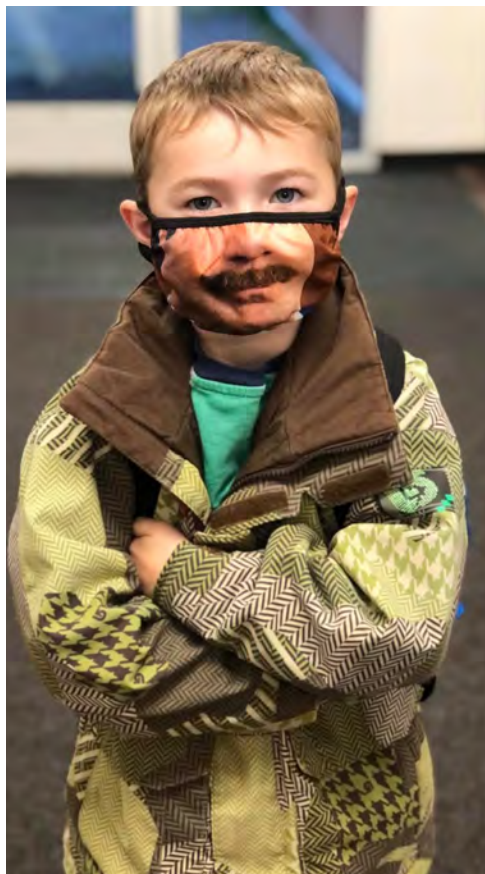


Fairbanks North Star Borough School District

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2021



Excellence and Equity for All

*A component of the
Fairbanks North Star Borough
Fairbanks, Alaska*



A Component Unit of the Fairbanks North Star Borough, Alaska

Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2021

Karen Melin
Acting Superintendent

Prepared by:

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Chief Operations Officer

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Introductory Section





FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

520 Fifth Avenue Fairbanks, Alaska 99701-4718 (907) 452-2000

www.k12northstar.org



December 8, 2021

Members of the Board of Education and citizens of the
Fairbanks North Star Borough School District
Fairbanks, Alaska

The comprehensive annual financial report of the Fairbanks North Star Borough School District (District) for the fiscal year ended June 30, 2021, is submitted herewith. This report was prepared by the District's Accounting Services department following the guidelines recommended by the Government Finance Officers Association of the United States and Canada, the Association of School Business Officials International, and U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The statutes of the State of Alaska and Fairbanks North Star Borough code of ordinances require that the District Board of Education provide for an audit of all school accounts within ninety days following the close of the fiscal year, by an independent certified public accountant.

Introduction to the Comprehensive Annual Financial Report

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with District management. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included.

Internal Control

In developing and evaluating the District's accounting system, consideration is given to the adequacy of internal accounting controls. Management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the costs of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Independent Financial Statement Audit

The District's basic financial statements and the financial statements of each nonmajor governmental fund (financial statements) have been audited by Alliance CPAs LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2021 are free of material misstatement. The independent audit involved consideration of internal control in assessing the risks of material misstatement of the financial statements; evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2021 are fairly presented in accordance with GAAP. The independent auditor's report is presented as the first component of the *financial section* of this report.

Management's Discussion and Analysis

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors in the *financial section* of this report.

Single Audits of State and Federal Awards

The independent audit of the financial statements of the District was part of a broader, state and federally mandated "Single Audit" designed to meet the special needs of state and federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the audited District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of state and federal awards. These reports are available in the *single audit* section of this report.

Profile of the District

The District was established on January 1, 1964, the date of incorporation of the Fairbanks North Star Borough (Borough), the primary government. A borough is most similar to the county form of government used in much of the rest of the United States. The District, serving grades K through 12, encompasses an area of 7,444 square miles...roughly the size of Rhode Island, Delaware and Connecticut combined.

Reporting Entity

Based on criteria developed by the Governmental Accounting Standards Board, the District is a component unit of the Fairbanks North Star Borough. Audited financial statements for the Borough are available upon request from its administrative offices. The District has elected to issue a separate comprehensive financial report pursuant to Alaska statutes.

Pursuant to Alaska Statute section 14.12.020(c), the Borough Assembly provides the money which must be raised from local sources to maintain and operate the District. Alaska Statute section 14.14.060 states a borough can establish a centralized treasury and is responsible for major rehabilitation, all construction and major repair of school buildings. The Borough provides for new construction, major repair of school buildings and a centralized treasury. Therefore, bonded debt, capital improvement funds for school construction, tax levies, and tax collection are reflected in the *notes to the basic financial statements* and the *statistical section* of this report but are accounted for by the Borough.

Alaska Statute sections 14.12.010 - 115 provide for the creation of Districts in the State of Alaska and establish school boards as the governing body for each district. The seven voting members of the District Board of Education determine policy for operation and management of the District. Each member serves for three years, elected each year for overlapping terms.

Services Provided by the District

Over 11,000 students attend the thirty-six schools and the Building Education Success Together (B.E.S.T) program in our district. Class size varies, but the fiscal year 2021 district-wide average was 13.83 students per teacher.

Our diverse student body includes children from over 82 different language backgrounds. Each child in the district is offered a comprehensive general educational program. High school students have available a comprehensive career technical education curriculum. Special needs are met with the assistance of programs and services such as Alaska Native Education, Extended Learning (formerly Gifted/Talented), English Language Learners, Title I, Migrant Education, and Special Education for Students with Disabilities.

Charter Schools

Charter Schools in Alaska must be approved by both the local School Board and the State Board of Education, and operate under the guidance of Academic Policy Committees of their own selection. School charters may be up to ten years in duration, and the majority of funding is provided through the State's foundation funding formula similar to that of per capita small school funding. The District has six approved charter schools: Watershed Charter School (grades K-8), Chinook Montessori Charter School (grades K-8), Star of the North Secondary Charter School (grades 7-12), Effie Kokrine Early College Charter School (grades 7-12), Boreal Sun Charter School (grades K-7), and Discovery Peak Charter School (K-8).

Budgetary Control

The objective of the District's budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Resources are allocated to and accounted for in individual funds, based upon the purposes for which those funds were created. Transfers between programs in excess of \$100,000 are authorized by the Board of Education. Therefore, the legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the object level. All other transfers are authorized by the superintendent and reported monthly to the Board of Education. The budgetary process is explained in Note A in the notes to the required supplementary information in the *required supplementary information* section of this Comprehensive Annual Financial Report.

Economic Condition Information

Local Economy

Located near the center of the state, the District encompasses the state's second largest urban area. The Borough serves as the economic hub for interior and northern Alaska. Prior to the outbreak of the novel coronavirus (COVID-19) the impacts of the national economic upturn were to be felt in interior Alaska, they were somewhat mild compared to what the nation had experienced.

Alaska's unemployment rate has decreased from an unprecedented drop of 13.1 percent in April of 2020 to 6.4 percent as of August 2021. Although the current rate is slightly higher than the United States average of 5.2 percent the rate is reasonable compared to the Alaska 10-year average of 6.9 percent.

Job growth increased from -8.8 percent in October of 2020 to 4.4 percent in August of 2021, which is trending at the same rate as the United States average. Although the employment rate is up significantly from that low period, it was still below the United States August 2019 employment levels by 2.8 percent.

While the District has no authority to levy taxes, a fairly steady economy provides the Borough the wherewithal to fund its local contribution to education. The local contribution to education represents about 25 percent of operating fund revenues for the year ended June 30, 2021. When a community's assessed property values and the ability of local taxpayers to fund education increases, the state's foundation formula reduces education funding. The reduction in state revenues over the last five years due to increased assessed values has been mitigated by legislative action providing for a graduated rise in the base student allocation.

Projected Enrollment

Student enrollments generate a majority of district revenues and also dictate personnel needs, which represent over 87.73 percent of the District's 2021-22 operating budget. The State of Alaska requires that student enrollment projections for the following school year be reported to them within one week after the end of the official student count period for the current year, which ends on the fourth Friday of each October. District enrollments decreased by 1,976 students resulting in a reduction of 14.93% from the prior fiscal year.

During the preparation of the 2021-22 operating budget it was expected that enrollment would increase slightly due to established COVID mitigation practices, availability of a vaccine for those over the age of 12, and the ability of the District to provide on-site COVID testing for students and staff. The impact of these and other factors resulted in a higher initial count of students enrolled in August 2021 of 12,486, and increase of 1,226 from initial budget projections in May.

Military Installations

There are two large military installations within the Borough, Fort Wainwright Army Post and Eielson Air Force Base. These installations account for over one-fifth of the Borough's population. Fort Wainwright was transformed into a Stryker Brigade Combat Team in 2001, and is therefore subject to periodic deployment. Although it appears that most dependents remain in Fairbanks, deployment is often a suspected cause of declining and fluctuating enrollments.

Facilities

The Borough owns all school facilities. Periodic investment in major maintenance of building components such as roofs, mechanical and electrical systems, plumbing, exteriors, and playgrounds, etc. remain a top priority of the District. In fiscal year 2019, the Board of Education, as part of an agreement with the Borough, set aside approximately \$7.4 million for the replacement of aging roofs at Woodriver Elementary and Ben Eielson Jr/Sr High School. The capital project to complete the renovation at Barnette Magnet School rose to number 1 on the State of Alaska's capital needs list during fiscal year 2019, also, and approximately \$7.4 million of the project was funded through the capital budget. The Borough will be required to provide an additional \$4 million between 2019-2022 years to complete the project.

As part of efforts by the Governor to reduce state spending, 50% of bond debt reimbursement provided to local municipalities was vetoed. This shifts an increased burden onto local taxpayers to pay for long-term capital needs of the District.

District Initiatives

The School Board establishes a list of primary strategic goals and on-going commitments to support the mission "to provide an excellent, equitable education in a safe, supportive environment so all students will succeed and contribute to a diverse and changing society." Those four overarching commitments are:

- **Student Success** – Increase academic achievement and social emotional well-being for all students.
- **Equity & Inclusion** -- Provide equitable opportunities and an inclusive environment where all students and staff are respected and feel welcome, safe and supported.
- **Communication & Engagement** – Ensure students, staff, families and the community are informed, connected and engaged with the District.
- **Workforce & Organizational Excellence** – Create an environment that supports the strengths and needs of staff so they can create a safe climate where students thrive.

Long-Term Financial Planning

By state statute, district decisions are designed to focus on annual operations rather than long range planning in a fiscal sense. By state statute, the Borough (primary) government is responsible for maintaining a centralized treasury. The District does not own school facilities nor is it responsible for major maintenance. The District has no authority to issue bonds or manage and invest district funds. Unless required by grant agreements, all interest earnings are retained by the Borough.

There are state statutes and local ordinances limiting the District's ability to retain excess fund balance in the operating fund. State statute limits an accumulation of fund balance to less than ten percent of current year expenditures. Alaska Administrative Code defines six items that are not subject to the fund balance accumulation threshold. A *statement of compliance* required by the code to be included in this report can be found on page 179. A local ordinance requires any accumulated unrestricted funds over 40 percent of the Borough's annual local appropriation be returned to the Borough in support of a school facilities major maintenance reserve fund.

However, we do accomplish long range planning from a fiscal perspective based on how we develop and implement instructional programs. A key objective in district financial planning is developing sustainable instructional programs and efficient and cost effective initiatives that support the instructional process. Establishing reasonable but steady class size targets (or pupil-teacher ratios) is paramount, since personnel costs represent over 87.73 percent of the budget. Another example impacting financial planning and decision making includes reliance on the District's preventive maintenance and energy monitoring program.

The global coronavirus (COVID-19) pandemic will continue to have an impact on the District's operations in the coming year. With the District's overall decreased enrollment two large revenue sources are being impacted, including: State's Foundation Formula Program and Pupil Transportation. The Education Stabilization Fund grants have helped offset the loss of revenue to maintain existing services and provide additional support at the individual school level to close the learning gap that students are facing after a year of remote learning.

Awards and Acknowledgements

Certificate of Excellence/Certificate of Achievement

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2020.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2020.

This was the twenty ninth consecutive year that the District has achieved these prestigious awards. In order to be awarded a Certificate of Excellence and a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Excellence and a Certificate of Achievement are valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Excellence and Certificate of Achievement Program requirements, and we are submitting it to the ASBO and the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the accounting and administrative services departments. We would like to express our appreciation to all staff members who assisted and contributed to its preparation. We would also like to thank the members of the Fairbanks North Star Borough District Board of Education for their unfailing support for maintaining the highest standards of professionalism in the management of the District's finances.

Respectfully submitted,



Andreau Degraw, MBA
Chief Operations Officer



Nicole "Nico" Herbert, CPA
Director of Accounting Services



2020-21 Board of Education



Timothy Doran, President
512 Windsor Drive
Fairbanks, AK 99709
Phone: (907) 712-4772
Email: timothy.doran@k12northstar.org
Committee(s): Legislative Chair & CTEAC

Seat E, expires October 2023



Jennifer Luke, Vice President
520 Fifth Ave.
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Email: jennifer.luke@k12northstar.org
Committee(s): Parent Engagement Chair

Seat D, expires October 2022



Erin Morotti, Treasurer
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Committee(s): Diversity Chair, Legislative Member, & Audit Member

Seat A, expires October 2021



Chrya Sanderson, Clerk
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Committee(s): Budget Chair & Legislative Member

Seat B, expires October 2021



Margaret (Maggie) Matheson, Member
520 Fifth Ave
Fairbanks, AK 99701
Email: margaret.matheson@k12northstar.org
Committee(s): Curriculum Chair

Seat G, expires October 2023



Matthew Sampson, Member
520 Fifth Ave.
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Email: matthew.sampson@k12northstar.org
Committee(s): Policy Chair

Seat C, expires October 2022



April Smith, Member
PO Box 56151
North Pole, AK 99705
Phone: (907) 347-1357
Email: april.smith@k12northstar.org
Committee(s): Budget Member & Special Education Advisory Committee Member

Seat F, expires October 2023



McKinley Rhoades
Student Representative –
North Pole High School

Phone: (907) 488-3761
Email: mckinley.jrhoades@gmail.com

Appointed position, advisory vote



Colonel Stuart Williamson
Base Representative

354 Broadway Street, Suite 12A
Eielson AFB, AK 99702
Phone: (907) 377-9651
Email: stuart.williamson@us.af.mil

Appointed position, advisory vote



Colonel Nathan S. Surrey,
Post Representative

1046 Marks Road #6000
Ft. Wainwright, AK 99703-6000
Phone: (907) 353-7660
Email: Nathan.s.surrey.mil@mail.mil

Appointed position, advisory vote

2020-2021



Superintendent
Dr. Karen Gaborik

Communications, Development,
and Engagement

INSTRUCTION

Assistant Superintendent
Kate LaPlaunt

- Elementary Schools
- Music
- Nursing
- Special Education
 - 504 Plan Management
 - Assistive Technology
 - Extended Learning Program
- Teaching and Learning
 - Assessment & Intervention
 - Curriculum
 - eLearning
 - Elementary Art Center
 - Instructional Technology
 - Library Media Services
 - Professional Development

SUPPORT

Assistant Superintendent
Luke Meinert

- Secondary Schools
- Activities
- Career & Technical Education
- Title IX
- Alternative Programs
 - BEST, Charter Schools, SMART, Golden Heart Academy, Alternative Learning Systems, North Star College, Star of the North and Career Education Center Programs
- Student Support Services
 - Federal Programs
 - 21st Century, AK Native Ed., English Language Learners, Foster Care, McKinney-Vento, Migrant, Title I
 - Social Emotional Learning & Prevention
 - Counselors, Social Service Managers, Behavior Aides, Prevention-Intervention, Safety Assistants, AK Trauma Recovery, SEL PD

OPERATIONS

Chief Operations Officer
Andy DeGraw

- Administrative Services
 - Accounting Services
 - Business Services
 - Purchasing
- Facilities Management
 - Building Rentals
 - Custodial
 - Maintenance
- Human Resources
 - EEO
 - Labor Relations
- Information & Technology
 - Business Information Systems
 - Network & Computer Services
 - Research & Accountability
 - Records Management
 - Student Information Systems
- Nutrition Services
- Transportation



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Fairbanks North Star Borough School District

**for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence.



W. Edward Chabal

W. Edward Chabal
President

David J. Lewis

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Fairbanks North Star Borough School District
Alaska**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

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Financial Section





Alliance
CPAs | LLC

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119 N. Cushman Street, Suite 300
Fairbanks, AK 99701

December 10, 2021

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Members of the Board of Education
Fairbanks North Star Borough School District

Report on the Financial Statements

We have audited the accompanying financial statements and schedules of the governmental activities, each major fund, and the aggregate remaining fund information of the Fairbanks North Star Borough School District (School District), a component unit of the Fairbanks North Star Borough, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents. We also have audited the financial statements and schedules of the aggregate nonmajor governmental funds, internal service fund type, and the fiduciary fund type of the School District as of and for the year ended June 30, 2021, as displayed in the School District's basic financial statements. In addition, we also have audited the financial statements and schedules of the School District's nonmajor governmental funds presented as supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2021, 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, each major fund, and the aggregate remaining fund information, as well as the aggregate nonmajor governmental funds, the internal service fund type, and the fiduciary fund type of the School District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements and schedules referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the School District, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules of pension liabilities and contributions as listed in the table of contents 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 and Other Information

Our audit for the year ended June 30, 2021 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fairbanks North Star Borough School District's basic financial statements. The accompanying supplemental reports section; the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and the schedule of state financial assistance as required by *State of Alaska Audit Guide and Compliance Supplement for State*

Single Audits are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplemental reports section, the schedule of expenditures of federal awards, and the schedule of state financial assistance 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. The supplemental reports section, the schedule of expenditures of federal awards, and the schedule of state financial assistance have 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 supplemental reports section, the schedule of expenditures of federal awards, and the schedule of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the School District's basic financial statements and schedules as of and for the year ended June 30, 2020, (not presented herein), and have issued our report thereon dated December 14, 2020, which contained unmodified opinions on the respective financial statements and schedules of the governmental activities, each major fund, the aggregate remaining fund information, and the financial statements and schedules of each of the School District's nonmajor governmental, internal service, and fiduciary funds presented as supplementary information. The accompanying supplementary information for the year ended June 30, 2020 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2020 financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the June 30, 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2020. The June 30, 2020 introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Prior Year Comparative Information

We have previously audited the School District's June 30, 2020 financial statements, and we expressed unmodified opinions on the respective financial statements and schedules of the governmental activities, each major fund, the aggregate remaining fund information, the internal service and fiduciary funds, and the combining and individual nonmajor fund financial statements and schedules in our report dated December 14, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be

read in conjunction with the School District's financial statements for the year ended June 30, 2020, from which such partial information was derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our reports dated December 10, 2021 on our consideration of the School District'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 those reports 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 effectiveness of the School District's internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Alliance CPAs LLC

Fairbanks North Star Borough School District

Management's Discussion and Analysis June 30, 2021

Introduction

As management of the Fairbanks North Star Borough School District (District) we have prepared the following discussion and analysis to inform readers of the District's annual financial report and the financial information that the enclosed statements present for the year ended June 30, 2021 with selected comparative data for the year ended

June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal in the Introductory Section of this report and the District's financial statements, which immediately follow this section.

Financial Highlights

Government-wide financial statements

The District's financial status as of June 30, 2021, and as reflected in total net position, increased by \$2.1 million to a deficit of \$93.3 million from 91.2 million. The change in total net position is discussed further in the Management's Discussion and Analysis section titled Government-wide Financial Analysis.

General revenues accounted for \$176.1 million, including \$49 million in local appropriations and \$125 million in aid from the State of Alaska. Program revenues, in the form of charges for services, operating grants and contributions, and capital grants and contributions, accounted for \$30.2 million. The total revenue from all sources was \$206.3 million.

The District had \$208.4 million in expenses related to programs, an increase of \$23.2 million from the prior year. The increase is related to prior year's expense being offset by the adoption of the EGWP program, which is discussed further in the Management's Discussion and Analysis section titled Government-wide Financial Analysis.

Governmental funds financial statements

The overall fund balance of the general (school operating) fund, decreased by \$10.3 million to \$10.8 million from \$21 million. The general fund balance is comprised of \$1 million nonspendable fund balance related to prepaid items and inventories, \$257 thousand restricted fund balance related to homeschool student allotments, and \$9.5 million assigned fund balance related to encumbrances and subsequent year's budget appropriation of fund balance.



Fairbanks North Star Borough School District

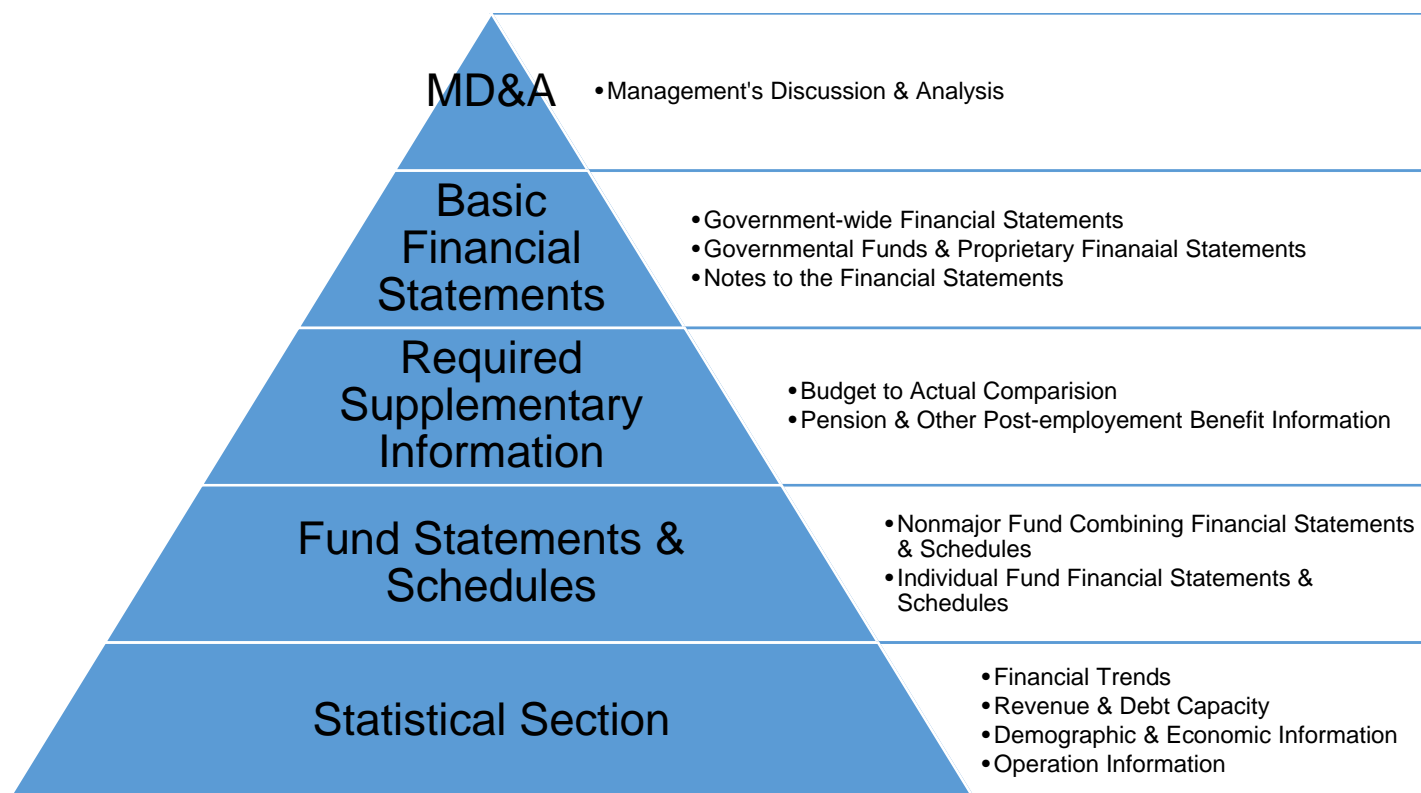
Management's Discussion and Analysis (continued) June 30, 2021

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements as reflected in Figure A-1. The basic financial statements are comprised of three parts:

1. Government-wide financial statements include the statement of net position and the statement of activities which provide a broad, long-term overview of the District's overall financial condition.
2. Fund financial statements include governmental, proprietary, and fiduciary funds. These statements provide a greater level of detail of revenues and expenditures and focus on individual parts of the District, while also indicating how well the District has performed in the short-term, in the most significant funds.
3. Notes to the basic financial statements are disclosures to ensure that a complete picture is presented in the financial statements.

Figure A-1



Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the District's financial position, which assists in assessing the economic condition at year-end. They are prepared using the economic resources focus and full accrual basis of accounting. These are methods similar to those used by most businesses. They take into account

all revenues and expenses connected with the fiscal year even if the cash has not been received. The government-wide financial statements include two statements:

- The statement of net position presents assets, liabilities, and deferred inflows/outflows of resources with the difference between the two reported as "net position." The statement combines and consolidates all of the District's current financial resources (short-term spendable resources) with capital assets (net of accumulated depreciation)

Fairbanks North Star Borough School District

Management's Discussion and Analysis (continued) June 30, 2021

and liabilities. The end result is net position segregated into three components: investment in capital assets, restricted, and unrestricted net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

- The statement of activities presents information showing how the District'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, in future fiscal periods (such as earned, but unused, vacation leave). This statement also presents a comparison between direct expenses and program revenues for each function of the District. The majority of the District's revenue is general revenue, grants, and contributions from other governments.

Governmental activities include the District basic services which are instruction – regular and special education, support services - schools, school administration, district administration, operations and maintenance of plant, student activities, student transportation, food services, and interest expense. Borough appropriations, state and federal aid finance most of these activities.

The government-wide financial statements can be found on pages 17-19 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 District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide more detailed information about the District funds, focusing on the most significant or "major" funds—not the District as a whole. The District fund financial statements provide detailed information about its most significant funds.

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental Funds**

Most of the basic services provided by the District are accounted for in 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, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on balances of spendable resources available at the end of the fiscal year. This approach is known as using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

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. 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 governmental fund financial statements and reconciliations can be found on pages 20 -27 of this report.

- **Proprietary Funds**

Proprietary funds are used to show activities that operate more like those of commercial enterprises. These type of funds charge fees for services that are provided to outside customers. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the full accrual basis of accounting and the economic resources measurement focus. Therefore, no reconciliation is needed between the government-wide financial statements for proprietary fund financial statements.

The District's proprietary funds include two internal service funds: Risk Management and Equipment Replacement.

The proprietary fund financial statements can be found on pages 28-30 of this report.

Fairbanks North Star Borough School District

Management's Discussion and Analysis (continued) June 30, 2021

• Fiduciary Fund

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accrual basis of accounting is used for fiduciary funds.

The District's only fiduciary fund is the Custodial Fund. The custodial funds are primarily raised by employees, for their benefit, and are held in a custodial capacity by the District.

The fiduciary fund financial statement can be found on pages 31-32 of this report.

Summary of Significant Accounting Policies and the Notes to Financial Statements

The Summary of Significant Accounting Policies and Notes to Financial Statements provide additional information that

is essential to a full understanding of the data provided in the government-wide and fund financial statements. The summary and notes can be found on pages 35-62 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the budget process, proportionate share of the net pension and other post-employment benefit liabilities and contributions, and the notes to the required supplementary information. The required supplementary information can be found on pages 63-76 of this report.

Results of the state and federally mandated Single Audits which include auditor's opinions, schedule of expenditures of federal awards, schedule of state financial assistance and schedules of findings and questioned costs can be found on pages 161-176 of this report.

Government-Wide Financial Analysis

Net Position

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the District, governmental activities liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$93.3 million at the close of the most recent fiscal year.

Investment in capital assets (machinery and equipment) represents the assets the District uses to provide an education to the students. Consequently, these assets are not liquid, nor available for future spending or liquidation of any liabilities. All school buildings and associated land are owned by the Borough. The Borough may issue debt to

finance school construction; however, it is not debt of the District. Additional information is included in footnote 6.

Restricted for grants and allotments represents the amounts that have constraints placed on them by external parties, laws, or regulations.

The District's financial position is the net result of activities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

To assess the overall financial position of the District, additional non-financial factors, such as changes in the Fairbanks North Star Borough's property tax base and the condition of school buildings and other facilities, should be considered.

Fairbanks North Star Borough School District

Management's Discussion and Analysis June 30, 2021

Table 1: Net Position – Years ended June 30, 2021 and 2020 (In Thousands)

	2021	2020	Increase (Decrease)	Percentage Change
Assets				
Current and other assets	\$ 32,488	\$ 44,992	\$ (12,504)	-27.8%
Capital assets	3,083	3,325	(242)	-7.3%
Long-term net OPEB asset	20,460	7,145	13,315	186.4%
Total assets	56,031	55,462	569	1.0%
Deferred outflows of resources	26,391	21,436	4,955	23.1%
Liabilities				
Long-term liabilities	160,042	152,071	7,971	5.2%
Other liabilities	3,315	3,867	(552)	-14.3%
Total liabilities	163,357	155,938	7,419	4.8%
Deferred inflows of resources	12,362	12,155	207	1.7%
Net position				
Investment in capital assets	3,083	3,325	(242)	-7.3%
Restricted	3,449	6,194	(2,745)	-44.3%
Unrestricted deficit	(99,828)	(100,714)	886	-0.9%
Total net position (deficit)	\$ (93,296)	\$ (91,195)	\$ (2,101)	2.3%

Change in Net Position

The District's net change in total assets is related to a decrease of \$14.2 million in equity in central treasury cash offset by an increase of \$13.3 million in the long-term net OPEB asset for the Alaska Retiree HealthCare Trust. The increase to deferred outflows of resources and long-term liabilities are both related to the Public Employees Retirement System and Teachers Retirement System.

Fairbanks North Star Borough School District

Management's Discussion and Analysis (continued) June 30, 2021

Table 2: Change in Net Position – Years ended June 30, 2021 and 2020 (In Thousands)

	2021	2020	Increase (Decrease)	Percentage Change
Revenues:				
Program revenues:				
Charges for services	\$ 90	\$ 1,255	\$ (1,165)	-92.8%
Operating grants and contributions	30,088	15,270	14,818	97.0%
Capital grants and contributions	-	426	(426)	-100.0%
General revenues:				
Borough direct appropriation	49,045	50,045	(1,000)	-2.0%
State grants and entitlements not restricted	124,998	132,038	(7,040)	-5.3%
Other	2,038	1,710	328	19.2%
Total revenues	206,259	200,744	5,515	2.7%
Expenses:				
Instruction	81,564	69,235	12,329	17.8%
Special education instruction	25,536	22,464	3,072	13.7%
Special education support services - students	7,267	6,498	769	11.8%
Support services - students	15,341	12,126	3,215	26.5%
Support services - instruction	8,756	7,607	1,149	15.1%
Support services - technology	654	994	(340)	-34.2%
School administration	6,697	5,792	905	15.6%
School administration support services	5,495	4,435	1,060	23.9%
District administration	2,453	2,298	155	6.7%
District administration support services	10,658	9,262	1,396	15.1%
Operations and maintenance of plant	26,136	24,482	1,654	6.8%
Student activities	2,283	3,257	(974)	-29.9%
Student transportation - to and from school	10,643	11,805	(1,162)	-9.8%
Food services	4,878	4,860	18	0.4%
Total expenses	208,361	185,115	23,246	12.6%
Change in net position	(2,102)	15,629	(17,731)	-113.4%
Net position, (deficit) beginning	(91,195)	(106,824)	15,629	-14.6%
Net position, (deficit) ending	\$ (93,296)	\$ (91,195)	\$ (2,101)	2.3%

Fairbanks North Star Borough School District

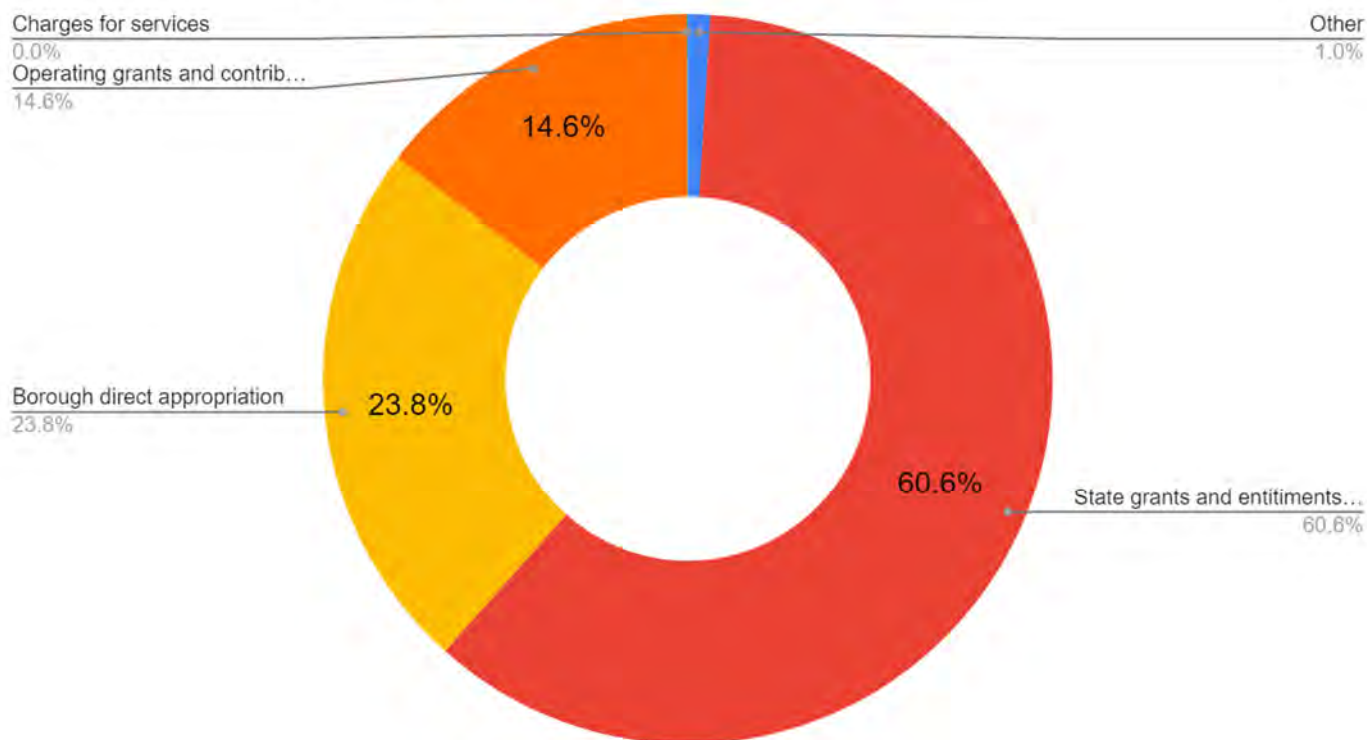
Management's Discussion and Analysis (continued)

June 30, 2021

Charts 1 and 2 display government-wide revenues and expenses, respectively, for the current year. Revenues for the District's combined activities (which include program revenues and general revenues) increased to \$206.3 million. The Borough appropriation and the State of Alaska Foundation Program accounted for most of the District's revenue. Funds from these two sources contributed approximately 75.8 percent of every dollar needed. The remaining 24.2 percent came from grants and contributions, fees charged for services, and other miscellaneous revenues. Total revenues fell behind expenses, decreasing net position by 2.1 million over last year.

The total cost of all programs and services increased to \$208.4 million. Most of the District's expenses are related to instruction (including special education), instructional support and student transportation services. Expenses in these areas comprised approximately 71.9 percent of all school system expenditures. The school and district administration activities, food services, and student activities accounted for 12.2 percent, 2.3 percent and 1.1 percent of total costs, respectively. Maintenance and operation expenses represented approximately 12.5 percent. The expense increase was primarily attributable to the adoption of the EGWP program in the prior fiscal year which resulted in a credit proportionate share of other post-employment benefit plan expense of \$27.4 million.

