

**FY 2004-2005 Budget  
Fairbanks North Star Borough**

**Revenue**

The Fairbanks North Star Borough receives revenue from many different sources. The principal sources of revenue are property taxes and revenue received from the State of Alaska.

In October of 1987, Borough voters adopted a Tax Cap Ordinance that provided for a maximum tax revenue that may be generated by the Borough government. The 1988–89 fiscal year was the initial year of the implementation of the property tax cap. The tax cap initiative was reaffirmed by the voters in October of 1989, and by an advisory vote in October of 1991, again reaffirmed by the voters in October of 1993. In addition, a slight modification was approved that allows the cap to be increased by voter approval for existing services as well as new services. In October of 1996, voters approved a change in the maximum tax cap code to include all tax revenues. The voters reaffirmed the tax cap initiative in October of 2000 and in October of 2002.

The Borough administration continues to evaluate alternative revenues to support Borough programs in the community. In FY 1993, a transient room tax (hotel/motel, bed & breakfasts, etc.) was enacted. In October 2003, the Borough voters approved the levy of an alcoholic beverage sales tax. In April 2004, the Borough Assembly approved of the levy of a tobacco distribution excise tax. Additional adjustments to estimated revenues and fee increases have been incorporated into the FY 2005 budget.

This section provides a view of revenues, both at summary level and detail level. The assumptions, which are used to base the year's revenue estimates (FY 2005), are given in the revenue detail narrative. This section also contains the historical and current data on assessed valuations and mill levies for the taxing districts.

## Revenue Detail - Descriptions and Assumptions

### PROPERTY TAX

All taxable real property within the Borough is subject to ad valorem taxation, a tax based on value and which is secured by a lien on real property, unless exempted by Alaska State Statute or Borough Code. This levy supports general government services and education.

Tax revenues for FY 2005 reflect an increase to cover ongoing expenses covered by fund balance in FY 2004 and other programmatic cost increases for FY 2005.

Additionally, there is also levied an ad valorem tax on real property located within the Borough boundaries but outside the cities of Fairbanks and North Pole. This non-areawide tax is specifically to fund Emergency Medical Services and Economic Development.

In FY 1992, the Solid Waste Collection function was expanded to include the real property of the City of North Pole in addition to the real property in the Non-Areawide boundaries (the entire Borough area except the City of Fairbanks). In addition, the Borough levies and collects ad valorem taxes in specific Borough Service Areas. The ad valorem taxes levied by the cities of Fairbanks and North Pole are collected by the Borough and remitted directly to the levying city. These city taxes are not Borough revenues and thus, are not reflected in this revenue detail.

### Assumptions Used - Assessed Value and Tax Limitation

The overall taxable assessed value of the Borough has increased approximately 7.2% for CY 2004 due mainly to new construction and increases in market values. Pipeline-related assessed value increased for CY 2004.

The FY 2005 budget reflects a 2% delinquency rate. A ten percent penalty is assessed against delinquent taxes and interest accrues at 8% annually.

The above factors are reflected in the current and delinquent property tax revenue projections and the projected penalty and interest revenues. Tax collections are projected to be in compliance with the tax limitation established by the voters. The tax limitation calculation for FY 2005 is found in Appendix D.

### HOTEL/MOTEL ROOM TAX

In October 1992, the Borough voters approved the levy of an 8% Hotel-Motel Room Tax. It is the intent of the Borough to exempt from taxation those room rentals that are subject to another similar tax that is levied by a different jurisdiction within the Borough. The City of Fairbanks levies an 8% tax; therefore, the Borough only collects hotel/motel taxes outside the City of Fairbanks.

The Borough implemented the tax on January 1, 1993. As of December 31, 2003, 61 businesses were registered and active, with 43 of the businesses being bed & breakfast establishments. Revenue is predominantly seasonal. Revenue estimates for FY 2005 are based on historical data.

### ALCOHOLIC BEVERAGE SALES TAX

In October 2003, the Borough voters approved the levy of a 5% Alcoholic Beverage Sales Tax. It is the intent of the Borough to exempt from taxation those sales that are subject to a similar tax that is levied by a different jurisdiction within the Borough. The City of Fairbanks levies a 5% tax; therefore, the Borough will only collect taxes outside the City of Fairbanks. As the City of North Pole levies a 3% sales tax, the Borough would collect an additional 2% sales tax on alcoholic beverage sales within North Pole's boundaries. The Borough will implement the tax on July 1, 2004.

### TOBACCO DISTRIBUTION EXCISE TAX

In April 2004, the Borough Assembly approved the levy of an 8% Tobacco Distribution Excise Tax. It is the intent of the Borough Assembly that the revenue received from an areawide Tobacco Distribution Excise Tax will reduce the assessed tax revenue derived from real property taxes thereby contributing to a diversified tax base. The Borough will implement the tax on July 1, 2004

