

Fairbanks North Star Borough School District

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2020



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, 2020

Dr. Karen Gaborik
Superintendent

Prepared by:

Andreau Degraw, MBA
Chief Operations Officer

Nicole "Nico" Herbert, CPA
Director of Accounting Services

Lonnie Smith, CPA
Meghan Geyer
Desiree Buma
Accountants

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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 14, 2020

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, 2020, 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 (CAFR)

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 Cook & Haugeberg 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, 2020 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, 2020 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 13,000 students attend the thirty-one schools and the Building Education Success Together (B.E.S.T) program in our district. Class size varies, but the fiscal year 2020 district-wide average was 15.78 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 CAFR.

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.

Since the outbreak of COVID-19, which was declared a pandemic on March 11, 2020, havoc has been wreaked on the global economy, with devastating impacts on national and local economies. By the end of April 2020 roughly 65,000 people who normally would have been employed weren't working. For context, Alaska's entire working-age population numbers around 500,000. April's job numbers provided initial details on Alaska's COVID-19-related losses, showing an unprecedented drop of 13.1 percent from April of last year. The closest Alaska has come to a loss of that magnitude was in August 1977, when employment fell 11.7 percent after the Trans-Alaska Pipeline was completed.

While unemployment rates rose across Alaska the consumer price index recorded a -2.5 percent deflation from April 2019 to April 2020. Specifically, energy prices fell 22 percent in early 2020 due to the oil price collapse, causing transportation and housing costs to decline as well.

Towards the end of calendar year 2020 Alaska is seeing a slight recovery from the initial COVID-19 impacts. The job growth was at -8.8 percent for October, and increase from -12.2 percent in May, although still below the 80's recession low of -7.5. The unemployment rate recovered from 12.6 percent in May to 5.9 percent in September. Alaska trended about a percentage lower than the United States average rate.

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, 2020. 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 88.13 percent of the District's 2020-21 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 each October. District enrollments decreased by 44 students leaving a reduction of 3.8% over the five year period ending in 2019-2020.

During the preparation of the 2020-21 operating budget it was expected that enrollment would remain consistent and was close to being finalized when the pandemic began to surge. The impact of COVID-19 resulted in a significant drop in student enrollment reported for the Average Daily Membership (ADM) count and will directly reduce the amount of revenue received from the State of Alaska.

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.

Additional improvements made to facilities during fiscal year 2020 include an LED lighting upgrade, water line replacement at the Facilities Management warehouse and roof replacement over the mat and locker room at Lathrop High School. These projects exhausted the remaining balance in our School District Facilities Maintenance Reserve Fund held at the Borough.

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 88.13 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 unable to resume in-person learning for the majority of the student population combined with the overall decrease enrollment three large revenue sources are being impacted, including: State's Foundation Formula Program, Pupil Transportation, and National School Lunch Program.

In order to meet the increase costs for personal protective equipment (PPE) necessary to safeguard staff and students and honor existing contracts for the 2020-21 fiscal year the District expects to utilize more fund balance than originally budgeted due to reduction in revenue from the programs mentioned earlier.

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 (CAFR) for the fiscal year ended June 30, 2019.

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 CAFR for the fiscal year ended June 30, 2019.

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 CAFR. 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 CAFR 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



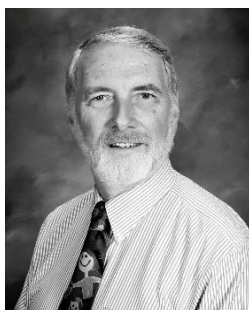
2019-20 Board of Education



Wendy Dominique, President

520 Fifth Ave
Fairbanks, AK 99701
Phone: 388-6649
Email: wendy.dominique@k12northstar.org
Committee(s): Legislative Committee

Seat G, expires October 2020



Timothy Doran, Vice President

512 Windsor Drive
Fairbanks, AK 99709
Phone: 712-4772
Email: timothy.doran@k12northstar.org
Committee(s): Parent Engagement Committee & Legislative Committee

Seat E, expires October 2020



Erin Morotti, Treasurer

PO Box 57137
North Pole, AK 99705
Phone: (714) 296-8665
Email: erin.morotti@k12northstar.org
Committee(s): Audit Committee & Budget Committee

Seat A, expires October 2021



Chrya Sanderson, Clerk

3498 Rosehip Dr.
North Pole, AK 99705
Phone: 488-3866
Email: chrya.sanderson@k12northstar.org
Committee(s): Curriculum Committee

Seat B, expires October 2021



Jennifer Luke, Member

520 Fifth Ave.
Fairbanks, AK 99701
Phone: 687-6897
Email: jennifer.luke@k12northstar.org
Committee(s): Diversity Committee & Legislative Committee

Seat D, expires October 2022



Sean Rice, Member

2521 Clydesdale Drive
North Pole, AK 99705
Phone: 388-4607
Email: sean.rice@k12northstar.org
Committee(s): Career Technical Education Committee

Seat F, expires October 2020



Matthew Sampson, Member

520 Fifth Ave.
Fairbanks, AK 99701
Phone: 978-1976
Email: matthew.sampson@k12northstar.org
Committee(s): Policy Committee

Seat C, expires October 2022



Jessica Eid, Student Representative - Ben Eielson High School

675 Raven's Way
Eielson AFB, AK 99702
Phone: 372-3110
Email: jessicaeid.c@gmail.com

Appointed position, advisory vote



Colonel Chad BonDurant Base Representative

354 Broadway Street, Suite 12A
Eielson AFB, AK 99702
Phone: 377-9651
Email: chad.bondurant@us.af.mil

Appointed position, advisory vote



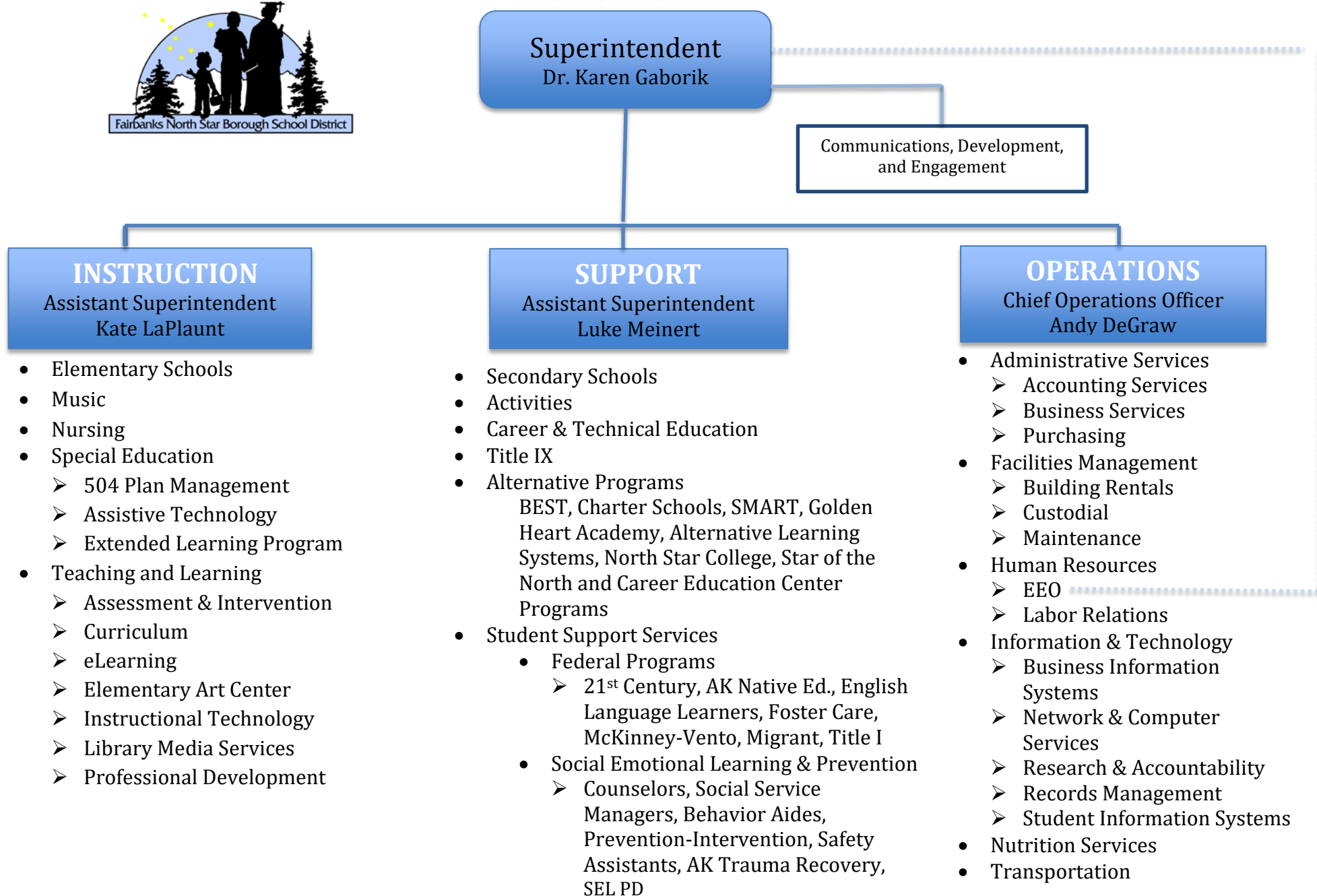
Colonel Christopher Ruga, Post Representative

1046 Marks Road #6000
Ft. Wainwright, AK 99703-6000
Phone: 353-7660
Email: Christopher.j.ruga.mil@mail.mil

Appointed position, advisory vote



2020-2021





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 (CAFR)
for the Fiscal Year Ended June 30, 2019.**

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



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink, reading '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, 2019

Christopher P. Morrell

Executive Director/CEO

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Financial Section





Cook & Haugeberg LLC

CERTIFIED PUBLIC ACCOUNTANTS

December 14, 2020

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, 2020, 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, 2020, 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, 2020, 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

119 North Cushman Street, Suite 300 • Fairbanks, Alaska 99701 • 907-456-7762
Fax 907-452-6184 • www.ch-cpa.com • email: Contact@ch-cpa.com

Partners: Gerald D. Haugeberg
Senior Consultants:

Kara Moore
James F. Dieringer, Jr.

Kathleen A.R. Thompson
Michael T. Cook

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, 2020, 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, 2020, 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, 2020 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, 2019, (not presented herein), and have issued our report thereon dated October 23, 2019, 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, 2019 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, 2019 financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the June 30, 2019 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, 2019. The June 30, 2019 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, 2019 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 October 23, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, 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, 2019, 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 14, 2020 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.

Cook & Haugeberg LLC

Fairbanks North Star Borough School District

Management's Discussion and Analysis June 30, 2020

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, 2020 with selected comparative data for the year ended

June 30, 2019. 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, 2020, and as reflected in total net position, increased by \$15.6 million to a deficit of \$91.1 million from \$106.8 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 \$183.8 million, including \$50 million in local appropriations and \$132 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 \$16.9 million. The total revenue from all sources was \$200.7 million.

The District had \$185.1 million in expenses related to programs, a decrease of \$39.7 million from the prior year. The decrease in expenses is primarily due 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.

Governmental funds financial statements

The overall fund balance of the general (school operating) fund, decreased by \$2.6 million to \$21 million from \$23.6 million. The general fund balance is comprised of \$423 thousand nonspendable fund balance related to prepaid items and inventories, \$321 thousand restricted fund balance related to homeschool student allotments, and \$20.3 million assigned fund balance related to encumbrances and subsequent year's budget appropriation of fund balance.



Fairbanks North Star Borough School District

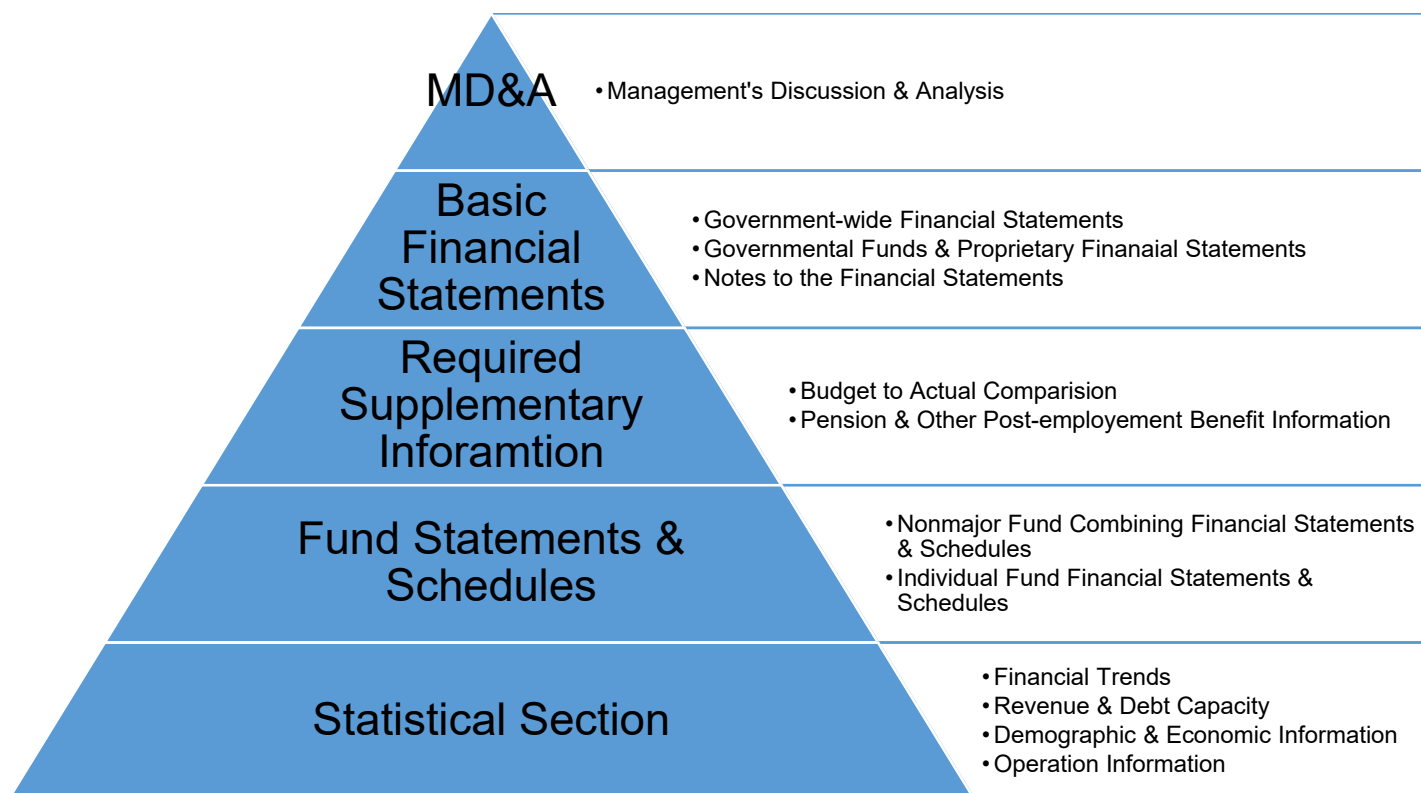
Management's Discussion and Analysis (continued) June 30, 2020

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, 2020

and liabilities. The end result is net position segregated into three components: net 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, 2020

• 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 page 31 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 33-60 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 61-73 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 159-175 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 \$91.2 million at the close of the most recent fiscal year.

Net 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, 2020

Table 1: Net Position – Years ended June 30, 2020 and 2019 (In Thousands)

	2020	2019	Increase (Decrease)	Percentage Change
Assets				
Current and other assets	\$ 44,992	\$ 51,807	\$ (6,815)	-13.2%
Capital assets	3,325	3,961	(636)	-16.0%
Long-term net OPEB asset	7,145	917	6,228	679.3%
Total assets	55,462	56,684	(1,222)	-2.2%
Deferred outflows of resources	21,436	27,014	(5,578)	-20.6%
Liabilities				
Long-term liabilities	152,071	171,177	(19,107)	-11.2%
Other liabilities	3,867	5,532	(1,665)	-30.1%
Total liabilities	155,938	176,710	(20,772)	-11.8%
Deferred inflows of resources	12,155	13,813	(1,657)	-12.0%
Net position				
Net investment in capital assets	3,325	3,961	(636)	-16.0%
Restricted	6,194	7,775	(1,581)	-20.3%
Unrestricted deficit	(100,714)	(118,559)	17,845	-15.1%
Total net position (deficit)	\$ (91,195)	\$ (106,824)	\$ 15,628	-14.6%

Change in Net Position

The District's net position increased \$15.6 million. This is primarily because the State of Alaska's Alaska Retiree Healthcare Trust adopted the EGWP program effective January 1, 2019. Under the EGWP program, certain prescription drug benefits previously provided by the plan are now provided by Medicare. The newly adopted program resulted in a credit proportionate share of other post-employment benefit plan expense of \$27.4 million. Also, since the District is fiscally dependent on the borough, state, and federal governments, expenses closely match revenues, with the exception of timing differences in relation to when an expense is recognized. The funding government(s) appropriate funds to the District, which it spends to accomplish its goal of providing education to the children of Fairbanks North Star Borough.

Fairbanks North Star Borough School District

Management's Discussion and Analysis (continued) June 30, 2020

Table 2: Change in Net Position – Years ended June 30, 2020 and 2019 (In Thousands)

	2020	2019	Increase (Decrease)	Percentage Change
Revenues:				
Program revenues:				
Charges for services	\$ 1,255	\$ 1,627	\$ (372)	-22.8%
Operating grants and contributions	15,270	40,715	(25,446)	-62.5%
Capital grants and contributions	426	408	18	4.5%
General revenues:				
Borough direct appropriation	50,045	50,045	-	0.0%
State grants and entitlements not restricted	132,038	134,337	(2,298)	-1.7%
Other	1,710	1,916	(205)	-10.7%
Total revenues	200,745	229,048	(28,303)	-12.4%
Expenses:				
Instruction	69,235	91,725	(22,490)	-24.5%
Special education instruction	22,464	27,786	(5,322)	-19.2%
Special education support services - students	6,498	8,878	(2,379)	-26.8%
Support services - students	12,126	13,888	(1,762)	-12.7%
Support services - instruction	7,607	9,255	(1,648)	-17.8%
Support services - technology	994	-		
School administration	5,792	7,524	(1,732)	-23.0%
School administration support services	4,435	4,997	(562)	-11.2%
District administration	2,298	2,838	(540)	-19.0%
District administration support services	9,262	10,063	(801)	-8.0%
Operations and maintenance of plant	24,482	22,806	1,675	7.3%
Student activities	3,257	4,703	(1,446)	-30.7%
Student transportation - to and from school	11,805	13,874	(2,069)	-14.9%
Food services	4,860	5,517	(656)	-11.9%
Interest expense	-	10	(10)	100.0%
Total expenses	185,116	223,863	(39,740)	-17.8%
Change in net position	15,628	5,185	11,437	220.6%
Net position, (deficit) beginning	(106,824)	(112,009)	5,185	-4.6%
Net position, (deficit) ending	\$ (91,195)	\$ (106,824)	\$ 15,628	-14.6%

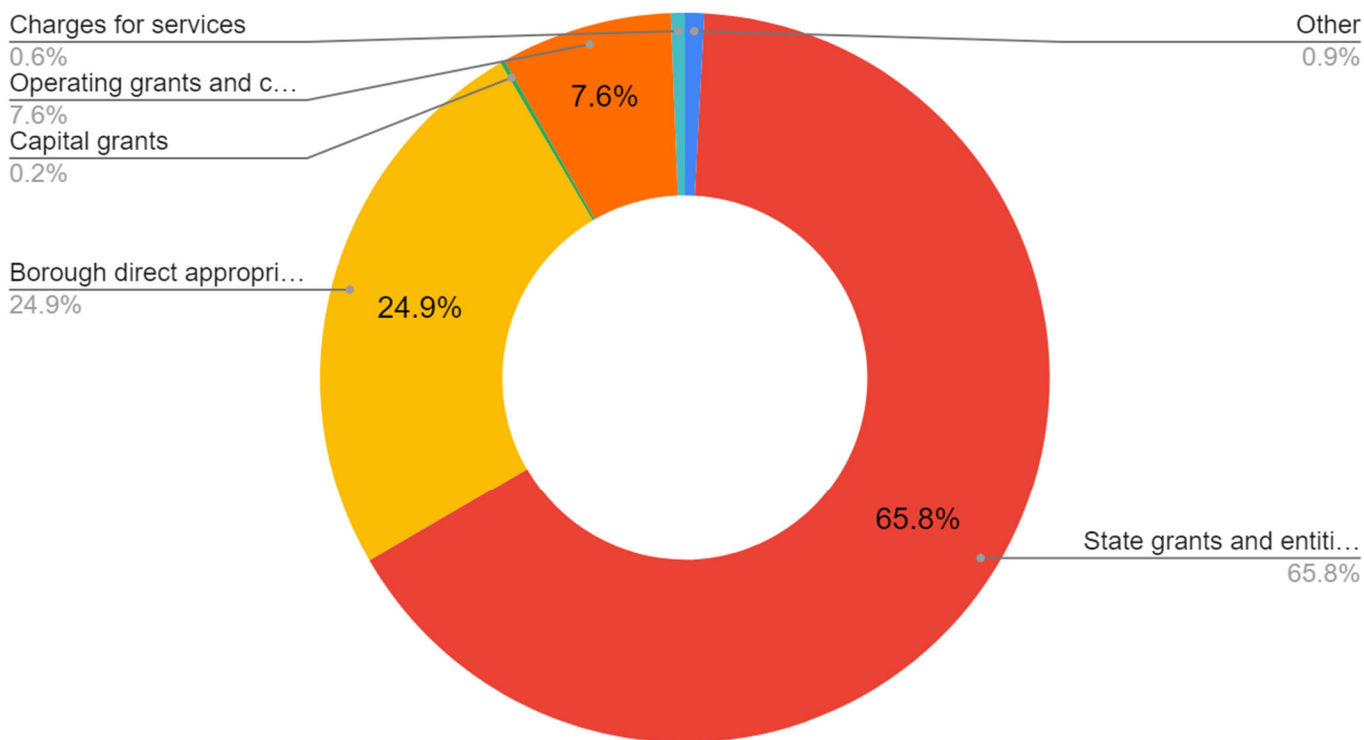
Fairbanks North Star Borough School District

Management's Discussion and Analysis (continued) June 30, 2020

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) decreased to \$200.7 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 81.7 percent of every dollar needed. The remaining 18.3 percent came from grants and contributions, fees charged for services, and other miscellaneous revenues. Total revenues surpassed expenses, increasing net position by 15.6 million over last year.

The total cost of all programs and services decreased to \$185.1 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 70.6% of all school system expenditures. The school and district administration activities, food services, and student activities accounted for 11.7 percent, 2.6 percent and 1.7 percent of total costs, respectively. Maintenance and operation expenses represented approximately 13.2 percent. The expense decrease was primarily attributable to the adoption of the EGWP program discussed earlier.

Chart 1: Source of Revenues



Fairbanks North Star Borough School District

Management's Discussion and Analysis (continued)
June 30, 2020

Chart 2: Expenses by Category

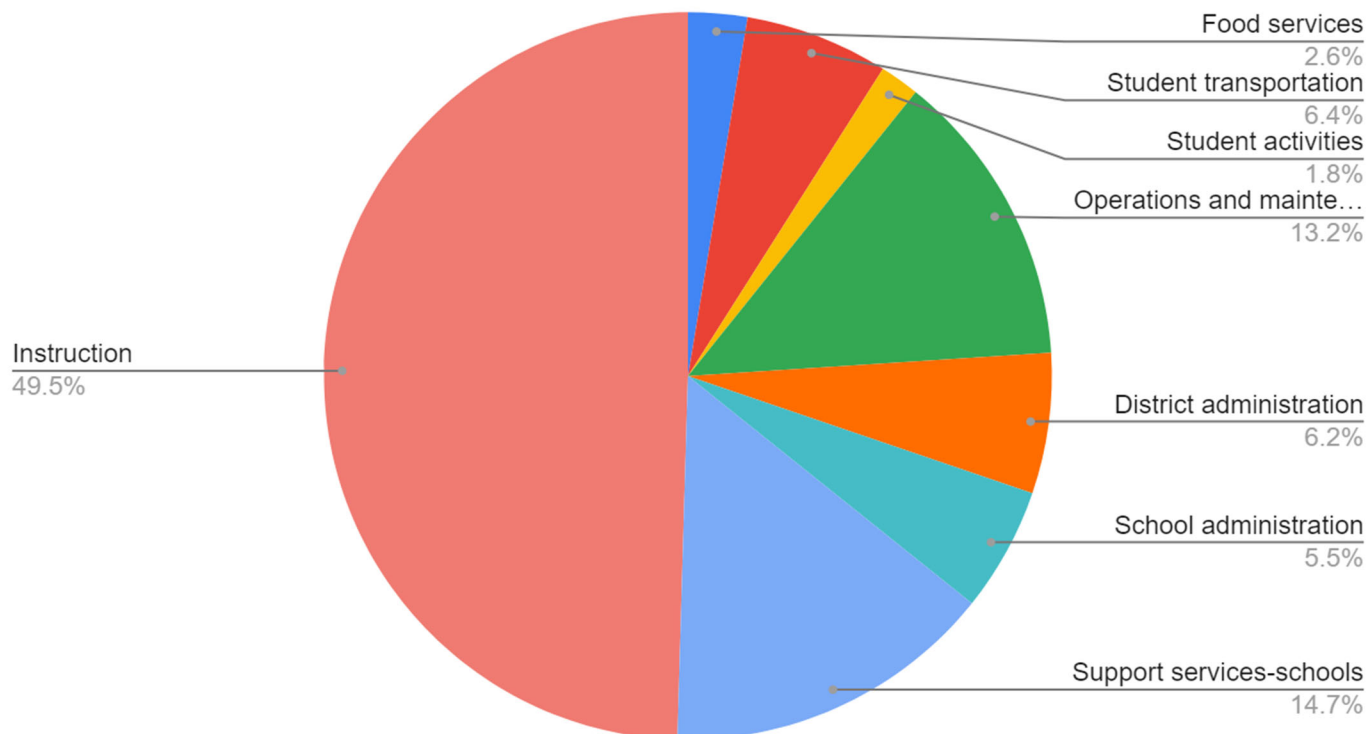


Table 3 presents the total cost of services for the School District's main functional activities. Net Cost of Services represents the Total Cost of Services less charges for services and revenue from operating grants and contributions. The net cost shows the financial burden placed on the School District's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

Table 3: Cost of Governmental Activities - Years ended June 30, 2020 and 2019 (In Thousands)

	2020		2019	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 91,699	\$ 98,025	\$ 119,511	\$ 104,069
Support services - schools	27,226	22,238	32,021	26,829
School administration	10,227	10,293	12,521	11,881
District administration	11,560	11,819	12,900	11,952
Operations and maintenance of plant	24,482	24,097	22,806	22,111
Student activities	3,257	1,538	4,703	1,934
Student transportation - to and from school	11,805	124	13,874	2,142
Food services	4,860	30	5,517	193
Interest expense	-	-	10	10
Total	\$ 185,116	\$ 168,166	\$ 223,863	\$ 181,120

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, 2020

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 \$32.9 million, a decrease of \$3.7 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 \$21 million, a decrease of \$2.6 million from the prior year.

