

# Fairbanks North Star Borough School District

## Annual Comprehensive Financial Report

*For the fiscal year ended June 30, 2023*



**Excellence and Equity for All**

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



*A Component Unit of the Fairbanks North Star Borough, Alaska*

# **Annual Comprehensive Financial Report**

## **Fiscal Year Ended June 30, 2023**

**Karen Melin**  
*Acting Superintendent*

Prepared by:

**Andreau Degraw, MBA**  
*Chief Operations Officer*

**Nicole “Nico” Herbert, CPA**  
*Director of Accounting Services*

**Teodor Dornea, CPA**  
**Lonnie Smith, CPA**  
**Meghan Hoffman**  
**Desiree Buma**  
*Accountants*

This Page Intentionally Left Blank.

Title Page.....	I
Table of Contents .....	III

## INTRODUCTORY SECTION

Letter of Transmittal .....	VII
Fairbanks North Star Borough School District Board of Education.....	XII
Organization Chart .....	XIII
Association of School Business Officials International Certificate of Excellence .....	XIV
Government Finance Officers Association Certificate of Achievement.....	XV

## FINANCIAL SECTION

Report of Independent Certified Public Accountants.....	1
Management's Discussion and Analysis .....	5

### Basic Financial Statements

Government-wide Financial Statements:	
Statement of Net Position.....	15
Statement of Activities.....	17
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	21
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	22
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities .....	25
Statement of Net Position - Proprietary Funds.....	26
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds .....	27
Statement of Cash Flows - Proprietary Funds .....	28
Statement of Fiduciary Net Position - Fiduciary Fund .....	30
Statement of Changes in Fiduciary Net Position.....	31
Summary of Significant Accounting Policies.....	33
Notes to the Basic Financial Statements .....	39

### Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund .....	66
Student Transportation Special Revenue Fund .....	64
Federal Programs Special Revenue Fund .....	65
Public Employees Retirement System (PERS):	
Schedule of the School District's Proportionate Share of the Net Pension Liability .....	66
Schedule of the School District's Pension Contributions.....	67
Teachers' Retirement System (TRS):	
Schedule of the School District's Proportionate Share of the Net Pension Liability .....	68
Schedule of the School District's Pension Contributions.....	69
Public Employees Retirement System (PERS):	
Schedule of the School District's Proportionate Share of the Net OPEB Liability .....	70
Schedule of the School District's OPEB Contributions.....	71
Teachers' Retirement System (TRS):	
Schedule of the School District's Proportionate Share of the Net OPEB Liability .....	72
Schedule of the School District's OPEB Contributions.....	73
Notes to the Required Supplementary Information.....	74



## Combining and Individual Fund Statements and Schedules

General Fund:	
Balance Sheet .....	77
Statement of Revenues, Expenditures, and Changes in Fund Balance .....	78
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual .....	83
Student Transportation Fund:	
Balance Sheet .....	89
Statement of Revenues, Expenditures and Changes in Fund Balance .....	90
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual .....	91
Federal Programs Fund:	
Balance Sheet .....	93
Statement of Revenues, Expenditures and Changes in Fund Balances .....	94
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual .....	97
Combining Balance Sheet – Nonmajor Governmental Funds .....	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds .....	102
Food Service Fund:	
Balance Sheet .....	105
Statement of Revenues, Expenditures and Changes in Fund Balance .....	106
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....	107
Local Programs Fund:	
Balance Sheet .....	109
Statement of Revenues, Expenditures and Changes in Fund Balances .....	110
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....	111
State Programs Fund:	
Balance Sheet .....	113
Statement of Revenues, Expenditures and Changes in Fund Balances .....	114
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual .....	115
School Activities Fund:	
Balance Sheet .....	117
Statement of Revenues, Expenditures and Changes in Fund Balance .....	118
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....	119
Capital Projects Funds:	
Balance Sheet .....	121
Statement of Revenues, Expenditures and Changes in Fund Balances .....	122
Project Length Schedule of Revenues and Expenditures .....	123
Internal Service Funds:	
Combining Statement of Net Position .....	125
Combining Schedule of Revenues, Expenditures and Changes in Net Position .....	126
Combining Statement of Cash Flows .....	127

## STATISTICAL SECTION

Net Position by Component – Last Ten Years .....	129
Changes in Net Position – Last Ten Years .....	130
Fund Balances of Governmental Funds – Last Ten Years .....	132
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds .....	134
Assessed and Estimated Actual Value of Taxable Property – Last Ten Years .....	136
Property Tax Rates and Tax Levies – This Borough and All Underlying Governments – Last Ten Years .....	138
Principal Taxable Properties – Current Year and Nine Years Ago .....	144
Property Tax Levies and Collections – Last Ten Years .....	145
Significant Own-Sourced Revenue – Last Ten Years .....	146
Outstanding Debt by Type – Last Ten Years .....	147
Demographic and Economic Statistics – Last Ten Years .....	148
Employment by Industry – Current Year and Nine Years Ago .....	149
Full-time Equivalent Operating Fund Employees by Department and Type – Last Ten Years .....	150
Operating Statistics – Last Ten Years .....	152
Teacher Salary Information – Last Ten Years .....	153
Comparative Results from College Entrance and Advance Placement (AP) Exams – Last Ten Years .....	154
Miscellaneous Statistical Data .....	155
Enrollment History by Grade Level – Last Fifteen Years .....	156
Capital Assets by Type and Function – Last Ten Years .....	157
School Building Information – Last Ten Years .....	158

## SINGLE AUDIT

### Single Audit Section Overview:

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 .....	161
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance .....	163
Schedule of Expenditures of Federal Awards .....	167
Notes to Schedule of Expenditures of Federal Awards .....	170
Schedule of Findings and Questioned Costs .....	171
Independent Auditor's 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 .....	173
Schedule of State Financial Assistance .....	177
Notes to Schedule of State Financial Assistance .....	178
Schedule of Findings and Questioned Costs .....	179

**SUPPLEMENTAL REPORTS**

Supplemental Reports:

    Statement of Compliance - AS 14.17.505 .....181

Other Reports:

    Report of Independent Certified Public Accountants on the Tuition Rate Report.....183

    Tuition Rate Report.....187

# Introductory Section





# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

☎ (907) 452-2000

🌐 [www.k12northstar.org](http://www.k12northstar.org)

✉ [superintendent@k12northstar.org](mailto:superintendent@k12northstar.org)

📍 520 Fifth Ave, Fairbanks, AK 99701

November 09, 2023

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

The annual comprehensive financial report of the Fairbanks North Star Borough School District (District) for the fiscal year ended June 30, 2023, is submitted herewith. This report was prepared by the District's Accounting Services department following the guidelines recommended by the Government Finance Officers Association of the United States and Canada, the Association of School Business Officials International, and U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The statutes of the State of Alaska and Fairbanks North Star Borough code of ordinances require that the District Board of Education provide for an audit of all school accounts within ninety days following the close of the fiscal year, by an independent certified public accountant.

## Introduction to the Comprehensive Annual Financial Report

---

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

### Internal Control

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

### Independent Financial Statement Audit

The District's basic financial statements and the financial statements of each nonmajor governmental fund (financial statements) have been audited by Altman, Rogers & Co., 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, 2023, 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, 2023, 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 requires 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 that 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 the operation and management of the District. Each member serves for three years, elected each year for overlapping terms.

### Services Provided by the District

Over 12,000 students attend the thirty-three schools including five charter schools and three alternative programs. Class size varies, but the fiscal year 2023 district-wide average was 18.06 students per general (operating) fund 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 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 five approved charter schools: Watershed Charter School (grades K-8), Chinook Montessori Charter School (grades K-8), 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 on the purposes for which those funds were created. Transfers between programs above \$100,000 are authorized by the Board of Education. Therefore, the legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the object level. All other transfers are authorized by the superintendent and reported monthly to the Board of Education. The budgetary process is explained in Note A in the notes to the required supplementary information in the *required supplementary information* section of this Comprehensive Annual Financial Report.

## Economic Condition Information

---

### Local Economy

Located near the center of the state, the District encompasses the state's second-largest urban area. The Borough serves as the economic hub for interior and northern Alaska.

Alaska's unemployment rate is currently at 3.8 percent as of July 2023. The unemployment rate has been less useful as an economic measure during the pandemic because of data collection difficulties and an unusually large number of people leaving the labor market — that is, not working or looking for a job.

Job growth is at 1.0 percent as of July 2023. Although employment is up significantly from pandemic lows, it is still 2.3 percent below July 2019. U.S. employment, which was up 2.1 percent from July 2022, is now 3.6 percent above its 2019 level.

After falling hard during the pandemic, total wages paid by Alaska employers have bounced back. Wages were up 12.9 percent from year-ago levels in the first quarter of 2023 and 16.6 percent above the first quarter of 2019.

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 28.1 percent of general (operating) fund revenues for the year ended June 30, 2023. 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 86.5 percent of the District's 2023-24 operating budget. The State of Alaska requires that student enrollment projections for the following school year be reported to them within one week after the end of the official student count period for the current year, which ends on the fourth Friday of each October.

During the preparation of the 2023-24 operating budget, it was expected that enrollment would continue to decline slightly due to a smaller number of students entering kindergarten than in prior years.

## 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. remains 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. As of September 2023, the replacement of the two roofs was completed. 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 through 2022 years to complete the project.

## District Initiatives

The School Board establishes a list of primary strategic goals and ongoing 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.

State statutes and local ordinances are 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 181. 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 86.5 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 Education Stabilization Fund grant will continue to help maintain existing services as costs increase across salaries, services, and supplies for one more year. For the FY24 budget, the District is expected to spend \$6.6 million to bridge the funding gap in the General (Operating) Fund.

## 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 annual comprehensive financial report for the fiscal year ended June 30, 2022.

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 annual comprehensive financial report for the fiscal year ended June 30, 2022.

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

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

### ***Acknowledgments***

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

Respectfully submitted,



Andreau Degraw, MBA  
Chief Operations Officer



Nicole "Nico" Herbert, CPA  
Director of Accounting Services

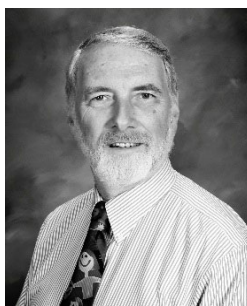


# 2022-23 Board of Education

**Chrya Sanderson, President**

3498 Rosehip Dr.  
North Pole, AK 99705  
**Phone:** (907) 488-3866  
**Email:**  
chrya.sanderson@k12northstar.org

*Seat B, expires October 2024*

**Timothy Doran, Vice President**

512 Windsor Drive  
Fairbanks, AK 99709  
**Phone:** (907) 712-4772  
**Email:**  
timothy.doran@k12northstar.org

*Seat E, expires October 2023*

**Erin Morotti, Treasurer**

PO Box 57137  
North Pole, AK 99705  
**Phone:** (714) 296-8665  
**Email:** erin.morotti@k12northstar.org

*Seat A, expires October 2024*

**Brandy Harty, Clerk**

520 Fifth Avenue  
Fairbanks, AK 99701  
**Phone:** (907) 378-2097  
**Email:** brandy.harty@k12northstar.org

*Seat C, expires October 2025*

**Melissa Burnett, Member**

1784 Caribou Way  
Fairbanks, AK 99709  
**Phone:** (907) 699-7034  
**Email:** melissa.burnett@k12northstar.org

*Seat D, expires October 2025*

**Margaret (Maggie) Matheson, Member**

520 Fifth Ave  
Fairbanks, AK 99701  
**Phone:** (907) 978-5012  
**Email:**  
margaret.matheson@k12northstar.org

*Seat G, expires October 2023*

**April Smith, Member**

P O Box 56151  
Fairbanks, AK 99705  
**Phone:** (907) 347-1357  
**Email:** april.smith@k12northstar.org

*Seat F, expires October 2023*

**Olivia Smith  
Regional Student Council  
Student Representative –  
North Pole High School**

**Phone:** (907) 488-3761  
**Email:** olivia.smith.studentrep@gmail.com

*Appointed position, advisory vote*

**Colonel Antonio Alvarado,  
Base Representative**

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

*Appointed position, advisory vote*

**Colonel Nathan S. Surrey,  
Post Representative**

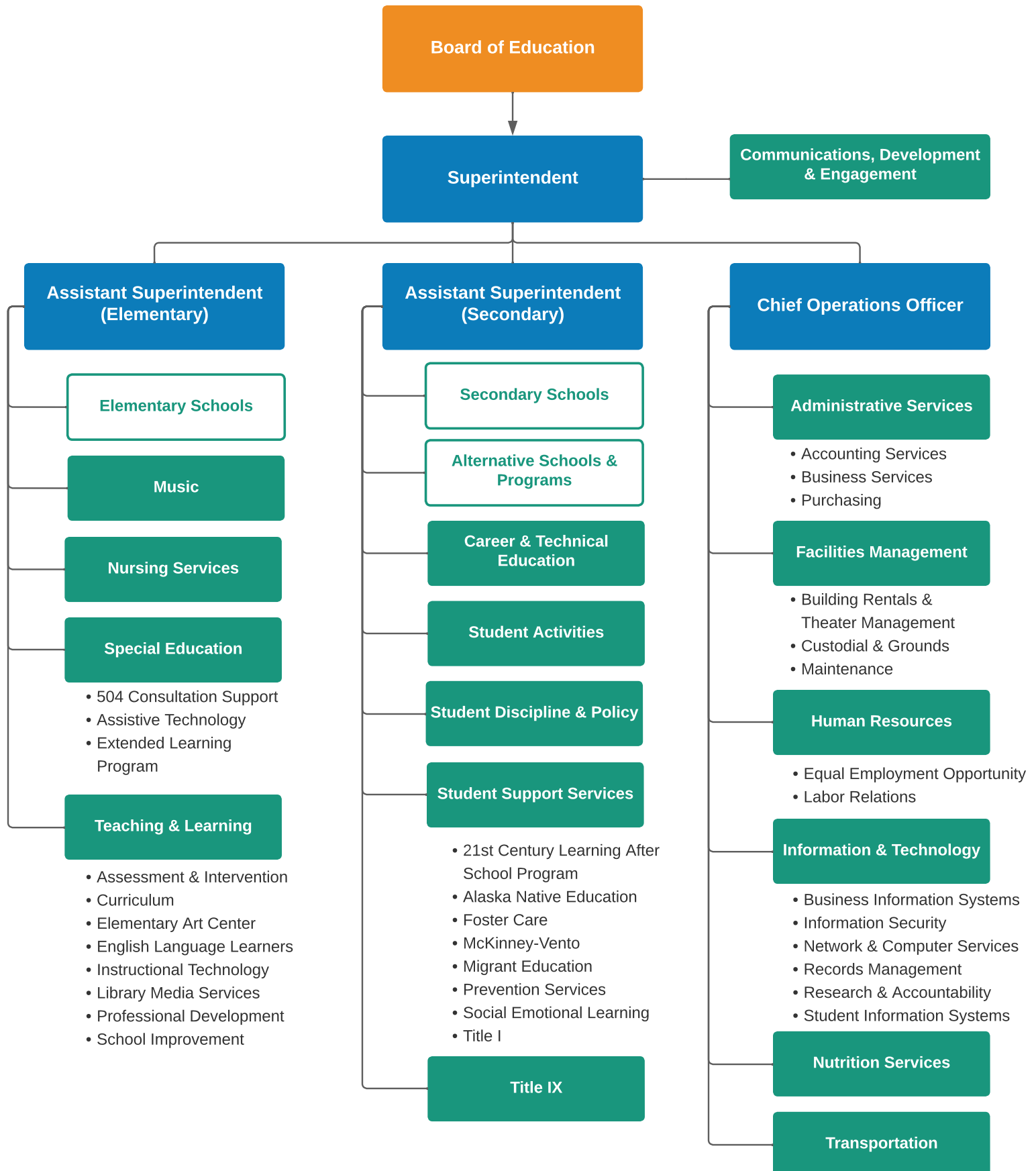
1046 Marks Road #6000  
Ft. Wainwright, AK 99703-6000  
**Phone:** (907) 353-7660  
**Email:** Nathan.s.surrey.mil@army.mil

*Appointed position, advisory vote*





# Organizational Chart





ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Fairbanks North Star Borough  
School District**

**for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2022.**

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



A handwritten signature in black ink, reading 'John W. Hutchison'.

**John W. Hutchison**  
**CAE**

**President**

A handwritten signature in black ink, reading 'Siobhán McMahon'.

**Siobhán McMahon,**

**Chief Operations Officer/  
Interim 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 Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

# Financial Section



## **Independent Auditor's Report**

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

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fairbanks North Star Borough School District (District), a component unit of the Fairbanks North Star Borough, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Fairbanks North Star Borough School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 of Fairbanks North Star Borough School District, as of June 30, 2023, 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.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (Government Auditing Standards), issued by the Comptroller of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fairbanks North Star Borough School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Fairbanks North Star Borough School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Fairbanks North Star Borough School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fairbanks North Star Borough School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules on pages 5-13 and 62-64, respectively, and the Schedules of the District's Proportionate Share of the Net Pension and OPEB Liabilities (Assets) and Contributions for the Public Employee's Retirement System and Teachers' Retirement System on pages 65-72, and the Notes to Required Supplementary Information on page 74, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Fairbanks North Star Borough School District's basic financial statements. The additional supplementary information listed in the table of contents as Combining and Individual Fund Statements and Schedules and the Schedule of Expenditures of Federal Awards and notes to schedule, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; the Schedule of State Financial Assistance and notes to schedule which are presented as required by the State of Alaska Audit Guide and Compliance Supplement for State Single Audits; and the information listed in the table of contents as Supplemental Reports are presented for purposes of additional analysis and are 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 basic financial statements. The information has 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 additional supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Fairbanks North Star Borough School District's basic financial statements for the year ended June 30, 2022, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit 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 as a whole. The combining and individual fund financial statements for the year ended June 30, 2022, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2022 basic financial statements. The information was subjected to the audit procedures applied in the audit of those 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 2022 combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

#### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2023 on our consideration of the Fairbanks North Star Borough 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 that report is solely 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 Fairbanks North Star Borough School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fairbanks North Star Borough School District's internal control over financial reporting and compliance.



Anchorage, Alaska  
November 9, 2023

# Fairbanks North Star Borough School District

## Management's Discussion and Analysis June 30, 2023

### 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, 2023, with selected comparative data for the year ended

June 30, 2022. 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, 2023, and as reflected in total net position, increased by \$50.1 million to a deficit of \$13.4 million from \$63.5 million. The change in total net position is discussed further in the Management's Discussion and Analysis section titled Government-wide Financial Analysis.

In fiscal year 2023, the District adopted the provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), which among other accounting and reporting criteria requires the District to recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. For more information on the new account principal see note 17.

General revenues accounted for \$181.2 million, including \$53.3 million in local appropriations and \$114.0 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 \$44.5 million. The total revenue from all sources was \$225.7 million.

The District had \$175.6 million in expenses related to programs, an increase of \$5.0 million from the prior year. That increase is discussed further in the Management's Discussion and Analysis section titled Government-wide Financial Analysis.

#### Governmental funds financial statements

The overall fund balance of the general (school operating) fund, increased by \$13.9 million. The general fund balance is comprised of \$723 thousand nonspendable fund balance related to prepaid items and inventories, \$353 thousand restricted fund balance related to homeschool student allotments, and \$13.2 million assigned fund balance related to encumbrances and subsequent year's budget appropriation of fund balance.

The biggest factor contributing to the increase in fund balance is the closure of 3 elementary schools and transitioning 6<sup>th</sup>-grade students from elementary to middle schools at the end of June 30, 2022. This closure was a result of low utilization of our buildings due to low student enrollment, which is discussed further in the Financial Analysis of Governmental Funds section.

### Overview of Financial Statements

---

This discussion and analysis is intended to serve as an introduction to the District's 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.

# Fairbanks North Star Borough School District

## Management's Discussion and Analysis (continued) June 30, 2023

### Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, like 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) and liabilities. The 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's 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 15-17 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 government-wide financial statements, 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 18-25 of this report.



# Fairbanks North Star Borough School District

## Management's Discussion and Analysis (continued) June 30, 2023

- **Proprietary Funds**

Proprietary funds are used to show activities that operate more like those of commercial enterprises. These types 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 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 26-28 of this report.

- **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 programs. The accrual basis of accounting is used for fiduciary funds.

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

The fiduciary fund financial statement can be found on pages 30-31 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 33-61 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, a proportionate share of the net pension and other post-employment benefit liabilities and contributions, and the notes to the required supplementary information. The required supplementary information can be found on pages 63-75 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 163-179 of this report.

# Fairbanks North Star Borough School District

Management's Discussion and Analysis (continued)  
June 30, 2023

## 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 were lower than assets and deferred outflows of resources by \$69.0 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 7.

Restricted grants and allotments represent 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.

For fiscal year 2023, the biggest impact on both the Statement of Net Position and Statement of Activities is related to large swings in the State of Alaska's pension and other post-employment benefits. The State of Alaska considered previous adjustments to costs and liabilities to both the pension and other post-employment benefits of the Teachers Retirement System and Public Employees Retirement System related to the decline of medical claims resulting from the ongoing COVID-19 pandemic. Medical claims are steadily returning to normal use, therefore the State of Alaska's adjustments are the cause of the increases and decreases in long-term net OPEB assets, deferred outflows of resources, long-term liabilities, and deferred inflows of resources.

**Table 1: Net Position – Years ended June 30, 2023 and 2022**

	2023	2022	Increase (Decrease)
<b>Assets</b>			
Current and other assets	\$ 51,202,869	\$ 37,118,524	\$ 14,084,345
Capital assets	22,007,037	22,978,389	(971,352)
Long-term net OPEB asset	64,119,192	105,307,054	(41,187,862)
<b>Total assets</b>	<b>137,329,098</b>	<b>165,403,967</b>	<b>(28,074,869)</b>
<b>Deferred outflows of resources</b>	<b>22,528,333</b>	<b>18,915,647</b>	<b>3,612,686</b>
<b>Liabilities</b>			
Long-term liabilities	161,323,007	127,790,652	33,532,355
Other liabilities	5,143,375	3,351,056	1,792,319
<b>Total liabilities</b>	<b>166,466,382</b>	<b>131,141,708</b>	<b>35,324,674</b>
<b>Deferred inflows of resources</b>	<b>6,792,485</b>	<b>116,691,575</b>	<b>(109,899,090)</b>
<b>Net position</b>			
Net investment in capital assets	1,781,033	2,328,233	(547,200)
Restricted	5,975,859	5,282,392	693,467
Unrestricted deficit	(21,158,328)	(71,124,294)	49,965,966
<b>Total net position (deficit)</b>	<b>\$ (13,401,436)</b>	<b>\$ (63,513,669)</b>	<b>\$ 50,112,233</b>

# Fairbanks North Star Borough School District

## Management's Discussion and Analysis June 30, 2023

### Change in Net Position

The District's change in net position of \$50.1 million is significantly related to the large changes in deferred inflows

of resources and deferred outflows of resources discussed above under net position. Later in the Financial Analysis of Governmental Funds, we discuss the large fluctuations within the individual funds.