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<b>LOCAL REVENUE</b>						
<b>LOCAL TAXES &amp; ASSESSMENTS</b>						
Total Taxable Levy			60,801,520	60,900,520	64,703,400	65,287,850
Less: Estimated Delinquent Taxes			(1,216,040)	(1,218,020)	(1,294,080)	(1,305,770)
Current Taxes	54,516,342	56,643,450	59,585,480	59,682,500	63,409,320	63,982,080
Delinquent Taxes	792,432	628,933	662,400	662,400	662,400	662,400
Interest & Penalties	636,066	545,933	476,800	476,800	545,000	545,000
<b>SUB-TOTAL</b>	<b>55,944,840</b>	<b>57,818,316</b>	<b>60,724,680</b>	<b>60,821,700</b>	<b>64,616,720</b>	<b>65,189,480</b>
<b>PROPERTY TAX - NON-AREAWIDE</b>						
Total Taxable Levy			1,500,880	1,500,880	1,277,390	1,343,870
Less: Estimated Delinquent Taxes			(30,010)	(30,010)	(25,540)	(26,870)
Current Taxes	1,322,522	1,400,792	1,470,870	1,470,870	1,251,850	1,317,000
Delinquent Taxes	18,081	15,909	16,580	16,580	16,580	16,580
<b>SUB-TOTAL</b>	<b>1,340,603</b>	<b>1,416,701</b>	<b>1,487,450</b>	<b>1,487,450</b>	<b>1,268,430</b>	<b>1,333,580</b>
<b>PROPERTY TAX - SOLID WASTE COLLECTION</b>						
Total Taxable Levy			3,714,710	3,714,710	3,947,180	3,967,790
Less: Estimated Delinquent Taxes			(74,280)	(74,280)	(78,930)	(79,340)
Current Taxes	3,230,997	3,462,088	3,640,430	3,640,430	3,868,250	3,888,450
Delinquent Taxes	42,719	37,554	35,900	35,900	35,900	35,900
<b>SUB-TOTAL</b>	<b>3,273,716</b>	<b>3,499,642</b>	<b>3,676,330</b>	<b>3,676,330</b>	<b>3,904,150</b>	<b>3,924,350</b>
<b>TOTAL PROPERTY TAXES:</b>	<b>60,559,159</b>	<b>62,734,659</b>	<b>65,888,460</b>	<b>65,985,480</b>	<b>69,789,300</b>	<b>70,447,410</b>
<b>ALCOHOLIC BEVERAGE SALES TAX</b>						
Alcoholic Beverage Tax - Pen. & Int.	-	-	-	-	700,000	800,000
	-	-	-	-	2,500	2,500
<b>SUB-TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>702,500</b>	<b>802,500</b>
<b>MOTOR VEHICLE REGISTRATION TAX</b>						
General Fund	-	-	-	-	582,400	-
Consolidated Road Service Area Motor Vehicle Re	-	-	-	-	1,000,000	-
	-	-	-	-	1,582,400	-
<b>SUB-TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,582,400</b>	<b>-</b>
<b>TOBACCO DISTRIBUTION EXCISE TAX</b>						
Penalties & Interest	-	-	-	-	1,100,000	1,100,000
	-	-	-	-	-	-
<b>SUB-TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,100,000</b>	<b>1,100,000</b>
<b>HOTEL/MOTEL TAX</b>						
Hotel/Motel Tax - Pen & Int	1,313,797	689,894	1,200,000	1,200,000	1,300,000	1,400,000
	2,869	-	5,000	5,000	2,500	2,500
<b>SUB-TOTAL</b>	<b>1,316,666</b>	<b>689,894</b>	<b>1,205,000</b>	<b>1,205,000</b>	<b>1,302,500</b>	<b>1,402,500</b>
<b>TOTAL LOCAL TAXES:</b>	<b>61,875,825</b>	<b>63,424,553</b>	<b>67,093,460</b>	<b>67,190,480</b>	<b>74,476,700</b>	<b>73,752,410</b>

## Revenue Detail - Descriptions and Assumptions

### CHARGES FOR SERVICES AREAWIDE

Various departments and programs within Borough government collect user, permit, and activity fees as described below:

**Permits – Engineering** - Charges for utility and driveway permits. FY 2005 estimates are based on \$360/utility permit and \$60/driveway permit fees. FY 2005 estimate is based on historical data.

**Animal Control** - Redemption fees for impounded animals (principally dogs and cats), adoption fees, donations, cremations, miscellaneous room and board, bark collar rentals, and rabies clinics. FY 2005 estimate is based on historical data.

**Big Dipper Ice Fees** - Facility user fees for the ice arena and skating instruction at the Big Dipper. FY 2005 estimate is based on historical data.

**Pioneer Park – Concessions** - The Borough assumed operations of Pioneer Park from the City of Fairbanks on August 1, 1987. All concession contracts are paying the same minimum rent except those involving a capital investment. Rent is based upon \$100/week or 10% of gross receipts, whichever is greater. FY 2005 estimate is based on historical data.

**Pioneer Park – Other** - Consists of fees charged for overnight parking facilities and all other revenues at Pioneer Park. Electric cost reimbursements received from renters are anticipated to remain unchanged. Tourism revenues are expected to remain steady.

**Chena Lakes** - Includes all fees charged at the Chena Lakes Recreation Area, such as day use, overnight camping fees, pavilion rental, boat rentals, and ice house rentals. FY 2005 estimate is based upon the current trend in actual revenues received.

**Swimming Pool Fees** - Pool fees are for use of the three area pools for a wide variety of aquatic activities such as swimming classes, aquacize, and shower facilities. FY 2005 estimate is based upon the current trend in actual revenues received.

**Big Dipper Recreational Fees** - Fees for all other physical/recreational activities such as aerobics, exercise classes, walking, jogging, and football are accumulated here, in addition to various special event revenues. FY 2005 estimate is based upon the current trend in actual revenues received.

**Birch Hill Cross Country Ski Center** - Consists of fees charged for room rental and vending machine revenue. FY 2005 is estimated due to this being the second year of operation.