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 \$20.3 million or 10.08 percent of expenditures. In addition, the level of unrestricted fund balance to

expenditures as calculated on a state basis was 4.71 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 increased during the current fiscal year by \$1.2 million due to the cancellation of bus routes that started in the middle of March and continued through end of the school year.

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 \$13.1 million, an increase 5 percent from the prior year of \$12.5.

Capital Projects Fund

The capital projects fund had a fund balance at the end of the current year of \$5.6 million, a decrease of \$1.9 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.

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 continued to see an expected operating loss, in the amount of \$2.9 million, resulting in a negative ending net position of \$61,246. The health insurance benefits rate was increased

for the fiscal year 2020 – 2021 in order to prevent the fund from continuing to operate at a large loss.

The Equipment replacement internal service fund ending net position for the current year was \$1.6 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.

Fairbanks North Star Borough School District

Management's Discussion and Analysis (continued) June 30, 2020

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 \$3.3 million as of June 30, 2020 (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 \$152 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 of the financial statements.

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 FY2021, the District considered a number of issues. Notable factors influencing future budgets are:

- Reduction in funding from the local borough contribution by \$1.5 million.
- 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 economic and social disruption caused by the global coronavirus (COVID-19) pandemic, the District has encountered other factors that could significantly affect its financial condition in the future.

- An estimated 5 percent decrease in student enrollment, which will reduce the current year foundation funding from the State of Alaska.
- Increased costs related to more frequent sanitation of work spaces and personal protective equipment (PPE).
- Increased costs related to providing distance delivery education to all students and phasing in targeted high risk students to in-person instruction.

Fairbanks North Star Borough School District

Management's Discussion and Analysis
June 30, 2020

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, 2020

	Governmental Activities
Assets	
Equity in central treasury cash	\$ 37,896,055
Accounts receivable	5,911,490
Due from Fairbanks North Star Borough	5,037
Inventories	1,053,731
Prepaid items	125,515
Machinery and equipment	12,047,974
Less accumulated depreciation	(8,828,113)
Intangible assets, net of amortization	105,521
Long-term other postemployment benefits asset	7,144,736
Total assets	\$ 55,461,946
Deferred Outflows of Resources	
Pension related	12,220,650
Other postemployment benefits related	9,215,310
Total deferred outflows of resources	21,435,960
Liabilities	
Accounts payable	2,099,678
Accrued payroll and liabilities	1,358,943
Unearned revenue	348,168
Due to Fairbanks North Star Borough	24,302
Due to external groups and agencies	36,058
Long-term liabilities:	-
Current portion	9,988,601
Long-term portion	142,082,133
Total liabilities	155,937,883
Deferred Inflows of Resources	
Pension related	5,384,092
Other postemployment benefits related	6,771,301
Total deferred outflows of resources	12,155,393
Net Position	
Net investment in capital assets	3,325,382
Restricted for grants	5,871,815
Restricted for student allotments	321,841
Unrestricted (deficit)	(100,714,408)
Total net position (deficit)	(91,195,370)

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, 2020

		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	\$ 69,235,106	\$ -	\$ (9,330,683)	\$ -	\$ (78,565,789)
Special education instruction	22,464,040	-	3,004,440	-	(19,459,600)
Special education support services - students	6,498,466	-	(689,859)	-	(7,188,325)
Support services - students	12,126,478	121,225	3,051,117	-	(8,954,136)
Support services - instruction	7,607,325	-	2,505,043	-	(5,102,282)
Support services - technology	993,661	-	-	-	(993,661)
School administration	5,791,852	-	16,640	-	(5,775,212)
School administration support services	4,435,319	-	(82,942)	-	(4,518,261)
District administration	2,298,093	-	(119,558)	-	(2,417,651)
District administration support services	9,262,137	-	(139,370)	-	(9,401,507)
Operations and maintenance of plant	24,481,646	-	(40,904)	425,737	(24,096,813)
Student activities	3,257,289	-	1,719,243	-	(1,538,046)
Student transportation - to and from school	11,804,857	-	11,680,390	-	(124,467)
Food services	4,860,185	1,134,055	3,695,979	-	(30,151)
Total governmental activities	\$ 185,116,454	\$ 1,255,280	\$ 15,269,536	\$ 425,737	\$ (168,165,901)
General revenues:					
Borough direct appropriation					50,045,400
State grants and entitlements not restricted					132,038,495
Other					1,710,389
Total general revenues					183,794,284
Change in net position					15,628,383
Net position, (deficit) beginning					(106,823,753)
Net position, (deficit) ending					(91,195,370)

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Governmental Funds

Balance Sheet

June 30, 2020

(With comparative totals for 2019)

	General	Student Transportation Special Revenue	Federal Programs Special Revenue	Capital Projects
Assets				
Equity in central treasury cash	\$ 16,985,268	\$ 4,513,529	\$ 10,351	\$ 7,161,398
Accounts receivable	449,419	-	4,271,342	-
Due from other funds	5,003,043	-	-	-
Due from Fairbanks North Star Borough	5,037	-	-	-
Inventories	298,191	-	-	-
Prepaid items	125,515	-	-	-
Total assets	\$ 22,866,473	\$ 4,513,529	\$ 4,281,693	\$ 7,161,398
Liabilities and Fund Balances (Deficit)				
Liabilities				
Accounts payable	\$ 436,211	\$ -	\$ 123,739	\$ 1,526,485
Accrued payroll and liabilities	1,358,943	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	4,155,909	-
Due to Fairbanks North Star Borough	-	-	-	24,302
Due to external groups and agencies	36,058	-	-	-
Total liabilities	1,831,212	-	4,279,648	1,550,787
Fund balances				
Nonspendable	423,706	-	-	-
Restricted	321,841	-	2,045	5,610,611
Committed	-	-	-	-
Assigned	20,289,714	4,513,529	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	21,035,261	4,513,529	2,045	5,610,611
Total liabilities and fund balances	\$ 22,866,473	\$ 4,513,529	\$ 4,281,693	\$ 7,161,398

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Governmental Funds

Balance Sheet

June 30, 2020

(With comparative totals for 2019)

		Total Governmental Funds	
	Nonmajor Governmental	2020	2019
Assets			
Equity in central treasury cash	\$ 2,196,350	\$ 30,866,896	\$ 36,895,263
Accounts receivable	87,855	4,808,616	4,382,620
Due from other funds	-	5,003,043	3,845,277
Due from Fairbanks North Star Borough	-	5,037	5,819
Inventories	755,540	1,053,731	738,296
Prepaid items	-	125,515	44,681
Total assets	\$ 3,039,745	\$ 41,862,838	\$ 45,911,956
Liabilities and Fund Balances (Deficit)			
Liabilities			
Accounts payable	\$ 13,243	\$ 2,099,678	\$ 3,834,614
Accrued payroll and liabilities	-	1,358,943	1,165,634
Unearned revenue	348,168	348,168	389,510
Due to other funds	847,134	5,003,043	3,845,277
Due to Fairbanks North Star Borough	-	24,302	224
Due to external groups and agencies	-	36,058	-
Total liabilities	1,208,545	8,870,192	9,235,259
Fund balances			
Nonspendable	755,540	1,179,246	782,977
Restricted	259,159	6,193,656	7,774,626
Committed	1,576,380	1,576,380	1,577,591
Assigned	-	24,803,243	26,657,952
Unassigned (deficit)	(759,879)	(759,879)	(116,449)
Total fund balances (deficit)	1,831,200	32,992,646	36,676,697
Total liabilities and fund balances	\$ 3,039,745	\$ 41,862,838	\$ 45,911,956

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, 2020

Total fund balances for governmental funds		\$ 32,992,646
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	12,047,974	
Accumulated depreciation to date	(8,828,113)	
Intangible assets, net of accumulated amortization	<u>105,521</u>	
Total capital assets		3,325,382
Other long-term assets are not available to pay for current-period expenditures and; therefore; are not reported in the funds.		
Net pension asset		7,144,736
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.		
		1,592,983
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	(5,247,290)	
Net pension liability	(138,139,136)	
Net OPEB liability	<u>(2,145,258)</u>	
Total long-term liabilities		(145,531,684)
Certain changes in net pension liabilities are deferred rather than recognized immediately. These are amortized over time.		
Deferred outflows of resources related to pensions	12,220,650	
Deferred outflows of resources related to other postemployment benefits	9,215,310	
Deferred inflows of resources related to pensions	(5,384,092)	
Deferred inflows of resources related to other postemployment benefits	<u>(6,771,301)</u>	
Total deferred pension items		<u>9,280,567</u>
Total net position of governmental activities		<u>\$ (91,195,370)</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, 2020

(With comparative totals for 2019)

	General	Student Transportation Special Revenue	Federal Programs Special Revenue	Capital Projects
Revenues:				
Local sources	\$ 51,236,487	\$ -	\$ -	\$ -
State sources	132,610,914	11,686,384	-	-
Federal sources	16,272,528	-	13,125,120	425,737
Total revenues	200,119,929	11,686,384	13,125,120	425,737
Expenditures - current:				
Instruction	91,772,305	-	4,736,178	-
Special education instruction	25,774,933	-	3,508,894	-
Special education support services - students	8,610,596	-	-	-
Support services - students	12,586,082	-	2,788,002	-
Support services - instruction	8,139,789	-	1,175,463	-
Support services - technology	1,030,872	-	-	-
School administration	8,407,008	-	-	-
School administration support services	5,547,176	-	-	-
District administration	2,878,191	-	-	-
District administration support services	10,024,868	-	697,418	-
Operations and maintenance of plant	24,485,346	-	171,105	-
Student activities	1,925,249	-	-	-
Student transportation - to and from school	-	11,860,591	-	-
Food services	-	-	48,060	-
Debt service:				
Interest	-	-	-	-
Principal	-	-	-	-
Capital outlay	-	-	-	2,390,458
Total expenditures	201,182,415	11,860,591	13,125,120	2,390,458
Excess (deficiency) of revenues over expenditures	(1,062,486)	(174,207)	-	(1,964,721)
Other financing sources (uses):				
Proceeds from sale of capital assets	9,027	-	-	-
Transfers in	-	1,400,000	-	-
Transfers out	(1,577,177)	-	-	-
Total other financing sources (uses)	(1,568,150)	1,400,000	-	-
Net change in fund balances	(2,630,636)	1,225,793	-	(1,964,721)
Fund balances - beginning	23,665,897	3,287,736	2,045	7,575,332
Fund balances - ending	\$ 21,035,261	\$ 4,513,529	\$ 2,045	\$ 5,610,611

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, 2020

(With comparative totals for 2019)

		Total Governmental Funds	
	Nonmajor Governmental	2020	2019
Revenues:			
Local sources	\$ 3,169,253	\$ 54,405,740	\$ 55,627,598
State sources	309,508	144,606,806	140,732,918
Federal sources	3,666,760	33,490,145	37,570,657
Total revenues	7,145,521	232,502,691	233,931,173
Expenditures - current:			
Instruction	100,077	96,608,560	97,049,885
Special education instruction	-	29,283,827	29,715,926
Special education support services - students	-	8,610,596	9,443,330
Support services - students	380,258	15,754,342	14,655,055
Support services - instruction	24,819	9,340,071	9,760,215
Support services - technology	-	1,030,872	-
School administration	-	8,407,008	7,937,096
School administration support services	-	5,547,176	5,477,135
District administration	-	2,878,191	3,016,670
District administration support services	13,513	10,735,799	10,723,296
Operations and maintenance of plant	6,821	24,663,272	24,102,114
Student activities	1,765,487	3,690,736	4,846,718
Student transportation - to and from school	-	11,860,591	13,881,158
Food services	5,346,210	5,394,270	5,715,114
Debt service:			
Interest	-	-	9,775
Principal	-	-	670,769
Capital outlay	-	2,390,458	323,698
Total expenditures	7,637,185	236,195,769	237,327,954
Excess (deficiency) of revenues over expenditures	(491,664)	(3,693,078)	(3,396,781)
Other financing sources (uses):			
Proceeds from sale of capital assets	-	9,027	15,738
Transfers in	177,177	1,577,177	9,001,871
Transfers out	-	(1,577,177)	(9,001,871)
Total other financing sources (uses)	177,177	9,027	15,738
Net change in fund balances	(314,487)	(3,684,051)	(3,381,043)
Fund balances - beginning	2,145,687	36,676,697	40,057,740
Fund balances - ending	\$ 1,831,200	\$ 32,992,646	\$ 36,676,697

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, 2020

Net change in fund balances - total governmental funds \$ (3,684,051)

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	210,354	
Current depreciation/amortization expense	(819,744)	
Loss on disposal of assets	(26,165)	
	<hr/>	(635,555)

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. (2,863,786)

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. (454,296)

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, 2019 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	11,802,538
Employer contribution expense	(11,777,873)

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	(6,433,457)
OPEB reduction in expense	29,674,864
	<hr/>

Change in Net Position of Governmental Activities \$ 15,628,384

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Proprietary Funds
Statement of Net Position
June 30, 2020
(With comparative totals for 2019)

	Governmental Activities	
	Internal Service Funds	
	2020	2019
Assets		
Equity in central treasury cash	\$ 7,029,159	\$ 9,510,853
Accounts receivable	1,102,874	229,100
Total assets	\$ 8,132,033	\$ 9,739,953
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ -	\$ 142,281
Claims payable	5,074,101	4,465,394
Total current liabilities	5,074,101	4,607,675
Noncurrent Liabilities		
Claims payable	49,141	52,935
Accrued self-insurance reserves	1,415,808	622,574
Total noncurrent liabilities	1,464,949	675,509
Total liabilities	6,539,050	5,283,184
Net Position		
Unrestricted	1,592,983	4,456,769
Total net position	\$ 1,592,983	\$ 4,456,769

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, 2020
(With comparative totals for 2019)

	Governmental Activities	
	Internal Service Funds	
	2020	2019
Operating revenues:		
Local sources:		
Charges for services	\$ 35,848,982	\$ 35,164,416
Other local revenue	304,989	-
Total local sources	36,153,971	35,164,416
Total revenues	36,153,971	35,164,416
Operating expenses:		
Auto and general liability insurance	1,511,716	455,353
Property and other insurance	567,456	467,945
Workers' compensation insurance	1,001,134	1,030,719
Health and life insurance	34,472,407	38,276,718
Supplies, materials and media	1,465,044	964,543
Total operating expenses	39,017,757	41,195,278
Operating income (loss)	(2,863,786)	(6,030,862)
Change in net position	(2,863,786)	(6,030,862)
Net position - beginning	4,456,769	10,487,631
Net position - ending	\$ 1,592,983	\$ 4,456,769

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, 2020
(With comparative totals for 2019)

	Governmental Activities	
	Internal Service Funds	
	2020	2019
Cash flow from operating activities:		
Receipts from interfund charges	\$ 35,813,628	\$ 35,145,810
Receipts from employees	1,751,849	2,091,119
Payments to suppliers	(2,349,469)	(1,692,806)
Payments to employees	(1,061,281)	(701,742)
Payments to Fairbanks North Star Borough	(36,636,421)	(38,384,751)
Net cash provided by (used in) operating activities	(2,481,694)	(3,542,370)
Net increase (decrease) in equity in central treasury cash	(2,481,694)	(3,542,370)
Equity in central treasury cash - beginning	9,510,853	13,053,223
Equity in central treasury cash - ending	\$ 7,029,159	\$ 9,510,853
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (2,863,786)	\$ (6,030,862)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Decrease (increase) in accounts receivable	(873,774)	2,762,259
Increase (decrease) in accounts payable	(142,281)	30,992
Increase (decrease) in claims payable, current	608,707	(335,621)
Increase (decrease) in claims payable, noncurrent	(3,794)	7,020
Increase (decrease) in accrued self-insurance reserves	793,234	23,842
Total adjustments	382,092	2,488,492
Net cash provided by (used in) operating activities	\$ (2,481,694)	\$ (3,542,370)

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

School District Custodial Fund
Statement of Fiduciary Net Position
June 30, 2020
(With comparative totals for 2019)

	2020	2019
<hr/>		
Assets		
Equity in central treasury cash	\$ 33,738	\$ 35,870
<hr/>		
Total assets	\$ 33,738	\$ 35,870
<hr/>		
Net Position		
Restricted	33,738	35,870
<hr/>		
Total net position	33,738	35,870
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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, 2020

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, 2020

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

Agency Funds – Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency 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 agency fund reports only assets and liabilities and as such cannot be said to have a measurement focus. Agency 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, 2020

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, 2020

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 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, 2020

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, 2020:

	General Fund	Federal Programs Special Revenue Fund	Student Transportation Special Revenue Fund	Capital Projects Fund	Nonmajor Governmental Funds	Totals
Non-spendable:						
Inventory	\$ 298,191	\$ -	\$ -	\$ -	\$ 755,540	\$ 1,053,731
Prepaid items	125,515	-	-	-	-	125,515
Total non-spendable	423,706	-	-	-	755,540	1,179,246
Restricted:						
Student allotments	321,841	-	-	-	-	321,841
Federal programs	-	2,045	-	-	-	2,045
Construction	-	-	-	5,610,611	-	5,610,611
Local programs	-	-	-	-	119,845	119,845
State programs	-	-	-	-	139,314	139,314
Total restricted	321,841	2,045	-	5,610,611	259,159	6,193,656
Committed:						
Local programs	-	-	-	-	133,611	133,611
School activities	-	-	-	-	1,442,769	1,442,769
Total committed	-	-	-	-	1,576,380	1,576,380
Assigned:						
Encumbrances	2,276,741	-	-	-	-	2,276,741
Impact aid advance	8,536,803	-	-	-	-	8,536,803
Subsequent year's expenditures	9,476,170	-	-	-	-	9,476,170
Student transportation	-	-	4,513,529	-	-	4,513,529
Food service	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Total assigned	20,289,714	-	4,513,529	-	-	24,803,243
Unassigned					(759,879)	(759,879)
Total fund balance	\$ 21,035,261	\$ 2,045	\$ 4,513,529	\$ 5,610,611	\$ 1,831,200	\$ 32,992,646

Fairbanks North Star Borough School District

Summary of Significant Accounting Policies (continued) June 30, 2020

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, 2019, 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, 2020

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 March 2019, 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, 2020, 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, 2020 follows:

Due to/from other funds	Interfund receivable	Interfund payable
General fund	\$ 5,003,043	\$ -
Federal programs special revenue fund	-	4,155,909
Nonmajor governmental funds	-	847,134
Total amount due to/from other funds	\$ 5,003,043	\$ 5,003,043

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, 2020 follows:

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2020

Transfers	Transfers In	Transfer Out
General fund	\$ -	\$ 1,577,177
Student transportation special revenue fund	1,400,000	-
Nonmajor governmental funds	177,177	-
Total transfers	\$ 1,577,177	\$ 1,577,177

The amount due from the Borough of \$5,037 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, 2020 follows:

Governmental Activities	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
Machinery and equipment	\$ 12,105,909	\$ 194,862	\$ (252,797)	\$ 12,047,974
Less accumulated depreciation	(8,373,188)	(681,557)	226,632	(8,828,113)
Total, net of accumulated depreciation	3,732,721	(486,695)	(26,165)	3,219,861
Intangible assets (software)	1,642,842	15,492	-	1,658,334
Less accumulated amortization	(1,414,626)	(138,187)	-	(1,552,813)
Total, net of accumulated amortization	228,216	(122,695)	-	105,521
Net capital assets	\$ 3,960,937	\$ (609,390)	\$ (26,165)	\$ 3,325,382

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

Instruction	\$ 110,552
Special education instruction	53,224
Special education support services - students	1,135
Support services - students	25,379
Support services - instruction	120,858
Support services - technology	3,073
School administration support services	868
District administration	8,406
District administration support services	213,170
Operations and maintenance of plant	250,252
Student activities	4,971
Student transportation - to and from school	5,839
Food services	22,018
Total depreciation	\$ 819,745

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, 2020

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 2020 was \$307,027. The future minimum lease payments for these leases are as follows:

Year Ending June 30,		
2021	\$	307,027
2022	\$	307,027
2023		90,055
2024		90,055
Total payments	\$	794,164

Note 5: Long-Term Obligations

Long-term liabilities for governmental activities for the year ended June 30, 2020 follows:

Governmental Activities	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020	Due Within One Year
Compensated absences	\$ 4,792,994	\$ 5,637,510	\$ (5,183,214)	\$ 5,247,290	\$ 4,914,500
Claims on reserves	5,140,903	34,857,128	(33,458,981)	6,539,050	5,074,101
Net pension liability	136,200,600	1,938,536		138,139,136	-
Net OPEB liability	25,042,753		(22,897,495)	2,145,258	-
Total long term liabilities	\$ 171,177,250	\$ 42,433,174	\$ (61,539,690)	\$ 152,070,734	\$ 9,988,601

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, 2020

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, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
2006, Series I	\$ 4,475,000	\$ -	\$ (550,000)	\$ 3,925,000	\$ 580,000
2007, Series J	6,080,000	-	(650,000)	5,430,000	680,000
2009, Series L	6,275,000	-	(575,000)	5,700,000	600,000
2010, Series M	7,605,000	-	(565,000)	7,040,000	590,000
2012, Series P	1,270,000	-	(625,000)	645,000	645,000
2013, Series Q	8,135,000	-	(2,205,000)	5,930,000	2,320,000
2014, Series R	8,005,000	-	(525,000)	7,480,000	535,000
2015, Series S	8,585,000	-	(1,445,000)	7,140,000	1,490,000
2016, Series T	51,925,000	-	(2,075,000)	49,850,000	2,180,000
2019, Series U	5,045,749	-	-	5,045,749	-
Total bonds	\$ 107,400,749	\$ -	\$ (9,215,000)	\$ 98,185,749	\$ 9,620,000

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

Year Ending June 30,	Principal	Interest	Total
2021	\$ 9,620,000	\$ 3,898,796	\$ 13,518,796
2022	8,710,000	3,490,571	12,200,571
2023	9,105,000	3,089,997	12,194,997
2024	7,965,000	2,710,620	10,675,620
2025	6,975,000	2,377,009	9,352,009
2026-2030	27,618,876	7,916,180	35,535,056
2031-2035	22,227,500	3,058,079	25,285,579
2036-2039	6,334,372	353,298	6,687,670
Total principal and interest	\$ 98,555,749	\$ 26,894,550	\$ 125,450,299

During the year, the Borough paid total principal and interest of \$4,299,584 for school-related debt service.

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2020

Note 7: Commitments

As of June 30, 2020 the District had encumbered amounts intended to honor in the subsequent year for the following governmental funds:

Encumbrances	2020
Major Governmental funds:	
General fund	\$ 2,276,741
Federal programs special revenue fund	195,806
Capital projects fund	2,962,692
Total major governmental funds	\$ 5,435,239
Nonmajor governmental funds:	
Special revenue funds	\$ 120,755

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, 2020

Changes in the risk management internal service fund liability amounts in fiscal years 2020 and 2019 were:

Claims liability	2020	2019
July 1	\$ 5,140,904	\$ 5,445,662
Current year claims	34,160,506	34,483,564
Changes in estimates	696,621	1,081,251
Claims payments	(33,458,981)	(35,869,573)
June 30	\$ 6,539,050	\$ 5,140,904

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, 2020 and 2019 was \$1,102,874 and \$229,100, 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	2020	2019
Risk management overhead	\$ 529,395	\$ 515,717
Auto/general liability, property and other insurance premiums	1,033,177	948,080
Workers' compensation insurance premiums	237,605	227,225
Health and workers' compensation claims paid	35,829,705	35,845,282
General/auto liabilities, errors & omissions claims paid	171,138	168,598
Audit	68,087	65,249
Total allocated services	\$ 37,869,107	\$ 37,770,151

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, 2020

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, 2020

The District's contribution rates for the 2020 fiscal year were as follows:

PERS	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	15.72%	23.73%	6.62%
Postemployment healthcare (ARHCT)	6.28%	4.89%	0.00%
Total contribution rates	22.00%	28.62%	6.62%

TRS	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	8.03%	26.56%	17.91%
Postemployment healthcare (ARHCT)	4.53%	3.91%	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, 2018 to June 30, 2019		Fiscal Year July 1, 2019 to June 30, 2020	
PERS				
Employer contributions (including DBUL)	\$	4,177,930	\$	4,003,266
Nonemployer contributions (on-behalf)		2,206,170		2,629,675
Total contributions	\$	6,384,100	\$	6,632,941

In addition, employee contributions to the plan totaled \$1,094,196 during the District's fiscal year.

