

**FY 2002–2003 Budget  
Fairbanks North Star Borough**

**CAPITAL PROJECTS FUNDS.** Capital projects funds are used to account for the acquisition or construction of major capital items (other than those financed by proprietary funds). Most projects funded through the capital budget are accounted for in these funds. These funds are controlled through the use of project budgets by comparing project-to-date expenditures with project budgets. The appropriations of these funds do not lapse until the purpose of the project has been accomplished.

**PROPRIETARY FUNDS**

**ENTERPRISE FUNDS.** The Borough has four enterprise funds that are used to account for the revenues earned, expenses incurred, and net income of the enterprise activities. These funds are financed and operated in a manner similar to a private business enterprise — where the intent of the Borough Assembly is that costs of providing goods or services to the general public be financed or recovered primarily through user charges or where the Assembly has decided that the calculation of annual net income is necessary for management accountability. Expenditures are controlled by means of this annual budget appropriation. All unencumbered appropriations of these funds lapse at the end of the fiscal year. The Borough's enterprise funds are as follows:

**Transit/Transportation Department** – including Borough fleet maintenance and air quality functions, and excluding vehicle and equipment replacement

**Land/Land Management**

**Carlson Community Activity Center/Parks & Recreation Department**

**Solid Waste Disposal/Public Works Department**

**INTERNAL SERVICE FUND.** The **Vehicle and Equipment Fleet Fund (Transportation Department)** accounts for new acquisitions, replacements, depreciation, financing, and disposals of vehicles and equipment used by all of the Borough's functions, except for buses and paratransit vans in the Transit Enterprise Fund (Transportation Department), heavy (iron) equipment used in the Solid Waste Disposal Enterprise Fund (Public Works Department), and certain ambulances financed by the State of Alaska capital matching grant program (Emergency Operations Department). The fund accounts for the provided services on a cost-reimbursement basis through charges to user departments within the Borough. The user charges provide sufficient revenues to fund all current costs and to provide a reserve for future replacement of vehicles and equipment. Expenditures are controlled by means of this annual budget appropriation. All unencumbered appropriations of this fund lapse at the end of the fiscal year.

**FIDUCIARY FUNDS**

**TRUST FUND.** The Library Expendable Trust Fund accounts for the expenditures and accumulation of the distributions the Borough receives as a beneficiary of the Bentley Trust. FNSB 3.01.045 regulates the expenditure of the trust funds. In the past, funds have been used for the expansion of the Noel Wien Library. The Library Commission has declined to recommend an annual budget for the trust fund.

**AGENCY FUNDS.** Agency funds are used to account for assets held by the Borough as an agent for others. These include real property taxes for other governmental units and grants to secondary recipients. Agency funds are custodial in nature and do not involve the measurement of results of operations.

**COMPONENT UNIT**

**SCHOOL DISTRICT.** The School District is governed by an independently elected school board and is responsible for adoption of the School District's annual budget. However, the Borough Assembly is responsible for appropriating the Borough's local contribution to education. The Borough Assembly is also responsible for levying taxes and collecting and distributing the local support amount to the School District. The School District cannot borrow funds, but the Borough may and does issue bonds to finance school construction. Schools located on military bases are operated by the Borough School District through School District, State, and U.S. Department of Education agreements. Ownership of the on-base schools is being individually transferred to the Borough as new on-base schools are constructed or existing schools are renovated to Borough standards with State and Federal construction funds.