**Other Recreation Fees** - In this category are special service fees for Zamboni blade sharpening, and other miscellaneous parks maintenance fees. The FY 2005 revenue is based on current data and trends.

**Legal Department Fines/Fees** – Curfew fines and miscellaneous other legal costs recovered. Tracking this revenue source separately began in FY 1999. We are collecting data to determine if revenues will be predictable enough to budget for in the future.

### LIBRARY FEES

**Circulation** fees include lost cards, lost or damaged materials, and copying. FY 2005 estimate is based upon the current trend in actual revenues received.

**Media** fees include video user fees and equipment rentals. FY 2005 estimate is based upon the current trend in actual revenues received.

**Computer** fees are charged to the School District for their portion of sharing a library circulation system. The revenue projection from this source was adjusted down in FY 2001 due to the Borough and the School District entering into a statewide library computer consortium system in which most of the costs related to maintenance on the library circulation system are paid directly to the vendor.

### COMMUNITY PLANNING FEES

**Applications and Publications** include fees charged for rezone applications, mobile home park permits, conditional use permits, and various planning-related fees. Reproduction costs of applicable regulations/publications are also accounted for in this account. FY 2005 estimate is based upon the current trend in actual revenues received.

**Maps** – Mapping & Platting provides various area maps, plats, and land record sales to the public and other governmental agencies. Advances in technology have changed the type of map reproductions being produced and the costs associated; therefore, revenue anticipated for the electronic maps is zero.

### COMPUTER SERVICES

Prior to FY 2002, Computer Services Department prepared and distributed on diskette or CD-ROM a summary listing of the Assessing and Appraisal database. Community Planning already sells a CD-ROM containing this information. Therefore, Computer Services will no longer provide this service.

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<b>CHARGES FOR SERVICES - AREAWIDE</b>						
Permits - Utility and Driveway	7,250	7,453	10,320	10,320	14,040	14,040
Animal Control	205,609	188,945	224,140	224,140	226,310	226,310
Big Dipper Ice Fees	213,755	181,823	253,500	253,500	253,500	253,500
Pioneer Park Concession Rents	110,890	108,359	125,100	125,100	116,000	116,000
Pioneer Park Other Revenue	87,184	108,120	106,070	106,070	125,240	125,240
Chena Lakes	61,794	73,064	70,000	70,000	75,980	75,980
Swimming Pool Fees	328,506	334,267	336,560	336,560	342,760	342,760
Big Dipper Recreational Fees	90,773	96,352	99,720	99,720	109,720	109,720
Birch Hill Cross Country Ski Center	-	879	15,400	15,400	18,600	18,600
Other Recreation Fees	3,352	1,160	4,500	4,500	8,350	8,350
Rental Income	35,128	-	-	-	-	-
Legal Department Fines/Fees	11,621	6,794	-	-	-	-
Library						
Circulation Fees	36,744	31,404	34,650	34,650	34,650	34,650
Media Fees	922	31	1,080	1,080	580	580
Computer Fees	6,500	-	6,500	6,500	6,500	6,500
Community Planning Fees						
Applications & Publications	70,465	77,552	53,060	53,060	66,260	66,260
Maps	-	-	-	-	-	-
Computer Services User Fees	63	75	-	-	-	-
<b>SUB-TOTAL CHARGES - Areawide</b>	<b>1,270,556</b>	<b>1,216,278</b>	<b>1,340,600</b>	<b>1,340,600</b>	<b>1,398,490</b>	<b>1,398,490</b>

## Revenue Detail - Descriptions and Assumptions

### ENHANCED 911 FUND

**Enhanced 911 Surcharge** - A surcharge in the amount of seventy-five cents per month per line, land and wireless, is imposed on all exchange lines in the Fairbanks North Star Borough to fund the enhanced 911 system. FY 2005 estimate is based upon the current trend and are expected to be higher due to fee surcharges to wireless services.

### SOLID WASTE DISPOSAL REVENUES

**Landfill Disposal Fees** -The Solid Waste Disposal fund is self-supporting through tipping fees charged. Landfill tipping fees for FY 2005 are based upon \$53/ton to cover landfill operations, landfill closure costs, and construction of new landfill cells. Revenues for FY 2005 are based on current year projections.

**Recycling Revenue** - Recycling revenues for FY 2005 is anticipated to be zero.

**Hazardous Waste Fees** – Conditionally exempt small quantity generator's (CESQG) are charged nominal fees to use the household hazardous waste facilities. FY 2005 revenues are based on current year projections.

**Miscellaneous Revenue & Sale of Fixed Assets** – This revenue item reflects money received from miscellaneous sources or from the sale of surplus equipment or furniture that has reached the end of its service life. Revenue proceeds are immaterial and difficult to predict.

### VEHICLE EQUIPMENT FLEET FUND

**Charges for Services** - Borough departments that use vehicles and equipment owned by the internal service fund provide annual payments to the fund towards the future replacement of the vehicles and equipment.

**Lease Revenues** - The Borough secured a capital lease to pay for vehicle and equipment purchases in FY 2000, FY 2001, FY 2002, FY2003, and FY 2004. FY 2005 projections are based on required revenues to lease/purchase vehicles and equipment for FY 2005.

**Sale of Fixed Assets** - This revenue item reflects money anticipated to be received from the sale of surplus equipment and vehicles that have reached the end of their service life.