	Measurement Period July 1, 2018 to June 30, 2019		Fiscal Year July 1, 2019 to June 30, 2020	
TRS				
Employer contributions (including DBUL)	\$	3,731,294	\$	3,449,079
Nonemployer contributions (on-behalf)		12,476,150		13,704,996
Total contributions	\$	16,207,444	\$	17,154,075

In addition, employee contributions to the plan totaled \$3,370,175 during the District's fiscal year.

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2020

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

At June 30, 2020, 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	\$ 63,325,850	\$ 74,813,286
State's proportionate share of NPL associated with the District	25,142,649	110,957,378
Total net pension liability	\$ 88,468,499	\$ 185,770,664

The total net pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018 which was rolled forward to June 30, 2019. 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, 2019 the District's proportionate share of PERS was 1.156800 percent, which was a decrease of 7.14 percent from its proportion of 1.245690 percent measured as of June 30, 2018. For TRS the District's proportion was 4.00383 percent, which was an increase of 3.16 percent from its proportion of 3.88135 percent measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized a pension expense of \$6,414,140 for PERS and a pension expense of \$12,417,643 for TRS. In addition, the District recognized on-behalf from the State of Alaska in the amount of \$3,415,498 and \$8,525,948 for PERS and TRS, respectively. At June 30, 2020 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	\$ -	\$ (937,470)
Changes in actuarial assumptions	1,938,757	-
Net difference between projected and actual earnings on pension plan investments	907,958	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(1,697,752)
District contributions subsequent to the measurement date	4,003,266	-
Total deferred outflows and inflows of resources related to pensions	\$ 6,849,981	\$ (2,635,222)

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2020

TRS	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ (2,028,741)
Changes in actuarial assumptions	-	(529,451)
Net difference between projected and actual earnings on pension plan investments	1,921,590	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(190,678)
District contributions subsequent to the measurement date	3,449,079	-
		-
Total deferred outflows and inflows of resources related to pensions	\$ 5,370,669	\$ (2,748,870)

The District reported \$7,452,345 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, 2021. 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
2021	\$ 310,969	\$ (611,826)
2022	(670,361)	(1,393,045)
2023	257,612	525,262
2024	313,273	652,328
2025	-	-
Total amortization	\$ 211,493	\$ (827,281)

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2020

Actuarial Assumptions

The total net pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018. The actuarial assumptions used in the June 30, 2018 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 change of benefit terms is significantly impacted by the adoption of the employer group waiver plan (EGWP) program effective January 1, 2019. Under the EGWP program, certain prescription drug benefits previously provided by the plan are now provided directly by Medicare.

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-termination and post-termination mortality rates were based upon the 2013-2017 actual mortality experience. Pre-termination mortality rates were based on 100% of the RP-2014 table with MP-2017 generational improvement.</p> <p>Teachers' post-termination mortality rates were based on 93% of male and 90% of female rates of the RP-2014 white-collar healthy annuitant table with MP-2017 generational improvement. Deaths are assumed to result from occupational causes 15% of the time.</p> <p>For all others, post-termination mortality rates were based on 91% of male and 96% of female rates of the RP-2014 table with MP-2017 generational improvement. Deaths are assumed to be occupational 40% of the time.</p>

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2020

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, 2019 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	8.16%
Global equity (non-U.S.)	7.51%
Intermediate treasuries	1.58%
Opportunistic	3.96%
Real Assets	4.76%
Private equity	11.39%
Cash equivalents	0.83%

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, 2019, 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%	\$ 7,225,023,000	\$ 5,474,230,000	\$ 4,007,998,000
District's proportionate share of the NPL	1.15680%	\$ 83,579,009	\$ 63,325,850	\$ 46,364,489

	Proportionate	1% Decrease	Current	1% Increase
	Share	(6.38%)	Discount Rate (7.38%)	(8.38%)
TRS				
Net pension liability	100.00%	\$ 2,691,688,000	\$ 1,868,543,000	\$ 1,177,412,000
District's proportionate share of the NPL	4.00383%	\$ 107,770,613	\$ 74,813,286	\$ 47,141,576

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2020

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, 2020 forfeitures reduced pension's expenses by \$181,848.

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, 2020, 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, 2020 were \$1,188,504 and \$1,901,575, respectively. The District and employee contributions to TRS for pensions for the year ended June 30, 2020 were \$2,591,231 and \$2,961,403, respectively. District contributions are recognized as pension expenditures.

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2020

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, 2020 were as follows:

	PERS	TRS
Alaska Retiree Healthcare Trust	6.28%	4.53%
Retiree Medical Plan	1.32%	1.09%
Occupational Death and Disability Benefits	0.26%	0.08%
Total contribution rates	7.86%	5.70%

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2020

In 2020, the District was credited with the following contributions to the OPEB plans:

	Measurement Period		Fiscal Year	
	July 1, 2018		July 1, 2019	
	to		to	
PERS	June 30, 2019		June 30, 2020	
Employer contributions - ARHCT	\$	1,486,989	\$	1,609,542
Employer contributions - RMP		210,389		313,622
Employer contributions - ODD		58,182		61,796
Total contributions	\$	1,755,560	\$	1,984,960

	Measurement Period		Fiscal Year	
	July 1, 2018		July 1, 2019	
	to		to	
TRS	June 30, 2019		June 30, 2020	
Employer contributions - ARHCT	\$	1,813,732	\$	1,932,510
Employer contributions - RMP		271,832		403,145
Employer contributions - ODD		27,525		29,578
Total contributions	\$	2,113,089	\$	2,365,233

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

At June 30, 2020, 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	\$	1,716,352	\$	(6,106,660)
District's proportionate share of NOL (asset) - RMP		428,906		(338,011)
District's proportionate share of NOL (asset) - ODD		(345,494)		(354,571)
Total District's proportionate share of NOL (asset)		1,799,764		(6,799,242)
State's proportionate share of ARHCT NOL associated with the District		682,338		(9,086,472)
Total net OPEB liability (asset)	\$	2,482,102	\$	(15,885,714)

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2020

The total net OPEB (asset) liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018 which was rolled forward to June 30, 2019. 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, 2018 Measurement Date Employer Proportion	June 30, 2019 Measurement Date Employer Proportion	Change
PERS			
District's proportionate share of the net OPEB liability (asset):			
ARHCT	1.24544%	1.15670%	-0.08874%
RMP	1.73060%	1.79278%	0.06218%
ODD	1.73060%	1.42501%	-0.30559%
	June 30, 2018 Measurement Date Employer Proportion	June 30, 2019 Measurement Date Employer Proportion	Change
TRS			
District's proportionate share of the net OPEB liability (asset):			
ARHCT	3.87239%	3.99596%	0.12357%
RMP	8.66246%	8.81154%	0.14908%
ODD	8.66246%	8.81797%	0.15551%

For the year ended June 30, 2020, the District recognized a reduction of OPEB expense of \$18,236,170 for PERS and \$39,293,700 for TRS. In addition, the District recognized a reduction of revenue equal to the nonemployer portion of total OPEB expense of \$4,409,955 and \$22,963,700 for PERS and TRS, respectively.

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2020

At June 30, 2020 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	\$ -	\$ -	\$ -	\$ -
Changes in actuarial assumptions	2,277,566	207,600	-	2,485,166
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion and differences between District contributions and proportionate share of contributions	244,309	9,523	35,861	289,693
District contributions subsequent to the measurement date	1,609,542	313,622	61,796	1,984,960
Total deferred outflows of resources related to OPEB	\$ 4,131,417	\$ 530,745	\$ 97,657	\$ 4,759,819

PERS - Deferred Inflows of Resources	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ (1,153,353)	\$ (31,773)	\$ (107,720)	\$ (1,292,846)
Changes in actuarial assumptions	-	-	(6,606)	(6,606)
Net difference between projected and actual earnings on pension plan investments	(751,575)	(4,733)	(2,283)	(758,591)
Changes in proportion and differences between District contributions and proportionate share of contributions	(330,449)	-	(17,146)	(347,595)
Total deferred inflows of resources related to OPEB	\$ (2,235,377)	\$ (36,506)	\$ (133,755)	\$ (2,405,638)

The District reported \$1,984,960 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, 2021. 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
2021	\$ 453,887	\$ 19,131	\$ (15,887)	\$ 457,131
2022	(584,186)	19,131	(15,887)	(580,942)
2023	180,820	30,490	(12,729)	198,581
2024	235,976	30,289	(12,664)	253,601
2025	-	25,943	(13,721)	12,222
Thereafter	-	55,634	(27,005)	28,629
Total amortization	\$ 286,497	\$ 180,618	\$ (97,893)	\$ 369,222

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2020

At June 30, 2020 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	\$ -	\$ 211,164	\$ -	\$ 211,164
Changes in actuarial assumptions	595,437	154,710	-	750,147
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,128,947	-	-	1,128,947
District contributions subsequent to the measurement date	1,932,510	403,145	29,578	2,365,233
Total deferred outflows of resources related to OPEB	\$ 3,656,894	\$ 769,019	\$ 29,578	\$ 4,455,491

TRS - Deferred Inflows of Resources	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ (1,117,529)	\$ (27,682)	\$ (40,035)	\$ (1,185,246)
Changes in actuarial assumptions	(1,845,292)	(356,456)	(392)	(2,202,140)
Net difference between projected and actual earnings on pension plan investments	(945,004)	(8,829)	(2,504)	(956,337)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(11,307)	(10,633)	(21,940)
Total deferred inflows of resources related to OPEB	\$ (3,907,825)	\$ (404,274)	\$ (53,564)	\$ (4,365,663)

The District reported \$2,365,233 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, 2021. 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
2021	\$ (1,985,521)	\$ (16,774)	\$ (8,347)	\$ (2,010,642)
2022	(747,084)	(16,774)	(8,347)	(772,205)
2023	240,397	4,303	(5,613)	239,087
2024	308,768	4,004	(5,472)	307,300
2025	-	(4,103)	(6,319)	(10,422)
Thereafter	-	(9,058)	(19,467)	(28,525)
Total amortization	\$ (2,183,440)	\$ (38,402)	\$ (53,565)	\$ (2,275,407)

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2020

Actuarial Assumptions

The total net OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions used in the June 30, 2018 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 ARM Board 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: 7.5% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Prescription drugs: 8.5% grading down to 4.5% Employer group waiver program: 8.5% 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	<p>Pre-termination and post-termination mortality rates were based upon the 2013-2017 actual mortality experience. Pre-termination mortality rates were based on 100% of the RP-2014 table with MP-2017 generational improvement.</p> <p>Teachers post-termination mortality rates were based on 93% of male and 90% of female rates of the RP-2014 white-collar healthy annuitant table with MP-2017 generational improvement. Deaths are assumed to result from occupational causes 15% of the time.</p> <p>For all others, post-termination mortality rates were based on 91% of male and 96% of female rates of the RP-2014 table with MP-2017 generational improvement.</p>

(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, 2020

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, 2019 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	8.16%
Global equity (non-U.S.)	7.51%
Intermediate treasuries	1.58%
Opportunistic	3.96%
Real assets	4.76%
Private equity	11.39%
Cash equivalents	0.83%

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, 2019, 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%	\$ 1,193,531,000	\$ 148,380,000	\$ (711,371,000)
Net OPEB liability (asset) - RMP	100.00%	\$ 60,089,000	\$ 23,924,000	\$ (3,303,000)
Net OPEB liability (asset) - ODD	100.00%	\$ (22,998,000)	\$ (24,245,000)	\$ (25,253,000)
District's proportionate share of the net OPEB liability (asset):				
ARHCT	1.156700%	\$ 13,805,896	\$ 1,716,352	\$ (8,228,621)
RMP	1.792780%	\$ 1,077,266	\$ 428,906	\$ (59,216)
ODD	1.425010%	\$ (327,724)	\$ -	\$ (359,858)

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2020

TRS	Proportionate Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
Net OPEB liability (asset) - ARHCT	100.00%	\$ 229,315,000	\$ (152,821,000)	\$ (465,622,000)
Net OPEB liability (asset) - RMP	100.00%	\$ 6,722,000	\$ (3,836,000)	\$ (11,688,000)
Net OPEB liability (asset) - ODD	100.00%	\$ (4,035,000)	\$ (4,021,000)	\$ (4,013,000)
District's proportionate share of the net OPEB liability (asset):				
ARHCT	3.995960%	\$ 9,163,326	\$ -	\$ (18,606,050)
RMP	8.811540%	\$ 592,312	\$ -	\$ (1,029,893)
ODD	8.817970%	\$ (355,805)	\$ -	\$ (353,865)

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, 2019, 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%	\$ (811,925,000)	\$ 148,380,000	\$ 1,320,314,000
Net OPEB liability (asset) - RMP	100.00%	\$ (7,358,000)	\$ 23,924,000	\$ 66,746,000
Net OPEB liability (asset) - ODD	100.00%	n/a	\$ (24,245,000)	n/a
District's proportionate share of the net OPEB liability (asset):				
ARHCT	1.156700%	\$ (9,391,756)	\$ 1,716,352	\$ 15,272,430
RMP	1.792780%	\$ (131,913)	\$ 428,906	\$ 1,196,611
ODD	1.425010%	n/a	\$ -	n/a

TRS	Proportionate Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB liability (asset) - ARHCT	100.00%	\$ (500,124,000)	\$ (152,821,000)	\$ 273,207,000
Net OPEB liability (asset) - RMP	100.00%	\$ (12,795,000)	\$ (3,836,000)	\$ 8,575,000
Net OPEB liability (asset) - ODD	100.00%	n/a	\$ (4,021,000)	n/a
District's proportionate share of the net OPEB liability (asset):				
ARHCT	3.995960%	\$ (19,984,735)	\$ -	\$ 10,917,231
RMP	8.811540%	\$ (1,127,437)	\$ -	\$ 755,590
ODD	8.817970%	n/a	\$ -	n/a

Fairbanks North Star Borough School District

Notes to the Basic Financial Statements (continued) June 30, 2020

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 2020 was \$81.60 per pay period for full-time employees. For PERS part-time employees the flat dollar amount was \$1.36 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 2020, the District contributed \$1,136,569 in DC OPEB costs to PERS and \$1,097,335 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, 2020

	Budgeted Amounts			Actual on	Variance
	Original	Final	Actual	Budgetary	with Final
				Basis	Budget
Revenues:					
Local sources	\$ 51,649,000	\$ 51,649,000	\$ 51,236,487	\$ 51,236,487	\$ (412,513)
State sources	131,808,386	131,808,386	132,610,914	132,610,914	802,528
Federal sources	19,065,116	19,065,116	16,272,528	16,272,528	(2,792,588)
Total revenues	202,522,502	202,522,502	200,119,929	200,119,929	(2,402,573)
Expenditures - current:					
Instruction	96,144,234	95,927,653	91,772,305	92,702,867	3,224,786
Special education instruction	27,252,632	27,435,548	25,774,933	25,774,400	1,661,148
Special education support services - students	8,934,034	8,684,244	8,610,596	8,610,522	73,722
Support services - students	13,600,277	13,601,457	12,586,082	12,580,483	1,020,974
Support services - instruction	8,766,460	8,594,090	8,139,789	8,137,756	456,334
Support services - technology:	-	836,422	1,030,872	1,030,872	(194,450)
School administration	8,241,410	8,244,662	8,407,008	8,404,832	(160,170)
School administration support services	6,372,219	5,820,915	5,547,176	5,474,845	346,070
District administration	2,993,299	2,744,394	2,878,191	2,869,036	(124,642)
District administration support services	10,962,477	10,862,747	10,024,868	9,930,323	932,424
Operations and maintenance of plant	26,244,023	25,536,189	24,485,346	24,838,511	697,678
Student activities	2,333,177	2,299,037	1,925,249	1,927,249	371,788
Total expenditures	211,844,242	210,587,358	201,182,415	202,281,696	8,305,662
Excess (deficiency) of revenues over expenditures	(9,321,740)	(8,064,856)	(1,062,486)	(2,161,767)	5,903,089
Other financing sources (uses):					
Proceeds from sale of capital assets	-	-	9,027	9,027	9,027
Transfers out	(1,577,177)	(1,577,177)	(1,577,177)	(1,577,177)	-
Total other financing sources (uses)	(1,577,177)	(1,577,177)	(1,568,150)	(1,568,150)	9,027
Net change in fund balance	\$ (10,898,917)	\$ (9,642,033)	(2,630,636)	\$ (3,729,917)	\$ 5,912,116
Fund balance - beginning			23,665,897		
Fund balance - ending			\$ 21,035,261		

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>			
Revenues:					
State sources	11,667,370	11,667,370	11,686,384	11,686,384	19,014
Total revenues	11,667,370	11,667,370	11,686,384	11,686,384	19,014
Expenditures - current:					
Student transportation - to and from school	16,739,130	18,069,216	11,860,591	11,860,591	6,208,625
Total expenditures	16,739,130	18,069,216	11,860,591	11,860,591	6,208,625
Excess (deficiency) of revenues over expenditure	(5,071,760)	(6,401,846)	(174,207)	(174,207)	6,227,639
Other financing sources (uses):					
Transfers in	-	-	1,400,000	1,400,000	1,400,000
Total other financing sources (uses)	-	-	1,400,000	1,400,000	1,400,000
Net change in fund balance	<u>\$ (5,071,760)</u>	<u>\$ (6,401,846)</u>	1,225,793	<u>\$ 1,225,793</u>	<u>\$ 7,627,639</u>
Fund balance - beginning			<u>3,287,736</u>		
Fund balance - ending			<u>\$ 4,513,529</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, 2020

	Budgeted Amounts		Actual	Actual on Budgetary Basis	Variance with Final Budget
	Original	Final			
Revenues:					
Federal sources	\$ 11,000,000	\$ 21,363,981	\$ 13,125,120	\$ 13,125,120	\$ 8,238,861
Total revenues	11,000,000	21,363,981	13,125,120	13,125,120	8,238,861
Expenditures - current:					
Instruction	4,640,000	8,375,127	4,736,178	4,736,178	3,638,949
Special education instruction	3,275,000	4,844,108	3,508,894	3,508,894	1,335,214
Support services - students	250,000	5,576,266	2,788,002	2,863,002	2,713,264
Support services - instruction	2,835,000	1,465,362	1,175,463	1,175,463	289,899
District administration support services	-	1,016,034	697,418	697,418	318,616
Operations and maintenance of plant	-	-	171,105	291,911	(291,911)
Food service	-	88,009	48,060	48,060	39,949
Total expenditures	11,000,000	21,364,906	13,125,120	13,320,926	8,043,980
Excess (deficiency) of revenues over expenditure	-	(925)	-	(195,806)	16,282,841
Net change in fund balance	\$ -	\$ (925)	-	\$ (195,806)	\$ 16,282,841
Fund balance - beginning			2,045		
Fund balance - ending			\$ 2,045		

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%

* 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%

* 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%

* 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%

* 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%
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%
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%

* 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%
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%
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%

* 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%
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%
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%

* 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%
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%
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%

* Information for previous years is not available

Fairbanks North Star Borough School District

Notes to the Required Supplementary Information June 30, 2020

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, 2020, 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, 2020

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 117.

	General Fund	Student Transportation Special Revenue	Federal Programs Special Revenue
Revenues reported on the basis of budgeting	\$ 200,119,929	\$ 11,686,384	\$ 13,125,120
Basis difference	-	-	-
Revenues reported on the basis of GAAP	\$ 200,119,929	\$ 11,686,384	\$ 13,125,120
Expenditures reported on the basis of budgeting	\$ 202,281,696	\$ 11,860,591	\$ 13,320,926
Add expenditures on prior year encumbrances	1,177,460	-	-
Deduct current year encumbrances	(2,276,741)	-	(195,806)
Expenditures reported on the basis of GAAP	\$ 201,182,415	\$ 11,860,591	\$ 13,125,120

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, 2020 (With comparative totals for 2019)

	2020	2019
Assets		
Equity in central treasury cash	\$ 16,985,268	\$ 20,888,582
Accounts receivable	449,419	506,671
Due from other funds	5,003,043	3,845,277
Due from Fairbanks North Star Borough	5,037	5,819
Inventories	298,191	282,719
Prepaid items	125,515	44,681
Total assets	\$ 22,866,473	\$ 25,573,749
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 436,211	\$ 746,943
Accrued payroll and liabilities	1,358,943	1,160,685
Due to Fairbanks North Star Borough	-	224
Due to external groups and agencies	36,058	-
Total liabilities	1,831,212	1,907,852
Fund balance		
Nonspendable	423,706	327,400
Restricted	321,841	135,240
Assigned	20,289,714	23,203,257
Total fund balance	21,035,261	23,665,897
Total liabilities and fund balance	\$ 22,866,473	\$ 25,573,749

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, 2020 (With comparative totals for 2019)

	2020	2019
Revenues:		
Local sources:		
Borough direct appropriation	\$ 50,045,400	\$ 50,045,400
E-rate revenue	389,121	410,535
Other local revenue	801,966	845,916
Tuition from students	-	20,668
Total local sources	51,236,487	51,322,519
State sources:		
Foundation program	114,109,838	112,064,702
QSI grant	405,420	404,502
TRS on-behalf	13,704,996	12,476,150
PERS on-behalf	2,629,676	2,206,170
On-base schools	1,450,000	1,450,000
Other state revenue	310,984	120,356
Total state sources	132,610,914	128,721,880
Federal sources:		
Direct	359,271	563,408
Medicaid revenue	294,759	316,751
Through the State of Alaska	15,618,498	20,061,212
Total federal sources	16,272,528	20,941,371
Total revenues	200,119,929	200,985,770
Expenditures - current:		
Instruction:		
Certificated salaries	51,408,410	52,091,607
Non-certificated salaries	4,040,759	4,418,473
Employee benefits	33,059,722	31,655,245
Professional and technical services	486,539	578,359
Staff travel	13,588	20,914
Student travel	74,777	152,990
Utility services	34,024	35,748
Other purchased services	324,407	378,560
Supplies, materials and media	2,319,116	3,175,396
Other expenses	1,318	9,695
Capital outlay	9,645	20,729
Total instruction	91,772,305	92,537,716

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, 2020 (With comparative totals for 2019)

	2020	2019
Special education instruction:		
Certificated salaries	\$ 8,446,330	\$ 8,526,294
Non-certificated salaries	5,921,633	6,017,815
Employee benefits	8,719,032	8,422,361
Professional and technical services	1,895,500	1,985,065
Student travel	4,678	2,892
Utility services	5,960	5,042
Other purchased services	322,028	320,597
Supplies, materials and media	197,186	243,958
Tuition and stipends	262,586	250,127
Total special education instruction	25,774,933	25,774,151
Special education support services - students:		
Certificated salaries	3,553,338	3,806,531
Non-certificated salaries	1,126,101	1,207,238
Employee benefits	2,854,419	2,872,792
Professional and technical services	951,795	1,426,033
Staff travel	43,015	46,799
Student travel	2,602	5,542
Utility services	63	209
Other purchased services	5,582	9,022
Supplies, materials and media	73,416	67,943
Other expenses	265	1,220
Total special education support services - students	8,610,596	9,443,329
Support services - students:		
Certificated salaries	3,658,307	3,545,833
Non-certificated salaries	3,823,877	3,569,993
Employee benefits	4,836,475	4,311,687
Professional and technical services	78,394	339,643
Staff travel	12,624	7,397
Student travel	2,238	4,708
Utility services	461	8,488
Other purchased services	85,088	65,393
Supplies, materials and media	87,323	130,230
Other expenses	1,295	1,703
Total support services - students	12,586,082	11,985,075

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, 2020 (With comparative totals for 2019)

	2020	2019
Support services - instruction:		
Certificated salaries	\$ 1,469,106	\$ 1,492,026
Non-certificated salaries	2,506,674	2,463,141
Employee benefits	2,543,429	2,396,596
Professional and technical services	700,434	1,057,662
Staff travel	84,647	141,710
Student travel	-	80
Utility services	-	152,517
Other purchased services	1,198	7,632
Supplies, materials and media	831,756	818,377
Other expenses	2,545	1,379
Capital outlay	-	84,941
Total support services - instruction	8,139,789	8,616,061
Support services - technology:		
Utility services	710,331	-
Supplies, materials and media	280,257	-
Capital outlay	40,284	-
Total support services - technology	1,030,872	-
School administration:		
Certificated salaries	5,164,364	4,934,354
Non-certificated salaries	70,431	82,091
Employee benefits	3,120,744	2,862,932
Professional and technical services	1,097	4,006
Staff travel	22,222	23,753
Other purchased services	-	2,462
Supplies, materials and media	-	464
Other expenses	28,150	27,033
Total school administration	8,407,008	7,937,095
School administration support services:		
Non-certificated salaries	3,254,612	3,024,295
Employee benefits	2,073,668	1,809,893
Professional and technical services	4,401	2,420
Staff travel	742	1,242
Student travel	74	62
Utility services	46,793	492,574
Other purchased services	12,024	13,068
Supplies, materials and media	145,663	126,201
Other expenses	9,199	7,380
Total school administration support services	5,547,176	5,477,135

