

PAREF



POPULAR ANNUAL FINANCIAL REPORT

For the fiscal year ending June 30, 2021



Fairbanks North Star Borough School District



FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

520 Fifth Avenue Fairbanks, Alaska 99701-4718 (907) 452-2000
www.k12northstar.org



December 8, 2021

To the Citizens and Taxpayers of the Fairbanks North Star Borough:

The Fairbanks North Star Borough School District's (FNSBSD) is committed to ensuring that students, staff, families, and the community are informed, connected, and engaged with the District. In furtherance of this commitment, the District has developed its first Popular Annual Financial Report (PAFR) for the fiscal year (FY) 2021. The intent of this report is to clearly communicate the financial operations of the District in an open, transparent, and easy-to-understand format.

The PAFR focuses on the District's governmental and proprietary funds but it excludes information on fiduciary funds for the fiscal year 2021 (July 1, 2020 – June 30, 2021).

The report includes highlights and simplified information from the District's audited Comprehensive Annual Financial Report. This information does not replace the Comprehensive Annual Financial Report. The Comprehensive Annual Financial Report outlines the District's financial position and operating activities each fiscal year presented in conformity with generally accepted accounting principles (GAAP). The PAFR does not conform to GAAP and associated standards set forth by the applicable governing bodies, but it is suitable for those readers who prefer an overview or summary of the District's financial condition.

The most recent and previous Comprehensive Annual Financial Reports are available on the District's Web site on the Annual Financial Reports page (<https://www.k12northstar.org/Page/1877>).

Questions, comments, and feedback about this report are encouraged. Contact Nicole "Nico" Herbert at 907-452-2000 x11312 or nicole.herbert@k12northstar.org.

Respectfully submitted,

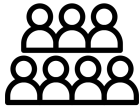
Andreau DeGraw, MBA
Chief Operations Officer

Nicole "Nico" Herbert, CPA
Director of Accounting Services

FNSBSD at a Glance

19 Elementary Schools • 8 Secondary Schools • 8 Schools of Choice

Students



11,260

Full-time Employees



1,548

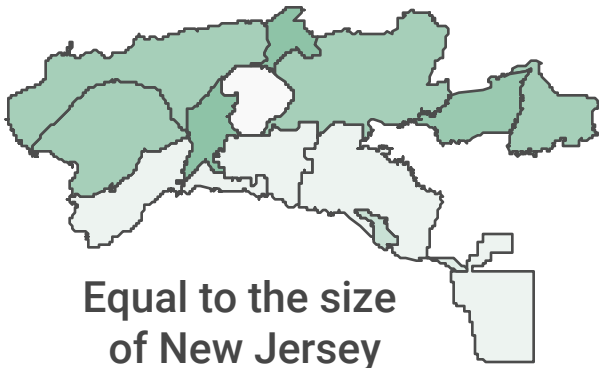
Building Square Footage



3,184,249

Attendance Area

7,444 square miles



Equal to the size
of New Jersey

Our 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.

Our Vision

We envision each and every student achieving academic and life success by personalizing the learning process.

Strategic Goals

Student Success
Equity & Inclusion
Communication & Engagement
Workforce & Organizational Excellence

More Information

For more information on the District's FY20-FY25 Strategic Plan is available on the website: k12northstar.org/domain/3576

Borough Demographic & Economic Statistics

	2016	2017	2018	2019	2020
Population	100,877	99,911	98,749	97,088	95,651
Personal Income in 000's	\$5,323,936	\$5,383,304	\$5,617,632	\$5,746,996	\$5,954,681
Unemployment Rate	5.7%	5.8%	5.5%	4.8%	9.3%

Sources: Fairbanks North Star Borough School District Data Dashboard; U.S. Department of Commerce: Bureau of Economic Analysis; State of Alaska Department of Labor and Workforce Development: Research and Analysis Section