**Table 2: Change in Net Position – Years ended June 30, 2023 and 2022**

	2023	2022	Increase (Decrease)
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 1,659,358	\$ 205,601	\$ 1,453,757
Operating grants and contributions	42,221,167	28,736,266	13,484,901
Capital grants and contributions	636,323	81,818	554,505
General revenues:			
Borough direct appropriation	53,327,468	50,736,152	2,591,316
State grants and entitlements not restricted	114,020,267	119,074,335	(5,054,068)
Other	13,824,331	1,706,964	12,117,367
<b>Total revenues</b>	<b>225,688,914</b>	<b>200,541,136</b>	<b>25,147,778</b>
<b>Expenses:</b>			
Instruction	67,537,159	60,325,693	7,211,466
Special education instruction	19,599,200	20,268,833	(669,633)
Special education support services - students	6,179,773	5,702,297	477,476
Support services - students	10,702,831	11,890,047	(1,187,216)
Support services - instruction	7,373,426	7,277,183	96,243
Support services - technology	488,721	786,000	(297,279)
School administration	5,722,821	5,533,927	188,894
School administration support services	2,581,821	5,323,309	(2,741,488)
District administration	1,971,472	2,003,323	(31,851)
District administration support services	11,279,102	10,064,138	1,214,964
Operations and maintenance of plant	19,602,102	20,409,550	(807,448)
Student activities	3,937,723	3,615,543	322,180
Student transportation - to and from school	11,558,082	9,306,327	2,251,755
Food services	5,996,009	6,989,491	(993,482)
Interest expense	1,046,447	1,106,041	(59,594)
<b>Total expenses</b>	<b>175,576,689</b>	<b>170,601,702</b>	<b>4,974,987</b>
<b>Change in net position</b>	<b>50,112,225</b>	<b>29,939,434</b>	<b>20,172,791</b>
<b>Net position, (deficit) beginning</b>	<b>(63,513,669)</b>	<b>(63,513,669)</b>	<b>-</b>
<b>Net position, (deficit) ending</b>	<b>\$ (13,401,436)</b>	<b>\$ (63,513,669)</b>	<b>\$ 50,112,233</b>

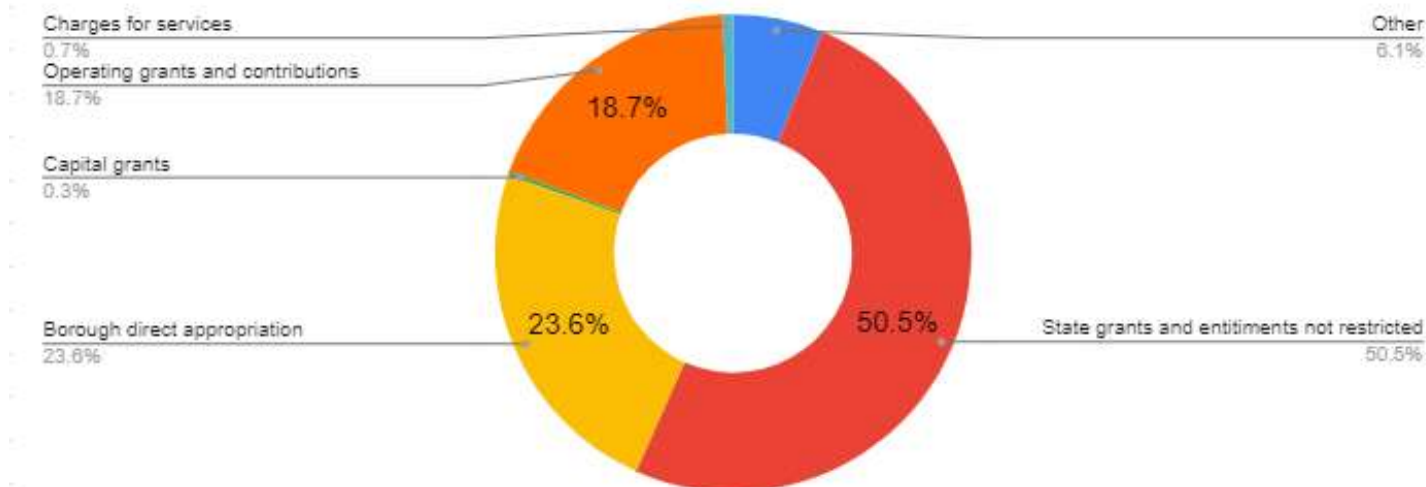
# Fairbanks North Star Borough School District

## Management's Discussion and Analysis June 30, 2023

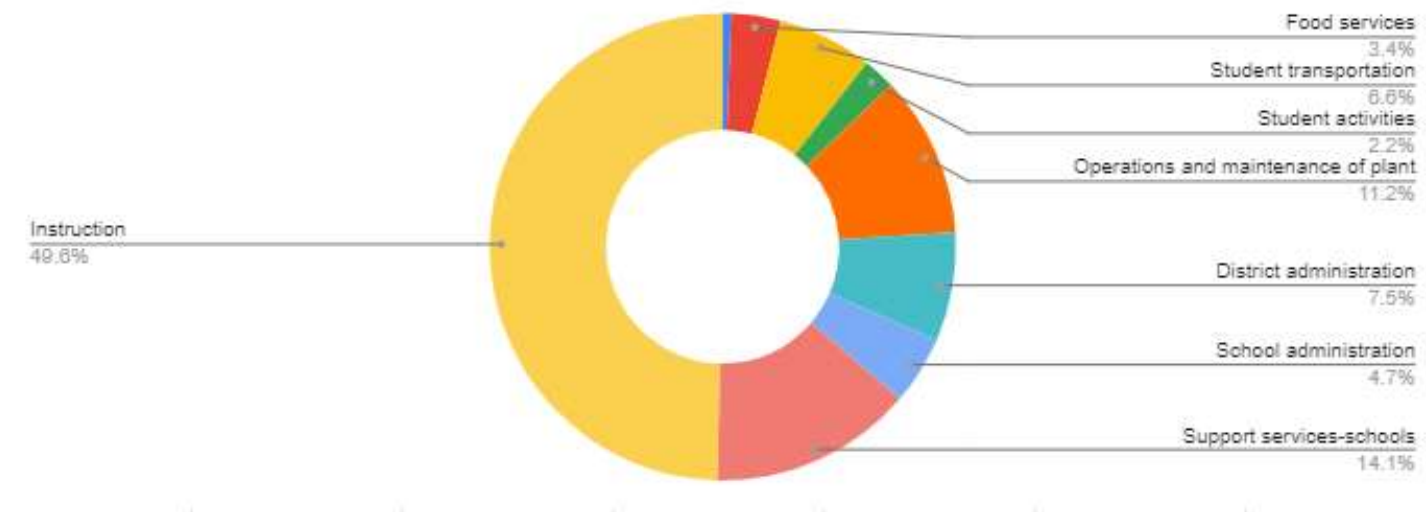
Charts 1 and 2 display government-wide revenues and expenses, respectively, for the current year. The Borough appropriation and the State of Alaska Foundation Program accounted for most of the District's revenue. Funds from these two sources contributed approximately 72.8 percent of every dollar needed. The remaining 27.2 percent came from grants and contributions, fees charged for services, and other miscellaneous revenues.

Most of the District's expenses are related to instruction (including special education), instructional support, food services, and student transportation services. Expenses in these areas comprised approximately 73.7 percent of all school system expenditures. Student activities are expenses directly related to student's extracurricular sports and/or organizations, such as hockey, student council, etc.

### Chart 1: Source of Revenues



### Chart 2: Expenses by Category



# Fairbanks North Star Borough School District

## Management's Discussion and Analysis June 30, 2023

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, 2023 and 2022**

	2023		2022	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 87,136,359	\$ 69,198,305	\$ 80,594,526	\$ 75,842,057
Support services - schools	24,744,751	19,692,566	25,655,527	22,724,741
School administration	8,304,642	8,712,660	10,857,236	12,396,602
District administration	13,250,574	11,811,063	12,067,461	11,313,309
Operations and maintenance of plant	19,602,102	19,159,355	20,409,550	20,625,546
Student activities	3,937,723	1,217,802	3,615,543	1,654,734
Student transportation - to and from school	11,558,082	629,362	9,306,327	(1,091,099)
Food services	5,996,009	(407,719)	6,989,491	(2,993,914)
Interest expense	1,046,447	1,046,447	1,106,041	1,106,041
<b>Total</b>	<b>\$ 175,576,689</b>	<b>\$ 131,059,841</b>	<b>\$ 170,601,702</b>	<b>\$ 141,578,017</b>

## Financial Analysis of Governmental Funds

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.

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 \$20.2 million, a decrease of \$1.8 million, as reported on the Governmental Funds Balance Sheet on page 18.

The District has three 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 \$22.9 million, a change of \$13.9 million from the prior year. As noted earlier the District did close 3 elementary schools due and moved 6<sup>th</sup> grade from elementary to middle schools to the enrollment decline resulting in low building utilization. The overhead savings of utilities and school administration staff \$1.5 million. The pupil-teacher ratio (PTR) is different between elementary (25) and middle (27) schools so the total number of teaching positions decreased by 31.5, which is an estimated savings of \$3.7 million.

We also intentionally went into fiscal year 2023 intending to spend below our revenues by \$5.1 million to get our fund balance back into compliance with our Board Policy. The last major impact of the change in fund balance is turnover and vacancies in positions. Experience staffed who retire are usually replaced by those with less experience and therefore cost less.

In fiscal year 2023, the District recognized \$1.2 million in Borough allocated revenue and expenses. These allocated

# Fairbanks North Star Borough School District

## Management's Discussion and Analysis (continued) June 30, 2023

services are primarily related to treasury and risk management.

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 \$21.8 million or 12.4 percent of expenditures. In addition, the level of unrestricted fund balance to expenditures as calculated on a state basis was 4.92 percent, which is below the School Board's adopted fund balance policy range of being between 2 to 4 percent below the 10 percent maximum allowed under state law.

### Special Revenue Funds

The fund balance of the student transportation special revenue fund at the end of the current fiscal year changed by \$(0.6) million due to the transportation vendor being able to provide more routes than in the prior years.

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 \$28.6 million, due to remaining Coronavirus Response and Relief Supplemental

Appropriations Act (CRRSA) and American Rescue Plan (ARP) grants.

The food service special revenue fund change in fund balance was \$0.2 million for the current fiscal year. Overall meal participation decreased upon the expiration of the Seamless Summer Option (SSO) waiver issued by the U.S. Department of Agriculture (USDA). Revenue from federally reimbursed meals decreased by \$5 million while local funds collected for meals increased by \$1.4 million.

### Capital Projects Fund

The capital projects fund had a fund balance at the end of the current year of \$2.6 million, a change of \$.3 million from the prior year. That increase is related to the federal impact aid revenue received for construction.

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 18 and 21.

## Proprietary Funds

---

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

The risk management internal service fund experienced an operating income(loss) of \$(0.4) million in fiscal year 2023 due to (1) an expected rise in health and life insurance costs and (2) an increase in workers' compensation claims paid.

The Equipment replacement internal service fund ending net position for the current year was \$2.8 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. There is a batch of Chromebooks and iPads that will be up for replacement during fiscal year 2024.

## 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 the original budgeted appropriations. Schools

and or departments do move original appropriations within their department but none were significant to require Board approval.

Actual revenues on the budgetary basis were 103.4 percent of budgeted revenues as a result of student enrollment being 450 higher than projected. Actual expenditures on the budgetary basis were 98.6 percent of budgeted expenditures and are attributable to unspent funds due to vacancies and actual wages lower than originally budgeted for the fiscal year.



# Fairbanks North Star Borough School District

Management’s Discussion and Analysis  
June 30, 2023

## Capital Assets and Long-Term Obligations

---

### Capital Assets

The District’s investment in capital assets for its governmental activities was \$22.0 million as of June 30, 2023 (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 \$161.38 million, consist of net pension and other post-employment benefits (OPEB) liabilities, claims payable and accrued self-insurance reserves, operating leases, 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 6 of the notes to 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 ongoing costs.

In setting the budget for FY2024, the District considered several issues. Notable factors influencing future budgets are:

- The uncertain state of the federal budget affects funding decisions at the state and local levels.
- Only \$6.6 million in COVID Relief grant funds are available to offset the District’s General (School

Operating) Fund. Over \$12.6 million was used to maintain operations in fiscal year 2023.

- Ongoing capital projects with funding for renovations and additions to existing schools including major systemic renovations to many of the older school facilities.
- Pending negotiated agreements with our Education Support Staff and Fairbanks Education Associations that would primarily increase salary and benefit costs.
- Continued increases in the overall cost of health and benefits.

## 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](mailto:andy.degraw@k12northstar.org)



This Page Intentionally Left Blank.

# Financial Section

## Basic Financial Statements



# Fairbanks North Star Borough School District

## Statement of Net Position June 30, 2023

	Governmental Activities
<b>Assets</b>	
Equity in central treasury cash	\$ 37,181,797
Accounts receivable	12,380,160
Due from Fairbanks North Star Borough	96,112
Inventories	1,428,647
Prepaid items	116,153
Long-term other postemployment benefits asset	64,119,192
Machinery and equipment	12,651,434
Less accumulated depreciation	(10,019,930)
Right to use leased assets, net of amortization	19,000,205
SBITA, net of amortization	325,131
Intangible assets, net of amortization	50,197
<b>Total assets</b>	<b>137,329,098</b>
<b>Deferred Outflows of Resources</b>	
Pension related	14,628,355
Other postemployment benefits related	7,899,978
<b>Total deferred outflows of resources</b>	<b>22,528,333</b>
<b>Liabilities</b>	
Accounts payable	3,518,072
Accrued payroll and liabilities	1,249,022
Unearned revenue	357,018
Due to external groups and agencies	19,263
Long-term liabilities:	
Current portion	9,580,277
Long-term portion	151,742,730
<b>Total liabilities</b>	<b>166,466,382</b>
<b>Deferred Inflows of Resources</b>	
Pension related	2,439,217
Other postemployment benefits related	4,353,268
<b>Total deferred inflows of resources</b>	<b>6,792,485</b>
<b>Net Position</b>	
Net investment in capital assets	1,832,417
Restricted for grants	5,622,039
Restricted for student allotments	353,820
Unrestricted (deficit)	(21,209,712)
<b>Total net position (deficit)</b>	<b>\$ (13,401,436)</b>

See accompanying notes to the basic financial statements

This Page Intentionally Left Blank.

# Fairbanks North Star Borough School District

## Statement of Activities

For the Year Ended June 30, 2023

		Program Revenues			Net (Expense)
	Expense	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
<b>Governmental activities:</b>					
Instruction	\$ 67,537,159	\$ 14,848	\$ 14,655,254	\$ -	\$ (52,867,057)
Special education instruction	19,599,200	-	3,267,952	-	(16,331,248)
Special education support services - students	6,179,773	-	(242,644)	-	(6,422,417)
Support services - students	10,702,831	73,168	4,282,563	-	(6,347,100)
Support services - instruction	7,373,426	-	939,098	-	(6,434,328)
Support services - technology	488,721	-	-	-	(488,721)
School administration	5,722,821	-	(295,744)	-	(6,018,565)
School administration support services	2,581,821	-	(112,274)	-	(2,694,095)
District administration	1,971,472	-	(53,719)	-	(2,025,191)
District administration support services	11,279,102	-	1,493,230	-	(9,785,872)
Operations and maintenance of plant	19,602,102	-	(193,576)	636,323	(19,159,355)
Student activities	3,937,723	-	2,719,921	-	(1,217,802)
Student transportation - to and from school	11,558,082	-	10,928,720	-	(629,362)
Food services	5,996,009	1,571,342	4,832,386	-	407,719
Interest expense	1,046,447	-	-	-	(1,046,447)
<b>Total governmental activities</b>	<b>\$ 175,576,689</b>	<b>\$ 1,659,358</b>	<b>\$ 42,221,167</b>	<b>\$ 636,323</b>	<b>\$ (131,059,841)</b>
<b>General revenues:</b>					
Borough direct appropriation					\$ 53,327,468
State grants and entitlements not restricted					114,020,267
Other					13,824,339
<b>Total general revenues</b>					<b>181,172,074</b>
Change in net position					50,112,233
<b>Net position, (deficit) beginning</b>					<b>(63,513,669)</b>
<b>Net position, (deficit) ending</b>					<b>\$ (13,401,436)</b>

See accompanying notes to the basic financial statements

# Fairbanks North Star Borough School District

## Governmental Funds

### Balance Sheet

June 30, 2023

(With comparative totals for 2022)

	General	Student Transportation Special Revenue	Federal Programs Special Revenue
<b>Assets</b>			
Equity in central treasury cash	\$ 16,633,353	\$ 4,279,776	\$ 43,916
Accounts receivable	227,272	128,750	9,423,217
Due from other funds	7,858,337	-	-
Due from Fairbanks North Star Borough	5,414	-	-
Inventories	607,081	-	-
Prepaid items	116,153	-	-
<b>Total assets</b>	<b>\$ 25,447,610</b>	<b>\$ 4,408,526</b>	<b>\$ 9,467,133</b>
<b>Liabilities and Fund Balances (Deficit)</b>			
<b>Liabilities</b>			
Accounts payable	\$ 1,277,131	\$ 226,526	\$ 1,926,365
Accrued payroll and liabilities	1,249,022	-	-
Unearned revenue	-	-	-
Due to other funds	-	-	7,537,934
Due to external groups and agencies	19,263	-	-
<b>Total liabilities</b>	<b>2,545,416</b>	<b>226,526</b>	<b>9,464,299</b>
<b>Fund balances</b>			
Nonspendable	723,234	-	-
Restricted	353,820	1,065,542	2,834
Committed	-	-	-
Assigned	13,161,935	3,116,458	-
Unassigned (deficit)	8,663,205	-	-
<b>Total fund balances (deficit)</b>	<b>22,902,194</b>	<b>4,182,000</b>	<b>2,834</b>
<b>Total liabilities and fund balances</b>	<b>\$ 25,447,610</b>	<b>\$ 4,408,526</b>	<b>\$ 9,467,133</b>

See accompanying notes to the basic financial statements

# Fairbanks North Star Borough School District

## Governmental Funds

### Balance Sheet

June 30, 2023

(With comparative totals for 2022)

		Total Governmental Funds	
	Nonmajor Governmental	2023	2022
<b>Assets</b>			
Equity in central treasury cash	\$ 6,473,409	\$ 27,430,454	\$ 11,286,909
Accounts receivable	296,802	10,076,041	9,912,567
Due from other funds	-	7,858,337	9,266,113
Due from Fairbanks North Star Borough	90,698	96,112	87,504
Inventories	821,566	1,428,647	1,672,577
Prepaid items	-	116,153	298,482
<b>Total assets</b>	<b>\$ 7,682,475</b>	<b>\$ 47,005,744</b>	<b>\$ 32,524,152</b>
<b>Liabilities and Fund Balances (Deficit)</b>			
<b>Liabilities</b>			
Accounts payable	\$ 88,050	\$ 3,518,072	\$ 1,271,352
Accrued payroll and liabilities	-	1,249,022	1,425,138
Unearned revenue	357,018	357,018	352,781
Due to other funds	320,403	7,858,337	9,266,113
Due to external groups and agencies	-	19,263	17,807
<b>Total liabilities</b>	<b>765,471</b>	<b>13,001,712</b>	<b>12,333,191</b>
<b>Fund balances</b>			
Nonspendable	821,566	1,544,800	1,971,059
Restricted	4,553,663	5,975,859	5,282,391
Committed	1,541,775	1,541,775	1,475,730
Assigned	-	16,278,393	11,461,781
Unassigned (deficit)	-	8,663,205	-
<b>Total fund balances (deficit)</b>	<b>6,917,004</b>	<b>34,004,032</b>	<b>20,190,961</b>
<b>Total liabilities and fund balances</b>	<b>\$ 7,682,475</b>	<b>\$ 47,005,744</b>	<b>\$ 32,524,152</b>

See accompanying notes to the basic financial statements



This Page Intentionally Left Blank.

# Fairbanks North Star Borough School District

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2023

Total fund balances for governmental funds		\$ 34,004,032
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	12,651,434	
Accumulated depreciation to date	(10,019,930)	
Right to use leased assets, net of amortization	19,000,205	
Subscription-Based Information Technology Arrangement, net of amortization	325,131	
Intangible assets, net of accumulated amortization	<u>50,197</u>	
Total capital assets		22,007,037
Other long-term assets are not available to pay for current-period expenditures and; therefore; are not reported in the funds.		
Net pension and other posteemployment asset		64,119,192
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.		
		6,145,603
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	(4,345,187)	
Leases	(19,983,424)	
Subscription-Based Information Technology Arrangements	(242,580)	
Net pension liability	<u>(130,841,957)</u>	
Total long-term liabilities		(155,413,148)
Certain changes in net pension liabilities are deferred rather than recognized immediately. These are amortized over time.		
Deferred outflows of resources related to pensions	14,628,355	
Deferred outflows of resources related to other postemployment benefits	7,899,978	
Deferred inflows of resources related to pensions	(2,439,217)	
Deferred inflows of resources related to other postemployment benefits	<u>(4,353,268)</u>	
Total deferred pension and other posteemployment benefit items		<u>15,735,848</u>
<b>Total net position of governmental activities</b>		<b><u>\$ (13,401,436)</u></b>

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, 2023

(With comparative totals for 2022)

	General	Student Transportation Special Revenue	Federal Programs Special Revenue
<b>Revenues:</b>			
Local sources	\$ 54,453,972	\$ 253,000	\$ -
State sources	121,688,320	10,675,720	-
Federal sources	13,815,606	-	28,572,969
<b>Total revenues</b>	<b>189,957,898</b>	<b>10,928,720</b>	<b>28,572,969</b>
<b>Expenditures - current:</b>			
Instruction	75,450,375	-	13,859,499
Special education instruction	23,046,539	-	3,853,438
Special education support services - students	8,353,345	-	-
Support services - students	11,185,666	-	4,580,201
Support services - instruction	7,879,205	-	1,660,022
Support services - technology	482,213	-	-
School administration	7,816,943	-	383,880
School administration support services	4,987,541	-	99,221
District administration	2,563,179	-	-
District administration support services	10,220,794	-	3,063,622
Operations and maintenance of plant	21,202,583	-	757,240
Student activities	1,422,214	-	222,326
Student transportation - to and from school	-	11,530,547	-
Food services	-	-	93,520
Debt service:			
Interest	1,046,447	-	-
Principal	875,896	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>176,532,940</b>	<b>11,530,547</b>	<b>28,572,969</b>
Excess (deficiency) of revenues over expenditures	13,424,958	(601,827)	-
<b>Other financing sources (uses):</b>			
Lease liabilities issued	451,743	-	-
Proceeds from sale of capital assets	8,725	-	-
<b>Total other financing sources (uses)</b>	<b>460,468</b>	<b>-</b>	<b>-</b>
Net change in fund balances	13,885,426	(601,827)	-
<b>Fund balances - beginning</b>	<b>9,016,768</b>	<b>4,783,827</b>	<b>2,834</b>
<b>Fund balances - ending</b>	<b>\$ 22,902,194</b>	<b>\$ 4,182,000</b>	<b>\$ 2,834</b>

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, 2023

(With comparative totals for 2022)

		Total Governmental Funds	
	Nonmajor Governmental	2023	2022
<b>Revenues:</b>			
Local sources	\$ 4,776,202	\$ 59,483,174	\$ 54,193,459
State sources	451,996	132,816,036	134,541,289
Federal sources	5,071,105	47,459,680	48,278,683
<b>Total revenues</b>	10,299,303	239,758,890	237,013,431
<b>Expenditures - current:</b>			
Instruction	129,116	89,438,990	94,823,305
Special education instruction	-	26,899,977	28,869,225
Special education support services - students	-	8,353,345	8,618,726
Support services - students	490,041	16,255,908	17,183,923
Support services - instruction	8,135	9,547,362	9,786,495
Support services - technology	-	482,213	779,492
School administration	-	8,200,823	8,834,694
School administration support services	-	5,086,762	5,926,187
District administration	-	2,563,179	2,821,164
District administration support services	24,530	13,308,946	12,254,775
Operations and maintenance of plant	22,151	21,981,974	22,168,435
Student activities	2,716,802	4,361,342	4,061,028
Student transportation - to and from school	-	11,530,547	9,331,883
Food services	6,045,582	6,139,102	6,880,265
Debt service:			
Interest	-	1,046,447	1,106,041
Principal	-	875,896	1,102,238
Capital outlay	333,482	333,482	688,115
<b>Total expenditures</b>	9,769,839	226,406,295	235,235,991
Excess (deficiency) of revenues over expenditures	529,464	13,352,595	1,777,440
<b>Other financing sources (uses):</b>			
Lease liabilities issued	-	451,743	-
Proceeds from sale of capital assets	8	8,733	26
<b>Total other financing sources (uses)</b>	8	460,476	26
Net change in fund balances	529,472	13,813,071	1,777,466
<b>Fund balances - beginning</b>	6,387,532	20,190,961	18,413,495
<b>Fund balances - ending</b>	\$ 6,917,004	\$ 34,004,032	\$ 20,190,961

See accompanying notes to the basic financial statements

This Page Intentionally Left Blank.

# 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, 2023

Net change in fund balances - total governmental funds \$ 13,813,071

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 and amortization exceeded capital outlays:

Capital outlay and equipment purchases	370,899	
Current depreciation/amortization expense	<u>(1,793,994)</u>	(1,423,095)

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. (438,983)

The issuance of long-term debt (e.g. leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Repayment of principal on capital lease	875,896
---	---------

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. 471,047

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

Contributions subsequent to the measurement date	10,011,254
Employer contribution expense	<u>(10,720,726)</u>

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	25,451,262
OPEB reduction in expense	<u>12,072,507</u>

**Change in Net Position of Governmental Activities \$ 50,112,233**

See accompanying notes to the basic financial statements

# Fairbanks North Star Borough School District

**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2023**  
**(With comparative totals for 2022)**

	Governmental Activities	
	Internal Service Funds	
	2023	2022
<b>Assets</b>		
<b>Current Assets</b>		
Equity in central treasury cash	\$ 9,751,343	\$ 12,461,657
Accounts receivable	2,304,119	1,398,828
Total current assets	12,055,462	13,860,485
<b>Total assets</b>	<b>\$ 12,055,462</b>	<b>\$ 13,860,485</b>
<b>Liabilities and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ -	\$ 283,978
Claims payable	4,736,234	5,036,865
Total current liabilities	4,736,234	5,320,843
<b>Noncurrent Liabilities</b>		
Claims payable	59,208	41,858
Accrued self-insurance reserves	1,114,417	1,913,198
Total noncurrent liabilities	1,173,625	1,955,056
<b>Total liabilities</b>	<b>5,909,859</b>	<b>7,275,899</b>
<b>Net Position</b>		
Unrestricted	6,145,603	6,584,586
<b>Total net position</b>	<b>\$ 6,145,603</b>	<b>\$ 6,584,586</b>

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, 2023**  
**(With comparative totals for 2022)**

	Governmental Activities	
	Internal Service Funds	
	2023	2022
<b>Operating revenues:</b>		
Local sources:		
Charges for services	\$ 38,114,932	\$ 38,564,481
Other local revenue	-	5,047
Total local sources	38,114,932	38,569,528
<b>Total revenues</b>	<b>38,114,932</b>	<b>38,569,528</b>
<b>Operating expenses:</b>		
Auto and general liability insurance	291,657	733,020
Property and other insurance	620,454	698,347
Workers' compensation insurance	2,064,633	890,380
Health and life insurance	34,471,347	32,104,848
Supplies, materials and media	1,105,824	462,080
<b>Total operating expenses</b>	<b>38,553,915</b>	<b>34,888,675</b>
Operating income (loss)	(438,983)	3,680,853
Change in net position	(438,983)	3,680,853
<b>Net position - beginning</b>	<b>6,584,586</b>	<b>2,903,733</b>
<b>Net position - ending</b>	<b>\$ 6,145,603</b>	<b>\$ 6,584,586</b>

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, 2023**  
**(With comparative totals for 2022)**

	Governmental Activities	
	Internal Service Funds	
	2023	2022
<b>Cash flow from operating activities:</b>		
Receipts from interfund charges	\$ 35,852,769	\$ 36,995,151
Receipts from employees	1,356,872	1,565,845
Payments to suppliers	(2,301,388)	(1,270,955)
Payments to employees	(847,369)	(930,973)
Payments to Fairbanks North Star Borough	(36,771,198)	(33,302,105)
<b>Net cash provided by (used in) operating activities</b>	<b>(2,710,314)</b>	<b>3,056,963</b>
<b>Net increase (decrease) in equity in central treasury cash</b>	<b>(2,710,314)</b>	<b>3,056,963</b>
<b>Equity in central treasury cash - beginning</b>	<b>12,461,657</b>	<b>9,404,694</b>
<b>Equity in central treasury cash - ending</b>	<b>\$ 9,751,343</b>	<b>\$ 12,461,657</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>		
Operating income (loss)	\$ (438,983)	\$ 3,680,853
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Decrease (increase) in accounts receivable	(905,291)	(8,532)
Increase (decrease) in accounts payable	(283,978)	248,462
Increase (decrease) in claims payable, current	(300,631)	(467,862)
Increase (decrease) in claims payable, noncurrent	17,350	(4,853)
Increase (decrease) in accrued self-insurance reserves	(798,781)	(391,105)
<b>Total adjustments</b>	<b>(2,271,331)</b>	<b>(623,890)</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (2,710,314)</b>	<b>\$ 3,056,963</b>

See accompanying notes to the basic financial statements

This Page Intentionally Left Blank.