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, 2020 (With comparative totals for 2019)

	2020	2019
District administration:		
Certificated salaries	\$ 531,579	\$ 494,942
Non-certificated salaries	948,548	965,077
Employee benefits	907,164	864,351
Professional and technical services	226,425	371,881
Staff travel	40,546	82,242
Utility services	826	1,813
Other purchased services	134,358	108,112
Supplies, materials and media	44,782	87,039
Other expenses	43,963	32,169
Capital outlay	-	9,044
Total district administration	2,878,191	3,016,670
District administration support services:		
Certificated salaries	67,030	65,357
Non-certificated salaries	4,626,428	4,400,927
Employee benefits	3,093,245	2,882,922
Professional and technical services	883,014	926,242
Staff travel	20,960	86,730
Utility services	62,173	201,465
Other purchased services	252,115	255,708
Insurance and bond premiums	1,046,825	1,034,482
Supplies, materials and media	407,997	418,801
Other expenses	182,735	275,354
Indirect costs	(710,931)	(695,936)
Capital outlay	93,277	175,311
Total district administration support services	10,024,868	10,027,363
Operations and maintenance of plant:		
Non-certificated salaries	8,421,615	8,235,168
Employee benefits	5,393,012	5,019,033
Professional and technical services	30,598	30,235
Staff travel	3,441	8,967
Utility services	755,012	882,389
Energy	5,672,253	5,520,906
Other purchased services	2,031,970	1,633,332
Insurance and bond premiums	509,144	424,009
Supplies, materials and media	1,650,883	1,811,435
Other expenses	1,919	2,416
Capital outlay	15,499	527,939
Total operations and maintenance of plant	24,485,346	24,095,829

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, 2020 (With comparative totals for 2019)

	2020	2019
Student activities:		
Certificated salaries	\$ 559,931	\$ 646,415
Non-certificated salaries	471,841	488,475
Employee benefits	360,203	359,136
Professional and technical services	128,495	216,033
Staff travel	3,710	7,058
Student travel	143,785	203,193
Other purchased services	139,327	152,172
Supplies, materials and media	48,931	64,834
Other expenses	69,026	71,629
Total student activities	1,925,249	2,208,945
Debt service:		
Interest	-	9,775
Principal	-	670,769
Total debt service	-	680,544
Total expenditures	201,182,415	201,799,913
Excess (deficiency) of revenues over expenditures	(1,062,486)	(814,143)
Other financing sources (uses):		
Proceeds from sale of capital assets	9,027	12,363
Transfers out	(1,577,177)	(9,001,871)
Total other financing sources (uses)	(1,568,150)	(8,989,508)
Net change in fund balance	(2,630,636)	(9,803,651)
Fund balance - beginning	23,665,897	33,469,548
Fund balance - ending	\$ 21,035,261	\$ 23,665,897

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 Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2020

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
Local sources:				
Borough direct appropriation	\$ 50,045,400	\$ 50,045,400	\$ 50,045,400	\$ -
E-rate revenue	500,000	389,121	389,121	(110,879)
Other local revenue	1,078,600	801,966	801,966	(276,634)
Tuition from students	25,000	-	-	(25,000)
Total local sources	51,649,000	51,236,487	51,236,487	(412,513)
State sources:				
Foundation program	113,862,883	114,109,838	114,109,838	246,955
QSI grant	404,570	405,420	405,420	850
TRS on-behalf	13,519,821	13,704,996	13,704,996	185,175
PERS on-behalf	2,436,112	2,629,676	2,629,676	193,564
On-base schools	1,450,000	1,450,000	1,450,000	-
Other state revenue	135,000	310,984	310,984	175,984
Total state sources	131,808,386	132,610,914	132,610,914	802,528
Federal sources:				
Direct	304,560	359,271	359,271	54,711
Medicaid revenue	550,000	294,759	294,759	(255,241)
Through the State of Alaska	18,210,556	15,618,498	15,618,498	(2,592,058)
Total federal sources	19,065,116	16,272,528	16,272,528	(2,792,588)
Total revenues	202,522,502	200,119,929	200,119,929	(2,402,573)
Expenditures - current:				
Instruction:				
Certificated salaries	51,735,322	51,408,410	51,408,410	326,912
Non-certificated salaries	4,872,577	4,040,759	4,040,759	831,818
Employee benefits	33,828,119	33,059,722	33,059,722	768,397
Professional and technical services	496,399	486,539	481,539	14,860
Staff travel	21,511	13,588	13,588	7,923
Student travel	132,252	74,777	74,777	57,475
Utility services	40,000	34,024	34,024	5,976
Other purchased services	386,517	324,407	309,255	77,262
Supplies, materials and media	4,373,937	2,319,116	3,269,830	1,104,107
Other expenses	1,019	1,318	1,318	(299)
Capital outlay	40,000	9,645	9,645	30,355
Total instruction	95,927,653	91,772,305	92,702,867	3,224,786

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 Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2020

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
Special education instruction:				
Certificated salaries	\$ 8,983,166	\$ 8,446,330	\$ 8,446,330	\$ 536,836
Non-certificated salaries	6,151,454	5,921,633	5,921,633	229,821
Employee benefits	9,338,521	8,719,032	8,719,032	619,489
Professional and technical services	1,900,500	1,895,500	1,895,500	5,000
Student travel	4,209	4,678	4,678	(469)
Utility services	5,713	5,960	5,960	(247)
Other purchased services	320,806	322,028	322,028	(1,222)
Supplies, materials and media	259,481	197,186	196,653	62,828
Tuition and stipends	471,698	262,586	262,586	209,112
Total special education instruction	27,435,548	25,774,933	25,774,400	1,661,148
Special education support services - students:				
Certificated salaries	3,489,905	3,553,338	3,553,338	(63,433)
Non-certificated salaries	1,211,373	1,126,101	1,126,101	85,272
Employee benefits	3,059,281	2,854,419	2,854,419	204,862
Professional and technical services	770,284	951,795	951,795	(181,511)
Staff travel	52,152	43,015	43,015	9,137
Student travel	5,400	2,602	2,528	2,872
Utility services	-	63	63	(63)
Other purchased services	6,600	5,582	5,582	1,018
Supplies, materials and media	84,149	73,416	73,416	10,733
Other expenses	5,100	265	265	4,835
Total special education support services - students	8,684,244	8,610,596	8,610,522	73,722
Support services - students:				
Certificated salaries	3,580,820	3,658,307	3,658,307	(77,487)
Non-certificated salaries	4,350,226	3,823,877	3,823,877	526,349
Employee benefits	5,010,678	4,836,475	4,836,475	174,203
Professional and technical services	407,989	78,394	78,394	329,595
Staff travel	28,351	12,624	12,624	15,727
Student travel	5,032	2,238	516	4,516
Utility services	200	461	461	(261)
Other purchased services	67,250	85,088	80,999	(13,749)
Supplies, materials and media	144,710	87,323	87,535	57,175
Other expenses	6,201	1,295	1,295	4,906
Total support services - students	13,601,457	12,586,082	12,580,483	1,020,974

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 Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2020

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
Support services - instruction:				
Certificated salaries	\$ 1,504,392	\$ 1,469,106	\$ 1,469,106	\$ 35,286
Non-certificated salaries	2,574,194	2,506,674	2,506,674	67,520
Employee benefits	2,542,203	2,543,429	2,543,429	(1,226)
Professional and technical services	937,177	700,434	695,712	241,465
Staff travel	90,131	84,647	84,647	5,484
Utility services	5,901	-	-	5,901
Other purchased services	18,959	1,198	1,198	17,761
Supplies, materials and media	920,533	831,756	834,445	86,088
Other expenses	600	2,545	2,545	(1,945)
Total support services - instruction	8,594,090	8,139,789	8,137,756	456,334
Support services - technology:				
Utility services	808,541	710,331	710,331	98,210
Supplies, materials and media	27,881	280,257	280,257	(252,376)
Capital outlay	-	40,284	40,284	(40,284)
Total support services - technology	836,422	1,030,872	1,030,872	(194,450)
School administration:				
Certificated salaries	5,042,868	5,164,364	5,164,364	(121,496)
Non-certificated salaries	2,686	70,431	70,431	(67,745)
Employee benefits	3,110,581	3,120,744	3,120,744	(10,163)
Professional and technical services	1,000	1,097	1,097	(97)
Staff travel	61,581	22,222	22,222	39,359
Supplies, materials and media	(1,176)	-	(2,176)	1,000
Other expenses	27,122	28,150	28,150	(1,028)
Total school administration	8,244,662	8,407,008	8,404,832	(160,170)
School administration support services:				
Non-certificated salaries	3,442,297	3,254,612	3,254,612	187,685
Employee benefits	2,222,176	2,073,668	2,073,668	148,508
Professional and technical services	(9,774)	4,401	(11,413)	1,639
Staff travel	1,419	742	742	677
Student travel	74	74	74	-
Utility services	59,078	46,793	46,793	12,285
Other purchased services	(43,121)	12,024	(42,001)	(1,120)
Supplies, materials and media	140,366	145,663	143,171	(2,805)
Other expenses	8,400	9,199	9,199	(799)
Total school administration support services	5,820,915	5,547,176	5,474,845	346,070

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 Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2020

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
District administration:				
Certificated salaries	\$ 480,032	\$ 531,579	\$ 531,579	\$ (51,547)
Non-certificated salaries	981,059	948,548	948,548	32,511
Employee benefits	941,068	907,164	907,164	33,904
Professional and technical services	147,626	226,425	222,759	(75,133)
Staff travel	37,041	40,546	40,546	(3,505)
Student travel	-	-	-	-
Utility services	-	826	826	(826)
Other purchased services	75,816	134,358	123,369	(47,553)
Supplies, materials and media	47,317	44,782	50,282	(2,965)
Other expenses	34,435	43,963	43,963	(9,528)
Total district administration	2,744,394	2,878,191	2,869,036	(124,642)
District administration support services:				
Certificated salaries	56,825	67,030	67,030	(10,205)
Non-certificated salaries	4,897,894	4,626,428	4,626,428	271,466
Employee benefits	3,227,057	3,093,245	3,093,245	133,812
Professional and technical services	1,212,404	883,014	910,024	302,380
Staff travel	45,486	20,960	20,960	24,526
Utility services	109,318	62,173	62,173	47,145
Other purchased services	253,148	252,115	216,892	36,256
Insurance and bond premiums	1,194,702	1,046,825	1,046,825	147,877
Supplies, materials and media	380,324	407,997	321,665	58,659
Other expenses	29,122	182,735	182,735	(153,613)
Indirect costs	(663,533)	(710,931)	(710,931)	47,398
Capital outlay	120,000	93,277	93,277	26,723
Total district administration support services	10,862,747	10,024,868	9,930,323	932,424
Operations and maintenance of plant:				
Non-certificated salaries	9,286,465	8,421,615	8,421,615	864,850
Employee benefits	6,029,366	5,393,012	5,393,012	636,354
Professional and technical services	37,300	30,598	32,361	4,939
Staff travel	10,432	3,441	3,441	6,991
Utility services	848,388	755,012	755,012	93,376
Energy	5,601,129	5,672,253	5,672,253	(71,124)
Other purchased services	1,748,526	2,031,970	2,258,998	(510,472)
Insurance and bond premiums	478,998	509,144	509,144	(30,146)
Supplies, materials and media	1,295,180	1,650,883	1,641,307	(346,127)
Other expenses	405	1,919	1,919	(1,514)
Capital outlay	200,000	15,499	149,449	50,551
Total operations and maintenance of plant	25,536,189	24,485,346	24,838,511	697,678

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 Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2020

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
Student activities:				
Certificated salaries	\$ 784,555	\$ 559,931	\$ 559,931	\$ 224,624
Non-certificated salaries	333,482	471,841	471,841	(138,359)
Employee benefits	327,178	360,203	360,203	(33,025)
Professional and technical services	160,996	128,495	128,495	32,501
Staff travel	9,798	3,710	3,710	6,088
Student travel	199,871	143,785	143,785	56,086
Other purchased services	239,281	139,327	139,327	99,954
Supplies, materials and media	163,312	48,931	50,931	112,381
Other expenses	80,564	69,026	69,026	11,538
Total student activities	2,299,037	1,925,249	1,927,249	371,788
Total expenditures	210,587,358	201,182,415	202,281,696	8,305,662
Excess (deficiency) of revenues over expenditures	(8,064,856)	(1,062,486)	(2,161,767)	5,903,089
Other financing sources (uses):				
Proceeds from sale of capital assets	-	9,027	9,027	9,027
Transfers out	(1,577,177)	(1,577,177)	(1,577,177)	-
Total other financing sources (uses)	(1,577,177)	(1,568,150)	(1,568,150)	9,027
Net change in fund balance	<u>\$ (9,642,033)</u>	<u>\$ (2,630,636)</u>	<u>\$ (3,729,917)</u>	<u>\$ 5,912,116</u>
Fund balance - beginning		23,665,897		
Fund balance - ending		<u>\$ 21,035,261</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, 2020 (With comparative totals for 2019)

	2020	2019
Assets		
Equity in central treasury cash	\$ 4,513,529	\$ 6,176,119
Total assets	\$ 4,513,529	\$ 6,176,119
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ -	\$ 2,888,383
Total liabilities	-	2,888,383
Fund balance		
Assigned	4,513,529	3,287,736
Total fund balance	4,513,529	3,287,736
Total liabilities and fund balance	\$ 4,513,529	\$ 6,176,119

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, 2020 (With comparative totals for 2019)

	2020	2019
Revenues:		
State sources	\$ 11,686,384	\$ 11,724,882
Expenditures - current:		
Student transportation - to and from school:		
Non-certificated salaries	239,009	228,884
Employee benefits	141,704	135,858
Professional and technical services	18,971	19,354
Other purchased services	10,765,144	12,518,301
Supplies, materials and media	695,763	978,761
Total student transportation - to and from school	11,860,591	13,881,158
Total expenditures	11,860,591	13,881,158
Excess (deficiency) of revenues over expenditures	(174,207)	(2,156,276)
Other financing sources (uses):		
Transfers in	1,400,000	1,400,000
Total other financing sources (uses)	1,400,000	1,400,000
Net change in fund balance	1,225,793	(756,276)
Fund balance - beginning	3,287,736	4,044,012
Fund balance - ending	\$ 4,513,529	\$ 3,287,736

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 Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2020

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
State sources	11,667,370	11,686,384	11,686,384	19,014
Expenditures - current:				
Student transportation - to and from school:				
Non-certificated salaries	237,532	239,009	239,009	(1,477)
Employee benefits	140,396	141,704	141,704	(1,308)
Professional and technical services	7,000	18,971	18,971	(11,971)
Staff travel	4,200	-	-	4,200
Other purchased services	16,332,601	10,765,144	10,765,144	5,567,457
Supplies, materials and media	1,347,487	695,763	695,763	651,724
Total student transportation - to and from school	18,069,216	11,860,591	11,860,591	6,208,625
Total expenditures	18,069,216	11,860,591	11,860,591	6,208,625
Excess (deficiency) of revenues over expenditures	(6,401,846)	(174,207)	(174,207)	6,227,639
Other financing sources (uses):				
Transfers in	-	1,400,000	1,400,000	1,400,000
Total other financing sources (uses)	-	1,400,000	1,400,000	1,400,000
Net change in fund balance	<u>\$ (6,401,846)</u>	<u>\$ 1,225,793</u>	<u>\$ 1,225,793</u>	<u>\$ 7,627,639</u>
Fund balance - beginning		3,287,736		
Fund balance - ending		<u>\$ 4,513,529</u>		

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Federal Programs Special Revenue Fund Balance Sheet June 30, 2020 (With comparative totals for 2019)

	2020	2019
Assets		
Equity in central treasury cash	\$ 10,351	\$ 4,689
Accounts receivable	4,271,342	3,635,224
Total assets	\$ 4,281,693	\$ 3,639,913
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 123,739	\$ 136,577
Unearned revenue	-	2,069
Due to other funds	4,155,909	3,499,222
Total liabilities	4,279,648	3,637,868
Fund balance		
Restricted	2,045	2,045
Total fund balance	2,045	2,045
Total liabilities and fund balance	\$ 4,281,693	\$ 3,639,913

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, 2020 (With comparative totals for 2019)

	2020	2019
Revenues:		
Other local revenue	\$ -	\$ 6,470
Federal sources:		
Indian Education	752,660	826,756
Title I-A Basic	2,577,850	2,542,399
Title I-A Parent Engagement	25,459	29,626
Title I-C Migrant Education	1,031,807	669,011
Title II-A Support Effective Instruction	857,659	813,322
Title III-A English Language	32,215	26,389
Title I-D Delinquent or At-Risk Children and Youth	27,678	29,645
Title I-A Neglected & Delinquent	68,966	108,082
Title VI-B Special Education	3,662,304	4,094,760
IDEA Part B Preschool Disabled	63,439	53,082
Carl Perkins Secondary	328,846	317,268
Migrant Education Summer	41,596	36,425
Secondary Partnership/CTE	-	25,292
AK Community Learning Centers	1,166,495	1,242,115
Title IV-A Student Support	383,047	326,351
Special Education 619 Program Audit	-	42,909
Migrant Education (PAC)	415	225
Migrant Competitive	-	107,968
Migrant Book	17,861	19,567
Air Force JROTC	22,419	20,546
McKinney Vento Homeless	33,273	35,105
Fresh Fruit & Vegetable	48,060	71,065
DoDEA 2016	417,306	169,280
DoDEA 2017	281,996	316,186
DoDEA 2018	129,282	98,790
DoDEA 2019	202,228	64,580
ESEA Consolidated Admin Pool	389,003	352,977
School Improvement: Planning	-	13,349
School Improvement: Implementation FY19	56,499	759
Teen Opioid Prevention Team	7,837	12,931
Carl Perkins, Non Traditional	14,939	-
COPS Office School Violence Prevent	171,105	-
AK Resiliency in Schools for Educational Success	21,143	-
Comprehensive State Literacy Development	115,258	-
COVID-19 Contact Tracing	3,661	-
Professional Development - CTSO	1,431	-
CARES Act: Education	29,614	-
CARES Act: Governor	90,253	-
School Improvement: Implementation FY20	51,516	-
Total federal sources	13,125,120	12,466,760
Total revenues	13,125,120	12,473,230

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, 2020 (With comparative totals for 2019)

	2020	2019
Expenditures - current:		
Instruction:		
Certificated salaries	\$ 970,209	\$ 647,275
Non-certificated salaries	1,582,672	1,631,595
Employee benefits	1,262,700	1,162,139
Professional and technical services	180,759	186,469
Staff travel	209,234	247,036
Student travel	36,350	49,661
Other purchased services	2,587	4,486
Supplies, materials and media	392,959	417,941
Tuition and stipends	61,427	64,495
Other expenses	4,157	3,193
Capital outlay	33,124	-
Total instruction	4,736,178	4,414,290
Special education instruction:		
Certificated salaries	849,363	833,198
Non-certificated salaries	1,263,727	1,339,958
Employee benefits	1,105,465	1,109,485
Professional and technical services	191,173	471,501
Staff travel	60,717	75,348
Student travel	-	151
Other purchased services	-	5,381
Supplies, materials and media	38,449	98,256
Capital outlay	-	8,495
Total special education instruction	3,508,894	3,941,773
Support services - students:		
Certificated salaries	211,157	188,385
Non-certificated salaries	1,128,408	1,040,240
Employee benefits	558,701	472,576
Professional and technical services	339,254	140,442
Staff travel	81,717	112,267
Student travel	39,799	40,460
Other purchased services	2,270	6,491
Supplies, materials and media	425,171	238,124
Other expenses	1,525	1,430
Total support services - students	2,788,002	2,240,415

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, 2020 (With comparative totals for 2019)

	2020	2019
Support services - instruction:		
Certificated salaries	\$ 471,970	\$ 424,438
Non-certificated salaries	245,368	207,878
Employee benefits	343,621	299,206
Professional and technical services	11,683	11,623
Staff travel	89,505	161,749
Other purchased services	142	672
Supplies, materials and media	5,502	7,884
Other expenses	7,672	8,611
Total support services - instruction	1,175,463	1,122,061
District administration support services:		
Indirect costs	697,418	682,226
Total district administration support services	697,418	682,226
Operations and maintenance of plant:		
Non-certificated salaries	15,685	-
Employee benefits	9,245	-
Professional and technical services	5,462	-
Supplies, materials and media	140,713	-
Total operations and maintenance of plant	171,105	-
Food service:		
Supplies, materials and media	48,060	71,065
Total food service	48,060	71,065
Total expenditures	13,125,120	12,471,830
Excess (deficiency) of revenues over expenditures	-	1,400
Net change in fund balance	-	1,400
Fund balance - beginning	2,045	645
Fund balance - ending	\$ 2,045	\$ 2,045

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 Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2020

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
Federal sources	\$ 21,363,981	\$ 13,125,120	\$ 13,125,120	\$ 8,238,861
Total revenues	21,363,981	13,125,120	13,125,120	8,238,861
Expenditures - current:				
Instruction:				
Certificated salaries	1,011,124	970,209	970,209	40,915
Non-certificated salaries	1,735,664	1,582,672	1,582,672	152,992
Employee benefits	1,358,538	1,262,700	1,262,700	95,838
Professional and technical services	357,949	180,759	180,759	177,190
Staff travel	255,044	209,234	209,234	45,810
Student travel	52,563	36,350	36,350	16,213
Utility services	643	-	-	643
Other purchased services	5,217	2,587	2,587	2,630
Supplies, materials and media	3,452,421	392,959	392,959	3,059,462
Tuition and stipends	66,927	61,427	61,427	5,500
Other expenses	10,913	4,157	4,157	6,756
Capital outlay	68,124	33,124	33,124	35,000
Total instruction	8,375,127	4,736,178	4,736,178	3,638,949
Special education instruction:				
Certificated salaries	1,012,514	849,363	849,363	163,151
Non-certificated salaries	1,423,045	1,263,727	1,263,727	159,318
Employee benefits	1,243,113	1,105,465	1,105,465	137,648
Professional and technical services	418,000	191,173	191,173	226,827
Staff travel	205,000	60,717	60,717	144,283
Student travel	12,000	-	-	12,000
Other purchased services	9,500	-	-	9,500
Supplies, materials and media	520,936	38,449	38,449	482,487
Total special education instruction	4,844,108	3,508,894	3,508,894	1,335,214
Support services - students:				
Certificated salaries	308,997	211,157	211,157	97,840
Non-certificated salaries	2,029,848	1,128,408	1,128,408	901,440
Employee benefits	816,165	558,701	558,701	257,464
Professional and technical services	679,429	339,254	414,254	265,175
Staff travel	231,673	81,717	81,717	149,956
Student travel	79,309	39,799	39,799	39,510
Other purchased services	15,371	2,270	2,270	13,101
Supplies, materials and media	1,403,774	425,171	425,171	978,603
Other expenses	11,700	1,525	1,525	10,175
Total support services - students	5,576,266	2,788,002	2,863,002	2,713,264

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 Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2020

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
Support services - instruction:				
Certificated salaries	\$ 473,907	\$ 471,970	\$ 471,970	\$ 1,937
Non-certificated salaries	309,421	245,368	245,368	64,053
Employee benefits	354,340	343,621	343,621	10,719
Professional and technical services	13,330	11,683	11,683	1,647
Staff travel	289,211	89,505	89,505	199,706
Other purchased services	150	142	142	8
Supplies, materials and media	15,051	5,502	5,502	9,549
Other expenses	9,952	7,672	7,672	2,280
Total support services - instruction	1,465,362	1,175,463	1,175,463	289,899
District administration support services:				
Indirect costs	1,016,034	697,418	697,418	318,616
Total district administration support services	1,016,034	697,418	697,418	318,616
Operations and maintenance of plant:				
Non-certificated salaries	-	15,685	15,685	(15,685)
Employee benefits	-	9,245	9,245	(9,245)
Professional and technical services	-	5,462	5,462	(5,462)
Supplies, materials and media	-	140,713	152,201	(152,201)
Capital outlay	-	-	109,318	(109,318)
Total operations and maintenance of plant	-	171,105	291,911	(291,911)
Food service:				
Supplies, materials and media	88,009	48,060	48,060	39,949
Total food service	88,009	48,060	48,060	39,949
Total expenditures	21,364,906	13,125,120	13,320,926	8,043,980
Excess (deficiency) of revenues over expenditures	(925)	-	(195,806)	16,282,841
Net change in fund balance	<u>\$ (925)</u>	<u>\$ -</u>	<u>\$ (195,806)</u>	<u>\$ 16,282,841</u>
Fund balance - beginning		2,045		
Fund balance - ending		<u>\$ 2,045</u>		

See accompanying notes to the basic financial statements

continued

Fairbanks North Star Borough School District

Nonmajor Governmental Funds Combining Balance Sheet June 30, 2020 (With comparative totals for 2019)