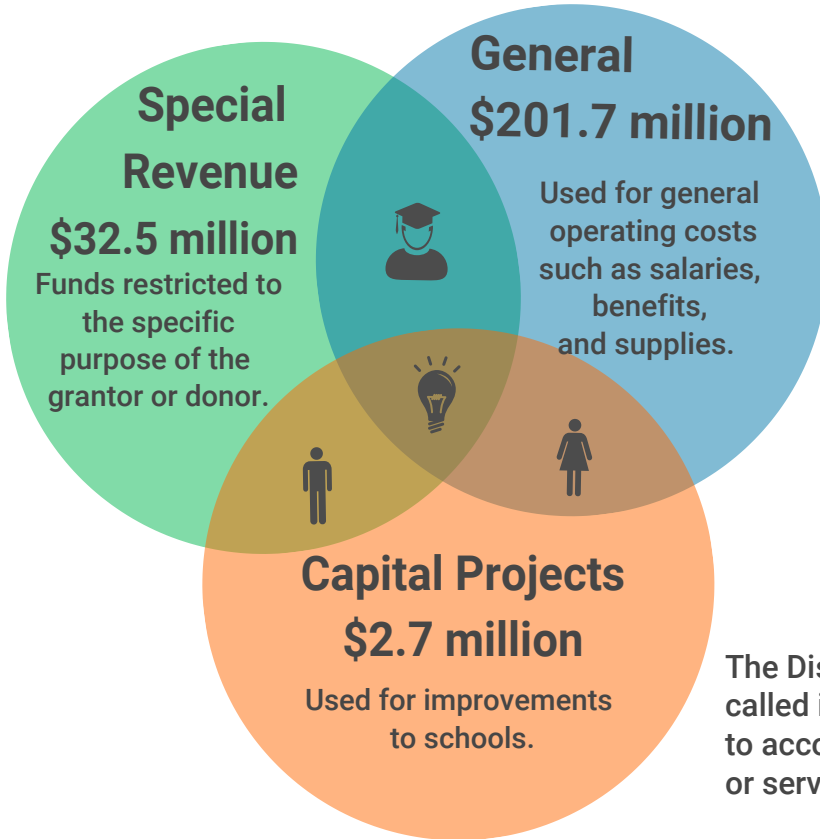
Summary of the District's Funds

In accordance with State laws and governmental accounting principles, the District tracks its revenues and expenditures in separate funds. Each fund is like a separate bank account, which is used to keep monies in each fund from being commingled.

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Governmental Funds

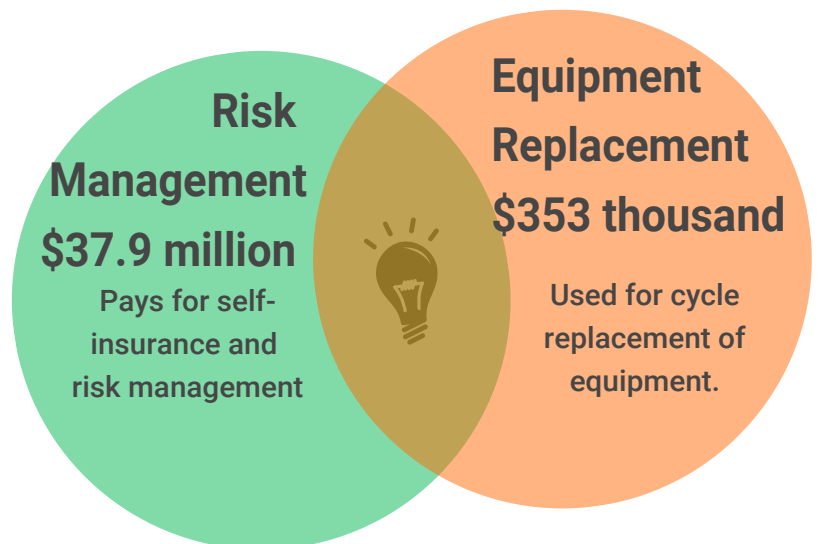
The District has three governmental fund types that are used to account for a specific District activity.



Proprietary Funds

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The District has two proprietary funds called internal services funds that are used to account for activities that provide goods or services to other departments.