# Fairbanks North Star Borough School District

**School District Custodial Fund**  
**Statement of Fiduciary Net Position**  
**June 30, 2023**  
**(With comparative totals for 2022)**

	2023	2022
<b>Assets</b>		
Equity in central treasury cash	\$ 40,122	\$ 44,702
<b>Total assets</b>	<b>\$ 40,122</b>	<b>\$ 44,702</b>
<b>Liabilities</b>		
Accounts payable	\$ -	\$ 2,379
<b>Total liabilities</b>	<b>-</b>	<b>2,379</b>
<b>Net Position</b>		
Restricted	40,122	42,323
<b>Total net position</b>	<b>\$ 40,122</b>	<b>\$ 42,323</b>

See accompanying notes to the basic financial statements

# Fairbanks North Star Borough School District

## School District Custodial Fund Statement of Changes in Fiduciary Net Position For the Year Ended June 30, 2023

	2023	2022
<b>Additions:</b>		
Contributions:		
Indiviudals	\$ 31,535	\$ 28,146
<b>Total additions</b>	<b>31,535</b>	<b>28,146</b>
<b>Deductions:</b>		
Other purchased services	1,500	1,601
Supplies, materials and media	30,823	17,743
Other expenses	1,290	4,879
<b>Total deductions</b>	<b>33,736</b>	<b>24,223</b>
Net change in fund balance	(2,201)	3,923
<b>Net position - beginning</b>	<b>42,323</b>	<b>38,400</b>
<b>Net position - ending</b>	<b>\$ 40,122</b>	<b>\$ 42,323</b>

See accompanying notes to the basic financial statements

This Page Intentionally Left Blank.

# 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, 2023

### 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, 2023

### 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.

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

#### Proprietary Funds

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

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

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

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

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

#### Fiduciary Funds

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

The custodial fund reports only assets and liabilities are reported using the economic resources measurement focus and the accrual basis of accounting.

# Fairbanks North Star Borough School District

## Summary of Significant Accounting Policies (continued) June 30, 2023

### 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 assets 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 asset 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, 2023

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

---

#### Pensions and Postemployment Benefits Other Than Pensions (OPEB)

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

#### Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation pay benefits. Each employee group agreement of the District allows for the payment of varying amounts of unused annual/personal leave subject to certain restrictions and maximum accumulations. At termination accumulated annual leave is paid and accumulated personal leave is forfeited for two of the three employee group agreements. All vacation leave is reported when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of impending employee resignations and retirements.

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

#### Other Long-Term Liabilities

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

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

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

#### Net Position / Fund Balance

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

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

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

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

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

# Fairbanks North Star Borough School District

## Summary of Significant Accounting Policies (continued) June 30, 2023

### 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, 2023.

	General Fund	Student Transportation Special Revenue Fund	Federal Programs Special Revenue Fund	Nonmajor Governmental Funds	Totals
Non-spendable:					
Inventory	\$ 607,081	\$ -	\$ -	\$ 821,566	\$ 1,428,647
Prepaid items	116,153	-	-	-	116,153
Total non-spendable	723,234	-	-	821,566	1,544,800
					-
Restricted:					
Student allotments	353,820	-	-	-	353,820
Student transportation	-	1,065,542	-	-	1,065,542
Federal programs	-	-	2,834	-	2,834
Construction	-	-	-	2,649,936	2,649,936
Food service	-	-	-	1,777,426	1,777,426
Local programs	-	-	-	92,699	92,699
State programs	-	-	-	33,602	33,602
Total restricted	353,820	1,065,542	2,834	4,553,663	5,975,859
					-
Committed:					
Local programs	-	-	-	-	-
School activities	-	-	-	1,541,775	1,541,775
Total committed	-	-	-	1,541,775	1,541,775
					-
Assigned:					
Encumbrances: Operations & Maint.	2,120,219	-	-	-	2,120,219
Impact aid advance	11,041,716	-	-	-	11,041,716
Subsequent year's expenditures	-	-	-	-	-
Student transportation	-	3,116,458	-	-	3,116,458
Food service	-	-	-	-	-
Construction	-	-	-	-	-
Total assigned	13,161,935	3,116,458	-	-	16,278,393
					-
Unassigned	8,663,205	-	-	-	8,663,205
					-
<b>Total fund balance</b>	<b>\$ 22,902,194</b>	<b>\$ 4,182,000</b>	<b>\$ 2,834</b>	<b>\$ 6,917,004</b>	<b>\$ 34,004,032</b>

# Fairbanks North Star Borough School District

## Summary of Significant Accounting Policies (continued) June 30, 2023

### 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.

#### Indirect Costs

The State of Alaska, Department of Education and Early Development annually establishes an approved indirect rate for each District based on audited financial statements. The rate is based on expenditures recorded per requirements in the Uniform Chart of Accounts for School Districts and as such there is no indirect cost pool. Indirect costs and indirect cost recovery is recorded in the District Administrative Support Services function.

#### Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

#### 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, 2022, 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, 2023

### Note 1: Equity in Central Treasury Cash and Investments

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

#### *Custodial Credit Risk*

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

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

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

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

The Borough also invests in the Alaska Municipal League Investment Pool, Inc. (Pool). The Pool is not SEC-registered, but is a 2a7-like money market fund, operating in a manner consistent with that rule. In December 2022, 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, 2023, 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, 2023 follows:

Due to/from other funds	Interfund receivable	Interfund payable
General fund	\$ 7,858,337	\$ -
Federal programs special revenue fund	-	7,537,934
Student transportation special revenue fund	-	-
Nonmajor governmental funds	-	320,403
<b>Total amount due to/from other funds</b>	<b>\$ 7,858,337</b>	<b>\$ 7,858,337</b>

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. There were no transfers as of June 30, 2023.



# Fairbanks North Star Borough School District

## Notes to the Basic Financial Statements (continued) June 30, 2023

### Note 3: Capital Assets

Significant capital construction and related capital asset activity relevant to the District has been recorded on the Borough's financial statements. Capital asset activity for the year ended June 30, 2023 follows:

Governmental Activities	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023
Machinery and equipment	\$ 12,369,217	\$ 370,899	\$ (88,682)	\$ 12,651,434
Less accumulated depreciation	(9,524,631)	(583,981)	88,682	(10,019,930)
Total, net of accumulated depreciation	2,844,586	(213,082)	-	2,631,504
Leased right to use	22,189,602	-	-	22,189,602
Less accumulated amortization	(2,120,631)	(1,068,766)	-	(3,189,397)
Total, net of accumulated amortization	20,068,971	(1,068,766)	-	19,000,205
Subscription-Based Information Technology Arrangement Assets	-	451,743		451,743
Less accumulated amortization	-	(126,612)		(126,612)
Total, net of accumulated amortization	-	325,131	-	325,131
Intangible assets (software)	1,658,334	-	-	1,658,334
Less accumulated amortization	(1,593,502)	(14,635)	-	(1,608,137)
Total, net of accumulated amortization	64,832	(14,635)	-	50,197
<b>Net capital assets</b>	<b>\$ 22,978,389</b>	<b>\$ (971,352)</b>	<b>\$ -</b>	<b>\$ 22,007,037</b>

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

Instruction	\$ 90,433
Special education instruction	6,966
Special education support services - students	1,012
Support services - students	31,178
Support services - instruction	47,224
Support services - technology	6,508
School administration support services	868
District administration	4,285
District administration support services	260,234
Operations and maintenance of plant	1,308,578
Student activities	1,500
Student transportation - to and from school	5,838
Food services	29,370
<b>Total depreciation and amortization</b>	<b>\$ 1,793,994</b>

## Fairbanks North Star Borough School District

### Notes to the Basic Financial Statements (continued)

June 30, 2023

#### Note 4: Leases

The District has entered into agreements to lease certain building spaces and equipment. These leases are recorded at their present value of the future minimum lease payments as of the date of their inception and amortized over the lease term.

Lease Description	Payment	Termination Date	Renewal Options	Discount Rate
Chinook Charter School	\$315,000 annually	07/31/31	one for 10 years	5.00%
Career Education Center	\$81,850.00 annually	06/30/23	one for 1 year	3.00%
North Pole Academy	\$14,943 monthly	06/30/30	two for 10 years	5.00%
Watershed Charter School	\$31,827 monthly	07/31/29	two for 10 years	5.00%
Boreal Sun Charter School	\$31,200 month	06/30/27	two for 5 years	5.75%
Discovery Peak Charter School	\$31,500 monthly	06/30/29	two for 10 years	5.00%

As a result of these leases, the District has recorded a right to use asset with a total net book value of \$19,000,205, as displayed in further detail in Note 3: Capital Assets. The future minimum lease obligation and net present value of these minimum lease payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 700,348	\$ 1,012,833	\$ 1,713,181
2025	656,645	977,415	1,634,060
2026	691,517	942,543	1,634,060
2027	731,086	905,746	1,636,832
2028	769,925	866,907	1,636,832
2029 - 2033	4,536,926	3,672,756	8,209,682
2034 - 2038	5,534,227	2,336,090	7,870,317
2039 - 2043	3,131,014	1,155,217	4,286,231
2044 - 2048	2,444,234	520,985	2,965,219
2049 - 2053	787,502	32,241	819,743
Total payments	\$ 19,983,424	\$ 12,422,733	\$ 32,406,157



## Fairbanks North Star Borough School District

### Notes to the Basic Financial Statements (continued) June 30, 2023

#### Note 5: Subscription-Based Information Technology Arrangement

The District has entered into subscription-based information technology arrangements (SBITAs) involving the soft wares listed below. These SBITAs are recorded at their present value of the future minimum payments as of the date of their inception and amortized over the SBITAs term.

SBITA Description	Payment	Termination Date	Renewal Options	Discount Rate
Sentinel Security	\$102,826 annually	06/30/25	none	5.00%
Blackboard	\$111,080 annually	07/31/28	none	5.00%
Follett Destiny	\$106,337 one-time	09/30/25	none	5.00%
Powerschool	\$65,608 annually	06/30/26	none	5.00%

As a result of these, the District has recorded a SBITA asset with a total net book value of \$325,131, as displayed in further detail in Note 3: Capital Assets. The future minimum lease obligation and net present value of these minimum lease payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 93,266	\$ 9,560	\$ 102,826
2025	97,930	4,896	102,826
Total payments	\$ 191,196	\$ 14,456	\$ 205,652

#### Note 6: Long-Term Obligations

Long-term liabilities for governmental activities for the year ended June 30, 2023 follows:

Governmental Activities	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023	Due Within One Year
Compensated absences	\$ 4,816,234	\$ 3,934,896	\$ (4,405,943)	\$ 4,345,187	\$ 4,050,429
Claims on reserves	6,991,921	35,059,044	(36,141,106)	5,909,859	4,736,234
Leasees	20,650,157	-	(666,733)	19,983,424	700,348
SBITA	-	451,743	(260,547)	191,196	93,266
Net pension liability	95,332,340	35,509,617	-	130,841,957	-
Net OPEB liability	-	-	-	-	-
Total long term liabilities	\$ 127,790,652	\$ 74,955,300	\$ (41,474,329)	\$ 161,271,623	\$ 9,580,277

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, 2023

#### Note 7: 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, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
2013, Series Q	\$ 1,850,000	\$ -	\$ (1,850,000)	\$ -	\$ -
2015, Series S	4,100,000	-	(1,615,000)	2,485,000	1,685,000
2016, Series T	45,380,000	-	(2,410,000)	42,970,000	2,530,000
2019, Series U	5,045,749	-	(306,333)	4,739,416	-
2020, Series W	20,330,000	-	(2,705,000)	17,625,000	2,870,000
<b>Total bonds</b>	<b>\$ 76,705,749</b>	<b>\$ -</b>	<b>\$ (8,886,333)</b>	<b>\$ 67,819,416</b>	<b>\$ 7,085,000</b>

Annual debt service requirements to maturity for school-related general obligation bonds are as shown below. During the year, the Borough paid total principal and interest of \$3,509,662 for school-related debt service.

Year Ending June 30,	Principal	Interest	Total
2024	\$ 7,085,000	\$ 2,614,900	\$ 9,699,900
2025	6,485,000	2,275,650	8,760,650
2026	5,985,000	1,963,900	7,948,900
2027	5,600,000	1,674,275	7,274,275
2028	5,020,000	1,439,375	6,459,375
2029 - 2033	21,110,000	4,344,300	25,454,300
2034 - 2038	11,795,000	860,450	12,655,450
<b>Total principal and interest</b>	<b>\$ 63,080,000</b>	<b>\$ 15,172,850</b>	<b>\$ 78,252,850</b>

#### Note 8: Commitments

As of June 30, 2023 the District had encumbered amounts intended to honor in the subsequent year for the following governmental funds:

Encumbrances	2023
Major Governmental funds:	
General fund	\$ 2,120,219
Federal programs special revenue fund	344,390
Student transportation special revenue fund	830
<b>Total major governmental funds</b>	<b>\$ 2,465,440</b>
Nonmajor governmental funds:	
Special revenue funds	\$ 196,162
Capital projects fund	130,426

# Fairbanks North Star Borough School District

## Notes to the Basic Financial Statements (continued) June 30, 2023

### Note 9: 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.

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

Claims liability	2023	2022
July 1	\$ 6,991,921	\$ 7,855,741
Current year claims	34,655,140	32,118,800
Changes in estimates	403,905	(922,468)
Claims payments	(36,141,107)	(32,060,152)
June 30	\$ 5,909,859	\$ 6,991,921

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, 2023 and 2022 was \$2,304,119 and \$1,398,828, respectively.

# Fairbanks North Star Borough School District

## Notes to the Basic Financial Statements (continued) June 30, 2023

### Note 10: 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	2023	2022
Risk management overhead	\$ 655,105	\$ 727,193
Auto/general liability, property and other insurance premiums	1,638,992	1,499,327
Workers' compensation insurance premiums	262,427	214,563
Health and workers' compensation claims paid	32,672,628	30,855,869
General/auto liabilities, errors & omissions claims paid	183,793	13,952
Audit	29,524	69,840
<b>Total allocated services</b>	<b>\$ 35,442,469</b>	<b>\$ 33,380,744</b>

### Note 11: 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 annual comprehensive 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.

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

# Fairbanks North Star Borough School District

## Notes to the Basic Financial Statements (continued) June 30, 2023

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.

The District's contribution rates for the 2023 fiscal year were as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
<b>PERS</b>			
Pension	22.00%	18.38%	2.79%
Postemployment healthcare	0.00%	6.41%	0.00%
<b>Total contribution rates</b>	22.00%	24.79%	2.79%

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
<b>TRS</b>			
Pension	12.56%	117.90%	112.06%
Postemployment healthcare	0.00%	6.72%	0.00%
<b>Total contribution rates</b>	12.56%	124.62%	112.06%

# Fairbanks North Star Borough School District

## Notes to the Basic Financial Statements (continued) June 30, 2023

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

	Measurement Period		Fiscal Year	
	July 1, 2021		July 1, 2022	
	to		to	
	June 30, 2022		June 30, 2023	
<b>PERS</b>				
Employer contributions (including DBUL)	\$	4,588,036	\$	4,932,766
Nonemployer contributions (on-behalf)		3,048,450		975,220
<b>Total contributions</b>	\$	7,636,486	\$	5,907,986

In addition, employee contributions to the plan totaled \$731,696 during the District's fiscal year.

	Measurement Period		Fiscal Year	
	July 1, 2021		July 1, 2022	
	to		to	
	June 30, 2022		June 30, 2023	
<b>TRS</b>				
Employer contributions (including DBUL)	\$	2,690,549	\$	4,298,381
Nonemployer contributions (on-behalf)		12,641,247		7,804,509
<b>Total contributions</b>	\$	15,331,796	\$	12,102,890

In addition, employee contributions to the plan totaled \$2,373,715 during the District's fiscal year.

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

At June 30, 2023, 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	\$	61,736,013	\$	69,105,944
State's proportionate share of NPL associated with the District		17,084,522		92,094,418
<b>Total net pension liability</b>	\$	78,820,535	\$	161,200,362

The total net pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2021 which was rolled forward to June 30, 2022. 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 2024 to 2039 to the plan.

At the measurement date of June 30, 2022 the District's proportionate share of PERS was 1.21126 percent, which was a change of (15.5) percent from its proportion of 1.43351 percent measured as of June 30, 2021. For TRS the District's proportion was 4.145770 percent, which was a change of (22.8) percent from its proportion of 5.37004 percent measured as of June 30, 2021.

## Fairbanks North Star Borough School District

### Notes to the Basic Financial Statements (continued) June 30, 2023

For the year ended June 30, 2023, the District recognized a pension expense of \$(10,965,265) for PERS and a pension expense of \$(8,042,042) for TRS. In addition, the District recognized on-behalf from the State of Alaska in the amount of \$1,116,053 and

\$7,280,464 for PERS and TRS, respectively. At June 30, 2023 the District reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

<b>PERS</b>	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in actuarial assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	1,765,052	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	4,932,766	-
<b>Total deferred outflows and inflows of resources related to pensions</b>	<b>\$ 6,697,818</b>	<b>\$ -</b>

<b>TRS</b>	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ (224,878)
Changes in actuarial assumptions	580,777	-
Net difference between projected and actual earnings on pension plan investments	3,051,379	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(2,214,339)
District contributions subsequent to the measurement date	4,298,381	-
<b>Total deferred outflows and inflows of resources related to pensions</b>	<b>\$ 7,930,537</b>	<b>\$ (2,439,217)</b>

The District reported \$9,231,147 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, 2024. 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
2023	\$ (209,841)	\$ (2,323,289)
2024	(537,862)	(1,140,303)
2025	(1,291,196)	(2,648,120)
2026	3,803,951	7,304,650
2027	-	-
<b>Total amortization</b>	<b>\$ 1,765,052</b>	<b>\$ 1,192,938</b>

# Fairbanks North Star Borough School District

## Notes to the Basic Financial Statements June 30, 2023

### Actuarial Assumptions

The total net pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2022. The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an experience study for the period July 1, 2013 to June 30, 2017,

resulting in changes in actuarial assumptions adopted by the ARM Board to better reflect expected future experience. The assumptions used in the June 30, 2022 actuarial valuation are the same as those used in the June 30, 2021 valuation.

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

---

Inflation rate	2.50%
Salary increases	Graded by service, from 7.00% to 2.85% for teachers. For all others, increases range from 6.75% to 2.85% based on service.
Investment rate of return	7.25%, net of pension plan investment expenses. This is based on average inflation rate of 2.50% and a real rate of return of 4.75%.
Mortality	<p>Pre-commencement mortality rates were based on the Pub-2010 Teachers Employee table and General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 15% of the time for teachers and 35% of the time for all others.</p> <p>Post-commencement mortality rates for health retirees were based on the Pub-2010 Teacher Retiree table and General Retiree table, amount-weighted, and projected with MP-2021 generational improvement.</p> <p>Post-commencement mortality rates for disabled retirees were based on 97% of the Pub-2010 Teachers Retiree table and the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement.</p> <p>Post-commencement mortality rates for teacher beneficiaries were based on 100% of male and 95% of female rates and for all other beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvements. These rates are applied only after the death of the original member.</p>

---



# Fairbanks North Star Borough School District

## Notes to the Basic Financial Statements June 30, 2023

### Long-term Expected Rate of Return

The long-term expected rate of return on 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 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 and adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 are summarized in the following table (note that the rates shown below exclude an inflation component of 2.50%).

Asset Class	Long-Term Expected Real Rate of Return
Broad domestic equity	6.51%
Global equity (non-U.S.)	5.70%
Aggregate bonds	0.31%
Opportunistic	0.00%
Real Assets	3.71%
Private equity	9.61%
Cash equivalents	-0.50%

### Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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 Plan investments was applied to all periods

of projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability as of June 30, 2023, calculated using the discount rate of 7.25%, as well as what the Plan's 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 Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
<b>PERS</b>				
Net pension liability	100.00%	\$ 6,861,457,000	\$ 5,096,851,000	\$ 3,608,924
District's proportionate share of the NPL	1.21126%	\$ 83,109,944	\$ 61,736,013	\$ 43,713,379
	Proportionate Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
<b>TRS</b>				
Net pension liability	100.00%	\$ 2,493,199,000	\$ 1,666,902,000	\$ 969,858,000
District's proportionate share of the NPL	4.14577%	\$ 103,362,327	\$ 69,105,944	\$ 40,208,094

# Fairbanks North Star Borough School District

## Notes to the Basic Financial Statements (continued) June 30, 2023

### ***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 12: 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 annual comprehensive 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, 2023 forfeitures reduced pension's expenses by \$314,512.

### ***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, 2023, 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, 2023 were \$1,353,832 and \$2,166,104, respectively. The District and employee contributions to TRS for pensions for the year ended June 30, 2023 were \$3,007,245 and \$3,436,840, respectively. District contributions are recognized as pension expenditures.

# Fairbanks North Star Borough School District

## Notes to the Basic Financial Statements (continued) June 30, 2023

### Note 13: 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 annual comprehensive 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, 2023 were as follows:

	PERS	TRS
Alaska Retiree Healthcare Trust	0.00%	0.00%
Retiree Medical Plan	1.10%	0.87%
Occupational Death and Disability Benefits	0.68%	0.08%
<b>Total contribution rates</b>	<b>1.78%</b>	<b>0.95%</b>

# Fairbanks North Star Borough School District

## Notes to the Basic Financial Statements June 30, 2023

In 2022, the District was credited with the following contributions to the OPEB plans:

	Measurement Period July 1, 2021 to June 30, 2022	Fiscal Year July 1, 2022 to June 30, 2023
<b>PERS</b>		
Employer contributions - ARHCT	\$ 697,828	\$ -
Employer contributions - RMP	284,083	293,083
Employer contributions - ODD	82,273	79,948
<b>Total contributions</b>	<b>\$ 1,064,184</b>	<b>\$ 373,031</b>

	Measurement Period July 1, 2021 to June 30, 2022	Fiscal Year July 1, 2022 to June 30, 2023
<b>TRS</b>		
Employer contributions - ARHCT	\$ 1,995,868	\$ 429
Employer contributions - RMP	348,497	372,408
Employer contributions - ODD	33,592	34,239
<b>Total contributions</b>	<b>\$ 2,377,957</b>	<b>\$ 407,076</b>

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

At June 30, 2023, 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	\$ (23,668,111)	\$ (37,075,052)
District's proportionate share of NOL (asset) - RMP	(583,114)	(1,651,659)
District's proportionate share of NOL (asset) - ODD	(625,138)	(516,118)
<b>Total District's proportionate share of NOL (asset)</b>	<b>(24,876,363)</b>	<b>(39,242,829)</b>
State's proportionate share of ARHCT NOL associated with the District	(6,763,750)	(47,683,553)
<b>Total net OPEB liability (asset)</b>	<b>\$ (31,640,113)</b>	<b>\$ (86,926,382)</b>

## Fairbanks North Star Borough School District

### Notes to the Basic Financial Statements June 30, 2023

The total net OPEB (asset) liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021 which was rolled forward to June 30, 2022. 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, 2021 Measurement Date Employer Proportion	June 30, 2022 Measurement Date Employer Proportion	Change
<b>PERS</b>			
District's proportionate share of the net OPEB liability (asset):			
ARHCT	1.43952%	1.20291%	-0.23661%
RMP	1.70705%	1.67899%	-0.02806%
ODD	1.44970%	1.42602%	-0.02368%
	June 30, 2021 Measurement Date Employer Proportion	June 30, 2022 Measurement Date Employer Proportion	Change
<b>TRS</b>			
District's proportionate share of the net OPEB liability (asset):			
ARHCT	5.58124%	4.22991%	-1.35133%
RMP	9.12255%	8.52865%	-0.59390%
ODD	9.14138%	8.54500%	-0.59638%

For the year ended June 30, 2023, the District recognized a reduction of OPEB expense of \$(34,945,696) for PERS and \$(70,585,167) for TRS. In addition, the District recognized a reduction of revenue

equal to the nonemployer portion of total OPEB expense of \$(2,297,598) and \$(11,447,068) for PERS and TRS, respectively.