### CHARGES FOR SERVICES -- NON-AREAWIDE

**Emergency Medical Services** - Revenue for ambulance service is provided on a non-areawide basis. Payment is received from the patient, insurance company, or governmental agency by a contractor and transmitted to the Borough. FY 2005 revenue is based current service levels and anticipates a higher rate of collection.

**Miscellaneous Revenue** – This revenue item reflects money received from miscellaneous sources. Revenue proceeds are immaterial and difficult to predict.

### OTHER LOCAL REVENUES

**Sale of Fixed Assets** - This revenue item reflects money received from the sale of surplus equipment or furniture that has reached the end of its service life. Revenue proceeds are immaterial and difficult to predict.

**Interest** - Earnings from the prudent investment of periodic excess cash is a source of revenue for the Borough. The types of investments are limited by Code to protect the safety of the public's money and include such items as U.S. Government securities and repurchase agreements. All excess funds are automatically swept into an overnight investment account backed by U.S. Government securities. Funds invested in overnight investment agreements and in term securities generate interest earnings. The estimated interest rate for FY 2005 revenue is 1.70% based on current invested balances and market conditions. Funds are invested to provide safety and liquidity while earning at the maximum available rate. All Borough cash is pooled which allows the Borough to maximize investment earnings. At the close of the fiscal year, interest earned is prorated to the various funds where interest allocation is mandated by the Borough Code or other statutory requirements.

**Casualty Reimbursement** - Reimbursement for insured losses are accumulated here. Revenue is generally immaterial and unpredictable.

**Miscellaneous Revenue** – This revenue item reflects money received from miscellaneous sources.

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<b>ENHANCED 911 FUND</b>						
Enhanced 911 Surcharge	376,591	377,849	422,100	422,100	720,000	720,000
<b>SOLID WASTE DISPOSAL REVENUES</b>						
Landfill Disposal Fees	4,789,408	4,860,705	4,400,000	4,400,000	5,128,810	5,128,810
Recycling Revenues	-	91	-	-	-	-
Household Hazardous Waste Fees	75,613	26,024	60,000	60,000	40,000	40,000
Misc Revenues & Sale of Fixed Assets	27,632	1,199	-	-	-	-
<b>SUB-TOTAL CHARGES - SW DISPOSAL</b>	<b>4,892,653</b>	<b>4,888,019</b>	<b>4,460,000</b>	<b>4,460,000</b>	<b>5,168,810</b>	<b>5,168,810</b>
<b>SUB-TOTAL CHARGES - AW, 911, &amp; SW</b>	<b>6,539,800</b>	<b>6,482,146</b>	<b>6,222,700</b>	<b>6,222,700</b>	<b>7,287,300</b>	<b>7,287,300</b>
<b>VEHICLE EQUIPMENT FLEET FUND</b>						
Charges for Services-VE Replacement	340,710	343,900	329,570	365,420	467,060	463,800
Lease Revenues	-	-	449,800	459,880	566,900	566,900
Misc Revenues & Sale of Fixed Assets	1,433	9,400	35,000	35,000	50,000	50,000
<b>SUB-TOTAL CHARGES - Fleet Fund</b>	<b>342,143</b>	<b>353,300</b>	<b>814,370</b>	<b>860,300</b>	<b>1,083,960</b>	<b>1,080,700</b>
<b>CHARGES FOR SERVICES - NON-AREAWIDE</b>						
Emergency Medical Services	332,730	372,517	380,000	380,000	470,730	470,730
Miscellaneous - NAW	746	-	-	-	-	-
<b>SUB-TOTAL CHARGES Non-Areawide</b>	<b>333,476</b>	<b>372,517</b>	<b>380,000</b>	<b>380,000</b>	<b>470,730</b>	<b>470,730</b>
<b>OTHER LOCAL REVENUES</b>						
Sale of Fixed Assets	1,597	-	-	-	-	-
Interest - General Fund	2,442,840	1,637,333	911,990	911,990	1,204,450	1,204,450
Interest - Debt Service Fund	6,107	-	-	-	-	-
Interest - Enhanced 911 Fund	23,401	17,172	8,740	8,740	12,790	12,790
Interest - Solid Waste Disposal Fund	395,187	928,624	147,540	147,540	264,210	264,210
Miscellaneous - Enhanced 911	-	-	-	-	-	-
Miscellaneous - General Fund	171,556	315,621	65,000	66,449	150,000	150,000
<b>SUB-TOTAL OTHER REVENUES</b>	<b>3,040,688</b>	<b>2,898,750</b>	<b>1,133,270</b>	<b>1,134,719</b>	<b>1,631,450</b>	<b>1,631,450</b>

## Revenue Detail - Descriptions and Assumptions

### INTERFUND REVENUES FROM:

**Contributions From Other Funds** - Revenue received by the General Fund and the Land Enterprise Fund from Interfund Charges. These are charges for services provided by administrative departments. The services rendered include legal representation, computer support, financial services, space rental, and other administrative charges. The expenses to other funds are based on the estimated levels of services provided. Interfund charges to the School District are restricted to legal representation, insurance coverage, and safety inspections. FY 2005 revenues are based on estimates of services to be provided to other funds.

**Contribution from Service Areas** - Revenue received by the General fund for administration of the road and fire service areas. Beginning in FY 2000, the Borough began recovering more of the administrative and overhead costs associated with supporting road service areas. A new formula was used to distribute these costs among the service areas with an anticipated cost recovery of 50% of the road service costs in FY 2005.

