

# Northwest Arctic Borough Fiscal Outlook

notes from a presentation  
prepared for

## Northwest Arctic Borough Assembly

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prepared by  
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### 1. Introduction

The Northwest Arctic Borough (NAB) faces a growing population and increased demands for education and public services. At the request of the Assembly, I have prepared a fiscal planning model that can be used to explore what might happen to the Borough's revenues and expenses over the next 20 years. The model looks at both general government and the NAB School District (NABSD). The model allows us to ask "what if....?" questions and get quick answers about how things might change. For example:

- What if the full value determination of the NAB property base goes up by several hundred million dollars?
- What if the payments by Cominco do not increase? Can the proposed debt service on the new schools be covered?

### 2. What Does the Model Consider?

Basically, the model accounts for four things:

- **Population.** The model projects population in detail so that we can get a better handle on the number of school-age children. We assume that birth and death rates will remain pretty much as they have been in the recent past.
- **Full Value Determination.** The FVD affects the required local contribution to the schools as well as the amount of school funding received from the State of Alaska.
- **Trends in Operating Revenues and Expenditures.** We can consider different assumptions future payments from Cominco, future levels of state assistance, and trends in operating costs for both general government and the school district. The model automatically calculates the effects of these changes on school foundation funding (to take one important example).
- **Capital Projects.** The model can be used to see the effects of the current package of proposed bonds, and it can be used to examine the effects of alternative packages of capital projects.

### 3. Base Case Projection

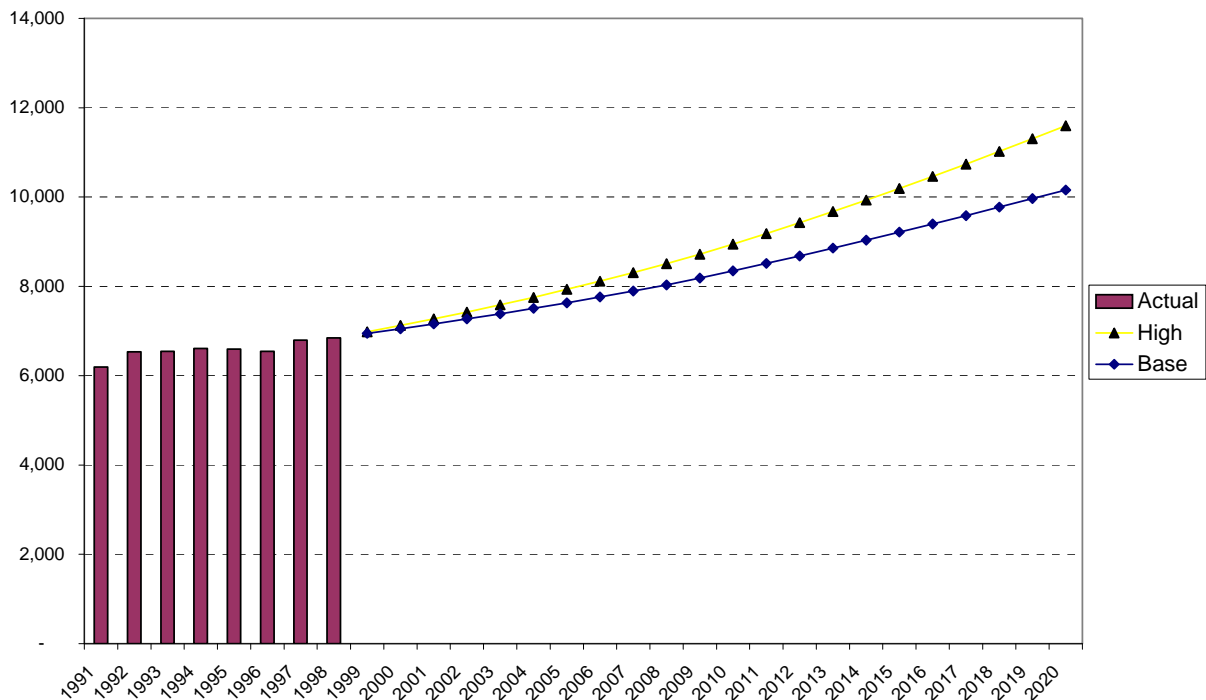
#### 3.1. Base Case Assumptions:

**Population:** For the Base case, the model projects that total population will grow at about 1.8% per year and that school-age population will grow at about 1.5% per year. This projection is based on current birth and death rates and also assumes that about 40 people will migrate out of the Borough each year, consistent with the recent past. The Base case population is shown in Figure 1 as the lower line labeled "base".

Note: From 1990 to 1998, the NAB population grew from 6,129 to 6,844. That's about 1.4% per year. The population would have grown faster, we think, if some people had not left the Borough. If all migration out of the borough were to stop, the pattern of births and deaths would lead to higher growth at about 2.4% per year. This projection is shown as the "high" line in Figure 1.

Figure 1

#### NAB Population 1991 - 2020



**Full Value Determination:** In the Base case the fair value rises from the recent past level of \$263 million to \$371 million in 1999 and remains flat thereafter.

**Cominco Payments:** The current agreement remains in effect and payments increase by \$100,000 per year from 2000 through 2020.

**Inflation:** Inflation (the general increase in prices) is assumed to be 3%. Inflation matters because Cominco payments are not indexed to the inflation rate.

**State of Alaska Revenue Sharing:** Declines to zero by 2002.

**State School Foundation Funding:** The State formula for "basic need" per student grows at 1% per year in nominal dollars. This means that State support is eroded over time due to inflation.

**School Instruction Variable Cost per Student:** In the Base case the variable cost *per student* for instruction (which is basically the cost of teachers) increases by 1.5%. Since this is only half the assumed rate of inflation, this means that some efficiencies are being realized and/or teachers are not receiving full cost-of-living increases.

**New Bonds:** The Base case does not include new bonds.

**Capital Outlays for New Schools.** Although no bonds are issued, the Base case does include cash capital expenditures equal to in-hand (or soon-to-be in-hand) state and federal cash grants. These are assumed to total about \$15 million (federal) plus about \$21 million (state) received in 1999.<sup>1</sup>

**Borough Cash Support to School District.** Since there are no bonds issued, we assume that the Borough continues to fund deferred or major maintenance through a cash transfer equal to the 1998 amount of about \$1.4 million. This amount then increases at 3% to keep up with inflation.

**General Government Expenditures.** These basically keep up with inflation, with some additional allowance for population growth.