Chart 1: Source of Revenues



Fairbanks North Star Borough School District

Management's Discussion and Analysis (continued)
June 30, 2021

Chart 2: Expenses by Category

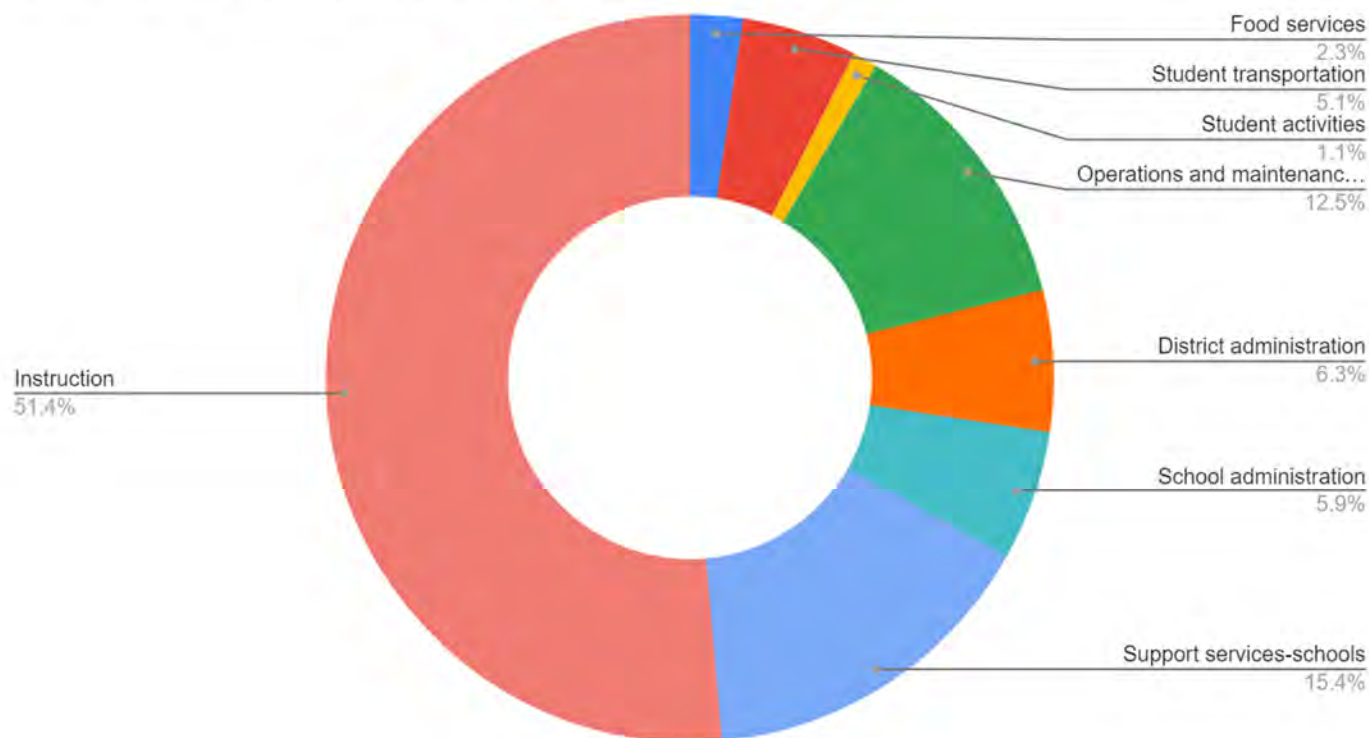


Table 3 presents the total cost of services for the School District's main functional activities. Net Cost of Services represents the Total Cost of Services less charges for services and revenue from operating grants and contributions. The net cost shows the financial burden placed on the School District's General Fund by each of these functions.

Table 3: Cost of Governmental Activities - Years ended June 30, 2021 and 2020 (In Thousands)

	2021		2020	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 107,100	\$ 97,840	\$ 91,699	\$ 98,025
Support services - schools	32,019	27,079	27,226	22,238
School administration	12,192	12,141	10,227	10,293
District administration	13,111	11,973	11,560	11,819
Operations and maintenance of plant	26,136	25,486	24,482	24,097
Student activities	2,283	1,491	3,257	1,538
Student transportation - to and from school	10,643	1,307	11,805	124
Food services	4,878	866	4,860	30
Total	\$ 208,362	\$ 178,183	\$ 185,116	\$ 168,166

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Reviewing the funds helps the reader consider whether the District is being accountable for the resources provided by the State, Borough, and others and may provide more insight into the District's overall financial health.

Fairbanks North Star Borough School District

Management's Discussion and Analysis (continued) June 30, 2021

Financial Analysis of Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, the 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. As of the end of the current fiscal year, the District governmental funds reported combined ending fund balances of \$18.4 million, a decrease of \$14.6 million, as reported on the Governmental Funds Balance Sheet on page 20.

The District has four major governmental funds in the current fiscal year. A major fund is defined as a fund whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Funds that do not meet those criteria may also be designated as major funds if they are considered important to the District or the readers of its financial statements.

General (School Operating) Fund

The District's general (school operating) fund is the primary operating fund of the District. At the end of the current fiscal year the total fund balance was \$10.8 million, a decrease of \$10.3 million from the prior year. The decrease is higher than the June 30, 2020 assigned subsequent year's expenditures of \$9.5 million due to continued impacts of coronavirus (COVID-19) increasing costs related to frequent sanitation of work spaces and personal protective equipment (PPE.)

A measure of the general (school operating) fund's liquidity would be the comparison of unrestricted fund balance to total expenditures. Unrestricted fund balance is comprised of committed, assigned and unassigned fund balance. For the current fiscal year the District's unrestricted fund balance was \$9.5 million or 4.7 percent of expenditures. In addition, the level of unrestricted fund balance to

expenditures as calculated on a state basis was 0.00 percent, which is below the School Board's adopted fund balance policy range of being between 2 to 4 percentages below the 10 percent maximum allowed under state law.

Special Revenue Funds

The fund balance of the student transportation special revenue fund decreased during the current fiscal year by \$0.8 million due to a decrease in the amount of funding from the State of Alaska as a result in decreased enrollment.

Grants reported in the federal programs special revenue fund are cost reimbursable grants; therefore, expenditures are equal to revenues. Expenditures and revenues for the federal programs for the year were \$15.9 million, an increase 20.99 percent from the prior year of \$2.8.

Due to a combination of remote learning, resulting in low participation, and the District serving meals under the summer food service program the food services special revenue fund experienced a decrease in local revenue of \$1.1 million. The loss in local revenue was offset by the reduction in food supplies costs.

Capital Projects Fund

The capital projects fund had a fund balance at the end of the current year of \$3.0 million, a decrease of \$2.7 million from the prior year. That decrease is related to the ongoing roof replacement projects at Ben Eielson Jr./Sr. High School and Woodriver Elementary.

It is important to note that the District is fiscally dependent on grants and contributions from the Borough, State, and Federal governments for its operating resources, as the District has no authority to levy taxes or issue bonded debt.

The Governmental Fund Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance, which identifies these major funds is located on page 20 and 24.

Fairbanks North Star Borough School District

Management's Discussion and Analysis (continued) June 30, 2021

Proprietary Funds

The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail.

The risk management internal service fund experienced an unexpected operating income of \$0.6 million in fiscal year 2021 due to (1) a decrease in health and life insurance costs and (2) increase in anticipated employee premiums receivable. Anticipated employee premiums increased as a result of all health insurance plans charging employee

premiums starting on January 1, 2022 in addition to the dental, vision, and audio premiums already being collected since January 2, 2021.

The Equipment replacement internal service fund ending net position for the current year was \$2.4 million. The net position is expected to grow and deplete on a cyclical basis as computing devices for students and staff reach the end of their life cycle.

General Fund Budgetary Highlights

The District Board of Education holds public hearings and approves the District budget. The Fairbanks North Star Borough (Borough) Assembly then approves the bottom line total for the District budget and the appropriation of local funds. Once approved, state law requires the District to submit the budget to the State of Alaska, Department of Education and Early Development.

During the year, there was no need for any significant amendments to increase either the original estimated revenues or original budgeted appropriations. Schools and or departments do move original appropriation within their

department but none were significant to require Board approval.

Actual revenues on the budgetary basis was 98.81 percent of budgeted revenues due to lower than anticipated funds from impact aid payments.

Actual expenditures on the budgetary basis was 96.05 percent of budgeted expenditures and is attributable to unspent funds as a result of the coronavirus (COVID-19) pandemic, which closed in-person learning and after school activities starting in the middle of March.

Capital Assets and Long-Term Obligations

Capital Assets

The District's investment in capital assets for its governmental activities was \$3.1 million as of June 30, 2021 (net of accumulated depreciation and amortization). This investment in capital assets includes machinery, equipment and software. The Borough owns the land and buildings. Additional information is available in footnote 3 of the notes to the financial statements.

Long-Term Obligations

The District has no authority to incur bonded debt.

The long-term obligations of the District, in the amount of \$160 million, consist of net pension and other post-employment benefits (OPEB) liabilities, claims payable and accrued self-insurance reserves, and compensated absences resulting from annual leave earned but not taken by employees. Additional information on the District's long-term obligations is available in footnote 5 of the notes to the financial statements.

Fairbanks North Star Borough School District

Management's Discussion and Analysis (continued) June 30, 2021

Economic Factors Future Budgets

The District must consider a multitude of factors as it prepares future budgets. Unfortunately projected revenues do not increase at the same rate as projected expenses, leaving the District vulnerable to a structural deficit. This makes it necessary for the District to find ways to mitigate on-going costs.

In setting the budget for FY2022, the District considered a number of issues. Notable factors influencing future budgets are:

- Reduction in funding from the State of Alaska foundation funding by \$9 million.
- Elimination of fund balance utilization to help cover annual costs.
- The uncertain state of the federal budget affecting funding decisions at the state and local levels.
- Ongoing capital projects with funding for renovations and additions to existing schools

including major systemic renovations to many of the older school facilities.

- Salary increases in accordance with negotiated agreements with employee bargaining units.
- Increases in the cost of employee health and benefits.

Due to the ongoing economic and social disruption caused by the global coronavirus (COVID-19) pandemic, the District has continued to encounter other factors that could significantly affect its financial condition in the future.

- Student enrollment projection is a moving target depending on the families comfort level with the District's COVID-19 mitigation plan and the case numbers.
- Continued increased costs related to more frequent sanitation of work spaces and personal protective equipment (PPE).

Requests for Information

This financial report is designed to provide citizens, taxpayers, parents, students, investors and creditors with a general overview of the District finances and shows the accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact:

Andy DeGraw, Chief Operations Officer
Fairbanks North Star Borough School District
Department of Administrative Services
520 5th Avenue, Fairbanks, Alaska 99701
Phone (907) 452-2000
Email: andy.degraw@k12northstar.org

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Financial Section

Basic Financial Statements



Fairbanks North Star Borough School District

Statement of Net Position June 30, 2021

	Governmental Activities
Assets	
Equity in central treasury cash	\$ 23,736,671
Accounts receivable	7,136,815
Due from Fairbanks North Star Borough	3,253
Inventories	1,276,938
Prepaid items	334,038
Machinery and equipment	12,443,557
Less accumulated depreciation	(9,443,460)
Intangible assets, net of amortization	82,776
Long-term other postemployment benefits asset	20,460,310
Total assets	56,030,898
Deferred Outflows of Resources	
Pension related	16,037,680
Other postemployment benefits related	10,353,750
Total deferred outflows of resources	26,391,430
Liabilities	
Accounts payable	1,796,381
Accrued payroll and liabilities	1,143,682
Unearned revenue	347,809
Due to Fairbanks North Star Borough	7,262
Due to external groups and agencies	19,612
Long-term liabilities:	
Current portion	10,652,614
Long-term portion	149,389,173
Total liabilities	163,356,533
Deferred Inflows of Resources	
Pension related	2,184,422
Other postemployment benefits related	10,177,806
Total deferred inflows of resources	12,362,228
Net Position	
Investment in capital assets	3,082,873
Restricted for grants	3,190,998
Restricted for student allotments	257,635
Unrestricted (deficit)	(99,827,939)
Total net position (deficit)	\$ (93,296,433)

See accompanying notes to the basic financial statements

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Fairbanks North Star Borough School District

Statement of Activities For the Year Ended June 30, 2021

		Program Revenues			Net (Expense)
	Expense	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental activities:					
Instruction	\$ 81,563,675	\$ 5,728	\$ 5,724,934	\$ -	\$ (75,833,013)
Special education instruction	25,536,458	-	3,529,941	-	(22,006,517)
Special education support services - students	7,267,310	-	(173,602)	-	(7,440,912)
Support services - students	15,341,432	33,449	3,572,893	-	(11,735,090)
Support services - instruction	8,756,160	-	1,506,892	-	(7,249,268)
Support services - technology	654,059	-	-	-	(654,059)
School administration	6,696,911	-	(152,751)	-	(6,849,662)
School administration support services	5,494,589	-	202,941	-	(5,291,648)
District administration	2,453,107	-	34,316	-	(2,418,791)
District administration support services	10,658,064	-	1,103,565	-	(9,554,499)
Operations and maintenance of plant	26,136,305	-	650,681	-	(25,485,624)
Student activities	2,283,183	-	792,659	-	(1,490,524)
Student transportation - to and from school	10,642,529	-	9,335,329	-	(1,307,200)
Food services	4,877,851	51,171	3,960,197	-	(866,483)
Total governmental activities	\$ 208,361,633	\$ 90,348	\$ 30,087,995	\$ -	\$ (178,183,290)
General revenues:					
Borough direct appropriation					\$ 49,045,400
State grants and entitlements not restricted					124,998,404
Other					2,038,423
Total general revenues					176,082,227
Change in net position					(2,101,063)
Net position, (deficit) beginning					(91,195,370)
Net position, (deficit) ending					\$ (93,296,433)

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Governmental Funds

Balance Sheet

June 30, 2021

(With comparative totals for 2020)

	General	Student Transportation Special Revenue	Federal Programs Special Revenue	Capital Projects
Assets				
Equity in central treasury cash	\$ 4,731,457	\$ 4,157,866	\$ 2,639	\$ 3,333,588
Accounts receivable	404,902	-	5,181,871	-
Due from other funds	6,591,889	-	-	-
Due from Fairbanks North Star Borough	3,253	-	-	-
Inventories	682,127	-	-	-
Prepaid items	334,038	-	-	-
Total assets	\$ 12,747,666	\$ 4,157,866	\$ 5,184,510	\$ 3,333,588
Liabilities and Fund Balances (Deficit)				
Liabilities				
Accounts payable	\$ 800,442	\$ 439,582	\$ 81,122	\$ 372,934
Accrued payroll and liabilities	1,143,682	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	5,100,750	-
Due to Fairbanks North Star Borough	-	-	-	7,262
Due to external groups and agencies	19,612	-	-	-
Total liabilities	1,963,736	439,582	5,181,872	380,196
Fund balances				
Nonspendable	1,016,165	-	-	-
Restricted	257,635	-	2,638	2,953,392
Committed	-	-	-	-
Assigned	9,510,130	3,718,284	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	10,783,930	3,718,284	2,638	2,953,392
Total liabilities and fund balances	\$ 12,747,666	\$ 4,157,866	\$ 5,184,510	\$ 3,333,588

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Governmental Funds

Balance Sheet

June 30, 2021

(With comparative totals for 2020)

		Total Governmental Funds	
	Nonmajor Governmental	2021	2020
Assets			
Equity in central treasury cash	\$ 2,106,427	\$ 14,331,977	\$ 30,866,896
Accounts receivable	159,746	5,746,519	4,808,616
Due from other funds	-	6,591,889	5,003,043
Due from Fairbanks North Star Borough	-	3,253	5,037
Inventories	594,811	1,276,938	1,053,731
Prepaid items	-	334,038	125,515
Total assets	\$ 2,860,984	\$ 28,284,614	\$ 41,862,838
Liabilities and Fund Balances (Deficit)			
Liabilities			
Accounts payable	\$ 66,785	\$ 1,760,865	\$ 2,099,678
Accrued payroll and liabilities	-	1,143,682	1,358,943
Unearned revenue	347,809	347,809	348,168
Due to other funds	1,491,139	6,591,889	5,003,043
Due to Fairbanks North Star Borough	-	7,262	24,302
Due to external groups and agencies	-	19,612	36,058
Total liabilities	1,905,733	9,871,119	8,870,192
Fund balances			
Nonspendable	594,811	1,610,976	1,179,246
Restricted	153,637	3,367,302	6,193,656
Committed	1,534,425	1,534,425	1,576,380
Assigned	-	13,228,414	24,803,243
Unassigned (deficit)	(1,327,622)	(1,327,622)	(759,879)
Total fund balances (deficit)	955,251	18,413,495	32,992,646
Total liabilities and fund balances	\$ 2,860,984	\$ 28,284,614	\$ 41,862,838

See accompanying notes to the basic financial statements

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Fairbanks North Star Borough School District

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2021

Total fund balances for governmental funds		\$ 18,413,495
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds.		
Machinery and equipment	12,443,557	
Accumulated depreciation to date	(9,443,460)	
Intangible assets, net of accumulated amortization	<u>82,776</u>	
Total capital assets		3,082,873
Other long-term assets are not available to pay for current-period expenditures and; therefore; are not reported in the funds.		
Net pension asset		20,460,310
Amounts reported in the Proprietary Funds of the District are used to support risk management and equipment replacement. Their activities are appropriately recorded with governmental activities in the statement of net position.		
		2,903,733
Long-term liabilities are not due and payable in the current period and therefore are not reported as fund liabilities. Long-term liabilities reported in these statements consist of:		
Compensated absences	(5,518,239)	
Net pension liability	(146,543,101)	
Net OPEB liability	<u>(124,706)</u>	
Total long-term liabilities		(152,186,046)
Certain changes in net pension liabilities are deferred rather than recognized immediately. These are amortized over time.		
Deferred outflows of resources related to pensions	16,037,680	
Deferred outflows of resources related to other postemployment benefits	10,353,750	
Deferred inflows of resources related to pensions	(2,184,422)	
Deferred inflows of resources related to other postemployment benefits	<u>(10,177,806)</u>	
Total deferred pension items		<u>14,029,202</u>
Total net position of governmental activities		<u>\$ (93,296,433)</u>

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2021

(With comparative totals for 2020)

	General	Student Transportation Special Revenue	Federal Programs Special Revenue	Capital Projects
Revenues:				
Local sources	\$ 50,035,623	\$ -	\$ -	\$ -
State sources	125,391,471	9,325,958	-	-
Federal sources	16,684,873	-	15,880,115	-
Total revenues	192,111,967	9,325,958	15,880,115	-
Expenditures - current:				
Instruction	92,785,607	-	7,063,276	-
Special education instruction	25,587,755	-	3,438,616	-
Special education support services - students	8,696,662	-	-	-
Support services - students	13,650,805	-	2,935,375	-
Support services - instruction	8,014,958	-	1,377,110	-
Support services - technology	647,551	-	-	-
School administration	8,398,439	-	-	-
School administration support services	5,669,539	-	1,937	-
District administration	2,646,614	-	-	-
District administration support services	9,969,649	-	840,561	-
Operations and maintenance of plant	23,868,814	-	171,005	-
Student activities	1,732,541	-	-	-
Student transportation - to and from school	-	10,638,435	-	-
Food services	-	-	51,642	-
Capital outlay	-	-	-	2,657,219
Total expenditures	201,668,934	10,638,435	15,879,522	2,657,219
Excess (deficiency) of revenues over expenditures	(9,556,967)	(1,312,477)	593	(2,657,219)
Other financing sources (uses):				
Proceeds from sale of capital assets	45	-	-	-
Transfers in	-	517,232	-	-
Transfers out	(694,409)	-	-	-
Total other financing sources (uses)	(694,364)	517,232	-	-
Net change in fund balances	(10,251,331)	(795,245)	593	(2,657,219)
Fund balances - beginning	21,035,261	4,513,529	2,045	5,610,611
Fund balances - ending	\$ 10,783,930	\$ 3,718,284	\$ 2,638	\$ 2,953,392

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2021

(With comparative totals for 2020)

		Total Governmental Funds	
	Nonmajor Governmental	2021	2020
Revenues:			
Local sources	\$ 998,164	\$ 51,033,787	\$ 54,405,740
State sources	210,593	134,928,022	144,606,806
Federal sources	3,784,419	36,349,407	33,490,145
Total revenues	4,993,176	222,311,216	232,502,691
Expenditures - current:			
Instruction	91,270	99,940,153	96,608,560
Special education instruction	-	29,026,371	29,283,827
Special education support services - students	-	8,696,662	8,610,596
Support services - students	387,461	16,973,641	15,754,342
Support services - instruction	12,638	9,404,706	9,340,071
Support services - technology	-	647,551	1,030,872
School administration	-	8,398,439	8,407,008
School administration support services	-	5,671,476	5,547,176
District administration	-	2,646,614	2,878,191
District administration support services	10,389	10,820,599	10,735,799
Operations and maintenance of plant	4,846	24,044,665	24,663,272
Student activities	802,945	2,535,486	3,690,736
Student transportation - to and from school	-	10,638,435	11,860,591
Food services	4,736,753	4,788,395	5,394,270
Capital outlay	-	2,657,219	2,390,458
Total expenditures	6,046,302	236,890,412	236,195,769
Excess (deficiency) of revenues over expenditures	(1,053,126)	(14,579,196)	(3,693,078)
Other financing sources (uses):			
Proceeds from sale of capital assets	-	45	9,027
Transfers in	177,177	694,409	1,577,177
Transfers out	-	(694,409)	(1,577,177)
Total other financing sources (uses)	177,177	45	9,027
Net change in fund balances	(875,949)	(14,579,151)	(3,684,051)
Fund balances - beginning	1,831,200	32,992,646	36,676,697
Fund balances - ending	\$ 955,251	\$ 18,413,495	\$ 32,992,646

See accompanying notes to the basic financial statements

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Fairbanks North Star Borough School District

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2021

Net change in fund balances - total governmental funds \$ (14,579,151)

The change in net position reported for governmental activities in the statement of activities is 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 as depreciation expense. This is the amount by which depreciation exceeded capital outlays:

Capital outlay and equipment purchases	448,991	
Current depreciation/amortization expense	<u>(691,500)</u>	(242,509)

Amounts reported in the Proprietary Funds of the District are used to support risk management and equipment replacement. Their activities are appropriately recorded with governmental activities in the statement of activities.

1,310,750

Some expenses reported in the statement of activities such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

(270,949)

Pension contributions made during the year are reported as expenditures in the governmental funds. However, in the statement of activities contributions made during the year are deferred and not reflected as expenses because they were made after the June 30, 2020 measurement date. Contributions made in the current fiscal year are reflected as expenses in the statement of activities in the current year. These consist of:

Contributions subsequent to the measurement date	11,639,317
Employer contribution expense	(11,802,538)

Net pension and OPEB liability related items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. These activities consist of:

Pension expense	(1,426,240)
OPEB reduction in expense	<u>13,270,257</u>

Change in Net Position of Governmental Activities **\$ (2,101,063)**

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Proprietary Funds
Statement of Net Position
June 30, 2021
(With comparative totals for 2020)

	Governmental Activities	
	Internal Service Funds	
	2021	2020
Assets		
Current Assets		
Equity in central treasury cash	\$ 9,404,694	\$ 7,029,159
Accounts receivable	1,390,296	1,102,874
Total current assets	10,794,990	8,132,033
Total assets	\$ 10,794,990	\$ 8,132,033
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 35,516	\$ -
Claims payable	5,504,727	5,074,101
Total current liabilities	5,540,243	5,074,101
Noncurrent Liabilities		
Claims payable	46,711	49,141
Accrued self-insurance reserves	2,304,303	1,415,808
Total noncurrent liabilities	2,351,014	1,464,949
Total liabilities	7,891,257	6,539,050
Net Position		
Unrestricted	2,903,733	1,592,983
Total net position	\$ 2,903,733	\$ 1,592,983

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Proprietary Funds
Statement of Revenues, Expenditures and Changes in Net Position
For the Year Ended June 30, 2021
(With comparative totals for 2020)

	Governmental Activities	
	Internal Service Funds	
	2021	2020
Operating revenues:		
Local sources:		
Charges for services	\$ 39,573,803	\$ 35,848,982
Other local revenue	9,270	304,989
Total local sources	39,583,073	36,153,971
Total revenues	39,583,073	36,153,971
Operating expenses:		
Auto and general liability insurance	1,043,624	1,511,716
Property and other insurance	639,599	567,456
Workers' compensation insurance	1,738,938	1,001,134
Health and life insurance	34,496,270	34,472,407
Supplies, materials and media	353,892	1,465,044
Total operating expenses	38,272,323	39,017,757
Operating income (loss)	1,310,750	(2,863,786)
Change in net position	1,310,750	(2,863,786)
Net position - beginning	1,592,983	4,456,769
Net position - ending	\$ 2,903,733	\$ 1,592,983

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2021
(With comparative totals for 2020)

	Governmental Activities	
	Internal Service Funds	
	2021	2020
Cash flow from operating activities:		
Receipts from interfund charges	\$ 37,968,575	\$ 35,813,628
Receipts from employees	1,327,076	1,751,849
Payments to suppliers	(1,519,751)	(2,349,469)
Payments to employees	(1,019,123)	(1,061,281)
Payments to Fairbanks North Star Borough	(34,381,242)	(36,636,421)
Net cash provided by (used in) operating activities	2,375,535	(2,481,694)
Net increase (decrease) in equity in central treasury cash	2,375,535	(2,481,694)
Equity in central treasury cash - beginning	7,029,159	9,510,853
Equity in central treasury cash - ending	\$ 9,404,694	\$ 7,029,159
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 1,310,750	\$ (2,863,786)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Decrease (increase) in accounts receivable	(287,422)	(873,774)
Increase (decrease) in accounts payable	35,516	(142,281)
Increase (decrease) in claims payable, current	430,626	608,707
Increase (decrease) in claims payable, noncurrent	(2,430)	(3,794)
Increase (decrease) in accrued self-insurance reserves	888,495	793,234
Total adjustments	1,064,785	382,092
Net cash provided by (used in) operating activities	\$ 2,375,535	\$ (2,481,694)

See accompanying notes to the basic financial statements

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Fairbanks North Star Borough School District

School District Custodial Fund
Statement of Fiduciary Net Position
June 30, 2021
(With comparative totals for 2020)

	2021	2020
Assets		
Equity in central treasury cash	\$ 38,400	\$ 33,738
Total assets	\$ 38,400	\$ 33,738
Net Position		
Restricted	\$ 38,400	\$ 33,738
Total net position	\$ 38,400	\$ 33,738

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

School District Custodial Fund Statement of Changes in Fiduciary Net Position For the Year Ended June 30, 2021

	2021	2020
Additions:		
Contributions:		
Indiviudals	\$ 16,976	\$ 27,892
Total additions	16,976	27,892
Deductions:		
Professional and technical services	-	3,522
Other purchased services	800	6,586
Supplies, materials and media	10,089	18,022
Other expenses	1,425	1,894
Total deductions	12,314	30,024
Net change in fund balance	4,662	(2,132)
Net position - beginning	33,738	35,870
Net position - ending	\$ 38,400	\$ 33,738

See accompanying notes to the basic financial statements

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Financial Section

Basic Financial Statements

Summary of Significant Accounting
Policies

Notes to the Basic Financial Statements



Fairbanks North Star Borough School District

Summary of Significant Accounting Policies June 30, 2021

Financial Reporting Entity

The Fairbanks North Star Borough School District (the District) operates a public school system under an elected school board, as permitted by Alaska Statutes 14.14.060 and 29.35.160. The financial statements of the District have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accompanying financial statements include all the activities of the District. The District is a component unit of the Fairbanks North Star Borough, Alaska (Borough). A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. The District is reported in a separate column in the Borough's government-wide financial statements, to emphasize that the District is legally separate from the Borough.

Pursuant to Alaska Statutes 29.35.160 the Fairbanks North Star Borough (the Borough) has the responsibility of establishing, maintaining and operating a system of public schools. The Borough has delegated the administrative responsibilities for compliance with the statutes to the Fairbanks North Star Borough School District Board of Education, while retaining certain responsibilities. The Borough issues bonds to finance school construction, levies taxes and collects and disburses the funds, and has responsibility for funding any deficits. The Borough Assembly remains responsible for approving the School District's total budget and is also responsible for providing a minimum level of local support per State statutes.

The financial statements included in this report are for the Fairbanks North Star Borough School District only. There are no component units for which the District is financially accountable, nor do any special financial relationships exist between the District and any other entity.

Governmental-Wide and Fund Financial Statements

The statement of net position and the statement of activities display information on all of the non-fiduciary activities of the District as a whole. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers, parents or students who purchase, use, or directly benefit from goods or services provided by a given function and grants and contributions that are restricted to meeting the operational

or capital requirements of a particular function. The primary government's contribution to education, State of Alaska public school foundation program revenue, other State aid, Federal Impact Aid, and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus on the fund financial statements is on major funds which are presented in separate columns. Nonmajor funds are aggregated and presented in a single column.

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. Local appropriations and state and federal aid are recognized in the year for which they were approved by the provider. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider 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 District considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are

Fairbanks North Star Borough School District

Summary of Significant Accounting Policies (continued) June 30, 2021

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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. General capital asset acquisitions are reported as expenditures in governmental funds. Entitlements and shared revenues are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Revenue for expenditure-driven grants is recognized when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

Governmental Funds

The District has the following major funds in the fund financial statements:

General Fund – the District's primary operating fund. Major revenue sources include the Borough's contribution to education, the State of Alaska public school foundation program, the Public Employees' and Teachers' Retirement System on-behalf payments, and other state and federal revenues. Expenditures are authorized in the annual budget and are made for such activities as student instruction, support services, administration, operations and maintenance, and student activities.

Student Transportation Special Revenue Fund – the student transportation special revenue fund accounts for activities related to student transportation to and from school and other State-approved student transportation. Revenues include State student transportation revenue and any necessary transfers from the District general fund.

Federal Programs Special Revenue Fund – the federal programs special revenue fund accounts for federal grants received directly from the federal government, passed through the State of Alaska or passed through other funding entities.

Capital Projects Fund – accounts for all resources used for property acquisition, major equipment expense, and infrastructure improvements.

In addition, the District has the following nonmajor governmental funds: food service, local programs, state programs and school activities.

Proprietary Funds

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting used in the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

Internal Service Funds – the District's internal service funds are used to account for the costs of maintaining the District's self-insurance programs for health, dental, and workers' compensation benefits for its employees and to account for the costs of equipment replacement.

The principal operating revenues of the District's internal service funds are premium contributions to the health, dental and workers' compensation to the risk management fund and charges for services to the equipment replacement fund. Operating expenses for the internal service funds cover the cost of providing these services, including administrative, claim and related payments and equipment expense. All revenues and expenses are reported as operating revenues and expenses.

Assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position. The effect of inter-fund services provided and used between functions have been eliminated in the Statement of Activities, so that only the net amount is included in the governmental activities column.

Fiduciary Funds

Custodial Funds – Custodial funds are custodial in nature and do not involve measurement of results of operations. The District's custodial fund accounts for the assets held by the District as an agent for various school-related employee groups. The activities of the groups are mostly philanthropic in nature for the benefit of District employees and students.

The custodial fund reports only assets and liabilities and as such cannot be said to have a measurement focus. Custodial funds do, however, use the accrual basis of accounting to recognize receivables and payables.

Fairbanks North Star Borough School District

Summary of Significant Accounting Policies (continued) June 30, 2021

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Equity in Central Treasury Cash

All cash funds of the District are maintained in the Borough's Central Treasury to maximize investment income while minimizing risks of loss of capital and as such are recognized as a receivable from the Borough. The Borough requires all deposits to be insured or collateralized. The District holds no investments and as such has no investment policy.

Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Certain receivables and payables between the District and the Borough are referred to as "due to/from Fairbanks North Star Borough."

Through various negotiated agreements with employees, the District has put in place a cost sharing mechanism for health costs. At June 30 of each year, total health costs for the fiscal year are used to calculate an amount expected to be collected from employees in the following calendar year through payroll deductions. The District records an employee dollar share receivable at June 30 of each year in the risk management internal service fund.

Inventories and Prepaid Items

General Fund central stores inventory consists of school supplies valued at cost using the weighted average cost method. General Fund print shop inventory consists of printing supplies and inventory in the Food Service Fund consists of expendable food and supplies held for consumption, both are valued at the lower of cost using the first-in, first-out (FIFO) method. The cost of inventory is recorded as an asset at the time individual inventory items are purchased. As inventory is consumed, the cost is charged to expenditures.

Payments made to vendors for services that will benefit future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded using the consumption method. The nonspendable fund balance classification includes an

amount for prepaid items to indicate that prepaid items do not represent an amount expected to be converted to cash.

Capital Assets

Capital assets result from expenditures in the governmental funds and are reported in the governmental activities column in the government-wide financial statements of net position but are not reported on the balance sheet of the fund financial statements.

All purchased capital assets are valued at cost. Donated capital assets are valued at their acquisition value on the date received. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. The buildings and associated land are owned and capitalized by the Borough and are not recorded in these financial statements.

Depreciation is computed on the straight-line basis over the estimated useful life of the assets, generally 5 – 25 years for machinery and equipment, and 5 – 10 years for intangible assets (software). Expenditures for maintenance and repairs that do not add to the expected useful life or add functionality to an asset are recognized as operating expenses when incurred and are not capitalized.

Unearned Revenue

Unearned revenue arises when resources are received before the District has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when there is a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

Deferred Outflows / Inflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then.

A deferred inflow of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Fairbanks North Star Borough School District

Summary of Significant Accounting Policies (continued) June 30, 2021

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Pensions and Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net pension and OPEB liabilities and the related deferred outflows of resources and deferred inflows of resources and pension/OPEB expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) and additions to/from PERS/TRS fiduciary net position have been determined on the same basis as they are reported by PERS/TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation pay benefits. Each employee group agreement of the District allows for the payment of varying amounts of unused annual/personal leave subject to certain restrictions and maximum accumulations. At termination accumulated annual leave is paid and accumulated personal leave is forfeited for two of the three employee group agreements. All vacation leave is reported 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 impending employee resignations and retirements.

Sick leave, which may accumulate indefinitely, is recorded as an expenditure when used. Members of the Teachers' Retirement System (TRS) may either transfer their unused sick leave to another Alaska school district upon resigning or may submit the unused balance for an increase in service credit when retiring. Members of the Public Employees' Retirement System (PERS) who are retiring receive payment for unused leave on a sliding scale, based on years of service.

Other Long-Term Liabilities

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the

statement of net position. Long-term obligations of claims payable and accrued self-insurance reserved are recorded in the risk management internal service fund and are reported as governmental activities in the government-wide financial statements as this fund serves only governmental funds.

Debt incurred for the construction of school facilities is the obligation of the Borough; therefore it is not included on the District's government-wide statement of net position. It is, however, disclosed in the Debt on School Construction footnote for informational purposes.

Net Position / Fund Balance

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation and capital lease liability. Net position is reported as restricted when there are limitations placed on its use through external restrictions imposed by grantors or laws or regulations of other governments.

Fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

Non-spendable – this classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education through an adopted resolution. The Board of Education may also modify or rescind the commitment by similar formal action.

Fairbanks North Star Borough School District

Summary of Significant Accounting Policies (continued) June 30, 2021

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board of Education authorized the Superintendent to assign fund balances through formal action taken at its regular meeting on June 22, 2011.

Unassigned – all other spendable amounts. This is the residual classification for the governmental funds. The General Fund and Nonmajor Governmental Funds are the only funds that report a positive unassigned fund balance amount. If expenditures incurred for specific purposes

exceeded the amounts restricted, committed, or assigned for these purposes, it may be necessary to report a negative unassigned fund balance.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the District's policy to use fund balance in the following order: committed, assigned, unassigned.

The following shows the composition of fund balance of the governmental funds as of June 30, 2021.

	General Fund	Federal Programs Special Revenue Fund	Student Transportation Special Revenue Fund	Capital Projects Fund	Nonmajor Governmental Funds	Totals
Non-spendable:						
Inventory	\$ 682,127	\$ -	\$ -	\$ -	\$ 594,811	\$ 1,276,938
Prepaid items	334,038	-	-	-	-	334,038
Total non-spendable	1,016,165	-	-	-	594,811	1,610,976
Restricted:						
Student allotments	257,635	-	-	-	-	257,635
Federal programs	-	2,638	-	-	-	2,638
Construction	-	-	-	2,953,392	-	2,953,392
Local programs	-	-	-	-	116,522	116,522
State programs	-	-	-	-	37,115	37,115
Total restricted	257,635	2,638	-	2,953,392	153,637	3,367,302
Committed:						
Local programs	-	-	-	-	81,331	81,331
School activities	-	-	-	-	1,453,094	1,453,094
Total committed	-	-	-	-	1,534,425	1,534,425
Assigned:						
Encumbrances	620,838	-	-	-	-	620,838
Impact aid advance	8,889,292	-	-	-	-	8,889,292
Subsequent year's expenditures	-	-	-	-	-	-
Student transportation	-	-	3,718,284	-	-	3,718,284
Food service	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Total assigned	9,510,130	-	3,718,284	-	-	13,228,414
Unassigned					(1,327,622)	(1,327,622)
Total fund balance	\$ 10,783,930	\$ 2,638	\$ 3,718,284	\$ 2,953,392	\$ 955,251	\$ 18,413,495

Fairbanks North Star Borough School District

Summary of Significant Accounting Policies (continued) June 30, 2021

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Contract for Operating On-Base Schools

In 1992 the State of Alaska Department of Education and Early Development (DEED) entered into an agreement with the United States Department of Education that required a change in the handling of Impact Aid revenues for the students living on Fort Wainwright Army Post and Eielson Air Force Base. Revenues that had previously gone to the DEED and were used to partially fund the foundation program and tuition in lieu of local taxes were required to be passed on directly to the District. The increase in federal revenue through the State of Alaska was offset by the equalization deduction in foundation revenue as provided in Alaska Statute section 14.17.410 and a reduction in tuition in lieu of taxes. An agreement was reached between the District and the DEED that the change in the treatment of revenue would not result in an adverse impact on the operating revenue of the District.