	Food Service Special Revenue	Local Programs Special Revenue	State Programs Special Revenue
Assets			
Equity in central treasury cash	\$ -	\$ 254,067	\$ 487,662
Accounts receivable	-	-	87,855
Inventories	755,540	-	-
Total assets	\$ 755,540	\$ 254,067	\$ 575,517
Liabilities and Fund Balances (Deficit)			
Liabilities			
Accounts payable	\$ 625	\$ 586	\$ 180
Accrued payroll and liabilities	-	-	-
Unearned revenue	-	-	348,168
Due to other funds	759,254	25	87,855
Total liabilities	759,879	611	436,203
Fund balances			
Nonspendable	755,540	-	-
Restricted	-	119,845	139,314
Committed	-	133,611	-
Unassigned (deficit)	(759,879)	-	-
Total fund balances (deficit)	(4,339)	253,456	139,314
Total liabilities and fund balances	\$ 755,540	\$ 254,067	\$ 575,517

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Nonmajor Governmental Funds Combining Balance Sheet June 30, 2020 (With comparative totals for 2019)

	School Activities Special Revenue	Total Nonmajor Governmental Funds	
		2020	2019
Assets			
Equity in central treasury cash	\$ 1,454,621	\$ 2,196,350	\$ 2,250,541
Accounts receivable	-	87,855	240,725
Inventories	-	755,540	455,577
Total assets	\$ 1,454,621	\$ 3,039,745	\$ 2,946,843
Liabilities and Fund Balances (Deficit)			
Liabilities			
Accounts payable	\$ 11,852	\$ 13,243	\$ 62,711
Accrued payroll and liabilities	-	-	4,949
Unearned revenue	-	348,168	387,441
Due to other funds	-	847,134	346,055
Total liabilities	11,852	1,208,545	801,156
Fund balances			
Nonspendable	-	755,540	455,577
Restricted	-	259,159	228,968
Committed	1,442,769	1,576,380	1,577,591
Unassigned (deficit)	-	(759,879)	(116,449)
Total fund balances (deficit)	1,442,769	1,831,200	2,145,687
Total liabilities and fund balances	\$ 1,454,621	\$ 3,039,745	\$ 2,946,843

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, 2020

(With comparative totals for 2019)

	Food Service Special Revenue	Local Programs Special Revenue	State Programs Special Revenue
Revenues:			
Local sources	\$ 1,134,055	\$ 198,830	\$ -
State sources	-	-	309,508
Federal sources	3,666,760	-	-
Total revenues	4,800,815	198,830	309,508
Expenditures - current:			
Instruction	-	-	100,077
Support services - students	-	138,481	241,777
Support services - instruction	-	12,596	12,223
District administration support services	-	-	13,513
Operations and maintenance of plant	6,821	-	-
Student activities	-	-	-
Food service	5,314,638	-	31,572
Total expenditures	5,321,459	151,077	399,162
Excess (deficiency) of revenues over expenditures	(520,644)	47,753	(89,654)
Other financing sources (uses):			
Proceeds from sale of capital assets	-	-	-
Transfers in	177,177	-	-
Total other financing sources (uses)	177,177	-	-
Net change in fund balances	(343,467)	47,753	(89,654)
Fund balances - beginning	339,128	205,703	228,968
Fund balances (deficit) - ending	\$ (4,339)	\$ 253,456	\$ 139,314

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, 2020

(With comparative totals for 2019)

	School Activities Special Revenue	Total Nonmajor Governmental Funds	
		2020	2019
Revenues:			
Local sources	\$ 1,836,368	\$ 3,169,253	\$ 4,298,609
State sources	-	309,508	286,156
Federal sources	-	3,666,760	3,754,959
Total revenues	1,836,368	7,145,521	8,339,724
Expenditures - current:			
Instruction	-	100,077	97,881
Support services - students	-	380,258	429,567
Support services - instruction	-	24,819	22,091
District administration support services	-	13,513	13,708
Operations and maintenance of plant	-	6,821	6,286
Student activities	1,765,487	1,765,487	2,637,773
Food service	-	5,346,210	5,644,049
Total expenditures	1,765,487	7,637,185	8,851,355
Excess (deficiency) of revenues over expenditures	70,881	(491,664)	(511,631)
Other financing sources (uses):			
Proceeds from sale of capital assets	-	-	3,375
Transfers in	-	177,177	193,498
Total other financing sources (uses)	-	177,177	196,873
Net change in fund balances	70,881	(314,487)	(314,758)
Fund balances - beginning	1,371,888	2,145,687	2,460,445
Fund balances (deficit) - ending	\$ 1,442,769	\$ 1,831,200	\$ 2,145,687

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Food Service Special Revenue Fund Balance Sheet June 30, 2020 (With comparative totals for 2019)

	2020	2019
Assets		
Accounts receivable	\$ -	\$ 20,047
Inventories	755,540	455,577
Total assets	\$ 755,540	\$ 475,624
Liabilities and Fund Balance (Deficit)		
Liabilities		
Accounts payable	\$ 625	\$ 267
Due to other funds	759,254	136,229
Total liabilities	759,879	136,496
Fund balance		
Nonspendable	755,540	455,577
Unassigned (deficit)	(759,879)	(116,449)
Total fund balance (deficit)	(4,339)	339,128
Total liabilities and fund balance	\$ 755,540	\$ 475,624

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, 2020

(With comparative totals for 2019)

	2020	2019
Revenues:		
Local sources:		
Food service	\$ 1,134,055	\$ 1,417,808
Federal sources:		
Through the State of Alaska	3,666,760	3,754,959
Total revenues	4,800,815	5,172,767
Expenditures - current:		
Operations and maintenance of plant:		
Non-certificated salaries	4,287	3,955
Employee benefits	2,534	2,330
Total operations and maintenance of plant	6,821	6,285
Food service:		
Non-certificated salaries	1,977,535	1,925,610
Employee benefits	1,114,485	1,069,532
Professional and technical services	30,640	31,358
Staff travel	6,144	9,171
Utility services	11,357	11,689
Energy	207,714	184,816
Other purchased services	2,597	2,218
Supplies, materials and media	1,963,903	2,338,475
Other expenses	263	122
Capital outlay	-	55,369
Total food service	5,314,638	5,628,360
Total expenditures	5,321,459	5,634,645
Excess (deficiency) of revenues over expenditures	(520,644)	(461,878)
Other financing sources (uses):		
Proceeds from sale of capital assets	-	3,375
Transfers in	177,177	193,498
Total other financing sources (uses)	177,177	196,873
Net change in fund balance	(343,467)	(265,005)
Fund balance - beginning	339,128	604,133
Fund balance (deficit) - ending	\$ (4,339)	\$ 339,128

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 Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2020

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
Local sources	\$ 1,650,417	\$ 1,134,055	\$ 1,134,055	\$ (516,362)
Federal sources	3,760,387	3,666,760	3,666,760	(93,627)
Total revenues	5,410,804	4,800,815	4,800,815	(609,989)
Expenditures - current:				
Operations and maintenance of plant:				
Non-certificated salaries	-	4,287	4,287	(4,287)
Employee benefits	-	2,534	2,534	(2,534)
Total operations and maintenance of plant	-	6,821	6,821	(6,821)
Food service:				
Non-certificated salaries	2,209,572	1,977,535	1,977,535	232,037
Employee benefits	1,258,110	1,114,485	1,114,485	143,625
Professional and technical services	32,000	30,640	30,640	1,360
Staff travel	8,000	6,144	6,144	1,856
Utility services	14,727	11,357	11,357	3,370
Energy	185,500	207,714	207,714	(22,214)
Other purchased services	2,200	2,597	2,597	(397)
Supplies, materials and media	2,280,577	1,963,903	1,963,903	316,674
Other expenses	300	263	263	37
Capital outlay	10,000	-	-	10,000
Total food service	6,000,986	5,314,638	5,314,638	686,348
Total expenditures	6,000,986	5,321,459	5,321,459	679,527
Excess (deficiency) of revenues over expenditures	(590,182)	(520,644)	(520,644)	69,538
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>\$ (590,182)</u>	<u>\$ (343,467)</u>	<u>\$ (343,467)</u>	<u>\$ 246,715</u>
Fund balance - beginning		339,128		
Fund balance (deficit) - ending		<u>\$ (4,339)</u>		

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

Local Programs Special Revenue Fund Balance Sheet June 30, 2020 (With comparative totals for 2019)

	2020	2019
Assets		
Equity in central treasury cash	\$ 254,067	\$ 206,793
Total assets	\$ 254,067	\$ 206,793
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 586	\$ -
Unearned revenue	-	1,090
Due to other funds	25	-
Total liabilities	611	1,090
Fund balance		
Restricted	119,845	-
Unassigned	133,611	205,703
Total fund balance	253,456	205,703
Total liabilities and fund balance	\$ 254,067	\$ 206,793

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, 2020 (With comparative totals for 2019)

	2020	2019
Revenues:		
Local sources:		
Community Donations	\$ 7,964	\$ 7,324
BNT After School Program	65,951	95,717
UPK After School Program	55,274	85,485
National Rifle Association (NRA)	4,733	-
Instruments	50,050	-
Learning & Leadership Grant	-	4,500
Mathematics Education Trust (MET)	3,000	-
GCI Suicide Prevention	11,858	-
Total local sources	198,830	193,026
Expenditures - current:		
Instruction:		
Supplies, materials and media	-	71,438
Total instruction	-	71,438
Support services - students:		
Certificated salaries	7,600	13,136
Non-certificated salaries	79,126	85,940
Employee benefits	40,390	43,196
Professional and technical services	2,624	3,216
Staff travel	77	28
Utility services	843	757
Other purchased services	586	-
Supplies, materials and media	7,235	14,668
Total support services - students	138,481	160,941

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, 2020

(With comparative totals for 2019)

	2020	2019
Support services - instruction:		
Certificated salaries	4,500	500
Employee benefits	670	74
Professional and technical services	790	2,097
Supplies, materials and media	6,636	14,326
Total support services - instruction	12,596	16,997
Total expenditures	151,077	249,376
Excess (deficiency) of revenues over expenditures	47,753	(56,350)
Net change in fund balance	47,753	(56,350)
Fund balance - beginning	205,703	262,053
Fund balance - ending	\$ 253,456	\$ 205,703

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 Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2020

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
Local sources	\$ 20,592	\$ 198,830	\$ 198,830	\$ 178,238
Expenditures - current:				
Instruction:				
Supplies, materials and media	43,295	-	-	43,295
Total instruction	43,295	-	-	43,295
Support services - students:				
Certificated salaries	3,000	7,600	7,600	(4,600)
Non-certificated salaries	-	79,126	79,126	(79,126)
Employee benefits	71	40,390	40,390	(40,319)
Professional and technical services	2,400	2,624	2,624	(224)
Staff travel	-	77	77	(77)
Utility services	-	843	843	(843)
Other purchased services	5,682	586	4,586	1,096
Supplies, materials and media	76,783	7,235	7,235	69,548
Total support services - students	87,936	138,481	142,481	(54,545)
Support services - instruction:				
Certificated salaries	-	4,500	4,500	(4,500)
Employee benefits	-	670	670	(670)
Professional and technical services	800	790	790	10
Supplies, materials and media	76,232	6,636	6,636	69,596
Total support services - instruction	77,032	12,596	12,596	64,436
District administration support services:				
Indirect costs	706	-	-	706
Total district administration support services	706	-	-	706
Total expenditures	208,969	151,077	155,077	53,892
Excess (deficiency) of revenues over expenditures	(188,377)	47,753	43,753	124,346
Net change in fund balance	<u>\$ (188,377)</u>	<u>\$ 47,753</u>	<u>\$ 43,753</u>	<u>\$ 124,346</u>
Fund balance - beginning		205,703		
Fund balance - ending		<u>\$ 253,456</u>		

See accompanying notes to the basic financial statements

Fairbanks North Star Borough School District

State Programs Special Revenue Fund Balance Sheet June 30, 2020 (With comparative totals for 2019)

	2020	2019
Assets		
Equity in central treasury cash	\$ 487,662	\$ 635,170
Accounts receivable	87,855	220,528
Total assets	\$ 575,517	\$ 855,698
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 180	\$ 25,604
Accrued payroll and liabilities	-	4,949
Unearned revenue	348,168	386,351
Due to other funds	87,855	209,826
Total liabilities	436,203	626,730
Fund balance		
Restricted	139,314	228,968
Total fund balance	139,314	228,968
Total liabilities and fund balance	\$ 575,517	\$ 855,698

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, 2020 (With comparative totals for 2019)

	2020	2019
Revenues:		
State sources:		
Staff Development Mini Grant	\$ 17,336	\$ 24,343
Nutritional AK Foods for Schools	31,572	15,690
Youth Risk Behavior Survey	6,611	10,182
Suicide Prevent	21,705	23,978
Early Learning	122,608	201,363
Safe Children's Act	-	2,100
Charter Schools	87,855	-
Bree's Law	14,500	8,500
Be (You) Prevention Team	7,321	-
Total state sources	309,508	286,156
Total revenues	309,508	286,156
Expenditures - current:		
Instruction:		
Non-certificated salaries	-	599
Employee benefits	-	32
Staff travel	17,336	23,713
Supplies, materials and media	82,741	2,100
Total instruction	100,077	26,444
Support services - students:		
Certificated salaries	13,041	21,750
Non-certificated salaries	38,769	76,255
Employee benefits	23,195	33,294
Professional and technical services	1,501	2,931
Staff travel	11,902	3,142
Student travel	-	727
Other purchased services	578	6,457
Supplies, materials and media	147,791	119,069
Other expenses	5,000	5,000
Total support services - students	241,777	268,625

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, 2020 (With comparative totals for 2019)

	2020	2019
Support services - instruction:		
Certificated salaries	\$ 5,500	\$ -
Employee benefits	818	-
Staff travel	3,403	5,094
Supplies, materials and media	2,502	-
Total support services - instruction	12,223	5,094
District administration support services:		
Indirect costs	13,513	13,708
Total district administration support services	13,513	13,708
Food service:		
Supplies, materials and media	31,572	15,690
Total food service	31,572	15,690
Total expenditures	399,162	329,561
Excess (deficiency) of revenues over expenditures	(89,654)	(43,405)
Net change in fund balance	(89,654)	(43,405)
Fund balance - beginning	228,968	272,373
Fund balance - ending	\$ 139,314	\$ 228,968

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 Budget (Non-GAAP Basis) and Actual - by Object For the Year Ended June 30, 2020

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
State sources	\$ 835,017	\$ 309,508	\$ 309,508	\$ 525,509
Total revenues	835,017	309,508	309,508	525,509
Expenditures - current:				
Instruction:				
Staff travel	-	17,336	17,336	(17,336)
Supplies, materials and media	90,413	82,741	82,741	7,672
Total instruction	90,413	100,077	100,077	(9,664)
Support services - students:				
Certificated salaries	20,459	13,041	13,041	7,418
Non-certificated salaries	95,113	38,769	38,769	56,344
Employee benefits	48,506	23,195	23,195	25,311
Professional and technical services	4,402	1,501	1,501	2,901
Staff travel	13,491	11,902	11,902	1,589
Other purchased services	18,882	578	578	18,304
Supplies, materials and media	250,105	147,791	147,791	102,314
Other expenses	5,000	5,000	5,000	-
Capital outlay	92,154	-	78,494	13,660
Total support services - students	548,112	241,777	320,271	227,841
Support services - instruction:				
Certificated salaries	5,500	5,500	5,500	-
Employee benefits	820	818	818	2
Staff travel	9,083	3,403	3,403	5,680
Supplies, materials and media	2,504	2,502	2,502	2
Total support services - instruction	17,907	12,223	12,223	5,684

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 Budget (Non-GAAP Basis) and Actual - by Object For the Year Ended June 30, 2020

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
District administration support services:				
Indirect costs	\$ 24,649	\$ 13,513	\$ 13,513	\$ 11,136
Total district administration support services	24,649	13,513	13,513	11,136
Food service:				
Supplies, materials and media	379,499	31,572	31,572	347,927
Total food service	379,499	31,572	31,572	347,927
Total expenditures	1,060,580	399,162	477,656	582,924
Excess (deficiency) of revenues over expenditures	(225,563)	(89,654)	(168,148)	1,108,433
Net change in fund balance	<u>\$ (225,563)</u>	<u>\$ (89,654)</u>	<u>\$ (168,148)</u>	<u>\$ 1,108,433</u>
Fund balance - beginning		228,968		
Fund balance - ending		<u>\$ 139,314</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, 2020 (With comparative totals for 2019)

	2020	2019
Assets		
Equity in central treasury cash	\$ 1,454,621	\$ 1,408,578
Accounts receivable	-	150
Total assets	\$ 1,454,621	\$ 1,408,728
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 11,852	\$ 36,840
Total liabilities	11,852	36,840
Fund balance		
Committed	1,442,769	1,371,888
Total fund balance	1,442,769	1,371,888
Total liabilities and fund balance	\$ 1,454,621	\$ 1,408,728

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, 2020
(With comparative totals for 2019)

	2020	2019
Revenues:		
Local sources	\$ 1,836,368	\$ 2,687,775
Expenditures - current:		
Student activities:		
Certificated salaries	1,800	1,163
Non-certificated salaries	4,200	6,334
Employee benefits	1,067	1,151
Professional and technical services	40,809	84,669
Staff travel	1,858	1,663
Student travel	717,576	1,158,058
Other purchased services	25,535	60,056
Insurance and bond premiums	-	71
Supplies, materials and media	933,204	1,265,867
Other expenses	39,438	52,791
Capital outlay	-	5,950
Total student activities	1,765,487	2,637,773
Total expenditures	1,765,487	2,637,773
Excess (deficiency) of revenues over expenditures	70,881	50,002
Net change in fund balance	70,881	50,002
Fund balance - beginning	1,371,888	1,321,886
Fund balance - ending	\$ 1,442,769	\$ 1,371,888

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 Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2020

	Final Budget	Actual	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
Local sources	\$ -	\$ 1,836,368	\$ 1,836,368	\$ 1,836,368
Expenditures - current:				
Student activities:				
Certificated salaries	-	1,800	1,800	(1,800)
Non-certificated salaries	-	4,200	4,200	(4,200)
Employee benefits	-	1,067	1,067	(1,067)
Professional and technical services	500	40,809	40,809	(40,309)
Staff travel	-	1,858	1,858	(1,858)
Student travel	-	717,576	717,576	(717,576)
Other purchased services	-	25,535	25,535	(25,535)
Supplies, materials and media	2,096	933,204	971,465	(969,369)
Other expenses	-	39,438	39,438	(39,438)
Total student activities	2,596	1,765,487	1,803,748	(1,801,152)
Total expenditures	2,596	1,765,487	1,803,748	(1,801,152)
Excess (deficiency) of revenues over expenditures	(2,596)	70,881	32,620	35,216
Net change in fund balance	<u>\$ (2,596)</u>	<u>\$ 70,881</u>	<u>\$ 32,620</u>	<u>\$ 35,216</u>
Fund balance - beginning		1,371,888		
Fund balance - ending		<u>\$ 1,442,769</u>		

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 Budget (Non-GAAP Basis) and Actual For the Year Ended June 30, 2020

	Final	Actual	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
Local sources	\$ -	\$ 1,836,368	\$ 1,836,368	\$ 1,836,368
Expenditures - current:				
Student activities:				
Certificated salaries	-	1,800	1,800	(1,800)
Non-certificated salaries	-	4,200	4,200	(4,200)
Employee benefits	-	1,067	1,067	(1,067)
Professional and technical services	500	40,809	40,809	(40,309)
Staff travel	-	1,858	1,858	(1,858)
Student travel	-	717,576	717,576	(717,576)
Other purchased services	-	25,535	25,535	(25,535)
Supplies, materials and media	2,096	933,204	971,465	(969,369)
Other expenses	-	39,438	39,438	(39,438)
Total student activities	2,596	1,765,487	1,803,748	(1,801,152)
Total expenditures	2,596	1,765,487	1,803,748	(1,801,152)
Excess (deficiency) of revenues over expenditures	(2,596)	70,881	32,620	35,216
Net change in fund balance	<u>\$ (2,596)</u>	<u>\$ 70,881</u>	<u>\$ 32,620</u>	<u>\$ 35,216</u>
Fund balance - beginning		1,371,888		
Fund balance - ending		<u>\$ 1,442,769</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, 2020
(With comparative totals for 2019)

	2020	2019
Assets		
Equity in central treasury cash	\$ 7,161,398	\$ 7,575,332
Total assets	\$ 7,161,398	\$ 7,575,332
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 1,526,485	\$ -
Due to Fairbanks North Star Borough	24,302	-
Total liabilities	1,550,787	-
Fund balance		
Restricted	5,610,611	7,408,373
Assigned	-	166,959
Total fund balance	5,610,611	7,575,332
Total liabilities and fund balance	\$ 7,161,398	\$ 7,575,332

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, 2020
(With comparative totals for 2019)

	2020	2019
Revenues:		
Federal sources:		
Through the State of Alaska	\$ 425,737	\$ 407,567
Expenditures - current:		
Capital outlay:		
Professional and technical services	16,314	-
Other purchased services	2,371,827	253,478
Supplies, materials and media	2,317	70,220
Total capital outlay	2,390,458	323,698
Total expenditures	2,390,458	323,698
Excess (deficiency) of revenues over expenditures	(1,964,721)	83,869
Other financing sources (uses):		
Transfers in	-	7,408,373
Total other financing sources (uses)	-	7,408,373
Net change in fund balance	(1,964,721)	7,492,242
Fund balance - beginning	7,575,332	83,090
Fund balance - ending	\$ 5,610,611	\$ 7,575,332

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, 2020

	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	-	16,314	34,982
Other purchased services	1,272,407	1,462,542	793,851	3,528,800
Supplies, materials and media	470,121	-	-	470,121
Other capital outlay	323,187	-	-	323,187
Total expenditures	2,084,383	1,462,542	810,165	4,357,090
Excess (deficiency) of revenues over expenditures	\$ 151,694	\$ 2,894,130	\$ 2,241,536	\$ 5,287,360

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, 2020
(With comparative totals for 2019)

	Risk Management	Equipment Replacement	2020	2019
Assets				
Equity in central treasury cash	\$ 5,374,930	\$ 1,654,229	\$ 7,029,159	\$ 9,510,853
Accounts receivable	1,102,874	-	1,102,874	229,100
Total assets	\$ 6,477,804	\$ 1,654,229	\$ 8,132,033	\$ 9,739,953
Liabilities and Net Position (Deficit)				
Current Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 142,281
Claims payable	5,074,101	-	5,074,101	4,465,394
Total current liabilities	5,074,101	-	5,074,101	4,607,675
Noncurrent Liabilities				
Claims payable	49,141	-	49,141	52,935
Accrued self-insurance reserves	1,415,808	-	1,415,808	622,574
Total noncurrent liabilities	1,464,949	-	1,464,949	675,509
Total liabilities	6,539,050	-	6,539,050	5,283,184
Net Position				
Unrestricted (deficit)	(61,246)	1,654,229	1,592,983	4,456,769
Total net position (deficit)	(61,246)	1,654,229	1,592,983	4,456,769

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, 2020

(With comparative totals for 2019)

	Risk Management	Equipment Replacement	2020	2019
Operating revenues				
Local sources				
Charges for services	\$ 34,651,100	\$ 1,197,882	\$ 35,848,982	\$ 35,164,416
Other local revenue	-	304,989	304,989	-
Total local sources	34,651,100	1,502,871	36,153,971	35,164,416
Total revenues	34,651,100	1,502,871	36,153,971	35,164,416
Operating expenses				
Auto and general liability insurance	1,511,716	-	1,511,716	455,353
Property and other insurance	567,456	-	567,456	467,945
Workers' compensation insurance	1,001,134	-	1,001,134	1,030,719
Health and life insurance	34,472,407	-	34,472,407	38,276,718
Supplies, materials and media	-	1,465,044	1,465,044	964,543
Total operating expenses	37,552,713	1,465,044	39,017,757	41,195,278
Operating income (loss)	(2,901,613)	37,827	(2,863,786)	(6,030,862)
Change in net position	(2,901,613)	37,827	(2,863,786)	(6,030,862)
Net position - beginning	2,840,367	1,616,402	4,456,769	10,487,631
Net position - ending	\$ (61,246)	\$ 1,654,229	\$ 1,592,983	\$ 4,456,769

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, 2020 (With comparative totals for 2019)

	Risk Management	Equipment Replacement	2020	2019
Cash flow from operating activities				
Receipts from interfund charges	\$ 34,615,746	\$ 1,197,882	\$ 35,813,628	\$ 35,145,810
Receipts from employees	1,446,860	304,989	1,751,849	2,091,119
Payments to suppliers	(884,425)	(1,465,044)	(2,349,469)	(1,692,806)
Payments to employees	(1,061,281)	-	(1,061,281)	(701,742)
Payments to Fairbanks North Star Borough	(36,636,421)	-	(36,636,421)	(38,384,751)
Net cash provided by (used in) operating activities	(2,519,521)	37,827	(2,481,694)	(3,542,370)
Net increase (decrease) in equity in central treasury cash	(2,519,521)	37,827	(2,481,694)	(3,542,370)
Equity in central treasury cash - beginning	7,894,451	1,616,402	9,510,853	13,053,223
Equity in central treasury cash - ending	\$ 5,374,930	\$ 1,654,229	\$ 7,029,159	\$ 9,510,853
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ (2,901,613)	\$ 37,827	\$ (2,863,786)	\$ (6,030,862)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities				
Decrease (increase) in accounts receivable	(873,774)	-	(873,774)	2,762,259
Increase (decrease) in accounts payable	(142,281)	-	(142,281)	30,992
Increase (decrease) in claims payable, current	608,707	-	608,707	(335,621)
Increase (decrease) in claims payable, noncurrent	(3,794)	-	(3,794)	7,020
Increase (decrease) in accrued self-insurance reserves	793,234	-	793,234	23,842
Total adjustments	382,092	-	382,092	2,488,492
Net cash provided by (used in) operating activities	\$ (2,519,521)	\$ 37,827	\$ (2,481,694)	\$ (3,542,370)