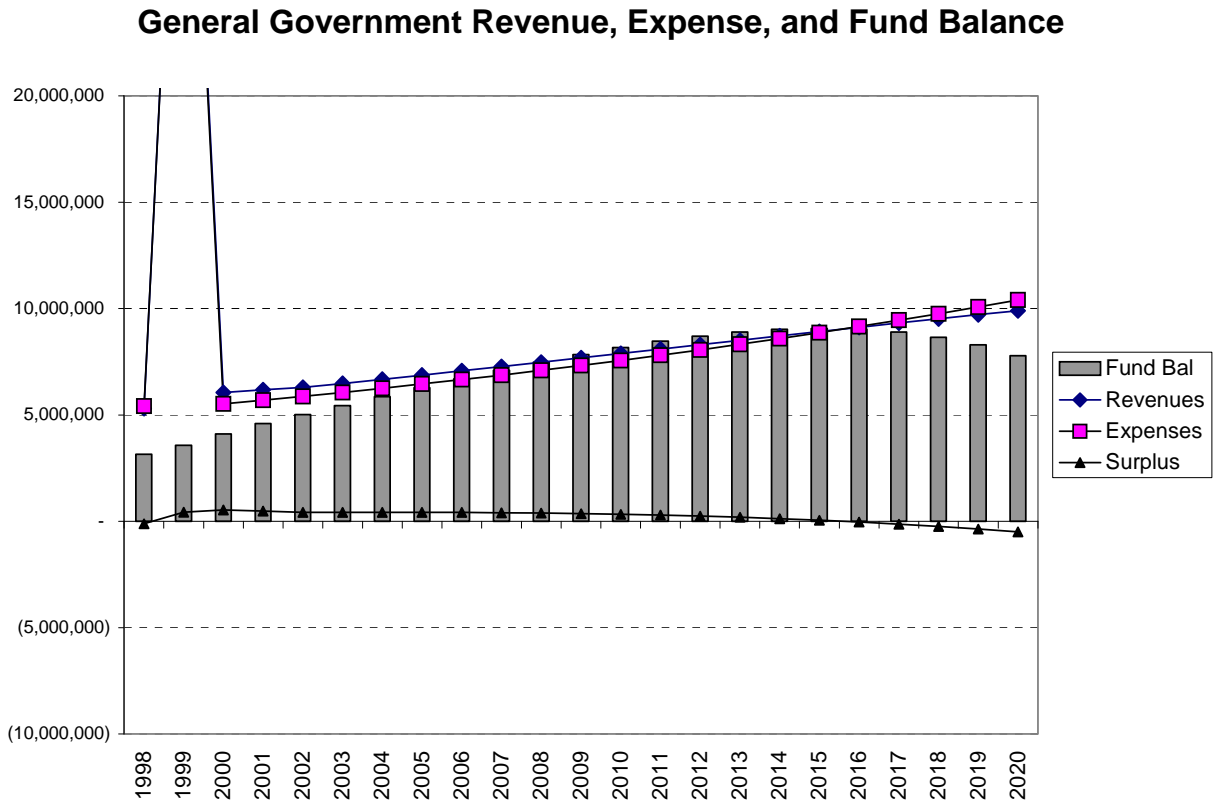
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<sup>1</sup> Information per Bob LeResche, July 22, 1999.

### 3.2. Base Case Projections

**General Government.** General government basically breaks even, as shown in Figure 2. There is a surplus of about \$300,000 that disappears in about 2015.