On-Behalf Pension and Postemployment Healthcare Benefit Payments

Effective July 1, 2007 new State regulation set the effective contribution rates of the Alaska Public Employees' Retirement System and the Teachers' Retirement System defined benefit plan tiers below the actuarially determined rates. This legislation also provided that payments be made by the State on behalf of employers to make up the difference between the effective rate and the actuarially determined rate. As required by the Alaska Department of

Education and Early Development, the on-behalf payments for all funds of the District are recorded as revenue in the general fund. The corresponding pension expenditures are also recorded in the general fund in amounts equal to the on-behalf payments.

In the government-wide financial statements the pension on-behalf payments and related revenue are replaced with nonemployer pension expense as of the measurement date and revenue equal to the nonemployer pension expense.

Comparative Data

The financial statements include certain prior-year summarized comparative information in order to provide an understanding of the changes in the financial position and operation of the District's funds. Such comparative information does not include the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

Certain amounts presented in prior year data, which have no effect on change in net position or net change in fund balances, have been reclassified in order to be consistent with the current year's presentation.

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements June 30, 2021

Note 1: Equity in Central Treasury Cash and Investments

The District's cash resources for general operations are maintained in a central treasury shared with the Borough. Negative cash balances have been reclassified to "due to other funds."

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District is a component unit of the Borough. The Borough has approved an investment policy, which includes the District, under which the Borough may invest only in and through United States banks, credit unions and brokers, investments fully collateralized if the amount is more than insurance provided, and institutions with third-party security agreements for collateral on file with the Borough. The cash deposits in the accounts maintained in the District's name are insured by the Federal Deposit Insurance Corporation or covered by securities held by the Borough.

The Borough's investments are subject to "interest rate risk" – the risk that changes in interest rates will adversely affect the fair value of an investment. The Borough's policies to manage the interest rate risk of its investments include limiting their time to maturity at the date of purchase. In addition, the Borough's entire investment portfolio cannot have an average maturity exceeding three years. Further, at the time of purchasing an investment, not more than 30 percent of

the prior 12-month moving average value of the portfolio may be in the three- to five-year range.

The Borough's investments in debt securities are also subject to "credit risk" – the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured by nationally recognized statistical rating agencies, such as Standard & Poor's, Moody's, and Fitch in the form of credit quality ratings. The Borough's policies limit its investments in debt securities to obligations of the U.S. government, which are considered to be free of any credit risk in accordance with GAAP, and to the highest-rated debt securities where the credit risk is low.

The Borough also invests in the Alaska Municipal League Investment Pool, Inc. (Pool). The Pool is not SEC-registered, but is a 2a7-like money market fund, operating in a manner consistent with that rule. In December 2020, Standard & Poor's affirmed its AAAM principal stability fund rating to the Pool. Regulatory oversight of the Pool is established by Alaska Statue 37.23. The Pool must maintain a dollar-weighted average maturity of 90 days or less, and only purchase instruments having remaining maturities of 13 months or less. As of June 30, 2021, the fair value of the investments in the Pool approximates the amortized cost at which the investments were reported. The fair value of the Borough's investments in the Pool is the same as the value of the Pool units.

Note 2: Interfund Receivables, Payables and Transfers

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Detail of interfund balances for the year ended June 30, 2021 follows:

Due to/from other funds	Interfund receivable	Interfund payable
General fund	\$ 6,591,889	\$ -
Federal programs special revenue fund	-	5,100,750
Nonmajor governmental funds	-	1,491,139
Total amount due to/from other funds	\$ 6,591,889	\$ 6,591,889

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2021

Transfers are made to use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Detail of transfers for the year ended June 30, 2021 follows:

Transfers	Transfers In	Transfer Out
General fund	\$ -	\$ 694,409
Student transportation special revenue fund	517,232	-
Nonmajor governmental funds	177,177	-
Total transfers	\$ 694,409	\$ 694,409

The amount due from the Borough of \$3,253 is comprised of office rental space in the District's Administrative Center.

Note 3: Capital Assets

Capital asset activity for the year ended June 30, 2021 follows:

Governmental Activities	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021
Machinery and equipment	\$ 12,047,974	\$ 448,991	\$ (53,408)	\$ 12,443,557
Less accumulated depreciation	(8,828,113)	(668,755)	53,408	(9,443,460)
Total, net of accumulated depreciation	3,219,861	(219,764)	-	3,000,097
Intangible assets (software)	1,658,334	-	-	1,658,334
Less accumulated amortization	(1,552,813)	(22,745)	-	(1,575,558)
Total, net of accumulated amortization	105,521	(22,745)	-	82,776
Net capital assets	\$ 3,325,382	\$ (242,509)	\$ -	\$ 3,082,873

Depreciation/amortization expense was charged to governmental functions as follows:

Instruction	\$ 86,352
Special education instruction	5,767
Special education support services - students	1,135
Support services - students	34,181
Support services - instruction	89,758
Support services - technology	6,508
School administration support services	868
District administration	8,406
District administration support services	169,657
Operations and maintenance of plant	258,476
Student activities	3,365
Student transportation - to and from school	5,838
Food services	21,189
Total depreciation	\$ 691,500

In addition, significant capital construction and related capital asset activity relevant to the District has been recorded on the Borough's financial statements.

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2021

Note 4: Leases

The District is obligated under a building operating lease for a small school facility for the B.R.I.D.G.E. program. The lease has two terminate dates based off of the square footage being used. The first termination date is June 30, 2022, for 6,554 square feet, and then on August 14, 2024, for an additional 2,220 square feet, unless terminated earlier by mutual written consent of both parties or by the District if there is insufficient or other lack of funds lawfully appropriated for its performance. Operating leases do not give rise to property rights or lease obligations and therefore, the lease agreement is not reflected as an asset or liability. Operating lease expense for fiscal year 2021 was \$307,027. The future minimum lease payments for these leases are as follows:

Year Ending June 30,		
2022	\$	307,027
2023		90,055
2024		90,055
Total payments	\$	487,137

Note 5: Long-Term Obligations

Long-term liabilities for governmental activities for the year ended June 30, 2021 follows:

Governmental Activities	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021	Due Within One Year
Compensated absences	\$ 5,247,290	\$ 5,710,527	\$ (5,439,578)	\$ 5,518,239	\$ 5,147,887
Claims on reserves	6,539,050	36,025,823	(34,709,132)	7,855,741	5,504,727
Net pension liability	138,139,136	8,403,965		146,543,101	-
Net OPEB liability	2,145,258		(2,020,552)	124,706	-
Total long term liabilities	\$ 152,070,734	\$ 50,140,315	\$ (42,169,262)	\$ 160,041,787	\$ 10,652,614

The risk management internal service fund serves the governmental funds. Accordingly, long-term liabilities related to claims and reserves are included as part of the above totals for governmental activities. Also, for governmental activities, claims and reserves are generally liquidated by the risk management internal service fund and compensated absences, net pension liability and net OPEB liability are generally liquidated by the general fund.

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2021

Note 6: Debt on School Construction

A summary of general obligation bonds issued for school related debt, for which the District has no liability either primary or secondary, is included in the Borough financial statements as follows:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
2006, Series I	\$ 3,925,000	\$ -	\$ (3,925,000)	\$ -	\$ -
2007, Series J	5,430,000	-	(5,430,000)	-	-
2009, Series L	5,700,000	-	(5,700,000)	-	-
2010, Series M	7,040,000	-	(7,040,000)	-	-
2012, Series P	645,000	-	(645,000)	-	-
2013, Series Q	5,930,000	-	(2,320,000)	3,610,000	1,760,000
2014, Series R	7,480,000	-	(7,480,000)	-	-
2015, Series S	7,140,000	-	(1,490,000)	5,650,000	1,550,000
2016, Series T	49,850,000	-	(2,180,000)	47,670,000	2,290,000
2019, Series U	5,045,749	-	-	5,045,749	-
Total bonds	\$ 98,185,749	\$ -	\$ (36,210,000)	\$ 61,975,749	\$ 5,600,000

Annual debt service requirements to maturity for school-related general obligation bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 8,175,000	\$ 3,257,375	\$ 11,432,375
2023	8,580,000	2,854,325	11,434,325
2024	7,085,000	2,470,775	9,555,775
2025	6,485,000	2,131,525	8,616,525
2026	5,985,000	1,819,775	7,804,775
2027-2031	23,760,000	5,581,950	29,341,950
2032-2036	19,765,000	1,482,825	21,247,825
2037-2040	-	-	-
Total principal and interest	\$ 79,835,000	\$ 19,598,550	\$ 99,433,550

During the year, the Borough paid total principal and interest of \$4,201,225 for school-related debt service.

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2021

Note 7: Commitments

As of June 30, 2021 the District had encumbered amounts intended to honor in the subsequent year for the following governmental funds:

Encumbrances	2021
Major Governmental funds:	
General fund	\$ 620,838
Federal programs special revenue fund	201,853
Student transportation special revenue fund	368,657
Capital projects fund	586,267
Total major governmental funds	\$ 1,777,615
Nonmajor governmental funds:	
Special revenue funds	\$ 20,001

Note 8: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to, and illnesses of, employees and their dependents; and natural disasters. The Borough's risk management program includes both the Borough and the District. The program employs various combinations of insurance policies provided by commercial carriers and self-insured retention amounts, depending upon the type of risk. Commercial insurance, with zero or small deductibles, is secured for the following coverages: employee life insurance, employee fidelity bonds and employee disability insurance. The program self-insures some portion of the following risk exposures: employee and dependent medical, auto and general liability, workers' compensation, errors and omissions/public officials, property, and employment practices. Commercial insurance has also been obtained for excess coverage above self-retention limits for all risk exposures, except environmental. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

The Borough has committed fund balance in the amount of \$1,500,000 to provide resources for catastrophic losses up to self-retention limits and for

contractual indemnification purposes, as well as to demonstrate financial responsibility to insurance carriers of excess coverage. The adequacy of this committed amount is re-evaluated periodically.

The District accounts for its self-insurance and risk management program in the risk management internal service fund. The Borough administers the program and charges the District for claims paid and administration expenses incurred.

Self-insurance liabilities are accrued when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Self-insurance liabilities include estimates for expected future development on claims already reported, as well as considering known and unknown events that might create claims, but for which none have been reported. Based on the type of claim, estimates of the ultimate cost of settling these claims are made by using a case-by-case review of claims or by extrapolating historical experience, and may include specific, incremental claim adjustment expenditures, net of any recoveries. Both methods adjust for current trends and other information and the estimates include the effects of inflation and other economic and social factors.

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2021

Changes in the risk management internal service fund liability amounts in fiscal years 2021 and 2020 were:

Claims liability	2021	2020
July 1	\$ 6,539,050	\$ 5,140,904
Current year claims	35,286,979	34,160,506
Changes in estimates	738,844	696,621
Claims payments	(34,709,132)	(33,458,981)
June 30	\$ 7,855,741	\$ 6,539,050

Through various negotiated agreements with employees, the District has put in place a cost sharing mechanism for health costs. At June 30 of each year, total health costs for the fiscal year are used to calculate an amount expected to be collected from employees in the following calendar year through payroll deductions. The District records an employee receivable at June 30 of each year for this amount. The employee receivable at June 30, 2021 and 2020 was \$1,390,296 and \$1,102,874, respectively.

Note 9: Borough In-Kind and Allocated Services

During the year, certain services are provided by the Borough to the District. These include use of various Borough facilities, debt service on school facilities, certain administrative functions and major facility maintenance. The costs of these services have not been charged to the District. Other services provided by the Borough during the year are allocated and charged to District operations as follows:

Allocated Services	2021	2020
Risk management overhead	\$ 580,749	\$ 529,395
Auto/general liability, property and other insurance premiums	1,258,711	1,033,177
Workers' compensation insurance premiums	238,916	237,605
Health and workers' compensation claims paid	34,030,298	35,829,705
General/auto liabilities, errors & omissions claims paid	196,952	171,138
Audit	69,840	68,087
Total allocated services	\$ 36,375,466	\$ 37,869,107

Note 10: Defined Benefit (DB) Pension Plans

General Information about the Plan

The District participates in two cost-sharing multiple employer defined benefit pension plans. The Teachers' Retirement System (TRS) is mandatory for certificated employees scheduled to work at least 17.5 hours a week in positions that require teaching certificates as a condition of employment. The Public Employees' Retirement System (PERS) is mandatory for permanent employees scheduled to work at least 15 hours a week, other than teachers. Both plans were established and are administered by the State of Alaska to provide pension, death and disability, and postemployment health care benefits. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

Both plans are included in comprehensive annual financial reports that include financial statements and other required supplemental information. Those reports are available via the internet at <http://doa.alaska.gov/drb>. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2021

There are three tiers of employee within PERS and two tiers with TRS, based on entry date. Vesting occurs with five paid-up years of service for PERS and eight paid-up years of services for TRS. The tiers within the plans establish differing criteria regarding normal retirement age, early retirement age, and criteria for calculation of average monthly salary (AMS), and cost of living allowance for Alaska residents. For all tiers within the DB pension plans, full retirement benefits are generally calculated using a formula comprised of a multiplier times the AMS times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. A complete benefit comparison chart is available at the website noted previously.

Both PERS and TRS DB Plans were closed to new entrants on June 30, 2006. New employees hired after that date participate in the PERS/TRS Defined Contribution (DC) Plans described later in these footnotes.

Historical Context and Special Funding Situation

In 2008, State legislation converted the PERS agent multiple employer plan to a cost-sharing plan with an effective date of July 1, 2008. The State also passed legislation which statutorily capped the employer contribution rate for both plans, establishing a State funded on-behalf contribution, and required that employer contributions be calculated against all PERS/TRS eligible wages, including wages paid to participants of the PERS/TRS defined contribution plans described later in these footnotes.

The State funded on-behalf contribution amount, when combined with the employer contribution, will be sufficient to pay the total contribution rate adopted by the Alaska Retirement Management (ARM) Board. As such, both plans are considered to be in a special funding situation as defined by GASB. In the governmental fund financial statements, on-behalf contribution amounts have been recognized as revenues and expenditures. In the government-wide financial statements, the on-behalf amounts reflect revenue and expenses only during the measurement period in which the Plan recognizes the payments, resulting in a one-year timing lag between the cash transfers and revenue and expense recognition.

Employee Contribution Rates

PERS employees are required to contribute 6.75 percent of their annual covered salary or 9.60 percent for employees on a nine-month contract. Teachers and other certificated employees are required to contribute 8.65 percent of annual covered salary to the TRS plan.

Employer and Other Contribution Rates

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

Employer Effective Rate: The rate established by State statute is capped at 22.00 percent of eligible wages for PERS and 12.56 percent of eligible wages for TRS. These rates are applied to all PERS/TRS eligible compensation, including those wages attributable to employees in the defined contribution plan. Contributions derived from the defined contribution employee payroll are referred to as the Defined Benefit Unfunded Liability or DBUL contribution.

ARM Board Adopted Rate: This is the actuarially determined rate formally adopted by the Alaska Retirement Management Board. Each year the ARM Board certifies an appropriate contribution rate for normal costs and for liquidating any past service liability determined by a level percent of pay method with a 25 year closed amortization period.

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.

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2021

The District's contribution rates for the 2021 fiscal year were as follows:

PERS	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	22.00%	26.58%	8.85%
Postemployment healthcare (ARHCT)	0.00%	4.27%	0.00%
Total contribution rates	22.00%	30.85%	8.85%

TRS	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	12.56%	27.07%	17.91%
Postemployment healthcare (ARHCT)	0.00%	3.40%	0.00%
Total contribution rates	12.56%	30.47%	17.91%

Contributions into each plan for the fiscal year were as follows:

	Measurement Period July 1, 2019 to June 30, 2020		Fiscal Year July 1, 2020 to June 30, 2021	
PERS				
Employer contributions (including DBUL)	\$	4,003,266	\$	4,586,431
Nonemployer contributions (on-behalf)		2,629,675		3,274,011
Total contributions	\$	6,632,941	\$	7,860,442

In addition, employee contributions to the plan totaled \$983,133 during the District's fiscal year.

	Measurement Period July 1, 2019 to June 30, 2020		Fiscal Year July 1, 2020 to June 30, 2021	
TRS				
Employer contributions (including DBUL)	\$	3,449,079	\$	2,904,889
Nonemployer contributions (on-behalf)		13,704,996		12,790,046
Total contributions	\$	17,154,075	\$	15,694,935

In addition, employee contributions to the plan totaled \$3,015,400 during the District's fiscal year.

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2021

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

At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State proportion, and the total portion of the net pension liability that was associated with the District were as follows:

	PERS	TRS
District's proportionate share of NPL	\$ 70,032,235	\$ 76,510,866
State's proportionate share of NPL associated with the District	28,978,856	132,771,021
Total net pension liability	\$ 99,011,091	\$ 209,281,887

The total net pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019 which was rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on the ratio of the present value of projected future contributions of all participating employers and the State to the total present value of projected future contributions for the fiscal years 2021 to 2039 to the plan.

At the measurement date of June 30, 2020 the District's proportionate share of PERS was 1.18675 percent, which was a decrease of 2.59 percent from its proportion of 1.156800 percent measured as of June 30, 2019. For TRS the District's proportion was 3.76323 percent, which was a decrease of 6.01 percent from its proportion of 4.00383 percent measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized a pension expense of \$6,892,669 for PERS and a pension expense of \$10,033,043 for TRS. In addition, the District recognized on-behalf from the State of Alaska in the amount of \$3,744,933 and \$11,793,514 for PERS and TRS, respectively. At June 30, 2021 the District reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

PERS	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 222,160	\$ -
Changes in actuarial assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	2,850,318	-
Changes in proportion and differences between District contributions and proportionate share of contributions	114,499	-
District contributions subsequent to the measurement date	4,586,431	-
Total deferred outflows and inflows of resources related to pensions	\$ 7,773,408	\$ -

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2021

TRS	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 87,146	\$ -
Changes in actuarial assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	5,272,237	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(2,184,422)
District contributions subsequent to the measurement date	2,904,889	-
		-
Total deferred outflows and inflows of resources related to pensions	\$ 8,264,272	\$ (2,184,422)

The District reported \$7,491,320 as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. 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,	PERS	TRS
2022	\$ 387,034	\$ (2,037,923)
2023	1,002,375	1,862,384
2024	1,059,476	1,981,814
2025	738,092	1,368,686
2026	-	-
Total amortization	\$ 3,186,977	\$ 3,174,961

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2021

Actuarial Assumptions

The total net pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019. The actuarial assumptions used in the June 30, 2019 actuarial valuation were based on the results of an experience study for the period July 1, 2013 to June 30, 2017, resulting in changes in actuarial assumptions adopted by the ARM Board to better reflect expected future experience.

The assumptions used in the June 30, 2019 actuarial valuation are the same as those used in the June 30, 2018 valuation, except the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.

Generally, both PERS and TRS follow the same assumptions, except as noted:

Inflation rate	2.50%
Salary increases	Graded by service, from 6.75% to 2.75% for teachers For all others, increases range from 6.75% to 2.75% based on service.
Investment rate of return	7.38%, net of pension plan investment expenses. This is based on average inflation rate of 2.50% and a real rate of return of 4.88%.
Mortality	<p>Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Pre-commencement mortality rates were based on 100% of the RP-2014 white-collar employee table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement.</p> <p>Teachers' post-commencement mortality rates were based on 93% of male and 96% of female rates of the RP-2014 healthy annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Deaths are assumed to result from occupational causes 15% of the time.</p> <p>For all others, post-commencement mortality rates were based on 91% of male and 96% of female rates of the RP-2014 healthy annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Deaths are assumed to result from occupational causes 40% of the time.</p>

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2021

Long-term Expected Rate of Return

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, which is based on the nature and mix of current and expected plan investments, and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table (note that the rates shown below exclude the inflation component):

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	6.24%
Global equity (non-U.S.)	6.67%
Aggregate bonds	-0.16%
Opportunistic	3.01%
Real Assets	3.82%
Private equity	10.00%
Cash equivalents	1.09%

Discount Rate

The discount rate used to measure the total pension liability was 7.38 percent. The projection of cash flows used to determine the discount rate assumed that employer and nonemployer 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 in accordance with the method prescribed by GASB Statement No. 67.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability and the District's proportionate share of the net pension liability as of June 30, 2020, calculated using the discount rate of 7.38 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	Proportionate	1% Decrease	Current	1% Increase
	Share	(6.38%)	Discount Rate (7.38%)	(8.38%)
PERS				
Net pension liability	100.00%	\$ 7,672,776,000	\$ 5,901,176,000	\$ 4,415,297,000
District's proportionate share of the NPL	1.18675%	\$ 91,056,706	\$ 70,032,235	\$ 52,398,558

	Proportionate	1% Decrease	Current	1% Increase
	Share	(6.38%)	Discount Rate (7.38%)	(8.38%)
TRS				
Net pension liability	100.00%	\$ 2,853,100,000	\$ 2,033,118,000	\$ 1,343,514,000
District's proportionate share of the NPL	3.76323%	\$ 107,368,659	\$ 76,510,866	\$ 50,559,495

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2021

Pension Plan Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the separately issued PERS and TRS financial reports.

Note 11: Defined Contribution (DC) Pension Plans

Employees hired on or after July 1, 2006 participate in PERS Tier IV or TRS Tier III defined contribution plans. These plans are administered by the State of Alaska in conjunction with the defined benefit plans noted above. Benefits are provided through the Defined Contribution Retirement Trust. The plan provides pension, retiree medical insurance plan and a separate Health Reimbursement Arrangement (HRA) account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. These plans are included in the comprehensive annual financial reports for PERS and TRS, and at the following website, as noted above.

Contributions to the DC plans consist solely of employer and employee contributions with no special funding or other nonemployer contributions. The District is required to contribute 22 percent and 12.56 percent to PERS and TRS, respectively. After deducting the DC pension plan contributions and related DC OPEB contributions, the remaining contribution (the DBUL) is deposited into the DB plan (pension and/or OPEB) as noted earlier.

Benefit Terms

Employees immediately vest 100 percent in their own contributions and vest 25 percent with two years of service, plus an additional 25 percent per year thereafter for full vesting at five years of service. Alaska Statutes require that forfeitures be used to reduce employer contributions and cannot be used to increase the benefits of any member. For the year ended June 30, 2021 forfeitures reduced pension's expenses by \$220,466.75.

Employee Contribution Rate

Employees are required to contribute 8.0 percent of their annual covered salary for both PERS and TRS. This amount goes directly to the individual's account.

Employer Contribution Rate

For the year ended June 30, 2021, the District was required to contribute 5 percent and 7 percent of covered salary into the plans for PERS and TRS, respectively. The District and employee contributions to PERS for pensions for the year ended June 30, 2021 were \$1,247,270 and \$1,995,586, respectively. The District and employee contributions to TRS for pensions for the year ended June 30, 2021 were \$2,895,284 and \$3,308,904, respectively. District contributions are recognized as pension expenditures.

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2021

Note 12: Defined Benefits Other Post-Employment Benefit (OPEB) Plans

As part of its participation in PERS and TRS, the District participates in the following cost sharing multiple employer defined benefit OPEB plans: Alaska Retiree Healthcare Trust (ARHCT), Retiree Medical Plan (RMP) and Occupational Death and Disability Plan (ODD). The ARHCT is self-insured and self-funded and provides major medical coverage to retirees of the DB Plan without cost for all members hired before July 1, 1986 (Tier I).

Benefits vary by Tier level. Members hired on or after July 1, 1986 (Tier II) with five years of PERS credited service (ten years of credited service for those PERS first hired on or after July 1, 1996 (Tier III)) or eight years of TRS credit service may pay the full monthly premium if they are under age 60 (or over age 60 with less than ten years of PERS service for those first hired on or after July 1, 1996), and receive benefits at no premium cost if they are over age 60 or are receiving disability benefits.

Active members who become totally and permanently disabled from either occupational or nonoccupational causes may be eligible to receive a monthly disability benefit. Survivor beneficiaries receive benefits when a member dies from either occupational or nonoccupational causes before a member's retirement.

The RMP is self-insured and provides major medical coverage to retirees of the PERS and TRS DC Plans (Tier IV for PERS and Tier III for TRS). The ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS and TRS.

Members became eligible for the healthcare benefits of the RMP beginning in June 2017. No plan members are eligible to use the RMP until they have at least ten years of service. Active members who become totally and permanently disabled from occupational causes may be eligible to receive a monthly benefit. Survivor beneficiaries receive benefits when an employee dies from occupational causes before retirement.

All of the plans are administered by the State of Alaska, Department of Administration. The OPEB plans are included in the comprehensive annual financial reports for PERS and TRS, at the following website: <http://doa.alaska.gov/drb>.

Contribution Rates

Employer contribution rates are actuarially determined and adopted and may be amended by the Board. Employees do not contribute.

Employer contribution rates for the year ended June 30, 2021 were as follows:

	PERS	TRS
Alaska Retiree Healthcare Trust	0.00%	0.00%
Retiree Medical Plan	1.27%	0.93%
Occupational Death and Disability Benefits	0.31%	0.08%
Total contribution rates	1.58%	1.01%

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2021

In 2021, the District was credited with the following contributions to the OPEB plans:

	Measurement Period July 1, 2019 to June 30, 2020	Fiscal Year July 1, 2020 to June 30, 2021
PERS		
Employer contributions - ARHCT	\$ 1,609,542	\$ 942,712
Employer contributions - RMP	313,622	316,817
Employer contributions - ODD	61,796	77,326
Total contributions	\$ 1,984,960	\$ 1,336,855

	Measurement Period July 1, 2019 to June 30, 2020	Fiscal Year July 1, 2020 to June 30, 2021
TRS		
Employer contributions - ARHCT	\$ 1,932,510	\$ 2,393,393
Employer contributions - RMP	403,145	384,658
Employer contributions - ODD	29,578	33,091
Total contributions	\$ 2,365,233	\$ 2,811,142

OPEB Assets, Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At June 30, 2021, the amounts recognized by the District as its proportionate share of the net OPEB (asset) liability, the related State of Alaska support, and the total portion of the net OPEB (asset) liability that was associated with the District were as follows:

	PERS	TRS
District's proportionate share of NOL (asset) - ARHCT	\$ (5,372,164)	\$ (13,424,971)
District's proportionate share of NOL (asset) - RMP	124,706	(891,445)
District's proportionate share of NOL (asset) - ODD	(384,143)	(387,587)
Total District's proportionate share of NOL (asset)	(5,631,601)	(14,704,003)
State's proportionate share of ARHCT NOL associated with the District	(2,228,848)	(23,399,450)
Total net OPEB liability (asset)	\$ (7,860,449)	\$ (38,103,453)

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2021

The total net OPEB (asset) liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019 which was rolled forward to June 30, 2020. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

	June 30, 2019 Measurement Date Employer Proportion	June 30, 2020 Measurement Date Employer Proportion	Change
PERS			
District's proportionate share of the net OPEB liability (asset):			
ARHCT	1.15670%	1.18630%	0.02960%
RMP	1.79278%	1.75816%	-0.03462%
ODD	1.42501%	1.40918%	-0.01583%
TRS			
	June 30, 2019 Measurement Date Employer Proportion	June 30, 2020 Measurement Date Employer Proportion	Change
District's proportionate share of the net OPEB liability (asset):			
ARHCT	3.99596%	3.75268%	-0.24328%
RMP	8.81154%	9.03644%	0.22490%
ODD	8.81797%	9.00318%	0.18521%

For the year ended June 30, 2021, the District recognized a reduction of OPEB expense of \$5,764,177 for PERS and \$22,868,968 for TRS. In addition, the District recognized a reduction of revenue equal to the nonemployer portion of total OPEB expense of \$1,434,320 and \$14,130,764 for PERS and TRS, respectively.

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2021

At June 30, 2021 the District reported deferred outflows and deferred inflows of resources related to PERS OPEB from the following sources:

PERS - Deferred Outflow of Resources	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ -	\$ 648	\$ -	\$ 648
Changes in actuarial assumptions	-	175,137	-	175,137
Net difference between projected and actual earnings on pension plan investments	2,155,455	55,839	13,176	2,224,470
Changes in proportion and differences between District contributions and proportionate share of contributions	152,772	8,148	33,090	194,010
District contributions subsequent to the measurement date	942,712	316,817	77,326	1,336,855
Total deferred outflows of resources related to OPEB	\$ 3,250,939	\$ 556,589	\$ 123,592	\$ 3,931,120

PERS - Deferred Inflows of Resources	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ (430,971)	\$ (26,799)	\$ (128,888)	\$ (586,658)
Changes in actuarial assumptions	(3,744,715)	(322,397)	(5,626)	(4,072,738)
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(4,494)	(14,557)	(19,051)
Total deferred inflows of resources related to OPEB	\$ (4,175,686)	\$ (353,690)	\$ (149,071)	\$ (4,678,447)

The District reported \$1,336,855 as deferred outflows of resources related to OPEBs resulting from district contributions subsequent to the measurement date, which will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

PERS - Year ending June 30,	ARHCT	RMP	ODD	Total
2022	\$ (4,040,244)	\$ (13,074)	\$ (17,248)	\$ (4,070,566)
2023	767,220	(1,934)	(14,125)	751,161
2024	823,786	(2,131)	(14,060)	807,595
2025	581,780	(6,393)	(15,106)	560,281
2026	-	(19,843)	(18,429)	(38,272)
Thereafter	-	(70,543)	(23,838)	(94,381)
Total amortization	\$ (1,867,458)	\$ (113,918)	\$ (102,806)	\$ (2,084,182)

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2021

At June 30, 2021 the District reported deferred outflows and deferred inflows of resources related to TRS OPEB from the following sources:

TRS - Deferred Outflow of Resources	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ -	\$ 189,484	\$ -	\$ 189,484
Changes in actuarial assumptions	-	139,310	-	139,310
Net difference between projected and actual earnings on pension plan investments	2,594,862	102,762	-	2,697,624
Changes in proportion and differences between District contributions and proportionate share of contributions	575,473	-	9,597	585,070
District contributions subsequent to the measurement date	2,393,393	384,658	33,091	2,811,142
Total deferred outflows of resources related to OPEB	\$ 5,563,728	\$ 816,214	\$ 42,688	\$ 6,422,630

TRS - Deferred Inflows of Resources	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ (360,005)	\$ (67,475)	\$ (43,221)	\$ (470,701)
Changes in actuarial assumptions	(4,223,378)	(772,865)	(351)	(4,996,594)
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(16,913)	(15,151)	(32,064)
Total deferred inflows of resources related to OPEB	\$ (4,583,383)	\$ (857,253)	\$ (58,723)	\$ (5,499,359)

The District reported \$2,811,142 as deferred outflows of resources related to OPEBs resulting from district contributions subsequent to the measurement date, which will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

TRS - Year ending June 30,	ARHCT	RMP	ODD	Total
2022	\$ (4,014,327)	\$ (54,508)	\$ (7,607)	\$ (4,076,442)
2023	920,944	(32,893)	(4,816)	883,235
2024	985,152	(33,200)	(4,672)	947,280
2025	695,183	(41,514)	(5,536)	648,133
2026	-	(66,219)	(8,057)	(74,276)
Thereafter	-	(197,363)	(18,437)	(215,800)
Total amortization	\$ (1,413,048)	\$ (425,697)	\$ (49,125)	\$ (1,887,870)

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2021

Actuarial Assumptions

The total net OPEB liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions used in the June 30, 2019 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2017, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board in January 2019 to better reflect expected future experience

Inflation rate	2.50%
Salary increases	Graded by service from 6.75% to 2.75% for teachers Graded by service from 6.75% to 2.75% for all others
Investment rate of return	7.38%, net of OPEB plan investment expenses. This is based on an average inflation rate of 2.5% and a real rate of return of 4.88%.
Healthcare cost trend rates (a)	Pre-65 medical: 7.0% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Prescription drugs: 8.0% grading down to 4.5% Employer group waiver program: 8.0% grading down to 4.5%
Healthcare participation (b)	100% of system paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible. 20% of non-system paid members are assumed to elect the healthcare benefits as soon as they are eligible.
Mortality	Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Pre-commencement mortality rates were based on 100% of the RP-2014 white-collar employee table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Teachers' post-commencement mortality rates were based on 93% of male and 90% of female rates of the RP-2014 healthy annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. For all others, post-commencement mortality rates were based on 91% of male and 96% of female rates of the RP-2014 healthy annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement.

(a) Applicable to retiree medical and death and disability only

(b) Applicable to death and disability only

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2021

Long-term Expected Rate of Return

The long-term expected rate of return on OPEB 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 OPEB 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, which is based on the nature and mix of current and expected plan investments, and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2020 are summarized in the following table (note that the rates shown below exclude the inflation component):

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	6.24%
Global equity (non-U.S.)	6.67%
Aggregate bonds	-0.16%
Opportunistic	3.01%
Real assets	3.82%
Private equity	10.00%
Cash equivalents	-1.09%

Discount Rate

The discount rate used to measure the total OPEB liability was 7.38 percent. The projection of cash flows used to determine the discount rate assumed that employer and nonemployer contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the OPEB plans' 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability in accordance with the method prescribed by GASB Statement No. 67 and GASB Statement No. 74.

Sensitivity of the Net OPEB (Asset) Liability to Changes in the Discount Rate

The following presents the net OPEB (asset) liability and the District's proportionate share of the net OPEB (asset) liability as of June 30, 2020, calculated using the discount rate of 7.38 percent, as well as what the District's proportionate share of the net OPEB (asset) liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	Proportionate Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
PERS				
Net OPEB liability (asset) - ARHCT	100.00%	\$ 472,548,000	\$ (452,858,000)	\$ (1,219,368,000)
Net OPEB liability (asset) - RMP	100.00%	\$ 43,942,000	\$ 7,093,000	\$ (20,800,000)
Net OPEB liability (asset) - ODD	100.00%	\$ (25,616,000)	\$ (27,260,000)	\$ (28,574,000)
District's proportionate share of the net OPEB liability (asset):				
ARHCT	1.186300%	\$ 5,605,742	\$ (5,372,164)	\$ (14,465,119)
RMP	1.758160%	\$ 772,570	\$ 124,706	\$ (365,697)
ODD	1.409180%	\$ (360,976)	\$ (384,143)	\$ (402,660)

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2021

TRS	Proportionate Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
Net OPEB liability (asset) - ARHCT	100.00%	\$ (19,722,000)	\$ (357,744,000)	\$ (636,537,000)
Net OPEB liability (asset) - RMP	100.00%	\$ 532,000	\$ (9,865,000)	\$ (17,640,000)
Net OPEB liability (asset) - ODD	100.00%	\$ (4,312,000)	\$ (4,305,000)	\$ (4,303,000)
District's proportionate share of the net OPEB liability (asset):				
ARHCT	3.752680%	\$ (740,103)	\$ (13,424,971)	\$ (23,887,167)
RMP	9.036440%	\$ 48,074	\$ (891,445)	\$ (1,594,028)
ODD	9.003180%	\$ (388,217)	\$ (387,587)	\$ (387,407)

Sensitivity of the Net OPEB (Asset) Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB (asset) liability and the District's proportionate share of the net OPEB (asset) liability as of June 30, 2020, calculated using the healthcare cost trend rates and using the trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

PERS	Proportionate Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB liability (asset) - ARHCT	100.00%	\$ (1,309,240,000)	\$ (452,858,000)	\$ 584,171,000
Net OPEB liability (asset) - RMP	100.00%	\$ (24,888,000)	\$ 7,093,000	\$ 50,594,000
Net OPEB liability (asset) - ODD	100.00%	n/a	\$ (27,260,000)	n/a
District's proportionate share of the net OPEB liability (asset):				
ARHCT	1.186300%	\$ (15,531,252)	\$ (5,372,164)	\$ 6,929,904
RMP	1.758160%	\$ (437,571)	\$ 124,706	\$ 889,523
ODD	1.409180%	n/a	\$ (384,143)	n/a

TRS	Proportionate Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB liability (asset) - ARHCT	100.00%	\$ (667,563,000)	\$ (357,744,000)	\$ 584,171,000
Net OPEB liability (asset) - RMP	100.00%	\$ (18,714,000)	\$ (9,865,000)	\$ 2,311,000
Net OPEB liability (asset) - ODD	100.00%	n/a	\$ (4,305,000)	n/a
District's proportionate share of the net OPEB liability (asset):				
ARHCT	3.752680%	\$ (25,051,472)	\$ (13,424,971)	\$ 716,799
RMP	9.036440%	\$ (1,691,079)	\$ (891,445)	\$ 208,832
ODD	9.003180%	n/a	\$ (387,587)	n/a

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2021

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plans' fiduciary net position is available in the separately issued PERS and TRS financial reports.