**Contribution from Indirects** - Revenue received by the General Fund for administering federal, state and local grants. Historically, the Borough charges a 10% administration fee to cover the costs of purchasing, legal, payroll, accounts payable, grant coordination, and billings, etc., related to grants. The FY 2005 revenue estimate is based on departments' analysis of grant activity that will take place in FY 2005 at the applicable administrative rates.

### OPERATING TRANSFERS

When the General Fund or other funds make a contribution to another fund, it becomes a revenue in the receiving fund.

### CONTRIBUTION FROM FUND BALANCE/UNRESTRICTED NET ASSETS

Each year fund balances are reviewed to determine if excess funds are available for use in the next year's budget. Likewise, when a fund balance falls below the prudent fund balance level, 15-20% for most operating funds, funds are not considered available for use. Use of fund balance appears as a revenue source (contribution from), and an increase in fund balance appears as an expenditure (contribution to).

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REVENUE SOURCE	2001/02 Actual	2002/03 Actual	2003/04 Approved	2003/04 Revised	2004/05 Recommended	2004/05 Approved
<b>INTERFUND REVENUES FROM:</b>						
Transit Enterprise Fund	557,990	635,426	697,820	697,820	725,280	725,280
Vehicle Equipment Fleet Fund	11,702	15,558	18,950	18,950	24,470	24,470
Land Management Enterprise Fund	246,520	226,261	231,650	231,650	219,390	219,390
Education	796,814	1,103,401	1,314,890	1,314,890	1,682,520	1,682,520
Non-Areawide Fund	174,629	190,838	171,880	171,880	185,770	185,770
SW Collection District Fund	94,912	112,950	124,790	124,790	101,990	101,990
SW Disposal Fund	462,219	529,326	579,210	579,210	656,090	656,090
Enhanced 911 Fund	10,503	17,603	16,790	16,790	27,970	27,970
Community Center Enterprise Fund	294,172	291,405	301,630	301,630	321,610	321,610
Service Areas	156,123	167,407	171,440	171,440	184,210	184,210
Indirect Charges to Grants	189,025	206,817	250,000	250,000	300,000	300,000
IGCP to Land Enterprise Fund	14,112	27,659	34,150	34,150	42,400	42,400
<b>SUB-TOTAL INTERFUND REVENUES</b>	<b>3,008,721</b>	<b>3,524,651</b>	<b>3,913,200</b>	<b>3,913,200</b>	<b>4,471,700</b>	<b>4,471,700</b>
<b>OPERATING TRANSFERS</b>						
Gen. Fund to Debt Service	12,790,980	12,860,640	14,648,130	14,648,130	16,123,540	16,123,540
Gen. Fund to Transportation	2,215,820	2,357,070	2,536,590	2,537,954	2,536,590	2,536,590
Gen. Fund to Child Care	-	25,080	55,480	55,480	55,480	55,480
Gen. Fund to Special Rev.-HSS Grants	224,575	228,850	162,060	131,039	264,040	263,720
Gen. Fund to Education	32,555,700	33,545,700	34,545,700	34,545,700	36,545,700	36,545,700
Gen. Fund to Multi-Year Projects	549,561	1,451,659	733,550	548,000	232,500	232,500
Gen. Fund to Facilities Maintenance Reserve	1,500,000	2,400,000	200,000	200,000	500,000	500,000
Gen. Fund to Community Activity Center	784,510	833,560	849,870	849,870	848,460	848,110
Gen. Fund to Special Revenue Funds	833,506	152,848	-	207,919	-	-
Gen. Fund Hotel-Motel Tx to Hotel Motel Tx Fund	-	663,000	-	-	325,000	665,000
Hotel - Motel Tax Fund to General Fund	-	-	277,150	277,150	-	-
Land Enterprise Fund to Projects	-	494,480	-	-	-	-
NAW Fund to Debt Service	256,860	255,420	258,230	258,230	-	-
NAW to Multi-Year Projects	123,079	273,122	25,000	25,000	25,000	25,000
Land Enterprise to General Fund	-	551,140	-	-	300,000	-
Library Sepcial Revenue to General Fund	-	10,000	-	-	-	-
SW Disposal to SW Multi-Year Projects	422,984	440,000	1,000,000	1,000,000	1,085,000	1,085,000
CAC to Facilities Maint. Res	-	-	-	-	-	303,000
CAC to General Fund	150,000	-	-	-	-	-
CAC to Multi-Year Projects	76,944	230,400	-	-	-	-
E911 to Multi-Year Projects	-	-	20,000	20,000	-	-
Facilities Maint. Res. to Multi-Year Projects	-	-	-	-	100,000	500,000
Hotel Motel Tax Fund to Multi-Year Projects	-	-	-	-	500,000	840,000
Consolidated Road Service Area Motor Veh. Res. F	-	-	-	-	1,000,000	-
Veh. Equip. Fleet Fund to Multi-Year Projects	-	39,000	39,000	-	-	-
Fire Service Area to Multi-Year Projects	-	-	40,500	-	-	-
<b>SUB-TOTAL FOR OP. TRANSFERS</b>	<b>52,484,519</b>	<b>56,811,969</b>	<b>55,391,260</b>	<b>55,304,472</b>	<b>60,441,310</b>	<b>60,523,640</b>
<b>CONTRIBUTIONS FROM FUND BALANCE/UNRESTRICTED NET ASSETS</b>						
Vehicle Equipment Fleet Fund	-	-	139,080	113,310	2,760	6,020
General Fund	-	-	1,061,000	1,478,196	-	10,000
Land Enterprise Fund	-	-	461,380	461,380	773,120	465,180
Transit Enterprise Fund	-	-	-	-	369,380	350,010
Community Activity Center Fund	-	-	-	-	-	303,000
Non-Areawide Fund	-	-	-	-	106,410	55,890
Hotel-Motel Tax Fund	-	-	277,150	277,150	175,000	175,000
SW Collection District Fund	-	-	695,140	709,940	151,880	130,470
SW Disposal Fund	-	-	1,351,760	1,351,760	1,067,530	1,053,870
Debt Service Fund	-	-	-	-	-	-
Enhanced 911	-	-	-	-	-	-
Facilities Maintenance Reserve (to Multi-Year Proje	-	-	-	-	100,000	500,000
Fire Service Area to Multi-Year Projects	-	-	40,500	-	-	-
<b>SUB-TOTAL CONTR FROM FUND</b>	<b>-</b>	<b>-</b>	<b>4,026,010</b>	<b>4,391,736</b>	<b>2,746,080</b>	<b>3,049,440</b>
<b>BALANCE/UNRESTRICTED NET ASSETS</b>	<b>-</b>	<b>-</b>	<b>4,026,010</b>	<b>4,391,736</b>	<b>2,746,080</b>	<b>3,049,440</b>