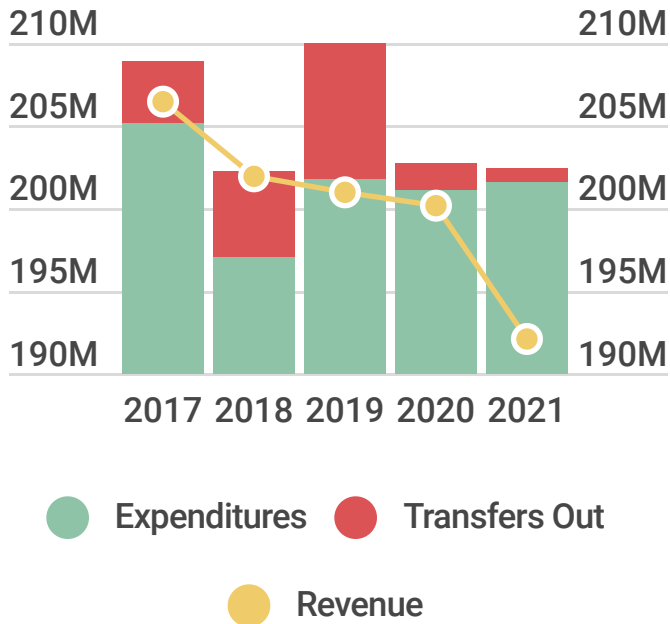


Understanding the General Fund

This fund pays for the primary operations of the District.

Revenue & Expenditures by Year

The graph below displays the revenue and expenditures of the General Fund.

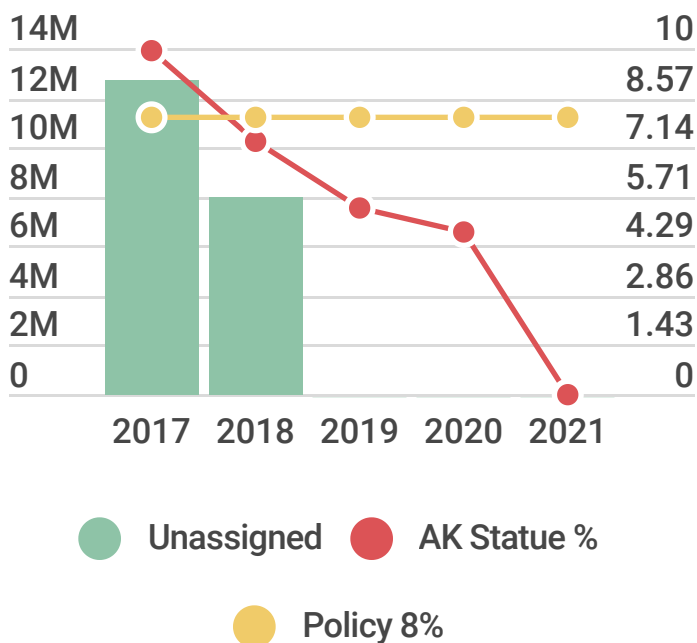


Highlights

- **2018** - \$1.7 million transferred to establish the Equipment Replacement fund. The decrease in expenditures is related to less retirement on-behalf.
- **2019** - \$7.4 million transferred to Capital Projects for Ben Eielson and Woodriver Roof replacement.
- **2021** - \$8.5 million loss in revenue due to decrease in student enrollment.

Fund Balance Insights

This section is related to the District's General Fund fund balance requirement with Alaska State 14.17.505 and Board Policy 412. These are separate from the Borough Code 7.04.125.



Unassigned Fund Balance

\$0 million represents the portion of the General Fund's fund balance that has not been designed for the next fiscal year.

Alaska Statute Percentage

0.00% is subject to Alaska Statute.