Note 13: Defined Contribution (DC) OPEB Plans

PERS and TRS defined contribution members also participate in the Health Reimbursement Arrangement Plan (HRA Plan). The HRA Plan allows medical care expenses to be reimbursed from individual savings accounts for eligible persons. The HRA Plan became effective July 1, 2006 at which time contributions by employers began.

Contribution Rate

The employer contribution is a flat dollar amount per employee based on 3.00 percent of the average annual compensation of all employees of all employers in the plan. The flat dollar amount for fiscal year 2021 was \$83.04 per pay period for full-time employees. For PERS part-time employees the flat dollar amount was \$1.38 per hour and the rate for TRS part-time employees is based on the contract percentage worked multiplied by the flat dollar amount per bi-weekly pay period for full-time employees.

Annual Postemployment Healthcare Cost

In 2021, the District contributed \$1,208,726 in DC OPEB costs to PERS and \$1,056,218 in DC OPEB costs to TRS. These amounts have been recognized as expense/expenditures.

Note 14: Fund Balance/Appropriation Lapse

Fund Balance Compliance

Borough Ordinance 7.04.125 requires the District to not accumulate unrestricted fund balances, for all funds from all sources, greater than 40 percent of the Borough's July 1st direct appropriation to education for that fiscal year, exclusive of any impact aid advance and without regard to any proration among sources. It further explains what types of unrestricted funds are excluded from the permitted accumulation calculation, such as the local programs special revenue fund and student activities special revenue fund. The excess over the permitted accumulation amount shall be deposited to the Borough's maintenance reserve fund for District Facilities by the December following the completion of the annual audit.

Title 14 of Alaska State Statutes limits an accumulation of fund balance in the general fund to less than ten percent of current year expenditures. Any amount in excess of this limit will reduce the subsequent year's state foundation aid. Alaska Administrative Code defines six items that are not subject to the fund balance accumulation threshold. A statement of compliance required by the Code can be found in the Supplemental Reports section of this comprehensive annual financial report.

Note 15: Contingencies

School operations are monitored by the Alaska Department of Education and Early Development; therefore, revenues from State of Alaska sources may be subject to subsequent adjustment. Additionally, amounts received or receivable from grantor agencies are subject to audit by grantor agencies. Any disallowed claims, including amounts already collected, would become a liability of the general fund. The District, in the normal course of its activities, is involved in various claims and litigation proceedings and seeks to accrue amounts it considers sufficient to cover settlements that may be payable as a result of unfavorable outcomes.

Financial Section

Required Supplementary Information



Fairbanks North Star Borough School District

General (School Operating) Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2021

	Budgeted Amounts			Actual on	Variance
	Original	Final	Actual	Budgetary	with Final
				Basis	Budget
Revenues:					
Local sources	\$ 49,702,400	\$ 50,202,400	\$ 50,035,623	\$ 50,035,623	\$ (166,777)
State sources	131,645,447	131,645,447	125,391,471	125,391,471	(6,253,976)
Federal sources	19,190,111	19,190,111	16,684,873	16,684,873	(2,505,238)
Total revenues	200,537,958	201,037,958	192,111,967	192,111,967	(8,925,991)
Expenditures - current:					
Instruction	96,712,920	95,620,592	92,785,607	92,164,899	3,455,693
Special education instruction	26,856,977	27,038,630	25,587,755	25,591,172	1,447,458
Special education support services - students	8,723,482	8,558,145	8,696,662	8,699,935	(141,790)
Support services - students	14,284,260	14,450,303	13,650,805	13,649,379	800,924
Support services - instruction	8,447,739	8,446,247	8,014,958	8,023,492	422,755
Support services - technology:	722,777	745,013	647,551	655,890	89,123
School administration	8,346,646	8,346,649	8,398,439	8,398,439	(51,790)
School administration support services	5,883,265	5,944,930	5,669,539	5,679,773	265,157
District administration	2,883,733	2,796,466	2,646,614	2,631,955	164,511
District administration support services	10,193,580	10,127,633	9,969,649	9,936,960	190,673
Operations and maintenance of plant	26,179,226	25,003,677	23,868,814	22,811,906	2,191,771
Student activities	2,336,186	2,234,036	1,732,541	1,737,144	496,892
Total expenditures	211,570,791	209,312,321	201,668,934	199,980,944	9,331,377
Excess (deficiency) of revenues over expenditures	(11,032,833)	(8,274,363)	(9,556,967)	(7,868,977)	405,386
Other financing sources (uses):					
Proceeds from sale of capital assets	-	-	45	45	45
Transfers out	(694,409)	(694,409)	(694,409)	(694,409)	-
Total other financing sources (uses)	(694,409)	(694,409)	(694,364)	(694,364)	45
Net change in fund balance	\$ (11,727,242)	\$ (8,968,772)	(10,251,331)	\$ (8,563,341)	\$ 405,431
Fund balance - beginning			21,035,261		
Fund balance - ending			\$ 10,783,930		

Fairbanks North Star Borough School District

Student Transportation Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Actual on Budgetary Basis	Variance with Final Budget
	Original	Final			
Revenues:					
State sources	\$ 11,737,726	\$ 11,737,726	\$ 9,325,958	\$ 9,325,958	\$ (2,411,768)
Total revenues	11,737,726	11,737,726	9,325,958	9,325,958	(2,411,768)
Expenditures - current:					
Student transportation - to and from school	13,674,423	13,674,423	10,638,435	11,007,092	2,667,331
Total expenditures	13,674,423	13,674,423	10,638,435	11,007,092	2,667,331
Excess (deficiency) of revenues over expenditures	(1,936,697)	(1,936,697)	(1,312,477)	(1,681,134)	255,563
Other financing sources (uses)					
Transfers in	-	-	517,232	517,232	517,232
Total other financing sources (uses)	-	-	517,232	517,232	517,232
Net change in fund balance	\$ (1,936,697)	\$ (1,936,697)	(795,245)	\$ (1,163,902)	\$ 772,795
Fund balance - beginning			4,513,529		
Fund balance - ending			<u>\$ 3,718,284</u>		

Fairbanks North Star Borough School District

Federal Programs Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Actual on Budgetary Basis	Variance with Final Budget
	Original	Final			
Revenues:					
Federal sources	\$ 11,000,000	\$ 32,047,511	\$ 15,880,115	\$ 15,880,115	\$ (16,167,396)
Total revenues	11,000,000	32,047,511	15,880,115	15,880,115	(16,167,396)
Expenditures - current:					
Instruction	4,640,000	15,564,192	7,063,276	7,082,161	8,482,031
Special education instruction	3,275,000	6,002,107	3,438,616	3,438,616	2,563,491
Support services - students	250,000	6,480,311	2,935,375	3,043,344	3,436,967
Support services - instruction	2,835,000	1,614,090	1,377,110	1,377,110	236,980
School administration support services	-	7,491	1,937	1,937	5,554
District administration support services	-	1,258,859	840,561	840,561	418,298
Operations and maintenance of plant	-	658,887	171,005	50,199	608,688
Food service	-	160,232	51,642	51,642	108,590
Total expenditures	11,000,000	31,999,253	15,879,522	15,885,570	16,113,683
Excess (deficiency) of revenues over expenditure	-	48,258	593	(5,455)	(53,713)
Net change in fund balance	\$ -	\$ 48,258	593	\$ (5,455)	\$ (53,713)
Fund balance - beginning			2,045		
Fund balance - ending			\$ 2,638		

Fairbanks North Star Borough School District

Schedule of the School District's Proportionate Share of the Net Pension Liability Public Employees' Retirement System (PERS) Defined Benefit Pension Plan Last Ten Fiscal Years

Fiscal Year	District's proportion of the net pension liability	District's proportionate share of the net pension liability	State of Alaska's proportionate share of the net pension liability	Total net pension liability	District's covered payroll	District's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.83535%	\$ 38,961,973	\$ 34,637,437	\$ 73,599,410	\$ 22,799,065	170.89%	62.37%
2016	1.59763%	77,485,110	20,753,489	98,238,599	21,055,300	368.01%	63.96%
2017	1.46640%	81,965,649	10,328,585	92,294,234	19,703,788	415.99%	59.55%
2018	1.15616%	59,766,961	22,267,660	82,034,621	18,026,510	331.55%	63.37%
2019	1.24569%	61,898,825	17,928,534	79,827,359	16,068,624	385.22%	65.19%
2020	1.15680%	63,325,850	25,142,649	88,468,499	14,295,690	442.97%	63.42%
2021	1.18675%	70,032,235	28,978,856	99,011,091	14,364,419	487.54%	61.61%

* Information for previous years is not available

Fairbanks North Star Borough School District

Schedule of the School District's Pension Contributions Public Employees' Retirement System (PERS) Defined Benefit Pension Plan Last Ten Fiscal Years

Fiscal Year	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
2015	\$ 3,512,945	\$ 3,512,945	\$ -	\$ 21,055,300	16.68%
2016	3,576,532	3,576,532	-	19,703,788	18.15%
2017	3,967,085	3,967,085	-	18,026,510	22.01%
2018	4,376,828	4,410,368	(33,540)	16,068,624	27.45%
2019	4,159,194	4,177,930	(18,736)	14,295,690	29.23%
2020	4,029,891	4,003,266	26,625	14,364,419	27.87%
2021	4,501,740	4,586,431	(84,691)	12,683,306	36.16%

* Information for previous years is not available

Fairbanks North Star Borough School District

**Schedule of the School District's Proportionate Share of the Net Pension Liability
Teachers' Retirement System (TRS)
Defined Benefit Pension Plan
Last Ten Fiscal Years**

Fiscal Year	District's proportion of the net pension liability	District's proportionate share of the net pension liability	State of Alaska's proportionate share of the net pension liability	Total net pension liability	District's covered payroll	District's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	1.58672%	\$ 47,586,729	\$ 249,903,789	\$ 297,490,518	\$ 54,739,191	86.93%	55.70%
2016	3.90081%	72,572,580	115,994,452	188,567,032	52,103,588	139.29%	73.82%
2017	4.60671%	105,186,990	125,022,680	230,209,670	49,079,783	214.32%	68.40%
2018	3.55078%	71,960,606	125,588,693	197,549,299	46,120,887	156.03%	72.39%
2019	3.88135%	74,301,775	110,464,440	184,766,215	43,588,853	170.46%	74.09%
2020	4.00383%	74,813,286	110,957,378	185,770,664	40,023,497	186.92%	74.68%
2021	3.76323%	76,510,866	132,771,021	209,281,887	38,468,607	198.89%	72.81%

* Information for previous years is not available

Fairbanks North Star Borough School District

Schedule of the School District's Pension Contributions Teachers' Retirement System (TRS) Defined Benefit Pension Plan Last Ten Fiscal Years

Fiscal Year	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
2015	\$ 3,882,614	\$ 3,882,614	\$ -	\$ 52,103,588	7.45%
2016	3,589,818	3,589,818	-	49,079,783	7.31%
2017	3,815,829	3,815,829	-	46,120,887	8.27%
2018	4,004,840	4,017,542	(12,702)	43,588,853	9.22%
2019	3,742,806	3,731,294	11,512	40,023,497	9.32%
2020	3,426,561	3,449,079	(22,518)	38,468,607	8.97%
2021	2,788,813	2,904,889	(116,076)	34,577,440	8.40%

* Information for previous years is not available

Fairbanks North Star Borough School District

Schedule of the School District's Proportionate Share of the Net OPEB Liability Public Employees' Retirement System (PERS) Defined Benefit OPEB Plan Last Ten Fiscal Years

Fiscal Year	District's proportion of the net OPEB liability	District's proportionate share of the net OPEB liability	State of Alaska's proportionate share of the net OPEB liability	Total net OPEB liability	District's covered payroll	District's proportionate share of the net OPEB liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
Alaska Retiree Health Care Trust (ARHCT)							
2018	1.56320%	\$ 9,768,118	\$ 3,641,238	\$ 13,409,356	\$ 18,026,510	54.19%	89.68%
2019	1.24544%	12,781,758	3,710,299	16,492,057	16,068,624	79.54%	88.12%
2020	1.15670%	1,716,352	682,338	2,398,690	14,295,690	12.01%	98.13%
2021	1.18630%	(5,372,164)	(2,228,848)	(7,601,012)	14,364,419	-37.40%	106.15%
Retiree Medical							
2018	1.68907%	\$ 88,085	\$ -	\$ 88,085	\$ 17,551,339	0.50%	93.98%
2019	1.73060%	220,218	-	220,218	19,398,257	1.14%	88.71%
2020	1.79278%	428,906	-	428,906	29,666,590	1.45%	83.17%
2021	1.75816%	124,706	-	124,706	23,992,511	0.52%	95.23%
Occupational Death and Disability							
2018	1.68907%	\$ (239,662)	\$ -	\$ (239,662)	\$ 17,551,339	-1.37%	212.97%
2019	1.73060%	(336,116)	-	(336,116)	19,398,257	-1.73%	270.62%
2020	1.42501%	(345,494)	-	(345,494)	29,666,590	-1.16%	297.43%
2021	1.40918%	(384,143)	-	(384,143)	23,992,511	-1.60%	283.80%

* Information for previous years is not available

Fairbanks North Star Borough School District

Schedule of the School District's OPEB Contributions Public Employees' Retirement System (PERS) Defined Benefit OPEB Plan Last Ten Fiscal Years

Fiscal Year	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
Alaska Retiree Health Care Trust (ARHCT)					
2018	\$ 1,247,682	\$ 1,247,682	\$ -	\$ 16,068,624	7.76%
2019	1,486,989	1,486,989	-	14,295,690	10.40%
2020	1,609,542	1,609,542	-	14,364,419	11.21%
2021	942,712	942,712	-	12,683,306	7.43%
Retiree Medical					
2018	\$ 201,745	\$ 201,745	\$ -	\$ 19,398,257	1.04%
2019	210,389	210,389	-	29,666,590	0.71%
2020	313,622	313,622	-	23,992,511	1.31%
2021	316,817	316,817	-	24,463,917	1.30%
Occupational Death and Disability					
2018	\$ 31,321	\$ 31,321	\$ -	\$ 19,398,257	0.16%
2019	58,182	58,182	-	29,666,590	0.20%
2020	61,796	61,796	-	23,992,511	0.26%
2021	77,326	77,326	-	24,463,917	0.32%

* Information for previous years is not available

Fairbanks North Star Borough School District

Schedule of the School District's Proportionate Share of the Net OPEB Liability Teachers' Retirement System (TRS) Defined Benefit OPEB Plan Last Ten Fiscal Years

Fiscal Year	District's proportion of the net OPEB liability	District's proportionate share of the net OPEB liability	State of Alaska's proportionate share of the net OPEB liability	Total net OPEB liability	District's covered payroll	District's proportionate share of the net OPEB liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
Alaska Retiree Health Care Trust (ARHCT)							
2018	3.53977%	\$ 6,510,802	\$ 11,418,299	\$ 17,929,101	\$ 46,120,887	14.12%	93.75%
2019	3.87239%	12,040,777	17,968,742	30,009,519	43,588,853	27.62%	90.23%
2020	3.99596%	(6,106,660)	(9,086,472)	(15,193,132)	40,023,497	-15.26%	105.50%
2021	3.75268%	(13,424,971)	(23,399,450)	(36,824,421)	38,468,607	-34.90%	113.78%
Retiree Medical							
2018	8.59184%	\$ (407,256)	\$ -	\$ (407,256)	\$ 28,837,859	-1.41%	118.16%
2019	8.66246%	(277,026)	-	(277,026)	31,145,862	-0.89%	109.56%
2020	8.81154%	(338,011)	-	(338,011)	32,944,783	-1.03%	110.03%
2021	9.03644%	(891,445)	-	(891,445)	36,948,655	-2.41%	125.59%
Occupational Death and Disability							
2018	8.59184%	\$ (280,781)	\$ -	\$ (280,781)	\$ 28,837,859	-0.97%	1342.59%
2019	8.66246%	(303,706)	-	(303,706)	31,145,862	-0.98%	1304.81%
2020	8.81797%	(354,571)	-	(354,571)	32,944,783	-1.08%	1409.77%
2021	9.00318%	(387,587)	-	(387,587)	36,948,655	-1.05%	931.08%

* Information for previous years is not available

Fairbanks North Star Borough School District

Schedule of the School District's OPEB Contributions Teachers' Retirement System (TRS) Defined Benefit OPEB Plan Last Ten Fiscal Years

Fiscal Year	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
Alaska Retiree Health Care Trust (ARHCT)					
2018	\$ 1,983,461	\$ 1,983,461	\$ -	\$ 43,588,853	4.55%
2019	1,813,732	1,813,732	-	40,023,497	4.53%
2020	1,932,510	1,932,510	-	38,468,607	5.02%
2021	2,393,393	2,393,393	-	34,577,440	6.92%
Retiree Medical					
2018	\$ 283,341	\$ 283,341	\$ -	\$ 31,145,862	0.91%
2019	271,832	271,832	-	32,944,783	0.83%
2020	403,145	403,145	-	36,948,655	1.09%
2021	384,658	384,658	-	41,361,256	0.93%
Occupational Death and Disability					
2018	\$ -	\$ -	\$ -	\$ 31,145,862	0.00%
2019	27,525	27,525	-	32,944,783	0.08%
2020	29,578	29,578	-	36,948,655	0.08%
2021	33,091	33,091	-	41,361,256	0.08%

* Information for previous years is not available

Fairbanks North Star Borough School District

Notes to the Required Supplementary Information June 30, 2021

Note 1: Budgetary Comparison Schedules

General Budget Policies

The District follows these procedures for adoption of the budget for the general fund and special revenue funds:

1. Approval by the Fairbanks North Star Borough School District Board of Education (Board of Education), with community input.
2. Submission to the Fairbanks North Star Borough Assembly (Borough Assembly) for approval of the total budget and appropriation of the local contribution. The deadline for submitting the budget to the Borough Assembly is May 1, in accordance with Alaska Statute section 14.14.060(c) Compiled School Laws. Borough ordinance 7.12.020 however, requires the Board of Education to submit their formally adopted budget to the Borough Assembly by April 1 of each year. The Borough Assembly must furnish the Board of Education with a statement of the local appropriation not more than thirty days after the date on which it first receives the education budget. After the Borough Assembly has set the local appropriation, the Board of Education will again review the budget to make any changes necessitated by the Assembly's action. An opportunity for a public hearing on proposed changes will be provided and at least 24 hours' notice will be given of the meeting at which action is proposed.
3. Submission to the Commissioner of the State of Alaska, Department of Education and Early Development by July 15, in accordance with Alaska Statute section 14.07.170(2) Compiled School Laws.

The original adopted budget for the year ended June 30, 2021, was prepared on the "program" level of budgetary control for information purposes. The budget in these financial statements was approved by the Board of Education by fund and function to comply with the *Alaska Department of Education and Early Development Uniform Chart of Accounts and Account Code Descriptions for Public School Districts*, (2018 edition).

Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds, and capital project funds. An annual budget is legally adopted for the general fund. Annual budgets are legally adopted for all special revenue funds except the School Activity special revenue fund. Capital projects are controlled through project budgets. Adopted project budgets provide authorization to complete projects that extend beyond one fiscal year. Multi-fiscal year projects are controlled by comparing project-to-date expenditures with project budgets. Differences in accounting for encumbrances, as described later, exist between the basis of accounting used for budgetary purposes and that used for reporting in accordance with U.S. generally accepted accounting principles (GAAP).

The objective of the School District's budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Resources are allocated to and accounted for in individual funds, based upon the purposes for which those funds were created. Transfers between programs in excess of \$100,000 are authorized by the Board of Education. Therefore, the legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the object level. All other transfers are authorized by the superintendent and reported monthly to the Board of Education.

Encumbrances

For budgetary purposes, annual appropriations lapse at year-end, except for that portion related to encumbered amounts. District policy requires recording of an encumbrance as a charge against appropriation in the accounting period in which a purchase order is issued, rather than in the accounting period when goods or services are received as required by generally accepted accounting principles (GAAP). Encumbrances outstanding at year-end are reported as assigned fund balance in the general fund only. All other encumbrances are disclosed in the notes to the basic financial statements. All encumbrances are automatically carried forward to the new fiscal year budget. Appropriations for those capital projects funds with project budgets do not lapse until the purpose of the appropriation has been accomplished.

Fairbanks North Star Borough School District

Notes to the Required Supplementary Information (continued) June 30, 2021

Basis of Budgeting

Because such encumbrances constitute the equivalent of expenditures for budgetary purposes, the accompanying schedules present comparisons of actual results to the annual budgets of the governmental funds on the basis of budgeting. Adjustments to convert actual expenditures to the basis of budgeting are reflected in the *actual on budgetary basis* column in the accompanying Budget (Non-GAAP Basis) and Actual Comparison Schedules for each major fund. The adjustment includes the addition for current year encumbrances and the deduction for expenditures on prior year encumbrances. The same adjustment is reflected in the revenue portion of those special revenue funds where State and Federal grant revenues are considered unearned until actual

expenditures are incurred. The *original budget* column is that adopted by the School Board in its annual appropriation. The final budget column combines the *original budget* column, a deduction for expenditures on prior year encumbrances, and budget amendments made during the current fiscal year.

The following schedule reconciles revenues and expenditures on the *Statement of Revenues, Expenditures and Changes in Fund Balances* to revenues and expenditures on the *Budget (Non-GAAP Basis) and Actual Comparison Schedules* for each major governmental fund that has a legally adopted budget. The capital projects fund has a project-length budget presented on page 121.

	General Fund	Student Transportation Special Revenue	Federal Programs Special Revenue
Revenues reported on the basis of budgeting	\$ 192,111,967	\$ 9,325,958	\$ 15,880,115
Basis difference	-	-	-
Revenues reported on the basis of GAAP	\$ 192,111,967	\$ 9,325,958	\$ 15,880,115
Expenditures reported on the basis of budgeting	\$ 199,980,944	\$ 11,007,092	\$ 15,885,570
Add expenditures on prior year encumbrances	2,308,828	-	195,805
Deduct current year encumbrances	(620,838)	(368,657)	(201,853)
Expenditures reported on the basis of GAAP	\$ 201,668,934	\$ 10,638,435	\$ 15,879,522

Note 2: Changes in Benefit Terms

The PERS and TRS Alaska Retiree Healthcare Trust OPEB medical benefit provisions were changed since the prior valuation to reflect the implementation of employer group waiver plan (EGWP) as of January 1, 2019.

There were no changes in benefit terms from the prior measurement period for the other 6 pension and OPEB plans.

Note 3: Changes in Assumptions

Effective for the June 30, 2018 valuation, the Board adopted changes to the demographic and economic assumptions recommended by the actuary, based on the results of an experience analysis performed on the population experience from July 1, 2013 to June 30, 2017. The changes in assumptions were adopted by the Board during the January 2019 Board meeting.

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Financial Section

Combining and Individual Fund Statements and Schedules



Financial Section

General Fund

To account for resources traditionally associated with districts which are not required to be accounted for in another fund.



Fairbanks North Star Borough School District

General (School Operating) Fund
Balance Sheet
June 30, 2021
(With comparative totals for 2020)

	2021	2020
Assets		
Equity in central treasury cash	\$ 4,731,457	\$ 16,985,268
Accounts receivable	404,902	449,419
Due from other funds	6,591,889	5,003,043
Due from Fairbanks North Star Borough	3,253	5,037
Inventories	682,127	298,191
Prepaid items	334,038	125,515
Total assets	\$ 12,747,666	\$ 22,866,473
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 800,442	\$ 436,211
Accrued payroll and liabilities	1,143,682	1,358,943
Due to external groups and agencies	19,612	36,058
Total liabilities	1,963,736	1,831,212
Fund balance		
Nonspendable	1,016,165	423,706
Restricted	257,635	321,841
Assigned	9,510,130	20,289,714
Total fund balance	10,783,930	21,035,261
Total liabilities and fund balance	\$ 12,747,666	\$ 22,866,473

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

General (School Operating) Fund Statement of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2021 (With comparative totals for 2020)

	2021	2020
Revenues:		
Local sources:		
Borough direct appropriation	\$ 49,045,400	\$ 50,045,400
E-rate revenue	485,750	389,121
Other local revenue	498,745	801,966
Tuition from students	5,728	-
Total local sources	50,035,623	51,236,487
State sources:		
Foundation program	107,298,740	114,109,838
QSI grant	395,285	405,420
TRS on-behalf	12,790,046	13,704,996
PERS on-behalf	3,274,011	2,629,676
On-base schools	1,450,000	1,450,000
Other state revenue	183,389	310,984
Total state sources	125,391,471	132,610,914
Federal sources:		
Direct	377,881	359,271
Medicaid revenue	96,590	294,759
Other federal revenue	680,000	-
Through the State of Alaska	15,530,402	15,618,498
Total federal sources	16,684,873	16,272,528
Total revenues	192,111,967	200,119,929
Expenditures - current:		
Instruction:		
Certificated salaries	51,115,770	51,408,410
Non-certificated salaries	3,312,056	4,040,759
Employee benefits	32,800,865	33,059,722
Professional and technical services	788,002	486,539
Staff travel	3,159	13,588
Student travel	6,103	74,777
Utility services	88,501	34,024
Other purchased services	176,842	324,407
Supplies, materials and media	4,259,928	2,319,116
Tuition and stipends	217,396	-
Other expenses	16,985	1,318
Capital outlay	-	9,645
Total instruction	92,785,607	91,772,305

See accompanying notes to the basic financial statements

continued

Fairbanks North Star Borough School District

General (School Operating) Fund Statement of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2021 (With comparative totals for 2020)

	2021	2020
Special education instruction:		
Certificated salaries	\$ 8,378,881	\$ 8,446,330
Non-certificated salaries	5,735,993	5,921,633
Employee benefits	8,820,245	8,719,032
Professional and technical services	1,895,000	1,895,500
Student travel	1,022	4,678
Utility services	7,108	5,960
Other purchased services	322,303	322,028
Supplies, materials and media	172,134	197,186
Tuition and stipends	255,069	262,586
Total special education instruction	25,587,755	25,774,933
Special education support services - students:		
Certificated salaries	3,993,595	3,553,338
Non-certificated salaries	1,019,549	1,126,101
Employee benefits	3,086,014	2,854,419
Professional and technical services	508,518	951,795
Staff travel	12,204	43,015
Student travel	-	2,602
Utility services	-	63
Other purchased services	168	5,582
Supplies, materials and media	75,414	73,416
Other expenses	1,200	265
Total special education support services - students	8,696,662	8,610,596
Support services - students:		
Certificated salaries	3,907,695	3,658,307
Non-certificated salaries	3,787,593	3,823,877
Employee benefits	5,151,399	4,836,475
Professional and technical services	145,780	78,394
Staff travel	1,436	12,624
Student travel	-	2,238
Utility services	-	461
Other purchased services	87,885	85,088
Supplies, materials and media	567,551	87,323
Other expenses	1,466	1,295
Total support services - students	13,650,805	12,586,082

See accompanying notes to the basic financial statements

continued

Fairbanks North Star Borough School District

General (School Operating) Fund Statement of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2021 (With comparative totals for 2020)

	2021	2020
Support services - instruction:		
Certificated salaries	\$ 1,475,773	\$ 1,469,106
Non-certificated salaries	2,444,071	2,506,674
Employee benefits	2,636,030	2,543,429
Professional and technical services	565,838	700,434
Staff travel	10,655	84,647
Utility services	10,605	-
Other purchased services	3,485	1,198
Supplies, materials and media	866,842	831,756
Other expenses	1,659	2,545
Total support services - instruction	8,014,958	8,139,789
Support services - technology:		
Utility services	647,551	710,331
Supplies, materials and media	-	280,257
Capital outlay	-	40,284
Total support services - technology	647,551	1,030,872
School administration:		
Certificated salaries	5,196,564	5,164,364
Non-certificated salaries	12,553	70,431
Employee benefits	3,158,420	3,120,744
Professional and technical services	3,403	1,097
Staff travel	15	22,222
Supplies, materials and media	1,037	-
Other expenses	26,447	28,150
Total school administration	8,398,439	8,407,008
School administration support services:		
Non-certificated salaries	3,278,054	3,254,612
Employee benefits	2,189,824	2,073,668
Professional and technical services	5,407	4,401
Staff travel	-	742
Student travel	20	74
Utility services	47,971	46,793
Other purchased services	2,793	12,024
Supplies, materials and media	143,761	145,663
Other expenses	1,709	9,199
Total school administration support services	5,669,539	5,547,176

See accompanying notes to the basic financial statements

continued

Fairbanks North Star Borough School District

General (School Operating) Fund Statement of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2021 (With comparative totals for 2020)

	2021	2020
District administration:		
Certificated salaries	\$ 488,919	\$ 531,579
Non-certificated salaries	929,040	948,548
Employee benefits	881,217	907,164
Professional and technical services	212,426	226,425
Staff travel	379	40,546
Utility services	532	826
Other purchased services	40,544	134,358
Supplies, materials and media	15,272	44,782
Other expenses	78,285	43,963
Total district administration	2,646,614	2,878,191
District administration support services:		
Certificated salaries	61,193	67,030
Non-certificated salaries	4,493,124	4,626,428
Employee benefits	3,126,814	3,093,245
Professional and technical services	804,735	883,014
Staff travel	1,512	20,960
Utility services	98,398	62,173
Other purchased services	299,627	252,115
Insurance and bond premiums	1,268,695	1,046,825
Supplies, materials and media	446,970	407,997
Other expenses	209,062	182,735
Indirect costs	(850,950)	(710,931)
Capital outlay	10,469	93,277
Total district administration support services	9,969,649	10,024,868
Operations and maintenance of plant:		
Non-certificated salaries	8,125,279	8,421,615
Employee benefits	5,492,762	5,393,012
Professional and technical services	35,768	30,598
Staff travel	1,871	3,441
Utility services	618,251	755,012
Energy	5,135,532	5,672,253
Other purchased services	2,151,482	2,031,970
Insurance and bond premiums	563,068	509,144
Supplies, materials and media	1,594,610	1,650,883
Other expenses	2,896	1,919
Capital outlay	147,295	15,499
Total operations and maintenance of plant	23,868,814	24,485,346

See accompanying notes to the basic financial statements

continued

Fairbanks North Star Borough School District

General (School Operating) Fund Statement of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2021 (With comparative totals for 2020)

	2021	2020
Student activities:		
Certificated salaries	\$ 554,203	\$ 559,931
Non-certificated salaries	390,504	471,841
Employee benefits	327,314	360,203
Professional and technical services	117,085	128,495
Staff travel	2,290	3,710
Student travel	45,936	143,785
Other purchased services	153,175	139,327
Supplies, materials and media	77,856	48,931
Other expenses	64,178	69,026
Total student activities	1,732,541	1,925,249
Total expenditures	201,668,934	201,182,415
Excess (deficiency) of revenues over expenditures	(9,556,967)	(1,062,486)
Other financing sources (uses):		
Proceeds from sale of capital assets	45	9,027
Transfers out	(694,409)	(1,577,177)
Total other financing sources (uses)	(694,364)	(1,568,150)
Net change in fund balance	(10,251,331)	(2,630,636)
Fund balance - beginning	21,035,261	23,665,897
Fund balance - ending	\$ 10,783,930	\$ 21,035,261

See accompanying notes to the basic financial statements

continued

Fairbanks North Star Borough School District

General (School Operating) Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2021

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
Local sources:				
Borough direct appropriation	\$ 49,045,400	\$ 49,045,400	\$ 49,045,400	\$ -
E-rate revenue	425,000	485,750	485,750	60,750
Other local revenue	707,000	498,745	498,745	(208,255)
Tuition from students	25,000	5,728	5,728	(19,272)
Total local sources	50,202,400	50,035,623	50,035,623	(166,777)
State sources:				
Foundation program	112,997,934	107,298,740	107,298,740	(5,699,194)
QSI grant	406,940	395,285	395,285	(11,655)
TRS on-behalf	13,501,960	12,790,046	12,790,046	(711,914)
PERS on-behalf	3,103,613	3,274,011	3,274,011	170,398
On-base schools	1,450,000	1,450,000	1,450,000	-
Other state revenue	185,000	183,389	183,389	(1,611)
Total state sources	131,645,447	125,391,471	125,391,471	(6,253,976)
Federal sources:				
Direct	304,560	377,881	377,881	73,321
Medicaid revenue	550,000	96,590	96,590	(453,410)
Other federal revenue	-	680,000	680,000	680,000
Through the State of Alaska	18,335,551	15,530,402	15,530,402	(2,805,149)
Total federal sources	19,190,111	16,684,873	16,684,873	(2,505,238)
Total revenues	201,037,958	192,111,967	192,111,967	(8,925,991)
Expenditures - current:				
Instruction:				
Certificated salaries	51,397,938	51,115,770	51,115,770	282,168
Non-certificated salaries	4,703,571	3,312,056	3,312,056	1,391,515
Employee benefits	34,830,436	32,800,865	32,800,865	2,029,571
Professional and technical services	536,562	788,002	788,002	(251,440)
Staff travel	15,717	3,159	3,159	12,558
Student travel	16,767	6,103	6,103	10,664
Utility services	12,000	88,501	88,501	(76,501)
Other purchased services	382,415	176,842	158,592	223,823
Supplies, materials and media	3,494,346	4,259,928	3,650,001	(155,655)
Tuition and stipends	200,000	217,396	217,396	(17,396)
Other expenses	23,340	16,985	16,985	6,355
Capital outlay	7,500	-	7,469	31
Total instruction	95,620,592	92,785,607	92,164,899	3,455,693

See accompanying notes to the basic financial statements

continued

Fairbanks North Star Borough School District

General (School Operating) Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2021

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
Special education instruction:				
Certificated salaries	\$ 8,602,500	\$ 8,378,881	\$ 8,378,881	\$ 223,619
Non-certificated salaries	6,200,931	5,735,993	5,735,993	464,938
Employee benefits	9,497,554	8,820,245	8,820,245	677,309
Professional and technical services	1,895,800	1,895,000	1,895,000	800
Student travel	538	1,022	1,022	(484)
Utility services	6,474	7,108	7,108	(634)
Other purchased services	321,278	322,303	322,303	(1,025)
Supplies, materials and media	197,117	172,134	175,551	21,566
Tuition and stipends	316,438	255,069	255,069	61,369
Total special education instruction	27,038,630	25,587,755	25,591,172	1,447,458
Special education support services - students:				
Certificated salaries	3,979,862	3,993,595	3,993,595	(13,733)
Non-certificated salaries	1,042,357	1,019,549	1,019,549	22,808
Employee benefits	3,271,307	3,086,014	3,086,014	185,293
Professional and technical services	177,184	508,518	508,518	(331,334)
Staff travel	10,850	12,204	12,204	(1,354)
Other purchased services	197	168	168	29
Supplies, materials and media	75,488	75,414	78,687	(3,199)
Other expenses	900	1,200	1,200	(300)
Total special education support services - students	8,558,145	8,696,662	8,699,935	(141,790)
Support services - students:				
Certificated salaries	3,920,467	3,907,695	3,907,695	12,772
Non-certificated salaries	4,409,183	3,787,593	3,787,593	621,590
Employee benefits	5,504,084	5,151,399	5,151,399	352,685
Professional and technical services	321,856	145,780	145,780	176,076
Staff travel	9,700	1,436	1,436	8,264
Student travel	15,056	-	-	15,056
Other purchased services	70,200	87,885	87,885	(17,685)
Supplies, materials and media	194,883	567,551	566,125	(371,242)
Other expenses	4,874	1,466	1,466	3,408
Total support services - students	14,450,303	13,650,805	13,649,379	800,924

See accompanying notes to the basic financial statements

continued

Fairbanks North Star Borough School District

General (School Operating) Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2021