## Revenue Detail - Descriptions and Assumptions

### LAND ENTERPRISE FUND

**Gravel & Timber Sales** - Sale of gravel and timber sales. FY 2005 revenue is based on projected revenues from the commercial timber sale program.

**Foreclosure Fees** - Costs incurred by the Borough to foreclose on real property and to hold a land sale are added on to the redemption cost of each parcel being foreclosed against. FY 2005 revenues are based on current year projections.

**Land Sales, Net of Costs** - Real property owned by the Borough can be selected and approved for sale, and may be sold through a scheduled public sale, or over-the-counter. FY 2005 there will be a land auction.

**Land Leases** - Real property owned by the Borough is leased principally to other governmental agencies but may also be leased to private citizens. Leases with other governmental agencies presently include those with the University of Alaska-Geophysical Institute, and the School of Career and Continuing Education. Revenues for FY 2005 are expected to stay at current levels.

**Interest on Receivables** - All land sale contracts and notes have an interest rate that has been approved by the Borough Assembly. The interest revenue is accounted for here. Contract sales reflect a decrease in anticipated interest on receivable revenues for FY 2005. As contracts/notes age, the amount applied to interest declines.

**Interest Earnings** - Land Enterprise Fund cash is deposited in the Central Treasury and invested according to the Borough's investment program. The FY 2005 projected interest is based on historical cash balances and projected market conditions.

**Other** - Includes all other fees or licenses relating to the Land Enterprise Fund. Examples would be: temporary-use licenses, land-use fees, and private easement fees. FY 2005 revenues are based on current year projections.

### CARLSON ACTIVITY CENTER ENTERPRISE FUND

**Interest Earnings** - Carlson Activity Center Enterprise Fund cash is deposited in Central Treasury and invested according to the Borough's investment program. The FY 2005 projected interest is based on historical cash balances and projected market conditions.

### TRANSIT ENTERPRISE FUND

**Fares** - Revenues received by the transit system through the fare boxes and from the purchase of monthly passes and tokens. FY 2005 projects an increase in ridership continuing after the free bus program ends.

**Advertising** - Local businesses and/or organizations contract for advertising space on the Borough buses. FY 2005 revenue reflects no anticipated revenue.

**Vehicle Fleet Maintenance** - These revenues include charges to departments and other organizations such as fire service areas and Red Cross for vehicle maintenance (FNSB and non-FNSB) and fire service vehicle maintenance. Projected revenues for FY 2005 is based on work order projections for the coming fiscal year.

**Fuel Sales** - Borough departments may purchase fuel from Transportation at cost. Increase in revenue is based on increase in fuel costs.

**Inspection/Maintenance (I/M) Fees** - Fees for vehicle inspection and maintenance certification remitted from approved inspection stations. I/M registration was changed from an annual program to a biennial program in FY 1997. The FY 2005 revenue is projected to stay at current levels.

**Interest Earnings** - Transit Enterprise Fund cash is deposited in the Central Treasury and invested according to the Borough's investment program. FY 2005 is based on historical cash balances and projected market conditions.

**Other** - All other revenue of the Transit Enterprise Fund are accumulated here. Examples are: special contractual services, casualty reimbursements, etc.