## Fairbanks North Star Borough School District

### Notes to the Basic Financial Statements June 30, 2023

At June 30, 2023 the District reported deferred outflows and deferred inflows of resources related to PERS OPEB from the following sources:

<b>PERS - Deferred Outflow of Resources</b>	<b>ARHCT</b>	<b>RMP</b>	<b>ODD</b>	<b>Total</b>
Difference between expected and actual experience	\$ -	\$ 28,905	\$ -	\$ 28,905
Changes in actuarial assumptions	-	112,905	-	112,905
Net difference between projected and actual earnings on pension plan investments	1,342,778	83,171	21,171	1,447,120
Changes in proportion and differences between District contributions and proportionate share of contributions	658,132	5,397	27,607	691,136
District contributions subsequent to the measurement date	-	293,083	79,948	373,031
<b>Total deferred outflows of resources related to OPEB</b>	<b>\$ 2,000,910</b>	<b>\$ 523,461</b>	<b>\$ 128,726</b>	<b>\$ 2,653,097</b>

<b>PERS - Deferred Inflows of Resources</b>	<b>ARHCT</b>	<b>RMP</b>	<b>ODD</b>	<b>Total</b>
Difference between expected and actual experience	\$ (167,523)	\$ (22,914)	\$ (205,081)	\$ (395,518)
Changes in actuarial assumptions	(1,086,164)	(699,172)	(3,981)	(1,789,317)
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(9,584)	(15,117)	(24,701)
<b>Total deferred inflows of resources related to OPEB</b>	<b>\$ (1,253,687)</b>	<b>\$ (731,670)</b>	<b>\$ (224,179)</b>	<b>\$ (2,209,536)</b>

The District reported \$373,031 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

<b>PERS - Year ending June 30,</b>	<b>ARHCT</b>	<b>RMP</b>	<b>ODD</b>	<b>Total</b>
2022	\$ (821,069)	\$ (84,232)	\$ (35,769)	\$ (941,070)
2023	(470,912)	(88,302)	(36,827)	(596,041)
2024	(1,060,849)	(101,146)	(40,189)	(1,202,184)
2025	3,100,052	11,162	(10,189)	3,101,025
2026	-	(107,047)	(24,082)	(131,129)
Thereafter	-	(131,728)	(38,345)	(170,073)
<b>Total amortization</b>	<b>\$ 747,222</b>	<b>\$ (501,293)</b>	<b>\$ (185,401)</b>	<b>\$ 60,528</b>

## Fairbanks North Star Borough School District

### Notes to the Basic Financial Statements June 30, 2023

At June 30, 2023 the District reported deferred outflows and deferred inflows of resources related to TRS OPEB from the following sources:

<b>TRS - Deferred Outflow of Resources</b>	<b>ARHCT</b>	<b>RMP</b>	<b>ODD</b>	<b>Total</b>
Difference between expected and actual experience	\$ -	\$ 281,171	\$ -	\$ 281,171
Changes in actuarial assumptions	-	97,679	-	97,679
Net difference between projected and actual earnings on pension plan investments	1,918,635	127,520	12,288	2,058,443
Changes in proportion and differences between District contributions and proportionate share of contributions	2,329,568	48,789	24,155	2,402,512
District contributions subsequent to the measurement date	429	372,408	34,239	407,076
<b>Total deferred outflows of resources related to OPEB</b>	<b>\$ 4,248,632</b>	<b>\$ 927,567</b>	<b>\$ 70,682</b>	<b>\$ 5,246,881</b>

<b>TRS - Deferred Inflows of Resources</b>	<b>ARHCT</b>	<b>RMP</b>	<b>ODD</b>	<b>Total</b>
Difference between expected and actual experience	\$ (131,358)	\$ (77,960)	\$ (79,912)	\$ (289,230)
Changes in actuarial assumptions	(840,313)	(981,653)	(1,369)	(1,823,335)
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(15,921)	(15,246)	(31,167)
<b>Total deferred inflows of resources related to OPEB</b>	<b>\$ (971,671)</b>	<b>\$ (1,075,534)</b>	<b>\$ (96,527)</b>	<b>\$ (2,143,732)</b>

The District reported \$407,076 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

<b>TRS - Year ending June 30,</b>	<b>ARHCT</b>	<b>RMP</b>	<b>ODD</b>	<b>Total</b>
2022	\$ 1,089,408	\$ (96,439)	\$ (11,974)	\$ 980,995
2023	(595,334)	(104,285)	(12,794)	(712,413)
2024	(1,378,924)	(127,603)	(15,187)	(1,521,714)
2025	4,161,383	62,245	3,663	4,227,291
2026	-	(98,199)	(11,861)	(110,060)
Thereafter	-	(156,094)	(11,932)	(168,026)
<b>Total amortization</b>	<b>\$ 3,276,533</b>	<b>\$ (520,375)</b>	<b>\$ (60,085)</b>	<b>\$ 2,696,073</b>

# Fairbanks North Star Borough School District

## Notes to the Basic Financial Statements June 30, 2023

### Actuarial Assumptions

The total net OPEB liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions used in

the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2017, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board in January 2019 to better reflect expected future experience.

Inflation rate	2.50%
Salary increases	Graded by service, from 7.00% to 2.85% for teachers. For all others, increases range from 6.75% to 2.85% based on service.
Investment rate of return	7.25%, net of pension plan investment expenses. This is based on average inflation rate of 2.50% and a real rate of return of 4.75%.
Healthcare cost trend rates (a)	Pre-65 medical: 7.0% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Prescription drugs: 8.0% grading down to 4.5% Employer group waiver program: 8.0% grading down to 4.5%
Mortality	<p>Pre-commencement mortality rates were based on the Pub-2010 Teachers Employee table and General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 15% of the time for teachers and 35% of the time for all others.</p> <p>Post-commencement mortality rates for health retirees were based on the Pub-2010 Teacher Retiree table and General Retiree table, amount-weighted, and projected with MP-2021 generational improvement.</p> <p>Post-commencement mortality rates for disabled retirees were based on 97% of the Pub-2010 Teachers Retiree table and the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement.</p> <p>Post-commencement mortality rates for teacher beneficiaries were based on 100% of male and 95% of female rates and for all other other beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvements. These rates are applied only after the death of the original member.</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 June 30, 2023

### 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, 2022 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
Broad domestic equity	6.51%
Global equity (non-U.S.)	5.70%
Aggregate bonds	0.31%
Opportunistic	0.00%
Real Assets	3.71%
Private equity	9.61%
Cash equivalents	-0.50%

### Discount Rate

The discount rate used to measure the total OPEB liability was 7.25 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, 2023, calculated using the discount rate of 7.25 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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
<b>PERS</b>				
Net OPEB liability (asset) - ARHCT	100.00%	\$ (1,169,018,000)	\$ (1,967,566,000)	\$ (2,637,220,000)
Net OPEB liability (asset) - RMP	100.00%	\$ 66,086,000	\$ (34,730,000)	\$ (6,388,000)
Net OPEB liability (asset) - ODD	100.00%	\$ (41,295,000)	\$ (43,838,000)	\$ (45,827,000)
District's proportionate share of the net OPEB liability (asset):				
ARHCT	1.202910%	\$ (14,062,272)	\$ (23,668,111)	\$ (31,723,468)
RMP	1.678990%	\$ 1,109,578	\$ (583,114)	\$ (107,254)
ODD	1.426020%	\$ (588,874)	\$ (625,138)	\$ (653,501)

## Fairbanks North Star Borough School District

### Notes to the Basic Financial Statements (continued) June 30, 2023

TRS	Proportionate Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net OPEB liability (asset) - ARHCT	100.00%	\$ (571,895,000)	\$ (876,498,000)	\$ (1,130,546,000)
Net OPEB liability (asset) - RMP	100.00%	\$ (28,780,000)	\$ (19,366,000)	\$ (6,837,000)
Net OPEB liability (asset) - ODD	100.00%	\$ (6,059,000)	\$ (6,040,000)	\$ (6,030,000)
District's proportionate share of the net OPEB liability (asset):				
ARHCT	4.229910%	\$ (24,190,628)	\$ (37,075,052)	\$ (47,821,047)
RMP	8.528650%	\$ (583,104)	\$ (1,651,659)	\$ (2,454,546)
ODD	8.545000%	\$ (517,742)	\$ (516,118)	\$ (515,264)

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

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:

The following presents the net OPEB (asset) liability and the District's proportionate share of the net OPEB (asset) liability as of June 30, 2023, calculated using the

PERS	Proportionate Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB liability (asset) - ARHCT	100.00%	\$ (2,715,997,000)	\$ (1,967,566,000)	\$ (1,073,795,000)
Net OPEB liability (asset) - RMP	100.00%	\$ (13,304,000)	\$ (34,730,000)	\$ 70,392,000
Net OPEB liability (asset) - ODD	100.00%	n/a	\$ (43,838,000)	n/a
District's proportionate share of the net OPEB liability (asset):				
ARHCT	1.202910%	\$ (32,671,087)	\$ (23,668,111)	\$ (12,916,822)
RMP	1.678990%	\$ (223,373)	\$ (583,114)	\$ 1,181,876
ODD	1.426020%	n/a	\$ (625,138)	n/a

TRS	Proportionate Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB liability (asset) - ARHCT	100.00%	\$ (1,159,541,000)	\$ (876,498,000)	\$ (1,073,795,000)
Net OPEB liability (asset) - RMP	100.00%	\$ (29,963,000)	\$ (19,366,000)	\$ (4,921,000)
Net OPEB liability (asset) - ODD	100.00%	n/a	\$ (6,040,000)	n/a
District's proportionate share of the net OPEB liability (asset):				
ARHCT	4.229910%	\$ (49,047,509)	\$ (37,075,052)	\$ (22,683,808)
RMP	8.528650%	\$ (2,555,440)	\$ (1,651,659)	\$ (419,695)
ODD	8.545000%	n/a	\$ (516,118)	n/a

# Fairbanks North Star Borough School District

## Notes to the Basic Financial Statements (continued) June 30, 2023

### *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 14: 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 2023 was

\$86.04 per pay period for full-time employees. For PERS part-time employees the flat dollar amount was \$1.43 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 2022, the District contributed \$1,257,976 in DC OPEB costs to PERS and \$1,235,348 in DC OPEB costs to TRS. These amounts have been recognized as expense/expenditures.

### Note 15: 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 annual comprehensive financial report. For the 2023 fiscal year the Alaska State Statute was waived.

### Note 16: 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.

# Fairbanks North Star Borough School District

## Notes to the Basic Financial Statements June 30, 2023

### Note 17: New Accounting Pronouncement

---

In 2023, the District implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The requirements of this Statement apply to the financial statements of all state and local governments.

The new standard requires the District to recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. It establishes

a single model for software subscriptions based on the underlying principle that software subscriptions are financings of the right to use an underlying asset for a period of time. Under this Statement, a lessee is required to recognize a liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the District's leasing activities.

This Page Intentionally Left Blank.

# 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 and Actual For the Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>Revenues:</b>				
Local sources	\$ 53,272,400	\$ 53,272,400	\$ 54,453,972	\$ 1,181,572
State sources	115,720,279	115,720,279	121,688,320	5,968,041
Federal sources	14,754,560	14,754,560	13,815,606	(938,954)
<b>Total revenues</b>	<b>183,747,239</b>	<b>183,747,239</b>	<b>189,957,898</b>	<b>6,210,659</b>
<b>Expenditures:</b>				
Instruction	74,496,291	75,159,346	75,450,375	(291,029)
Special education instruction	24,989,895	24,977,623	23,046,539	1,931,084
Special education support services - students	8,904,031	8,794,600	8,353,345	441,255
Support services - students	12,631,067	12,549,129	11,185,666	1,363,463
Support services - instruction	8,494,067	8,503,154	7,879,205	623,949
Support services - technology:	681,841	702,172	482,213	219,959
School administration	7,488,795	7,651,258	7,816,943	(165,685)
School administration support services	5,316,406	5,268,136	4,987,541	280,595
District administration	2,470,987	2,536,360	2,563,179	(26,819)
District administration support services	9,504,051	9,636,105	10,220,794	(584,689)
Operations and maintenance of plant	20,488,899	21,703,787	21,202,583	501,204
Student activities	1,642,937	1,596,949	1,422,214	174,735
<b>Debt service:</b>				
Interest	-	-	1,046,447	(1,046,447)
Principal	-	-	875,896	(875,896)
<b>Total debt service</b>	<b>-</b>	<b>-</b>	<b>1,922,343</b>	<b>(1,922,343)</b>
<b>Total expenditures</b>	<b>177,109,267</b>	<b>179,078,619</b>	<b>176,532,940</b>	<b>2,545,679</b>
Excess (deficiency) of revenues over expenditures	6,637,972	4,668,620	13,424,958	8,756,338
<b>Other financing sources (uses):</b>				
Lease liabilities issued			451,743	451,743
Proceeds from sale of capital assets	-	-	8,725	8,725
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>460,468</b>	<b>460,468</b>
Net change in fund balance	\$ 6,637,972	\$ 4,668,620	13,885,426	\$ 9,216,806
<b>Fund balance - beginning</b>			9,016,768	
<b>Fund balance - ending</b>			\$ 22,902,194	

See accompanying notes to Required Supplementary Information.

# Fairbanks North Star Borough School District

## Student Transportation Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Local sources	\$ -	\$ -	\$ 253,000	\$ 253,000
State sources	10,342,332	10,342,332	10,675,720	333,388
<b>Total revenues</b>	10,342,332	10,342,332	10,928,720	586,388
<b>Expenditures:</b>				
Student transportation - to and from school	12,703,316	12,334,658	11,530,547	804,111
<b>Total expenditures</b>	12,703,316	12,334,658	11,530,547	804,111
Excess (deficiency) of revenues over expenditures	(2,360,984)	(1,992,326)	(601,827)	1,390,499
Net change in fund balance	<u>\$ (2,360,984)</u>	<u>\$ (1,992,326)</u>	(601,827)	<u>\$ 1,390,499</u>
<b>Fund balance - beginning</b>			4,783,827	
<b>Fund balance - ending</b>			<u>\$ 4,182,000</u>	

See accompanying notes to Required Supplementary Information.



# Fairbanks North Star Borough School District

## Federal Programs Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual For the Year Ended June 30, 2023

	Budgeted Amounts			Actual on	Variance
	Original	Final	Actual	Budgetary	with Final
				Basis	Budget
<b>Revenues:</b>					
Federal sources	\$ 11,000,000	\$ 42,670,197	\$ 28,572,969	\$ 28,572,969	\$ (14,097,228)
<b>Total revenues</b>	11,000,000	42,670,197	28,572,969	28,572,969	(14,097,228)
<b>Expenditures:</b>					
Instruction	4,640,000	22,289,775	13,859,499	13,936,051	8,430,276
Special education instruction	3,275,000	5,790,255	3,853,438	3,853,438	1,936,817
Support services - students	250,000	6,236,208	4,580,201	4,390,185	1,656,007
Support services - instruction	2,835,000	2,917,172	1,660,022	1,665,022	1,257,150
School administration	-	530,165	383,880	383,880	146,285
School administration support services	-	98,045	99,221	99,221	(1,176)
District administration support services	-	3,538,794	3,063,622	3,106,162	475,172
Operations and maintenance of plant	-	859,101	757,240	757,240	101,861
Student activities	-	255,384	222,326	222,326	33,058
Food service	-	-	93,520	93,520	(93,520)
<b>Total current</b>	11,000,000	42,514,899	28,572,969	28,507,045	13,941,930
<b>Total expenditures</b>	11,000,000	42,514,899	28,572,969	28,507,045	13,941,930
Excess (deficiency) of revenues over expenditures	-	155,298	-	65,924	(155,298)
Net change in fund balance	\$ -	\$ 155,298	-	\$ 65,924	\$ (155,298)
<b>Fund balance - beginning</b>			2,834		
<b>Fund balance - ending</b>			\$ 2,834		

See accompanying notes to Required Supplementary Information.

# Fairbanks North Star Borough School District

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

Fiscal Year	District's proportion of the net pension liability (asset)	District's proportionate share of the net pension liability (asset)	State of Alaska's proportionate share of the net pension liability (asset)	Total net pension liability (asset)	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 (asset)
2015	0.83535%	\$ 38,961,973	\$ 34,637,437	\$ 73,599,410	\$ 22,799,065	170.89%	62.37%
2016	1.59763%	77,485,110	20,753,489	98,238,599	21,055,300	368.01%	63.96%
2017	1.46640%	81,965,649	10,328,585	92,294,234	19,703,788	415.99%	59.55%
2018	1.15616%	59,766,961	22,267,660	82,034,621	18,026,510	331.55%	63.37%
2019	1.24569%	61,898,825	17,928,534	79,827,359	16,068,624	385.22%	65.19%
2020	1.15680%	63,325,850	25,142,649	88,468,499	14,295,690	442.97%	63.42%
2021	1.18675%	70,032,235	28,978,856	99,011,091	14,364,419	487.54%	61.61%
2022	1.43351%	52,588,281	7,123,584	59,711,865	12,683,306	414.63%	76.46%
2023	1.21126%	61,736,013	17,084,522	78,820,535	10,800,693	571.59%	67.97%

\* Information for previous years is not available

# Fairbanks North Star Borough School District

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

Fiscal Year	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
2015	\$ 3,512,945	\$ 3,512,945	\$ -	\$ 21,055,300	16.68%
2016	3,576,532	3,576,532	-	19,703,788	18.15%
2017	3,967,085	3,967,085	-	18,026,510	22.01%
2018	4,376,828	4,410,368	(33,540)	16,068,624	27.45%
2019	4,159,194	4,177,930	(18,736)	14,295,690	29.23%
2020	4,029,891	4,003,266	26,625	14,364,419	27.87%
2021	4,501,740	4,586,431	(84,691)	12,683,306	36.16%
2022	4,596,702	4,588,036	8,666	10,800,693	42.48%
2023	4,939,565	4,932,766	6,799	9,355,938	52.72%

\* 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 (Asset)**  
**Teachers' Retirement System (TRS)**  
**Defined Benefit Pension Plan**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>District's proportion of the net pension liability (asset)</b>	<b>District's proportionate share of the net pension liability (asset)</b>	<b>State of Alaska's proportionate share of the net pension liability (asset)</b>	<b>Total net pension liability (asset)</b>	<b>District's covered payroll</b>	<b>District's proportionate share of the net pension liability as a percentage of its covered payroll</b>	<b>Plan fiduciary net position as a percentage of the total pension liability (asset)</b>
2015	1.58672%	\$ 47,586,729	\$ 249,903,789	\$ 297,490,518	\$ 54,739,191	86.93%	55.70%
2016	3.90081%	72,572,580	115,994,452	188,567,032	52,103,588	139.29%	73.82%
2017	4.60671%	105,186,990	125,022,680	230,209,670	49,079,783	214.32%	68.40%
2018	3.55078%	71,960,606	125,588,693	197,549,299	46,120,887	156.03%	72.39%
2019	3.88135%	74,301,775	110,464,440	184,766,215	43,588,853	170.46%	74.09%
2020	4.00383%	74,813,286	110,957,378	185,770,664	40,023,497	186.92%	74.68%
2021	3.76323%	76,510,866	132,771,021	209,281,887	38,468,607	198.89%	72.81%
2022	5.37004%	42,744,059	36,273,616	79,017,675	34,577,440	123.62%	89.43%
2023	4.14577%	69,105,944	92,094,418	161,200,362	30,760,983	224.65%	7833.00%

\* Information for previous years is not available

# Fairbanks North Star Borough School District

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

Fiscal Year	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
2015	\$ 3,882,614	\$ 3,882,614	\$ -	\$ 52,103,588	7.45%
2016	3,589,818	3,589,818	-	49,079,783	7.31%
2017	3,815,829	3,815,829	-	46,120,887	8.27%
2018	4,004,840	4,017,542	(12,702)	43,588,853	9.22%
2019	3,742,806	3,731,294	11,512	40,023,497	9.32%
2020	3,426,561	3,449,079	(22,518)	38,468,607	8.97%
2021	2,788,813	2,904,889	(116,076)	34,577,440	8.40%
2022	2,779,981	2,690,549	89,432	30,760,983	8.75%
2023	4,252,668	4,298,381	(45,713)	27,095,165	15.86%

\* 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 (Asset) Teachers' Retirement System (TRS) Defined Benefit OPEB Plan Last Ten Fiscal Years

Fiscal Year	District's proportion of the net pension liability (asset)	District's proportionate share of the net pension liability (asset)	State of Alaska's proportionate share of the net pension liability (asset)	Total net pension liability (asset)	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 (asset)
<b>Alaska Retiree Health Care Trust (ARHCT)</b>							
2018	3.53977%	\$ 13,021,604	\$ 11,418,299	\$ 24,439,903	\$ 46,120,887	28.23%	93.75%
2019	3.87239%	12,040,777	17,968,742	30,009,519	43,588,853	27.62%	90.23%
2020	3.99596%	(6,106,660)	(9,086,472)	(15,193,132)	40,023,497	-15.26%	105.50%
2021	3.75268%	(13,424,971)	(23,399,450)	(36,824,421)	38,468,607	-34.90%	113.78%
2022	5.58124%	(64,892,038)	(50,529,398)	(115,421,436)	34,577,440	-187.67%	145.41%
2023	4.22991%	(37,075,052)	(47,683,553)	(84,758,605)	30,760,983	-120.53%	134.84%
<b>Retiree Medical</b>							
2018	8.59184%	\$ (407,256)	\$ -	\$ (407,256)	\$ 28,837,859	-1.41%	118.16%
2019	8.66246%	(277,026)	-	(277,026)	31,145,862	-0.89%	109.56%
2020	8.81154%	(338,011)	-	(338,011)	32,944,783	-1.03%	110.03%
2021	9.03644%	(891,445)	-	(891,445)	36,948,655	-2.41%	125.59%
2022	9.12255%	(1,831,808)	-	(1,831,808)	41,361,256	-4.43%	142.54%
2023	8.52865%	(1,651,659)	-	(1,651,659)	41,987,368	-3.93%	140.73%
<b>Occupational Death and Disability</b>							
2018	8.59184%	\$ (280,781)	\$ -	\$ (280,781)	\$ 28,837,859	-0.97%	1342.59%
2019	8.66246%	(303,706)	-	(303,706)	31,145,862	-0.98%	1304.81%
2020	8.81797%	(354,571)	-	(354,571)	32,944,783	-1.08%	1409.77%
2021	9.00318%	(387,587)	-	(387,587)	36,948,655	-1.05%	931.08%
2022	9.14138%	(557,167)	-	(557,167)	41,361,256	-1.35%	1254.36%
2023	8.54500%	(516,118)	-	(516,118)	41,987,368	-1.23%	1268.28%

\* 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
<b>Alaska Retiree Health Care Trust (ARHCT)</b>					
2018	\$ 1,983,461	\$ 1,983,461	\$ -	\$ 43,588,853	4.55%
2019	1,813,732	1,813,732	-	40,023,497	4.53%
2020	1,932,510	1,932,510	-	38,468,607	5.02%
2021	2,393,393	2,393,393	-	34,577,440	6.92%
2022	1,995,868	1,995,868	-	30,760,983	6.49%
2023	429	429	-	27,095,165	0.00%
<b>Retiree Medical</b>					
2018	\$ 283,341	\$ 283,341	\$ -	\$ 31,145,862	0.91%
2019	271,832	271,832	-	32,944,783	0.83%
2020	403,145	403,145	-	36,948,655	1.09%
2021	384,658	384,658	-	41,361,256	0.93%
2022	348,497	348,497	-	41,987,368	0.83%
2023	372,408	372,408	-	42,960,990	0.87%
<b>Occupational Death and Disability</b>					
2018	\$ -	\$ -	\$ -	\$ 31,145,862	0.00%
2019	27,525	27,525	-	32,944,783	0.08%
2020	29,578	29,578	-	36,948,655	0.08%
2021	33,091	33,091	-	41,361,256	0.08%
2022	33,592	33,592	-	41,987,368	0.08%
2023	34,239	34,239	-	42,960,990	0.08%

\* 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 (Asset) Public Employees' Retirement System (PERS) Defined Benefit OPEB Plan Last Ten Fiscal Years

Fiscal Year	District's proportion of the net pension liability (asset)	District's proportionate share of the net pension liability (asset)	State of Alaska's proportionate share of the net pension liability (asset)	Total net pension liability (asset)	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 (asset)
<b>Alaska Retiree Health Care Trust (ARHCT)</b>							
2018	1.56320%	\$ 9,768,118	\$ 3,641,238	\$ 13,409,356	\$ 18,026,510	54.19%	89.68%
2019	1.24544%	12,781,758	3,710,299	16,492,057	16,068,624	79.54%	88.12%
2020	1.15670%	1,716,352	682,338	2,398,690	14,295,690	12.01%	98.13%
2021	1.18630%	(5,372,164)	(2,228,848)	(7,601,012)	14,364,419	-37.40%	106.15%
2022	1.43952%	(36,928,906)	(4,838,553)	(41,767,459)	12,683,306	-291.16%	135.54%
2023	1.20291%	(23,668,111)	(6,763,750)	(30,431,861)	10,800,693	-219.14%	125.51%
<b>Retiree Medical</b>							
2018	1.68907%	\$ 88,085	\$ -	\$ 88,085	\$ 17,551,339	0.50%	93.98%
2019	1.73060%	220,218	-	220,218	19,398,257	1.14%	88.71%
2020	1.79278%	428,906	-	428,906	29,666,590	1.45%	83.17%
2021	1.75816%	124,706	-	124,706	23,992,511	0.52%	95.23%
2022	1.70705%	(458,207)	-	(458,207)	24,463,917	-1.87%	115.10%
2023	1.67899%	(583,114)	-	(583,114)	26,516,501	-2.20%	0.00%
<b>Occupational Death and Disability</b>							
2018	1.68907%	\$ (239,662)	\$ -	\$ (239,662)	\$ 17,551,339	-1.37%	212.97%
2019	1.73060%	(336,116)	-	(336,116)	19,398,257	-1.73%	270.62%
2020	1.42501%	(345,494)	-	(345,494)	29,666,590	-1.16%	297.43%
2021	1.40918%	(384,143)	-	(384,143)	23,992,511	-1.60%	283.80%
2022	1.44970%	(638,928)	-	(638,928)	24,463,917	-2.61%	374.22%
2023	1.42602%	(625,138)	-	(625,138)	26,516,501	-2.36%	348.80%

\* Information for previous years is not available



# Fairbanks North Star Borough School District

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

Fiscal Year	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
<b>Alaska Retiree Health Care Trust (ARHCT)</b>					
2018	\$ 1,247,682	\$ 1,247,682	\$ -	\$ 16,068,624	7.76%
2019	1,486,989	1,486,989	-	14,295,690	10.40%
2020	1,609,542	1,609,542	-	14,364,419	11.21%
2021	942,712	942,712	-	12,683,306	7.43%
2022	697,828	697,828	-	10,800,693	6.46%
2023	-	-	-	9,355,938	0.00%
<b>Retiree Medical</b>					
2018	\$ 201,745	\$ 201,745	\$ -	\$ 19,398,257	1.04%
2019	210,389	210,389	-	29,666,590	0.71%
2020	313,622	313,622	-	23,992,511	1.31%
2021	316,817	316,817	-	24,463,917	1.30%
2022	284,083	284,083	-	26,516,501	1.07%
2023	293,083	293,083	-	27,095,165	1.08%
<b>Occupational Death and Disability</b>					
2018	\$ 31,321	\$ 31,321	\$ -	\$ 19,398,257	0.16%
2019	58,182	58,182	-	29,666,590	0.20%
2020	61,796	61,796	-	23,992,511	0.26%
2021	77,326	77,326	-	24,463,917	0.32%
2022	82,273	82,273	-	26,516,501	0.31%
2023	79,948	79,948	-	27,095,165	0.30%

\* Information for previous years is not available

# Fairbanks North Star Borough School District

## Notes to the Required Supplementary Information June 30, 2023

### 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, 2023, 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.

#### Budgetary Comparison Schedules

The budgetary comparison schedules are presented on the modified accrual basis of accounting.