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
Support services - instruction:				
Certificated salaries	\$ 1,479,642	\$ 1,475,773	\$ 1,475,773	\$ 3,869
Non-certificated salaries	2,569,279	2,444,071	2,444,071	125,208
Employee benefits	2,650,763	2,636,030	2,636,030	14,733
Professional and technical services	716,982	565,838	564,398	152,584
Staff travel	32,686	10,655	10,655	22,031
Utility services	102,720	10,605	10,605	92,115
Other purchased services	7,085	3,485	3,485	3,600
Supplies, materials and media	884,555	866,842	876,816	7,739
Other expenses	2,535	1,659	1,659	876
Total support services - instruction	8,446,247	8,014,958	8,023,492	422,755
Support services - technology:				
Utility services	745,013	647,551	647,551	97,462
Supplies, materials and media	-	-	8,339	(8,339)
Total support services - technology	745,013	647,551	655,890	89,123
School administration:				
Certificated salaries	5,043,345	5,196,564	5,196,564	(153,219)
Non-certificated salaries	-	12,553	12,553	(12,553)
Employee benefits	3,211,602	3,158,420	3,158,420	53,182
Professional and technical services	1,000	3,403	3,403	(2,403)
Staff travel	60,720	15	15	60,705
Supplies, materials and media	1,000	1,037	1,037	(37)
Other expenses	28,982	26,447	26,447	2,535
Total school administration	8,346,649	8,398,439	8,398,439	(51,790)
School administration support services:				
Non-certificated salaries	3,403,441	3,278,054	3,278,054	125,387
Employee benefits	2,342,574	2,189,824	2,189,824	152,750
Professional and technical services	10,680	5,407	5,407	5,273
Staff travel	180	-	-	180
Student travel	20	20	20	-
Utility services	1,301	47,971	47,971	(46,670)
Other purchased services	10,715	2,793	2,793	7,922
Supplies, materials and media	172,390	143,761	153,995	18,395
Other expenses	3,629	1,709	1,709	1,920
Total school administration support services	5,944,930	5,669,539	5,679,773	265,157

See accompanying notes to the basic financial statements

continued

Fairbanks North Star Borough School District

General (School Operating) Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2021

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
District administration:				
Certificated salaries	\$ 483,184	\$ 488,919	\$ 488,919	\$ (5,735)
Non-certificated salaries	1,037,696	929,040	929,040	108,656
Employee benefits	1,003,352	881,217	881,217	122,135
Professional and technical services	140,509	212,426	213,467	(72,958)
Staff travel	20,130	379	379	19,751
Student travel	5,000	-	-	5,000
Utility services	-	532	532	(532)
Other purchased services	27,419	40,544	17,675	9,744
Supplies, materials and media	42,548	15,272	22,441	20,107
Other expenses	36,628	78,285	78,285	(41,657)
Total district administration	2,796,466	2,646,614	2,631,955	164,511
District administration support services:				
Certificated salaries	39,185	61,193	61,193	(22,008)
Non-certificated salaries	4,709,129	4,493,124	4,493,124	216,005
Employee benefits	3,244,580	3,126,814	3,126,814	117,766
Professional and technical services	959,610	804,735	774,946	184,664
Staff travel	3,250	1,512	1,512	1,738
Utility services	40,000	98,398	98,514	(58,514)
Other purchased services	282,521	299,627	300,014	(17,493)
Insurance and bond premiums	1,069,702	1,268,695	1,268,695	(198,993)
Supplies, materials and media	403,983	446,970	443,567	(39,584)
Other expenses	27,242	209,062	209,062	(181,820)
Indirect costs	(663,533)	(850,950)	(850,950)	187,417
Capital outlay	11,964	10,469	10,469	1,495
Total district administration support services	10,127,633	9,969,649	9,936,960	190,673
Operations and maintenance of plant:				
Non-certificated salaries	8,888,457	8,125,279	8,125,279	763,178
Employee benefits	6,123,399	5,492,762	5,492,762	630,637
Professional and technical services	34,015	35,768	34,005	10
Staff travel	2,700	1,871	1,871	829
Utility services	833,646	618,251	618,251	215,395
Energy	5,761,336	5,135,532	5,135,532	625,804
Other purchased services	1,685,399	2,151,482	1,194,509	490,890
Insurance and bond premiums	450,033	563,068	563,068	(113,035)
Supplies, materials and media	1,173,789	1,594,610	1,635,997	(462,208)
Other expenses	405	2,896	2,896	(2,491)
Capital outlay	50,498	147,295	7,736	42,762
Total operations and maintenance of plant	25,003,677	23,868,814	22,811,906	2,191,771

See accompanying notes to the basic financial statements

continued

Fairbanks North Star Borough School District

General (School Operating) Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2021

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
Student activities:				
Certificated salaries	\$ 720,196	\$ 554,203	\$ 554,203	\$ 165,993
Non-certificated salaries	342,158	390,504	390,504	(48,346)
Employee benefits	455,902	327,314	327,314	128,588
Professional and technical services	144,978	117,085	121,585	23,393
Staff travel	4,156	2,290	2,290	1,866
Student travel	147,511	45,936	45,936	101,575
Other purchased services	198,326	153,175	154,675	43,651
Supplies, materials and media	144,832	77,856	75,856	68,976
Other expenses	75,977	64,178	64,781	11,196
Total student activities	2,234,036	1,732,541	1,737,144	496,892
Total expenditures	209,312,321	201,668,934	199,980,944	9,331,377
Excess (deficiency) of revenues over expenditures	(8,274,363)	(9,556,967)	(7,868,977)	405,386
Other financing sources (uses):				
Proceeds from sale of capital assets	-	45	45	45
Transfers out	(694,409)	(694,409)	(694,409)	-
Total other financing sources (uses)	(694,409)	(694,364)	(694,364)	45
Net change in fund balance	<u>\$ (8,968,772)</u>	<u>\$ (10,251,331)</u>	<u>\$ (8,563,341)</u>	<u>\$ 405,431</u>
Fund balance - beginning		21,035,261		
Fund balance - ending		<u>\$ 10,783,930</u>		

See accompanying notes to the basic financial statements

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Financial Section

Special Revenue Funds

Student Transportation: this program provides transportation for regular and special education students that are bused to school.

Federal Programs: accounts for programs that are funded by federal sources received directly from the federal government or passed through the State of Alaska.

Food Service: accounts for the operations of the School District's Student Nutrition program. Financing is provided by user fees and proceeds received under the National School Lunch and Breakfast programs.

Local Programs: accounts for transactions of programs funded by nonfederal and nonstate sources.

State Programs: accounts for programs that are funded by nonfederal State of Alaska sources.

School Activities: accounts for transactions of district controlled school activity programs. School activity funds are not budgeted and are non-lapsing.



Fairbanks North Star Borough School District

Student Transportation Special Revenue Fund Balance Sheet June 30, 2021 (With comparative totals for 2020)

	2021	2020
Assets		
Equity in central treasury cash	\$ 4,157,866	\$ 4,513,529
Total assets	\$ 4,157,866	\$ 4,513,529
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 439,582	\$ -
Total liabilities	439,582	-
Fund balance		
Assigned	3,718,284	4,513,529
Total fund balance	3,718,284	4,513,529
Total liabilities and fund balance	\$ 4,157,866	\$ 4,513,529

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Student Transportation Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2021
(With comparative totals for 2020)

	2021	2020
Revenues:		
State sources	\$ 9,325,958	\$ 11,686,384
Expenditures - current:		
Student transportation - to and from school:		
Non-certificated salaries	184,740	239,009
Employee benefits	113,246	141,704
Professional and technical services	-	18,971
Other purchased services	9,810,126	10,765,144
Supplies, materials and media	530,323	695,763
Total student transportation - to and from school	10,638,435	11,860,591
Total expenditures	10,638,435	11,860,591
Excess (deficiency) of revenues over expenditures	(1,312,477)	(174,207)
Other financing sources (uses):		
Transfers in	517,232	1,400,000
Total other financing sources (uses)	517,232	1,400,000
Net change in fund balance	(795,245)	1,225,793
Fund balance - beginning	4,513,529	3,287,736
Fund balance - ending	\$ 3,718,284	\$ 4,513,529

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Student Transportation Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2021

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
State sources	\$ 11,737,726	\$ 9,325,958	\$ 9,325,958	\$ (2,411,768)
Expenditures - current:				
Student transportation - to and from school:				
Non-certificated salaries	186,108	184,740	184,740	1,368
Employee benefits	113,517	113,246	113,246	271
Professional and technical services	7,000	-	-	7,000
Staff travel	3,900	-	-	3,900
Other purchased services	12,338,698	9,810,126	9,810,126	2,528,572
Supplies, materials and media	1,025,200	530,323	898,980	126,220
Total student transportation - to and from school	13,674,423	10,638,435	11,007,092	2,667,331
Total expenditures	13,674,423	10,638,435	11,007,092	2,667,331
Excess (deficiency) of revenues over expenditures	(1,936,697)	(1,312,477)	(1,681,134)	255,563
Other financing sources (uses):				
Transfers in	-	517,232	517,232	517,232
Total other financing sources (uses)	-	517,232	517,232	517,232
Net change in fund balance	<u>\$ (1,936,697)</u>	<u>\$ (795,245)</u>	<u>\$ (1,163,902)</u>	<u>\$ 772,795</u>
Fund balance - beginning		4,513,529		
Fund balance - ending		<u>\$ 3,718,284</u>		

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Federal Programs Special Revenue Fund
Balance Sheet
June 30, 2021
(With comparative totals for 2020)

	2021	2020
Assets		
Equity in central treasury cash	\$ 2,639	\$ 10,351
Accounts receivable	5,181,871	4,271,342
Total assets	\$ 5,184,510	\$ 4,281,693
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 81,122	\$ 123,739
Due to other funds	5,100,750	4,155,909
Total liabilities	5,181,872	4,279,648
Fund balance		
Restricted	2,638	2,045
Total fund balance	2,638	2,045
Total liabilities and fund balance	\$ 5,184,510	\$ 4,281,693

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Federal Programs Special Revenue Fund Statement of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2021 (With comparative totals for 2020)

	2021	2020
Revenues:		
Federal sources:		
Indian Education	\$ 803,620	\$ 752,660
Title I-A Basic	2,478,526	2,577,850
Title I-A Parent Engagement	18,631	25,459
Title I-C Migrant Education	1,132,084	1,031,807
Title II-A Support Effective Instruction	843,482	857,659
Title III-A English Language	38,728	32,215
Title I-D Delinquent or At-Risk Children and Youth	39,239	27,678
Title I-A Neglected & Delinquent	83,107	68,966
Title VI-B Special Education	3,538,171	3,662,304
IDEA Part B Preschool Disabled	105,387	63,439
Carl Perkins Secondary	259,165	328,846
Migrant Education Summer	54,835	41,596
AK Community Learning Centers	1,168,104	1,166,495
Title IV-A Student Support	385,393	383,047
Migrant Education (PAC)	-	415
Migrant Book	19,500	17,861
Air Force JROTC	1,810	22,419
McKinney Vento Homeless	35,512	33,273
Fresh Fruit & Vegetable	28,406	48,060
DoDEA 2016	60,159	417,306
DoDEA 2017	491,472	281,996
DoDEA 2018	149,658	129,282
DoDEA 2019	189,047	202,228
ESEA Consolidated Admin Pool	591,505	389,003
School Improvement: Implementation FY19	-	56,499
Teen Opioid Prevention Team	7,500	7,837
Carl Perkins, Non Traditional	14,309	14,939
COPS Office School Violence Prevent	171,004	171,105
AK Resiliency in Schools for Educational Success	58,285	21,143
Comprehensive State Literacy Development	200,404	115,258
COVID-19 Contact Tracing	7,541	3,661
Professional Development - CTSO	23,979	1,431
CARES Act: Education	2,255,745	29,614
CARES Act: Governor	316,607	90,253
School Improvement: Implementation FY20	-	51,516
Alaska Project AWARE	80,549	-
CRRSA Act (CARES 2)	1,937	-
School Improvement FY21	203,478	-
NSLP Equipment Assistance Grant	23,236	-
Total federal sources	15,880,115	13,125,120
Total revenues	15,880,115	13,125,120

See accompanying notes to the basic financial statements

continued

Fairbanks North Star Borough School District

Federal Programs Special Revenue Fund Statement of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2021 (With comparative totals for 2020)

	2021	2020
Expenditures - current:		
Instruction:		
Certificated salaries	\$ 1,035,936	\$ 970,209
Non-certificated salaries	1,987,195	1,582,672
Employee benefits	1,538,400	1,262,700
Professional and technical services	313,146	180,759
Staff travel	3,388	209,234
Student travel	1,116	36,350
Utility services	103,633	-
Other purchased services	2,877	2,587
Supplies, materials and media	2,000,742	392,959
Tuition and stipends	23,810	61,427
Other expenses	1,618	4,157
Capital outlay	51,415	33,124
Total instruction	7,063,276	4,736,178
Special education instruction:		
Certificated salaries	930,733	849,363
Non-certificated salaries	1,189,865	1,263,727
Employee benefits	1,098,798	1,105,465
Professional and technical services	67,643	191,173
Staff travel	-	60,717
Supplies, materials and media	151,577	38,449
Total special education instruction	3,438,616	3,508,894
Support services - students:		
Certificated salaries	301,856	211,157
Non-certificated salaries	1,090,370	1,128,408
Employee benefits	630,551	558,701
Professional and technical services	375,128	339,254
Staff travel	2,080	81,717
Student travel	258	39,799
Other purchased services	3,364	2,270
Supplies, materials and media	530,713	425,171
Other expenses	1,055	1,525
Total support services - students	2,935,375	2,788,002

See accompanying notes to the basic financial statements

continued

Fairbanks North Star Borough School District

Federal Programs Special Revenue Fund Statement of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2021 (With comparative totals for 2020)

	2021	2020
Support services - instruction:		
Certificated salaries	\$ 582,409	\$ 471,970
Non-certificated salaries	280,739	245,368
Employee benefits	422,819	343,621
Professional and technical services	60,559	11,683
Staff travel	329	89,505
Other purchased services	143	142
Supplies, materials and media	21,459	5,502
Other expenses	8,653	7,672
Total support services - instruction	1,377,110	1,175,463
School administration support services:		
Non-certificated salaries	1,200	-
Employee benefits	737	-
Total school administration support services	1,937	-
District administration support services:		
Indirect costs	840,561	697,418
Total district administration support services	840,561	697,418
Operations and maintenance of plant:		
Non-certificated salaries	25,427	15,685
Employee benefits	15,558	9,245
Professional and technical services	-	5,462
Supplies, materials and media	20,702	140,713
Capital outlay	109,318	-
Total operations and maintenance of plant	171,005	171,105
Food service:		
Supplies, materials and media	39,642	48,060
Capital outlay	12,000	-
Total food service	51,642	48,060
Total expenditures	15,879,522	13,125,120
Excess (deficiency) of revenues over expenditures	593	-
Net change in fund balance	593	-
Fund balance - beginning	2,045	2,045
Fund balance - ending	\$ 2,638	\$ 2,045

See accompanying notes to the basic financial statements

continued

Fairbanks North Star Borough School District

Federal Programs Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2021

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
Federal sources	\$ 32,047,511	\$ 15,880,115	\$ 15,880,115	\$(16,167,396)
Total revenues	32,047,511	15,880,115	15,880,115	(16,167,396)
Expenditures - current:				
Instruction:				
Certificated salaries	3,926,551	1,035,936	1,035,936	2,890,615
Non-certificated salaries	3,346,098	1,987,195	1,987,195	1,358,903
Employee benefits	5,008,817	1,538,400	1,538,400	3,470,417
Professional and technical services	411,460	313,146	332,031	79,429
Staff travel	9,018	3,388	3,388	5,630
Student travel	35,800	1,116	1,116	34,684
Utility services	124,737	103,633	103,633	21,104
Other purchased services	2,896	2,877	2,877	19
Supplies, materials and media	2,597,987	2,000,742	2,000,742	597,245
Tuition and stipends	42,380	23,810	23,810	18,570
Other expenses	7,033	1,618	1,618	5,415
Capital outlay	51,415	51,415	51,415	-
Total instruction	15,564,192	7,063,276	7,082,161	8,482,031
Special education instruction:				
Certificated salaries	1,399,513	930,733	930,733	468,780
Non-certificated salaries	1,954,144	1,189,865	1,189,865	764,279
Employee benefits	1,267,681	1,098,798	1,098,798	168,883
Professional and technical services	117,643	67,643	67,643	50,000
Staff travel	3,000	-	-	3,000
Student travel	12,500	-	-	12,500
Supplies, materials and media	1,247,626	151,577	151,577	1,096,049
Total special education instruction	6,002,107	3,438,616	3,438,616	2,563,491
Support services - students:				
Certificated salaries	477,235	301,856	301,856	175,379
Non-certificated salaries	2,468,750	1,090,370	1,090,370	1,378,380
Employee benefits	1,035,244	630,551	630,551	404,693
Professional and technical services	903,325	375,128	383,628	519,697
Staff travel	89,463	2,080	2,080	87,383
Student travel	63,781	258	258	63,523
Other purchased services	12,328	3,364	3,364	8,964
Supplies, materials and media	1,424,120	530,713	630,182	793,938
Tuition and stipends	2,000	-	-	2,000
Other expenses	4,065	1,055	1,055	3,010
Total support services - students	6,480,311	2,935,375	3,043,344	3,436,967

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Federal Programs Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2021

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
Support services - instruction:				
Certificated salaries	\$ 593,397	\$ 582,409	\$ 582,409	\$ 10,988
Non-certificated salaries	311,749	280,739	280,739	31,010
Employee benefits	441,197	422,819	422,819	18,378
Professional and technical services	121,155	60,559	60,559	60,596
Staff travel	3,000	329	329	2,671
Other purchased services	143	143	143	-
Supplies, materials and media	133,067	21,459	21,459	111,608
Other expenses	10,382	8,653	8,653	1,729
Total support services - instruction	1,614,090	1,377,110	1,377,110	236,980
School administration support services:				
Non-certificated salaries	7,491	1,200	1,200	6,291
Employee benefits	-	737	737	(737)
Total school administration support services	7,491	1,937	1,937	5,554
District administration support services:				
Non-certificated salaries	82,306	-	-	82,306
Indirect costs	1,176,553	840,561	840,561	335,992
Total district administration support services	1,258,859	840,561	840,561	418,298
Operations and maintenance of plant:				
Non-certificated salaries	659,147	25,427	25,427	633,720
Employee benefits	-	15,558	15,558	(15,558)
Supplies, materials and media	(260)	20,702	9,214	(9,474)
Capital outlay	-	109,318	-	-
Total operations and maintenance of plant	658,887	171,005	50,199	608,688
Student activities:				
Non-certificated salaries	253,084	-	-	253,084
Total student activities	253,084	-	-	253,084

See accompanying notes to the basic financial statements

continued

Fairbanks North Star Borough School District

Federal Programs Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2021

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
Food service:				
Supplies, materials and media	\$ 148,232	\$ 39,642	\$ 39,642	\$ 108,590
Capital outlay	12,000	12,000	12,000	-
Total food service	160,232	51,642	51,642	108,590
Total expenditures	31,999,253	15,879,522	15,885,570	16,113,683
Excess (deficiency) of revenues over expenditures	48,258	593	(5,455)	(53,713)
Net change in fund balance	<u>\$ 48,258</u>	<u>\$ 593</u>	<u>\$ (5,455)</u>	<u>\$ (53,713)</u>
Fund balance - beginning		2,045		
Fund balance - ending		<u>\$ 2,638</u>		

See accompanying notes to the basic financial statements

continued

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Fairbanks North Star Borough School District

**Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2021
(With comparative totals for 2020)**

	Food Service Special Revenue	Local Programs Special Revenue	State Programs Special Revenue
Assets			
Equity in central treasury cash	\$ -	\$ 202,046	\$ 384,924
Accounts receivable	100,813	-	58,933
Inventories	594,811	-	-
Total assets	\$ 695,624	\$ 202,046	\$ 443,857
Liabilities and Fund Balances (Deficit)			
Liabilities			
Accounts payable	\$ 422	\$ -	\$ -
Unearned revenue	-	-	347,809
Due to other funds	1,428,013	4,193	58,933
Total liabilities	1,428,435	4,193	406,742
Fund balances			
Nonspendable	594,811	-	-
Restricted	-	116,522	37,115
Committed	-	81,331	-
Unassigned (deficit)	(1,327,622)	-	-
Total fund balances (deficit)	(732,811)	197,853	37,115
Total liabilities and fund balances	\$ 695,624	\$ 202,046	\$ 443,857

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Nonmajor Governmental Funds Combining Balance Sheet June 30, 2021 (With comparative totals for 2020)

	School Activities Special Revenue	Total Nonmajor Governmental Funds	
		2021	2020
Assets			
Equity in central treasury cash	\$ 1,519,457	\$ 2,106,427	\$ 2,196,350
Accounts receivable	-	159,746	87,855
Inventories	-	594,811	755,540
Total assets	\$ 1,519,457	\$ 2,860,984	\$ 3,039,745
Liabilities and Fund Balances (Deficit)			
Liabilities			
Accounts payable	\$ 66,363	\$ 66,785	\$ 13,243
Unearned revenue	-	347,809	348,168
Due to other funds	-	1,491,139	847,134
Total liabilities	66,363	1,905,733	1,208,545
Fund balances			
Nonspendable	-	594,811	755,540
Restricted	-	153,637	259,159
Committed	1,453,094	1,534,425	1,576,380
Unassigned (deficit)	-	(1,327,622)	(759,879)
Total fund balances (deficit)	1,453,094	955,251	1,831,200
Total liabilities and fund balances	\$ 1,519,457	\$ 2,860,984	\$ 3,039,745

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2021

(With comparative totals for 2020)

	Food Service Special Revenue	Local Programs Special Revenue	State Programs Special Revenue
Revenues:			
Local sources	\$ 51,171	\$ 133,723	\$ -
State sources	-	-	210,593
Federal sources	3,784,419	-	-
Total revenues	3,835,590	133,723	210,593
Expenditures - current:			
Instruction	-	87,987	3,283
Support services - students	-	93,902	293,559
Support services - instruction	-	7,437	5,201
District administration support services	-	-	10,389
Operations and maintenance of plant	4,846	-	-
Student activities	-	-	-
Food service	4,736,393	-	360
Total expenditures	4,741,239	189,326	312,792
Excess (deficiency) of revenues over expenditures	(905,649)	(55,603)	(102,199)
Other financing sources (uses):			
Transfers in	177,177	-	-
Total other financing sources (uses)	177,177	-	-
Net change in fund balances	(728,472)	(55,603)	(102,199)
Fund balances - beginning	(4,339)	253,456	139,314
Fund balances (deficit) - ending	\$ (732,811)	\$ 197,853	\$ 37,115

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2021

(With comparative totals for 2020)

	School Activities Special Revenue	Total Nonmajor Governmental Funds	
		2021	2020
Revenues:			
Local sources	\$ 813,270	\$ 998,164	\$ 3,169,253
State sources	-	210,593	309,508
Federal sources	-	3,784,419	3,666,760
Total revenues	813,270	4,993,176	7,145,521
Expenditures - current:			
Instruction	-	91,270	100,077
Support services - students	-	387,461	380,258
Support services - instruction	-	12,638	24,819
District administration support services	-	10,389	13,513
Operations and maintenance of plant	-	4,846	6,821
Student activities	802,945	802,945	1,765,487
Food service	-	4,736,753	5,346,210
Total expenditures	802,945	6,046,302	7,637,185
Excess (deficiency) of revenues over expenditures	10,325	(1,053,126)	(491,664)
Other financing sources (uses):			
Transfers in	-	177,177	177,177
Total other financing sources (uses)	-	177,177	177,177
Net change in fund balances	10,325	(875,949)	(314,487)
Fund balances - beginning	1,442,769	1,831,200	2,145,687
Fund balances (deficit) - ending	\$ 1,453,094	\$ 955,251	\$ 1,831,200

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Food Service Special Revenue Fund Balance Sheet June 30, 2021 (With comparative totals for 2020)

	2021	2020
Assets		
Accounts receivable	\$ 100,813	\$ -
Inventories	594,811	755,540
Total assets	\$ 695,624	\$ 755,540
Liabilities and Fund Balance (Deficit)		
Liabilities		
Accounts payable	\$ 422	\$ 625
Due to other funds	1,428,013	759,254
Total liabilities	1,428,435	759,879
Fund balance		
Nonspendable	594,811	755,540
Unassigned (deficit)	(1,327,622)	(759,879)
Total fund balance (deficit)	(732,811)	(4,339)
Total liabilities and fund balance	\$ 695,624	\$ 755,540

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Food Service Special Revenue Fund Statement of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2021 (With comparative totals for 2020)

	2021	2020
Revenues:		
Local sources:		
Food service	\$ 51,171	\$ 1,134,055
Federal sources:		
Through the State of Alaska	3,784,419	3,666,760
Total revenues	3,835,590	4,800,815
Expenditures - current:		
Operations and maintenance of plant:		
Non-certificated salaries	3,007	4,287
Employee benefits	1,839	2,534
Total operations and maintenance of plant	4,846	6,821
Food service:		
Non-certificated salaries	1,976,517	1,977,535
Employee benefits	1,161,533	1,114,485
Professional and technical services	30,312	30,640
Staff travel	2,557	6,144
Utility services	10,200	11,357
Energy	182,686	207,714
Other purchased services	2,187	2,597
Supplies, materials and media	1,370,087	1,963,903
Other expenses	314	263
Total food service	4,736,393	5,314,638
Total expenditures	4,741,239	5,321,459
Excess (deficiency) of revenues over expenditures	(905,649)	(520,644)
Other financing sources (uses):		
Transfers in	177,177	177,177
Total other financing sources (uses)	177,177	177,177
Net change in fund balance	(728,472)	(343,467)
Fund balance - beginning	(4,339)	339,128
Fund balance (deficit) - ending	\$ (732,811)	\$ (4,339)

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Food Service Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2021

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
Local sources	\$ 1,650,418	\$ 51,171	\$ 51,171	\$ (1,599,247)
Federal sources	3,835,388	3,784,419	3,784,419	(50,969)
Total revenues	5,485,806	3,835,590	3,835,590	(1,650,216)
Expenditures - current:				
Operations and maintenance of plant:				
Non-certificated salaries	5,417	3,007	3,007	2,410
Employee benefits	3,327	1,839	1,839	1,488
Total operations and maintenance of plant	8,744	4,846	4,846	3,898
Food service:				
Non-certificated salaries	2,225,589	1,976,517	1,976,517	249,072
Employee benefits	1,309,992	1,161,533	1,161,533	148,459
Professional and technical services	32,000	30,312	30,312	1,688
Staff travel	8,000	2,557	2,557	5,443
Utility services	14,727	10,200	10,200	4,527
Energy	170,500	182,686	182,686	(12,186)
Other purchased services	2,200	2,187	2,187	13
Supplies, materials and media	2,265,577	1,370,087	1,370,087	895,490
Other expenses	300	314	314	(14)
Capital outlay	10,000	-	-	10,000
Total food service	6,038,885	4,736,393	4,736,393	1,302,492
Total expenditures	6,047,629	4,741,239	4,741,239	1,306,390
Excess (deficiency) of revenues over expenditures	(561,823)	(905,649)	(905,649)	(343,826)
Other financing sources (uses):				
Transfers in	-	177,177	177,177	177,177
Total other financing sources (uses)	-	177,177	177,177	177,177
Net change in fund balance	<u>\$ (561,823)</u>	<u>(728,472)</u>	<u>\$ (728,472)</u>	<u>\$ (166,649)</u>
Fund balance - beginning		(4,339)		
Fund balance (deficit) - ending		<u>\$ (732,811)</u>		

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Local Programs Special Revenue Fund Balance Sheet June 30, 2021 (With comparative totals for 2020)

	2021	2020
Assets		
Equity in central treasury cash	\$ 202,046	\$ 254,067
Total assets	\$ 202,046	\$ 254,067
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ -	\$ 586
Due to other funds	4,193	25
Total liabilities	4,193	611
Fund balance		
Restricted	116,522	119,845
Unassigned	81,331	133,611
Total fund balance	197,853	253,456
Total liabilities and fund balance	\$ 202,046	\$ 254,067

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Local Programs Special Revenue Fund Statement of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2021 (With comparative totals for 2020)

	2021	2020
Revenues:		
Local sources:		
Community Donations	\$ -	\$ 7,964
BNT After School Program	33,923	65,951
UPK After School Program	(474)	55,274
Views On Learning	25,000	-
National Rifle Association (NRA)	3,516	4,733
Instruments	42,791	50,050
Mathematics Education Trust (MET)	-	3,000
GCI Suicide Prevention	-	11,858
NEA COVID-19	9,500	-
STEMKAMP	19,467	-
Total local sources	133,723	198,830
Expenditures - current:		
Instruction:		
Supplies, materials and media	87,805	-
Total instruction	87,987	-
Support services - students:		
Certificated salaries	1,473	7,600
Non-certificated salaries	32,777	79,126
Employee benefits	16,891	40,390
Professional and technical services	1,500	2,624
Staff travel	-	77
Utility services	385	843
Other purchased services	3,000	586
Supplies, materials and media	37,876	7,235
Total support services - students	93,902	138,481

See accompanying notes to the basic financial statements

continued

Fairbanks North Star Borough School District

Local Programs Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2021

(With comparative totals for 2020)

	2021	2020
Support services - instruction:		
Certificated salaries	\$ 2,251	\$ 4,500
Employee benefits	669	670
Professional and technical services	-	790
Supplies, materials and media	4,517	6,636
Total support services - instruction	7,437	12,596
Total expenditures	189,326	151,077
Excess (deficiency) of revenues over expenditures	(55,603)	47,753
Net change in fund balance	(55,603)	47,753
Fund balance - beginning	253,456	205,703
Fund balance - ending	\$ 197,853	\$ 253,456

See accompanying notes to the basic financial statements

continued

Fairbanks North Star Borough School District

Local Programs Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2021

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
Local sources	\$ 106,026	\$ 133,723	\$ 133,723	\$ 27,697
Expenditures - current:				
Instruction:				
Certificated salaries	24,198	90	90	24,108
Non-certificated salaries	6,673	-	-	6,673
Employee benefits	5,793	92	92	5,701
Supplies, materials and media	118,607	87,805	87,805	30,802
Total instruction	155,271	87,987	87,987	67,284
Support services - students:				
Certificated salaries	-	1,473	1,473	(1,473)
Non-certificated salaries	-	32,777	32,777	(32,777)
Employee benefits	-	16,891	16,891	(16,891)
Professional and technical services	1,500	1,500	1,500	-
Utility services	-	385	385	(385)
Other purchased services	3,000	3,000	3,000	-
Supplies, materials and media	61,520	37,876	37,876	23,644
Total support services - students	66,020	93,902	93,902	(27,882)
Support services - instruction:				
Certificated salaries	-	2,251	2,251	(2,251)
Employee benefits	-	669	669	(669)
Supplies, materials and media	75,926	4,517	4,517	71,409
Total support services - instruction	75,926	7,437	7,437	68,489
Total expenditures	297,217	189,326	189,326	107,891
Excess (deficiency) of revenues over expenditures	(191,191)	(55,603)	(55,603)	135,588
Net change in fund balance	<u>\$ (191,191)</u>	<u>\$ (55,603)</u>	<u>\$ (55,603)</u>	<u>\$ 135,588</u>
Fund balance - beginning		253,456		
Fund balance - ending		<u>\$ 197,853</u>		

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

State Programs Special Revenue Fund Balance Sheet June 30, 2021 (With comparative totals for 2020)

	2021	2020
Assets		
Equity in central treasury cash	\$ 384,924	\$ 487,662
Accounts receivable	58,933	87,855
Total assets	\$ 443,857	\$ 575,517
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ -	\$ 180
Unearned revenue	347,809	348,168
Due to other funds	58,933	87,855
Total liabilities	406,742	436,203
Fund balance		
Restricted	37,115	139,314
Total fund balance	37,115	139,314
Total liabilities and fund balance	\$ 443,857	\$ 575,517

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

State Programs Special Revenue Fund Statement of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2021 (With comparative totals for 2020)

	2021	2020
Revenues:		
State sources:		
Staff Development Mini Grant	\$ 3,283	\$ 17,336
Nutritional AK Foods for Schools	360	31,572
Youth Risk Behavior Survey	-	6,611
Suicide Prevent	26,924	21,705
Early Learning	148,874	122,608
Charter Schools	-	87,855
Bree's Law	-	14,500
Be (You) Prevention Team	22,246	7,321
Substance Misuse and Addiction Prevention	8,906	-
Total state sources	210,593	309,508
Total revenues	210,593	309,508
Expenditures - current:		
Instruction:		
Non-certificated salaries	1,134	-
Employee benefits	97	-
Professional and technical services	2,052	-
Staff travel	-	17,336
Supplies, materials and media	-	82,741
Total instruction	3,283	100,077
Support services - students:		
Certificated salaries	4,475	13,041
Non-certificated salaries	74,255	38,769
Employee benefits	45,399	23,195
Professional and technical services	47,370	1,501
Staff travel	3,801	11,902
Other purchased services	2,149	578
Supplies, materials and media	37,616	147,791
Other expenses	-	5,000
Capital outlay	78,494	-
Total support services - students	293,559	241,777

See accompanying notes to the basic financial statements

continued

Fairbanks North Star Borough School District

State Programs Special Revenue Fund Statement of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2021 (With comparative totals for 2020)

	2021	2020
Support services - instruction:		
Certificated salaries	\$ -	\$ 5,500
Employee benefits	-	818
Professional and technical services	245	-
Staff travel	-	3,403
Supplies, materials and media	4,956	2,502
Total support services - instruction	5,201	12,223
District administration support services:		
Indirect costs	10,389	13,513
Total district administration support services	10,389	13,513
Food service:		
Supplies, materials and media	360	31,572
Total food service	360	31,572
Total expenditures	312,792	399,162
Excess (deficiency) of revenues over expenditures	(102,199)	(89,654)
Net change in fund balance	(102,199)	(89,654)
Fund balance - beginning	139,314	228,968
Fund balance - ending	\$ 37,115	\$ 139,314

See accompanying notes to the basic financial statements

continued

Fairbanks North Star Borough School District

State Programs Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual - by Object For the Year Ended June 30, 2021

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
State sources	\$ 211,702	\$ 210,593	\$ 210,593	\$ (1,109)
Total revenues	211,702	210,593	210,593	(1,109)
Expenditures - current:				
Instruction:				
Non-certificated salaries	-	1,134	1,134	(1,134)
Employee benefits	-	97	97	(97)
Professional and technical services	2,202	2,052	2,052	150
Supplies, materials and media	241	-	-	241
Total instruction	2,443	3,283	3,283	(840)
Support services - students:				
Certificated salaries	4,892	4,475	4,475	417
Non-certificated salaries	73,614	74,255	74,255	(641)
Employee benefits	45,687	45,399	45,399	288
Professional and technical services	26,750	47,370	47,370	(20,620)
Staff travel	5,143	3,801	3,801	1,342
Other purchased services	1,849	2,149	2,149	(300)
Supplies, materials and media	96,155	37,616	37,616	58,539
Capital outlay	-	78,494	-	-
Total support services - students	254,090	293,559	215,065	39,025
Support services - instruction:				
Professional and technical services	-	245	245	(245)
Supplies, materials and media	5,684	4,956	4,956	728
Total support services - instruction	5,684	5,201	5,201	483

See accompanying notes to the basic financial statements

continued

Fairbanks North Star Borough School District

State Programs Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balance Budget (Non-GAAP Basis) and Actual - by Object
For the Year Ended June 30, 2021

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
District administration support services:				
Indirect costs	\$ 10,518	\$ 10,389	\$ 10,389	\$ 129
Total district administration support services	10,518	10,389	10,389	129
Food service:				
Supplies, materials and media	347,927	360	360	347,567
Total food service	347,927	360	360	347,567
Total expenditures	620,662	312,792	234,298	386,364
Excess (deficiency) of revenues over expenditures	(408,960)	(102,199)	(23,705)	385,255
Net change in fund balance	<u>\$ (408,960)</u>	<u>\$ (102,199)</u>	<u>\$ (23,705)</u>	<u>\$ 385,255</u>
Fund balance - beginning		139,314		
Fund balance - ending		<u>\$ 37,115</u>		

See accompanying notes to the basic financial statements

continued

Fairbanks North Star Borough School District

School Activities Special Revenue Fund Balance Sheet June 30, 2021 (With comparative totals for 2020)

	2021	2020
Assets		
Equity in central treasury cash	\$ 1,519,457	\$ 1,454,621
Total assets	\$ 1,519,457	\$ 1,454,621
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 66,363	\$ 11,852
Total liabilities	66,363	11,852
Fund balance		
Committed	1,453,094	1,442,769
Total fund balance	1,453,094	1,442,769
Total liabilities and fund balance	\$ 1,519,457	\$ 1,454,621

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

School Activities Special Revenue Fund Statement of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2021 (With comparative totals for 2020)

	2021	2020
Revenues:		
Local sources	\$ 813,270	\$ 1,836,368
Expenditures - current:		
Student activities:		
Certificated salaries	650	1,800
Non-certificated salaries	1,645	4,200
Employee benefits	952	1,067
Professional and technical services	11,887	40,809
Staff travel	-	1,858
Student travel	181,498	717,576
Other purchased services	18,691	25,535
Supplies, materials and media	568,539	933,204
Other expenses	19,083	39,438
Total student activities	802,945	1,765,487
Total expenditures	802,945	1,765,487
Excess (deficiency) of revenues over expenditures	10,325	70,881
Net change in fund balance	10,325	70,881
Fund balance - beginning	1,442,769	1,371,888
Fund balance - ending	\$ 1,453,094	\$ 1,442,769

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

School Activities Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2021

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
Local sources	\$ 3,000,000	\$ 813,270	\$ 813,270	\$ (2,186,730)
Expenditures - current:				
Student activities:				
Certificated salaries	-	650	650	(650)
Non-certificated salaries	-	1,645	1,645	(1,645)
Employee benefits	-	952	952	(952)
Professional and technical services	-	11,887	11,887	(11,887)
Student travel	-	181,498	181,498	(181,498)
Other purchased services	-	18,691	18,691	(18,691)
Supplies, materials and media	3,000,000	568,539	550,159	2,449,841
Other expenses	-	19,083	19,083	(19,083)
Total student activities	3,000,000	802,945	784,565	2,215,435
Total expenditures	3,000,000	802,945	784,565	2,215,435
Excess (deficiency) of revenues over expenditures	-	10,325	28,705	28,705
Net change in fund balance	<u>\$ -</u>	<u>\$ 10,325</u>	<u>\$ 28,705</u>	<u>\$ 28,705</u>
Fund balance - beginning		1,442,769		
Fund balance - ending		<u>\$ 1,453,094</u>		

See accompanying notes to the basic financial statements

Financial Section

Capital Projects Fund

To account for all resources used for property acquisition, major equipment expense, and infrastructure improvements.