**FY 2004-2005 Budget  
Fairbanks North Star Borough**

**Revenue Detail**

REVENUE SOURCE	2001/02 Actual	2002/03 Actual	2003/04 Approved	2003/04 Revised	2004/05 Recommended	2004/05 Approved
<b>LAND ENTERPRISE FUND</b>						
Gravel & Timber Sales	1,345	49,745	16,570	16,570	69,380	69,380
Foreclosure Fees	252,168	218,140	276,120	276,120	298,280	298,280
Proceeds from Land Sales, Net of Costs	130,638	213,520	-	-	-	-
Land Lease Revenue	42,498	43,289	43,300	43,300	43,300	43,300
Interest on Receivables	178,852	164,842	182,000	182,000	136,000	136,000
Interest Earnings	152,692	83,782	57,000	57,000	62,300	62,300
Other	4,040	272,742	7,790	7,790	9,270	9,270
Residual Equity Transfer	-	-	-	-	-	-
Cost of Prior Year Sales	33,390	-	-	-	-	-
<b>SUBTOTAL:</b>	<b>795,623</b>	<b>1,046,060</b>	<b>582,780</b>	<b>582,780</b>	<b>618,530</b>	<b>618,530</b>
<b>CARLSON ACTIVITY CENTER ENTERPRISE FUND</b>						
Interest Earnings	10,343	22,874	3,640	3,640	17,030	17,030
Other	3,724	-	-	-	-	-
<b>SUBTOTAL:</b>	<b>14,067</b>	<b>22,874</b>	<b>3,640</b>	<b>3,640</b>	<b>17,030</b>	<b>17,030</b>
<b>TRANSIT ENTERPRISE FUND</b>						
Fares	192,094	195,226	292,920	292,920	216,470	216,470
Advertising	11,980	5,770	12,000	12,000	-	-
Vehicle Fleet Maintenance/Bus Washing Fees	203,012	240,241	397,790	397,790	397,790	397,790
Fuel Sales	55,495	55,644	70,000	70,000	70,000	70,000
Inspection/Maintenance	642,293	682,942	601,100	601,100	601,100	601,100
Interest Earnings	20,799	21,672	7,760	7,760	16,140	16,140
Other	39,135	1,814	1,500	1,500	1,500	1,500
<b>SUBTOTAL:</b>	<b>1,164,808</b>	<b>1,203,309</b>	<b>1,383,070</b>	<b>1,383,070</b>	<b>1,303,000</b>	<b>1,303,000</b>
<b>SUBTOTAL FOR LOCAL REVENUES:</b>	<b>129,599,670</b>	<b>136,140,129</b>	<b>140,943,760</b>	<b>141,367,097</b>	<b>154,547,790</b>	<b>154,205,930</b>

## Revenue Detail - Descriptions and Assumptions

### STATE REVENUE

**Aid For School Construction** - This is state aid to organized boroughs or cities for retirement of debt for school construction. The state computes the entitlement at various percentages (presently 70-90%) based upon year of authorization on the debt. FY 2005 estimate is based on anticipated state funding at 100% of the entitlement. Debt Service Reimbursement Entitlement can be found in the Debt Service Section of the Expenditure Budget.

**Safe Communities Program** – Safe Communities funding was allocated by the State to local communities. The funding was to be used for a set of ranked service priorities for municipalities and the local policymakers determines the priorities of how the funding was to be used to benefit the community. The funding for this program was vetoed in FY 2004.

**State Shared Revenue** – This program provided state assistance for local government operations. Distribution was based on a formula using population, locally generated revenues, and taxable resources. The funding for this program was vetoed in FY 2004.

**Alaska State Housing** - Represents payment-in-lieu of taxes on rental housing property owned by the Alaska State Housing Authority. FY 2005 estimate is based on FY 2003 actuals. The payment is the lesser of 10% of the shelter rent charged or the actual tax levied.

**Alaska Interior Regional** - Interior Regional Housing Authority (I.R.H.A.) represents payment in-lieu of taxes for properties owned by I.R.H.A. These properties were acquired through funding from HUD in order to place eligible families in the Mutual Help Home Ownership Opportunity Program.

**Telephone and Electricity Co-Op** - A specific state shared revenue on telephone and electric cooperatives. One hundred percent of revenue taxes in excess of the amount expended for collection are returned to the local government where the tax was incurred. FY 2005 is based on recent historical data.

**Fish Tax** - A specific state shared revenue received from taxes levied on fisheries. Fifty percent of the taxes collected are returned to the organized borough wherein the fishery is located. FY 2005 is based on recent historical data.

**FEMA Emergency Management Grant** - Pass-through Federal Emergency Management Grant (FEMA Grant) used to help offset the cost of the emergency management program. FY 2005 projected revenue is based on current year funding.

**Child Care Assistance Program** - Funds are available to municipalities to administer a program that assists eligible parents with child care costs. To be eligible, the parent(s) must be working or attending school and must meet income guidelines. The municipality determines the parents' eligibility and the State makes payments to licensed or registered homes and centers on their behalf. Prior to FY 2005, the Borough received moneys from the State to pay the providers directly.

**Health & Social Services Grant** – As part of the Borough's limited health and social services powers, the Borough receives Health & Social Service grant funding which requires a 30% local match. These funds are allocated to local non-profit agencies by the Borough health and Social Services Commission to address essential human service needs in the community. Grants are allocated on the basis of the local non-profits ability to fulfill a critical community service need.

**Information and Referral Grant** – A grant provided to the Child Care Assistance program to assist parents with finding child care.

**FY 2004-2005 Budget  
Fairbanks North Star Borough**

**Revenue Detail**

<b>REVENUE SOURCE</b>	<b>2001/02 Actual</b>	<b>2002/03 Actual</b>	<b>2003/04 Approved</b>	<b>2003/04 Revised</b>	<b>2004/05 Recommended</b>	<b>2004/05 Approved</b>
<b>STATE REVENUE</b>						
Aid for School Construction	9,290,359	9,424,040	10,234,370	10,234,370	11,272,870	11,272,870
State Federal Fiscal Relief						
Areawide	-	-	-	762,100	-	-
Safe Communities Program						
Areawide	1,149,703	1,159,346	845,180	-	-	-
State Shared Revenue						
Areawide	471,833	453,597	333,170	-	-	-
Non-Areawide	10,641	11,092	8,540	-	-	-
SW Collection District	20,269	20,712	14,800	-	-	-
Alaska State Housing	20,216	16,207	20,210	20,210	16,200	16,200
Alaska Interior Regional	5,818	67	24,000	24,000	10,000	10,000
Telephone & Electricity Co-op	283,715	281,941	283,000	283,000	281,500	281,500
Fish Tax	218	204	40	40	40	40
FEMA Emergency Mngmt Grant	44,500	46,814	44,500	44,500	50,000	50,000
Child Care Assistance	2,752,152	2,924,180	2,824,180	412,540	454,600	449,250
Health & Social Service Grant	412,056	312,083	312,080	239,700	194,040	194,040
Information and Referral Grant	113,350	117,150	123,610	123,610	135,030	133,690
<b>SUBTOTAL STATE:</b>	<b>14,574,830</b>	<b>14,767,433</b>	<b>15,067,680</b>	<b>12,144,070</b>	<b>12,414,280</b>	<b>12,407,590</b>