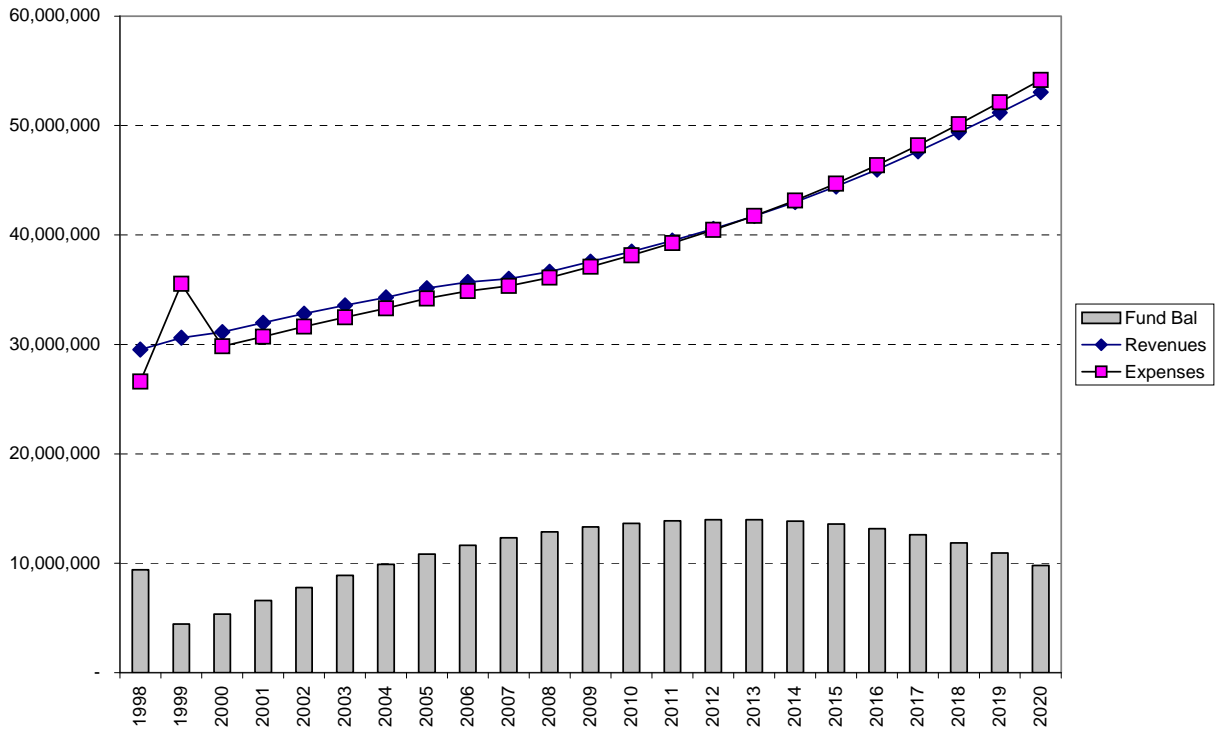
**Figure 2: Base Case**



**School District.** The District runs a modest surplus until about 2010 as shown below.

**Figure 3: Base Case**

**School District Revenue, Expense, and Fund Balance**



**Tables.** The following pages show more detail for selected years.

**Table 1: Base Case**

**Northwest Arctic Borough General Government  
Revenues and Expenditures**

	1998 %	Actual 1998	2000	2005	2010	2015
<b>Revenues</b>						
<b>Local</b>	0	0	0	0	0	0
Cominco Revenue	51%	2,700,000	3,500,000	4,000,000	4,500,000	5,000,000
Borough Usage Fee	26%	1,384,920	1,426,468	1,653,667	1,917,053	2,222,390
Interest & Miscellaneous	4%	222,294	250,817	385,385	502,769	570,511
Bond Proceeds	0%	0	0	0	0	0
Total Local	81%	4,307,214	5,177,285	6,039,052	6,919,822	7,792,902
<b>Federal</b>						
Payment in lieu of taxes	6%	300,180	309,185	358,431	415,519	481,701
to Special Revenue Funds	0%	19,160	0	0	0	0
Matching Grant / ATC	0%	0	0	0	0	0
Total Federal	6%	319,340	309,185	358,431	415,519	481,701
<b>State</b>						
Revenue Sharing	4%	233,570	155,713	0	0	0
to Special Revenue Funds	8%	422,070	412,000	477,621	553,694	641,883
One-time grants/programs	0%	22,729	0	0	0	0
Reimbursement of Debt Sv	0%	0	0	0	0	0
Total State	13%	678,369	567,713	477,621	553,694	641,883
<b>Total revenues</b>	<b>100%</b>	<b>5,304,923</b>	<b>6,054,184</b>	<b>6,875,104</b>	<b>7,889,035</b>	<b>8,916,485</b>
<b>Expenditures</b>						
Assembly	7%	391,890	403,647	467,937	542,467	628,868
Mayor	11%	597,502	615,427	713,449	827,083	958,815
Admin & Finance	12%	665,562	695,846	839,309	1,017,581	1,239,814
Planning / Econ Dev / Othe	9%	491,883	514,264	620,291	752,042	916,283
from Special Revenue Fun	9%	482,041	412,000	477,621	553,694	641,883
Support to School District	52%	2,792,920	2,876,708	3,334,893	3,866,054	4,481,817
Capital Outlays -- New Sch	0%	0	0	0	0	0
Debt Service	0%	0	0	0	0	0
<b>Total Expenditures</b>	<b>100%</b>	<b>5,421,798</b>	<b>5,517,891</b>	<b>6,453,499</b>	<b>7,558,921</b>	<b>8,867,480</b>
<b>Excess (deficiency) of Rev / Exp</b>	0	(116,875)	536,292	421,604	330,114	49,005
Fund balances, start of year	0	3,262,848	3,576,391	5,856,611	7,843,764	9,020,656
Fund balances, end of year	0	3,145,973	4,112,683	6,278,215	8,173,878	9,069,660

**Table 2: Base Case**

**NAB School District  
Revenues and Expenditures**

	1998 %	Actual FY1998	2000	2005	2010	2015
<b>Revenues</b>						
<b>Local</b>						
Support from Borough	9%	2,792,920	2,876,708	3,334,893	3,866,054	4,481,817
Tuition, Interest, Fees	3%	999,617	1,029,606	1,193,595	1,383,704	1,604,092
to Special Revenue Funds	2%	538,716	554,877	643,255	745,709	864,481
<b>Total Local</b>	<b>15%</b>	<b>4,331,253</b>	<b>4,461,191</b>	<b>5,171,743</b>	<b>5,995,467</b>	<b>6,950,390</b>
<b>Federal</b>						
Direct impact aid	11%	3,391,178	3,492,913	4,049,244	4,694,183	5,441,845
to Special Revenue Funds	9%	2,589,638	2,667,327	3,092,163	3,584,665	4,155,609
<b>Total Federal</b>	<b>20%</b>	<b>5,980,816</b>	<b>6,160,240</b>	<b>7,141,407</b>	<b>8,278,848</b>	<b>9,597,454</b>
<b>State</b>						
Foundation Support	62%	18,199,800	19,407,341	21,599,787	22,914,805	26,395,218
to Special Revenue Funds	3%	1,025,541	1,093,585	1,217,127	1,291,227	1,487,345
<b>Total State</b>	<b>65%</b>	<b>19,225,341</b>	<b>20,500,925</b>	<b>22,816,914</b>	<b>24,206,032</b>	<b>27,882,563</b>
<b>Total Revenues</b>	<b>100%</b>	<b>29,537,410</b>	<b>31,122,356</b>	<b>35,130,063</b>	<b>38,480,347</b>	<b>44,430,407</b>
	<b>%</b>	<b>1998</b>	<b>2000</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>
<b>Expenditures</b>						
Instruction (Operating Func	58%	15,359,672	16,859,481	19,220,309	20,894,315	24,713,422
Plant O&M	24%	6,313,615	7,200,042	8,346,822	9,676,254	11,217,430
from Special Revenue Fun	19%	4,940,859	4,315,789	4,952,545	5,621,601	6,507,435
Capital Outlays	0%	0	1,450,240	1,681,226	1,949,001	2,259,427
<b>Total Expenditures</b>	<b>100%</b>	<b>26,614,146</b>	<b>29,825,552</b>	<b>34,200,901</b>	<b>38,141,171</b>	<b>44,697,713</b>
<b>Excess (deficiency) of Rev / Exp</b>		2,923,264	1,296,804	929,162	339,176	(267,306)
<b>Fund balance, start of year</b>		6,464,053	4,060,762	9,899,870	13,313,254	13,848,513
<b>Fund balance, end of year</b>		<b>9,387,317</b>	<b>5,357,566</b>	<b>10,829,032</b>	<b>13,652,431</b>	<b>13,581,207</b>
<b>Consolidated Borough/SD Excess of Revenue over Expenditure</b>			1,833,097	1,350,767	669,290	(218,302)

## 4. Case 2: Increased Full Value

### 4.1. Changes in Assumptions

For this case we assume everything as above, except that the full value determination increases to \$576 million in 2001 due to AIDEA improvements.