Fairbanks North Star Borough School District

Capital Projects Fund
Balance Sheet
June 30, 2021
(With comparative totals for 2020)

	2021	2020
Assets		
Equity in central treasury cash	\$ 3,333,588	\$ 7,161,398
Total assets	\$ 3,333,588	\$ 7,161,398
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 372,934	\$ 1,526,485
Due to Fairbanks North Star Borough	7,262	24,302
Total liabilities	380,196	1,550,787
Fund balance		
Restricted	2,953,392	5,610,611
Total fund balance	2,953,392	5,610,611
Total liabilities and fund balance	\$ 3,333,588	\$ 7,161,398

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2021
(With comparative totals for 2020)

	2021	2020
Revenues:		
Federal sources:		
Through the State of Alaska	\$ -	\$ 425,737
Expenditures - current:		
Capital outlay:		
Professional and technical services	696	16,314
Other purchased services	2,626,944	2,371,827
Supplies, materials and media	29,579	2,317
Total capital outlay	2,657,219	2,390,458
Total expenditures	2,657,219	2,390,458
Excess (deficiency) of revenues over expenditures	(2,657,219)	(1,964,721)
Net change in fund balance	(2,657,219)	(1,964,721)
Fund balance - beginning	5,610,611	7,575,332
Fund balance - ending	\$ 2,953,392	\$ 5,610,611

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Capital Projects Fund

Project Length Schedule of Revenues and Expenditures

Beginning of Projects to June 30, 2021

	Title VIII Construction	BEH Roof Replacement	WRV Roof Replacement	Project To Date Totals
Project Authorizations:	\$ 2,236,077	\$ 4,356,672	\$ 3,051,701	\$ 9,644,450
Revenues				
Federal sources	\$ 2,200,761	\$ -	\$ -	\$ 2,200,761
Transfers from other funds	35,315	4,356,672	3,051,701	7,443,688
Total revenues	2,236,076	4,356,672	3,051,701	9,644,449
Expenditures - capital outlay				
Professional and technical services	18,668	-	17,010	35,678
Other purchased services	1,272,407	2,996,896	1,886,442	6,155,745
Supplies, materials and media	471,283	-	-	471,283
Other capital outlay	323,187	-	-	323,187
Total expenditures	2,085,545	2,996,896	1,903,452	6,985,893
Excess (deficiency) of revenues over expenditures	\$ 150,532	\$ 1,359,776	\$ 1,148,249	\$ 2,658,557

See accompanying notes to the basic financial statements

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Financial Section

Internal Service Funds

Risk Management: accounts for transactions related to self-insurance and risk management services.

Equipment Replacement: accounts for the management and replacement of the General Fund's equipment and vehicles.



Fairbanks North Star Borough School District

Internal Service Funds
Combining Statement of Net Position
June 30, 2021
(With comparative totals for 2020)

	Risk Management	Equipment Replacement	2021	2020
Assets				
Equity in central treasury cash	\$ 7,030,385	\$ 2,374,309	\$ 9,404,694	\$ 7,029,159
Accounts receivable	1,390,296	-	1,390,296	1,102,874
Total assets	\$ 8,420,681	\$ 2,374,309	\$ 10,794,990	\$ 8,132,033
Liabilities and Net Position (Deficit)				
Current Liabilities				
Accounts payable	\$ 35,516	\$ -	\$ 35,516	\$ -
Claims payable	5,504,727	-	5,504,727	5,074,101
Total current liabilities	5,540,243	-	5,540,243	5,074,101
Noncurrent Liabilities				
Claims payable	46,711	-	46,711	49,141
Accrued self-insurance reserves	2,304,303	-	2,304,303	1,415,808
Total noncurrent liabilities	2,351,014	-	2,351,014	1,464,949
Total liabilities	7,891,257	-	7,891,257	6,539,050
Net Position				
Unrestricted (deficit)	529,424	2,374,309	2,903,733	1,592,983
Total net position (deficit)	\$ 529,424	\$ 2,374,309	\$ 2,903,733	\$ 1,592,983

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Internal Service Funds

Combining Schedule of Revenues, Expenditures and Changes in Net Position

For the Year Ended June 30, 2021

(With comparative totals for 2020)

	Risk Management	Equipment Replacement	2021	2020
Operating revenues				
Local sources				
Charges for services	\$ 38,509,101	\$ 1,064,702	\$ 39,573,803	\$ 35,848,982
Other local revenue	-	9,270	9,270	304,989
Total local sources	38,509,101	1,073,972	39,583,073	36,153,971
Total revenues	38,509,101	1,073,972	39,583,073	36,153,971
Operating expenses				
Auto and general liability insurance	1,043,624	-	1,043,624	1,511,716
Property and other insurance	639,599	-	639,599	567,456
Workers' compensation insurance	1,738,938	-	1,738,938	1,001,134
Health and life insurance	34,496,270	-	34,496,270	34,472,407
Supplies, materials and media	-	353,892	353,892	1,465,044
Total operating expenses	37,918,431	353,892	38,272,323	39,017,757
Operating income (loss)	590,670	720,080	1,310,750	(2,863,786)
Change in net position	590,670	720,080	1,310,750	(2,863,786)
Net position (deficit) - beginning	(61,246)	1,654,229	1,592,983	4,456,769
Net position (deficit) - ending	\$ 529,424	\$ 2,374,309	\$ 2,903,733	\$ 1,592,983

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Internal Service Funds Combining Statement of Cash Flows For the Year Ended June 30, 2021 (With comparative totals for 2020)

	Risk Management	Equipment Replacement	2021	2020
Cash flow from operating activities				
Receipts from interfund charges	\$ 36,903,873	\$ 1,064,702	\$ 37,968,575	\$ 35,813,628
Receipts from employees	1,317,806	9,270	1,327,076	1,751,849
Payments to suppliers	(1,165,859)	(353,892)	(1,519,751)	(2,349,469)
Payments to employees	(1,019,123)	-	(1,019,123)	(1,061,281)
Payments to Fairbanks North Star Borough	(34,381,242)	-	(34,381,242)	(36,636,421)
Net cash provided by (used in) operating activities	1,655,455	720,080	2,375,535	(2,481,694)
Net increase (decrease) in equity in central treasury cash	1,655,455	720,080	2,375,535	(2,481,694)
Equity in central treasury cash - beginning	5,374,930	1,654,229	7,029,159	9,510,853
Equity in central treasury cash - ending	\$ 7,030,385	\$ 2,374,309	\$ 9,404,694	\$ 7,029,159
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 590,670	\$ 720,080	\$ 1,310,750	\$ (2,863,786)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities				
Decrease (increase) in accounts receivable	(287,422)	-	(287,422)	(873,774)
Increase (decrease) in accounts payable	35,516	-	35,516	(142,281)
Increase (decrease) in claims payable, current	430,626	-	430,626	608,707
Increase (decrease) in claims payable, noncurrent	(2,430)	-	(2,430)	(3,794)
Increase (decrease) in accrued self-insurance reserves	888,495	-	888,495	793,234
Total adjustments	1,064,785	-	1,064,785	382,092
Net cash provided by (used in) operating activities	\$ 1,655,455	\$ 720,080	\$ 2,375,535	\$ (2,481,694)

See accompanying notes to the basic financial statements

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Statistical Section



Statistical Section

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Fairbanks North Star Borough School District

Net Position by Component Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year				
	2012	2013	2014	2015	2016
					(a)
Governmental activities:					
Investment in capital assets	\$ 4,391,797	\$ 4,169,278	\$ 4,001,914	\$ 4,112,494	\$ 4,580,174
Restricted for:					
Grant-funded programs	-	-	-	1,416,526	1,670,850
Student allotments	-	-	-	35,108	88,780
Unrestricted	17,380,499	19,123,971	20,941,096	(65,801,513)	(85,483,184)
Total net position (deficit)	\$ 21,772,296	\$ 23,293,249	\$ 24,943,010	\$ (60,237,385)	\$ (79,143,380)

	Fiscal Year				
	2017	2018	2019	2020	2021
			(b)		
Governmental activities:					
Investment in capital assets	\$ 4,299,337	\$ 4,015,924	\$ 3,960,939	\$ 3,325,382	\$ 3,082,873
Restricted for:					
Grant-funded programs	700,964	273,018	7,641,421	5,871,815	3,190,998
Student allotments	102,147	133,205	133,205	321,841	257,635
Unrestricted	(111,644,615)	(116,430,485)	(118,559,318)	(100,714,408)	(99,827,939)
Total net position (deficit)	\$ (106,542,167)	\$ (112,008,338)	\$ (106,823,753)	\$ (91,195,370)	\$ (93,296,433)

(a) Beginning net position at July 1, 2014 has been adjusted for the implementation of GASB Statements No. 68 and 71.

(b) Beginning net position at July 1, 2017 has been adjusted for the implementation of GASB Statements No. 75.

Fairbanks North Star Borough School District

Change in Net Position Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year				
	2012	2013	2014	2015	2016
Expenses					
Governmental activities:					
Instruction	\$ 107,518,432	\$ 111,205,333	\$ 109,531,681	\$ 122,257,659	\$ 107,399,957
Special education instruction	25,693,963	29,783,855	29,236,637	31,589,337	33,322,750
Special education support services - students	7,840,679	10,087,672	10,551,365	11,614,210	11,205,400
Support services - students	14,645,274	15,353,243	16,554,098	16,113,199	16,503,860
Support Services - instruction	13,656,552	12,899,352	12,079,620	12,093,473	14,110,870
Support Services - technology	-	-	-	-	-
School administration	7,683,508	8,384,189	8,712,544	9,734,249	8,555,778
School administration support services	6,109,394	5,645,704	5,724,618	5,627,274	7,154,047
District administration	2,460,180	2,415,563	2,125,738	2,368,596	2,170,832
District administration support services	11,302,391	10,394,306	10,503,523	10,876,471	14,310,514
Operations and maintenance of plant	26,259,233	25,334,946	25,259,547	27,052,784	28,728,249
Student activities	5,004,579	5,182,117	5,293,009	3,052,086	4,969,652
Student transportation - to and from school	11,222,482	11,382,622	11,785,326	11,974,378	11,891,808
Community services	-	-	5,000	-	-
Food services	5,510,680	5,400,980	5,418,264	5,910,012	6,591,827
Interest expense					
Total expenses	244,907,347	253,469,882	252,780,970	270,263,728	266,915,544
Program Revenues					
Governmental activities:					
Charges for Services:					
Instruction	51,492	69,392	62,715	44,280	47,332
Support services - students	112,795	19,703	188,850	222,709	189,497
Support services - instruction	65,844	145,416	38,540	34,860	29,006
Food services	1,897,853	1,598,281	1,492,538	1,353,596	1,352,523
Operating grants and contributions	59,782,158	66,613,379	68,202,040	81,118,672	52,262,056
Capital grants and contributions	378,803	69,419	126,935	911,562	220,410
Total program revenues	62,288,945	68,515,590	70,111,618	83,685,679	54,100,824
Net expense - governmental activities	(182,618,402)	(184,954,292)	(182,669,352)	(186,578,049)	(212,814,720)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Borough direct appropriation	46,586,695	46,200,000	47,560,000	49,906,000	55,369,000
State grants and entitlements not restricted	131,423,615	139,279,599	135,710,475	141,615,821	137,209,936
Other	1,183,681	995,646	1,048,638	1,507,611	1,329,789
Total general revenues	179,193,991	186,475,245	184,319,113	193,029,432	193,908,725
Change in net position	\$ (3,424,411)	\$ 1,520,953	\$ 1,649,761	\$ 6,451,383	\$ (18,905,995)

Fairbanks North Star Borough School District

Change in Net Position Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year				
	2017	2018	2019	2020	2021
Expenses					
Governmental activities:					
Instruction	\$ 111,640,903	\$ 90,117,357	\$ 91,724,774	\$ 69,235,106	\$ 81,563,675
Special education instruction	34,256,340	28,067,312	27,785,770	22,464,040	25,536,458
Special education support services - students	11,056,197	8,882,198	8,877,680	6,498,466	7,267,310
Support services - students	14,252,727	11,372,845	13,888,153	12,126,478	15,341,432
Support Services - instruction	15,580,406	8,532,961	9,255,330	7,607,325	8,756,160
Support Services - technology	-	-	-	993,661	654,059
School administration	8,933,366	7,524,309	7,523,852	5,791,852	6,696,911
School administration support services	6,805,796	4,862,734	4,996,921	4,435,319	5,494,589
District administration	2,372,557	2,482,325	2,837,695	2,298,093	2,453,107
District administration support services	13,431,721	9,841,603	10,062,800	9,262,137	10,658,064
Operations and maintenance of plant	27,579,992	21,434,921	22,806,148	24,481,646	26,136,305
Student activities	5,043,266	4,412,922	4,703,477	3,257,289	2,283,183
Student transportation - to and from school	12,149,994	13,949,612	13,874,064	11,804,857	10,642,529
Community services	-	-	-	-	-
Food services	6,399,804	5,149,815	5,516,605	4,860,185	4,877,851
Interest expense	-	9,713	9,775	-	-
Total expenses	269,503,069	216,640,627	223,863,044	185,116,454	208,361,633
Program Revenues					
Governmental activities:					
Charges for Services:					
Instruction	9,686	21,156	21,518	-	5,728
Support services - students	185,255	169,021	187,672	121,225	-
Support services - instruction	9,050	-	-	-	33,449
Food services	1,369,239	1,360,303	1,417,808	1,134,055	51,171
Operating grants and contributions	45,805,824	45,103,665	40,715,394	15,269,536	30,087,995
Capital grants and contributions	1,135,763	424,435	407,567	425,737	-
Total program revenues	48,514,817	47,078,580	42,749,959	16,950,553	30,178,343
Net expense - governmental activities	(220,988,252)	(169,562,047)	(181,113,085)	(168,165,901)	(178,183,290)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Borough direct appropriation	54,169,000	51,145,400	50,045,400	50,045,400	49,045,400
State grants and entitlements not restricted	136,553,068	136,572,960	134,336,672	132,038,495	124,998,404
Other	2,867,397	1,930,739	1,915,598	1,710,389	2,038,423
Total general revenues	193,589,465	189,649,099	186,297,670	183,794,284	176,082,227
Change in net position	\$ (27,398,787)	\$ 20,087,052	\$ 5,184,585	\$ 15,628,383	\$ (2,101,063)

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Fairbanks North Star Borough School District

Fund Balances of Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year				
	2012	2013	2014	2015	2016
General fund:					
Nonspendable	\$ 602,804	\$ 573,283	\$ 518,791	\$ 624,652	\$ 444,007
Restricted	-	-	-	35,108	88,780
Assigned	19,556,139	18,552,099	15,719,300	19,972,736	18,653,930
Unassigned	71,358	1,372,848	3,616,590	4,342,757	15,425,238
Total general fund	\$ 20,230,301	\$ 20,498,230	\$ 19,854,681	\$ 24,975,253	\$ 34,611,955

All other governmental funds:					
Nonspendable	\$ 432,994	\$ 443,788	\$ 625,306	\$ 480,711	\$ 476,760
Restricted	377,814	662,773	1,864,874	1,416,526	1,670,850
Committed	1,796,551	1,794,550	1,726,030	1,634,796	1,576,893
Assigned	1,614,100	1,643,638	1,414,676	1,618,291	1,430,984
Unassigned	(11,270)	(77,502)	(500,032)	(1,170,105)	(1,459,913)
Total all other governmental funds	\$ 4,210,189	\$ 4,467,247	\$ 5,130,854	\$ 3,980,219	\$ 3,695,574

	Fiscal Year				
	2017	2018	2019	2020	2021
General fund:					
Nonspendable	\$ 457,102	\$ 402,381	\$ 327,400	\$ 423,706	\$ 1,016,165
Restricted	102,147	133,205	135,240	321,841	257,635
Assigned	20,340,970	25,003,495	23,203,257	20,289,714	9,510,130
Unassigned	12,760,554	7,930,467	-	-	-
Total general fund	\$ 33,660,773	\$ 33,469,548	\$ 23,665,897	\$ 21,035,261	\$ 10,783,930

All other governmental funds:					
Nonspendable	\$ 414,148	\$ 404,622	\$ 455,577	\$ 755,540	\$ 594,811
Restricted	700,964	273,018	7,639,386	5,871,815	3,109,667
Committed	1,563,189	1,583,939	1,577,591	1,576,380	1,534,425
Assigned	3,253,975	4,326,613	3,454,695	4,513,529	3,718,284
Unassigned	-	-	(116,449)	(759,879)	(1,327,622)
Total all other governmental funds	\$ 5,932,276	\$ 6,588,192	\$ 13,010,800	\$ 11,957,385	\$ 7,629,565

Fairbanks North Star Borough School District

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year				
	2012	2013	2014	2015	2016
Revenues:					
Local sources	\$ 52,339,919	\$ 51,339,032	\$ 52,815,470	\$ 55,606,475	\$ 60,634,525
State sources	156,325,965	172,478,357	173,180,153	348,429,223	147,346,486
Federal sources	32,813,694	31,170,046	28,432,155	33,536,223	32,322,556
Total revenues	241,479,578	254,987,435	254,427,778	437,571,921	240,303,567
Expenditures:					
Instruction	106,245,188	111,908,220	110,458,367	223,441,209	94,867,175
Special education instruction	25,299,652	29,874,926	29,374,914	50,484,786	27,997,201
Special education support services - students	7,765,973	10,116,540	10,616,448	19,726,865	9,756,127
Support services - students	14,464,374	15,436,738	16,745,156	26,237,222	13,677,384
Support services - instruction	13,384,278	12,741,319	12,024,263	17,963,049	12,050,673
Support services - technology	-	-	-	-	-
School administration	7,604,630	8,452,142	8,798,346	18,710,099	7,523,471
School administration support services	6,050,059	5,666,342	5,767,625	6,880,327	5,552,526
District administration	2,433,594	2,396,461	2,223,703	3,680,703	1,821,104
District administration support services	11,153,362	10,381,157	10,586,356	13,057,446	11,729,962
Operations and maintenance of plant	25,959,798	25,455,301	24,931,722	27,781,546	23,622,168
Student activities	4,992,296	5,185,421	5,312,989	7,130,687	4,682,307
Student transportation - to and from school	11,214,750	11,377,599	11,793,857	11,968,995	11,785,369
Community services	-	-	5,000	-	-
Food services	5,519,986	5,433,831	5,416,030	5,836,841	5,478,326
Debt service:					
Interest	-	-	-	-	-
Principal	-	-	-	-	-
Capital outlay	80,028	39,881	355,897	707,947	407,717
Total expenditures	242,167,968	254,465,878	254,410,673	433,607,722	230,951,510
Excess (deficiency) of revenues over expenditures	(688,390)	521,557	17,105	3,964,199	9,352,057
Other financing sources (uses):					
Proceeds from sale of capital assets	3,414	3,430	2,953	5,738	-
Issuance of capital leases	-	-	-	-	-
Transfers in	481,000	394,136	237,100	196,808	353,556
Transfers out	(481,000)	(394,136)	(237,100)	(196,808)	(353,556)
Total other financing sources (uses)	3,414	3,430	2,953	5,738	-
Net change in fund balances	\$ (684,976)	\$ 524,987	\$ 20,058	\$ 3,969,937	\$ 9,352,057
Capital expenditures	734,274	607,782	638,774	869,935	1,252,326
Noncapital expenditures	241,433,694	253,858,096	253,771,899	432,737,787	229,699,184
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%

Fairbanks North Star Borough School District

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year				
	2017	2018	2019	2020	2021
Revenues:					
Local sources	\$ 60,841,784	\$ 56,808,533	\$ 55,627,598	\$ 54,405,740	\$ 51,033,787
State sources	142,561,135	144,484,872	140,732,918	144,606,806	134,928,022
Federal sources	35,310,251	33,805,836	37,570,657	33,490,145	36,349,407
Total revenues	238,713,170	235,099,241	233,931,173	232,502,691	222,311,216
Expenditures:					
Instruction	97,473,533	94,901,086	96,919,183	96,608,560	99,940,153
Special education instruction	29,915,351	30,590,900	29,675,569	29,283,827	29,026,371
Special education support services - students	9,814,352	9,472,016	9,443,329	8,610,596	8,696,662
Support services - students	12,144,630	12,766,034	14,855,299	15,754,342	16,973,641
Support services - instruction	13,922,427	9,260,440	9,731,031	9,340,071	9,404,706
Support services - technology	-	-	-	1,030,872	647,551
School administration	7,786,833	7,896,957	7,937,095	8,407,008	8,398,439
School administration support services	5,766,492	5,752,459	5,477,135	5,547,176	5,671,476
District administration	2,060,746	2,751,071	3,016,670	2,878,191	2,646,614
District administration support services	11,709,938	13,427,341	10,723,296	10,735,799	10,820,599
Operations and maintenance of plant	24,231,980	23,395,641	24,095,829	24,663,272	24,044,665
Student activities	4,789,190	2,092,336	4,846,718	3,690,736	2,535,486
Student transportation - to and from school	12,141,538	13,989,161	13,881,158	11,860,591	10,638,435
Community services	-	-	-	-	-
Food services	5,652,711	5,609,743	5,721,400	5,394,270	4,788,395
Debt service:					
Interest	-	9,713	9,775	-	-
Principal	340,272	330,559	670,769	-	-
Capital outlay	1,019,257	695,306	323,698	2,390,458	2,657,219
Total expenditures	238,769,250	232,940,763	237,327,954	236,195,769	236,890,412
Excess (deficiency) of revenues over expenditures	(56,080)	2,158,478	(3,396,781)	(3,693,078)	(14,579,196)
Other financing sources (uses):					
Proceeds from sale of capital assets	-	6,213	15,738	9,027	45
Issuance of capital leases	1,341,600	-	-	-	-
Transfers in	3,659,851	3,392,465	9,001,871	1,577,177	694,409
Transfers out	(3,659,851)	(5,092,465)	(9,001,871)	(1,577,177)	(694,409)
Total other financing sources (uses)	1,341,600	(1,693,787)	15,738	9,027	45
Net change in fund balances	\$ 1,285,520	\$ 464,691	\$ (3,381,043)	\$ (3,684,051)	\$ (14,579,151)
Capital expenditures	523,376	598,465	910,578	210,354	448,991
Noncapital expenditures	238,245,874	232,342,298	236,417,376	235,985,415	236,441,421
Debt service as a percentage of noncapital expenditures	0.14%	0.15%	0.29%	0.00%	0.00%

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Fairbanks North Star Borough School District

Assessed and Estimated Actual Value of Taxable Property Last Ten Calendar Years

Calendar Year	Residential Property	Commercial Property	Industrial Property	Oil and Gas and Personal and Real Property	Vacant Land
				(a)	
2010	\$ 4,920,676,560	\$ 1,140,775,454	\$ 1,169,072,197	\$ 739,610,090	\$ 374,354,328
2011	5,092,908,211	1,219,689,461	1,220,419,599	706,617,790	377,340,540
2012	5,537,719,131	1,171,130,143	1,028,359,940	669,165,790	366,769,285
2013	5,161,733,840	1,308,735,243	1,297,245,790	947,537,770	363,078,718
2014	5,282,718,724	1,376,423,527	1,459,477,396	869,679,750	372,149,228
2015	5,430,005,080	1,411,411,448	1,471,191,632	832,745,270	363,029,926
2016	5,572,722,669	1,448,926,710	1,534,373,986	729,317,160	352,640,633
2017	5,688,950,351	1,485,215,835	1,570,596,019	735,113,850	355,472,190
2018	(d)	(d)	(d)	(d)	(d)
2019	(d)	(d)	(d)	(d)	(d)

Calendar Year	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
			(b)		(c)
2010	\$ 810,393,521	\$ 7,534,095,108	11.432	\$ 7,976,571,504	94.45%
2011	847,484,868	7,769,490,733	11.294	8,245,058,799	94.23%
2012	878,253,061	7,894,891,228	11.216	8,325,157,990	94.83%
2013	904,270,216	8,174,061,145	11.216	9,235,983,336	88.50%
2014	916,033,858	8,444,414,767	11.356	8,886,714,578	95.02%
2015	993,369,979	8,515,013,377	11.599	8,904,050,278	95.63%
2016	1,038,895,879	8,599,085,279	11.418	8,966,461,936	95.90%
2017	1,060,150,288	8,775,197,957	11.913	9,176,952,858	95.62%
2018	(d)	8,353,916,412	12.850	8,885,268,170	94.02%
2019	(d)	8,442,939,902	13.892	8,768,232,780	96.29%

Source: Fairbanks North Star Borough Comprehensive Annual Financial Report for the year ended June 30, 2020. Historically, information for the most recent calendar year is not available until after the publication date of the District Comprehensive Annual Financial Report.

Note: Property taxes are assessed on a calendar year basis. Estimated actual values are derived using the State-confirmed sales ratio plus State-assessed oil and gas property values. Assessed values are from certified assessment rolls of the Fairbanks North Star Borough. All values are for real property only unless otherwise noted.

(a) Oil and gas property assessments, for all calendar years, are based on State Assessment Review Board (SARB) values. Valuations do not reflect subsequent adjustments.

(b) This column is the areawide mill rate.

(c) This column includes tax-exempt property.

(d) This data is not currently available.

Fairbanks North Star Borough School District

Property Tax Rates and Tax Levies - This Borough and All Underlying Governments Last Ten Calendar Years

	Tax Rates - Millage									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Direct:										
Borough areawide	11.432	11.294	11.216	11.216	11.356	11.599	11.418	11.913	12.850	13.892
Overlapping special Borough taxing jurisdictions except service areas										
Non-Areawide	0.400	0.511	0.525	0.523	0.493	0.507	0.520	0.520	0.570	0.595
Solid Waste Collection District	1.141	1.194	1.229	1.232	1.300	1.350	1.389	1.401	1.534	1.599
Borough direct and overlapping except service areas total (a)	12.973	12.999	12.970	12.971	13.149	13.456	13.327	13.834	14.954	16.086
Overlapping service area jurisdictions										
Air Park S.A.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.125	0.000	0.000
Airway S.A.	1.256	1.287	1.324	1.387	1.436	1.489	1.569	1.603	1.551	1.532
Arctic Fox S.A.	1.787	1.708	1.850	1.945	1.967	2.168	2.363	2.308	2.410	2.458
Aztec S.A.	1.319	1.342	1.406	1.469	1.533	1.592	1.589	1.614	1.751	1.803
Ballaine Lake S.A.	13.162	14.920	16.054	17.222	17.670	18.209	18.204	16.541	17.124	16.379
Bear's Den Road S.A.	0.000	0.000	0.000	0.329	0.356	0.357	0.000	0.000	0.000	0.000
Becker Ridge S.A.	1.486	1.496	1.440	1.509	1.612	1.666	1.661	1.690	1.711	1.795
Birch Hill S.A.	1.995	2.023	2.101	2.195	2.292	2.356	2.379	2.354	2.332	2.322
Bluebird Road S.A.	2.447	2.792	2.883	3.138	3.378	3.362	3.392	3.691	3.528	3.367
Borda Road S.A.	1.171	1.157	1.204	1.253	1.349	1.383	1.362	1.371	1.361	1.413
Brookside S.A.	0.498	0.503	0.526	0.546	0.559	0.571	0.550	0.535	0.533	0.553
Chena Goldstream Fire S.A.	1.603	1.644	2.142	2.241	2.340	2.377	2.357	2.369	2.380	2.474
Chena Hills Road S.A.	1.060	1.076	1.115	1.152	1.197	1.219	1.187	1.178	1.173	1.197
Chena Hot Springs II S.A.	0.732	0.746	0.412	0.312	0.000	0.000	0.000	0.000	0.000	0.000
Chena Marina S.A.	0.830	0.857	0.880	0.966	1.001	0.976	0.988	0.991	0.997	1.043
Chena Point Road S.A.	3.065	3.128	3.247	3.352	3.488	3.550	3.494	3.475	3.491	3.586
Chena Spur S.A.	2.671	2.679	2.837	2.957	3.052	3.232	3.187	3.265	3.290	3.450
College S.A.	1.437	1.427	1.457	1.216	1.269	1.303	1.305	1.308	1.292	1.346
College Hills S.A.	0.871	0.912	0.950	1.016	1.011	1.053	1.035	1.012	1.007	1.030
Cooper Estates S.A.	2.899	2.915	3.048	3.087	3.313	3.397	3.376	3.290	3.330	3.371
Cordes Drive S.A.	1.201	1.232	1.283	1.374	1.431	1.423	1.448	1.455	1.446	1.512
Cripple Creek S.A.	1.636	1.668	1.717	1.814	1.904	1.946	1.944	1.935	1.945	2.007
Deep Forest S.A.	0.743	0.758	0.795	0.977	1.026	1.050	1.037	1.038	1.035	1.063
Denali View S.A. (b)	2.831	2.847	2.979	2.969	2.995	3.032	3.078	2.998	2.896	3.045
Diane Subdivision S.A.	0.348	0.345	0.357	0.374	0.391	0.405	0.396	0.388	0.382	0.412
Drake Estates S.A.	0.760	0.753	0.777	0.792	0.831	0.844	0.872	0.877	0.897	0.888
Edanella Heights Road S.A.	1.425	1.457	1.485	2.130	2.284	2.316	2.218	2.225	2.261	2.341
Ester Lump Road S.A.	3.093	3.160	3.333	3.550	3.765	4.109	4.145	4.167	4.241	4.429
Ester Volunteer Fire S.A.	2.568	2.619	2.726	2.887	3.033	3.140	3.159	3.150	3.158	3.280
Fairfields S.A.	0.752	0.750	0.789	0.834	0.867	0.898	0.887	0.869	0.831	0.885
Fairhill S.A.	2.255	2.294	2.315	1.156	1.213	1.245	1.285	1.302	1.249	1.350
Fairwest S.A.	1.948	1.903	1.989	2.082	2.119	2.155	2.204	2.199	2.160	2.210
Garden S.A.	1.126	1.099	1.135	1.188	1.244	1.275	1.280	1.259	1.306	1.347
Golden Valley Road S.A.	4.555	4.704	4.945	5.085	5.410	5.404	4.948	4.904	4.891	5.036
Goldstream Alaska S.A.	2.333	2.422	2.435	2.591	2.835	2.839	2.817	2.802	2.906	3.070
Goldstream Moose Creek S.A. (c)	1.682	1.694	1.720	1.758	1.831	1.887	1.871	1.914	1.921	1.983
Gordon S.A.	1.143	1.135	1.158	1.238	1.280	1.309	1.306	1.288	1.291	1.332
Granola Estates S.A.	1.281	1.321	1.441	1.534	1.587	1.647	1.603	1.614	1.661	1.714
Grieme Road S.A.	3.833	3.852	3.899	4.067	4.153	4.234	4.359	4.261	4.373	4.575
Haystack S.A.	3.324	3.615	3.767	3.815	3.974	4.128	4.324	4.512	4.793	5.000
Herning Hills S.A.	1.394	1.441	1.501	1.506	1.571	1.618	1.636	1.644	1.625	1.711
Horseshoe Downs S.A.	3.376	3.315	3.462	3.745	4.351	4.687	4.693	4.401	4.417	4.508
Jennifer Drive S.A.	1.742	1.816	2.019	2.202	2.328	2.404	2.389	2.485	2.616	2.723
Jones Road S.A.	1.630	1.689	1.737	1.815	1.905	1.889	1.939	1.973	1.997	2.097
Joy Road S.A.	1.271	1.271	1.314	1.313	1.329	1.345	1.375	1.356	1.421	1.517
Keeney Road S.A.	0.616	0.657	0.671	0.714	0.743	0.746	0.753	0.690	0.740	0.766
Kendall S.A.	0.957	1.021	1.045	1.073	1.165	1.197	1.189	1.174	1.169	1.224

Fairbanks North Star Borough School District

Property Tax Rates and Tax Levies - This Borough and All Underlying Governments Last Ten Calendar Years

	Tax Levies (in 000's)									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Direct:										
Borough areawide	\$ 92,077	\$ 93,726	\$ 94,876	\$98,349	\$ 103,053	\$ 106,434	\$ 106,398	\$ 113,619	\$ 117,845	\$ 129,274
Overlapping special Borough taxing jurisdictions except service areas										
Non-Areawide	2,126	2,773	2,910	3,053	2,987	3,135	3,259	3,332	3,483	3,701
Solid Waste Collection District	6,422	6,870	7,214	7,562	8,272	8,682	9,052	9,353	9,772	10,385
Borough direct and overlapping except service areas total (a)										
Overlapping service area jurisdictions										
Air Park S.A.	-	-	-	-	-	-	-	1	-	-
Airway S.A.	14	15	15	16	17	18	19	20	20	19
Arctic Fox S.A.	6	5	6	6	7	7	8	8	8	8
Aztec S.A.	23	26	28	30	31	38	40	43	60	64
Ballaine Lake S.A.	29	34	37	38	41	42	42	39	41	40
Bear's Den Road S.A.	-	-	-	1	1	1	-	-	-	-
Becker Ridge S.A.	116	122	128	135	145	152	156	159	165	173
Birch Hill S.A.	116	122	129	143	151	160	165	168	173	193
Bluebird Road S.A.	8	9	9	10	12	12	13	14	14	13
Borda Road S.A.	30	30	32	33	36	38	39	41	42	44
Brookside S.A.	10	10	10	11	11	12	11	12	12	13
Chena Goldstream Fire S.A.	1,057	1,111	1,498	1,579	1,678	1,756	1,802	1,856	1,910	2,018
Chena Hills Road S.A.	100	103	109	114	121	129	134	137	141	147
Chena Hot Springs II S.A.	1	1	1	-	-	-	-	-	-	-
Chena Marina S.A.	24	25	26	30	32	34	35	36	37	40
Chena Point Road S.A.	99	112	124	137	149	155	162	167	173	182
Chena Spur S.A.	45	47	51	52	56	60	61	64	66	71
College S.A.	544	561	586	481	514	533	544	556	561	587
College Hills S.A.	28	29	31	32	34	35	36	36	37	38
Cooper Estates S.A.	28	29	32	33	35	36	37	38	38	39
Cordes Drive S.A.	27	28	30	31	33	33	35	36	36	39
Cripple Creek S.A.	66	70	74	81	86	89	91	94	97	101
Deep Forest S.A.	21	21	22	29	30	31	31	31	32	33
Denali View S.A. (b)	8	8	9	9	9	9	9	9	9	10
Diane Subdivision S.A.	4	4	4	4	4	5	5	5	5	5
Drake Estates S.A.	8	8	9	9	9	9	10	10	11	11
Edanella Heights Road S.A.	34	36	37	53	57	59	60	61	63	66
Ester Lump Road S.A.	35	38	40	42	46	49	50	53	55	57
Ester Volunteer Fire S.A.	401	427	457	487	522	550	568	589	606	633
Fairfields S.A.	17	17	18	19	20	21	21	21	21	23
Fairhill S.A.	25	25	27	13	14	15	15	16	16	17
Fairwest S.A.	26	26	27	28	29	30	31	32	32	32
Garden S.A.	4	43	45	48	51	55	58	59	61	71
Golden Valley Road S.A.	15	16	17	18	19	19	19	19	19	21
Goldstream Alaska S.A.	27	29	30	32	35	36	36	36	39	41
Goldstream Moose Creek S.A. (c)	52	54	58	61	65	71	72	77	79	85
Gordon S.A.	57	60	62	66	68	70	72	73	80	83
Granola Estates S.A.	6	6	8	8	9	9	9	10	11	12
Grieme Road S.A.	20	22	24	25	25	27	28	28	28	30
Haystack S.A.	38	41	43	46	47	50	53	56	61	65
Herning Hills S.A.	28	30	32	33	35	37	38	39	40	42
Horseshoe Downs S.A.	19	20	26	29	32	34	35	33	34	35
Jennifer Drive S.A.	6	6	7	7	8	8	8	9	9	9
Jones Road S.A.	64	67	71	75	80	83	85	89	92	97
Joy Road S.A.	8	9	9	9	10	10	11	11	11	12
Keeney Road S.A.	2	3	3	3	3	3	3	3	3	3
Kendall S.A.	\$ 13	\$ 14	\$ 14	\$ 15	\$ 16	\$ 17	\$ 17	\$ 18	\$ 18	\$ 19