Board Policy Expectation

6 - 8% is our minimum fund balance policy, which is between \$14 - \$16 million

General Fund Revenues

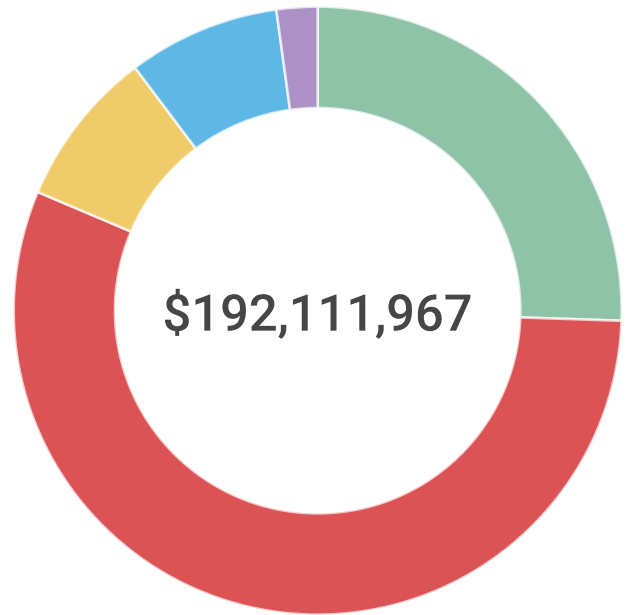
How much was Foundation Aid?



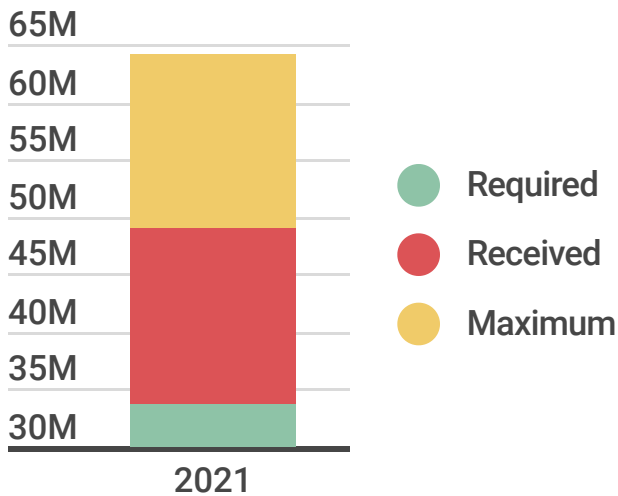
= **\$9,519**
Per Pupil

Funding for the District is based on its Average Daily Membership (ADM). More information on this calculation is included in the District's Budget Documents at k12northstar.org/budget

Revenues



What was the Required Local Contribution?



- Foundation Program 55.85%
- Borough Appropriation 25.53%
- Retirement On-Behalf 8.63%
- Impact Aid thru State 8.08%
- Miscellaneous 2.17%

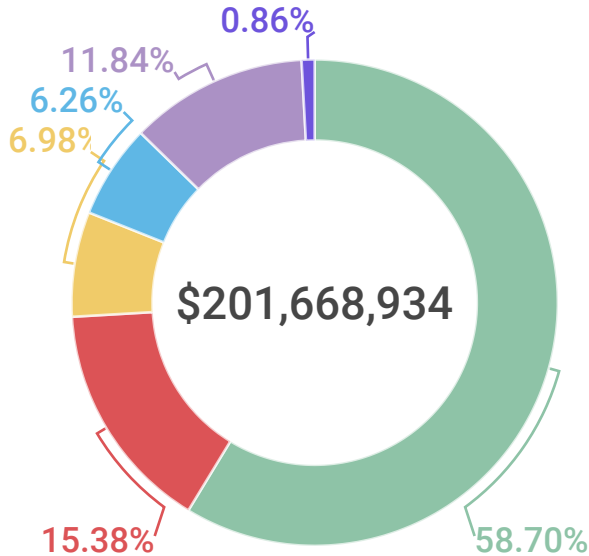
Did you know?

- Retirement On-Behalf are the payments made by the State of Alaska on-behalf of the District to employees retirement accounts.
- Impact aid are funds related to children enrolled in our district that are connected to FT. Wainwright and Eielson AFB.