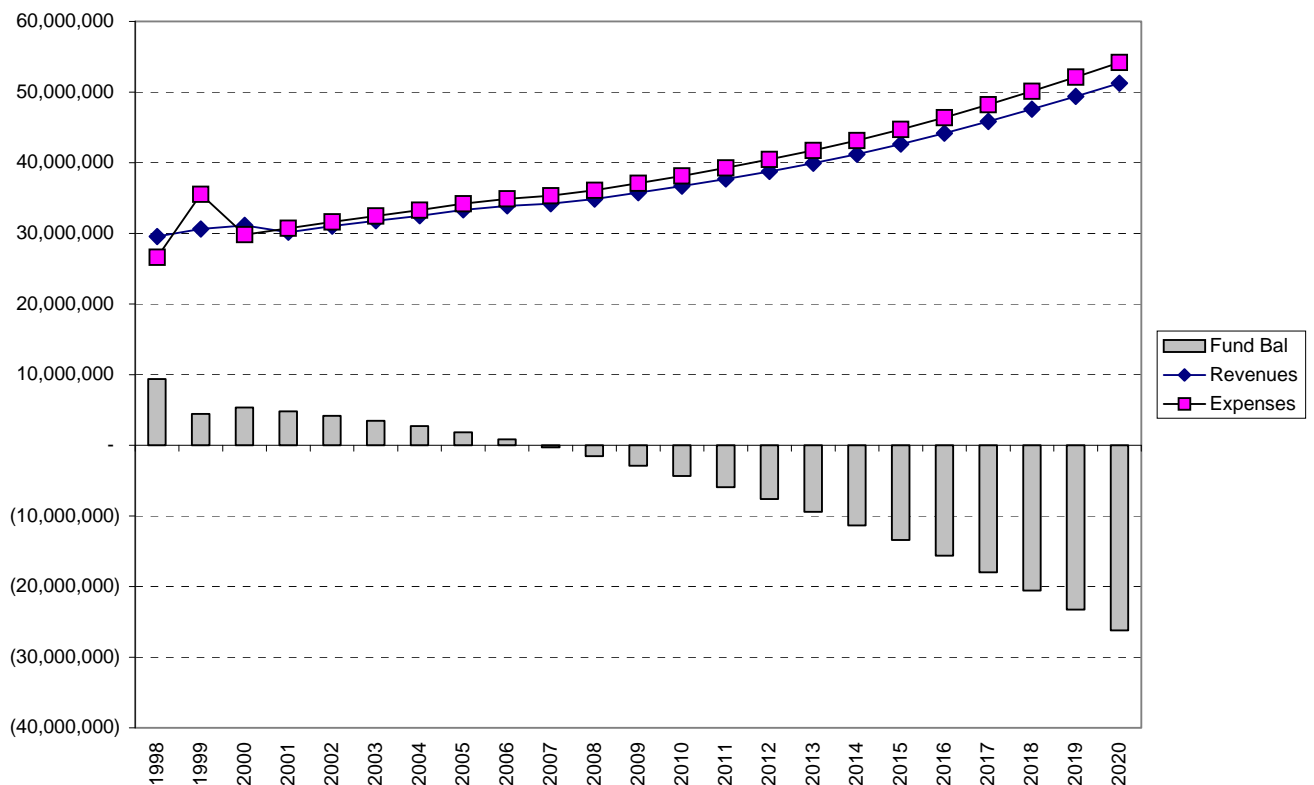
### 4.2. Changes in Results

This increase has the effect of increasing the required local contribution which, in turn, increases the amount of federal aid that is deducted when computing the state foundation funding. Both of these effects together reduce the foundation support by almost \$1.7 million. This puts the school budget into deficit starting in 2007.

This change has no effect on the general government projections using our model.

**Figure 4: Case 2: Increased FVD**

### School District Revenue, Expense, and Fund Balance





**Table 3: Case 2 (High FVD)**

**NAB School District  
Revenues and Expenditures**

	1998 %	Actual FY1998	2000	2005	2010	2015
<b>Revenues</b>						
<b>Local</b>						
Support from Borough	9%	2,792,920	2,876,708	3,334,893	3,866,054	4,481,817
Tuition, Interest, Fees	3%	999,617	1,029,606	1,193,595	1,383,704	1,604,092
to Special Revenue Funds	2%	538,716	554,877	643,255	745,709	864,481
<b>Total Local</b>	<b>15%</b>	<b>4,331,253</b>	<b>4,461,191</b>	<b>5,171,743</b>	<b>5,995,467</b>	<b>6,950,390</b>
<b>Federal</b>						
Direct impact aid	11%	3,391,178	3,492,913	4,049,244	4,694,183	5,441,845
to Special Revenue Funds	9%	2,589,638	2,667,327	3,092,163	3,584,665	4,155,609
<b>Total Federal</b>	<b>20%</b>	<b>5,980,816</b>	<b>6,160,240</b>	<b>7,141,407</b>	<b>8,278,848</b>	<b>9,597,454</b>
<b>State</b>						
Foundation 200	62%	18,199,800	19,407,341	19,895,033	21,210,051	24,690,464
to Special Revenue Funds	3%	1,025,541	1,093,585	1,121,066	1,195,166	1,391,284
<b>Total State</b>	<b>65%</b>	<b>19,225,341</b>	<b>20,500,925</b>	<b>21,016,098</b>	<b>22,405,216</b>	<b>26,081,748</b>
<b>Total Revenues</b>	<b>100%</b>	<b>29,537,410</b>	<b>31,122,356</b>	<b>33,329,248</b>	<b>36,679,532</b>	<b>42,629,591</b>
	<b>%</b>	<b>1998</b>	<b>2000</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>
<b>Expenditures</b>						
Instruction (Operating Func	58%	15,359,672	16,859,481	19,316,370	20,990,376	24,809,483
Plant O&M	24%	6,313,615	7,200,042	8,346,822	9,676,254	11,217,430
from Special Revenue Fun	19%	4,940,859	4,315,789	4,856,484	5,525,539	6,411,373
Capital Outlays	0%	0	1,450,240	1,681,226	1,949,001	2,259,427
<b>Total Expenditures</b>	<b>100%</b>	<b>26,614,146</b>	<b>29,825,552</b>	<b>34,200,901</b>	<b>38,141,171</b>	<b>44,697,713</b>
<b>Excess (deficiency) of Rev / Exp</b>		2,923,264	1,296,804	(871,653)	(1,461,639)	(2,068,122)
<b>Fund balance, start of year</b>		6,464,053	4,060,762	2,696,608	(2,894,085)	(11,362,903)
<b>Fund balance, end of year</b>		<b>9,387,317</b>	<b>5,357,566</b>	<b>1,824,955</b>	<b>(4,355,724)</b>	<b>(13,431,025)</b>
<b>Consolidated Borough/SD Excess of Revenue over Expenditure</b>			1,833,097	(450,049)	(1,131,525)	(2,019,117)