Fairbanks North Star Borough School District

Property Tax Rates and Tax Levies - This Borough and All Underlying Governments Last Ten Calendar Years

	Tax Rates - Millage									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Keystone S.A.	3.184	3.328	3.440	3.861	4.065	4.039	4.050	4.067	4.162	4.291
Kris Kringle S.A.	2.091	2.139	2.211	2.315	2.393	2.540	2.526	2.485	2.437	2.568
Lakloey Hill S.A.	1.036	1.059	1.110	1.177	1.214	1.263	1.256	1.240	1.218	1.266
Lee Lane S.A.	1.673	1.641	1.738	1.806	1.888	1.959	1.807	3.060	3.008	2.958
Loose Moose S.A.	1.002	0.982	1.034	1.042	1.086	1.128	1.147	1.097	1.030	1.082
Martin S.A.	8.588	8.833	9.417	9.943	10.323	10.359	10.500	11.713	12.279	12.736
McCloud S.A.	9.972	10.458	10.481	11.409	12.208	12.486	12.443	12.769	13.314	14.010
McGrath Estates S.A.	1.342	1.381	1.431	1.528	1.556	1.609	1.611	1.590	1.556	1.600
Mellow Woods Road S.A.	1.329	1.271	1.273	1.346	1.403	1.420	1.385	1.356	1.340	1.372
Miller Hill Extension S.A.	4.808	4.945	4.995	5.357	5.725	5.740	5.691	5.810	5.857	6.066
Moose Creek S.A.	0.344	0.380	0.387	0.344	0.383	0.390	0.421	1.099	1.103	1.404
Moose Meadows S.A.	0.869	0.877	0.910	0.923	0.968	0.993	0.997	0.986	0.978	0.936
Mt. View S.A.	1.297	1.358	1.399	1.504	1.520	1.475	1.475	1.456	1.386	1.358
Murphy S.A. (d)	1.618	1.642	1.692	1.784	1.844	1.829	1.812	1.795	2.857	3.087
Musk Ox S.A.	1.337	1.354	1.390	1.462	1.450	1.490	1.476	1.479	2.852	2.951
Newby Park S.A.	0.758	0.767	0.823	0.853	0.884	0.900	0.881	0.861	0.841	0.885
North Ridge S.A.	4.423	4.507	4.830	4.889	5.120	5.289	5.145	5.461	5.706	5.842
North Star Fire S.A.	1.241	1.258	1.306	1.329	1.399	1.432	1.439	1.436	1.436	1.486
O'Connor Creek S.A.	7.389	8.875	8.893	6.641	7.822	7.969	8.902	8.955	8.975	9.338
Old Wood Road S.A.	1.786	1.790	2.039	2.194	2.328	2.417	2.621	2.663	2.645	2.871
Olympic S.A. (e)	0.941	0.940	0.970	1.014	1.080	1.114	1.115	1.145	1.158	1.189
Our S.A.	1.092	1.087	1.209	1.329	1.337	1.359	1.363	1.421	1.463	1.672
Parkside S.A.	1.576	1.602	1.674	1.736	1.784	1.803	1.754	1.788	1.806	1.911
Peede Country Estates S.A.	1.482	1.326	1.357	1.446	1.485	1.500	1.471	1.470	1.478	1.568
Pine Stream S.A.	1.022	1.001	1.034	1.070	1.105	1.152	1.149	1.193	1.179	1.212
Pleasureland S.A.	0.995	0.970	0.998	1.023	1.078	1.170	1.167	1.175	1.141	1.190
Polar Heights S.A.	0.952	1.016	1.027	0.964	1.045	1.055	1.116	1.114	1.158	1.203
Potlatch S.A. (f)	2.705	2.665	2.755	2.885	3.354	3.547	3.554	3.591	3.606	3.923
Prospect Park S.A.	1.140	1.258	1.281	1.371	1.374	1.481	1.459	1.424	1.348	1.401
Reed Acres Road S.A.	1.260	1.355	1.382	1.476	1.521	1.573	1.584	2.234	2.261	2.309
Ridgecrest S.A.	1.078	1.099	1.129	1.172	1.199	1.219	1.169	1.078	1.071	1.105
Salchaket Heights S.A.	3.863	3.972	4.357	4.472	4.690	4.750	4.743	4.776	4.799	5.680
Scenic Heights S.A.	1.589	1.600	1.707	1.759	1.764	1.856	1.743	1.683	1.698	1.762
Seavy S.A.	0.303	0.311	0.320	0.316	0.341	0.351	0.356	0.355	0.353	0.358
Secluded Acres S.A.	1.396	1.452	1.495	1.567	2.190	1.783	1.814	1.781	1.737	2.024
Serendipity Hill S.A.	3.154	2.901	2.976	3.162	3.315	3.321	3.446	3.373	3.449	3.843
Six-Mile Village Road S.A..	1.255	1.232	1.262	1.412	1.495	1.528	1.509	1.658	1.701	1.743
Smallwood Trail Road S.A.	0.742	0.751	0.756	0.794	0.831	0.864	1.711	1.686	1.663	1.746
Smith Ranch S.A.	1.417	1.343	0.249	0.267	0.274	0.278	0.285	0.265	0.282	0.294
Spring Glade S.A.	0.877	0.898	0.926	0.981	1.570	1.600	1.615	1.618	1.591	1.652
Spruce Acres S.A.	1.692	1.610	1.562	1.573	1.629	1.714	1.666	1.605	1.649	1.643
Steamboat Landing S.A.	1.386	1.339	1.385	1.490	1.589	1.643	1.665	2.692	2.721	2.771
Steese Volunteer Fire S.A	1.739	1.789	1.849	1.893	1.973	2.015	2.031	2.017	2.004	2.090
Straight Creek S.A.	3.867	4.096	3.701	4.050	4.217	4.285	4.323	4.395	4.496	4.708
Summerwood S.A.	2.470	2.560	2.662	2.819	2.922	3.051	3.007	3.014	3.027	3.121
Summit Drive S.A.	1.496	1.542	1.603	1.690	1.710	1.756	1.750	1.740	1.741	1.799
Sunny Hills Terrace S.A.	2.702	2.772	2.946	3.120	3.224	3.278	3.180	3.177	3.187	3.259
Sunrise S.A.	2.136	2.171	2.198	2.381	2.419	2.494	2.463	2.553	2.638	2.737
Tan Terra S.A.	1.553	1.592	1.754	1.885	1.883	1.935	1.977	1.977	1.981	2.014
Thomas S.A.	2.842	2.791	2.861	3.008	3.449	3.660	3.572	3.982	4.133	4.330
Timberlane Road S.A.	1.485	1.464	1.448	1.594	1.642	1.616	1.639	1.593	1.595	1.735
Tungsten S.A.	2.875	2.921	2.992	3.165	3.320	3.384	3.464	3.413	3.418	3.601
Twenty Three Mile Slough S.A.	4.587	3.424	3.557	3.652	3.889	2.983	2.880	2.971	3.015	3.203
Ullrhaven S.A.	1.714	1.706	1.858	2.076	2.153	2.192	2.358	2.471	2.411	2.469
University Fire S.A.	2.370	2.464	2.510	2.643	2.689	2.756	2.736	2.732	2.733	2.853
University Heights S.A.	1.725	1.742	1.755	1.848	1.865	1.887	1.900	1.866	1.839	1.905
University West Street Lights S.A.	0.467	0.472	0.485	0.512	0.527	0.535	0.535	0.548	0.541	0.560
Vienna Woods S.A.	0.815	0.836	0.860	0.809	0.858	0.873	0.892	0.885	0.880	0.912

Fairbanks North Star Borough School District

Property Tax Rates and Tax Levies - This Borough and All Underlying Governments Last Ten Calendar Years

	Tax Levies (in 000's)									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Keystone S.A.	15	16	17	18	19	20	20	22	22	23
Kris Kringle S.A.	14	15	15	16	17	18	20	20	20	22
Lakloey Hill S.A.	39	41	44	46	48	62	64	64	69	72
Lee Lane S.A.	6	7	7	8	9	9	8	4	4	4
Loose Moose S.A.	8	8	9	8	9	9	10	9	9	10
Martin S.A.	29	34	39	42	43	46	48	56	60	65
McCloud S.A.	20	21	23	26	29	31	31	34	36	37
McGrath Estates S.A.	72	74	77	81	86	90	93	94	95	98
Mellow Woods Road S.A.	19	19	19	20	21	21	21	22	22	23
Miller Hill Extension S.A.	61	64	67	69	73	75	77	79	81	86
Moose Creek S.A.	16	17	17	17	18	19	19	50	51	65
Moose Meadows S.A.	77	81	86	88	93	96	99	102	104	112
Mt. View S.A.	32	34	35	36	37	37	37	38	37	39
Murphy S.A. (d)	14	15	16	16	17	17	17	18	29	33
Musk Ox S.A.	42	43	45	47	48	49	50	51	101	105
Newby Park S.A.	18	19	21	21	22	23	23	23	23	24
North Ridge S.A.	11	13	15	16	16	17	17	19	19	20
North Star Fire S.A.	1,739	1,831	1,940	2,030	2,146	2,241	2,303	2,358	2,426	2,558
O'Connor Creek S.A.	118	130	125	128	133	135	136	137	139	148
Old Wood Road S.A.	13	14	16	17	18	19	22	23	24	26
Olympic S.A. (e)	24	25	27	28	30	31	32	34	35	37
Our S.A.	4	4	5	5	6	6	6	7	7	9
Parksville S.A.	12	13	13	14	15	16	16	17	18	19
Peede Country Estates S.A.	6	6	8	9	10	11	11	11	12	13
Pine Stream S.A.	24	25	26	35	37	40	40	69	70	74
Pleasureland S.A.	8	8	8	9	9	10	10	11	11	11
Polar Heights S.A.	20	21	21	22	24	24	25	25	26	27
Potlatch S.A. (f)	12	12	13	14	16	17	17	17	18	20
Prospect Park S.A.	8	9	9	10	10	11	11	11	11	11
Reed Acres Road S.A.	9	10	10	11	11	12	12	27	28	28
Ridgecrest S.A.	3	3	3	3	3	4	4	3	3	4
Salchaket Heights S.A.	4	5	5	5	5	5	5	6	6	8
Scenic Heights S.A.	20	21	23	24	25	26	25	25	26	27
Seavy S.A.	10	10	11	11	12	12	13	13	13	13
Secluded Acres S.A.	8	8	13	14	19	16	16	16	17	18
Serendipity Hill S.A.	7	8	8	8	9	9	9	9	9	10
Six-Mile Village Road S.A..	10	10	10	11	11	12	12	13	13	14
Smallwood Trail Road S.A.	7	7	8	8	8	9	18	18	18	21
Smith Ranch S.A.	45	47	9	9	10	10	10	10	11	11
Spring Glade S.A.	31	32	34	35	58	60	62	63	64	67
Spruce Acres S.A.	7	7	7	8	8	9	9	9	9	9
Steamboat Landing S.A.	19	20	21	23	24	26	27	45	46	48
Steese Volunteer Fire S.A	1,380	1,452	1,536	1,619	1,709	1,779	1,832	1,870	1,915	2,015
Straight Creek S.A.	18	19	19	20	21	21	22	23	24	24
Summerwood S.A.	39	42	44	46	50	52	53	55	57	59
Summit Drive S.A.	121	129	137	145	155	162	165	171	176	184
Sunny Hills Terrace S.A.	35	36	40	41	43	44	43	45	46	47
Sunrise S.A.	13	13	14	15	16	16	16	17	18	18
Tan Terra S.A.	29	31	35	39	40	42	45	46	48	49
Thomas S.A.	13	13	14	14	15	16	16	17	18	19
Timberlane Road S.A.	9	9	9	10	10	10	10	10	10	11
Tungsten S.A.	43	46	49	53	57	59	61	62	65	68
Twenty Three Mile Slough S.A.	52	43	50	52	59	50	52	57	60	66
Ullrhaven S.A.	4	4	5	5	6	6	6	7	7	7
University Fire S.A.	2,434	2,590	2,724	2,871	3,005	3,160	3,248	3,325	3,384	3,535
University Heights S.A.	62	63	65	67	69	71	73	74	74	78
University West Street Lights S.A.	68	70	72	75	78	81	82	86	87	90
Vienna Woods S.A.	25	25	26	27	28	29	30	30	30	32

Fairbanks North Star Borough School District

Property Tax Rates and Tax Levies - This Borough and All Underlying Governments Last Ten Calendar Years

	Tax Rates - Millage									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Viewpointe S.A.	1.056	1.104	1.129	1.201	1.192	1.193	1.167	1.159	1.167	1.221
Violet Drive S.A.	2.912	2.990	3.075	3.265	3.399	3.480	3.574	3.674	3.761	3.947
Vista Gold Road S.A.	2.462	2.549	2.622	2.758	2.888	2.924	2.918	2.945	2.945	3.013
Vue Crest, S.A	1.479	1.497	1.517	1.587	1.657	1.686	1.669	1.654	1.667	1.701
Whitman S.A.	1.428	1.385	1.562	1.625	1.787	1.811	1.727	1.923	1.894	1.991
Wildview S.A.	2.999	2.975	3.052	3.215	3.359	3.471	3.454	3.395	3.357	3.459
Woodland S.A.	1.073	1.068	1.097	1.152	1.189	1.293	1.377	1.363	1.454	1.627
Yak Road S.A.	0.984	1.009	1.035	1.077	1.117	1.132	1.095	1.090	1.096	1.132
Overlapping separate city governments										
City of Fairbanks	5.803	5.843	5.734	5.716	5.549	5.678	5.651	5.874	6.979	5.871
Borough areawide	11.432	11.294	11.216	11.216	11.356	11.599	11.418	11.913	12.850	13.892
City of Fairbanks total (a)	17.235	17.137	16.950	16.932	16.905	17.277	17.069	17.787	19.829	19.763
City of North Pole	3.000	3.000	3.000	3.500	3.500	3.500	3.500	1.499	2.499	2.499
Borough areawide	11.432	11.294	11.216	11.216	11.356	11.599	11.418	11.913	12.850	13.892
Borough Solid Waste										
Collection District	1.121	1.141	1.194	1.229	1.232	1.300	1.350	1.389	1.401	1.599
City of North Pole total (a)	15.573	15.488	15.445	15.948	16.156	16.449	16.307	14.813	16.883	17.990

Source: Fairbanks North Star Borough Comprehensive Annual Financial Report or the year ended June 30, 2020. Historically, information for the most recent calendar year is not available until after the publication date of the District Comprehensive Annual Financial Report.

Note: Alaska Statute 29.45.090 limits the amount of taxes levied to 3% of the assessed value of the property within the municipality. Furthermore, no municipality, or combination of municipalities occupying the same geographic area, may levy taxes which result in tax revenues from all sources exceeding \$1,500 a year for each person residing in the Borough or which exceed the product of 225% of the average per capita full and true value in the state multiplied by the number of residents of the taxing municipality. However, there is no taxing limitation for debt service per Alaska Statute 29.45.100. With some exceptions, the total amount of tax that can be levied during a year cannot exceed the total amount approved for the preceding year by more than a percentage determined by adding the percentage increase in the Consumer Price index for Fairbanks from the preceding year per FNSBC 8.04.290.

Air Park S.A., Bear's Den S.A, and Chena Hot Springs II S.A. do not levy taxes.

(a) The Borough direct and overlapping except service areas total rate applies to all areas of the Borough outside the cities of Fairbanks and North Pole. Some neighborhoods of the Borough are also in one or more service area(s) and pay service area rates in addition. Other areas of the Borough, including the cities of Fairbanks and North Pole, are not in any service area.

(b) Denali View S.A was formerly known as McKinley S.A

(c) Goldstream Moose Creek S.A. authorized a road project under a differential tax zone beginning in 2017.

(d) Murphy S.A. authorized a road project under a differential tax zone starting in 2012. An additional road project was authorized in 2015.

(e) Olympic S.A was formerly known as Hopeless S.A

(f) Potlatch S.A. authorized a road project under a differential tax zone beginning in 2008.

Fairbanks North Star Borough School District

Property Tax Rates and Tax Levies - This Borough and All Underlying Governments Last Ten Calendar Years

	Tax Levies (in 000's)									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Viewpointe S.A.	19	20	21	23	23	24	24	24	25	26
Violet Drive S.A.	64	69	74	79	86	92	96	101	106	112
Vista Gold Road S.A.	40	42	44	47	49	51	52	54	56	58
Vue Crest, S.A	33	34	36	38	40	44	47	48	51	54
Whitman S.A.	4	4	5	5	6	6	6	7	7	8
Wildview S.A.	193	202	212	224	236	247	251	252	253	265
Woodland S.A.	2	2	3	3	3	3	3	3	3	4
Yak Road S.A.	81	84	87	90	95	96	97	99	101	106
Overlapping separate city governments										
City of Fairbanks	14,876	14,960	14,945	15,155	15,161	14,787	15,011	15,930	19,057	16,067
Borough areawide										
City of Fairbanks total (a)										
City of North Pole	938	982	980	1,054	1,066	818	817	377	604	639
Borough areawide										
Borough Solid Waste										
Collection District										
City of North Pole total (a)										

Fairbanks North Star Borough School District

Principal Taxable Properties Current Year and Nine Years Ago

		2019		
Taxpayer	Type of Business	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
(a)				
State-assessed oil and gas properties	oil transportation	\$ 716,428,870	1	7.12%
Fairbanks Gold Mining, Inc. (Fort Knox)	gold mining	686,104,938	2	6.82%
Doyon Utilities, LLC	utilities	267,519,987	3	2.66%
Corvias Military Living (Eielson AFB)	military housing	139,652,778	4	1.39%
Alaska Communications Systems	communications	58,024,834	5	0.58%
Petro Star, Inc	oil refining	55,273,073	6	0.55%
GCI Cable Fairbanks, Inc.	communications	46,857,909	7	0.47%
Greater Fairbanks Community Hospital Foundation	health care	42,698,329	8	0.42%
Westmark Hotel	hotel	38,006,283	9	0.38%
Wal-Mart	shopping center	34,747,089	10	0.34%
		<u>\$ 2,085,314,090</u>		<u>20.72%</u>
		2010		
Taxpayer	Type of Business	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
(b)				
State-assessed oil and gas properties	oil transportation	\$ 739,610,090	1	8.86%
Fairbanks Gold Mining, Inc. (Fort Knox)	gold mining	359,369,918	2	4.31%
Doyon Utilities, LLC	utilities	197,633,608	3	2.37%
Corvias Military Living (Eielson AFB)	military housing	-		0.00%
Alaska Communications Systems	communications	49,016,352	5	0.59%
Petro Star, Inc	oil refining	-		0.00%
GCI Cable Fairbanks, Inc.	communications	38,162,431	6	0.46%
Greater Fairbanks Community Hospital Foundation	health care	-		0.00%
Westmark Hotel	hotel	33,251,338	8	0.40%
Wal-Mart	shopping center	33,590,745	7	0.40%
Flint Hills Resources, LLC	oil refining	144,453,018	4	1.73%
Alaska Hotel Properties (Princess Riverside Lodge)	hotel/tourism	27,753,848	9	0.33%
Fred Meyer Stores, Inc. (east)	shopping center	23,409,275	10	0.28%
		<u>\$ 1,646,250,623</u>		<u>19.73%</u>

Source: Fairbanks North Star Borough Comprehensive Annual Financial Report for the year ended June 30, 2020. Historically, information for the most recent calendar year is not available until after the publication date of the District Comprehensive Annual Financial Report.

Notes: The table presented reports principal taxable properties rather than taxpayers. Cumulative totals for individual taxpayers are not stored or readily available.

(a) \$10,065,826,089

(b) \$8,344,488,629

Fairbanks North Star Borough School District

Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Net Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Net Levy
	(a) (c)	(b)					
2011	\$ 92,077,064	\$ 86,709,188	\$ 85,643,722	98.77%	\$ 1,019,050	\$ 86,662,772	99.95%
2012	93,725,808	87,756,597	86,666,871	98.76%	634,044	87,300,915	99.48%
2013	94,876,332	88,546,542	87,427,560	98.74%	1,083,919	88,511,479	99.96%
2014	98,348,591	91,722,353	90,579,521	98.75%	1,066,630	91,646,151	99.92%
2015	103,052,677	95,894,341	93,159,285	97.15%	2,662,287	95,821,572	99.92%
2016	106,433,578	98,559,732	95,768,091	97.17%	2,711,330	98,479,421	99.92%
2017	106,398,099	98,211,057	95,469,849	97.21%	2,650,549	98,120,398	99.91%
2018	113,619,424	104,523,843	101,602,810	97.21%	2,827,043	104,429,853	99.91%
2019	117,845,398	107,345,648	104,173,406	97.04%	2,518,211	106,691,617	99.39%
2020	129,274,271	117,289,129	114,619,501	97.72%			

Source: Fairbanks North Star Borough Comprehensive Annual Financial Report for the year ended June 30, 2020. Historically, information for the most recent calendar year is not available until after the publication date of the District Comprehensive Annual Financial Report.

Notes: Only the areawide taxes levied by the Borough are included in this table. Collections for non-areawide functions, service areas, and other governmental units are not included.

Penalties, interest and legal fees are not included in the tax amounts above.

Farm use lands that have been sold, leased, or otherwise disposed of have been excluded from the tax amounts shown

(a) Taxes levied for the fiscal year are the taxes levied after local exemptions, but before state mandated exemptions are applied.

(b) Net tax levy is the taxes levied for the fiscal year after the application of state exemptions. Fiscal year 2011 includes a special retroactive State adjustment for pipeline properties.

(c) For the oil and gas properties, taxes levied for a fiscal year are based on State Assessment Review Board (SARB) assessed values. Valuations do not reflect subsequent adjustments.

Fairbanks North Star Borough School District

Significant Own-Sourced Revenue
Last Ten Fiscal Years

Fiscal Year	Food Services Local Revenue	Cost of Full-Priced Meal		Percentage of Students Eligible for Free or Reduced-Price Meals
		Breakfast	Lunch	
		(a)	(a)	
2012	\$ 1,897,853	\$ 2.00	\$ 3.50	34%
2013	1,598,281	2.00	3.50	35%
2014	1,492,538	2.00	3.50	36%
2015	1,353,596	2.00	3.50	35%
2016	1,352,523	2.00	3.50	37%
2017	1,369,239	2.00	3.50	37%
2018	1,360,303	2.00	3.50	37%
2019	1,417,808	2.00	3.50	37%
2020	1,134,055	2.00	3.50	36%
2021	51,171	2.00	3.50	30%

Source: Nutrition Services Department

Fairbanks North Star Borough School District

Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Capital Leases	Percentage of Personal Income (a)	Per Capita (a)
2012	\$ -	0.00%	\$ -
2013	-	0.00%	-
2014	-	0.00%	-
2015	-	0.00%	-
2016	-	0.00%	-
2017	1,001,328	0.02%	10.08
2018	670,769	0.01%	6.73
2019	-	0.00%	-
2020	-	0.00%	-
2021	-	0.00%	-

(a) See page 148, Demographic and Economic Statistics, for personal income and population data. These ratios are calculated using personal income and population from the most recent calendar year available.

Fairbanks North Star Borough School District

Demographic and Economic Statistics Last Ten Calendar Years

Year	Population	Personal Income in 000's	Per Capita Personal Income	Unemployment Rate
	(a)	(a)	(a)	(b)
2009	95,238	\$ 4,310,773	\$ 45,263	6.10%
2010	98,260	4,542,248	46,227	6.60%
2011	98,104	4,999,795	50,964	6.40%
2012	100,305	5,111,638	50,961	6.10%
2013	100,928	4,960,992	46,154	5.90%
2014	99,256	5,179,090	52,179	5.80%
2015	99,630	5,358,213	53,781	5.50%
2016	100,683	5,316,375	52,803	5.90%
2017	99,725	5,382,588	53,974	6.10%
2018	98,971	5,602,350	56,606	5.70%

Source: Fairbanks North Star Borough Comprehensive Annual Financial Report for the year ended June 30, 2020. Historically, information for the most recent calendar year is not available until after the publication date of the District Comprehensive Annual Financial Report.

(a) U.S. Department of Commerce: Bureau of Economic Analysis

(b) State of Alaska Department of Labor and Workforce Development: Research and Analysis Section.

Notes: Population data is available from multiple sources for the State of Alaska, and the numbers can vary widely. The source for this table has been selected because it also provides the personal income and per capita data.

This table has been restated to incorporate new estimates and revisions released by the U.S. Department of Commerce's Bureau of Economic Analysis. Personal income, population, and per capita personal income for all years are restated annually.

Data for calendar year 2019 is not available until April 2021.

Fairbanks North Star Borough School District

Employment by Industry Current Year and Nine Years Ago

Type of Employer	Rank	2019		Rank	2010	
		Annual Average Monthly Employment	Percentage of Total Borough Employment		Annual Average Monthly Employment	Percentage of Total Borough Employment
		(a)			(a)	
Government (b)	1	10,400	27.40%	1	12,100	31.30%
Trade, transportation, utilities	2	7,800	20.50%	2	7,600	19.60%
Educational and health services	3	5,500	14.50%	3	4,900	12.70%
Leisure and hospitality	4	4,500	11.80%	4	4,100	10.60%
Professional and business services	5	2,800	7.40%	6	2,400	6.20%
Construction	6	2,700	7.10%	5	2,600	6.70%
Information, other services	7	1,400	3.70%	7	1,700	4.40%
Financial activities	8	1,300	3.40%	8	1,500	3.90%
Mining and logging	9	1,000	2.60%	9	1,200	3.10%
Manufacturing	10	600	1.60%	10	600	1.60%
		<u>38,000</u>	<u>100.00%</u>		<u>38,700</u>	<u>100.00%</u>

Source: Fairbanks North Star Borough Comprehensive Annual Financial Report for the year ended June 30, 2020. Historically, information for the most recent calendar year is not available until after the publication date of the District Comprehensive Annual Financial Report.

Information obtained from Alaska Department of Labor and Workforce Development (DOWLD), Research and Analysis Section, Fairbanks North Star Borough Statistical Area.

(a) for the 12 months ended December 31; rounded to nearest hundred

(b) federal government 3,100 for 2019 and 3,500 for 2010

state government 4,500 for 2019 and 5,500 for 2010

local government 2,800 for 2019 and 3,100 for 2010

Fairbanks North Star Borough School District

Full-time Equivalent Operating Fund Employees by Department and Type Last Ten Fiscal Years

	Fiscal Year				
	2012	2013	2014	2015	2016
Personnel by Department					
Board / Superintendent	8.50	8.50	5.00	5.00	5.00
Administrative Services	38.50	35.50	32.50	32.50	33.00
Human Resources	10.00	10.00	12.50	13.50	17.50
Facilities Management	187.60	172.60	168.60	172.80	171.80
Instruction and Supervision	36.85	36.85	35.85	36.05	27.05
Alternative Learning (a)	19.40	18.80	19.80	19.80	20.85
Student Support Services					
Teaching and Learning (b)	16.50	14.00	15.00	15.00	42.50
Special Education	343.73	366.50	381.90	381.40	380.20
Information and Technology (c)	35.50	35.50	32.00	33.00	30.00
Non-Departmental (d)	7.00	6.00	3.00	1.00	1.00
Federal Programs (e)					
Alternative Programs (g)					
Elementary Schools	519.14	526.14	519.64	518.64	471.19
Middle Schools	158.00	149.20	144.00	139.20	136.20
Junior/Senior High School	45.50	45.50	39.50	39.50	37.70
Senior High Schools	259.80	267.10	245.00	241.50	235.60
Charter Schools (f)	55.00	59.02	60.77	61.37	63.79
Total Personnel	1,741.02	1,751.21	1,715.06	1,710.26	1,673.38
Personnel by Employee Type					
Districtwide Administration	5.00	5.00	4.00	4.00	4.00
Professional Staff	66.65	66.85	64.05	68.05	69.65
Principals / Assistant Principals	43.00	43.00	44.00	43.00	41.00
Certified Staff	931.83	950.93	915.40	905.00	890.95
Support Staff	694.54	685.43	687.61	690.21	667.78
Total Personnel	1,741.02	1,751.21	1,715.06	1,710.26	1,673.38

Notes: School-term employees of the district work between 190 and 200 days at seven to seven and a half hours per day. All other district employees are based on 260 days at seven and a half to eight hours per day.

(a) Prior to fiscal year 2019 Alternative Learning was known as Personalized Learning.

(b) Prior to fiscal year 2017 Teaching and Learning was known as Curriculum.

(c) Prior to fiscal year 2017 Information and Technology was known as Research & Accountability, Instructional Technology Services, and Technology and Information Systems.

(d) Non-Departmental consists of 0.5 FTE for the FEA President and 0.5 FTE for the ESSA President. Any additional FTEs are for reserve teaching positions. Prior to fiscal year 2011 these positions were budgeted in the Human Resources Department, and then in 2019 they were added back in.

(e) Prior to fiscal year 2019 Federal Programs was dispersed among other programs and in 2021 Federal Program is included in Student Support Services.

(f) During fiscal year 2018 Boreal Sun Charter School opened.

(g) Alternative Programs is a new department that includes all alternative schooling options.

Source: Information prepared by the Accounting Services department

Fairbanks North Star Borough School District

Full-time Equivalent Operating Fund Employees by Department and Type Last Ten Fiscal Years

	Fiscal Year				
	2017	2018	2019	2020	2021
Personnel by Department					
Board / Superintendent	5.00	10.00	11.00	9.00	8.00
Administrative Services	31.00	24.00	23.10	23.30	22.80
Human Resources	18.50	17.50	22.75	21.00	16.00
Facilities Management	173.80	161.80	142.40	137.40	116.40
Instruction and Supervision	27.05	40.05	35.50	40.50	31.00
Alternative Learning (a)	24.35	18.95			
Student Support Services			11.23	13.03	29.54
Teaching and Learning (b)	33.00	14.00	20.00	20.00	17.00
Special Education	377.20	376.20	367.73	351.90	336.70
Information and Technology (c)	36.00	35.00	35.00	36.00	32.00
Non-Departmental (d)	1.00	1.00			-
Federal Programs (e)			32.69	32.24	-
Alternative Programs					32.53
Elementary Schools	478.19	499.19	510.43	491.14	444.70
Middle Schools	136.00	125.50	113.40	124.00	115.90
Junior/Senior High School	40.00	34.00	28.20	26.10	27.20
Senior High Schools	233.00	215.70	212.20	214.20	240.55
Charter Schools (f)	63.79	76.79	76.74	93.51	77.72
Total Personnel	1,677.88	1,649.68	1,642.37	1,633.32	1,548.04
Personnel by Employee Type					
Districtwide Administration	4.00	6.00	6.00	6.00	5.00
Professional Staff	70.15	73.15	83.55	76.30	64.30
Principals / Assistant Principals	41.00	42.00	41.00	44.00	45.00
Certified Staff	895.95	874.15	721.92	838.80	813.90
Support Staff	666.78	654.38	789.90	668.22	619.84
Total Personnel	1,677.88	1,649.68	1,642.37	1,633.32	1,548.04

Fairbanks North Star Borough School District

Operating Statistics Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Employer's Contribution to PERS / TRS
(a)					
2012	14,260	\$ 242,167,968	16,982	3.89%	\$ 17,049,613
2013	14,256	254,465,878	17,850	5.11%	17,303,835
2014	14,041	254,410,673	18,119	1.51%	17,370,572
2015	13,762	433,607,722	31,508	73.89%	17,303,899
2016	13,851	230,951,510	16,674	-47.08%	17,295,092
2017	13,753	238,769,250	17,361	4.12%	17,262,133
2018	13,703	232,940,763	16,999	-2.09%	17,248,018
2019	13,280	237,327,954	17,871	5.13%	15,003,782
2020	13,236	236,195,769	17,845	-0.15%	15,612,273
2021	11,271	236,890,412	21,018	17.78%	15,781,871

Fiscal Year	Contribution to PERS/TRS on Behalf of the District	Total Cost of Contribution to PERS/TRS Per Pupil	Percentage Change	Pupil - Teacher Ratio	Percentage of Students Eligible for Free or Reduced-Price Meals
2012	\$ 26,771,742	\$ 3,073	14.39%	15.30	34%
2013	35,271,226	3,688	20.01%	14.99	35%
2014	36,184,956	3,814	3.42%	15.34	36%
2015	211,527,002	16,628	335.97%	15.21	35%
2016	14,606,907	2,303	-86.15%	15.55	37%
2017	12,924,602	2,195	-4.69%	15.35	37%
2018	12,323,162	2,158	-1.69%	15.68	37%
2019	14,682,320	2,235	3.57%	15.40	37%
2020	16,334,672	2,414	8.01%	15.78	36%
2021	16,064,057	2,825	17.03%	13.85	30%

(a) Operating expenditures are total expenditures in governmental funds.

Source: Enrollment: 2020-21 20 Day ADM Official Enrollment as reported to the State of Alaska. Percentage of Students Eligible for Free or Reduced-Price Meals: Nutrition Services Department

Fairbanks North Star Borough School District

Teacher Salary Information Last Ten Fiscal Years

Fiscal Year	Entry Level Salary	Maximum Teacher Salary	Average Teacher Teacher Salary	Percent of Teachers at Maximum on Column(s)
	(a)	(b)	(c)	(d)
2012	\$ 45,349	\$ 88,218	\$ 70,188	45%
2013	46,244	89,864	71,977	44%
2014	46,891	91,122	73,258	46%
2015	47,478	92,261	74,143	49%
2016	48,308	93,876	75,637	49%
2017	48,308	96,116	77,478	52%
2018	48,791	97,077	78,838	47%
2019	49,279	98,048	79,810	43%
2020	49,772	99,028	78,740	44%
2021	50,269	100,019	78,370	46%

(a) Entry level salary represents a teacher with a bachelor's degree and no experience.

(b) Maximum teacher salary represents teachers filling a position which requires a master's degree and a certification for a therapist or psychologist position, or teachers who hold a master's degree with National Board Certification.

(c) Average teacher salary is based on a scattergram of contracted certificated salaries for that school year.

(d) The teacher salary schedule has six columns:

1. Bachelor's
2. Bachelor's plus 18 credits
3. Master's or Bachelor's plus 36 credits
4. Master's plus 18 credits
5. Master's plus 36 credits
6. Master's plus specified certification

The percent of teachers at maximum represents teachers topped out at each of those columns.

Source: School District records.

