources, including federal monies passed through State of Alaska	5,808	1,460,954	9,115	-	35,239	-	123,001	-	398	50,000	-	54,831
Total Revenues	5,808	1,460,954	201,768	-	35,239	3	245,715	14,121	398	55,000	9,288	54,831
Expenditures												
Current:												
Planning	5,808	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	12,016	-	-
Education	-	-	-	-	-	-	-	-	-	-	-	-
Public services	-	1,484,522	201,768	16,898	35,239	-	262,932	14,121	398	57,724	-	54,831
Total Expenditures	5,808	1,484,522	201,768	16,898	35,239	-	262,932	14,121	398	57,724	12,016	54,831
Excess (deficiency) of revenues over expenditures	-	(23,568)	-	(16,898)	-	3	(17,217)	-	-	(2,724)	(2,728)	-
Other Financing Sources (Uses)												
Transfers from other funds	-	205,600	-	-	-	-	-	-	-	-	3,624	-
Transfers to other funds	-	-	-	-	-	-	-	-	-	(10,000)	-	-
Net Other Financing Sources (Uses)	-	205,600	-	-	-	-	-	-	-	(10,000)	3,624	-
Net change in fund balances	-	182,032	-	(16,898)	-	3	(17,217)	-	-	(12,724)	896	-
Fund Balances (Deficit), beginning of year	-	52,956	-	251,386	-	24,290	13,389	-	-	17,119	3,877	-
Fund Balances (Deficits), end of year	\$ -	\$ 234,988	\$ -	\$ 234,488	\$ -	\$ 24,293	\$ (3,828)	\$ -	\$ -	\$ 4,395	\$ 4,773	\$ -

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

<i>Year Ended June 30, 2015</i>	Noatak Winter Fuel System Grant	CIAP Sustainable Tourism Grant	CIAP Marine Debris Grant	CIAP Green Initiative Grant	CIAP Waste Management Grant	Trade Fair	Rasmuson Public Services Grant	Rasmuson Sulianich Grant	Noorvik Dumpster & Fencing Grant	Kiana Fuel Dispenser Upgrade Grant	Shungnak Heavy Equipment Grant	Kobuk Heavy Equipment Grant	Total Nonmajor Special Revenue Funds
Revenues													
Local sources	\$ -	\$ -	\$ 1,550	\$ -	\$ -	\$ -	\$ 2,686	\$ 16,682	\$ -	\$ -	\$ -	\$ -	\$ 405,156
Intergovernmental:													
Direct federal sources	-	89,949	58,210	78,370	329,231	-	-	-	-	-	-	-	2,009,036
State sources, including federal monies passed through State of Alaska	-	19,121	15,961	12,473	11,852	-	-	-	148,623	36,558	11,202	242,475	2,832,338
Total Revenues	-	109,070	75,721	90,843	341,083	-	2,686	16,682	148,623	36,558	11,202	242,475	5,246,530
Expenditures													
Current:													
Planning	-	-	-	-	-	-	-	-	-	-	-	-	120,260
Economic development	-	-	-	-	-	-	-	16,682	-	-	-	-	496,091
Education	-	-	-	-	-	-	-	-	-	-	-	-	27,447
Public services	2,853	109,070	74,171	90,843	341,083	12,130	2,686	-	148,623	36,558	11,202	242,475	5,205,918
Total Expenditures	2,853	109,070	74,171	90,843	341,083	12,130	2,686	16,682	148,623	36,558	11,202	242,475	5,849,716
Excess (deficiency) of revenues over expenditures	(2,853)	-	1,550	-	-	(12,130)	-	-	-	-	-	-	(603,186)
Other Financing Sources (Uses)													
Transfers from other funds	-	-	-	-	-	-	-	-	-	-	-	-	654,735
Transfers to other funds	-	-	-	-	-	-	-	-	-	-	-	-	(10,000)
Net Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	644,735
Net change in fund balances	(2,853)	-	1,550	-	-	(12,130)	-	-	-	-	-	-	41,549
Fund Balances (Deficit), beginning of year	5,307	-	-	-	-	12,130	-	-	-	-	-	-	872,683
Fund Balances (Deficits), end of year	\$ 2,454	\$ -	\$ 1,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 914,232