See accompanying notes to the basic financial statements

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Financial Section

Custodial Fund



Fairbanks North Star Borough School District

School District Custodial Fund Statement of Changes in Fiduciary Net Position For the Year Ended June 30, 2020

	2020	2019
Additions:		
Contributions:		
Indiviudals	\$ 27,892	\$ 44,413
Total additions	27,892	44,413
Deductions:		
Professional and technical services	3,522	1,956
Student travel	-	5,246
Other purchased services	6,586	8,865
Supplies, materials and media	18,022	23,671
Other expenses	1,894	4,012
Total deductions	30,024	43,750
Net change in fund balance	(2,132)	663
Net position - beginning	35,870	35,207
Net position - ending	\$ 33,738	\$ 35,870

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				
	2011	2012	2013	2014	2015
					(a)
Governmental activities:					
Investment in capital assets	\$ 4,449,676	\$ 4,391,797	\$ 4,169,278	\$ 4,001,914	\$ 4,112,494
Restricted for:					
Grant-funded programs	-	-	-	-	1,416,526
Student allotments	-	-	-	-	35,108
Unrestricted	20,747,031	17,380,499	19,123,971	20,941,096	(65,801,513)
Total net position (deficit)	\$ 25,196,707	\$ 21,772,296	\$ 23,293,249	\$ 24,943,010	\$ (60,237,385)

	Fiscal Year				
	2016	2017	2018	2019	2020
			(b)		
Governmental activities:					
Investment in capital assets	\$ 4,580,174	\$ 4,299,337	\$ 4,015,924	\$ 3,960,939	\$ 3,325,382
Restricted for:					
Grant-funded programs	1,670,850	700,964	273,018	7,641,421	5,871,815
Student allotments	88,780	102,147	133,205	133,205	321,841
Unrestricted	(85,483,184)	(111,644,615)	(116,430,485)	(118,559,318)	(100,714,408)
Total net position (deficit)	\$ (79,143,380)	\$ (106,542,167)	\$ (112,008,338)	\$ (106,823,753)	\$ (91,195,370)

(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				
	2011	2012	2013	2014	2015
Expenses					
Governmental activities:					
Instruction	\$ 100,600,464	\$ 107,518,432	\$ 111,205,333	\$ 109,531,681	\$ 122,257,659
Special education instruction	24,870,238	25,693,963	29,783,855	29,236,637	31,589,337
Special education support services - students	7,376,804	7,840,679	10,087,672	10,551,365	11,614,210
Support services - students	13,959,359	14,645,274	15,353,243	16,554,098	16,113,199
Support Services - instruction	15,414,500	13,656,552	12,899,352	12,079,620	12,093,473
Support Services - technology	-	-	-	-	-
School administration	7,164,900	7,683,508	8,384,189	8,712,544	9,734,249
School administration support services	4,908,392	6,109,394	5,645,704	5,724,618	5,627,274
District administration	2,205,571	2,460,180	2,415,563	2,125,738	2,368,596
District administration support services	10,700,442	11,302,391	10,394,306	10,503,523	10,876,471
Operations and maintenance of plant	24,374,735	26,259,233	25,334,946	25,259,547	27,052,784
Student activities	4,959,591	5,004,579	5,182,117	5,293,009	3,052,086
Student transportation - to and from school	10,010,640	11,222,482	11,382,622	11,785,326	11,974,378
Community services	-	-	-	5,000	-
Food services	5,399,896	5,510,680	5,400,980	5,418,264	5,910,012
Interest expense	33,227				
Total expenses	231,978,759	244,907,347	253,469,882	252,780,970	270,263,728
Program Revenues					
Governmental activities:					
Charges for Services:					
Instruction	43,895	51,492	69,392	62,715	44,280
Support services - students	116,542	112,795	19,703	188,850	222,709
Support services - instruction	41,850	65,844	145,416	38,540	34,860
District administration support services	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-
Adult and continuing education instruction	-	-	-	-	-
Food services	1,926,416	1,897,853	1,598,281	1,492,538	1,353,596
Operating grants and contributions	54,664,159	59,782,158	66,613,379	68,202,040	81,118,672
Capital grants and contributions	69,000	378,803	69,419	126,935	911,562
Total program revenues	56,861,862	62,288,945	68,515,590	70,111,618	83,685,679
Net expense - governmental activities	(175,116,897)	(182,618,402)	(184,954,292)	(182,669,352)	(186,578,049)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Borough direct appropriation	45,299,502	46,586,695	46,200,000	47,560,000	49,906,000
State grants and entitlements not restricted	128,790,968	131,423,615	139,279,599	135,710,475	141,615,821
Other	1,088,510	1,183,681	995,646	1,048,638	1,507,611
Total general revenues	175,178,980	179,193,991	186,475,245	184,319,113	193,029,432
Change in net position	\$ 62,083	\$ (3,424,411)	\$ 1,520,953	\$ 1,649,761	\$ 6,451,383

Fairbanks North Star Borough School District

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

	Fiscal Year				
	2016	2017	2018	2019	2020
Expenses					
Governmental activities:					
Instruction	\$ 107,399,957	\$ 111,640,903	\$ 90,117,357	\$ 91,724,774	\$ 69,235,106
Special education instruction	33,322,750	34,256,340	28,067,312	27,785,770	22,464,040
Special education support services - students	11,205,400	11,056,197	8,882,198	8,877,680	6,498,466
Support services - students	16,503,860	14,252,727	11,372,845	13,888,153	12,126,478
Support Services - instruction	14,110,870	15,580,406	8,532,961	9,255,330	7,607,325
Support Services - technology	-	-	-	-	993,661
School administration	8,555,778	8,933,366	7,524,309	7,523,852	5,791,852
School administration support services	7,154,047	6,805,796	4,862,734	4,996,921	4,435,319
District administration	2,170,832	2,372,557	2,482,325	2,837,695	2,298,093
District administration support services	14,310,514	13,431,721	9,841,603	10,062,800	9,262,137
Operations and maintenance of plant	28,728,249	27,579,992	21,434,921	22,806,148	24,481,646
Student activities	4,969,652	5,043,266	4,412,922	4,703,477	3,257,289
Student transportation - to and from school	11,891,808	12,149,994	13,949,612	13,874,064	11,804,857
Community services	-	-	-	-	-
Food services	6,591,827	6,399,804	5,149,815	5,516,605	4,860,185
Interest expense			9,713	9,775	-
Total expenses	266,915,544	269,503,069	216,640,627	223,863,044	185,116,454
Program Revenues					
Governmental activities:					
Charges for Services:					
Instruction	47,332	9,686	21,156	21,518	
Support services - students	189,497	185,255	169,021	187,672	121,225
Support services - instruction	29,006	9,050	-	-	
District administration support services	-	-	-	-	
Student transportation - to and from school	-	-	-	-	
Adult and continuing education instruction	-	-	-	-	
Food services	1,352,523	1,369,239	1,360,303	1,417,808	1,134,055
Operating grants and contributions	52,262,056	45,805,824	45,103,665	40,715,394	15,269,536
Capital grants and contributions	220,410	1,135,763	424,435	407,567	425,737
Total program revenues	54,100,824	48,514,817	47,078,580	42,749,959	16,950,553
Net expense - governmental activities	(212,814,720)	(220,988,252)	(169,562,047)	(181,113,085)	(168,165,901)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Borough direct appropriation	55,369,000	54,169,000	51,145,400	50,045,400	50,045,400
State grants and entitlements not restricted	137,209,936	136,553,068	136,572,960	134,336,672	132,038,495
Other	1,329,789	2,867,397	1,930,739	1,915,598	1,710,389
Total general revenues	193,908,725	193,589,465	189,649,099	186,297,670	183,794,284
Change in net position	\$ (18,905,995)	\$ (27,398,787)	\$ 20,087,052	\$ 5,184,585	\$ 15,628,383

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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				
	2011	2012	2013	2014	2015
General fund:					
Nonspendable	\$ 555,592	\$ 602,804	\$ 573,283	\$ 518,791	\$ 624,652
Restricted	-	-	-	-	35,108
Assigned	21,080,111	19,556,139	18,552,099	15,719,300	19,972,736
Unassigned	-	71,358	1,372,848	3,616,590	4,342,757
Total general fund	\$ 21,635,703	\$ 20,230,301	\$ 20,498,230	\$ 19,854,681	\$ 24,975,253
All other governmental funds:					
Nonspendable	\$ 499,732	\$ 432,994	\$ 443,788	\$ 625,306	\$ 480,711
Restricted	2,954	377,814	662,773	1,864,874	1,416,526
Committed	1,760,378	1,796,551	1,794,550	1,726,030	1,634,796
Assigned	1,315,325	1,614,100	1,643,638	1,414,676	1,618,291
Unassigned	(88,626)	(11,270)	(77,502)	(500,032)	(1,170,105)
Total all other governmental funds	\$ 3,489,763	\$ 4,210,189	\$ 4,467,247	\$ 5,130,854	\$ 3,980,219

	Fiscal Year				
	2016	2017	2018	2019	2020
General fund:					
Nonspendable	\$ 444,007	\$ 457,102	\$ 402,381	\$ 327,400	\$ 423,706
Restricted	88,780	102,147	133,205	135,240	321,841
Assigned	18,653,930	20,340,970	25,003,495	23,203,257	20,289,714
Unassigned	15,425,238	12,760,554	7,930,467	-	-
Total general fund	\$ 34,611,955	\$ 33,660,773	\$ 33,469,548	\$ 23,665,897	\$ 21,035,261
All other governmental funds:					
Nonspendable	\$ 476,760	\$ 414,148	\$ 404,622	\$ 455,577	\$ 755,540
Restricted	1,670,850	700,964	273,018	7,639,386	5,871,815
Committed	1,576,893	1,563,189	1,583,939	1,577,591	1,576,380
Assigned	1,430,984	3,253,975	4,326,613	3,454,695	4,513,529
Unassigned	(1,459,913)	-	-	(116,449)	(759,879)
Total all other governmental funds	\$ 3,695,574	\$ 5,932,276	\$ 6,588,192	\$ 13,010,800	\$ 11,957,385

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				
	2011	2012	2013	2014	2015
Revenues:					
Local sources	\$ 50,971,786	\$ 52,339,919	\$ 51,339,032	\$ 52,815,470	\$ 55,606,475
State sources	146,715,674	156,325,965	172,478,357	173,180,153	348,429,223
Federal sources	34,350,254	32,813,694	31,170,046	28,432,155	33,536,223
Total revenues	232,037,714	241,479,578	254,987,435	254,427,778	437,571,921
Expenditures:					
Instruction	100,456,233	106,245,188	111,908,220	110,458,367	223,441,209
Special education instruction	24,813,218	25,299,652	29,874,926	29,374,914	50,484,786
Special education support services - students	7,351,847	7,765,973	10,116,540	10,616,448	19,726,865
Support services - students	13,917,100	14,464,374	15,436,738	16,745,156	26,237,222
Support services - instruction	14,986,928	13,384,278	12,741,319	12,024,263	17,963,049
Support services - technology	-	-	-	-	-
School administration	7,127,341	7,604,630	8,452,142	8,798,346	18,710,099
School administration support services	4,897,659	6,050,059	5,666,342	5,767,625	6,880,327
District administration	2,209,647	2,433,594	2,396,461	2,223,703	3,680,703
District administration support services	10,828,683	11,153,362	10,381,157	10,586,356	13,057,446
Operations and maintenance of plant	24,153,731	25,959,798	25,455,301	24,931,722	27,781,546
Student activities	4,977,656	4,992,296	5,185,421	5,312,989	7,130,687
Student transportation - to and from school	10,009,855	11,214,750	11,377,599	11,793,857	11,968,995
Community services	-	-	-	5,000	-
Food services	5,361,214	5,519,986	5,433,831	5,416,030	5,836,841
Debt service:					
Interest	33,227	-	-	-	-
Principal	568,656	-	-	-	-
Capital outlay	713,647	80,028	39,881	355,897	707,947
Total expenditures	232,406,642	242,167,968	254,465,878	254,410,673	433,607,722
Excess (deficiency) of revenues over expenditures	(368,928)	(688,390)	521,557	17,105	3,964,199
Other financing sources (uses):					
Proceeds from sale of capital assets	4,500	3,414	3,430	2,953	5,738
Issuance of capital leases	-	-	-	-	-
Transfers in	1,880,057	481,000	394,136	237,100	196,808
Transfers out	(1,880,057)	(481,000)	(394,136)	(237,100)	(196,808)
Total other financing sources (uses)	4,500	3,414	3,430	2,953	5,738
Net change in fund balances	\$ (364,428)	\$ (684,976)	\$ 524,987	\$ 20,058	\$ 3,969,937
Capital expenditures	984,085	734,274	607,782	638,774	869,935
Noncapital expenditures	231,422,557	241,433,694	253,858,096	253,771,899	432,737,787
Debt service as a percentage of noncapital expenditures	0.26%	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				
	2016	2017	2018	2019	2020
Revenues:					
Local sources	\$ 60,634,525	\$ 60,841,784	\$ 56,808,533	\$ 55,627,598	\$ 54,405,740
State sources	147,346,486	142,561,135	144,484,872	140,732,918	144,606,806
Federal sources	32,322,556	35,310,251	33,805,836	37,570,657	33,490,145
Total revenues	240,303,567	238,713,170	235,099,241	233,931,173	232,502,691
Expenditures:					
Instruction	94,867,175	97,473,533	94,901,086	96,919,183	96,608,560
Special education instruction	27,997,201	29,915,351	30,590,900	29,675,569	29,283,827
Special education support services - students	9,756,127	9,814,352	9,472,016	9,443,329	8,610,596
Support services - students	13,677,384	12,144,630	12,766,034	14,855,299	15,754,342
Support services - instruction	12,050,673	13,922,427	9,260,440	9,731,031	9,340,071
Support services - technology	-	-	-	-	1,030,872
School administration	7,523,471	7,786,833	7,896,957	7,937,095	8,407,008
School administration support services	5,552,526	5,766,492	5,752,459	5,477,135	5,547,176
District administration	1,821,104	2,060,746	2,751,071	3,016,670	2,878,191
District administration support services	11,729,962	11,709,938	13,427,341	10,723,296	10,735,799
Operations and maintenance of plant	23,622,168	24,231,980	23,395,641	24,095,829	24,663,272
Student activities	4,682,307	4,789,190	2,092,336	4,846,718	3,690,736
Student transportation - to and from school	11,785,369	12,141,538	13,989,161	13,881,158	11,860,591
Community services	-	-	-	-	-
Food services	5,478,326	5,652,711	5,609,743	5,721,400	5,394,270
Debt service:					
Interest	-	-	9,713	9,775	-
Principal	-	340,272	330,559	670,769	-
Capital outlay	407,717	1,019,257	695,306	323,698	2,390,458
Total expenditures	230,951,510	238,769,250	232,940,763	237,327,954	236,195,769
Excess (deficiency) of revenues over expenditures	9,352,057	(56,080)	2,158,478	(3,396,781)	(3,693,078)
Other financing sources (uses):					
Proceeds from sale of capital assets	-	-	6,213	15,738	9,027
Issuance of capital leases	-	1,341,600	-	-	-
Transfers in	353,556	3,659,851	3,392,465	9,001,871	1,577,177
Transfers out	(353,556)	(3,659,851)	(5,092,465)	(9,001,871)	(1,577,177)
Total other financing sources (uses)	-	1,341,600	(1,693,787)	15,738	9,027
Net change in fund balances	\$ 9,352,057	\$ 1,285,520	\$ 464,691	\$ (3,381,043)	\$ (3,684,051)
Capital expenditures	1,252,326	523,376	598,465	910,578	210,354
Noncapital expenditures	229,699,184	238,245,874	232,342,298	236,417,376	235,985,415
Debt service as a percentage of noncapital expenditures	0.00%	0.14%	0.15%	0.29%	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)	
2009	\$ 4,904,177,806	\$ 1,084,908,136	\$ 925,518,536	\$ 694,077,720	\$ 373,581,218
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)

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)
2009	\$ 769,391,011	\$ 7,212,872,405	11.186	\$ 7,705,203,789	93.61%
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%

Source: Fairbanks North Star Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2019. Historically, information for the most recent calendar year is not available until after the publication date of the District CAFR.

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								2017 (revised)	2018
	2009	2010	2011	2012	2013	2014	2015	2016		
Total Direct:										
Borough areawide	11.186	11.432	11.294	11.216	11.216	11.356	11.599	11.418	11.913	12.850
Overlapping special Borough taxing jurisdictions except service areas										
Non-Areawide	0.393	0.400	0.511	0.525	0.523	0.493	0.507	0.520	0.520	0.570
Solid Waste Collection District	1.121	1.141	1.194	1.229	1.232	1.300	1.350	1.389	1.401	1.534
Borough direct and overlapping except service areas total (a)	12.700	12.973	12.999	12.970	12.971	13.149	13.456	13.327	13.834	14.954
Overlapping service area jurisdictions										
Air Park S.A.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.125	0.000
Airway S.A.	1.207	1.256	1.287	1.324	1.387	1.436	1.489	1.569	1.603	1.551
Arctic Fox S.A.	1.861	1.787	1.708	1.850	1.945	1.967	2.168	2.363	2.308	2.410
Aztec S.A.	1.259	1.319	1.342	1.406	1.469	1.533	1.592	1.589	1.614	1.751
Ballaine Lake S.A.	12.671	13.162	14.920	16.054	17.222	17.670	18.209	18.204	16.541	17.124
Bear's Den Road S.A.	0.000	0.000	0.000	0.000	0.329	0.356	0.357	0.000	0.000	0.000
Becker Ridge S.A.	1.450	1.486	1.496	1.440	1.509	1.612	1.666	1.661	1.690	1.711
Birch Hill S.A.	1.939	1.995	2.023	2.101	2.195	2.292	2.356	2.379	2.354	2.332
Bluebird Road S.A.	2.333	2.447	2.792	2.883	3.138	3.378	3.362	3.392	3.691	3.528
Borda Road S.A.	1.119	1.171	1.157	1.204	1.253	1.349	1.383	1.362	1.371	1.361
Brookside S.A.	0.479	0.498	0.503	0.526	0.546	0.559	0.571	0.550	0.535	0.533
Chena Goldstream Fire S.A.	1.547	1.603	1.644	2.142	2.241	2.340	2.377	2.357	2.369	2.380
Chena Hills Road S.A.	1.047	1.060	1.076	1.115	1.152	1.197	1.219	1.187	1.178	1.173
Chena Hot Springs II S.A.	0.713	0.732	0.746	0.412	0.312	0.000	0.000	0.000	0.000	0.000
Chena Marina S.A.	0.796	0.830	0.857	0.880	0.966	1.001	0.976	0.988	0.991	0.997
Chena Point Road S.A.	3.064	3.065	3.128	3.247	3.352	3.488	3.550	3.494	3.475	3.491
Chena Spur S.A.	2.606	2.671	2.679	2.837	2.957	3.052	3.232	3.187	3.265	3.290
College S.A.	1.391	1.437	1.427	1.457	1.216	1.269	1.303	1.305	1.308	1.292
College Hills S.A.	0.835	0.871	0.912	0.950	1.016	1.011	1.053	1.035	1.012	1.007
Cooper Estates S.A.	2.821	2.899	2.915	3.048	3.087	3.313	3.397	3.376	3.290	3.330
Cordes Drive S.A.	1.112	1.201	1.232	1.283	1.374	1.431	1.423	1.448	1.455	1.446
Cripple Creek S.A.	1.601	1.636	1.668	1.717	1.814	1.904	1.946	1.944	1.935	1.945
Deep Forest S.A.	0.724	0.743	0.758	0.795	0.977	1.026	1.050	1.037	1.038	1.035
Denali View S.A. (b)	1.590	2.831	2.847	2.979	2.969	2.995	3.032	3.078	2.998	2.896
Diane Subdivision S.A.	0.333	0.348	0.345	0.357	0.374	0.391	0.405	0.396	0.388	0.382
Drake Estates S.A.	0.762	0.760	0.753	0.777	0.792	0.831	0.844	0.872	0.877	0.897
Edanella Heights Road S.A.	1.388	1.425	1.457	1.485	2.130	2.284	2.316	2.218	2.225	2.261
Ester Lump Road S.A.	1.773	3.093	3.160	3.333	3.550	3.765	4.109	4.145	4.167	4.241
Ester Volunteer Fire S.A.	2.444	2.568	2.619	2.726	2.887	3.033	3.140	3.159	3.150	3.158
Fairfields S.A.	0.713	0.752	0.750	0.789	0.834	0.867	0.898	0.887	0.869	0.831
Fairhill S.A.	1.188	2.255	2.294	2.315	1.156	1.213	1.245	1.285	1.302	1.249
Fairwest S.A.	1.896	1.948	1.903	1.989	2.082	2.119	2.155	2.204	2.199	2.160
Garden S.A.	1.089	1.126	1.099	1.135	1.188	1.244	1.275	1.280	1.259	1.306
Golden Valley Road S.A.	4.483	4.555	4.704	4.945	5.085	5.410	5.404	4.948	4.904	4.891
Goldstream Alaska S.A.	2.246	2.333	2.422	2.435	2.591	2.835	2.839	2.817	2.802	2.906
Goldstream Moose Creek S.A. (c)	1.598	1.682	1.694	1.720	1.758	1.831	1.887	1.871	1.914	1.921
Gordon S.A.	1.096	1.143	1.135	1.158	1.238	1.280	1.309	1.306	1.288	1.291
Granola Estates S.A.	1.239	1.281	1.321	1.441	1.534	1.587	1.647	1.603	1.614	1.661
Grieme Road S.A.	3.780	3.833	3.852	3.899	4.067	4.153	4.234	4.359	4.261	4.373
Haystack S.A.	3.231	3.324	3.615	3.767	3.815	3.974	4.128	4.324	4.512	4.793
Herning Hills S.A.	1.368	1.394	1.441	1.501	1.506	1.571	1.618	1.636	1.644	1.625
Horseshoe Downs S.A.	2.447	3.376	3.315	3.462	3.745	4.351	4.687	4.693	4.401	4.417
Jennifer Drive S.A.	1.654	1.742	1.816	2.019	2.202	2.328	2.404	2.389	2.485	2.616
Jones Road S.A.	1.522	1.630	1.689	1.737	1.815	1.905	1.889	1.939	1.973	1.997
Joy Road S.A.	1.265	1.271	1.271	1.314	1.313	1.329	1.345	1.375	1.356	1.421
Keeney Road S.A.	0.561	0.616	0.657	0.671	0.714	0.743	0.746	0.753	0.690	0.740

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)									2018
	2009	2010	2011	2012	2013	2014	2015	2016	2017 (revised)	
Total Direct:										
Borough areawide	\$86,102	\$92,077	\$93,726	\$94,876	\$98,349	\$103,053	\$106,434	\$106,398	\$113,619	\$117,845
Overlapping special Borough taxing jurisdictions except service areas										
Non-Areawide	1,991	2,126	2,773	2,910	3,053	2,987	3,135	3,259	3,332	3,483
Solid Waste Collection District	6,038	6,422	6,870	7,214	7,562	8,272	8,682	9,052	9,353	9,772
Borough direct and overlapping except service areas total (a)										
Overlapping service area jurisdictions										
Air Park S.A.	-	-	-	-	-	-	-	-	1	-
Airway S.A.	14	14	15	15	16	17	18	19	20	20
Arctic Fox S.A.	5	6	5	6	6	7	7	8	8	8
Aztec S.A.	21	23	26	28	30	31	38	40	43	60
Ballaine Lake S.A.	28	29	34	37	38	41	42	42	39	41
Bear's Den Road S.A.	-	-	-	-	1	1	1	-	-	-
Becker Ridge S.A.	113	116	122	128	135	145	152	156	159	165
Birch Hill S.A.	111	116	122	129	143	151	160	165	168	173
Bluebird Road S.A.	7	8	9	9	10	12	12	13	14	14
Borda Road S.A.	29	30	30	32	33	36	38	39	41	42
Brookside S.A.	9	10	10	10	11	11	12	11	12	12
Chena Goldstream Fire S.A.	1,007	1,057	1,111	1,498	1,579	1,678	1,756	1,802	1,856	1,910
Chena Hills Road S.A.	95	100	103	109	114	121	129	134	137	141
Chena Hot Springs II S.A.	1	1	1	1	-	-	-	-	-	-
Chena Marina S.A.	22	24	25	26	30	32	34	35	36	37
Chena Point Road S.A.	95	99	112	124	137	149	155	162	167	173
Chena Spur S.A.	43	45	47	51	52	56	60	61	64	66
College S.A.	530	544	561	586	481	514	533	544	556	561
College Hills S.A.	27	28	29	31	32	34	35	36	36	37
Cooper Estates S.A.	26	28	29	32	33	35	36	37	38	38
Cordes Drive S.A.	26	27	28	30	31	33	33	35	36	36
Cripple Creek S.A.	62	66	70	74	81	86	89	91	94	97
Deep Forest S.A.	20	21	21	22	29	30	31	31	31	32
Denali View S.A. (b)	5	8	8	9	9	9	9	9	9	9
Diane Subdivision S.A.	4	4	4	4	4	4	5	5	5	5
Drake Estates S.A.	8	8	8	9	9	9	9	10	10	11
Edanella Heights Road S.A.	34	34	36	37	53	57	59	60	61	63
Ester Lump Road S.A.	20	35	38	40	42	46	49	50	53	55
Ester Volunteer Fire S.A.	379	401	427	457	487	522	550	568	589	606
Fairfields S.A.	16	17	17	18	19	20	21	21	21	21
Fairhill S.A.	13	25	25	27	13	14	15	15	16	16
Fairwest S.A.	26	26	26	27	28	29	30	31	32	32
Garden S.A.	39	4	43	45	48	51	55	58	59	61
Golden Valley Road S.A.	13	15	16	17	18	19	19	19	19	19
Goldstream Alaska S.A.	26	27	29	30	32	35	36	36	36	39
Goldstream Moose Creek S.A. (c)	49	52	54	58	61	65	71	72	77	79
Gordon S.A.	54	57	60	62	66	68	70	72	73	80
Granola Estates S.A.	6	6	6	8	8	9	9	9	10	11
Grieme Road S.A.	19	20	22	24	25	25	27	28	28	28
Haystack S.A.	37	38	41	43	46	47	50	53	56	61
Herning Hills S.A.	28	28	30	32	33	35	37	38	39	40
Horseshoe Downs S.A.	13	19	20	26	29	32	34	35	33	34
Jennifer Drive S.A.	5	6	6	6	7	7	8	8	8	9
Jones Road S.A.	61	64	67	71	75	80	83	85	89	92
Joy Road S.A.	8	8	9	9	9	10	10	11	11	11
Keeney Road S.A.	\$ 2	\$ 2	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3