## 5. Case 3: High FVD and New Bonds

### 5.1. Assumptions

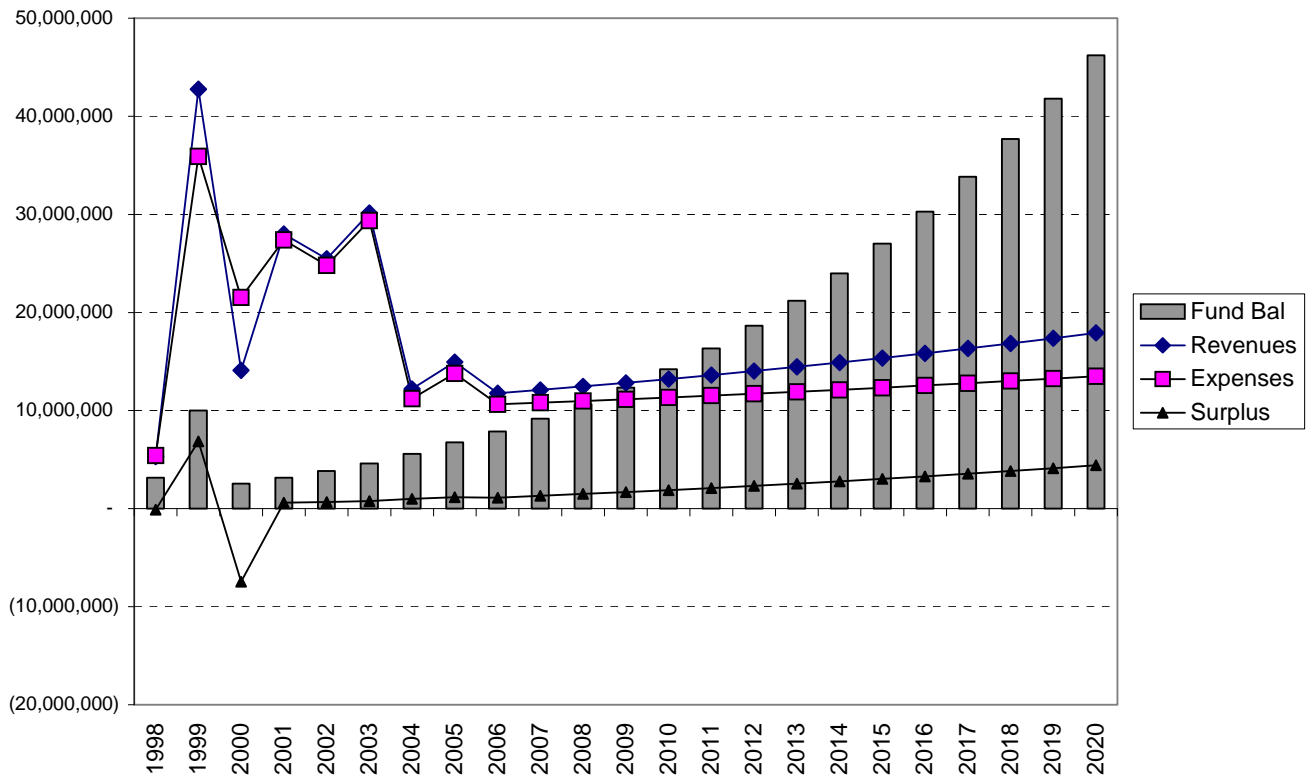
The Borough issues approximately \$72 million in new debt to finance new schools. I assume that because the bonds fund the backlog of deferred maintenance, the Borough's cash contribution to the Schools stops. This causes the amount of deducted federal impact aid to increase dramatically and reduces the State foundation payment to the School District by about 1.3 million.

### 5.2. Case 3 Projection Results

**General Government.** Even though it must pay debt service, the Borough's General Government income statement improves because the local share of debt service is less than the savings from no longer making cash transfers to the School District.

**Figure 5: Case 3: New Bonds**  
(Figure Includes Capital Outlays and Debt Service)

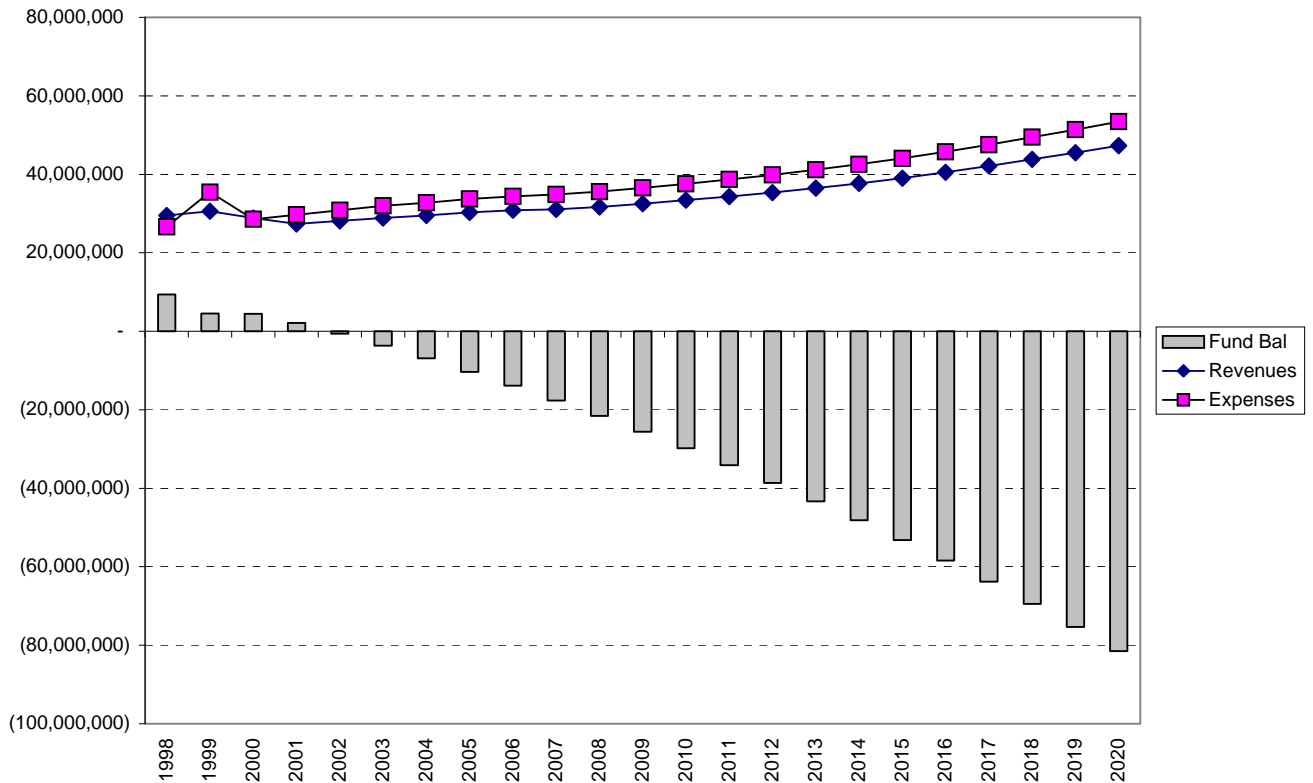
### General Government Revenue, Expense, and Fund Balance



**School District.** The School District suffers from the loss of cash from the Borough and from the loss of foundation funding that follows from that lost local cash. The SD begins to accrue deficits of more than \$2 million almost immediately.