Northwest Arctic Borough, Alaska

Kobuk Community Repairs and Maintenance Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2015</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 25,999	\$ -	\$ (25,999)
Expenditures			
Public services	25,999	-	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

Deering Community Library Repairs and Maintenance Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2015</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 11,435	\$ 5,295	\$ (6,140)
Expenditures			
Public services - repairs and maintenance	11,435	5,295	6,140
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
Mining Conference Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2015</i>	Budget	Actual	Variance
Revenues			
Local sources	\$ -	\$ -	\$ -
Expenditures			
Planning - conference costs	2,124	-	2,124
Net change in fund balance	<u>\$ (2,124)</u>	-	<u>\$ 2,124</u>
Fund Balance, beginning of year		<u>4,163</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 Deficit - Budget and Actual

<i>Year Ended June 30, 2015</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
CIAP Solar Energy Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2015</i>	Budget	Actual	Variance
Revenues			
Direct federal sources	\$ 1,136,924	\$ 610,844	\$ (526,080)
State of Alaska PERS relief	-	22,146	22,146
Total Revenues	1,136,924	632,990	(503,934)
Expenditures			
Public services:			
Salaries and benefits	149,506	82,991	66,515
Contractual	700,000	528,470	171,530
Supplies	32,531	66	32,465
Travel	11,832	7,463	4,369
Other	3,000	160	2,840
Equipment	240,055	13,840	226,215
Total Expenditures	1,136,924	632,990	503,934
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, 2015</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 67,302	\$ 3,169	\$ (64,133)
Expenditures			
Public services:			
Contractual	63,160	3,169	59,991
Other	4,142	-	4,142
Total Expenditures	67,302	3,169	64,133
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, 2015</i>	Budget	Actual	Variance
Revenues			
Direct federal sources	\$ 162,720	\$ 21,715	\$ (141,005)
Expenditures			
Public services:			
Contractual	22,369	20,440	1,929
Supplies	200	100	100
Travel	6,831	-	6,831
Other	6,516	-	6,516
Equipment	126,804	1,175	125,629
Total Expenditures	162,720	21,715	141,005
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 Heavy Equipment Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2015</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 400,000	\$ -	\$ (400,000)
Expenditures			
Public services	400,000	-	400,000
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

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

<i>Year Ended June 30, 2015</i>	Budget	Actual	Variance
Revenues			
Local sources	\$ 1,757	\$ 1,757	\$ -
Direct federal sources	517,003	353,477	(163,526)
State of Alaska PERS relief	-	98,812	98,812
Total Revenues	518,760	454,046	(64,714)
Expenditures			
Public services:			
Salaries and benefits	527,765	488,914	38,851
Contractual	193,914	195,593	(1,679)
Supplies	31,881	1,814	30,067
Telephone	8,790	1,409	7,381
Travel and per diem	34,609	16,875	17,734
Meeting fees	13,525	3,525	10,000
Youth activities	61,344	85,506	(24,162)
Other	54,146	15,623	38,523
Total Expenditures	925,974	809,259	116,715
Excess (deficiency) of revenues over expenditures	(407,214)	(355,213)	52,001
Other Financing Sources			
Transfers from General Fund	407,214	324,876	(82,338)
Net change in fund balance	<u>\$ -</u>	<u>(30,337)</u>	<u>\$ (30,337)</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Deficit, end of year		<u>\$ (30,337)</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, 2015</i>	Budget	Actual	Variance
Revenues			
Local sources	\$ -	\$ -	\$ -
Expenditures			
Planning:			
Contractual	60,302	803	59,499
Supplies	-	4,788	(4,788)
Travel	-	9,794	(9,794)
Stipends	2,000	1,350	650
Total Expenditures	62,302	16,735	45,567
Net change in fund balance	<u>\$ (62,302)</u>	(16,735)	<u>\$ 45,567</u>
Fund Balance, beginning of year		<u>62,302</u>	
Fund Balance, end of year		<u>\$ 45,567</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, 2015</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 13,300	\$ 12,465	\$ (835)
Expenditures			
Education:			
Salaries and benefits	9,300	9,000	300
Books	3,000	4,047	(1,047)
Equipment	1,000	-	1,000
Total Expenditures	13,300	13,047	253
Net change in fund balance	<u>\$ -</u>	(582)	<u>\$ (582)</u>
Fund Balance, beginning of year		<u>4,218</u>	
Fund Balance, end of year		<u>\$ 3,636</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, 2015</i>	Budget	Actual	Variance
Revenues			
Local sources	\$ -	\$ -	\$ -
Expenditures			
Economic development - summit expenditures	19,963	5,076	14,887
Net change in fund balance	<u>\$ (19,963)</u>	(5,076)	<u>\$ 14,887</u>
Fund Balance, beginning of year		<u>19,963</u>	
Fund Balance, end of year		<u>\$ 14,887</u>	