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								
	2009	2010	2011	2012	2013	2014	2015	2016	2017 (revised)
Kendall S.A.	0.903	0.957	1.021	1.045	1.073	1.165	1.197	1.189	1.174
Keystone S.A.	3.088	3.184	3.328	3.440	3.861	4.065	4.039	4.050	4.067
Kris Kringle S.A.	2.023	2.091	2.139	2.211	2.315	2.393	2.540	2.526	2.485
Lakloey Hill S.A.	1.003	1.036	1.059	1.110	1.177	1.214	1.263	1.256	1.240
Lee Lane S.A.	1.623	1.673	1.641	1.738	1.806	1.888	1.959	1.807	3.060
Loose Moose S.A.	0.905	1.002	0.982	1.034	1.042	1.086	1.128	1.147	1.097
Martin S.A.	8.190	8.588	8.833	9.417	9.943	10.323	10.359	10.500	11.713
McCloud S.A.	15.055	9.972	10.458	10.481	11.409	12.208	12.486	12.443	12.769
McGrath Estates S.A.	1.302	1.342	1.381	1.431	1.528	1.556	1.609	1.611	1.590
Mellow Woods Road S.A.	1.242	1.329	1.271	1.273	1.346	1.403	1.420	1.385	1.356
Miller Hill Extension S.A.	4.481	4.808	4.945	4.995	5.357	5.725	5.740	5.691	5.810
Moose Creek S.A.	0.350	0.344	0.380	0.387	0.344	0.383	0.390	0.421	1.099
Moose Meadows S.A.	0.829	0.869	0.877	0.910	0.923	0.968	0.993	0.997	0.986
Mt. View S.A.	1.191	1.297	1.358	1.399	1.504	1.520	1.475	1.475	1.456
Murphy S.A. (d)	1.564	1.618	1.642	1.692	1.784	1.844	1.829	1.812	1.795
Musk Ox S.A.	1.290	1.337	1.354	1.390	1.462	1.450	1.490	1.476	1.479
Newby Park S.A.	0.710	0.758	0.767	0.823	0.853	0.884	0.900	0.881	0.861
North Ridge S.A.	4.298	4.423	4.507	4.830	4.889	5.120	5.289	5.145	5.461
North Star Fire S.A.	1.198	1.241	1.258	1.306	1.329	1.399	1.432	1.439	1.436
O'Connor Creek S.A.	7.831	7.389	8.875	8.893	6.641	7.822	7.969	8.902	8.955
Old Wood Road S.A.	1.771	1.786	1.790	2.039	2.194	2.328	2.417	2.621	2.663
Olympic S.A (e)	0.889	0.941	0.940	0.970	1.014	1.080	1.114	1.115	1.145
Our S.A.	0.828	1.092	1.087	1.209	1.329	1.337	1.359	1.363	1.421
Parkside S.A.	1.552	1.576	1.602	1.674	1.736	1.784	1.803	1.754	1.788
Peede Country Estates S.A.	1.409	1.482	1.326	1.357	1.446	1.485	1.500	1.471	1.470
Pine Stream S.A.	0.981	1.022	1.001	1.034	1.070	1.105	1.152	1.149	1.193
Pleasureland S.A.	0.962	0.995	0.970	0.998	1.023	1.078	1.170	1.167	1.175
Polar Heights S.A.	0.926	0.952	1.016	1.027	0.964	1.045	1.055	1.116	1.114
Potlatch S.A. (f)	2.588	2.705	2.665	2.755	2.885	3.354	3.547	3.554	3.591
Prospect Park S.A.	1.121	1.140	1.258	1.281	1.371	1.374	1.481	1.459	1.424
Reed Acres Road S.A.	1.206	1.260	1.355	1.382	1.476	1.521	1.573	1.584	2.234
Ridgecrest S.A.	0.975	1.078	1.099	1.129	1.172	1.199	1.219	1.169	1.078
Salchaket Heights S.A.	5.162	3.863	3.972	4.357	4.472	4.690	4.750	4.743	4.776
Scenic Heights S.A.	1.497	1.589	1.600	1.707	1.759	1.764	1.856	1.743	1.683
Seavy S.A.	0.299	0.303	0.311	0.320	0.316	0.341	0.351	0.356	0.355
Secluded Acres S.A.	1.365	1.396	1.452	1.495	1.567	2.190	1.783	1.814	1.781
Serendipity Hill S.A.	3.069	3.154	2.901	2.976	3.162	3.315	3.321	3.446	3.373
Six-Mile Village Road S.A..	1.234	1.255	1.232	1.262	1.412	1.495	1.528	1.509	1.658
Smallwood Trail Road S.A.	0.673	0.742	0.751	0.756	0.794	0.831	0.864	1.711	1.686
Smith Ranch S.A.	1.372	1.417	1.343	0.249	0.267	0.274	0.278	0.285	0.265
Spring Glade S.A.	0.850	0.877	0.898	0.926	0.981	1.570	1.600	1.615	1.618
Spruce Acres S.A.	1.614	1.692	1.610	1.562	1.573	1.629	1.714	1.666	1.605
Steamboat Landing S.A.	1.307	1.386	1.339	1.385	1.490	1.589	1.643	1.665	2.692
Steese Volunteer Fire S.A	1.690	1.739	1.789	1.849	1.893	1.973	2.015	2.031	2.017
Straight Creek S.A.	3.776	3.867	4.096	3.701	4.050	4.217	4.285	4.323	4.395
Summerwood S.A.	2.395	2.470	2.560	2.662	2.819	2.922	3.051	3.007	3.014
Summit Drive S.A.	1.447	1.496	1.542	1.603	1.690	1.710	1.756	1.750	1.740
Sunny Hills Terrace S.A.	2.498	2.702	2.772	2.946	3.120	3.224	3.278	3.180	3.177
Sunrise S.A.	2.031	2.136	2.171	2.198	2.381	2.419	2.494	2.463	2.553
Tan Terra S.A.	1.478	1.553	1.592	1.754	1.885	1.883	1.935	1.977	1.977
Thomas S.A.	2.759	2.842	2.791	2.861	3.008	3.449	3.660	3.572	3.982
Timberlane Road S.A.	1.371	1.485	1.464	1.448	1.594	1.642	1.616	1.639	1.593
Tungsten S.A.	2.814	2.875	2.921	2.992	3.165	3.320	3.384	3.464	3.413
Twenty Three Mile Slough S.A.	3.977	4.587	3.424	3.557	3.652	3.889	2.983	2.880	2.971
Ullrhaven S.A.	1.827	1.714	1.706	1.858	2.076	2.153	2.192	2.358	2.471
University Fire S.A.	2.301	2.370	2.464	2.510	2.643	2.689	2.756	2.736	2.732
University Heights S.A.	1.617	1.725	1.742	1.755	1.848	1.865	1.887	1.900	1.866

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)									
	2009	2010	2011	2012	2013	2014	2015	2016	2017 (revised)	2018
Kendall S.A.	12	13	14	14	15	16	17	17	18	18
Keystone S.A.	12	15	16	17	18	19	20	20	22	22
Kris Kringle S.A.	13	14	15	15	16	17	18	20	20	20
Lakloey Hill S.A.	39	39	41	44	46	48	62	64	64	69
Lee Lane S.A.	6	6	7	7	8	9	9	8	4	4
Loose Moose S.A.	7	8	8	9	8	9	9	10	9	9
Martin S.A.	23	29	34	39	42	43	46	48	56	60
McCloud S.A.	31	20	21	23	26	29	31	31	34	36
McGrath Estates S.A.	69	72	74	77	81	86	90	93	94	95
Mellow Woods Road S.A.	18	19	19	19	20	21	21	21	22	22
Miller Hill Extension S.A.	57	61	64	67	69	73	75	77	79	81
Moose Creek S.A.	15	16	17	17	17	18	19	19	50	51
Moose Meadows S.A.	74	77	81	86	88	93	96	99	102	104
Mt. View S.A.	30	32	34	35	36	37	37	37	38	37
Murphy S.A. (d)	12	14	15	16	16	17	17	17	18	29
Musk Ox S.A.	41	42	43	45	47	48	49	50	51	101
Newby Park S.A.	17	18	19	21	21	22	23	23	23	23
North Ridge S.A.	11	11	13	15	16	16	17	17	19	19
North Star Fire S.A.	1,596	1,739	1,831	1,940	2,030	2,146	2,241	2,303	2,358	2,426
O'Connor Creek S.A.	112	118	130	125	128	133	135	136	137	139
Old Wood Road S.A.	12	13	14	16	17	18	19	22	23	24
Olympic S.A (e)	23	24	25	27	28	30	31	32	34	35
Our S.A.	4	4	4	5	5	6	6	6	7	7
Parksville S.A.	11	12	13	13	14	15	16	16	17	18
Peede Country Estates S.A.	5	6	6	8	9	10	11	11	11	12
Pine Stream S.A.	23	24	25	26	35	37	40	40	69	70
Pleasureland S.A.	8	8	8	8	9	9	10	10	11	11
Polar Heights S.A.	19	20	21	21	22	24	24	25	25	26
Potlatch S.A. (f)	16	12	12	13	14	16	17	17	17	18
Prospect Park S.A.	8	8	9	9	10	10	11	11	11	11
Reed Acres Road S.A.	8	9	10	10	11	11	12	12	27	28
Ridgecrest S.A.	2	3	3	3	3	3	4	4	3	3
Salchaket Heights S.A.	2	4	5	5	5	5	5	5	6	6
Scenic Heights S.A.	19	20	21	23	24	25	26	25	25	26
Seavy S.A.	10	10	10	11	11	12	12	13	13	13
Secluded Acres S.A.	8	8	8	13	14	19	16	16	16	17
Serendipity Hill S.A.	7	7	8	8	8	9	9	9	9	9
Six-Mile Village Road S.A..	9	10	10	10	11	11	12	12	13	13
Smallwood Trail Road S.A.	6	7	7	8	8	8	9	18	18	18
Smith Ranch S.A.	40	45	47	9	9	10	10	10	10	11
Spring Glade S.A.	29	31	32	34	35	58	60	62	63	64
Spruce Acres S.A.	7	7	7	7	8	8	9	9	9	9
Steamboat Landing S.A.	18	19	20	21	23	24	26	27	45	46
Steese Volunteer Fire S.A	1,279	1,380	1,452	1,536	1,619	1,709	1,779	1,832	1,870	1,915
Straight Creek S.A.	19	18	19	19	20	21	21	22	23	24
Summerwood S.A.	38	39	42	44	46	50	52	53	55	57
Summit Drive S.A.	115	121	129	137	145	155	162	165	171	176
Sunny Hills Terrace S.A.	33	35	36	40	41	43	44	43	45	46
Sunrise S.A.	12	13	13	14	15	16	16	16	17	18
Tan Terra S.A.	27	29	31	35	39	40	42	45	46	48
Thomas S.A.	12	13	13	14	14	15	16	16	17	18
Timberlane Road S.A.	8	9	9	9	10	10	10	10	10	10
Tungsten S.A.	42	43	46	49	53	57	59	61	62	65
Twenty Three Mile Slough S.A.	41	52	43	50	52	59	50	52	57	60
Ullrhaven S.A.	4	4	4	5	5	6	6	6	7	7
University Fire S.A.	\$ 2,337	\$ 2,434	\$ 2,590	\$ 2,724	\$ 2,871	\$ 3,005	\$ 3,160	\$ 3,248	\$ 3,325	\$ 3,384
University Heights S.A.	58	62	63	65	67	69	71	73	74	74

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017 (revised)	2018
University West Street Lights S.A.	0.447	0.467	0.472	0.485	0.512	0.527	0.535	0.535	0.548	0.541
Vienna Woods S.A.	0.794	0.815	0.836	0.860	0.809	0.858	0.873	0.892	0.885	0.880
Viewpointe S.A.	1.019	1.056	1.104	1.129	1.201	1.192	1.193	1.167	1.159	1.167
Violet Drive S.A.	2.798	2.912	2.990	3.075	3.265	3.399	3.480	3.574	3.674	3.761
Vista Gold Road S.A.	2.377	2.462	2.549	2.622	2.758	2.888	2.924	2.918	2.945	2.945
Vue Crest, S.A	1.429	1.479	1.497	1.517	1.587	1.657	1.686	1.669	1.654	1.667
Whitman S.A.	1.442	1.428	1.385	1.562	1.625	1.787	1.811	1.727	1.923	1.894
Wildview S.A.	2.898	2.999	2.975	3.052	3.215	3.359	3.471	3.454	3.395	3.357
Woodland S.A.	1.036	1.073	1.068	1.097	1.152	1.189	1.293	1.377	1.363	1.454
Yak Road S.A.	0.976	0.984	1.009	1.035	1.077	1.117	1.132	1.095	1.090	1.096
Overlapping separate city governments										
City of Fairbanks	5.927	5.803	5.843	5.734	5.716	5.549	5.678	5.651	5.874	6.979
Borough areawide	11.186	11.432	11.294	11.216	11.216	11.356	11.599	11.418	11.913	12.850
City of Fairbanks total (a)	17.113	17.235	17.137	16.950	16.932	16.905	17.277	17.069	17.787	19.829
City of North Pole	3.000	3.000	3.000	3.000	3.500	3.500	3.500	3.500	1.499	2.499
Borough areawide	11.186	11.432	11.294	11.216	11.216	11.356	11.599	11.418	11.913	12.850
Borough Solid Waste										
Collection District	1.121	1.141	1.194	1.229	1.232	1.300	1.350	1.389	1.401	1.534
City of North Pole total (a)	15.307	15.573	15.488	15.445	15.948	16.156	16.449	16.307	14.813	16.883

Source: Fairbanks North Star Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2019. Historically, information for the most recent calendar year is not available until after the publication date of the District CAFR.

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)								2017 (revised)	2018
	2009	2010	2011	2012	2013	2014	2015	2016		
University West Street Lights S.A.	66	68	70	72	75	78	81	82	86	87
Vienna Woods S.A.	23	25	25	26	27	28	29	30	30	30
Viewpointe S.A.	18	19	20	21	23	23	24	24	24	25
Violet Drive S.A.	61	64	69	74	79	86	92	96	101	106
Vista Gold Road S.A.	38	40	42	44	47	49	51	52	54	56
Vue Crest, S.A.	32	33	34	36	38	40	44	47	48	51
Whitman S.A.	4	4	4	5	5	6	6	6	7	7
Wildview S.A.	184	193	202	212	224	236	247	251	252	253
Woodland S.A.	2	2	2	3	3	3	3	3	3	3
Yak Road S.A.	78	81	84	87	90	95	96	97	99	101
Overlapping separate city governments										
City of Fairbanks	13,701	14,876	14,960	14,945	15,155	15,161	14,787	15,011	15,930	19,057
Borough areawide										
City of Fairbanks total (a)										
City of North Pole	959	938	982	980	1,054	1,066	818	817	377	604
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

Taxpayer	Type of Business	2018		
		Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
				(a)
Alyeska and related activities	oil transportation	\$ 742,746,640	1	8.89%
Fairbanks Gold Mining, Inc. (Fort Knox)	gold mining	549,498,276	2	6.58%
Doyon Utilities, LLC	utilities	260,649,278	3	3.12%
Corvias Military Living (Eielson AFB)	military housing	139,538,696	4	1.67%
Alaska Communications Systems	communications	52,452,808	5	0.63%
Petro Star, Inc	oil refining	47,677,533	6	0.57%
GCI Cable Fairbanks, Inc.	communications	41,239,279	7	0.49%
Flint Hills Resources, LLC	oil refining	41,825,631	8	0.50%
Westmark Hotel	hotel	37,915,867	9	0.45%
Wal-Mart	shopping center	35,241,760	10	0.42%
Alaska Hotel Properties (Princess)	hotel/tourism	-		0.00%
		<u>\$ 1,948,785,768</u>		<u>23.33%</u>
Taxpayer	Type of Business	2009		
		Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
				(a)
Alyeska and related activities	oil transportation	\$ 694,077,720	1	9.60%
Fairbanks Gold Mining, Inc. (Fort Knox)	gold mining	220,039,315	2	3.04%
Doyon Utilities, LLC	utilities	87,599,597	4	1.21%
Corvias Military Living (Eielson AFB)	military housing	25,042,511	10	0.35%
Alaska Communications Systems	communications	50,897,929	5	0.70%
Petro Star, Inc	oil refining	-		0.00%
GCI Cable Fairbanks, Inc.	communications	39,061,519	6	0.54%
Flint Hills Resources, LLC	oil refining	152,141,863	3	2.11%
Westmark Hotel	hotel	33,256,612	7	0.46%
Wal-Mart	shopping center	32,779,914	8	0.45%
Alaska Hotel Properties (Princess)	hotel/tourism	27,753,848	9	0.38%
		<u>\$ 1,362,650,828</u>		<u>18.86%</u>

Source: Fairbanks North Star Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2019. Historically, information for the most recent calendar year is not available until after the publication date of the District CAFR.

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

(a) \$8,353,916,412

(b) \$7,226,285,663

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)					
2010	\$ 86,102,429	\$ 80,813,908	\$ 79,648,773	98.56%	\$ 1,159,412	\$ 80,808,185	99.99%
2011	92,077,064	86,709,188	85,643,722	98.77%	1,018,954	86,662,676	99.95%
2012	93,725,808	87,756,597	86,666,871	98.76%	929,375	87,596,246	99.82%
2013	94,876,332	88,546,542	87,427,560	98.74%	1,083,543	88,511,103	99.96%
2014	98,348,591	91,722,353	90,579,521	98.75%	1,056,101	91,635,622	99.91%
2015	103,052,677	95,894,341	93,159,285	97.15%	2,660,210	95,819,495	99.92%
2016	106,433,578	98,559,732	95,768,091	97.17%	1,074,939	96,843,030	98.26%
2017	106,398,099	98,211,057	95,469,849	97.21%	1,031,980	96,501,829	98.26%
2018	113,619,424	104,523,843	101,602,810	97.21%	641,641	102,244,451	97.82%
2019	117,845,398	107,345,648	104,173,406	97.04%			

Source: Fairbanks North Star Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2019. Historically, information for the most recent calendar year is not available until after the publication date of the District CAFR.

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 years 2010 and 2011 include 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)	
2011	\$ 1,926,416	\$ 1.75	\$ 3.00	33%
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%

Source: Nutrition Servicers 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)
2011	\$ -	0.00%	\$ -
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%	-

(a) See page 188, 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)
2008	94,552	\$ 4,322,142	\$ 45,712	6.10%
2009	95,238	4,292,947	45,076	7.10%
2010	98,276	4,526,325	46,057	6.60%
2011	98,136	4,970,113	50,645	6.40%
2012	100,354	5,071,247	50,534	6.10%
2013	100,898	4,918,998	48,752	5.90%
2014	99,308	5,160,031	51,960	5.80%
2015	99,643	5,339,118	53,582	5.50%
2016	100,602	5,316,097	52,843	5.90%
2017	99,703	5,433,509	54,497	6.10%

Source: Fairbanks North Star Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2019. Historically, information for the most recent calendar year is not available until after the publication date of the District CAFR.

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

(b) Information obtained from 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 2018 is not available until April 2020.

Fairbanks North Star Borough School District

Employment by Industry Current Year and Nine Years Ago

Type of Employer	Rank	2018		Rank	2009	
		Annual Average Monthly Employment	Percentage of Total Borough Employment		Annual Average Monthly Employment	Percentage of Total Borough Employment
		(a)			(a)	
Government (b)	1	10,500	27.63%	1	11,800	31.22%
Trade, transportation, utilities	2	7,700	20.26%	2	7,700	20.37%
Educational and health services	3	5,600	14.74%	4	4,500	11.90%
Leisure and hospitality	4	4,500	11.84%	3	4,000	10.58%
Construction	5	2,800	7.37%	5	2,500	6.61%
Professional and business services	6	2,600	6.84%	6	2,200	5.82%
Information, other services	7	1,400	3.68%	7	1,800	4.76%
Financial activities	8	1,300	3.42%	8	1,600	4.23%
Mining and logging	9	1,000	2.63%	9	1,100	2.91%
Manufacturing	10	600	1.58%	10	600	1.59%
		<u>38,000</u>	<u>100.00%</u>		<u>37,800</u>	<u>100.00%</u>

Source: Fairbanks North Star Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2019. Historically, information for the most recent calendar year is not available until after the publication date of the District CAFR.

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 3,000 for 2018 and 3,500 for 2009

state government 4,600 for 2018 and 5,300 for 2009

local government 2,900 for 2018 and 3,000 for 2009

Fairbanks North Star Borough School District

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

	Fiscal Year				
	2011	2012	2013	2014	2015
Personnel by Department					
Board / Superintendent	8.50	8.50	8.50	5.00	5.00
Administrative Services	38.50	38.50	35.50	32.50	32.50
Human Resources	9.00	10.00	10.00	12.50	13.50
Facilities Management	187.60	187.60	172.60	168.60	172.80
Instruction and Supervision	37.85	36.85	36.85	35.85	36.05
Alternative Learning (a)	14.40	19.40	18.80	19.80	19.80
Student Support Services					
Teaching and Learning (b)	15.25	16.50	14.00	15.00	15.00
Special Education	343.73	343.73	366.50	381.90	381.40
Information and Technology (c)	36.50	35.50	35.50	32.00	33.00
Non-Departmental (d)	7.00	7.00	6.00	3.00	1.00
Federal Programs (e)					
Elementary Schools	535.14	519.14	526.14	519.64	518.64
Middle Schools	157.00	158.00	149.20	144.00	139.20
Junior/Senior High School	47.00	45.50	45.50	39.50	39.50
Senior High Schools	270.00	259.80	267.10	245.00	241.50
Charter Schools (f)	56.25	55.00	59.02	60.77	61.37
Total Personnel	1,763.72	1,741.02	1,751.21	1,715.06	1,710.26
Personnel by Employee Type					
Districtwide Administration	5.00	5.00	5.00	4.00	4.00
Professional Staff	70.65	66.65	66.85	64.05	68.05
Principals / Assistant Principals	43.00	43.00	43.00	44.00	43.00
Certified Staff	951.03	931.83	950.93	915.40	905.00
Support Staff	694.04	694.54	685.43	687.61	690.21
Total Personnel	1,763.72	1,741.02	1,751.21	1,715.06	1,710.26

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.

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

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				
	2016	2017	2018	2019	2020
Personnel by Department					
Board / Superintendent	5.00	5.00	10.00	11.00	9.00
Administrative Services	33.00	31.00	24.00	23.10	23.30
Human Resources	17.50	18.50	17.50	22.75	21.00
Facilities Management	171.80	173.80	161.80	142.40	137.40
Instruction and Supervision	27.05	27.05	40.05	35.50	40.50
Alternative Learning (a)	20.85	24.35	18.95		
Student Support Services				11.23	13.03
Teaching and Learning (b)	42.50	33.00	14.00	20.00	20.00
Special Education	380.20	377.20	376.20	367.73	351.90
Information and Technology (c)	30.00	36.00	35.00	35.00	36.00
Non-Departmental (d)	1.00	1.00	1.00		
Federal Programs (e)				32.69	32.24
Elementary Schools	471.19	478.19	499.19	510.43	491.14
Middle Schools	136.20	136.00	125.50	113.40	124.00
Junior/Senior High School	37.70	40.00	34.00	28.20	26.10
Senior High Schools	235.60	233.00	215.70	212.20	214.20
Charter Schools (f)	63.79	63.79	76.79	76.74	93.51
Total Personnel	1,673.38	1,677.88	1,649.68	1,642.37	1,633.32
Personnel by Employee Type					
Districtwide Administration	4.00	4.00	6.00	6.00	6.00
Professional Staff	69.65	70.15	73.15	83.55	76.30
Principals / Assistant Principals	41.00	41.00	42.00	41.00	44.00
Certified Staff	890.95	895.95	874.15	721.92	838.80
Support Staff	667.78	666.78	654.38	789.90	668.22
Total Personnel	1,673.38	1,677.88	1,649.68	1,642.37	1,633.32

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)					
2011	14,218	\$ 232,406,642	\$ 16,346	5.44%	\$ 16,696,996
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

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
2011	\$ 21,500,230	\$ 2,687	13.26%	14.95	33%
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	335.94%	15.21	35%
2016	14,606,907	2,303	-86.15%	15.55	37%
2017	12,924,602	2,195	-4.70%	15.35	37%
2018	12,323,162	2,158	-1.68%	15.68	37%
2019	14,682,320	2,235	3.59%	15.40	37%
2020	16,334,672	2,414	8.01%	15.78	36%

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

Source: Enrollment: 2019-20 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)
2011	\$ 44,679	\$ 86,914	\$ 68,992	44%
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%

(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	American College Test (ACT)			Scholastic Assessment Test (SAT)			AP Exam results		
	Fairbanks	Alaska	Nation	Fairbanks	Alaska	Nation	Fairbanks	Alaska	Global
2010	21.9	21.1	21.0	1,541	1,524	1,509	2.97	3.06	2.84
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	(a)	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	(a)	20.0	20.1	1,126	1,097	1,059	3.10	2.90	2.89

(a) Information for the Fairbanks ACT and SAT scores were not available as of November 12, 2020.