**Figure 6: Case 3: New Bonds**

**School District Revenue, Expense, and Fund Balance**



**Table 4: Case 3: New Bonds**

**Northwest Arctic Borough General Government  
Revenues and Expenditures**

	1998 %	Actual 1998	2000	2005	2010	2015
<b>Revenues</b>						
<b>Local</b>	0	0	0	0	0	0
Cominco Revenue	51%	2,700,000	3,500,000	4,000,000	4,500,000	5,000,000
Borough Usage Fee	26%	1,384,920	1,426,468	1,653,667	1,917,053	2,222,390
Interest & Miscellaneous	4%	222,294	250,817	940,304	1,826,705	3,007,898
Bond Proceeds	0%	<u>0</u>	<u>8,036,921</u>	<u>3,502,733</u>	<u>0</u>	<u>0</u>
Total Local	<u>81%</u>	<u>4,307,214</u>	<u>13,214,206</u>	<u>10,096,704</u>	<u>8,243,759</u>	<u>10,230,289</u>
<b>Federal</b>						
Payment in lieu of taxes	6%	300,180	309,185	358,431	415,519	481,701
to Special Revenue Funds	0%	19,160	0	0	0	0
Matching Grant / ATC	0%	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Federal	<u>6%</u>	<u>319,340</u>	<u>309,185</u>	<u>358,431</u>	<u>415,519</u>	<u>481,701</u>
<b>State</b>						
Revenue Sharing	4%	233,570	155,713	0	0	0
to Special Revenue Funds	8%	422,070	412,000	477,621	553,694	641,883
One-time grants/programs	0%	22,729	0	0	0	0
Reimbursement of Debt Sv	0%	<u>0</u>	<u>0</u>	<u>4,003,094</u>	<u>4,003,094</u>	<u>4,003,094</u>
Total State	<u>13%</u>	<u>678,369</u>	<u>567,713</u>	<u>4,480,714</u>	<u>4,556,787</u>	<u>4,644,976</u>
<b>Total revenues</b>	<b>100%</b>	<b>5,304,923</b>	<b>14,091,105</b>	<b>14,935,849</b>	<b>13,216,065</b>	<b>15,356,965</b>
<b>Expenditures</b>						
Assembly	7%	391,890	403,647	467,937	542,467	628,868
Mayor	11%	597,502	615,427	713,449	827,083	958,815
Admin & Finance	12%	665,562	695,846	839,309	1,017,581	1,239,814
Planning / Econ Dev / Othe	9%	491,883	514,264	620,291	752,042	916,283
from Special Revenue Fun	9%	482,041	412,000	477,621	553,694	641,883
Support to School District	52%	2,792,920	1,426,468	1,653,667	1,917,053	2,222,390
Capital Outlays -- New Sch	0%	<u>0</u>	<u>17,459,634</u>	<u>3,287,122</u>	<u>0</u>	<u>0</u>
Debt Service	0%	<u>0</u>	<u>0</u>	<u>5,718,705</u>	<u>5,718,705</u>	<u>5,718,705</u>
Total Expenditures	<u>100%</u>	<u>5,421,798</u>	<u>21,527,285</u>	<u>13,778,101</u>	<u>11,328,625</u>	<u>12,326,758</u>
<b>Excess (deficiency) of Rev / Exp</b>		(116,875)	(7,436,181)	1,157,749	1,887,440	3,030,207
Fund balances, start of year		3,262,848	9,999,104	5,596,374	12,342,748	23,975,231
Fund balances, end of year		3,145,973	2,562,923	6,754,123	14,230,188	27,005,438

**Table 5: Case 3: New Bonds**

**NAB School District  
Revenues and Expenditures**

	<u>1998</u> <u>%</u>	<u>Actual</u> <u>1998</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>
<b>Revenues</b>						
<b>Local</b>						
Support from Borough	9%	2,792,920	1,426,468	1,653,667	1,917,053	2,222,390
Tuition, Interest, Fees	3%	999,617	1,029,606	1,193,595	1,383,704	1,604,092
to Special Revenue Funds	2%	538,716	554,877	643,255	745,709	864,481
<b>Total Local</b>	<b>15%</b>	<b>4,331,253</b>	<b>3,010,951</b>	<b>3,490,517</b>	<b>4,046,466</b>	<b>4,690,963</b>
<b>Federal</b>						
Direct impact aid	11%	3,391,178	3,492,913	4,049,244	4,694,183	5,441,845
to Special Revenue Funds	9%	2,589,638	2,667,327	3,092,163	3,584,665	4,155,609
<b>Total Federal</b>	<b>20%</b>	<b>5,980,816</b>	<b>6,160,240</b>	<b>7,141,407</b>	<b>8,278,848</b>	<b>9,597,454</b>
<b>State</b>						
Foundation Support	62%	18,199,800	18,623,555	18,636,063	19,951,081	23,431,494
to Special Revenue Funds	3%	1,025,541	1,049,419	1,050,124	1,124,224	1,320,342
<b>Total State</b>	<b>65%</b>	<b>19,225,341</b>	<b>19,672,974</b>	<b>19,686,187</b>	<b>21,075,305</b>	<b>24,751,836</b>
<b>Total Revenues</b>	<b>100%</b>	<b>29,537,410</b>	<b>28,844,165</b>	<b>30,318,111</b>	<b>33,400,619</b>	<b>39,040,253</b>
	<u>%</u>	<u>1998</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>
<b>Expenditures</b>						
Instruction (Operating Func	58%	15,359,672	16,903,647	19,387,312	21,061,318	24,880,425
Plant O&M	24%	6,313,615	7,349,868	9,556,029	11,078,056	12,842,503
from Special Revenue Fun	19%	4,940,859	4,271,624	4,785,542	5,454,598	6,340,432
Capital Outlays	0%	0	0	0	0	0
<b>Total Expenditures</b>	<b>100%</b>	<b>26,614,146</b>	<b>28,525,139</b>	<b>33,728,883</b>	<b>37,593,972</b>	<b>44,063,360</b>
<b>Excess (deficiency) of Rev / Exp</b>		2,923,264	319,026	(3,410,772)	(4,193,353)	(5,023,107)
<b>Fund balance, start of year</b>		6,464,053	4,145,411	(6,928,513)	(25,588,608)	(48,149,343)
<b>Fund balance, end of year</b>		<b>9,387,317</b>	<b>4,464,437</b>	<b>(10,339,284)</b>	<b>(29,781,961)</b>	<b>(53,172,450)</b>
<b>Consolidated Borough/SD Excess of Revenue over Expenditure</b>			(7,117,155)	(2,253,023)	(2,305,913)	(1,992,900)

## 6. Discussion

These cases demonstrate that if the Borough issues new debt that is considered to be "in lieu" of existing cash contributions to the School District for deferred maintenance, then it can cause a large decrease in foundation funding to the School District and would require significant *additional* school budget cuts. (The case presented already assumes continual tightening of the instruction budget.)

Obviously there are variations on the assumptions presented here for Case 3 (new bonds) that would improve the foundation funding amounts. However the overall picture that seems to emerge is that without a continuation of local revenues passed through to the School District, the new bonds are not fiscally sustainable.