Northwest Arctic Borough, Alaska
Borough Wide LED Light Project Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2015</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 200,000	\$ 184,223	\$ (15,777)
Expenditures			
Public services	200,000	184,223	15,777
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 Evacuation Road Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2015</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

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

<i>Year Ended June 30, 2015</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 8,633	\$ 5,800	\$ (2,833)
Expenditures			
Economic development	8,633	5,800	\$ 2,833
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 Regional Development Organization Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2015</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 77,410	\$ 41,694	\$ (35,716)
Expenditures			
Economic development:			
Salaries and benefits	30,587	15,293	15,294
Contractual	28,500	15,739	12,761
Supplies	3,600	1,800	1,800
Travel	13,230	8,115	5,115
Equipment	1,493	747	746
Total Expenditures	77,410	41,694	35,716
Net change in fund balance	<u>\$ -</u>	<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, 2015</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 37,670	\$ 29,627	\$ (8,043)
Expenditures			
Public services:			
Salaries and benefits	25,000	-	25,000
Contractual	-	25,627	(25,627)
Rent and utilities	12,670	-	12,670
Equipment	-	4,000	(4,000)
Total Expenditures	37,670	29,627	8,043
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

Borough - Wide Repair & Maintenance and Heavy Equipment Grant Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2015</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 200,000	\$ 12,807	\$ (187,193)
Expenditures			
Public services - equipment	200,000	12,807	187,193
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, 2015</i>	Budget	Actual	Variance
Revenues			
State of Alaska PERS relief	\$ -	\$ 33,086	\$ 33,086
Expenditures			
Economic development:			
Salaries and benefits	166,213	150,352	15,861
Utilities	-	22,684	(22,684)
Total Expenditures	166,213	173,036	(6,823)
Excess (deficiency) of revenues over expenditures	(166,213)	(139,950)	26,263
Other Financing Sources			
Transfers from General Fund	120,635	120,635	-
Net change in fund balance	<u>\$ (45,578)</u>	(19,315)	<u>\$ 26,263</u>
Fund Balance, beginning of year		<u>45,578</u>	
Fund Balance, end of year		<u>\$ 26,263</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, 2015</i>	Budget	Actual	Variance
Revenues			
Local sources	\$ 14,400	\$ 14,400	\$ -
Expenditures			
Education - Kobuk lease III	14,400	14,400	-
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, 2015</i>	Budget	Actual	Variance
Revenues			
Local sources - art sales	\$ 293,035	\$ 216,955	\$ (76,080)
Expenditures			
Economic development:			
Art purchases	273,035	170,984	102,051
Bank fees	15,000	15,191	(191)
Accounting and audit	5,000	5,118	(118)
Total Expenditures	293,035	191,293	101,742
Net change in fund balance	<u>\$ -</u>	25,662	<u>\$ 25,662</u>
Fund Balance, beginning of year		<u>293,035</u>	
Fund Balance, end of year		<u>\$ 318,697</u>	