The Required Local Contribution equals the full and true value of the taxable property multiplied by the mill rate.

General Fund Expenditures

Expenditures



Definitions

Instruction - Includes all activities directly associated with the interaction between teachers and students.

Support services - Includes activities designed to assess and improve the well-being of students and assist staff with providing learning experiences for students.

School administration - Includes activities concerned with the overall administrative responsibilities of the school.

District administration - Includes activities that support administrative and instructional functions such as accounting, budgeting, human resources, purchasing, and information technology.

Operations & maintenance - Includes activities concerned with keeping buildings open, comfortable, and safe.

Student activities - Includes activities that are non-instructional school-sponsored and sanctioned student activities.

Where does the money go?

81% =



General Fund expenses directly support schools.

Did you know?

- The District was primarily in remote learning until January 2021, which resulted in savings that offset the loss of \$8.5 million foundation funding revenue.
- Savings of \$5.2 million due to substitute and temporary positions not needed and staff vacancies.
- \$0.8 million in savings related to utilities.

Expenditures by Type

	Description	\$	%
	Salaries & Benefits	176.4 M	88%
	Contracted services	16.9 M	8%
	Supplies & materials	8.4 M	4%

Understanding Special Revenue Funds Expenditures

This funds are used to account for resources restricted for specific purposes.

Overview of all Special Revenue Funds

Total revenue and expenditures for all special revenue funds. Federal, local, and state funds are restricted for the purpose the grantor or donor indicated. Student activities tracks funds collected from students (course fees, school activities, etc.). More detail on Student Transportation and Nutrition Services further in the report.

Fund Description	Revenue	Expenditures
Student Transportation	\$9,325,958	\$10,638,435
Federal Programs	\$15,880,115	\$15,879,522
Nutrition Services	\$3,835,590	\$4,741,239
Local Programs	\$133,723	\$189,326
State Programs	\$210,593	\$312,792
Student Activities	\$813,270	\$802,945

Largest Federal Grants

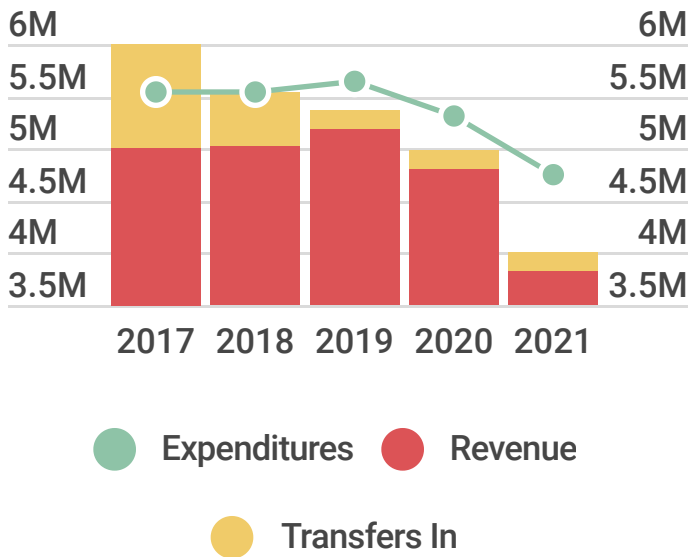
- **Child Nutrition Cluster** - Provides healthful, nutritious meals to eligible children in public schools.
- **Special Education Cluster**- Enables 18.4% of the District's students with disabilities to access the general education curriculum to the greatest extent possible.
- **Title I Grants** - Provides educational assistance to schools with a high number of students from low-income families to ensure 24.6% of the District's students meet challenging state academic standards.
- **Education Stabilization (aka CARES)** - Provides additional funding to support reopening schools and address the learning loss caused by a lack of in-person learning opportunities.
- **Migrant Education** - Provides funding to meet the identified needs of 4.3% of the District's migrant children that result from their migratory lifestyle.
- **21st Century Community Learning Centers** - Provide academic enrichment opportunities during non-school hours for children, who attend high-poverty and low-performing schools.