# Fairbanks North Star Borough School District

Notes to the Required Supplementary Information (continued)  
June 30, 2023

## Note 2: Changes in Benefit Terms

---

There were no changes in benefit terms from the prior measurement period.

## Note 3: Changes in Assumptions, Methods, and Benefits Since the Prior Valuation

---

### Defined Benefit Pension and Postemployment Healthcare Benefit Plan

Changes in Methods Since the Prior Valuation – June 30, 2021 to June 30, 2022

- There were no changes in actuarial methods since the prior valuation.

Changes in Assumptions Since the Prior Valuation – June 30, 2021 to June 30, 2022

- Healthcare claim costs are updated annually.
- The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.

Changes in Benefit Provisions Since the Prior Valuation – June 30, 2021 to June 30, 2022

- Starting in 2022, prior authorization will be required for certain specialty medications for all participants, and certain preventative benefits for pre-Medicare participants will not be covered by the plan.

### Defined Contribution Occupational Death and Disability and Retiree Medical Benefits Plans

Changes in Methods Since the Prior Valuation – June 30, 2021 to June 30, 2022

- There were no changes in actuarial methods since the prior valuation.

Changes in Assumptions Since the Prior Valuation – June 30, 2021 to June 30, 2022

- Healthcare claim costs are updated annually.
- The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.

Changes in Benefit Provisions Since the Prior Valuation – June 30, 2021 to June 30, 2022

- There have been no changes in benefit provisions valued since the prior valuation.
- Starting in 2022, prior authorization will be required for certain specialty medications.

This Page Intentionally Left Blank.

# 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, 2023 (With comparative totals for 2022)

	2023	2022
<b>Assets</b>		
Equity in central treasury cash	\$ 16,633,353	\$ 512,137
Accounts receivable	227,272	272,556
Due from other funds	7,858,337	9,266,113
Due from Fairbanks North Star Borough	5,414	5,686
Inventories	607,081	618,560
Prepaid items	116,153	298,482
<b>Total assets</b>	<b>\$ 25,447,610</b>	<b>\$ 10,973,534</b>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 1,277,131	\$ 526,304
Accrued payroll and liabilities	1,249,022	1,413,187
Due to external groups and agencies	19,263	17,275
<b>Total liabilities</b>	<b>2,545,416</b>	<b>1,956,766</b>
<b>Fund balance</b>		
Nonspendable	723,234	917,042
Restricted	353,820	356,230
Assigned	13,161,935	7,743,496
Unassigned	8,663,205	-
<b>Total fund balance</b>	<b>22,902,194</b>	<b>9,016,768</b>
<b>Total liabilities and fund balance</b>	<b>\$ 25,447,610</b>	<b>\$ 10,973,534</b>

See accompanying notes to the basic financial statements

# Fairbanks North Star Borough School District

## General (School Operating) Fund Schedule of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2023 (With comparative totals for 2022)

	2023	2022
<b>Revenues:</b>		
Local sources:		
Borough appropriation	\$ 53,327,468	\$ 50,736,152
E-rate revenue	480,813	400,256
Other local revenue	630,843	579,329
Tuition from students	14,848	-
<b>Total local sources</b>	<b>54,453,972</b>	<b>51,715,737</b>
State sources:		
Foundation program	110,877,146	106,221,195
QSI grant	389,596	393,551
TRS on-behalf	7,804,509	12,641,248
PERS on-behalf	975,200	3,048,450
On-base schools	1,450,000	1,450,000
Other state revenue	191,869	179,375
<b>Total state sources</b>	<b>121,688,320</b>	<b>123,933,819</b>
Federal sources:		
Direct	403,590	346,831
Medicaid revenue	129,330	98,619
Other federal revenue	-	1,199,000
Through the State of Alaska	13,282,686	9,743,157
<b>Total federal sources</b>	<b>13,815,606</b>	<b>11,387,607</b>
<b>Total revenues</b>	<b>189,957,898</b>	<b>187,037,163</b>
<b>Expenditures:</b>		
Instruction:		
Certificated salaries	39,914,970	43,281,513
Non-certificated salaries	4,618,784	4,364,135
Employee benefits	25,337,105	28,541,330
Professional and technical services	1,794,733	1,359,211
Staff travel	23,758	9,366
Student travel	108,400	96,550
Utility services	69,674	59,451
Other purchased services	235,994	282,125
Supplies, materials and media	3,028,034	3,793,360
Tuition and stipends	274,305	233,881
Other expenses	1,877	6,980
Capital outlay	42,741	7,469
<b>Total instruction</b>	<b>75,450,375</b>	<b>82,035,371</b>

See accompanying notes to the basic financial statements

continued



# Fairbanks North Star Borough School District

## General (School Operating) Fund Schedule of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2023 (With comparative totals for 2022)

	2023	2022
Special education instruction:		
Certificated salaries	\$ 8,027,311	\$ 8,420,399
Non-certificated salaries	5,121,419	4,756,180
Employee benefits	7,917,180	8,466,851
Professional and technical services	1,680,220	1,680,260
Staff travel	581	431
Student travel	1,384	1,946
Utility services	1,609	5,473
Other purchased services	7,200	13,330
Supplies, materials and media	215,512	165,166
Tuition and stipends	74,123	140,243
Capital outlay	-	5,996
<b>Total special education instruction</b>	<b>23,046,539</b>	<b>23,656,275</b>
Special education support services - students:		
Certificated salaries	3,649,194	3,893,862
Non-certificated salaries	971,320	979,343
Employee benefits	2,733,735	3,001,882
Professional and technical services	810,657	596,796
Staff travel	70,209	30,197
Student travel	1,226	97
Other purchased services	1,196	1,485
Supplies, materials and media	113,449	111,926
Other expenses	2,359	3,138
<b>Total special education support services - students</b>	<b>8,353,345</b>	<b>8,618,726</b>
Support services - students:		
Certificated salaries	3,352,631	3,515,191
Non-certificated salaries	3,261,956	3,931,710
Employee benefits	4,155,528	4,997,417
Professional and technical services	237,069	83,119
Staff travel	23,354	11,095
Student travel	9,769	18,882
Utility services	349	319
Other purchased services	19,999	24,544
Supplies, materials and media	120,727	118,776
Other expenses	4,284	-
<b>Total support services - students</b>	<b>11,185,666</b>	<b>12,701,053</b>

See accompanying notes to the basic financial statements

continued

# Fairbanks North Star Borough School District

## General (School Operating) Fund Schedule of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2023 (With comparative totals for 2022)

	2023	2022
Support services - instruction:		
Certificated salaries	\$ 1,578,104	\$ 1,525,316
Non-certificated salaries	2,327,663	2,377,871
Employee benefits	2,532,674	2,952,854
Professional and technical services	394,060	434,471
Staff travel	103,448	56,121
Student travel	3,699	-
Utility services	3,921	150
Other purchased services	1,511	3,594
Supplies, materials and media	913,757	1,121,675
Other expenses	20,368	2,241
Total support services - instruction	7,879,205	8,474,293
Support services - technology:		
Utility services	482,213	771,153
Supplies, materials and media	-	8,339
Total support services - technology	482,213	779,492
School administration:		
Certificated salaries	4,816,359	5,277,144
Non-certificated salaries	85,890	86,185
Employee benefits	2,862,674	3,256,640
Professional and technical services	4,271	4,296
Staff travel	20,432	7,571
Supplies, materials and media	580	416
Other expenses	26,737	26,825
Total school administration	7,816,943	8,659,077
School administration support services:		
Non-certificated salaries	2,900,338	3,392,661
Employee benefits	1,880,742	2,252,525
Professional and technical services	3,314	2,131
Staff travel	10,851	-
Student travel	-	446
Utility services	63,967	44,028
Other purchased services	7,363	48,786
Supplies, materials and media	120,966	109,529
Total school administration support services	4,987,541	5,850,106

See accompanying notes to the basic financial statements

continued

# Fairbanks North Star Borough School District

## General (School Operating) Fund Schedule of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2023 (With comparative totals for 2022)

	2023	2022
District administration:		
Certificated salaries	\$ 500,940	\$ 519,923
Non-certificated salaries	878,312	973,777
Employee benefits	817,644	898,273
Professional and technical services	146,938	220,632
Staff travel	29,087	11,646
Utility services	522	549
Other purchased services	16,828	32,759
Supplies, materials and media	142,626	92,657
Other expenses	30,282	70,948
Total district administration	2,563,179	2,821,164
District administration support services:		
Certificated salaries	158,111	57,775
Non-certificated salaries	3,961,645	4,361,297
Employee benefits	2,409,207	2,833,342
Professional and technical services	2,090,113	1,693,865
Staff travel	55,120	18,624
Utility services	78,955	69,021
Other purchased services	478,700	105,716
Insurance and bond premiums	2,126,785	2,139,517
Supplies, materials and media	270,189	210,198
Other expenses	211,543	56,779
Indirect costs	(1,620,728)	(1,138,530)
Capital outlay	1,154	-
Total district administration support services	10,220,794	10,407,604
Operations and maintenance of plant:		
Non-certificated salaries	6,671,118	6,974,064
Employee benefits	4,348,485	4,686,985
Professional and technical services	101,840	38,026
Staff travel	29,710	12,304
Utility services	844,303	961,825
Energy	6,634,429	6,101,576
Other purchased services	498,232	302,766
Insurance and bond premiums	563,155	614,493
Supplies, materials and media	1,440,309	1,270,995
Other expenses	707	1,477
Capital outlay	70,295	83,500
Total operations and maintenance of plant	21,202,583	21,048,011

See accompanying notes to the basic financial statements

continued

# Fairbanks North Star Borough School District

## General (School Operating) Fund Schedule of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2023 (With comparative totals for 2022)

	2023	2022
Student activities:		
Certificated salaries	\$ 410,986	\$ 487,782
Non-certificated salaries	354,389	323,190
Employee benefits	166,450	245,610
Professional and technical services	158,327	154,649
Staff travel	17,106	6,466
Student travel	105,634	118,907
Other purchased services	93,750	89,994
Supplies, materials and media	47,973	53,531
Other expenses	67,599	64,771
<b>Total student activities</b>	<b>1,422,214</b>	<b>1,544,900</b>
Debt service:		
Interest	1,046,447	1,106,041
Principal	875,896	1,102,238
<b>Total debt service</b>	<b>1,922,343</b>	<b>2,208,279</b>
<b>Total expenditures</b>	<b>176,532,940</b>	<b>188,804,351</b>
Excess (deficiency) of revenues over expenditures	13,424,958	(1,767,188)
<b>Other financing sources (uses):</b>		
Lease liabilities issued	451,743	-
Proceeds from sale of capital assets	8,725	26
<b>Total other financing sources (uses)</b>	<b>460,468</b>	<b>26</b>
Net change in fund balance	13,885,426	(1,767,162)
<b>Fund balance - beginning</b>	<b>9,016,768</b>	<b>10,783,930</b>
<b>Fund balance - ending</b>	<b>\$ 22,902,194</b>	<b>\$ 9,016,768</b>

See accompanying notes to the basic financial statements

continued

# Fairbanks North Star Borough School District

## General (School Operating) Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual For the Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Local sources:			
Borough appropriation	\$ 52,095,400	\$ 53,327,468	\$ 1,232,068
E-rate revenue	425,000	480,813	55,813
Other local revenue	727,000	630,843	(96,157)
Tuition from students	25,000	14,848	(10,152)
<b>Total local sources</b>	<b>53,272,400</b>	<b>54,453,972</b>	<b>1,181,572</b>
State sources:			
Foundation program	105,021,944	110,877,146	5,855,202
QSI grant	380,870	389,596	8,726
TRS on-behalf	7,773,064	7,804,509	31,445
PERS on-behalf	909,401	975,200	65,799
On-base schools	1,450,000	1,450,000	-
Other state revenue	185,000	191,869	6,869
<b>Total state sources</b>	<b>115,720,279</b>	<b>121,688,320</b>	<b>5,968,041</b>
Federal sources:			
Direct	304,560	403,590	99,030
Medicaid revenue	450,000	129,330	(320,670)
Through the State of Alaska	14,000,000	13,282,686	(717,314)
<b>Total federal sources</b>	<b>14,754,560</b>	<b>13,815,606</b>	<b>(938,954)</b>
<b>Total revenues</b>	<b>183,747,239</b>	<b>189,957,898</b>	<b>6,210,659</b>
<b>Expenditures:</b>			
Instruction:			
Certificated salaries	40,630,186	39,914,970	715,216
Non-certificated salaries	3,727,177	4,618,784	(891,607)
Employee benefits	24,945,846	25,337,105	(391,259)
Professional and technical services	1,034,227	1,794,733	(760,506)
Staff travel	30,454	23,758	6,696
Student travel	91,372	108,400	(17,028)
Utility services	12,000	69,674	(57,674)
Other purchased services	344,583	235,994	108,589
Supplies, materials and media	4,089,345	3,028,034	1,061,311
Tuition and stipends	222,000	274,305	(52,305)
Other expenses	2,156	1,877	279
Capital outlay	30,000	42,741	(12,741)
<b>Total instruction</b>	<b>75,159,346</b>	<b>75,450,375</b>	<b>(291,029)</b>

See accompanying notes to the basic financial statements

continued

# Fairbanks North Star Borough School District

## General (School Operating) Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual For the Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget
Special education instruction:			
Certificated salaries	\$ 8,598,154	\$ 8,027,311	\$ 570,843
Non-certificated salaries	5,882,170	5,121,419	760,751
Employee benefits	8,459,175	7,917,180	541,995
Professional and technical services	1,687,000	1,680,220	6,780
Staff travel	324	581	(257)
Student travel	2,196	1,384	812
Utility services	5,779	1,609	4,170
Other purchased services	7,564	7,200	364
Supplies, materials and media	234,733	215,512	19,221
Tuition and stipends	100,528	74,123	26,405
Total special education instruction	24,977,623	23,046,539	1,931,084
Special education support services - students:			
Certificated salaries	3,402,274	3,649,194	(246,920)
Non-certificated salaries	1,257,089	971,320	285,769
Employee benefits	2,841,030	2,733,735	107,295
Professional and technical services	1,091,829	810,657	281,172
Staff travel	64,166	70,209	(6,043)
Student travel	5,400	1,226	4,174
Other purchased services	6,650	1,196	5,454
Supplies, materials and media	122,662	113,449	9,213
Other expenses	3,500	2,359	1,141
Total special education support services - students	8,794,600	8,353,345	441,255
Support services - students:			
Certificated salaries	3,283,014	3,352,631	(69,617)
Non-certificated salaries	4,352,350	3,261,956	1,090,394
Employee benefits	4,553,914	4,155,528	398,386
Professional and technical services	96,786	237,069	(140,283)
Staff travel	12,723	23,354	(10,631)
Student travel	17,863	9,769	8,094
Utility services	500	349	151
Other purchased services	96,340	19,999	76,341
Supplies, materials and media	132,519	120,727	11,792
Other expenses	3,120	4,284	(1,164)
Total support services - students	12,549,129	11,185,666	1,363,463

See accompanying notes to the basic financial statements

continued

# Fairbanks North Star Borough School District

## General (School Operating) Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual For the Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget
Support services - instruction:			
Certificated salaries	\$ 1,708,007	\$ 1,578,104	\$ 129,903
Non-certificated salaries	2,478,913	2,327,663	151,250
Employee benefits	2,443,754	2,532,674	(88,920)
Professional and technical services	712,276	394,060	318,216
Staff travel	107,935	103,448	4,487
Student travel	3,290	3,699	(409)
Utility services	102,720	3,921	98,799
Other purchased services	4,998	1,511	3,487
Supplies, materials and media	938,686	913,757	24,929
Other expenses	2,575	20,368	(17,793)
Total support services - instruction	8,503,154	7,879,205	623,949
Support services - technology:			
Utility services	702,172	482,213	219,959
Total support services - technology	702,172	482,213	219,959
School administration:			
Certificated salaries	4,799,821	4,816,359	(16,538)
Non-certificated salaries	-	85,890	(85,890)
Employee benefits	2,762,295	2,862,674	(100,379)
Professional and technical services	-	4,271	(4,271)
Staff travel	60,720	20,432	40,288
Supplies, materials and media	850	580	270
Other expenses	27,572	26,737	835
Total school administration	7,651,258	7,816,943	(165,685)
School administration support services:			
Non-certificated salaries	3,141,803	2,900,338	241,465
Employee benefits	1,977,846	1,880,742	97,104
Professional and technical services	2,205	3,314	(1,109)
Staff travel	8,821	10,851	(2,030)
Utility services	3,480	63,967	(60,487)
Other purchased services	23,506	7,363	16,143
Supplies, materials and media	108,375	120,966	(12,591)
Other expenses	2,100	-	2,100
Total school administration support services	5,268,136	4,987,541	280,595

See accompanying notes to the basic financial statements

continued

# Fairbanks North Star Borough School District

## General (School Operating) Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual For the Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget
District administration:			
Certificated salaries	\$ 495,938	\$ 500,940	\$ (5,002)
Non-certificated salaries	916,918	878,312	38,606
Employee benefits	831,447	817,644	13,803
Professional and technical services	164,119	146,938	17,181
Staff travel	13,809	29,087	(15,278)
Utility services	-	522	(522)
Other purchased services	29,556	16,828	12,728
Supplies, materials and media	49,543	142,626	(93,083)
Other expenses	35,030	30,282	4,748
Total district administration	2,536,360	2,563,179	(26,819)
District administration support services:			
Certificated salaries	135,240	158,111	(22,871)
Non-certificated salaries	4,468,826	3,961,645	507,181
Employee benefits	2,930,849	2,409,207	521,642
Professional and technical services	861,227	2,090,113	(1,228,886)
Staff travel	43,882	55,120	(11,238)
Utility services	14,544	78,955	(64,411)
Other purchased services	349,817	478,700	(128,883)
Insurance and bond premiums	1,069,702	2,126,785	(1,057,083)
Supplies, materials and media	396,943	270,189	126,754
Other expenses	27,454	211,543	(184,089)
Indirect costs	(663,533)	(1,620,728)	957,195
Capital outlay	1,154	1,154	-
Total district administration support services	9,636,105	10,220,794	(584,689)
Operations and maintenance of plant:			
Non-certificated salaries	7,418,927	6,671,118	747,809
Employee benefits	4,680,860	4,348,485	332,375
Professional and technical services	29,410	101,840	(72,430)
Staff travel	2,500	29,710	(27,210)
Utility services	825,951	844,303	(18,352)
Energy	5,107,147	6,634,429	(1,527,282)
Other purchased services	1,926,094	498,232	1,427,862
Insurance and bond premiums	454,957	563,155	(108,198)
Supplies, materials and media	1,195,441	1,440,309	(244,868)
Other expenses	2,500	707	1,793
Capital outlay	60,000	70,295	(10,295)
Total operations and maintenance of plant	21,703,787	21,202,583	501,204

See accompanying notes to the basic financial statements

continued



# Fairbanks North Star Borough School District

## General (School Operating) Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual For the Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget
Student activities:			
Certificated salaries	\$ 477,555	\$ 410,986	\$ 66,569
Non-certificated salaries	318,933	354,389	(35,456)
Employee benefits	216,447	166,450	49,997
Professional and technical services	149,844	158,327	(8,483)
Staff travel	13,402	17,106	(3,704)
Student travel	118,525	105,634	12,891
Other purchased services	141,975	93,750	48,225
Supplies, materials and media	91,212	47,973	43,239
Other expenses	69,056	67,599	1,457
<b>Total student activities</b>	<b>1,596,949</b>	<b>1,422,214</b>	<b>174,735</b>
Debt service:			
Interest	-	1,046,447	(1,046,447)
Principal	-	875,896	(875,896)
<b>Total debt service</b>	<b>-</b>	<b>1,922,343</b>	<b>(1,922,343)</b>
<b>Total expenditures</b>	<b>179,078,619</b>	<b>176,532,940</b>	<b>2,545,679</b>
Excess (deficiency) of revenues over expenditures	4,668,620	13,424,958	8,756,338
<b>Other financing sources (uses):</b>			
Lease liabilities issued	-	451,743	451,743
Proceeds from sale of capital assets	-	8,725	8,725
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>460,468</b>	<b>460,468</b>
Net change in fund balance	\$ 4,668,620	\$ 13,885,426	\$ 9,216,806
<b>Fund balance - beginning</b>		9,016,768	
<b>Fund balance - ending</b>		<b>\$ 22,902,194</b>	

See accompanying notes to the basic financial statements

continued

This Page Intentionally Left Blank.

# 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, 2023 (With comparative totals for 2022)

	2023	2022
<b>Assets</b>		
Equity in central treasury cash	\$ 4,279,776	\$ 5,040,591
Accounts receivable	128,750	-
<b>Total assets</b>	<b>\$ 4,408,526</b>	<b>\$ 5,040,591</b>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 226,526	\$ 256,764
<b>Total liabilities</b>	<b>226,526</b>	<b>256,764</b>
<b>Fund balance</b>		
Restricted	1,065,542	1,065,542
Assigned	3,116,458	3,718,285
<b>Total fund balance</b>	<b>4,182,000</b>	<b>4,783,827</b>
<b>Total liabilities and fund balance</b>	<b>\$ 4,408,526</b>	<b>\$ 5,040,591</b>

See accompanying notes to the basic financial statements

# Fairbanks North Star Borough School District

## Student Transportation Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2023 (With comparative totals for 2022)

	2023	2022
<b>Revenues:</b>		
Local sources	\$ 253,000	\$ -
State sources	10,675,720	10,397,426
<b>Total revenues</b>	<b>10,928,720</b>	<b>10,397,426</b>
<b>Expenditures:</b>		
Student transportation - to and from school:		
Non-certificated salaries	197,924	197,579
Employee benefits	120,663	119,984
Professional and technical services	5,659	-
Student travel	-	41
Other purchased services	10,224,272	8,024,110
Supplies, materials and media	982,029	990,169
<b>Total student transportation - to and from school</b>	<b>11,530,547</b>	<b>9,331,883</b>
<b>Total expenditures</b>	<b>11,530,547</b>	<b>9,331,883</b>
Excess (deficiency) of revenues over expenditures	(601,827)	1,065,543
Net change in fund balance	(601,827)	1,065,543
<b>Fund balance - beginning</b>	<b>4,783,827</b>	<b>3,718,284</b>
<b>Fund balance - ending</b>	<b>\$ 4,182,000</b>	<b>\$ 4,783,827</b>

See accompanying notes to the basic financial statements

# Fairbanks North Star Borough School District

## Student Transportation Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual For the Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Local sources	\$ -	\$ 253,000	\$ 253,000
State sources	10,342,332	10,675,720	333,388
<b>Total revenues</b>	10,342,332	10,928,720	586,388
<b>Expenditures:</b>			
Student transportation - to and from school:			
Non-certificated salaries	197,877	197,924	(47)
Employee benefits	120,745	120,663	82
Professional and technical services	7,572	5,659	1,913
Other purchased services	11,358,621	10,224,272	1,134,349
Supplies, materials and media	649,843	982,029	(332,186)
Total student transportation - to and from school	12,334,658	11,530,547	804,111
<b>Total expenditures</b>	12,334,658	11,530,547	804,111
Excess (deficiency) of revenues over expenditures	(1,992,326)	(601,827)	(217,723)
Net change in fund balance	<u>\$ (1,992,326)</u>	<u>\$ (601,827)</u>	<u>\$ (217,723)</u>
<b>Fund balance - beginning</b>		4,783,827	
<b>Fund balance - ending</b>		<u>\$ 4,182,000</u>	

See accompanying notes to the basic financial statements

This Page Intentionally Left Blank.