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

<i>Year Ended June 30, 2015</i>	Budget	Actual	Variance
Revenues			
Local sources - art sales	\$ -	\$ -	\$ -
Expenditures - economic development			
	-	-	-
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>957</u>	
Fund Balance, end of year		<u>\$ 957</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, 2015</i>	Budget	Actual	Variance
Revenues			
Direct federal sources	\$ 727,609	\$ 196,769	\$ (530,840)
State of Alaska PERS relief	-	32,119	32,119
Total Revenues	727,609	228,888	(498,721)
Expenditures			
Public services:			
Salaries and benefits	448,972	186,757	262,215
Contractual	81,637	36,876	44,761
Transportation	85,000	1,949	83,051
Other	77,000	1,275	75,725
Supplies	10,000	2,031	7,969
Equipment	25,000	-	25,000
Total Expenditures	727,609	228,888	498,721
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, 2015</i>	Budget	Actual	Variance
Revenues			
Direct federal sources	\$ 114,042	\$ 77,818	\$ (36,224)
Expenditures			
Public services - contractual	114,042	77,818	36,224
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 (Deficit) - Budget and Actual

<i>Year Ended June 30, 2015</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 50,494	\$ 50,494	\$ -
Expenditures			
Economic development:			
Contractual	37,000	50,494	(13,494)
Supplies	5,244	-	5,244
Transportation	8,250	-	8,250
Total Expenditures	50,494	50,494	-
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 (Deficit) - Budget and Actual

<i>Year Ended June 30, 2015</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 70,380	\$ 62,990	\$ (7,390)
Expenditures			
Planning - contractual	91,717	97,717	(6,000)
Net change in fund balance	<u>\$ (21,337)</u>	(34,727)	<u>\$ (13,390)</u>
Fund Balance, beginning of year		<u>21,337</u>	
Deficit, end of year		<u>\$ (13,390)</u>	

Northwest Arctic Borough, Alaska

Local Emergency Planning Committee Grant Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2015</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 6,177	\$ 5,808	\$ (369)
Expenditures			
Planning:			
Office supplies	500	500	-
Travel	5,677	5,308	369
Total Expenditures	6,177	5,808	369
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
VPSO Program Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2015</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 1,175,426	\$ 1,196,645	\$ 21,219
Federal sources, passed through Maniilaq Association	119,184	8,359	(110,825)
State of Alaska PERS relief	-	255,950	255,950
Total Revenues	1,294,610	1,460,954	166,344
Expenditures			
Public services:			
Salaries and benefits	832,281	1,178,588	(346,307)
Contractual	22,772	22,435	337
Transportation	111,092	99,420	11,672
Supplies	22,975	25,183	(2,208)
Utilities	-	10,213	(10,213)
Housing project	195,600	-	195,600
Improvements and equipment	231,292	7,763	223,529
Indirect costs	137,154	140,920	(3,766)
Total Expenditures	1,553,166	1,484,522	68,644
Excess (deficiency) of revenues over expenditures	(258,556)	(23,568)	234,988
Other Financing Sources			
Transfer from other funds	205,600	205,600	-
Net change in fund balance	<u>\$ (52,956)</u>	182,032	<u>\$ 234,988</u>
Fund Balance, beginning of year		<u>52,956</u>	
Fund Balance, end of year		<u>\$ 234,988</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, 2015</i>	Budget	Actual	Variance
Revenues			
Direct federal sources	\$ 324,209	\$ 192,653	\$ (131,556)
State of Alaska PERS relief	-	9,115	9,115
Total Revenues	324,209	201,768	(122,441)
Expenditures			
Public services:			
Salaries and benefits	91,173	41,491	49,682
Contractual	151,961	123,280	28,681
Supplies	20,853	3,029	17,824
Travel	12,019	13,790	(1,771)
Other	30,378	12,611	17,767
Equipment	17,825	7,567	10,258
Total Expenditures	324,209	201,768	122,441
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, 2015</i>	Budget	Actual	Variance
Revenues			
Local sources	\$ -	\$ -	\$ -
Expenditures			
Public services:			
Transportation and per diem	10,175	16,898	(6,723)
Other	241,210	-	241,210
Total Expenditures	251,385	16,898	234,487
Net change in fund balance	<u>\$ (251,385)</u>	(16,898)	<u>\$ 234,487</u>
Fund Balance, beginning of year		<u>251,386</u>	
Fund Balance, end of year		<u>\$ 234,488</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, 2015</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 44,853	\$ 35,239	\$ (9,614)
Expenditures			
Public services - capital outlay	44,853	35,239	9,614
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, 2015</i>	Budget	Actual	Variance
Revenues			
Local sources - interest income	\$ -	\$ 3	\$ 3
Expenditures			
	-	-	-
Net change in fund balance	<u>\$ -</u>	3	<u>\$ 3</u>
Fund Balance, beginning of year		<u>24,290</u>	
Fund Balance, end of year		<u>\$ 24,293</u>	