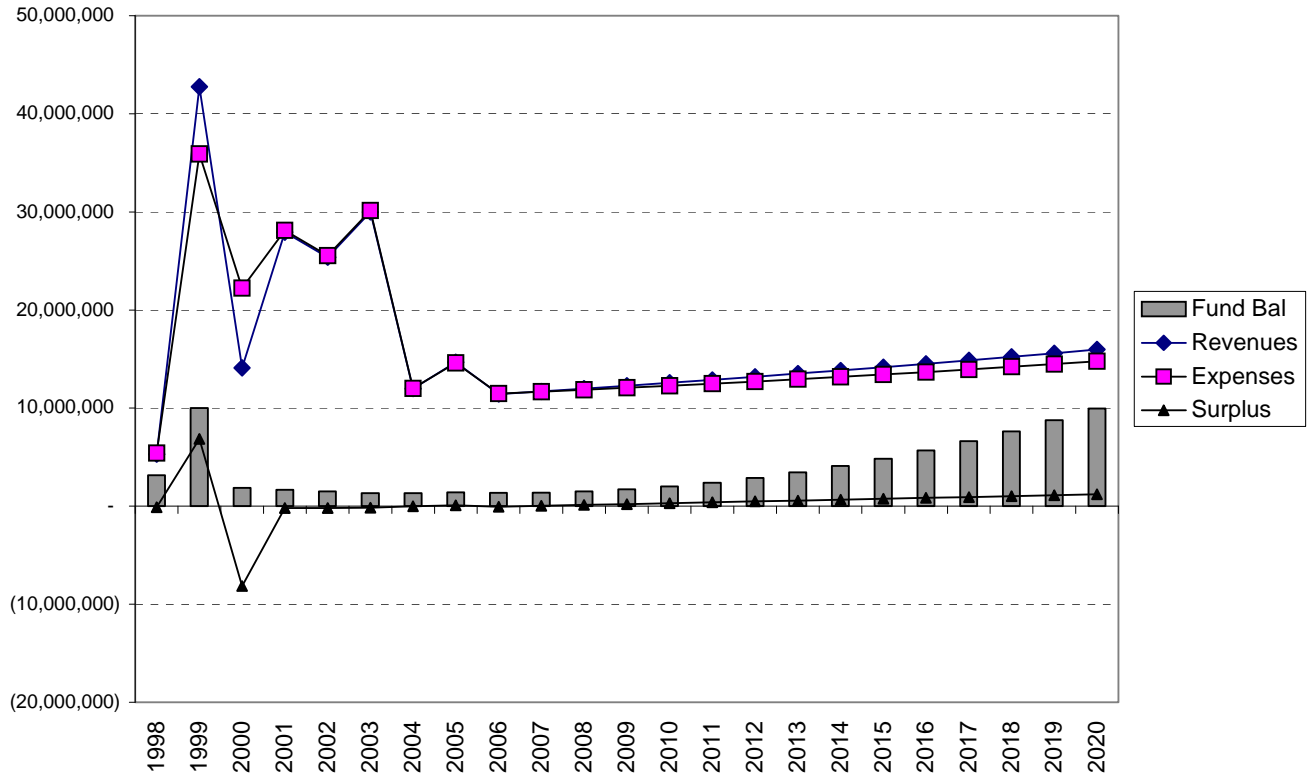
## 7. Case 4: Bonding with Reduced Cash Transfer and \$371 million FVD

This case assumes that cash transfers from Borough to School District continue at half the current rate -- eg about 702,000 per year. This local contribution keeps the foundation funding level up. Also, the FVD is kept at \$371 million. The Borough cash contribution flows into the School revenue stream but is NOT used for deferred maintenance -- this need is still assumed to be eliminated by the bonds.

Under this scenario, both the General Governmentt and School District can remain solvent at least through 2010. In very rough terms, the Borough substitutes debt service (about \$1.7 million local share) for deferred maintenance (about 1.4 million in 1998 and assumed to increase with inflation).

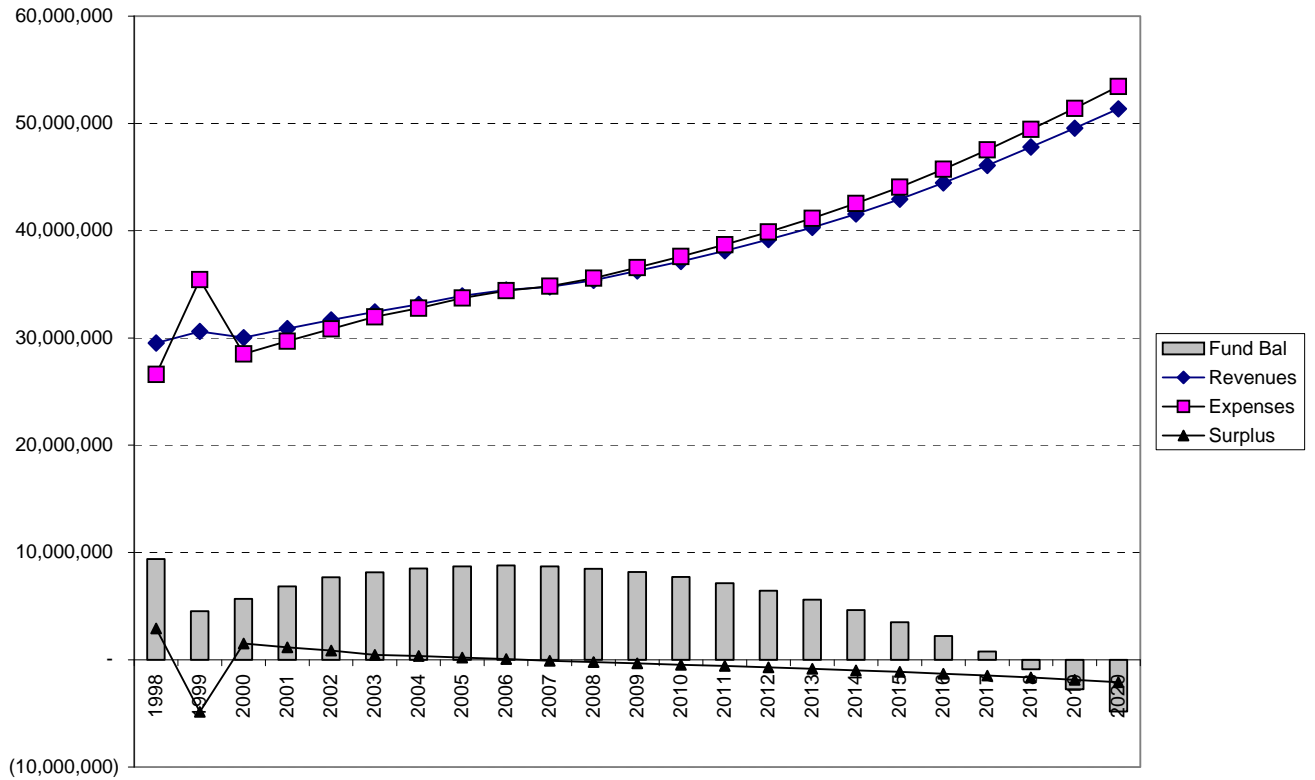
**Figure 7: Case 4: Bonding, Limited FVD and Limited Cash Transfer**