# Fairbanks North Star Borough School District

## Federal Programs Special Revenue Fund Balance Sheet June 30, 2023 (With comparative totals for 2022)

	2023	2022
<b>Assets</b>		
Equity in central treasury cash	\$ 43,916	\$ 3,197
Accounts receivable	9,423,217	9,528,260
<b>Total assets</b>	<b>\$ 9,467,133</b>	<b>\$ 9,531,457</b>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 1,926,365	\$ 410,871
Accrued payroll and liabilities	-	11,951
Due to other funds	7,537,934	9,105,269
Due to external groups and agencies	-	532
<b>Total liabilities</b>	<b>9,464,299</b>	<b>9,528,623</b>
<b>Fund balance</b>		
Restricted	2,834	2,834
<b>Total fund balance</b>	<b>2,834</b>	<b>2,834</b>
<b>Total liabilities and fund balance</b>	<b>\$ 9,467,133</b>	<b>\$ 9,531,457</b>

See accompanying notes to the basic financial statements

# Fairbanks North Star Borough School District

## Federal Programs Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2023 (With comparative totals for 2022)

	2023	2022
<b>Revenues:</b>		
Federal sources	\$ 28,572,969	\$ 27,092,956
<b>Expenditures:</b>		
Instruction:		
Certificated salaries	5,288,899	5,317,029
Non-certificated salaries	2,294,514	2,674,847
Employee benefits	3,725,910	3,963,790
Professional and technical services	233,210	185,587
Staff travel	198,344	59,269
Student travel	72,215	29,213
Utility services	-	3,461
Other purchased services	1,205	6,599
Supplies, materials and media	1,947,408	341,255
Tuition and stipends	62,454	60,570
Other expenses	6,015	5,274
Capital outlay	29,325	94,587
<b>Total instruction</b>	<b>13,859,499</b>	<b>12,741,481</b>
Special education instruction:		
Certificated salaries	1,055,067	1,462,559
Non-certificated salaries	1,192,965	1,563,167
Employee benefits	1,091,275	1,520,591
Professional and technical services	184,451	65,125
Staff travel	170,896	131,838
Student travel	200	-
Supplies, materials and media	158,584	469,670
<b>Total special education instruction</b>	<b>3,853,438</b>	<b>5,212,950</b>
Support services - students:		
Certificated salaries	421,016	355,911
Non-certificated salaries	1,921,749	1,432,221
Employee benefits	1,195,186	842,628
Professional and technical services	253,482	613,987
Staff travel	130,404	84,866
Student travel	42,846	66,873
Utility services	762	1,086
Other purchased services	500	1,759
Supplies, materials and media	613,751	763,307
Tuition and stipends	36	-
Other expenses	469	2,284
<b>Total support services - students</b>	<b>4,580,201</b>	<b>4,164,922</b>

See accompanying notes to the basic financial statements

continued

# Fairbanks North Star Borough School District

## Federal Programs Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2023 (With comparative totals for 2022)

	2023	2022
Support services - instruction:		
Certificated salaries	\$ 409,409	\$ 461,104
Non-certificated salaries	453,834	332,643
Employee benefits	432,453	387,793
Professional and technical services	146,263	49,739
Staff travel	176,875	48,680
Student travel	1,200	-
Other purchased services	4,217	5,243
Supplies, materials and media	26,140	13,427
Other expenses	9,631	8,590
Total support services - instruction	1,660,022	1,307,219
School administration:		
Certificated salaries	276,767	120,481
Employee benefits	107,113	55,136
Total school administration	383,880	175,617
School administration support services:		
Non-certificated salaries	61,767	46,259
Employee benefits	37,454	29,822
Total school administration support services	99,221	76,081
District administration support services:		
Non-certificated salaries	340,725	111,154
Employee benefits	180,965	68,044
Professional and technical services	39,814	125,350
Staff travel	90	-
Supplies, materials and media	696,474	300,713
Indirect costs	1,596,199	1,127,857
Capital outlay	209,355	103,379
Total district administration support services	3,063,622	1,836,497
Operations and maintenance of plant:		
Non-certificated salaries	394,431	664,215
Employee benefits	234,523	404,246
Other purchased services	81,850	-
Supplies, materials and media	46,436	28,061
Total operations and maintenance of plant	757,240	1,096,522

See accompanying notes to the basic financial statements

continued

# Fairbanks North Star Borough School District

## Federal Programs Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2023 (With comparative totals for 2022)

	2023	2022
Student activities:		
Certificated salaries	\$ 47,257	\$ 193,821
Non-certificated salaries	95,473	75,744
Employee benefits	79,596	120,952
Total student activities	222,326	390,517
Food service:		
Supplies, materials and media	93,520	75,688
Capital outlay	-	15,266
Total food service	93,520	90,954
<b>Total expenditures</b>	<b>28,572,969</b>	<b>27,092,760</b>
Excess (deficiency) of revenues over expenditures	-	196
Net change in fund balance	-	196
<b>Fund balance - beginning</b>	<b>2,834</b>	<b>2,638</b>
<b>Fund balance - ending</b>	<b>\$ 2,834</b>	<b>\$ 2,834</b>

See accompanying notes to the basic financial statements

continued

# Fairbanks North Star Borough School District

## Federal Programs Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual For the Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Federal sources	\$ 42,670,197	\$ 28,572,969	\$ (14,097,228)
<b>Expenditures:</b>			
Instruction:			
Certificated salaries	6,194,639	5,288,899	905,740
Non-certificated salaries	3,002,108	2,294,514	707,594
Employee benefits	4,410,651	3,725,910	684,741
Professional and technical services	564,624	233,210	331,414
Staff travel	279,567	198,344	81,223
Student travel	117,700	72,215	45,485
Other purchased services	24,200	1,205	22,995
Supplies, materials and media	7,609,370	1,947,408	5,661,962
Tuition and stipends	133,558	62,454	71,104
Other expenses	14,358	6,015	8,343
Capital outlay	(61,000)	29,325	(90,325)
<b>Total instruction</b>	<b>22,289,775</b>	<b>13,859,499</b>	<b>8,430,276</b>
Special education instruction:			
Certificated salaries	1,368,581	1,055,067	313,514
Non-certificated salaries	1,522,735	1,192,965	329,770
Employee benefits	1,386,302	1,091,275	295,027
Professional and technical services	191,100	184,451	6,649
Staff travel	200,100	170,896	29,204
Student travel	200	200	-
Supplies, materials and media	1,121,237	158,584	962,653
<b>Total special education instruction</b>	<b>5,790,255</b>	<b>3,853,438</b>	<b>1,936,817</b>
Support services - students:			
Certificated salaries	522,440	421,016	101,424
Non-certificated salaries	2,400,001	1,921,749	478,252
Employee benefits	1,558,709	1,195,186	363,523
Professional and technical services	312,029	253,482	58,547
Staff travel	199,848	130,404	69,444
Student travel	36,840	42,846	(6,006)
Utility services	1,674	762	912
Other purchased services	1,000	500	500
Supplies, materials and media	1,198,784	613,751	585,033
Tuition and stipends	600	36	564
Other expenses	4,283	469	3,814
<b>Total support services - students</b>	<b>6,236,208</b>	<b>4,580,201</b>	<b>1,656,007</b>

See accompanying notes to the basic financial statements

continued

# Fairbanks North Star Borough School District

## Federal Programs Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual For the Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget
Support services - instruction:			
Certificated salaries	\$ 447,480	\$ 409,409	\$ 38,071
Non-certificated salaries	474,247	453,834	20,413
Employee benefits	450,780	432,453	18,327
Professional and technical services	186,515	146,263	40,252
Staff travel	259,577	176,875	82,702
Student travel	1,200	1,200	-
Other purchased services	6,250	4,217	2,033
Supplies, materials and media	1,080,321	26,140	1,054,181
Other expenses	10,802	9,631	1,171
Total support services - instruction	2,917,172	1,660,022	1,257,150
School administration:			
Certificated salaries	372,591	276,767	95,824
Employee benefits	157,574	107,113	50,461
Total school administration	530,165	383,880	146,285
School administration support services:			
Non-certificated salaries	60,743	61,767	(1,024)
Employee benefits	37,302	37,454	(152)
Total school administration support services	98,045	99,221	(1,176)
District administration support services:			
Non-certificated salaries	356,596	340,725	15,871
Employee benefits	189,209	180,965	8,244
Professional and technical services	87,440	39,814	47,626
Staff travel	-	90	(90)
Supplies, materials and media	665,163	696,474	(31,311)
Indirect costs	2,024,821	1,596,199	428,622
Capital outlay	215,565	209,355	6,210
Total district administration support services	3,538,794	3,063,622	475,172
Operations and maintenance of plant:			
Non-certificated salaries	394,331	394,431	(100)
Employee benefits	302,770	234,523	68,247
Professional and technical services	5,564	-	5,564
Other purchased services	110,000	81,850	28,150
Supplies, materials and media	46,436	46,436	-
Total operations and maintenance of plant	859,101	757,240	101,861

See accompanying notes to the basic financial statements

continued

# Fairbanks North Star Borough School District

## Federal Programs Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual For the Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget
Student activities:			
Certificated salaries	\$ 47,257	\$ 47,257	\$ -
Non-certificated salaries	95,473	95,473	-
Employee benefits	112,654	79,596	33,058
<b>Total student activities</b>	<b>255,384</b>	<b>222,326</b>	<b>33,058</b>
Food service:			
Supplies, materials and media	-	93,520	(93,520)
<b>Total food service</b>	<b>-</b>	<b>93,520</b>	<b>(93,520)</b>
<b>Total expenditures</b>	<b>42,514,899</b>	<b>28,572,969</b>	<b>13,941,930</b>
Excess (deficiency) of revenues over expenditures	155,298	-	(155,298)
Net change in fund balance	<u>\$ 155,298</u>	<u>\$ -</u>	<u>\$ (155,298)</u>
<b>Fund balance - beginning</b>		2,834	
<b>Fund balance - ending</b>		<u>\$ 2,834</u>	

See accompanying notes to the basic financial statements

continued

# Fairbanks North Star Borough School District

**Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2023  
(With comparative totals for 2022)**

	Food Service Special Revenue	Local Programs Special Revenue	State Programs Special Revenue
<b>Assets</b>			
Equity in central treasury cash	\$ 1,758,856	\$ 118,008	\$ 386,384
Accounts receivable	20,708	-	276,094
Due from Fairbanks North Star Borough	-	-	-
Inventories	821,566	-	-
<b>Total assets</b>	<b>\$ 2,601,130</b>	<b>\$ 118,008</b>	<b>\$ 662,478</b>
<b>Liabilities and Fund Balances (Deficit)</b>			
<b>Liabilities</b>			
Accounts payable	\$ 2,138	\$ 630	\$ 66,832
Unearned revenue	-	-	352,781
Due to other funds	-	24,679	209,263
<b>Total liabilities</b>	<b>2,138</b>	<b>25,309</b>	<b>628,876</b>
<b>Fund balances</b>			
Nonspendable	821,566	-	-
Restricted	1,777,426	92,699	33,602
Committed	-	-	-
<b>Total fund balances (deficit)</b>	<b>2,598,992</b>	<b>92,699</b>	<b>33,602</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,601,130</b>	<b>\$ 118,008</b>	<b>\$ 662,478</b>

See accompanying notes to the basic financial statements



# Fairbanks North Star Borough School District

**Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2023  
(With comparative totals for 2022)**

	School Activities Special Revenue	Capital Projects Fund	Total Nonmajor Governmental Funds	
			2023	2022
<b>Assets</b>				
Equity in central treasury cash	\$ 1,560,225	\$ 2,649,936	\$ 6,473,409	\$ 5,730,984
Accounts receivable	-	-	296,802	111,751
Due from Fairbanks North Star Borough	-	90,698	90,698	81,818
Inventories	-	-	821,566	1,054,017
<b>Total assets</b>	<b>\$ 1,560,225</b>	<b>\$ 2,740,634</b>	<b>\$ 7,682,475</b>	<b>\$ 6,978,570</b>
<b>Liabilities and Fund Balances (Deficit)</b>				
<b>Liabilities</b>				
Accounts payable	\$ 18,450	\$ -	\$ 88,050	\$ 77,413
Unearned revenue	-	4,237	357,018	352,781
Due to other funds	-	86,461	320,403	160,844
<b>Total liabilities</b>	<b>18,450</b>	<b>90,698</b>	<b>765,471</b>	<b>591,038</b>
<b>Fund balances</b>				
Nonspendable	-	-	821,566	1,054,017
Restricted	-	2,649,936	4,553,663	3,857,785
Committed	1,541,775	-	1,541,775	1,475,730
<b>Total fund balances (deficit)</b>	<b>1,541,775</b>	<b>2,649,936</b>	<b>6,917,004</b>	<b>6,387,532</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,560,225</b>	<b>\$ 2,740,634</b>	<b>\$ 7,682,475</b>	<b>\$ 6,978,570</b>

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, 2023

(With comparative totals for 2022)

	Food Service Special Revenue	Local Programs Special Revenue	State Programs Special Revenue
<b>Revenues:</b>			
Local sources	\$ 1,571,342	\$ 117,929	\$ -
State sources	-	-	451,996
Federal sources	4,738,866	-	-
<b>Total revenues</b>	<b>6,310,208</b>	<b>117,929</b>	<b>451,996</b>
<b>Expenditures:</b>			
Instruction	-	124,118	4,998
Support services - students	-	64,879	425,162
Support services - instruction	-	8,135	-
District administration support services	-	-	24,530
Operations and maintenance of plant	22,151	-	-
Student activities	-	-	-
Food service	6,045,246	-	336
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>6,067,397</b>	<b>197,132</b>	<b>455,026</b>
Excess (deficiency) of revenues over expenditures	242,811	(79,203)	(3,030)
<b>Other financing sources (uses):</b>			
Proceeds from sale of capital assets	8	-	-
<b>Total other financing sources (uses)</b>	<b>8</b>	<b>-</b>	<b>-</b>
Net change in fund balances	242,819	(79,203)	(3,030)
<b>Fund balances - beginning</b>	<b>2,356,173</b>	<b>171,902</b>	<b>36,632</b>
<b>Fund balances (deficit) - ending</b>	<b>\$ 2,598,992</b>	<b>\$ 92,699</b>	<b>\$ 33,602</b>

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, 2023

(With comparative totals for 2022)

	School Activities Special Revenue	Capital Projects Fund	Total Nonmajor Governmental Funds	
			2023	2022
<b>Revenues:</b>				
Local sources	\$ 2,782,847	\$ 304,084	\$ 4,776,202	\$ 2,477,722
State sources	-	-	451,996	210,044
Federal sources	-	332,239	5,071,105	9,798,120
<b>Total revenues</b>	<b>2,782,847</b>	<b>636,323</b>	<b>10,299,303</b>	<b>12,485,886</b>
<b>Expenditures:</b>				
Instruction	-	-	129,116	46,453
Support services - students	-	-	490,041	317,948
Support services - instruction	-	-	8,135	4,983
District administration support services	-	-	24,530	10,674
Operations and maintenance of plant	-	-	22,151	23,902
Student activities	2,716,802	-	2,716,802	2,125,611
Food service	-	-	6,045,582	6,789,311
Capital outlay	-	333,482	333,482	688,115
<b>Total expenditures</b>	<b>2,716,802</b>	<b>333,482</b>	<b>9,769,839</b>	<b>10,006,997</b>
Excess (deficiency) of revenues over expenditure:	66,045	302,841	529,464	2,478,889
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	-	-	8	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>-</b>
Net change in fund balances	66,045	302,841	529,472	2,478,889
<b>Fund balances - beginning</b>	<b>1,475,730</b>	<b>2,347,095</b>	<b>6,387,532</b>	<b>3,908,643</b>
<b>Fund balances (deficit) - ending</b>	<b>\$ 1,541,775</b>	<b>\$ 2,649,936</b>	<b>\$ 6,917,004</b>	<b>\$ 6,387,532</b>

See accompanying notes to the basic financial statements

This Page Intentionally Left Blank.

# Fairbanks North Star Borough School District

## Food Service Special Revenue Fund Balance Sheet June 30, 2023 (With comparative totals for 2022)

	2023	2022
<b>Assets</b>		
Equity in central treasury cash	\$ 1,758,856	\$ 1,272,472
Accounts receivable	20,708	30,449
Inventories	821,566	1,054,017
<b>Total assets</b>	<b>\$ 2,601,130</b>	<b>\$ 2,356,938</b>
<b>Liabilities and Fund Balance (Deficit)</b>		
<b>Liabilities</b>		
Accounts payable	\$ 2,138	\$ 765
<b>Total liabilities</b>	<b>2,138</b>	<b>765</b>
<b>Fund balance</b>		
Nonspendable	821,566	1,054,017
Restricted	1,777,426	1,302,156
<b>Total fund balance (deficit)</b>	<b>2,598,992</b>	<b>2,356,173</b>
<b>Total liabilities and fund balance</b>	<b>\$ 2,601,130</b>	<b>\$ 2,356,938</b>

See accompanying notes to the basic financial statements

# Fairbanks North Star Borough School District

## Food Service Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2023 (With comparative totals for 2022)

	2023	2022
<b>Revenues:</b>		
Local sources:		
Food service	\$ 1,571,342	\$ 104,077
Federal sources:		
Through the State of Alaska	4,738,866	9,798,120
<b>Total revenues</b>	<b>6,310,208</b>	<b>9,902,197</b>
<b>Expenditures:</b>		
Operations and maintenance of plant:		
Non-certificated salaries	13,746	14,821
Employee benefits	8,405	9,081
<b>Total operations and maintenance of plant</b>	<b>22,151</b>	<b>23,902</b>
Food service:		
Non-certificated salaries	1,737,974	1,953,872
Employee benefits	977,747	1,118,133
Professional and technical services	23,016	32,735
Staff travel	13,015	7,870
Utility services	12,773	12,671
Energy	239,334	192,568
Other purchased services	4,978	2,383
Supplies, materials and media	3,018,769	3,463,339
Other expenses	(389)	314
Capital outlay	18,029	5,426
<b>Total food service</b>	<b>6,045,246</b>	<b>6,789,311</b>
<b>Total expenditures</b>	<b>6,067,397</b>	<b>6,813,213</b>
Excess (deficiency) of revenues over expenditures	242,811	3,088,984
<b>Other financing sources (uses):</b>		
Proceeds from sale of capital assets	8	-
<b>Total other financing sources (uses)</b>	<b>8</b>	<b>-</b>
Net change in fund balance	242,819	3,088,984
<b>Fund balance - beginning</b>	<b>2,356,173</b>	<b>(732,811)</b>
<b>Fund balance (deficit) - ending</b>	<b>\$ 2,598,992</b>	<b>\$ 2,356,173</b>

See accompanying notes to the basic financial statements

# Fairbanks North Star Borough School District

## Food Service Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual For the Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Local sources	\$ 1,437,903	\$ 1,571,342	\$ 133,439
Federal sources	3,777,669	4,738,866	961,197
<b>Total revenues</b>	<b>5,215,572</b>	<b>6,310,208</b>	<b>1,094,636</b>
<b>Expenditures:</b>			
Operations and maintenance of plant:			
Non-certificated salaries	15,473	13,746	1,727
Employee benefits	9,502	8,405	1,097
<b>Total operations and maintenance of plant</b>	<b>24,975</b>	<b>22,151</b>	<b>2,824</b>
Food service:			
Non-certificated salaries	2,272,217	1,737,974	534,243
Employee benefits	1,338,626	977,747	360,879
Professional and technical services	32,000	23,016	8,984
Staff travel	8,000	13,015	(5,015)
Utility services	12,500	12,773	(273)
Energy	190,500	239,334	(48,834)
Other purchased services	1,000	4,978	(3,978)
Supplies, materials and media	1,657,500	3,018,769	(1,361,269)
Other expenses	300	(389)	689
Capital outlay	10,000	18,029	(8,029)
<b>Total food service</b>	<b>5,522,643</b>	<b>6,045,246</b>	<b>(522,603)</b>
<b>Total expenditures</b>	<b>5,547,618</b>	<b>6,067,397</b>	<b>(519,779)</b>
Excess (deficiency) of revenues over expenditures	(332,046)	242,811	574,857
Net change in fund balance	<u>\$ (332,046)</u>	242,819	<u>\$ 574,865</u>
<b>Fund balance - beginning</b>		2,356,173	
<b>Fund balance (deficit) - ending</b>		<u>\$ 2,598,992</u>	

See accompanying notes to the basic financial statements

This Page Intentionally Left Blank.



# Fairbanks North Star Borough School District

## Local Programs Special Revenue Fund Balance Sheet June 30, 2023 (With comparative totals for 2022)

	2023	2022
<b>Assets</b>		
Equity in central treasury cash	\$ 118,008	\$ 183,708
<b>Total assets</b>	<b>\$ 118,008</b>	<b>\$ 183,708</b>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 630	\$ 7,466
Due to other funds	24,679	4,340
<b>Total liabilities</b>	<b>25,309</b>	<b>11,806</b>
<b>Fund balance</b>		
Restricted	92,699	171,902
<b>Total fund balance</b>	<b>92,699</b>	<b>171,902</b>
<b>Total liabilities and fund balance</b>	<b>\$ 118,008</b>	<b>\$ 183,708</b>

See accompanying notes to the basic financial statements

# Fairbanks North Star Borough School District

## Local Programs Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2023 (With comparative totals for 2022)

	2023	2022
<b>Revenues:</b>		
Local sources	\$ 117,929	\$ 143,580
<b>Expenditures:</b>		
Instruction:		
Certificated salaries	55,671	14,741
Non-certificated salaries	28,848	4,700
Employee benefits	11,702	2,469
Staff travel	105	1,117
Student travel	-	2,729
Supplies, materials and media	27,792	17,440
Total instruction	124,118	43,196
Support services - students:		
Certificated salaries	6,330	29,290
Non-certificated salaries	34,974	54,769
Employee benefits	19,428	31,949
Utility services	147	294
Supplies, materials and media	4,000	5,533
Total support services - students	64,879	121,835
Support services - instruction:		
Professional and technical services	-	68
Staff travel	477	4,432
Supplies, materials and media	7,658	-
Total support services - instruction	8,135	4,500
<b>Total expenditures</b>	<b>197,132</b>	<b>169,531</b>
Excess (deficiency) of revenues over expenditures	(79,203)	(25,951)
Net change in fund balance	(79,203)	(25,951)
<b>Fund balance - beginning</b>	<b>171,902</b>	<b>197,853</b>
<b>Fund balance - ending</b>	<b>\$ 92,699</b>	<b>\$ 171,902</b>

See accompanying notes to the basic financial statements

continued

# Fairbanks North Star Borough School District

## Local Programs Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual For the Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Local sources	\$ 77,260	\$ 117,929	\$ 40,669
<b>Expenditures:</b>			
Instruction:			
Certificated salaries	29,673	55,671	(25,998)
Non-certificated salaries	14,586	28,848	(14,262)
Employee benefits	6,283	11,702	(5,419)
Professional and technical services	200	-	200
Staff travel	379	105	274
Student travel	1,871	-	1,871
Supplies, materials and media	42,945	27,792	15,153
Total instruction	95,937	124,118	(28,181)
Support services - students:			
Certificated salaries	-	6,330	(6,330)
Non-certificated salaries	-	34,974	(34,974)
Employee benefits	-	19,428	(19,428)
Utility services	-	147	(147)
Supplies, materials and media	-	4,000	(4,000)
Total support services - students	-	64,879	(64,879)
Support services - instruction:			
Staff travel	-	477	(477)
Supplies, materials and media	68,963	7,658	61,305
Total support services - instruction	68,963	8,135	60,828
<b>Total expenditures</b>	164,900	197,132	(32,232)
Excess (deficiency) of revenues over expenditures	(87,640)	(79,203)	8,437
Net change in fund balance	<u>\$ (87,640)</u>	<u>\$ (79,203)</u>	<u>\$ 8,437</u>
<b>Fund balance - beginning</b>		171,902	
<b>Fund balance - ending</b>		<u>\$ 92,699</u>	

See accompanying notes to the basic financial statements

This Page Intentionally Left Blank.