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

<i>Year Ended June 30, 2015</i>	Budget	Actual	Variance
Revenues			
Local sources	\$ 12,062	\$ 122,714	\$ 110,652
State of Alaska	295,652	123,001	(172,651)
Total Revenues	307,714	245,715	(61,999)
Expenditures			
Public services:			
Search and Rescue expenditures	45,510	50,869	(5,359)
Building materials	114,062	89,062	25,000
Equipment	160,000	123,001	36,999
Total Expenditures	319,572	262,932	56,640
Net change in fund balance	<u>\$ (11,858)</u>	(17,217)	<u>\$ (5,359)</u>
Fund Balance, beginning of year		<u>13,389</u>	
Deficit, end of year		<u>\$ (3,828)</u>	

Northwest Arctic Borough, Alaska
Conoco Phillips Deering Lights Upgrades Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2015</i>	Budget	Actual	Variance
Revenues			
Local sources	\$ 14,200	\$ 14,121	\$ (79)
Expenditures			
Public services - lighting upgrade	14,200	14,121	79
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 Storage Shed & Shop Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2015</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 886	\$ 398	\$ (488)
Expenditures			
Public services - capital outlay	886	398	488
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, 2015</i>	Budget	Actual	Variance
Revenues			
Local sources	\$ 5,000	\$ 5,000	\$ -
State of Alaska	50,000	50,000	-
Total Revenues	55,000	55,000	-
Expenditures			
Public services - ice road	62,119	57,724	4,395
Excess (deficiency) of revenues over expenditures	(7,119)	(2,724)	4,395
Other Financing Uses			
Transfers to General Fund	(10,000)	(10,000)	-
Net change in fund balance	<u>\$ (17,119)</u>	(12,724)	<u>\$ 4,395</u>
Fund Balance, beginning of year		<u>17,119</u>	
Fund Balance, end of year		<u>\$ 4,395</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, 2015</i>	Budget	Actual	Variance
Revenues			
Local sources	\$ 9,288	\$ 9,288	\$ -
Expenditures			
Economic development - meetings	16,788	12,016	4,772
Excess (deficiency) of revenues over expenditures	(7,500)	(2,728)	4,772
Other Financing Sources			
Transfers from General Fund	3,624	3,624	-
Net change in fund balance	<u>\$ (3,876)</u>	896	<u>\$ 4,772</u>
Fund Balance, beginning of year		<u>3,877</u>	
Fund Balance, end of year		<u>\$ 4,773</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, 2015</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 113,570	\$ 54,831	\$ (58,739)
Expenditures			
Public services - feasibility study	113,570	54,831	58,739
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, 2015</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ -	\$ -	\$ -
Expenditures			
Public services - capital outlay	5,307	2,853	2,454
Net change in fund balance	<u>\$ (5,307)</u>	<u>(2,853)</u>	<u>\$ 2,454</u>
Fund Balance, beginning of year		<u>5,307</u>	
Fund Balance, end of year		<u>\$ 2,454</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, 2015</i>	Budget	Actual	Variance
Revenues			
Direct federal sources	\$ 160,573	\$ 89,949	\$ (70,624)
State of Alaska PERS relief	-	19,121	19,121
Total Revenues	160,573	109,070	(51,503)
Expenditures			
Public services:			
Salaries and benefits	119,104	95,765	23,339
Contractual	21,016	300	20,716
Supplies	3,897	3,009	888
Travel	16,556	9,996	6,560
Total Expenditures	160,573	109,070	51,503
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 Marine Debris Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2015</i>	Budget	Actual	Variance
Revenues			
Local sources	\$ -	\$ 1,550	\$ 1,550
Direct federal sources	76,289	58,210	(18,079)
State of Alaska PERS relief	-	15,961	15,961
Total Revenues	76,289	75,721	(568)
Expenditures			
Public services:			
Salaries and benefits	49,672	62,178	(12,506)
Contractual	8,725	4,400	4,325
Supplies	17,110	6,856	10,254
Travel	782	737	45
Total Expenditures	76,289	74,171	2,118