Nutrition Services Fund

This fund pays for transactions relating to the food services provided to schools.

Revenue & Expenditures by Year

The graph below displays the revenue and expenditures of the Nutrition Services Fund.



Meals Served

Breakfast
266,061
Lunch
369,891

Did you know?

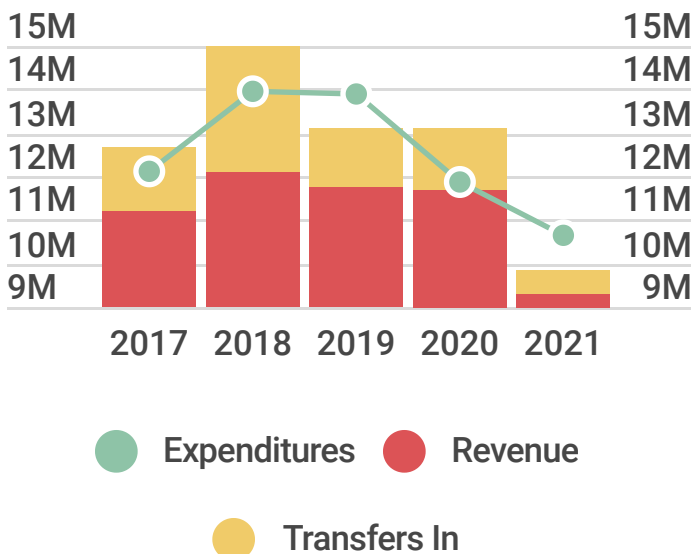
- The percentage of students who qualified for the Free and Reduced Lunch Program was 30%.
- 2020 & 2021 - Revenue decreased due to school closures, reducing student participation.

Student Transportation Fund

This fund pays for transactions relating to busing students between home and school.

Revenue & Expenditures by Year

The graph below displays the revenue and expenditures of the Student Transportation Fund.



= \$843
Per Pupil

Funding for transportation is based on its Average Daily Membership (ADM), less the District's correspondence students.

Did you know?

- 2020 & 2021 - Expenditures were lower due to remote learning between March 2020 through January 2021.

Student Activities Fund

This fund tracks the money collected from students for course fees and participation in activities.

Revenue **Expenditures**
\$813,270 **\$802,945**

Did you know?

- Revenue and expenditures both down \$1 million due to remote learning.

Equipment Replacement Fund

This fund helps ensure we provide up-to-date technology for our students and staff.

Revenue **Expenses**
\$1,073,972 **\$353,892**

Number of Total Devices



6,142 Devices for student
1-1 ratio or labs.



1,362 Devices for teachers,
principals, etc.

Risk Management Fund

This fund pays for the District's various insurance policies and workers' compensation.

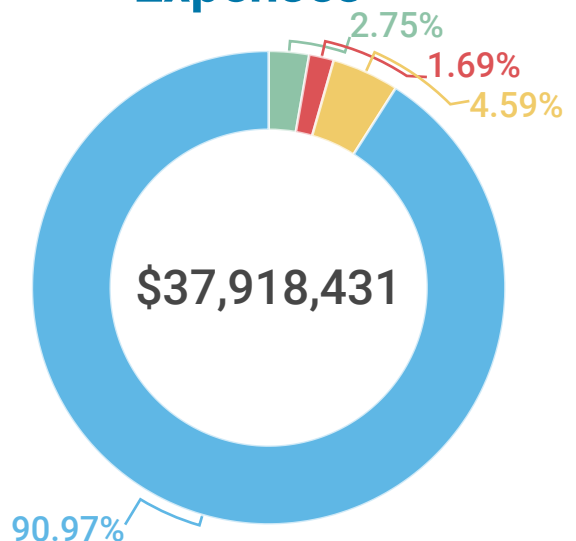
Revenue
\$38,509,101

3.9% =

Premiums per Expenses

Employee health insurance premiums collected in 2021 paid for 3.9 percent of total expenses related to health insurance.

Expenses



Auto & General Liability

Workers' Compensation

Property & Other

Health & Life