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

Current Year Enrollment June 30, 2019

Elementary Schools

Anderson	225
Anne Wien	392
Arctic Light	413
Barnette	406
Crawford	282
Denali	333
Hunter	370
Joy	398
Ladd	408
Midnight Sun	409
Nordale	310
North Pole	378
Pearl Creek	487
Salcha	78
Ticasuk Brown	433
Two Rivers	75
University Park	464
Weller	490
Woodriver	477

Secondary Schools

Ben Eielson Junior/Senior High	354
Hutchison High	400
Lathrop Senior High	931
North Pole Middle	575
North Pole High	634
Randy Smith Middle	307
Ryan Middle	398
Tanana Middle	346
West Valley High	973

Chater Schools

Boreal Sun Charter School	207
Chinook Charter School	150
Discovery Peak	187
Effie Kokrine Charter School	162
Star of the North Charter	189
Watershed Charter School	200

Other Schools

Alternative Learning System	105
B.E.S.T. (Correspondence)	277
Golden Heart Academy	13

Total	<u>13,236</u>
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Sources: 2019-20 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
2006	72	1,195	1,108	1,046	1,066	1,058	1,089	1,054	7,688	1,105	1,133	2,238	1,233	1,157	1,138	1,062	4,590	14,516		
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	(50)	-0.34%
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%

2020-2021 Projected Enrollment

2021	126	1,079	1,113	1,073	1,023	1,066	1,045	1,072	7,597	1,036	1,006	2,042	932	912	998	800	3,642	13,281	45	0.34%
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Source: Actual Enrollments: Historic 20 Day ADM Official Enrollment as reported to the State of Alaska. Projected Enrollment: 2020-21 Approved Budget

Fairbanks North Star Borough School District

Capital Assets by Type and Function Last Ten Fiscal Years

	Fiscal Year				
	2011	2012	2013	2014	2015
Capital Assets by Type					
Machinery and equipment	\$ 8,947,432	\$ 9,415,625	\$ 9,455,391	\$ 9,563,787	\$ 10,080,596
Intangible assets (software)	1,236,923	1,313,593	1,322,438	1,400,107	1,477,993
Total by type	\$ 10,184,355	\$ 10,729,218	\$ 10,777,829	\$ 10,963,894	\$ 11,558,589

Capital Assets by Function					
Instruction	\$ 1,901,665	\$ 1,969,249	\$ 1,822,714	\$ 1,833,217	\$ 1,928,436
Special education instruction	584,895	579,708	612,072	612,072	606,877
Special education support services-students	25,795	25,795	11,316	17,742	17,742
Support services-students	12,721	12,722	12,722	97,143	171,852
Support services-instruction	1,579,500	1,783,764	1,811,941	1,965,755	2,101,124
Support services-technology	-	-	-	-	-
School administration support services	56,625	69,334	12,709	12,709	21,385
District administration	28,130	28,130	22,000	-	-
District administration support services	2,041,017	2,211,557	2,229,457	2,116,549	2,448,399
Operations and maintenance of plant	3,334,777	3,377,305	3,516,293	3,556,733	3,650,730
Student activities	45,676	64,324	69,419	82,917	82,917
Student transportation - to and from school	-	-	-	-	-
Food services	573,554	607,330	657,186	669,057	529,127
Total by function	\$ 10,184,355	\$ 10,729,218	\$ 10,777,829	\$ 10,963,894	\$ 11,558,589

	Fiscal Year				
	2016	2017	2018	2019	2020
Capital Assets by Type					
Machinery and equipment	\$ 11,022,535	\$ 11,421,951	\$ 11,745,130	\$ 12,105,908	\$ 12,047,973
Intangible assets (software)	1,567,337	1,642,842	1,642,842	1,642,841	1,658,334
Total by type	\$ 12,589,872	\$ 13,064,793	\$ 13,387,972	\$ 13,748,750	\$ 13,706,307

Capital Assets by Function					
Instruction	\$ 2,093,184	\$ 2,090,161	\$ 2,062,720	\$ 2,078,322	\$ 2,105,083
Special education instruction	647,556	647,556	608,195	616,690	608,599
Special education support services-students	17,742	17,742	11,347	11,347	11,347
Support services-students	220,854	220,854	228,700	228,700	228,700
Support services-instruction	2,252,772	2,322,371	2,347,900	2,244,706	2,104,441
Support services-technology	-	-	-	-	40,284
School administration support services	21,385	21,385	21,385	21,385	21,385
District administration	-	-	32,986	42,030	42,030
District administration support services	2,783,673	2,922,787	2,837,785	2,776,001	2,843,620
Operations and maintenance of plant	3,932,294	4,143,140	4,563,253	5,034,715	5,029,634
Student activities	82,917	82,917	77,822	90,272	66,602
Student transportation - to and from school	-	58,385	58,385	58,385	58,385
Food services	537,495	537,495	537,495	546,196	546,196
Total by function	\$ 12,589,872	\$ 13,064,793	\$ 13,387,972	\$ 13,748,750	\$ 13,706,307

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 (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	328	283	269	252	235	240	244	214	196	225
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	372	385	401	412	411	385	385	375	392	392
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	475	570	569	530	525	536	535	532	446	413
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	593	514	505	496	474	501	476	476	457	409
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	417	427
Enrollment	408	404	412	413	409	412	420	432	433	406
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	292	297	301	297	266	291	298	296	289	282
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	375	365	397	402	393	383	370	341	324	333
Hunter Elementary										
Square Feet	57,047	57,047	57,047	57,047	57,047	57,047	57,047	57,047	57,047	59,812
Capacity	494	494	494	494	494	494	494	494	494	520
Enrollment	387	392	353	352	324	327	358	372	369	370
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	527	503
Enrollment	379	423	443	464	443	386	389	418	404	398
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	553	540
Enrollment	499	496	497	539	508	508	496	492	476	408
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	342	344	359	316	312	337	353	356	315	310
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	482	413	453	459	515	502	489	479	431	378
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	479	484	470	479	482	493	506	491	478	487

Fairbanks North Star Borough School District

School Building Information Last Ten Fiscal Years

Type of School	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 (d)
Salcha Elementary										
Square Feet	13,608	13,608	13,608	13,608	13,608	13,608	13,608	13,608	13,608	14,406
Capacity	76	76	76	76	76	76	76	76	76	82
Enrollment	88	83	84	76	68	78	73	69	82	78
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	548	510	545	514	504	491	496	496	461	433
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	98	99
Enrollment	93	88	88	97	87	99	95	86	72	75
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	474	525	528	502	503	494	503	472	476	464
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	542	540	485	477	464	466	452	465	459	490
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	446	436	444	438	450	473	465	435	467	477
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	472	436	403	399	353	344	335	350	328	354
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	363	372	362	386	400	410	408	405	400
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	1,125	1,184	1,101	1,074	1,037	1,032	945	1,011	944	931
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	680	685
Enrollment	585	652	679	655	664	655	656	593	583	575
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	781	721	729	752	758	721	736	704	642	634
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	293	313	326	338	326	328	336	294	291	307

Fairbanks North Star Borough School District

School Building Information Last Ten Fiscal Years

Type of School	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
										(d)
Ryan Middle										
Square Feet	99,880	99,880	99,880	99,880	99,880	99,880	99,880	99,880	99,880	104,270
Capacity	594	594	594	594	594	594	594	594	594	626
Enrollment	390	396	394	386	350	366	390	370	370	398
Tanana Middle										
Square Feet	101,069	101,069	101,069	101,069	101,069	101,069	101,069	101,069	101,069	101,069
Capacity	602	602	602	602	602	602	602	602	602	602
Enrollment	514	501	513	472	462	471	432	388	402	346
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	1,070	1,035	1,019	967	989	1,023	971	968	981	973

(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





Cook & Haugeberg LLC

CERTIFIED PUBLIC ACCOUNTANTS

December 14, 2020

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, 2020, 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 nonmajor governmental funds, the internal service fund type, and the fiduciary fund type as of and for the year ended June 30, 2020, 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, 2020, and have issued our report thereon dated December 14, 2020.

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.

119 North Cushman Street, Suite 300 • Fairbanks, Alaska 99701 • 907-456-7762
Fax 907-452-6184 • www.ch-cpa.com • email: Contact@ch-cpa.com

Partners: Gerald D. Haugeberg
Senior Consultants:

Kara Moore
James F. Dieringer, Jr.

Kathleen A.R. Thompson
Michael T. Cook

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 determination of financial statement amounts. 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.

Cook & Haugeberg LLC

Fairbanks, Alaska
December 14, 2020



Cook & Haugeberg LLC

CERTIFIED PUBLIC ACCOUNTANTS

December 14, 2020

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, 2020. 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.

119 North Cushman Street, Suite 300 • Fairbanks, Alaska 99701 • 907-456-7762
Fax 907-452-6184 • www.ch-cpa.com • email: Contact@ch-cpa.com

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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, 2020.

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.

Cook + Haugeberg LLC

Fairbanks North Star Borough School District

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2020

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	\$ -	\$ 667,702
National School Lunch Program	10.555	N/A	-	2,070,950
National School Lunch Program - Donated Produce	10.555	N/A	-	205,697
Subtotal CFDA 10.555			-	2,276,647
Summer Food Service Program for Children	10.559	MA19FNSD01	-	912,125
Total Child Nutrition Cluster			-	3,856,474
State Administrative Expenses for Child Nutrition	10.560	FD19FNSD01	-	15,982
Fresh Fruit & Vegetable Program	10.582	FF19FNSD01	-	16,543
Fresh Fruit & Vegetable Program	10.582	FF19FNSD02	-	31,517
Subtotal CFDA 10.582			-	48,060
Total U.S. Department of Agriculture			\$ -	\$ 3,920,516
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		\$ -	\$ 417,306
Support for Student Achievement at Military Connected Schools	12.556		-	281,996
Support for Student Achievement at Military Connected Schools	12.556		-	129,282
Support for Student Achievement at Military Connected Schools	12.556		-	202,228
Subtotal for CFDA 12.556			-	1,030,812
Total U.S. Department of Defense			\$ -	\$ 1,030,812
U.S. Department of Justice				
COPS Office School Violence Prevention Program	16.71		\$ -	\$ 171,105
Total U.S. Department of Justice			\$ -	\$ 171,105
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 20 FNSD 01	\$ -	\$ 327,307
Title I-A Basic Grant	84.010	IP 20 FNSD 01	-	2,577,850
Title I-A Neglected & Delinquent	84.010	ND 20 FNSD 01	-	68,966
Title I-A Parent Involvement	84.010	IP 20 FNSD 01	-	25,459
School Improvement: Implementation FY20	84.010	SI 20 FNSD 03	-	51,516
School Improvement: Implementation FY19	84.010	SI 19 FNSD 02	-	56,499
Subtotal for CFDA 84.010			-	3,107,597

Fairbanks North Star Borough School District

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2020

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 20 FNSD 01	\$ -	\$ 58,934
Title I-C Migrant Education	84.011	IP 20 FNSD 01	-	1,031,807
Title I-C Migrant Summer	84.011	IP 20 FNSD 01	-	41,596
Migrant Ed Book Program	84.011	MB 20 FNSD 01	-	17,861
Migrant Education (PAC)	84.011	MP 20 FNSD 01	-	415
Subtotal for CFDA 84.011			-	1,150,613
 Title 1 State Agency Program for Neglected and Delinquent Children and Youth	 84.013	 IP 20 FNSD 01	 -	 27,678
Special Education Cluster (IDEA) *				
Special Education Grants To States				
Title VI-B	84.027	SE 20 FNSD 01	-	3,662,304
Special Education Preschool Grants				
Preschool Disabled Section 619	84.173	SE 20 FNSD 02	-	63,439
Total Special Education Cluster (IDEA)			-	3,725,743
 Impact Aid				
Direct - Title VIII Impact Aid	84.041		-	143,755
Title VIII Impact Aid	84.041	N/A	-	16,311,485
Title VIII Impact Aid for Construction	84.041	N/A	-	117,750
Subtotal for CFDA 84.041			-	16,572,990
 Career And Technical Education -- Basic Grants To States				
Carl Perkins Secondary	84.048	EK 20 FNSD 01	-	328,846
Non-Traditional CTE	86.048	NT 20 FNSD 01	-	14,939
Professional Development - CTSO	84.048	EB 20 FNSD 02	-	1,431
Subtotal for CFDA 84.048			-	345,216
 Direct - Indian Education Grants To Local Educational Agencies	84.060		-	752,660
 Education For Homeless Children And Youth	84.196	FR 20 FNSD 01	-	33,273
 Twenty-First Century Community Learning Centers	84.287	AC 20 FNSD 01	-	1,166,495
 English Language Acquisition State Grants				
Title III-A Consolidated Administration	84.365	IP 20 FNSD 01	-	506
Title III-A English Language Acquisition	84.365	IP 20 FNSD 01	-	32,215
Subtotal for CFDA 84.365			-	32,721
 Improving Teacher Quality State Grants	84.367	IP 20 FNSD 01	-	857,659
 Striving Readers	84.371	AL 20 FNSD 01	-	115,258

Fairbanks North Star Borough School District

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2020

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 20FNSD 01	\$ -	\$ 21,143
Title IV-A Consolidated Administration	84.424	IP 20 FNSD 01	-	2,256
Title IV-A Student Support and Academic Enrichment Program	84.424	IP 20 FNSD 01	-	383,047
Subtotal for CFDA 84.424			-	406,446
Education Stabilization Fund				
CARES Act - ESSERF	84.425	PY 20 FNSD 01	-	29,614
CARES Act - GEERF	84.425	PY 20 FNSD 02	-	90,253
Subtotal for CFDA 84.425			-	119,867
Total U.S. Department of Education			\$ -	\$ 28,414,216
U.S. Department of Health and Human Services				
Passed through Fairbanks Wellness Coalition:				
Substance Abuse and Mental Health Services	93.243	FWC-20-4	\$ -	\$ 7,837
Passed through the State of Alaska Department of Education and Early Development:				
COVID-19 Contact Tracing	93.323	CV 20 FNSD 01	-	3,661
Total U.S. Department of Health and Human Services			\$ -	\$ 11,498
Total Expenditures of Federal Awards			\$ -	\$ 33,548,147

* 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, 2020

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, 2020. 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 2014-180, effective until June 30, 2020. The District received a restricted Federal indirect cost rate from DEED for fiscal year 2020. 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 2020 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, 2020

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

10.553, 10.555, 10.559: Child Nutrition Cluster

12.556: Support for Student Achievement at Military Connected Schools

84.011: Migrant Education_State Grant Program

84.060: Indian Education_Grants to Local Educational Agencies

Dollar threshold used to distinguish a state major program:

\$ 1,006,444

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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Cook & Haugeberg LLC

CERTIFIED PUBLIC ACCOUNTANTS

December 14, 2020

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, 2020, 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 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, 2020, 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, 2020, and have issued our report thereon dated December 14, 2020.

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.

119 North Cushman Street, Suite 300 • Fairbanks, Alaska 99701 • 907-456-7762
Fax 907-452-6184 • www.ch-cpa.com • email: Contact@ch-cpa.com

Partners: Gerald D. Haugeberg
Senior Consultants:

Kara Moore
James F. Dieringer, Jr.

Kathleen A.R. Thompson
Michael T. Cook

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 determination of financial statement amounts. 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.

Cook - Haugeberg LLC

Fairbanks, Alaska
December 14, 2020



Cook & Haugeberg LLC

CERTIFIED PUBLIC ACCOUNTANTS

December 14, 2020

**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, 2020. 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.

119 North Cushman Street, Suite 300 • Fairbanks, Alaska 99701 • 907-456-7762

Fax 907-452-6184 • www.ch-cpa.com • email: Contact@ch-cpa.com

Partners: Gerald D. Haugeberg
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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, 2020.

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.

Cook + Haugeberg LLC

Fairbanks North Star Borough School District

Schedule of State Financial Assistance Year Ended June 30, 2020

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	\$ 113,862,883	\$ -	\$ 114,109,838
On-Base Schools *	N/A	1,450,000	-	1,450,000
Quality Schools	N/A	404,570	-	405,420
Pupil Transportation *	N/A	11,667,370	-	11,686,384
Youth in Detention	EY19FNSD01	135,000	-	310,984
Youth Risk Behavior Survey	YR19FNSD01	6,611	-	6,611
Student Safety & Security	NA	-	-	91,932
Suicide Awareness, Prevention and Postvention	SP20FNSD01	27,500	-	21,705
Alaska Pre-Elementary Development	PE20FNSD01	300,000	-	122,608
Safe Children's Act	SC18FNSD01	-	-	-
Charter Schools - Discovery Peak	CS20FNSD01	96,000	-	87,855
Bree's Law	BR19FNSD01	17,906	-	12,223
Total Department of Education and Early Development		\$ 127,967,840	\$ -	\$ 128,305,560
Department of Administration				
Teachers' Retirement System On-Behalf Funding *	N/A	\$ 13,704,996	\$ -	\$ 13,704,996
Public Employees' Retirement System On-Behalf Funding *	N/A	2,629,676	-	2,629,676
Total Department of Administration		\$ 16,334,672	\$ -	\$ 16,334,672
Department of Commerce, Community and Economic Development				
Nutritional Alaskan Foods in Schools	13-NAFS-016	\$ 153,262	\$ -	\$ 31,572
Nutritional Alaskan Foods in Schools	14-NAFS-016	126,165	-	-
Nutritional Alaskan Foods in Schools	15-NAFS-361	100,072	-	-
Total Department of Commerce, Community and Economic Development		\$ 379,499	\$ -	\$ 31,572
Total State Financial Assistance		\$ 144,682,011	\$ -	\$ 144,671,804

* denotes a major program

Fairbanks North Star Borough School District

Notes to the Schedule of State Financial Assistance
For the Year Ended June 30, 2020

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, 2020. 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, 2020.

Fairbanks North Star Borough School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2020

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**

**Schedule of Payments Made for
Principal and Interest on Bonds to Fund
School Construction**

Tuition Rate Report





Cook & Haugeberg LLC

CERTIFIED PUBLIC ACCOUNTANTS

December 14, 2020

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, 2020, 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, 2020, 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, 2020. 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.

Cook & Haugeberg LLC

119 North Cushman Street, Suite 300 • Fairbanks, Alaska 99701 • 907-456-7762
Fax 907-452-6184 • www.ch-cpa.com • email: Contact@ch-cpa.com

Partners: Gerald D. Haugeberg
Senior Consultants:

Kara Moore
James F. Dieringer, Jr.

Kathleen A.R. Thompson
Michael T. Cook

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Fairbanks North Star Borough School District

Statement of Compliance - AS 14.17.505

Year Ended June 30, 2020

Total fund balance - General (Operating) Fund	\$	21,035,261
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Items deducted in 4 AAC 09.160:

Encumbrances	2,276,741
Inventory	298,191
Prepaid Expenses	125,515
Impact Aid	8,536,803
Student Allotments	<u>321,842</u>

General (Operating) Fund subject to 10% limitation	<u>\$</u>	<u>9,476,169</u>
---	-----------	------------------

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

General (operating) fund balance subject to 10%	\$	9,476,169	=	4.71%
Current year general (operating) fund expenditures	\$	201,182,415		

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Cook & Haugeberg LLC

CERTIFIED PUBLIC ACCOUNTANTS

December 14, 2020

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, 2020, 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, 2020, 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, 2020 and have issued our report thereon dated December 14, 2020. 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.

Cook & Haugeberg LLC

119 North Cushman Street, Suite 300 • Fairbanks, Alaska 99701 • 907-456-7762
Fax 907-452-6184 • www.ch-cpa.com • email: Contact@ch-cpa.com

Partners: Gerald D. Haugeberg
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Cook & Haugeberg LLC

CERTIFIED PUBLIC ACCOUNTANTS

December 14, 2020

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON
THE SUMMARY REPORT OF REIMBURSABLE EXPENDITURES

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

We have audited the accompanying Summary Report of Reimbursable Expenditures of the Fairbanks North Star Borough School District (School District) as of and for the year ended June 30, 2020. 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 Summary Report of Reimbursable Expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Summary Report of Reimbursable Expenditures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Summary Report of Reimbursable Expenditures presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the report referred to above presents fairly, in all material respects, the reimbursable expenditures of the Fairbanks North Star Borough School District for the year ended June 30, 2020.

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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119 North Cushman Street, Suite 300 • Fairbanks, Alaska 99701 • 907-456-7762
Fax 907-452-6184 • www.ch-cpa.com • email: Contact@ch-cpa.com

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Michael T. Cook

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**SCHEDULE OF PAYMENTS MADE FOR PRINCIPAL AND INTEREST ON BONDS
TO FUND SCHOOL CONSTRUCTION FOR THE FISCAL YEAR ENDING JUNE 30, 2020**
For the Fairbanks North Star Borough School District

1. Payments made for retirement of principal and interest on outstanding bonds incurred before July 1, 1977, to pay costs of school construction:

Bond Issue	Payor	Principal	Interest	Total

2. Payments made for retirement of principal and interest on outstanding bonds incurred after June 30, 1977, and before January 1, 1982, to pay costs of school construction:

Bond Issue	Payor	Principal	Interest	Total

3. Cash payments to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved by the department by July 1, 1990, under AS 14.07.020 (a) (11):

DOE Project #	Amount Authorized	Prior Year Expenditures	Current Exp. Claim for Reimb.	Total

4. Payments made for retirement of principal and interest on outstanding bonds incurred after December 31, 1981, and authorized by the qualified voters before July 1, 1983, to pay costs of school construction:

Bond Issue	Payor	Principal	Interest	Total

5. Payments made for retirement of principal and interest on outstanding bonds authorized by the qualified voters after June 30, 1983, and before March 31, 1990, to pay costs of school construction:

Bond Issue	Payor	Principal	Interest	Total

6. Payments made for the retirement of principal and interest on outstanding bonds authorized by the qualified voters after March 31, 1990 and before June 30, 1996 to pay costs of school construction:

Bond Issue	Payor	Principal	Interest	Total

7. Payments made for the retirement of principal and interest on outstanding bonds authorized by the qualified voters after July 1, 1995, to pay costs of school construction:

Project Name/Number	Bond Issue	Payor	Principal	Interest	Total
DR-05-101	2006 I	US Bank NA	295,000	96,544	391,544
DR-07-103 to 105	2007 J	US Bank NA	650,000	254,400	904,400
DR-07-103 to 105	2008 L	US Bank NA	575,000	248,625	823,625
DR-10-103 to 106	2010 M	US Bank NA	565,000	380,640	945,640
05-99-141 to 144, 146, 147, 150	P Refunding	Bank of New York Mellon Trust	625,000	28,725	653,725
05-96-102 to 110,114	Q Refunding	Bank of New York Mellon Trust	2,205,000	351,625	2,556,625
DR-12-102 to 106	2012 R	US Bank NA	525,000	241,590	766,590
05-03-102 to 104; DR-05-101	S Refunding	US Bank NA	1,445,000	324,900	1,769,900
DR-14-102 to DR-14-108	2016 T	Bank of New York Mellon Trust	2,075,000	2,038,275	4,113,275

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Cook & Haugeberg LLC

CERTIFIED PUBLIC ACCOUNTANTS

December 14, 2020

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, 2020. 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 (2019-2020 fiscal year). However, in our opinion, except for the average daily membership described in the preceding sentence and the resulting tuition rate (2019-2020 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.

Cook + Haugeberg LLC

119 North Cushman Street, Suite 300 • Fairbanks, Alaska 99701 • 907-456-7762
Fax 907-452-6184 • www.ch-cpa.com • email: Contact@ch-cpa.com

Partners: Gerald D. Haugeberg
Senior Consultants:

Kara Moore
James F. Dieringer, Jr.

Kathleen A.R. Thompson
Michael T. Cook

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Fairbanks North Star Borough School District

Department of Education and Early Development (DEED)

Tuition Rate Report

Year Ended June 30, 2020

Local Revenues for Support of Schools:

Borough contribution to school district general fund	\$ 50,045,400
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Direct Expenditures by Borough for School Purposes:

From: <i>Summary Report of Reimbursable Expenditures</i> Bond redemption	12,925,324
Less: State aid for school construction	(4,218,715)
Total expenditures from local sources	58,752,009

Plus:

Title VIII Impact Aid	15,618,498
On-base tuition	1,450,000
	17,068,498

Total local cost for tuition purposes	\$ 75,820,507
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Average daily membership as approved by the DEED for foundation support in FY2019-20:	13,236
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Tuition Rate	\$ 5,728.36
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