Net change in fund balance	<u>\$ -</u>	1,550	<u>\$ 1,550</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ 1,550</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, 2015</i>	Budget	Actual	Variance
Revenues			
Direct federal sources	\$ 546,768	\$ 78,370	\$ (468,398)
State of Alaska PERS relief	-	12,473	12,473
Total Revenues	546,768	90,843	(455,925)
Expenditures			
Public services:			
Salaries and benefits	201,375	53,696	147,679
Contractual	81,210	15,386	65,824
Supplies	85,702	13,041	72,661
Travel	140,607	6,865	133,742
Equipment	37,874	1,855	36,019
Total Expenditures	546,768	90,843	455,925
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, 2015</i>	Budget	Actual	Variance
Revenues			
Direct federal sources	\$ 733,589	\$ 329,231	\$ (404,358)
State of Alaska PERS relief	-	11,852	11,852
Total Revenues	733,589	341,083	(392,506)
Expenditures			
Public services:			
Salaries and benefits	331,220	41,237	289,983
Contractual	45,759	40,560	5,199
Supplies	16,700	10,656	6,044
Travel	102,510	78,265	24,245
Other	56,200	91,990	(35,790)
Training	4,800	-	4,800
Equipment	176,400	78,375	98,025
Total Expenditures	733,589	341,083	392,506
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, 2015</i>	Budget	Actual	Variance
Revenues			
Local sources	\$ -	\$ -	\$ -
Expenditures			
Public services:			
Travel	878	878	-
Other	11,252	11,252	-
Total Expenditures	12,130	12,130	-
Net change in fund balance	<u>\$ (12,130)</u>	(12,130)	<u>\$ -</u>
Fund Balance, beginning of year		<u>12,130</u>	
Fund Balance, end of year		<u>\$ -</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, 2015</i>	Budget	Actual	Variance
Revenues			
Local sources	\$ 2,686	\$ 2,686	\$ -
Expenditures			
Public services - equipment	2,686	2,686	-
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, 2015</i>	Budget	Actual	Variance
Revenues			
Local sources	\$ 16,682	\$ 16,682	\$ -
Expenditures			
Economic development - equipment	16,682	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

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, 2015</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 152,679	\$ 148,623	\$ (4,056)
Expenditures			
Public services	152,679	148,623	4,056
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, 2015</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 58,257	\$ 36,558	\$ (21,699)
Expenditures			
Public services	58,257	36,558	21,699
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, 2015</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 37,174	\$ 11,202	\$ (25,972)
Expenditures			
Public services	37,174	11,202	25,972
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, 2015</i>	Budget	Actual	Variance
Revenues			
State of Alaska	\$ 350,000	\$ 242,475	\$ (107,525)
Expenditures			
Public services	350,000	242,475	107,525
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, 2015</i>	Budget	Actual	Variance
Revenues			
Investment income (loss)	\$ 60	\$ (4)	\$ (64)
Direct federal sources - interest subsidy	41,374	41,353	(21)
State of Alaska	4,228,370	4,055,026	(173,344)
Other	18,928	-	(18,928)
Total Revenues	4,288,732	4,096,375	(192,357)
Expenditures			
Audit fees	15,000	15,000	-
Debt service:			
Bond principal	4,220,000	4,220,000	-
Bond interest	2,027,314	1,783,600	243,714
Issuance cost and other	13,533	95,282	(81,749)
Total Expenditures	6,275,847	6,113,882	161,965
Excess (deficiency) of revenues over expenditures	(1,987,115)	(2,017,507)	(30,392)
Other Financing Sources (Uses)			
Issuance of refunding bonds	-	12,205,000	12,205,000
Premium on refunding bonds	-	1,408,656	1,408,656
Payment to refunded bond escrow agent	-	(13,513,989)	(13,513,989)
Transfers from General Fund	2,018,944	1,948,574	(70,370)
Net Other Financing Sources (Uses)	2,018,944	2,048,241	29,297
Net change in fund balance	<u>\$ 31,829</u>	30,734	<u>\$ (1,095)</u>
Fund Balance, beginning of year		<u>158,912</u>	
Fund Balance, end of year		<u>\$ 189,646</u>	