## Revenue Detail - Descriptions and Assumptions

### FEDERAL REVENUE

**Federal Payment In Lieu of Taxes** - Local governments receive money through the federal Bureau of Land Management to partially offset the cost of services provided to tax-exempt federal lands within local government boundaries. Payments are allocated under a formula based on acreage, population, and other revenue-producing programs, such as existing timber, grazing, and mineral lease payments. In addition to the reduction of acreage, the federal government continues to not fully fund entitlements and cut allocations. FY 2005 revenue is based on FY 2003 actuals.

### NET REVENUES

**Operating Transfers** - When the General Fund makes a contribution to another fund, it becomes revenue in the receiving fund.

**FY 2004-2005 Budget  
Fairbanks North Star Borough**

**Revenue Detail**

REVENUE SOURCE	2001/02 Actual	2002/03 Actual	2003/04 Approved	2003/04 Revised	2004/05 Recommended	2004/05 Approved
<b>FEDERAL REVENUE</b>						
Federal Payment in Lieu of Taxes	1,007,091	591,102	515,400	515,400	580,000	580,000
<b>SUBTOTAL:</b>	<b>1,007,091</b>	<b>591,102</b>	<b>515,400</b>	<b>515,400</b>	<b>580,000</b>	<b>580,000</b>
<b>TOTAL REVENUES:</b>	<b>145,181,591</b>	<b>151,498,664</b>	<b>156,526,840</b>	<b>154,026,567</b>	<b>167,542,070</b>	<b>167,193,520</b>
<b>LESS: OPERATING TRANSFERS</b>						
Gen. Fund to Debt Service	12,790,980	12,860,640	14,648,130	14,648,130	16,123,540	16,123,540
Gen. Fund to Transit	2,215,820	2,357,070	2,536,590	2,537,954	2,536,590	2,536,590
Gen. Fund to Child Care / HSS	-	25,080	55,480	55,480	55,480	55,480
Gen. Fund to Special Rev.-HSS Grants	224,575	228,850	162,060	131,039	264,040	263,720
Gen. Fund to Education	32,555,700	33,545,700	34,545,700	34,545,700	36,545,700	36,545,700
Gen. Fund to Multi-Year Projects	549,561	1,451,659	733,550	548,000	232,500	232,500
Gen. Fund to Facilities Maintenance Reserve	1,500,000	2,400,000	200,000	200,000	500,000	500,000
Gen. Fund to Community Center	784,510	833,560	849,870	849,870	848,460	848,110
Gen. Fund to Special Revenue Funds	833,506	152,848	-	207,919	-	-
Gen. Fund to Land Projects	-	-	-	-	-	-
Gen. Fund Hotel-Motel Tx to Hotel Motel Tx Fund	-	663,000	-	-	325,000	665,000
Hotel - Motel Tax Fund to General Fund	-	-	277,150	277,150	-	-
Land Enterprise Fund to Multi-Year Projects & LEF	-	494,480	-	-	-	-
NAW Fund to Debt Service	256,860	255,420	258,230	258,230	-	-
NAW to Multi-Year Projects Budget	123,079	273,122	25,000	25,000	25,000	25,000
Land Enterprise Fund to General Fund	-	551,140	-	-	300,000	-
Library Sepecial Revenue to General Fund	-	10,000	-	-	-	-
SW Disposal to SW Multi-Year Projects	422,984	440,000	1,000,000	1,000,000	1,085,000	1,085,000
CAC to Facilities Maint. Res	-	-	-	-	-	303,000
CAC to General Fund	150,000	-	-	-	-	-
CAC to Multi-Year Projects	76,944	230,400	-	-	-	-
E911 to Special Revenue Fund	-	-	20,000	20,000	-	-
Facilities Maintenance Reserve to Multi-Year Projec	-	-	-	-	100,000	500,000
Hotel Motel Tax Fund to Multi-Year Projects	-	-	-	-	500,000	840,000
Consolidated Road Service Area Motor Veh. Res. F	-	-	-	-	1,000,000	-
Veh. Equip. Fleet Fund to Multi-Year Projects	-	39,000	39,000	-	-	-
Fire Service Area to Multi-Year Projects	-	-	40,500	-	-	-
<b>SUB-TOTAL FOR OPERATING TRANSFERS</b>	<b>52,484,519</b>	<b>56,811,969</b>	<b>55,391,260</b>	<b>55,304,472</b>	<b>60,441,310</b>	<b>60,523,640</b>
<b>NET REVENUES:</b>	<b>92,697,072</b>	<b>94,686,695</b>	<b>101,135,580</b>	<b>98,722,095</b>	<b>107,100,760</b>	<b>106,669,880</b>