**General Government Revenue, Expense, and Fund Balance**



**Figure 8: Case 4: Bonding, Limited FVD and Limited Cash Transfer**

**School District Revenue, Expense, and Fund Balance**





**Table 6: Case 4: Bonding, Limited FVD and Limited Cash Transfer**

**Northwest Arctic Borough General Government  
Revenues and Expenditures**

	1998 %	Actual 1998	2000	2005	2010	2015
<b>Revenues</b>						
<b>Local</b>	0	0	0	0	0	0
Cominco Revenue	51%	2,700,000	3,500,000	4,000,000	4,500,000	5,000,000
Borough Usage Fee	26%	1,384,920	1,426,468	1,653,667	1,917,053	2,222,390
Interest & Miscellaneous	4%	222,294	250,817	670,926	1,184,018	1,824,701
Bond Proceeds	0%	0	8,036,921	3,502,733	0	0
Total Local	81%	4,307,214	13,214,206	9,827,326	7,601,071	9,047,091
<b>Federal</b>						
Payment in lieu of taxes	6%	300,180	309,185	358,431	415,519	481,701
to Special Revenue Funds	0%	19,160	0	0	0	0
Matching Grant / ATC	0%	0	0	0	0	0
Total Federal	6%	319,340	309,185	358,431	415,519	481,701
<b>State</b>						
Revenue Sharing	4%	233,570	155,713	0	0	0
to Special Revenue Funds	8%	422,070	412,000	477,621	553,694	641,883
One-time grants/programs	0%	22,729	0	0	0	0
Reimbursement of Debt Sv	0%	0	0	4,003,094	4,003,094	4,003,094
Total State	13%	678,369	567,713	4,480,714	4,556,787	4,644,976
<b>Total revenues</b>	<b>100%</b>	<b>5,304,923</b>	<b>14,091,105</b>	<b>14,666,471</b>	<b>12,573,377</b>	<b>14,173,768</b>
<b>Expenditures</b>						
Assembly	7%	391,890	403,647	467,937	542,467	628,868
Mayor	11%	597,502	615,427	713,449	827,083	958,815
Admin & Finance	12%	665,562	695,846	839,309	1,017,581	1,239,814
Planning / Econ Dev / Othe	9%	491,883	514,264	620,291	752,042	916,283
from Special Revenue Fun	9%	482,041	412,000	477,621	553,694	641,883
Support to School District	52%	2,792,920	2,130,468	2,469,796	2,863,170	3,319,199
Capital Outlays -- New Sch	0%	0	17,459,634	3,287,122	0	0
Debt Service	0%	0	0	5,718,705	5,718,705	5,718,705
<b>Total Expenditures</b>	<b>100%</b>	<b>5,421,798</b>	<b>22,231,285</b>	<b>14,594,230</b>	<b>12,274,742</b>	<b>13,423,568</b>
<b>Excess (deficiency) of Rev / Exp</b>		(116,875)	(8,140,181)	72,241	298,635	750,200
Fund balances, start of year		3,262,848	9,999,104	1,326,586	1,703,219	4,096,067
Fund balances, end of year		3,145,973	1,858,923	1,398,828	2,001,854	4,846,267

**Table 7: Case 4: Bonding, Limited FVD and Limited Cash Transfer**

**NAB School District  
Revenues and Expenditures**

	<u>1998</u> <u>%</u>	<u>Actual</u> <u>1998</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>
<b>Revenues</b>						
<b>Local</b>						
Support from Borough	9%	2,792,920	2,130,468	2,469,796	2,863,170	3,319,199
Tuition, Interest, Fees	3%	999,617	1,029,606	1,193,595	1,383,704	1,604,092
to Special Revenue Funds	<u>2%</u>	<u>538,716</u>	<u>554,877</u>	<u>643,255</u>	<u>745,709</u>	<u>864,481</u>
Total Local	<u>15%</u>	<u>4,331,253</u>	<u>3,714,951</u>	<u>4,306,646</u>	<u>4,992,583</u>	<u>5,787,772</u>
<b>Federal</b>						
Direct impact aid	11%	3,391,178	3,492,913	4,049,244	4,694,183	5,441,845
to Special Revenue Funds	<u>9%</u>	<u>2,589,638</u>	<u>2,667,327</u>	<u>3,092,163</u>	<u>3,584,665</u>	<u>4,155,609</u>
Total Federal	<u>20%</u>	<u>5,980,816</u>	<u>6,160,240</u>	<u>7,141,407</u>	<u>8,278,848</u>	<u>9,597,454</u>
<b>State</b>						
Foundation Support	62%	18,199,800	19,093,882	21,286,328	22,601,346	26,081,760
to Special Revenue Funds	<u>3%</u>	<u>1,025,541</u>	<u>1,075,922</u>	<u>1,199,464</u>	<u>1,273,564</u>	<u>1,469,682</u>
Total State	<u>65%</u>	<u>19,225,341</u>	<u>20,169,804</u>	<u>22,485,792</u>	<u>23,874,910</u>	<u>27,551,442</u>
<b>Total Revenues</b>	<b><u>100%</u></b>	<b><u>29,537,410</u></b>	<b><u>30,044,995</u></b>	<b><u>33,933,845</u></b>	<b><u>37,146,341</u></b>	<b><u>42,936,667</u></b>
	<u>%</u>	<u>1998</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>
<b>Expenditures</b>						
Instruction (Operating Func	58%	15,359,672	16,877,144	19,237,972	20,911,978	24,731,085
Plant O&M	24%	6,313,615	7,349,868	9,556,029	11,078,056	12,842,503
from Special Revenue Fun	19%	<u>4,940,859</u>	4,298,126	4,934,882	5,603,937	6,489,772
Cap. Outlays/Def. Maint	0%	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Expenditures</b>	<b><u>100%</u></b>	<b><u>26,614,146</u></b>	<b><u>28,525,139</u></b>	<b><u>33,728,883</u></b>	<b><u>37,593,972</u></b>	<b><u>44,063,360</u></b>
<b>Excess (deficiency) of Rev / Exp</b>		2,923,264	1,519,856	204,962	(447,630)	(1,126,692)
<b>Fund balance, start of year</b>		6,464,053	4,145,411	8,504,371	8,175,241	4,635,598
<b>Fund balance, end of year</b>		<b>9,387,317</b>	<b>5,665,267</b>	<b>8,709,333</b>	<b>7,727,611</b>	<b>3,508,905</b>
<b>Consolidated Borough/SD Excess of Revenue over Expenditure</b>			(6,620,325)	277,204	(148,995)	(376,492)