Fairbanks North Star Borough School District

Comparative Results from College Entrance and Advance Placement (AP) Exams Last Ten Fiscal Years

School Year	<u>American College Test (ACT)</u>			<u>Scholastic Assessment Test (SAT)</u>			<u>AP Exam results</u>		
	Fairbanks	Alaska	Nation	Fairbanks	Alaska	Nation	Fairbanks	Alaska	Global
2011	21.9	21.2	21.1	1,507	1,513	1,500	3.02	3.05	2.86
2012	22.3	21.2	21.1	1,556	1,504	1,498	3.14	3.02	2.91
2013	21.9	21.1	20.9	1,494	1,495	1,498	3.18	2.96	2.89
2014	22.2	21.0	21.0	1,505	1,485	1,497	3.17	2.95	2.89
2015	22.5	21.1	21.0	1,521	1,494	1,490	2.91	2.87	2.82
2016	21.0	20.0	20.8	1,444	1,424	1,484	2.94	2.90	2.85
2017 *	19.8	19.8	21.0	1,151	1,080	1,060	3.08	2.88	2.84
2018	22.4	20.8	20.8	1,123	1,106	1,068	3.16	2.88	2.87
2019	22.5	20.0	20.1	1,126	1,097	1,059	3.10	2.90	2.89
2020	22.6	20.1	20.6	1,122	1,098	1,051	2.78	2.86	3.01

* In 2017 the scoring scale for the SAT has changed from a prior maximum of 2,400 points to a new maximum of 1,600 points.

Source: Results of the American College Test (ACT), the Scholastic Assessment Test (SAT), and Advanced Placement (AP) Exams. prepared by the Information and Technology Department.

Fairbanks North Star Borough School District

Enrollment by School

For the Fiscal Year ended June 30, 2021

Elementary Schools

Anderson	215
Anne Wien	270
Arctic Light	361
Barnette	346
Crawford	216
Denali	242
Hunter	296
Joy	299
Ladd	285
Midnight Sun	272
Nordale	254
North Pole	269
Pearl Creek	325
Salcha	43
Ticasuk Brown	285
Two Rivers	41
University Park	327
Weller	282
Woodriver	333

Secondary Schools

Ben Eielson Junior/Senior High	302
Hutchison High	370
Lathrop Senior High	837
North Pole Middle	451
North Pole High	501
Randy Smith Middle	242
Ryan Middle	382
Tanana Middle	281
West Valley High	892

Charter Schools

Boreal Sun Charter School	188
Chinook Charter School	150
Discovery Peak	181
Effie Kokrine Charter School	139
Watershed Charter School	196

Other Schools

Alternative Learning System	237
B.E.S.T. (Correspondence)	933
Golden Heart Academy	28

Total	<u>11,271</u>
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Sources: 2020-21 20 Day ADM Official Enrollment as reported to the State of Alaska.

Fairbanks North Star Borough School District

Enrollment History by Grade Level Last Fifteen Fiscal Years

Fiscal Year	PK	KG	1	2	3	4	5	6	Total Elem	7	8	Total JR	9	10	11	12	Total SR	Grand Total	Change	Percentage Change
2007	101	1,080	1,230	1,081	1,027	1,049	1,052	1,083	7,703	1,071	1,060	2,131	1,167	1,212	1,057	1,196	4,632	14,466		
2008	124	1,077	1,080	1,146	1,060	1,008	1,025	1,032	7,552	1,062	1,040	2,102	1,075	1,131	1,104	1,139	4,449	14,103	(363)	-2.51%
2009	115	1,131	1,143	1,101	1,133	1,050	1,031	1,023	7,727	1,023	1,054	2,077	1,057	1,066	1,235	970	4,328	14,132	29	0.21%
2010	142	1,121	1,242	1,144	1,147	1,160	1,086	1,046	8,088	1,044	1,045	2,089	1,073	1,018	1,199	930	4,220	14,397	265	1.88%
2011	125	1,140	1,144	1,227	1,088	1,078	1,150	1,067	8,019	1,037	1,036	2,073	1,040	1,059	1,167	860	4,126	14,218	(179)	-1.24%
2012	132	1,153	1,191	1,128	1,210	1,059	1,082	1,128	8,083	1,081	1,014	2,095	1,028	1,057	1,189	808	4,082	14,260	42	0.30%
2013	132	1,162	1,182	1,151	1,142	1,194	1,053	1,062	8,078	1,110	1,083	2,193	1,010	945	1,184	846	3,985	14,256	(4)	-0.03%
2014	116	1,219	1,205	1,134	1,105	1,097	1,130	1,020	8,026	1,015	1,075	2,090	1,040	980	1,045	860	3,925	14,041	(215)	-1.51%
2015	113	1,122	1,227	1,160	1,077	1,053	1,055	1,081	7,888	995	983	1,978	1,040	987	1,066	803	3,896	13,762	(279)	-1.99%
2016	110	1,057	1,200	1,222	1,176	1,080	1,028	1,026	7,899	1,089	974	2,063	996	1,013	1,025	855	3,889	13,851	89	0.65%
2017	136	1,088	1,129	1,174	1,195	1,157	1,064	983	7,926	1,023	1,028	2,051	949	951	1,075	801	3,776	13,753	(98)	-0.71%
2018	141	1,086	1,117	1,129	1,134	1,193	1,133	1,032	7,965	978	984	1,962	999	916	1,051	810	3,776	13,703	(50)	-0.36%
2019	162	1,077	1,027	1,067	1,067	1,068	1,145	1,105	7,718	1,002	925	1,927	955	935	938	807	3,635	13,280	(423)	-3.09%
2020	121	1,096	1,089	1,000	1,066	1,039	1,078	1,096	7,585	1,060	968	2,028	914	955	982	772	3,623	13,236	(44)	-0.33%
2021	121	792	906	869	809	870	816	887	6,070	922	908	1,830	847	799	918	807	3,371	11,271	(1,965)	-14.85%
2021-2022 Projected Enrollment																				
2022	147	906	892	981	910	891	876	897	6,500	940	952	1,892	926	869	845	813	3,453	11,845	574	5.09%

Source: Actual Enrollments: Historic 20 Day ADM Official Enrollment as reported to the State of Alaska. Projected Enrollment: 2021-22 Approved Budget

Fairbanks North Star Borough School District

Capital Assets by Type and Function Last Ten Fiscal Years

	Fiscal Year				
	2012	2013	2014	2015	2016
Capital Assets by Type					
Machinery and equipment	\$ 9,415,625	\$ 9,455,391	\$ 9,563,787	\$ 10,080,596	\$ 11,022,535
Intangible assets (software)	1,313,593	1,322,438	1,400,107	1,477,993	1,567,337
Total by type	\$ 10,729,218	\$ 10,777,829	\$ 10,963,894	\$ 11,558,589	\$ 12,589,872

Capital Assets by Function					
Instruction	\$ 1,969,249	\$ 1,822,714	\$ 1,833,217	\$ 1,928,436	\$ 2,093,184
Special education instruction	579,708	612,072	612,072	606,877	647,556
Special education support services-students	25,795	11,316	17,742	17,742	17,742
Support services-students	12,722	12,722	97,143	171,852	220,854
Support services-instruction	1,783,764	1,811,941	1,965,755	2,101,124	2,252,772
Support services-technology	-	-	-	-	-
School administration support services	69,334	12,709	12,709	21,385	21,385
District administration	28,130	22,000	-	-	-
District administration support services	2,211,557	2,229,457	2,116,549	2,448,399	2,783,673
Operations and maintenance of plant	3,377,305	3,516,293	3,556,733	3,650,730	3,932,294
Student activities	64,324	69,419	82,917	82,917	82,917
Student transportation - to and from school	-	-	-	-	-
Food services	607,330	657,186	669,057	529,127	537,495
Total by function	\$ 10,729,218	\$ 10,777,829	\$ 10,963,894	\$ 11,558,589	\$ 12,589,872

	Fiscal Year				
	2017	2018	2019	2020	2021
Capital Assets by Type					
Machinery and equipment	\$ 11,421,951	\$ 11,745,130	\$ 12,105,908	\$ 12,047,973	\$ 12,443,557
Intangible assets (software)	1,642,842	1,642,842	1,642,841	1,658,334	1,658,334
Total by type	\$ 13,064,793	\$ 13,387,972	\$ 13,748,750	\$ 13,706,307	\$ 14,101,890

Capital Assets by Function					
Instruction	\$ 2,090,161	\$ 2,062,720	\$ 2,078,322	\$ 2,105,083	\$ 2,185,253
Special education instruction	647,556	608,195	616,690	608,599	608,599
Special education support services-students	17,742	11,347	11,347	11,347	11,347
Support services-students	220,854	228,700	228,700	228,700	307,194
Support services-instruction	2,322,371	2,347,900	2,244,706	2,104,441	2,104,441
Support services-technology	-	-	-	40,284	40,284
School administration support services	21,385	21,385	21,385	21,385	21,385
District administration	-	32,986	42,030	42,030	42,030
District administration support services	2,922,787	2,837,785	2,776,001	2,843,620	2,818,152
Operations and maintenance of plant	4,143,140	4,563,253	5,034,715	5,029,634	5,280,021
Student activities	82,917	77,822	90,272	66,602	66,602
Student transportation - to and from school	58,385	58,385	58,385	58,385	58,385
Food services	537,495	537,495	546,196	546,196	558,196
Total by function	\$ 13,064,793	\$ 13,387,972	\$ 13,748,750	\$ 13,706,307	\$ 14,101,890

Source: Capital Assets by Function is derived from the District's capital assets software subsystem.

Fairbanks North Star Borough School District

School Building Information Last Ten Fiscal Years

Type of School	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
									(d)	
Elementary										
Anderson Elementary										
Square Feet	43,996	43,996	43,996	43,996	43,996	43,996	43,996	43,996	43,996	43,996
Capacity	372	372	372	372	372	372	372	372	372	372
Enrollment	283	269	252	235	240	244	214	196	225	215
Anne Wien Elementary										
Square Feet	63,532	63,532	63,532	63,532	63,532	63,532	63,532	63,532	63,532	63,532
Capacity	553	553	553	553	553	553	553	553	553	553
Enrollment	385	401	412	411	385	385	375	392	392	270
Arctic Light Elementary										
Square Feet	68,272	68,272	68,272	68,272	68,272	68,272	68,272	68,272	68,272	68,272
Capacity	596	596	596	596	596	596	596	596	596	596
Enrollment	570	569	530	525	536	535	532	446	413	361
Midnight Sun Elementary										
Square Feet	61,686	61,686	61,686	61,686	61,686	61,686	61,686	61,686	61,686	61,686
Capacity	537	537	537	537	537	537	537	537	537	537
Enrollment	514	505	496	474	501	476	476	457	409	272
Barnette Elementary (a)										
Square Feet	54,895	54,895	54,895	54,895	54,895	54,895	54,895	54,895	54,895	54,895
Capacity	417	417	417	417	417	417	417	417	427	427
Enrollment	404	412	413	409	412	420	432	433	406	346
Crawford Elementary										
Square Feet	63,532	63,532	63,532	63,532	63,532	63,532	63,532	63,532	63,532	63,532
Capacity	553	553	553	553	553	553	553	553	553	553
Enrollment	297	301	297	266	291	298	296	289	282	216
Denali Elementary										
Square Feet	49,210	49,210	49,210	49,210	49,210	49,210	49,210	49,210	49,210	49,210
Capacity	422	422	422	422	422	422	422	422	422	422
Enrollment	365	397	402	393	383	370	341	324	333	242
Hunter Elementary										
Square Feet	57,047	57,047	57,047	57,047	57,047	57,047	57,047	57,047	59,812	59,812
Capacity	494	494	494	494	494	494	494	494	520	520
Enrollment	392	353	352	324	327	358	372	369	370	296
Joy Elementary										
Square Feet	60,642	60,642	60,642	60,642	60,642	60,642	60,642	60,642	60,642	60,642
Capacity	527	527	527	527	527	527	527	527	503	503
Enrollment	423	443	464	443	386	389	418	404	398	299
Ladd Elementary										
Square Feet	63,455	63,455	63,455	63,455	63,455	63,455	63,455	63,455	63,455	63,455
Capacity	553	553	553	553	553	553	553	553	540	540
Enrollment	496	497	539	508	508	496	492	476	408	285
Nordale Elementary										
Square Feet	49,210	49,210	49,210	49,210	49,210	49,210	49,210	49,210	49,210	49,210
Capacity	422	422	422	422	422	422	422	422	422	422
Enrollment	344	359	316	312	337	353	356	315	310	254
North Pole Elementary										
Square Feet	57,154	57,154	57,154	57,154	57,154	57,154	57,154	57,154	57,154	57,154
Capacity	495	495	495	495	495	495	495	495	495	495
Enrollment	413	453	459	515	502	489	479	431	378	269
Pearl Creek Elementary										
Square Feet	62,982	62,982	62,982	62,982	62,982	62,982	62,982	62,982	62,982	62,982
Capacity	548	548	548	548	548	548	548	548	548	548
Enrollment	484	470	479	482	493	506	491	478	487	325

Fairbanks North Star Borough School District

School Building Information Last Ten Fiscal Years

Type of School	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
									(d)	
Salcha Elementary										
Square Feet	13,608	13,608	13,608	13,608	13,608	13,608	13,608	13,608	14,406	14,406
Capacity	76	76	76	76	76	76	76	76	82	82
Enrollment	83	84	76	68	78	73	69	82	78	43
Ticasuk Brown Elementary										
Square Feet	63,761	63,761	63,761	63,761	63,761	63,761	63,761	63,761	63,761	63,761
Capacity	556	556	556	556	556	556	556	556	556	556
Enrollment	510	545	514	504	491	496	496	461	433	285
Two Rivers Elementary (a)										
Square Feet	22,200	22,200	22,200	22,200	22,200	22,200	22,200	22,200	22,200	22,200
Capacity	98	98	98	98	98	98	98	98	99	99
Enrollment	88	88	97	87	99	95	86	72	75	41
University Park Elementary										
Square Feet	64,699	64,699	64,699	64,699	64,699	64,699	64,699	64,699	64,699	64,699
Capacity	564	564	564	564	564	564	564	564	564	564
Enrollment	525	528	502	503	494	503	472	476	464	327
Weller Elementary										
Square Feet	65,259	65,259	65,259	65,259	65,259	65,259	65,259	65,259	65,259	65,259
Capacity	569	569	569	569	569	569	569	569	569	569
Enrollment	540	485	477	464	466	452	465	459	490	282
Woodriver Elementary										
Square Feet	64,408	64,408	64,408	64,408	64,408	64,408	64,408	64,408	64,408	64,408
Capacity	561	561	561	561	561	561	561	561	561	561
Enrollment	436	444	438	450	473	465	435	467	477	333
Secondary										
Ben Eielson Jr. Sr. High										
Square Feet	103,200	103,200	103,200	103,200	103,200	103,200	103,200	103,200	103,200	103,200
Capacity	616	616	616	616	616	616	616	616	616	616
Enrollment	436	403	399	353	344	335	350	328	354	302
Howard Luke (b)										
Square Feet	30,856	30,856	30,856	30,856	30,856	30,856	30,856	30,856	30,856	30,856
Capacity	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	-	-	-	-	-	-
Hutchison High (c)										
Square Feet	87,190	87,190	87,190	87,190	87,190	87,190	87,190	87,190	87,190	87,190
Capacity	510	510	510	510	510	510	510	510	510	510
Enrollment	363	372	362	386	400	410	408	405	400	370
Lathrop High										
Square Feet	234,412	234,412	234,412	234,412	234,412	234,412	234,412	234,412	234,412	234,412
Capacity	1,421	1,421	1,421	1,421	1,421	1,421	1,421	1,421	1,421	1,421
Enrollment	1,184	1,101	1,074	1,037	1,032	945	1,011	944	931	837
North Pole Middle										
Square Feet	113,306	113,306	113,306	113,306	113,306	113,306	113,306	113,306	113,306	113,306
Capacity	680	680	680	680	680	680	680	680	685	685
Enrollment	652	679	655	664	655	656	593	583	575	451
North Pole High										
Square Feet	156,362	156,362	156,362	156,362	156,362	156,362	156,362	156,362	156,362	156,362
Capacity	946	946	946	946	946	946	946	946	946	946
Enrollment	721	729	752	758	721	736	704	642	634	501
Randy Smith Middle										
Square Feet	74,589	74,589	74,589	74,589	74,589	74,589	74,589	74,589	74,589	74,589
Capacity	422	422	422	422	422	422	422	422	422	422
Enrollment	313	326	338	326	328	336	294	291	307	242

Fairbanks North Star Borough School District

School Building Information Last Ten Fiscal Years

Type of School	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
									(d)	
Ryan Middle										
Square Feet	99,880	99,880	99,880	99,880	99,880	99,880	99,880	99,880	104,270	104,270
Capacity	594	594	594	594	594	594	594	594	626	626
Enrollment	396	394	386	350	366	390	370	370	398	382
Tanana Middle										
Square Feet	101,069	101,069	101,069	101,069	101,069	101,069	101,069	101,069	101,069	1,010,069
Capacity	602	602	602	602	602	602	602	602	602	602
Enrollment	501	513	472	462	471	432	388	402	346	281
West Valley High										
Square Feet	216,884	216,884	216,884	216,884	216,884	216,884	216,884	216,884	216,884	216,884
Capacity	1,314	1,314	1,314	1,314	1,314	1,314	1,314	1,314	1,314	1,314
Enrollment	1,035	1,019	967	989	1,023	971	968	981	973	892

(a) Barnette and Two Rivers are K-8 schools. Capacities will vary from year to year depending on the mix of elementary and secondary (grades 7 & 8) students.

(b) During fiscal year 2005-06, Howard Luke became home to Effie Kokrine Charter School. The School District leases the Howard Luke building to the Charter School; therefore, square footage information is included after this date, but capacity and enrollment data are not.

(c) Hutchison is a joint-use facility with University of Alaska Fairbanks, Community and Technical College. Total building size is 137,524 square feet. Hutchison High comprises 63.4% of the building, or 87,190 square feet.

(d) Capacity and square footage increased due to renovations.

Source: School District Facilities & Maintenance Department.

Single Audit Section

Federal Single Audit

Reports on Federal Single Audit Requirements

Schedule of Expenditures of Federal Awards

Notes to Schedule of Expenditures of Federal Awards

Schedule of Findings and Questioned Costs

State Single Audit

Reports on State Single Audit Requirements

Schedule of State Financial Assistance

Notes to Schedule of State Financial Assistance

Schedule of Findings and Questioned Costs





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December 10, 2021

REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

Members of the Board of Education
Fairbanks North Star Borough School District

We have audited, in accordance with the 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, the financial statements and schedules of the governmental activities, each major fund, and the aggregate remaining fund information of the Fairbanks North Star Borough School District (School District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We also have audited the financial statements and schedules of each of the School District's aggregate nonmajor governmental funds, the internal service fund type, and the fiduciary fund type as of and for the year ended June 30, 2021, as displayed in the School District's basic financial statements. In addition, we also have audited the financial statements and schedules of the School District's nonmajor governmental funds presented as supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2021, and have issued our report thereon dated December 10, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant*

deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Alliance CPAs LLC

Fairbanks, Alaska
December 10, 2021



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119 N. Cushman Street, Suite 300
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December 10, 2021

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

Members of the Board of Education
Fairbanks North Star Borough School District

Report on Compliance for Each Major Federal Program

We have audited Fairbanks North Star Borough School District's (School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2021. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Alliance CPAs LLC

Fairbanks, Alaska
December 10, 2021

Fairbanks North Star Borough School District

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
Passed through the State of Alaska Department of Education and Early Development:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A	\$ -	\$ 6,315
National School Lunch Program	10.555	N/A	-	
National School Lunch Program - Donated Produce	10.555	N/A	-	211,482
Subtotal CFDA 10.555			-	211,482
Summer Food Service Program for Children	10.559	MA19FNSD01	-	3,756,919
Total Child Nutrition Cluster			-	3,974,716
State Administrative Expenses for Child Nutrition	10.560	FD21FNSD01	-	21,185
NSLP Equipment Assistance Grant	10.579	NS21FNSD01	-	23,236
Fresh Fruit & Vegetable Program	10.582	FF21FNSD01	-	2,669
Fresh Fruit & Vegetable Program	10.582	FF21FNSD02	-	25,738
Subtotal CFDA 10.582			-	28,407
Total U.S. Department of Agriculture			\$ -	\$ 4,047,544
U.S. Department of Defense				
Competitive Grants: Promoting K-12 Student Achievement At Military-Connected Schools				
Support for Student Achievement at Military Connected Schools	12.556		\$ -	\$ 60,159
Support for Student Achievement at Military Connected Schools	12.556		-	491,472
Support for Student Achievement at Military Connected Schools	12.556		-	149,658
Support for Student Achievement at Military Connected Schools	12.556		-	189,047
Subtotal for CFDA 12.556			-	890,336
Total U.S. Department of Defense			\$ -	\$ 890,336
U.S. Department of Justice				
COPS Office School Violence Prevention Program	16.71		\$ -	\$ 171,005
Total U.S. Department of Justice			\$ -	\$ 171,005
U.S. Department of Education				
Passed through the State of Alaska Department of Education and Early Development:				
Title I Grants To Local Educational Agencies				
Title I-A Consolidated Administration	84.010	IP 21 FNSD 01	\$ -	\$ 438,305
Title I-A Basic Grant	84.010	IP 21 FNSD 01	-	2,478,526
Title I-A Neglected & Delinquent	84.010	ND 21 FNSD 01	-	83,107
Title I-A Parent Involvement	84.010	IP 21 FNSD 01	-	18,631
School Improvement: Implementation FY21	84.010	SI 21 FNSD 01	-	203,478
Subtotal for CFDA 84.010			-	3,222,047

Fairbanks North Star Borough School District

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Education, continued				
Passed through the State of Alaska Department of Education and Early Development:				
Migrant Education State Grant Program				
Title I-C Consolidated Administration	84.011	IP 21 FNSD 01	\$ -	\$ 144,860
Title I-C Migrant Education	84.011	IP 21 FNSD 01	-	1,132,084
Title I-C Migrant Summer	84.011	IP 21 FNSD 01	-	54,835
Migrant Ed Book Program	84.011	MB 21 FNSD 01	-	19,500
Migrant Education (PAC)	84.011	MP 20 FNSD 01	-	-
Subtotal for CFDA 84.011			-	1,351,279
Title 1 State Agency Program for Neglected and Delinquent Children and Youth	84.013	IP 21 FNSD 01	-	39,239
Special Education Cluster (IDEA)				
Special Education Grants To States				
Title VI-B	84.027	SE 21 FNSD 01	-	3,538,171
Special Education Preschool Grants				
Preschool Disabled Section 619	84.173	SE 21 FNSD 02	-	105,387
Total Special Education Cluster (IDEA)			-	3,643,558
Impact Aid *				
Direct - Title VIII Impact Aid	84.041		-	140,588
Title VIII Impact Aid	84.041	N/A	-	15,955,639
Title VIII Impact Aid for Construction	84.041	N/A	-	29,579
Subtotal for CFDA 84.041			-	16,125,806
Career And Technical Education -- Basic Grants To States				
Carl Perkins Secondary	84.048	EK 21 FNSD 01	-	259,165
Non-Traditional CTE	84.048	NT 21 FNSD 01	-	14,309
Professional Development - CTSO	84.048	EB 21 FNSD 02	-	23,979
Subtotal for CFDA 84.048			-	297,453
Direct - Indian Education Grants				
Indian Education	84.060	S060A190496	-	38,957
Indian Education	84.060	S060A200496	-	764,663
Subtotal for CFDA 84.060			-	803,620
Education For Homeless Children And Youth	84.196	FR 21 FNSD 01	-	35,512
Twenty-First Century Community Learning Centers *	84.287	AC 21 FNSD 01	-	1,168,104
English Language Acquisition State Grants				
Title III-A Consolidated Administration	84.365	IP 21 FNSD 01	-	532
Title III-A English Language Acquisition	84.365	IP 21 FNSD 01	-	38,728
Subtotal for CFDA 84.365			-	39,260
Improving Teacher Quality State Grants *	84.367	IP 21 FNSD 01	-	843,482
Striving Readers				
FY20 Comprehensive State Literacy Grant Development	84.371	AL 20 FNSD 01	-	29,790
FY21 Comprehensive State Literacy Grant Development	84.371	AL 21 FNSD 01	-	170,614
Subtotal for CFDA 84.371			-	200,404

Fairbanks North Star Borough School District

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Education, continued				
Passed through the State of Alaska Department of Education and Early Development:				
Student Support And Academic Enrichment Program *				
AK Trauma Recovery in Schools	84.424	TM 21 FNSD 01	\$ -	\$ 58,285
Title IV-A Consolidated Administration	84.424	IP 21 FNSD 01	-	7,808
Title IV-A Student Support and Academic Enrichment Program	84.424	IP 21 FNSD 01	-	385,393
Subtotal for CFDA 84.424			-	451,486
Education Stabilization Fund *				
CARES Act - ESSERF	84.425	ER 21 FNSD 01	-	2,255,745
CARES Act - GEERF	84.425	ER 21 FNSD 01	-	316,607
CRRSA Act - ESSERF II	84.425	CA 21 FNSD 01	-	1,937
Subtotal for CFDA 84.425			-	2,574,289
Total U.S. Department of Education			\$ -	\$ 30,795,539
U.S. Department of Health and Human Services				
Passed through Fairbanks Wellness Coalition:				
Substance Abuse and Mental Health Services	93.243	FWC-20-4	\$ -	\$ 6,906
Passed through the State of Alaska Department of Education and Early Development:				
Alaska Project Aware	93.243	AW 21 FNSD 01		80,549
COVID-19 Contact Tracing	93.323	CV 21 FNSD 01	-	7,541
Total U.S. Department of Health and Human Services			\$ -	\$ 94,996
Total Expenditures of Federal Awards			\$ -	\$ 35,999,420

* denotes a major program

Fairbanks North Star Borough School District

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Fairbanks North Star Borough School District (District) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through grantor identifying numbers are presented where available.

Note 3: Indirect Cost

The Alaska Department of Education & Early Development (DEED) has been delegated the authority, by the U.S. Department Education, to approve *Restricted Federal Indirect Cost Rate Proposals* pursuant to delegation agreement number 2021-012, effective until June 30, 2023. The District received a restricted Federal indirect cost rate from DEED for fiscal year 2021. As a result, the District elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

Note 4: U.S. Department of Agriculture (USDA) Food Entitlement

The USDA provides States with a USDA Foods entitlement, at a nominal cost, and a fresh fruit and vegetable entitlement, at no cost, for use in preparing school lunches. The USDA utilizes the U.S. Department of Defense as a procurement agent for the fresh fruit and vegetable entitlement program. Because governmental funds are uniquely concerned with flows of *financial* resources, USDA food entitlements are recorded at cost rather than fair market value in governmental funds. Food entitlements are considered expended when consumed in the school lunch program. However, the noncash value of food entitlements received in fiscal year 2021 is listed as an expenditure on the schedule of expenditures of federal awards.

Fairbanks North Star Borough School District

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☐

Yes

☒

No

Significant deficiency(ies) identified?

☐

Yes

☒

None reported

Noncompliance material to financial statements?

☐

Yes

☒

No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

☐

Yes

☒

No

Significant deficiency(ies) identified?

☐

Yes

☒

None reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐

Yes

☒

No

CFDA Number(s): Name of Federal Program or Cluster

84.041: Impact Aid

84.287: Twenty-First Century Community Learning Centers

84.367: Improving Teacher Quality State Grants

84.424: Student Support And Academic Enrichment Program

84.425: Education Stabilization Fund

Dollar threshold used to distinguish a state major program:

\$ 1,079,983

Auditee qualified as low-risk auditee?

☒

Yes

☐

No

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

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December 10, 2021

REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

Members of the Board of Education
Fairbanks North Star Borough School District

We have audited, in accordance with the 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, the financial statements and schedules of the governmental activities, each major fund, and the aggregate remaining fund information of the Fairbanks North Star Borough School District (School District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We also have audited the financial statements and schedules of each of the School District's aggregate nonmajor governmental funds, the internal service fund type, and the fiduciary fund type of the School District as of and for the year ended June 30, 2021, as displayed in the School District's basic financial statements. In addition, we also have audited the financial statements and schedules of the School District's nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2021, and have issued our report thereon dated December 10, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurances about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Alliance CPAs LLC

Fairbanks, Alaska
December 10, 2021



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December 10, 2021

REPORT ON COMPLIANCE FOR EACH MAJOR STATE
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE STATE
OF ALASKA AUDIT GUIDE AND COMPLIANCE SUPPLEMENT FOR STATE SINGLE AUDITS

Independent Auditor's Report

Members of the Board of Education
Fairbanks North Star Borough School District

Report on Compliance for Each Major State Program

We have audited Fairbanks North Star Borough School District's (School District) compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of the School District's major state programs for the year ended June 30, 2021. The School District's major state programs are identified in the accompanying schedule of state financial assistance.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program

occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major State Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Accordingly, this report is not suitable for any other purpose.

Alliance CPAs LLC

Fairbanks, Alaska
December 10, 2021

Fairbanks North Star Borough School District

Schedule of State Financial Assistance Year Ended June 30, 2021

State Agency/Program Title	Award Number	Total Award Amount	Passed Through to Subrecipients	State Expenditures
Department of Education and Early Development				
Public School Foundation Funding Program *	N/A	\$ 112,997,934	\$ -	\$ 107,298,740
On-Base Schools *	N/A	1,450,000	-	1,450,000
Quality Schools	N/A	406,940	-	395,285
Pupil Transportation *	N/A	11,737,726	-	9,325,958
Youth in Detention	EY19FNSD01	185,000	-	137,601
Student Safety & Security	NA	-	-	100,020
Suicide Awareness, Prevention and Postvention	SP21FNSD01	27,000	-	26,924
Alaska Pre-Elementary Development	PE21FNSD01	150,000	-	148,874
Bree's Law	BR19FNSD01	-	-	5,201
Substance Misuse and Addiction Prevention	AP21FNSD01	10,000	-	8,906
Total Department of Education and Early Development		\$ 126,964,600	\$ -	\$ 118,897,509
Department of Administration				
Teachers' Retirement System On-Behalf Funding *	N/A	\$ 12,790,046	\$ -	\$ 12,790,046
Public Employees' Retirement System On-Behalf Funding *	N/A	3,274,011	-	3,274,011
Total Department of Administration		\$ 16,064,057	\$ -	\$ 16,064,057
Department of Commerce, Community and Economic Development				
Nutritional Alaskan Foods in Schools	13-NAFS-016	\$ -	\$ -	\$ 360
Total Department of Commerce, Community and Economic Development		\$ -	\$ -	\$ 360
Total State Financial Assistance		\$ 143,028,657	\$ -	\$ 134,961,926

* denotes a major program

Fairbanks North Star Borough School District

Notes to the Schedule of State Financial Assistance
For the Year Ended June 30, 2021

Note 1: Major Program Notation

* denotes a major program

Note 2: Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of the Fairbanks North Star Borough School District under programs of the State of Alaska for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of Fairbanks North Star Borough School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Fairbanks North Star Borough School District.

Note 3: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Grantor's identifying numbers are presented where available.

Note 4: Award to Subrecipients

Fairbanks North Star Borough School District did not have any subrecipients for the year ended June 30, 2021.

Fairbanks North Star Borough School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Significant deficiency(ies) identified?

☐
☐
☐

Yes
Yes
Yes

☒
☒
☒

None reported
No
No

Material weakness(es) identified?

Noncompliance material to financial statements?

State Financial Assistance

Type of auditor's report issued on compliance for major programs:

Unmodified

Internal control over major programs:

Significant deficiency(ies) identified?

☐
☐

Yes
Yes

☒
☒

None reported
No

Material weakness(es) identified?

Dollar threshold used to distinguish a state major program:

\$ 500,000

Section II - Financial Statement Findings

The Fairbanks North Star Borough School District did not have any findings that relate to the financial statements.

Section III - State Award Findings and Questioned Costs

No matters were reported.

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Supplemental Reports Section

**Statements of Compliance – Alaska
Statue 14.17.505**

Tuition Rate Report





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December 10, 2021

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON FUND BALANCE
COMPLIANCE REQUIREMENTS

Members of the Board of Education
Fairbanks North Star Borough School District

We have audited the financial statements and schedules of the governmental activities, each major fund, and the aggregate remaining fund information of the Fairbanks North Star Borough School District (School District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents. We also have audited the financial statements and schedules of the aggregate nonmajor governmental funds, internal service fund type, and the fiduciary fund type of the School District as of and for the year ended June 30, 2021, as displayed in the School District's basic financial statements. In addition, we also have audited the financial statements and schedules of the School District's nonmajor governmental funds presented as supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2021. Our audit was made 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 and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our audit, as presented in the Statement of Compliance - AS 14.17.505, nothing came to our attention which caused us to believe that the School District had failed to comply with the accumulated fund balance restriction in AS 14.17.505 as interpreted by the State of Alaska, Department of Education and Early Development. However, it should be noted that our audit was not directed primarily toward obtaining knowledge of noncompliance with such requirements.

This report is intended solely for the information and use of the members of the Board of Education, audit committee and management of the Fairbanks North Star Borough School District and the State of Alaska, Department of Education and Early Development and is not intended to be, and should not be, used by anyone other than these specified parties.

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Fairbanks North Star Borough School District

Statement of Compliance - AS 14.17.505

Year Ended June 30, 2021

Total fund balance - General (Operating) Fund	\$	10,783,930
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Items deducted in 4 AAC 09.160:

Encumbrances	620,838
Inventory	682,127
Prepaid Expenses	334,038
Impact Aid	8,889,292
Student Allotments	<u>257,635</u>

General (Operating) Fund subject to 10% limitation	<u>\$</u>
---	-----------

General (operating) fund balance as a percentage of current year expenditures:

General (operating) fund balance subject to 10%	\$		=	0.00%
Current year general (operating) fund expenditures	\$	201,668,934		

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December 10, 2021

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON CERTAIN STATE
COMPLIANCE REQUIREMENTS

Members of the Board of Education
Fairbanks North Star Borough School District

We have audited the financial statements and schedules of the governmental activities, each major fund, and the aggregate remaining fund information of the Fairbanks North Star Borough School District (School District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents. We also have audited the financial statements and schedules of the aggregate nonmajor governmental funds, internal service fund type, and the fiduciary fund type of the School District as of and for the year ended June 30, 2021, as displayed in the School District's basic financial statements. In addition, we also have audited the financial statements and schedules of the School District's nonmajor governmental funds presented as supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2021 and have issued our report thereon dated November __, 2021. Our audit was made 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 and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In the course of our audit, nothing came to our attention that caused us to believe that:

- a) The statements of revenues and expenditures of the Special Revenue Funds do not present fairly the allowable funds expended within the limits of program budgets.
- b) The Fairbanks North Star Borough School District has not complied with the State of Alaska, Department of Education and Early Development State Chart of Accounts.
- c) The Fairbanks North Star Borough School District has not complied with the bonding requirements of AS 14.14.020.

However, it should be noted that our audit was not directed primarily toward obtaining knowledge of noncompliance with the foregoing requirements.

This report is intended solely for the information and use of the members of the Board of Education, audit committee and management of the Fairbanks North Star Borough School District and the State of Alaska, Department of Education and Early Development and is not intended to be, and should not be, used by anyone other than these specified parties.

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December 10, 2021

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON
THE TUITION RATE REPORT

Members of the Board of Education
Fairbanks North Star Borough School District

We have audited the accompanying Tuition Rate Report of the Fairbanks North Star Borough School District (School District) as of and for the year ended June 30, 2021. This report is the responsibility of the School District's management. Our responsibility is to express an opinion on this report 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 Tuition Rate Report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Tuition Rate Report. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Tuition Rate Report presentation. We believe that our audit provides a reasonable basis for our opinion.

Since our audit did not include tests of the average daily membership, we do not express an opinion thereon or upon the resulting tuition rate (2020-2021 fiscal year). However, in our opinion, except for the average daily membership described in the preceding sentence and the resulting tuition rate (2020-2021 fiscal year), the accompanying report presents fairly, in all material respects, the information required in the related instructions from the State of Alaska, Department of Education and Early Development.

This report is intended solely for the information and use of the members of the Board of Education, audit committee and management of the Fairbanks North Star Borough School District and the State of Alaska, Department of Education and Early Development and is not intended to be, and should not be, used by anyone other than these specified parties.

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Fairbanks North Star Borough School District

Department of Education and Early Development (DEED)

Tuition Rate Report

Year Ended June 30, 2021

Local Revenues for Support of Schools:

Borough contribution to school district general fund	\$ 49,045,400
--	---------------

Direct Expenditures by Borough for School Purposes:

From: <i>Summary Report of Reimbursable Expenditures</i> Bond redemption	12,737,355
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Less: State aid for school construction	-
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Total expenditures from local sources	61,782,755
---------------------------------------	------------

Plus:

Title VIII Impact Aid	680,000
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On-base tuition	1,450,000
-----------------	-----------

2,130,000

Total local cost for tuition purposes	\$ 63,912,755
--	----------------------

Average daily membership as approved by the DEED for foundation support in FY2020-21:	11,271
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Tuition Rate	\$ 5,670.55
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