# Fairbanks North Star Borough School District

## State Programs Special Revenue Fund Balance Sheet June 30, 2023 (With comparative totals for 2022)

	2023	2022
<b>Assets</b>		
Equity in central treasury cash	\$ 386,384	\$ 389,413
Accounts receivable	276,094	79,802
<b>Total assets</b>	<b>\$ 662,478</b>	<b>\$ 469,215</b>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 66,832	\$ 5,116
Unearned revenue	352,781	352,781
Due to other funds	209,263	74,686
<b>Total liabilities</b>	<b>628,876</b>	<b>432,583</b>
<b>Fund balance</b>		
Restricted	33,602	36,632
<b>Total fund balance</b>	<b>33,602</b>	<b>36,632</b>
<b>Total liabilities and fund balance</b>	<b>\$ 662,478</b>	<b>\$ 469,215</b>

See accompanying notes to the basic financial statements

# Fairbanks North Star Borough School District

## State Programs Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2023 (With comparative totals for 2022)

	2023	2022
<b>Revenues:</b>		
State sources	\$ 451,996	\$ 210,044
<b>Expenditures:</b>		
Instruction:		
Non-certificated salaries	-	504
Employee benefits	-	43
Professional and technical services	589	949
Staff travel	4,409	1,521
Supplies, materials and media	-	240
Total instruction	4,998	3,257
Support services - students:		
Certificated salaries	30,148	3,350
Non-certificated salaries	95,893	82,931
Employee benefits	53,808	47,522
Professional and technical services	11,419	20,560
Staff travel	7,366	327
Student travel	81	-
Other purchased services	4,300	-
Supplies, materials and media	222,147	41,422
Total support services - students	425,162	196,112
Support services - instruction:		
Staff travel	-	3
Supplies, materials and media	-	481
Total support services - instruction	-	484
District administration support services:		
Indirect costs	24,530	10,674
Total district administration support services	24,530	10,674
Food service:		
Supplies, materials and media	336	-
Total food service	336	-
<b>Total expenditures</b>	<b>455,026</b>	<b>210,527</b>
Excess (deficiency) of revenues over expenditures	(3,030)	(483)
Net change in fund balance	(3,030)	(483)
<b>Fund balance - beginning</b>	<b>36,632</b>	<b>37,115</b>
<b>Fund balance - ending</b>	<b>\$ 33,602</b>	<b>\$ 36,632</b>

See accompanying notes to the basic financial statements

continued

# Fairbanks North Star Borough School District

## State Programs Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual - by Object For the Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
State sources	\$ 460,468	\$ 451,996	\$ (8,472)
<b>Total revenues</b>	<b>460,468</b>	<b>451,996</b>	<b>(8,472)</b>
<b>Expenditures:</b>			
Instruction:			
Professional and technical services	-	589	(589)
Staff travel	-	4,409	(4,409)
<b>Total instruction</b>	<b>-</b>	<b>4,998</b>	<b>(4,998)</b>
Support services - students:			
Certificated salaries	29,634	30,148	(514)
Non-certificated salaries	96,028	95,893	135
Employee benefits	55,291	53,808	1,483
Professional and technical services	11,419	11,419	-
Staff travel	8,368	7,366	1,002
Student travel	81	81	-
Other purchased services	6,000	4,300	1,700
Supplies, materials and media	231,714	222,147	9,567
<b>Total support services - students</b>	<b>438,535</b>	<b>425,162</b>	<b>13,373</b>
District administration support services:			
Indirect costs	26,228	24,530	1,698
<b>Total district administration support services</b>	<b>26,228</b>	<b>24,530</b>	<b>1,698</b>
Food service:			
Supplies, materials and media	-	336	(336)
<b>Total food service</b>	<b>-</b>	<b>336</b>	<b>(336)</b>
<b>Total expenditures</b>	<b>464,763</b>	<b>455,026</b>	<b>9,737</b>
Excess (deficiency) of revenues over expenditures	(4,295)	(3,030)	1,265
Net change in fund balance	<u>\$ (4,295)</u>	<u>\$ (3,030)</u>	<u>\$ 1,265</u>
<b>Fund balance - beginning</b>		36,632	
<b>Fund balance - ending</b>		<u>\$ 33,602</u>	

See accompanying notes to the basic financial statements

continued

This Page Intentionally Left Blank.



# Fairbanks North Star Borough School District

## School Activities Special Revenue Fund Balance Sheet June 30, 2023 (With comparative totals for 2022)

	2023	2022
<b>Assets</b>		
Equity in central treasury cash	\$ 1,560,225	\$ 1,532,242
Accounts receivable	-	1,500
<b>Total assets</b>	<b>\$ 1,560,225</b>	<b>\$ 1,533,742</b>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 18,450	\$ 58,012
<b>Total liabilities</b>	<b>18,450</b>	<b>58,012</b>
<b>Fund balance</b>		
Committed	1,541,775	1,475,730
<b>Total fund balance</b>	<b>1,541,775</b>	<b>1,475,730</b>
<b>Total liabilities and fund balance</b>	<b>\$ 1,560,225</b>	<b>\$ 1,533,742</b>

See accompanying notes to the basic financial statements

# Fairbanks North Star Borough School District

**School Activities Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended June 30, 2023**  
**(With comparative totals for 2022)**

	2023	2022
<b>Revenues:</b>		
Local sources	\$ 2,782,847	\$ 2,148,247
<b>Expenditures:</b>		
Student activities:		
Certificated salaries	1,149	3,897
Non-certificated salaries	2,320	2,500
Employee benefits	370	1,370
Professional and technical services	60,017	57,342
Staff travel	9,046	2,358
Student travel	1,239,361	834,461
Other purchased services	87,925	83,091
Supplies, materials and media	1,281,281	1,118,538
Other expenses	35,333	22,054
Total student activities	2,716,802	2,125,611
<b>Total expenditures</b>	<b>2,716,802</b>	<b>2,125,611</b>
Excess (deficiency) of revenues over expenditures	66,045	22,636
Net change in fund balance	66,045	22,636
<b>Fund balance - beginning</b>	<b>1,475,730</b>	<b>1,453,094</b>
<b>Fund balance - ending</b>	<b>\$ 1,541,775</b>	<b>\$ 1,475,730</b>

See accompanying notes to the basic financial statements

# Fairbanks North Star Borough School District

## School Activities Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual For the Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Local sources	\$ 3,000,000	\$ 2,782,847	\$ (217,153)
<b>Expenditures:</b>			
Student activities:			
Certificated salaries	-	1,149	(1,149)
Non-certificated salaries	-	2,320	(2,320)
Employee benefits	-	370	(370)
Professional and technical services	-	60,017	(60,017)
Staff travel	-	9,046	(9,046)
Student travel	-	1,239,361	(1,239,361)
Other purchased services	-	87,925	(87,925)
Supplies, materials and media	3,000,000	1,281,281	1,718,719
Other expenses	-	35,333	(35,333)
Total student activities	3,000,000	2,716,802	283,198
<b>Total expenditures</b>	<b>3,000,000</b>	<b>2,716,802</b>	<b>283,198</b>
Excess (deficiency) of revenues over expenditures	-	66,045	66,045
Net change in fund balance	<u>\$ -</u>	<u>\$ 66,045</u>	<u>\$ 66,045</u>
<b>Fund balance - beginning</b>		1,475,730	
<b>Fund balance - ending</b>		<u>\$ 1,541,775</u>	

See accompanying notes to the basic financial statements

This Page Intentionally Left Blank.

# 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, 2023**  
**(With comparative totals for 2022)**

	2023	2022
<b>Assets</b>		
Equity in central treasury cash	\$ 2,649,936	\$ 2,353,149
Due from Fairbanks North Star Borough	90,698	81,818
<b>Total assets</b>	<b>\$ 2,740,634</b>	<b>\$ 2,434,967</b>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 4,237	\$ 6,054
Due to other funds	86,461	81,818
<b>Total liabilities</b>	<b>90,698</b>	<b>87,872</b>
<b>Fund balance</b>		
Restricted	2,649,936	2,347,095
<b>Total fund balance</b>	<b>2,649,936</b>	<b>2,347,095</b>
<b>Total liabilities and fund balance</b>	<b>\$ 2,740,634</b>	<b>\$ 2,434,967</b>

See accompanying notes to the basic financial statements

# Fairbanks North Star Borough School District

**Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended June 30, 2023**  
**(With comparative totals for 2022)**

	2023	2022
<b>Revenues:</b>		
Local sources	\$ 304,084	\$ 81,818
Federal sources	332,239	-
<b>Total revenues</b>	<b>636,323</b>	<b>81,818</b>
<b>Expenditures:</b>		
Capital outlay:		
Professional and technical services	-	68,913
Other purchased services	33,752	447,946
Supplies, materials and media	299,730	171,256
<b>Total capital outlay</b>	<b>333,482</b>	<b>688,115</b>
<b>Total expenditures</b>	<b>333,482</b>	<b>688,115</b>
Excess (deficiency) of revenues over expenditures	302,841	(606,297)
Net change in fund balance	302,841	(606,297)
<b>Fund balance - beginning</b>	<b>2,347,095</b>	<b>2,953,392</b>
<b>Fund balance - ending</b>	<b>\$ 2,649,936</b>	<b>\$ 2,347,095</b>

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, 2023

	Title VIII Construction	BEH Roof Replacement	WRV Roof Replacement	BNT Equip Renovation	Project To Date Totals
Project Authorizations:	\$ 2,891,499	\$ 4,356,672	\$ 3,051,701	\$ 590,323	\$ 10,890,195
<b>Revenues</b>					
Local sources	\$ -	\$ -	\$ -	\$ 385,902	\$ 385,902
Federal sources	2,533,000	-	-	-	2,533,000
Transfers from other funds	358,499	4,356,672	3,051,701	-	7,766,872
<b>Total revenues</b>	2,891,499	4,356,672	3,051,701	385,902	10,685,774
<b>Expenditures - capital outlay</b>					
Professional and technical services	87,581		17,010		104,591
Other purchased services	1,392,717	3,338,939	1,905,787		6,637,443
Supplies, materials and media	556,299			385,902	942,201
Other capital outlay	323,187				323,187
<b>Total expenditures</b>	2,359,784	3,338,939	1,922,797	385,902	8,007,422
<b>Excess (deficiency) of revenues over expenditures</b>	\$ 531,715	\$ 1,017,733	\$ 1,128,904	\$ -	\$ 2,678,352

See accompanying notes to the basic financial statements



This Page Intentionally Left Blank.

# 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 Schedule of Net Position**  
**June 30, 2023**  
**(With comparative totals for 2022)**

	Risk Management	Equipment Replacement	2023	2022
<b>Assets</b>				
Equity in central treasury cash	\$ 6,927,366	\$ 2,823,977	\$ 9,751,343	\$ 12,461,657
Accounts receivable	2,304,119	-	2,304,119	1,398,828
<b>Total assets</b>	<b>\$ 9,231,485</b>	<b>\$ 2,823,977</b>	<b>\$ 12,055,462</b>	<b>\$ 13,860,485</b>
<b>Liabilities and Net Position (Deficit)</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 283,978
Claims payable	4,736,234	-	4,736,234	5,036,865
Total current liabilities	4,736,234	-	4,736,234	5,320,843
<b>Noncurrent Liabilities</b>				
Claims payable	59,208	-	59,208	41,858
Accrued self-insurance reserves	1,114,417	-	1,114,417	1,913,198
Total noncurrent liabilities	1,173,625	-	1,173,625	1,955,056
<b>Total liabilities</b>	<b>5,909,859</b>	<b>-</b>	<b>5,909,859</b>	<b>7,275,899</b>
<b>Net Position</b>				
Unrestricted (deficit)	3,321,626	2,823,977	6,145,603	6,584,586
<b>Total net position (deficit)</b>	<b>\$ 3,321,626</b>	<b>\$ 2,823,977</b>	<b>\$ 6,145,603</b>	<b>\$ 6,584,586</b>

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, 2023

(With comparative totals for 2022)

	Risk Management	Equipment Replacement	2023	2022
<b>Operating revenues</b>				
Local sources				
Charges for services	\$ 37,092,980	\$ 1,021,952	\$ 38,114,932	\$ 38,564,481
Other local revenue	-	-	-	5,047
<b>Total local sources</b>	<b>37,092,980</b>	<b>1,021,952</b>	<b>38,114,932</b>	<b>38,569,528</b>
<b>Total revenues</b>	<b>37,092,980</b>	<b>1,021,952</b>	<b>38,114,932</b>	<b>38,569,528</b>
<b>Operating expenses</b>				
Auto and general liability insurance	291,657	-	291,657	733,020
Property and other insurance	620,454	-	620,454	698,347
Workers' compensation insurance	2,064,633	-	2,064,633	890,380
Health and life insurance	34,471,347	-	34,471,347	32,104,848
Supplies, materials and media	-	1,105,824	1,105,824	462,080
<b>Total operating expenses</b>	<b>37,448,091</b>	<b>1,105,824</b>	<b>38,553,915</b>	<b>34,888,675</b>
Operating income (loss)	(355,111)	(83,872)	(438,983)	3,680,853
Change in net position	(355,111)	(83,872)	(438,983)	3,680,853
<b>Net position (deficit) - beginning</b>	<b>3,676,737</b>	<b>2,907,849</b>	<b>6,584,586</b>	<b>2,903,733</b>
<b>Net position (deficit) - ending</b>	<b>\$ 3,321,626</b>	<b>\$ 2,823,977</b>	<b>\$ 6,145,603</b>	<b>\$ 6,584,586</b>

See accompanying notes to the basic financial statements

# Fairbanks North Star Borough School District

## Internal Service Funds Combining Schedule of Cash Flows For the Year Ended June 30, 2023 (With comparative totals for 2022)

	Risk Management	Equipment Replacement	2023	2022
<b>Cash flow from operating activities</b>				
Receipts from interfund charges	\$ 34,830,817	\$ 1,021,952	\$ 35,852,769	\$ 36,995,151
Receipts from employees	1,356,872	-	1,356,872	1,565,845
Payments to suppliers	(1,195,564)	(1,105,824)	(2,301,388)	(1,270,955)
Payments to employees	(847,369)	-	(847,369)	(930,973)
Payments to Fairbanks North Star Borough	(36,771,198)	-	(36,771,198)	(33,302,105)
Net cash provided by (used in) operating activities	(2,626,442)	(83,872)	(2,710,314)	3,056,963
Net increase (decrease) in equity in central treasury cash	(2,626,442)	(83,872)	(2,710,314)	3,056,963
<b>Equity in central treasury cash - beginning</b>	9,553,808	2,907,849	12,461,657	9,404,694
<b>Equity in central treasury cash - ending</b>	\$ 6,927,366	\$ 2,823,977	\$ 9,751,343	\$ 12,461,657
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>				
Operating income (loss)	\$ (355,111)	\$ (83,872)	\$ (438,983)	\$ 3,680,853
Adjustments to reconcile operating income to net cash provided by (used in) operating activities				
Decrease (increase) in accounts receivable	(905,291)	-	(905,291)	(8,532)
Increase (decrease) in accounts payable	(283,978)	-	(283,978)	248,462
Increase (decrease) in claims payable, current	(300,631)	-	(300,631)	(467,862)
Increase (decrease) in claims payable, noncurrent	17,350	-	17,350	(4,853)
Increase (decrease) in accrued self-insurance reserves	(798,781)	-	(798,781)	(391,105)
Total adjustments	(2,271,331)	-	(2,271,331)	(623,890)
<b>Net cash provided by (used in) operating activities</b>	\$ (2,626,442)	\$ (83,872)	\$ (2,710,314)	\$ 3,056,963

See accompanying notes to the basic financial statements

This Page Intentionally Left Blank.

# Statistical Section



# Fairbanks North Star Borough School District

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

	Fiscal Year				
	2014	2015	2016	2017	2018
	(a)				
Governmental activities:					
Net investment in capital assets	\$ 4,001,914	\$ 4,112,494	\$ 4,580,174	\$ 4,299,337	\$ 4,015,924
Restricted for:					
Grant-funded programs	-	1,416,526	1,670,850	700,964	273,018
Student allotments	-	35,108	88,780	102,147	133,205
Unrestricted	20,941,096	(65,801,513)	(85,483,184)	(111,644,615)	(116,430,485)
Total net position (deficit)	\$ 24,943,010	\$ (60,237,385)	\$ (79,143,380)	\$ (106,542,167)	\$ (112,008,338)

	Fiscal Year				
	2019	2020	Restated 2021	2022	2023
	(b)		(c)		
Governmental activities:					
Net investment in capital assets	\$ 3,960,939	\$ 3,325,382	\$ 2,926,203	\$ 2,382,233	\$ 1,781,033
Restricted for:					
Grant-funded programs	7,641,421	5,871,815	3,190,998	4,926,162	5,622,039
Student allotments	133,205	321,841	257,635	356,230	353,820
Unrestricted	(118,559,318)	(100,714,408)	(99,827,939)	(71,124,294)	(21,158,328)
Total net position (deficit)	\$ (106,823,753)	\$ (91,195,370)	\$ (93,453,103)	\$ (63,459,669)	\$ (13,401,436)

(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.

(c) Beginning net position at July 1, 2021 has been adjusted for the implementation of GASB Statements No. 87.



# Fairbanks North Star Borough School District

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

	Fiscal Year				
	2014	2015	2016	2017	2018
<b>Expenses</b>					
Governmental activities:					
Instruction	\$ 109,531,681	\$ 122,257,659	\$ 107,399,957	\$ 111,640,903	\$ 90,117,357
Special education instruction	29,236,637	31,589,337	33,322,750	34,256,340	28,067,312
Special education support services - students	10,551,365	11,614,210	11,205,400	11,056,197	8,882,198
Support services - students	16,554,098	16,113,199	16,503,860	14,252,727	11,372,845
Support Services - instruction	12,079,620	12,093,473	14,110,870	15,580,406	8,532,961
Support Services - technology	-	-	-	-	-
School administration	8,712,544	9,734,249	8,555,778	8,933,366	7,524,309
School administration support services	5,724,618	5,627,274	7,154,047	6,805,796	4,862,734
District administration	2,125,738	2,368,596	2,170,832	2,372,557	2,482,325
District administration support services	10,503,523	10,876,471	14,310,514	13,431,721	9,841,603
Operations and maintenance of plant	25,259,547	27,052,784	28,728,249	27,579,992	21,434,921
Student activities	5,293,009	3,052,086	4,969,652	5,043,266	4,412,922
Student transportation - to and from school	11,785,326	11,974,378	11,891,808	12,149,994	13,949,612
Community services	5,000	-	-	-	-
Food services	5,418,264	5,910,012	6,591,827	6,399,804	5,149,815
Interest expense					9,713
<b>Total expenses</b>	<b>252,780,970</b>	<b>270,263,728</b>	<b>266,915,544</b>	<b>269,503,069</b>	<b>216,640,627</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for Services:					
Instruction	62,715	44,280	47,332	9,686	21,156
Support services - students	188,850	222,709	189,497	185,255	169,021
Support services - instruction	38,540	34,860	29,006	9,050	-
Food services	1,492,538	1,353,596	1,352,523	1,369,239	1,360,303
Operating grants and contributions	68,202,040	81,118,672	52,262,056	45,805,824	45,103,665
Capital grants and contributions	126,935	911,562	220,410	1,135,763	424,435
<b>Total program revenues</b>	<b>70,111,618</b>	<b>83,685,679</b>	<b>54,100,824</b>	<b>48,514,817</b>	<b>47,078,580</b>
<b>Net expense - governmental activities</b>	<b>(182,669,352)</b>	<b>(186,578,049)</b>	<b>(212,814,720)</b>	<b>(220,988,252)</b>	<b>(169,562,047)</b>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Borough direct appropriation	47,560,000	49,906,000	55,369,000	54,169,000	51,145,400
State grants and entitlements not restricted	135,710,475	141,615,821	137,209,936	136,553,068	136,572,960
Other	1,048,638	1,507,611	1,329,789	2,867,397	1,930,739
<b>Total general revenues</b>	<b>184,319,113</b>	<b>193,029,432</b>	<b>193,908,725</b>	<b>193,589,465</b>	<b>189,649,099</b>
<b>Change in net position</b>	<b>\$ 1,649,761</b>	<b>\$ 6,451,383</b>	<b>\$ (18,905,995)</b>	<b>\$ (27,398,787)</b>	<b>\$ 20,087,052</b>

# Fairbanks North Star Borough School District

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

	Fiscal Year				
	2019	2020	Restated 2021	2022	2023
<b>Expenses</b>					
Governmental activities:					
Instruction	\$ 91,724,774	\$ 69,235,106	\$ 81,563,675	\$ 60,325,693	\$ 67,537,159
Special education instruction	27,785,770	22,464,040	25,518,427	20,268,833	19,599,200
Special education support services - students	8,877,680	6,498,466	7,267,310	5,702,297	6,179,773
Support services - students	13,888,153	12,126,478	15,341,432	11,890,047	10,702,831
Support Services - instruction	9,255,330	7,607,325	8,756,160	7,277,183	7,373,426
Support Services - technology	-	993,661	654,059	786,000	488,721
School administration	7,523,852	5,791,852	6,696,911	5,533,927	5,722,821
School administration support services	4,996,921	4,435,319	5,494,589	5,323,309	2,581,821
District administration	2,837,695	2,298,093	2,453,107	2,003,323	1,971,472
District administration support services	10,062,800	9,262,137	10,639,947	10,064,138	11,279,102
Operations and maintenance of plant	22,806,148	24,481,646	25,471,699	20,409,550	19,602,102
Student activities	4,703,477	3,257,289	2,283,183	3,615,543	3,937,723
Student transportation - to and from school	13,874,064	11,804,857	10,642,529	9,306,327	11,558,082
Community services	-	-	-	-	-
Food services	5,516,605	4,860,185	4,877,851	6,989,491	5,996,009
Interest expense	9,775	-	857,424	1,106,041	1,046,447
<b>Total expenses</b>	<b>223,863,044</b>	<b>185,116,454</b>	<b>208,518,303</b>	<b>170,601,702</b>	<b>175,576,689</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for Services:					
Instruction	21,518	-	5,728	-	14,848
Support services - students	187,672	121,225	-	101,524	73,168
Support services - instruction	-	-	33,449	-	-
Food services	1,417,808	1,134,055	51,171	104,077	1,571,342
Operating grants and contributions	40,715,394	15,269,536	30,087,995	28,736,266	42,221,167
Capital grants and contributions	407,567	425,737	-	81,818	636,323
<b>Total program revenues</b>	<b>42,749,959</b>	<b>16,950,553</b>	<b>30,178,343</b>	<b>29,023,685</b>	<b>44,516,848</b>
<b>Net expense - governmental activities</b>	<b>(181,113,085)</b>	<b>(168,165,901)</b>	<b>(178,339,960)</b>	<b>(141,578,017)</b>	<b>(131,059,841)</b>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Borough direct appropriation	50,045,400	50,045,400	49,045,400	50,736,152	53,327,468
State grants and entitlements not restricted	134,336,672	132,038,495	124,998,404	119,074,335	114,020,267
Other	1,915,598	1,710,389	2,038,423	1,706,964	13,824,331
<b>Total general revenues</b>	<b>186,297,670</b>	<b>183,794,284</b>	<b>176,082,227</b>	<b>171,517,451</b>	<b>181,172,066</b>
<b>Change in net position</b>	<b>\$ 5,184,585</b>	<b>\$ 15,628,383</b>	<b>\$ (2,257,733)</b>	<b>\$ 29,939,434</b>	<b>\$ 50,112,225</b>

# Fairbanks North Star Borough School District

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

	Fiscal Year				
	2014	2015	2016	2017	2018
General fund:					
Nonspendable	\$ 518,791	\$ 624,652	\$ 444,007	\$ 457,102	\$ 402,381
Restricted	-	35,108	88,780	102,147	133,205
Assigned	15,719,300	19,972,736	18,653,930	20,340,970	25,003,495
Unassigned	3,616,590	4,342,757	15,425,238	12,760,554	7,930,467
Total general fund	\$ 19,854,681	\$ 24,975,253	\$ 34,611,955	\$ 33,660,773	\$ 33,469,548

All other governmental funds:					
Nonspendable	\$ 625,306	\$ 480,711	\$ 476,760	\$ 414,148	\$ 404,622
Restricted	1,864,874	1,416,526	1,670,850	700,964	273,018
Committed	1,726,030	1,634,796	1,576,893	1,563,189	1,583,939
Assigned	1,414,676	1,618,291	1,430,984	3,253,975	4,326,613
Unassigned	(500,032)	(1,170,105)	(1,459,913)	-	-
Total all other governmental funds	\$ 5,130,854	\$ 3,980,219	\$ 3,695,574	\$ 5,932,276	\$ 6,588,192

	Fiscal Year				
	2019	2020	2021	2022	2023
General fund:					
Nonspendable	\$ 327,400	\$ 423,706	\$ 1,016,165	\$ 917,042	\$ 723,234
Restricted	135,240	321,841	257,635	356,230	353,820
Assigned	23,203,257	20,289,714	9,510,130	7,743,496	13,161,935
Unassigned	-	-	-	-	8,662,965
Total general fund	\$ 23,665,897	\$ 21,035,261	\$ 10,783,930	\$ 9,016,768	\$ 22,901,954

All other governmental funds:					
Nonspendable	\$ 455,577	\$ 755,540	\$ 594,811	\$ 1,054,017	\$ 821,566
Restricted	7,639,386	5,871,815	3,109,667	4,926,161	5,622,039
Committed	1,577,591	1,576,380	1,534,425	1,475,730	1,541,775
Assigned	3,454,695	4,513,529	3,718,284	3,718,285	3,116,458
Unassigned	(116,449)	(759,879)	(1,327,622)	-	-
Total all other governmental funds	\$ 13,010,800	\$ 11,957,385	\$ 7,629,565	\$ 11,174,193	\$ 11,101,838

This Page Intentionally Left Blank.