Northwest Arctic Borough, Alaska

Nonmajor Capital Project Funds

Combining Balance Sheet

<i>June 30, 2015</i>	Improve- ments to Office	Kiana School	Selawik School	Kivalina Replacement School	Kobuk K-12 School Renovation	Total Nonmajor Capital Project Funds
Assets						
Cash and investments	\$ 9,741	\$ -	\$ -	\$ 127,025	\$ 49,718	\$ 186,484
Liabilities and Fund Balances						
Liabilities						
Due to other funds	\$ -	\$ 38,873	\$ 4,223	\$ -	\$ -	\$ 43,096
Fund Balances						
Restricted for construction	-	-	-	-	49,718	49,718
Assigned for construction	9,741	-	-	127,025	-	136,766
Unassigned (deficit)	-	(38,873)	(4,223)	-	-	(43,096)
Total Fund Balances (Deficits)	9,741	(38,873)	(4,223)	127,025	49,718	143,388
Total Liabilities and Fund Balances	\$ 9,741	\$ -	\$ -	\$ 127,025	\$ 49,718	\$ 186,484

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

<i>Year Ended June 30, 2015</i>	Improve- ments to Office	Kiana School	Selawik School	Kivalina Replacement School	Kobuk K-12 School Renovation	Total Nonmajor Capital Project Funds
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures						
Capital outlay -						
Design and construction costs	15,079	-	-	-	-	15,079
Net change in fund balances	(15,079)	-	-	-	-	(15,079)
Fund Balances (Deficits), beginning of year	24,820	(38,873)	(4,223)	127,025	49,718	158,467
Fund Balances (Deficits), end of year	\$ 9,741	\$ (38,873)	\$ (4,223)	\$ 127,025	\$ 49,718	\$ 143,388

Northwest Arctic Borough, Alaska

Capital Assets by Function

<i>June 30, 2015</i>	Land	Buildings	Furniture, Equipment, and Vehicles	Total
Borough Capital Assets				
Borough general operations	\$ 534,813	\$ 3,676,210	\$ 712,831	\$ 4,923,854
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	-	15,872,337	-	15,872,337
Kotzebue	-	76,566,059	-	76,566,059
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	\$ 278,907,274	\$ 712,831	\$ 280,493,958

Northwest Arctic Borough, Alaska

Changes in Capital Assets by Function

<i>Year Ended June 30, 2015</i>	Balance at July 1, 2014	Additions	Retirements	Balance at June 30, 2015
Borough Capital Assets				
General operations:				
Land	\$ 534,813	\$ -	\$ -	\$ 534,813
Buildings	3,676,210	-	-	3,676,210
Furniture, equipment and vehicles	602,875	109,956	-	712,831
Total general operations	4,813,898	109,956	-	4,923,854
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	5,345,308	-	-	5,345,308
Kobuk - buildings	15,519,434	352,903	-	15,872,337
Kotzebue - buildings	71,235,857	5,330,202	-	76,566,059
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	269,886,999	5,683,105	-	275,570,104
Total Borough Capital Assets	\$ 274,700,897	\$ 5,793,061	\$ -	\$ 280,493,958