# 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				
	2014	2015	2016	2017	2018
<b>Revenues:</b>					
Local sources	\$ 52,815,470	\$ 55,606,475	\$ 60,634,525	\$ 60,841,784	\$ 56,808,533
State sources	173,180,153	348,429,223	147,346,486	142,561,135	144,484,872
Federal sources	28,432,155	33,536,223	32,322,556	35,310,251	33,805,836
<b>Total revenues</b>	<b>254,427,778</b>	<b>437,571,921</b>	<b>240,303,567</b>	<b>238,713,170</b>	<b>235,099,241</b>
<b>Expenditures:</b>					
Instruction	110,458,367	223,441,209	94,867,175	97,473,533	94,901,086
Special education instruction	29,374,914	50,484,786	27,997,201	29,915,351	30,590,900
Special education support services - students	10,616,448	19,726,865	9,756,127	9,814,352	9,472,016
Support services - students	16,745,156	26,237,222	13,677,384	12,144,630	12,766,034
Support services - instruction	12,024,263	17,963,049	12,050,673	13,922,427	9,260,440
Support services - technology	-	-	-	-	-
School administration	8,798,346	18,710,099	7,523,471	7,786,833	7,896,957
School administration support services	5,767,625	6,880,327	5,552,526	5,766,492	5,752,459
District administration	2,223,703	3,680,703	1,821,104	2,060,746	2,751,071
District administration support services	10,586,356	13,057,446	11,729,962	11,709,938	13,427,341
Operations and maintenance of plant	24,931,722	27,781,546	23,622,168	24,231,980	23,395,641
Student activities	5,312,989	7,130,687	4,682,307	4,789,190	2,092,336
Student transportation - to and from school	11,793,857	11,968,995	11,785,369	12,141,538	13,989,161
Adult and continuing education instruction	-	-	-	-	-
Community services	5,000	-	-	-	-
Food services	5,416,030	5,836,841	5,478,326	5,652,711	5,609,743
Debt service:					
Interest	-	-	-	-	9,713
Principal	-	-	-	340,272	330,559
Capital outlay	355,897	707,947	407,717	1,019,257	695,306
<b>Total expenditures</b>	<b>254,410,673</b>	<b>433,607,722</b>	<b>230,951,510</b>	<b>238,769,250</b>	<b>232,940,763</b>
Excess (deficiency) of revenues over expenditures	17,105	3,964,199	9,352,057	(56,080)	2,158,478
<b>Other financing sources (uses):</b>					
Proceeds from sale of capital assets	2,953	5,738	-	-	6,213
Lease liabilities issued	-	-	-	-	-
Issuance of capital leases	-	-	-	1,341,600	-
Transfers in	237,100	196,808	353,556	3,659,851	3,392,465
Transfers out	(237,100)	(196,808)	(353,556)	(3,659,851)	(5,092,465)
<b>Total other financing sources (uses)</b>	<b>2,953</b>	<b>5,738</b>	<b>-</b>	<b>1,341,600</b>	<b>(1,693,787)</b>
<b>Net change in fund balances</b>	<b>\$ 20,058</b>	<b>\$ 3,969,937</b>	<b>\$ 9,352,057</b>	<b>\$ 1,285,520</b>	<b>\$ 464,691</b>
Capital expenditures	638,774	869,935	1,252,326	523,376	598,465
Noncapital expenditures	253,771,899	432,737,787	229,699,184	238,245,874	232,342,298
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.14%	0.15%

# 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				
	2019	2020	Restated 2021	2022	2023
<b>Revenues:</b>					
Local sources	\$ 55,627,598	\$ 54,405,740	\$ 51,033,787	\$ 54,193,459	\$ 59,483,174
State sources	140,732,918	144,606,806	134,928,022	134,541,289	132,816,036
Federal sources	37,570,657	33,490,145	36,349,407	48,278,683	47,459,680
<b>Total revenues</b>	<b>233,931,173</b>	<b>232,502,691</b>	<b>222,311,216</b>	<b>237,013,431</b>	<b>239,758,890</b>
<b>Expenditures:</b>					
Instruction	96,919,183	96,608,560	99,940,153	94,823,305	89,438,990
Special education instruction	29,675,569	29,283,827	28,719,344	28,869,225	26,899,977
Special education support services - students	9,443,329	8,610,596	8,696,662	8,618,726	8,353,345
Support services - students	14,855,299	15,754,342	16,973,641	17,183,923	16,255,908
Support services - instruction	9,731,031	9,340,071	9,404,706	9,786,495	9,547,362
Support services - technology	-	1,030,872	647,551	779,492	482,213
School administration	7,937,095	8,407,008	8,398,439	8,834,694	8,200,823
School administration support services	5,477,135	5,547,176	5,671,476	5,926,187	5,086,762
District administration	3,016,670	2,878,191	2,646,614	2,821,164	2,563,179
District administration support services	10,723,296	10,735,799	10,616,359	12,254,775	13,308,946
Operations and maintenance of plant	24,095,829	24,663,272	46,094,192	22,168,435	21,981,974
Student activities	4,846,718	3,690,736	2,535,486	4,061,028	4,361,342
Student transportation - to and from school	13,881,158	11,860,591	10,638,435	9,331,883	11,530,547
Adult and continuing education instruction	-	-	-	-	-
Community services	-	-	-	-	-
Food services	5,721,400	5,394,270	4,788,395	6,880,265	6,139,102
Debt service:					
Interest	9,775	-	857,424	1,106,041	1,046,447
Principal	670,769	-	1,370,313	1,102,238	875,896
Capital outlay	323,698	2,390,458	2,657,219	688,115	333,482
<b>Total expenditures</b>	<b>237,327,954</b>	<b>236,195,769</b>	<b>260,656,409</b>	<b>235,235,991</b>	<b>226,406,295</b>
Excess (deficiency) of revenues over expenditures	(3,396,781)	(3,693,078)	(38,345,193)	1,777,440	13,352,595
<b>Other financing sources (uses):</b>					
Proceeds from sale of capital assets	15,738	9,027	45	26	8,733
Lease liabilities issued	-	-	23,765,997	-	451,743
Issuance of capital leases	-	-	-	-	-
Transfers in	9,001,871	1,577,177	694,409	-	-
Transfers out	(9,001,871)	(1,577,177)	(694,409)	-	-
<b>Total other financing sources (uses)</b>	<b>15,738</b>	<b>9,027</b>	<b>23,766,042</b>	<b>26</b>	<b>460,476</b>
<b>Net change in fund balances</b>	<b>\$ (3,381,043)</b>	<b>\$ (3,684,051)</b>	<b>\$ (14,579,151)</b>	<b>\$ 1,777,466</b>	<b>\$ 13,813,071</b>
Capital expenditures	910,578	210,354	448,991	468,452	370,899
Noncapital expenditures	236,417,376	235,985,415	260,207,418	234,767,539	226,035,396
Debt service as a percentage of noncapital expenditures	0.29%	0.00%	0.86%	0.94%	0.85%

# 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)	
2012	\$ 5,194,658,933	\$ 1,242,818,768	\$ 1,262,734,977	\$ 669,165,790	\$ 376,964,306
2013	5,146,045,001	1,283,113,063	1,297,245,790	947,537,770	374,152,474
2014	5,335,712,117	1,323,430,188	1,459,477,396	869,679,750	372,149,174
2015	5,425,397,218	1,384,295,170	1,471,191,632	832,745,270	363,029,926
2016	5,568,114,807	1,422,904,080	1,534,373,986	729,317,160	352,640,633
2017	5,716,528,486	1,455,133,724	1,570,596,019	735,113,850	356,770,342
2018	5,865,691,401	1,493,752,601	1,469,043,494	742,746,640	341,162,160
2019	5,949,743,011	1,508,536,520	1,556,106,604	716,428,870	335,011,084
2020	5,980,998,172	1,495,840,833	1,758,825,499	720,267,520	341,123,584
2021	6,272,183,178	1,496,762,514	1,806,307,463	713,162,220	337,615,290

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)
2012	\$ 851,451,562	\$ 7,894,891,212	11.216	\$ 8,325,157,973	94.83%
2013	874,032,953	8,174,061,145	11.216	8,592,602,138	95.13%
2014	916,033,858	8,444,414,767	11.356	8,886,714,578	95.02%
2015	961,645,839	8,515,013,377	11.599	8,904,046,908	95.63%
2016	1,008,265,387	8,599,085,279	11.418	8,966,461,936	95.90%
2017	1,060,150,288	8,773,992,133	11.913	9,212,260,621	95.24%
2018	1,558,479,884	8,353,916,412	12.850	8,879,554,179	94.08%
2019	1,622,886,187	8,442,939,902	13.892	8,768,232,780	96.29%
2020	1,686,133,497	8,610,922,111	13.891	8,959,439,067	96.11%
2021	1,752,315,499	8,873,715,166	13.799	9,590,082,644	92.53%

**Source:** Fairbanks North Star Borough Annual Comprehensive Financial Report for the year ended June 30, 2022  
Historically, information for the most recent calendar year is not available until after the publication date of the District Annual Comprehensive Financial Report.

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

Prior year amounts have been updated to more accurately display assessed values by each category shown.

(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.

This Page Intentionally Left Blank.



# 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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Direct:										
Borough areawide	11.216	11.216	11.356	11.599	11.418	11.913	12.850	13.892	13.891	13.799
Overlapping special Borough taxing jurisdictions except service areas										
Non-Areawide	0.525	0.523	0.493	0.507	0.520	0.520	0.570	0.595	0.619	0.616
Solid Waste Collection District	1.229	1.232	1.300	1.350	1.389	1.401	1.534	1.599	1.666	1.656
Borough direct and overlapping except service areas total (a)	12.970	12.971	13.149	13.456	13.327	13.834	14.954	16.086	16.176	16.071
Overlapping service area jurisdictions										
Air Park S.A.	0.000	0.000	0.000	0.000	0.000	0.125	0.000	0.000	1.475	0.000
Airway S.A.	1.324	1.387	1.436	1.489	1.569	1.603	1.551	1.532	2.316	1.376
Arctic Fox S.A.	1.850	1.945	1.967	2.168	2.363	2.308	2.410	2.458	1.735	2.477
Aztec S.A.	1.406	1.469	1.533	1.592	1.589	1.614	1.751	1.803	19.036	1.670
Ballaine Lake S.A.	16.054	17.222	17.670	18.209	18.204	16.541	17.124	16.379	0.000	16.129
Bear's Den Road S.A.	0.000	0.329	0.356	0.357	0.000	0.000	0.000	0.000	1.810	
Becker Ridge S.A.	1.440	1.509	1.612	1.666	1.661	1.690	1.711	1.795	2.343	1.766
Birch Hill S.A.	2.101	2.195	2.292	2.356	2.379	2.354	2.332	2.322	3.271	2.253
Bluebird Road S.A.	2.883	3.138	3.378	3.362	3.392	3.691	3.528	3.367	1.431	3.209
Borda Road S.A.	1.204	1.253	1.349	1.383	1.362	1.371	1.361	1.413	0.559	1.386
Brookside S.A.	0.526	0.546	0.559	0.571	0.550	0.535	0.533	0.553	2.526	0.525
Chena Goldstream Fire S.A.	2.142	2.241	2.340	2.377	2.357	2.369	2.380	2.474	1.198	2.476
Chena Hills Road S.A.	1.115	1.152	1.197	1.219	1.187	1.178	1.173	1.197	0.000	1.167
Chena Hot Springs II S.A.	0.412	0.312	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Chena Marina S.A.	0.880	0.966	1.001	0.976	0.988	0.991	0.997	1.043	1.050	1.036
Chena Point Road S.A.	3.247	3.352	3.488	3.550	3.494	3.475	3.491	3.586	3.571	2.913
Chena Spur S.A.	2.837	2.957	3.052	3.232	3.187	3.265	3.290	3.450	3.467	3.290
College S.A.	1.457	1.216	1.269	1.303	1.305	1.308	1.292	1.346	1.374	1.341
College Hills S.A.	0.950	1.016	1.011	1.053	1.035	1.012	1.007	1.030	1.028	0.987
Cooper Estates S.A.	3.048	3.087	3.313	3.397	3.376	3.290	3.330	3.371	3.436	3.468
Cordes Drive S.A.	1.283	1.374	1.431	1.423	1.448	1.455	1.446	1.512	1.574	1.532
Cripple Creek S.A.	1.717	1.814	1.904	1.946	1.944	1.935	1.945	2.007	2.035	2.008
Deep Forest S.A.	0.795	0.977	1.026	1.050	1.037	1.038	1.035	1.063	1.056	1.021
Denali View S.A. ( b )	2.979	2.969	2.995	3.032	3.078	2.998	2.896	3.045	2.949	2.889
Diane Subdivision S.A.	0.357	0.374	0.391	0.405	0.396	0.388	0.382	0.412	0.407	0.383
Drake Estates S.A.	0.777	0.792	0.831	0.844	0.872	0.877	0.897	0.888	0.877	0.861
Edanella Heights Road S.A.	1.485	2.130	2.284	2.316	2.218	2.225	2.261	2.341	2.372	2.259
Ester Lump Road S.A.	3.333	3.550	3.765	4.109	4.145	4.167	4.241	4.429	4.601	4.732
Ester Volunteer Fire S.A.	2.726	2.887	3.033	3.140	3.159	3.150	3.158	3.280	3.332	3.293
Fairfields S.A.	0.789	0.834	0.867	0.898	0.887	0.869	0.831	0.885	0.861	0.827
Fairhill S.A.	2.315	1.156	1.213	1.245	1.285	1.302	1.249	1.350	1.372	1.322
Fairwest S.A.	1.989	2.082	2.119	2.155	2.204	2.199	2.160	2.210	2.299	2.196
Garden S.A.	1.135	1.188	1.244	1.275	1.280	1.259	1.306	1.347	1.334	1.275
Golden Valley Road S.A.	4.945	5.085	5.410	5.404	4.948	4.904	4.891	5.036	5.176	5.057
Goldstream Alaska S.A.	2.435	2.591	2.835	2.839	2.817	2.802	2.906	3.070	3.296	3.388
Goldstream Moose Creek S.A. ( c )	1.720	1.758	1.831	1.887	1.871	1.914	1.921	1.983	2.107	2.059
Gordon S.A.	1.158	1.238	1.280	1.309	1.306	1.288	1.291	1.332	1.337	1.262
Granola Estates S.A.	1.441	1.534	1.587	1.647	1.603	1.614	1.661	1.714	1.887	1.688
Grieme Road S.A.	3.899	4.067	4.153	4.234	4.359	4.261	4.373	4.575	4.675	4.458
Haystack S.A.	3.767	3.815	3.974	4.128	4.324	4.512	4.793	5.000	5.051	5.026
Herning Hills S.A.	1.501	1.506	1.571	1.618	1.636	1.644	1.625	1.711	1.701	1.634
Horseshoe Downs S.A.	3.462	3.745	4.351	4.687	4.693	4.401	4.417	4.508	4.462	4.319
Jennifer Drive S.A.	2.019	2.202	2.328	2.404	2.389	2.485	2.616	2.723	2.856	2.802
Jones Road S.A.	1.737	1.815	1.905	1.889	1.939	1.973	1.997	2.097	2.213	2.228
Joy Road S.A.	1.314	1.313	1.329	1.345	1.375	1.356	1.421	1.517	1.492	1.435
Keeney Road S.A.	0.671	0.714	0.743	0.746	0.753	0.690	0.740	0.766	0.785	0.823

# 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)									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Direct:										
Borough areawide	\$94,876	\$98,349	\$ 103,053	\$ 106,434	\$ 106,398	\$ 113,619	\$ 117,845	\$ 129,274	\$ 132,314	\$ 135,620
Overlapping special Borough taxing jurisdictions except service areas										
Non-Areawide	2,910	3,053	2,987	3,135	3,259	3,332	3,483	3,701	3,958	4,089
Solid Waste Collection District	7,214	7,562	8,272	8,682	9,052	9,353	9,772	10,385	11,115	11,479
Borough direct and overlapping except service areas total (a)										
Overlapping service area jurisdictions										
Air Park S.A.	-	-	-	-	-	1	-	-	-	
Airway S.A.	15	16	17	18	19	20	20	19	19	19
Arctic Fox S.A.	6	6	7	7	8	8	8	8	8	8
Aztec S.A.	28	30	31	38	40	43	60	64	64	65
Ballaine Lake S.A.	37	38	41	42	42	39	41	40	45	40
Bear's Den Road S.A.	-	1	1	1	-	-	-	-	-	
Becker Ridge S.A.	128	135	145	152	156	159	165	173	178	181
Birch Hill S.A.	129	143	151	160	165	168	173	193	203	205
Bluebird Road S.A.	9	10	12	12	13	14	14	13	14	14
Borda Road S.A.	32	33	36	38	39	41	42	44	46	47
Brookside S.A.	10	11	11	12	11	12	12	13	13	13
Chena Goldstream Fire S.A.	1,498	1,579	1,678	1,756	1,802	1,856	1,910	2,018	2,099	2,140
Chena Hills Road S.A.	109	114	121	129	134	137	141	147	153	158
Chena Hot Springs II S.A.	1	-	-	-	-	-	-	-	-	
Chena Marina S.A.	26	30	32	34	35	36	37	40	41	42
Chena Point Road S.A.	124	137	149	155	162	167	173	182	187	158
Chena Spur S.A.	51	52	56	60	61	64	66	71	72	72
College S.A.	586	481	514	533	544	556	561	587	604	612
College Hills S.A.	31	32	34	35	36	36	37	38	39	39
Cooper Estates S.A.	32	33	35	36	37	38	38	39	41	41
Cordes Drive S.A.	30	31	33	33	35	36	36	39	40	40
Cripple Creek S.A.	74	81	86	89	91	94	97	101	107	109
Deep Forest S.A.	22	29	30	31	31	31	32	33	33	34
Denali View S.A. ( b )	9	9	9	9	9	9	9	10	10	10
Diane Subdivision S.A.	4	4	4	5	5	5	5	5	5	5
Drake Estates S.A.	9	9	9	9	10	10	11	11	11	12
Edanella Heights Road S.A.	37	53	57	59	60	61	63	66	67	67
Ester Lump Road S.A.	40	42	46	49	50	53	55	57	60	63
Ester Volunteer Fire S.A.	457	487	522	550	568	589	606	633	659	674
Fairfields S.A.	18	19	20	21	21	21	21	23	23	24
Fairhill S.A.	27	13	14	15	15	16	16	17	18	18
Fairwest S.A.	27	28	29	30	31	32	32	32	34	34
Garden S.A.	45	48	51	55	58	59	61	71	73	74
Golden Valley Road S.A.	17	18	19	19	19	19	19	21	21	22
Goldstream Alaska S.A.	30	32	35	36	36	36	39	41	44	48
Goldstream Moose Creek S.A. (c)	58	61	65	71	72	77	79	85	92	93
Gordon S.A.	62	66	68	70	72	73	80	83	88	90
Granola Estates S.A.	8	8	9	9	9	10	11	12	13	13
Grieme Road S.A.	24	25	25	27	28	28	28	30	31	34
Haystack S.A.	43	46	47	50	53	56	61	65	67	68
Herning Hills S.A.	32	33	35	37	38	39	40	42	43	43
Horseshoe Downs S.A.	26	29	32	34	35	33	34	35	36	36
Jennifer Drive S.A.	7	7	8	8	8	9	9	9	10	10
Jones Road S.A.	71	75	80	83	85	89	92	97	102	106
Joy Road S.A.	9	9	10	10	11	11	11	12	13	13
Keeney Road S.A.	3	3	3	3	3	3	3	3	3	4

# 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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Kendall S.A.	1.045	1.073	1.165	1.197	1.189	1.174	1.169	1.224	1.238	1.175
Keystone S.A.	3.440	3.861	4.065	4.039	4.050	4.067	4.162	4.291	4.489	4.690
Kris Kringle S.A.	2.211	2.315	2.393	2.540	2.526	2.485	2.437	2.568	2.620	2.509
Lakloey Hill S.A.	1.110	1.177	1.214	1.263	1.256	1.240	1.218	1.266	1.286	1.253
Lee Lane S.A.	1.738	1.806	1.888	1.959	1.807	3.060	3.008	2.958	3.116	2.941
Loose Moose S.A.	1.034	1.042	1.086	1.128	1.147	1.097	1.030	1.082	1.101	1.022
Martin S.A.	9.417	9.943	10.323	10.359	10.500	11.713	12.279	12.736	13.347	12.915
McCloud S.A.	10.481	11.409	12.208	12.486	12.443	12.769	13.314	14.010	14.952	15.795
McGrath Estates S.A.	1.431	1.528	1.556	1.609	1.611	1.590	1.556	1.600	1.597	1.553
Mellow Woods Road S.A.	1.273	1.346	1.403	1.420	1.385	1.356	1.340	1.372	1.386	1.340
Miller Hill Extension S.A.	4.995	5.357	5.725	5.740	5.691	5.810	5.857	6.066	6.288	6.279
Moose Creek S.A.	0.387	0.344	0.383	0.390	0.421	1.099	1.103	1.404	1.418	1.394
Moose Meadows S.A.	0.910	0.923	0.968	0.993	0.997	0.986	0.978	0.936	0.936	0.898
Mt. View S.A.	1.399	1.504	1.520	1.475	1.475	1.456	1.386	1.358	1.352	1.300
Murphy S.A. (d)	1.692	1.784	1.844	1.829	1.812	1.795	2.857	3.087	3.362	3.355
Musk Ox S.A.	1.390	1.462	1.450	1.490	1.476	1.479	2.852	2.951	2.953	2.891
Newby Park S.A.	0.823	0.853	0.884	0.900	0.881	0.861	0.841	0.885	0.898	0.844
North Ridge S.A.	4.830	4.889	5.120	5.289	5.145	5.461	5.706	5.842	6.185	6.069
North Star Fire S.A.	1.306	1.329	1.399	1.432	1.439	1.436	1.436	1.486	1.489	1.441
O'Connor Creek S.A.	8.893	6.641	7.822	7.969	8.902	8.955	8.975	9.338	9.439	9.357
Old Wood Road S.A.	2.039	2.194	2.328	2.417	2.621	2.663	2.645	2.871	3.042	2.978
Olympic S.A. (e)	0.970	1.014	1.080	1.114	1.115	1.145	1.158	1.189	1.204	1.160
Our S.A.	1.209	1.329	1.337	1.359	1.363	1.421	1.463	1.672	1.885	1.944
Parkside S.A.	1.674	1.736	1.784	1.803	1.754	1.788	1.806	1.911	1.876	1.839
Peede Country Estates S.A.	1.357	1.446	1.485	1.500	1.471	1.470	1.478	1.568	1.560	1.484
Pine Stream S.A.	1.034	1.070	1.105	1.152	1.149	1.193	1.179	1.212	1.181	1.136
Pleasureland S.A.	0.998	1.023	1.078	1.170	1.167	1.175	1.141	1.190	1.183	1.126
Polar Heights S.A.	1.027	0.964	1.045	1.055	1.116	1.114	1.158	1.203	1.192	1.170
Potlatch S.A. (f)	2.755	2.885	3.354	3.547	3.554	3.591	3.606	3.923	4.025	4.061
Prospect Park S.A.	1.281	1.371	1.374	1.481	1.459	1.424	1.348	1.401	1.376	1.305
Reed Acres Road S.A.	1.382	1.476	1.521	1.573	1.584	2.234	2.261	2.309	2.408	2.357
Ridgecrest S.A.	1.129	1.172	1.199	1.219	1.169	1.078	1.071	1.105	1.157	1.187
Salchaket Heights S.A.	4.357	4.472	4.690	4.750	4.743	4.776	4.799	5.680	5.755	5.688
Scenic Heights S.A.	1.707	1.759	1.764	1.856	1.743	1.683	1.698	1.762	1.780	1.740
Seavy S.A.	0.320	0.316	0.341	0.351	0.356	0.355	0.353	0.358	0.361	0.347
Secluded Acres S.A.	1.495	1.567	2.190	1.783	1.814	1.781	1.737	2.024	2.040	2.049
Serendipity Hill S.A.	2.976	3.162	3.315	3.321	3.446	3.373	3.449	3.843	3.836	3.735
Six-Mile Village Road S.A..	1.262	1.412	1.495	1.528	1.509	1.658	1.701	1.743	1.720	1.716
Smallwood Trail Road S.A.	0.756	0.794	0.831	0.864	1.711	1.686	1.663	1.746	1.802	1.756
Smith Ranch S.A.	0.249	0.267	0.274	0.278	0.285	0.265	0.282	0.294	0.325	0.321
Spring Glade S.A.	0.926	0.981	1.570	1.600	1.615	1.618	1.591	1.652	1.677	1.648
Spruce Acres S.A.	1.562	1.573	1.629	1.714	1.666	1.605	1.649	1.643	1.608	1.606
Steamboat Landing S.A.	1.385	1.490	1.589	1.643	1.665	2.692	2.721	2.771	2.815	2.694
Steese Volunteer Fire S.A	1.849	1.893	1.973	2.015	2.031	2.017	2.004	2.090	2.107	2.055
Straight Creek S.A.	3.701	4.050	4.217	4.285	4.323	4.395	4.496	4.708	4.887	5.256
Summerwood S.A.	2.662	2.819	2.922	3.051	3.007	3.014	3.027	3.121	3.151	3.131
Summit Drive S.A.	1.603	1.690	1.710	1.756	1.750	1.740	1.741	1.799	1.815	1.768
Sunny Hills Terrace S.A.	2.946	3.120	3.224	3.278	3.180	3.177	3.187	3.259	2.722	2.716
Sunrise S.A.	2.198	2.381	2.419	2.494	2.463	2.553	2.638	2.737	2.874	2.750
Tan Terra S.A.	1.754	1.885	1.883	1.935	1.977	1.977	1.981	2.014	1.982	1.917
Thomas S.A.	2.861	3.008	3.449	3.660	3.572	3.982	4.133	4.330	4.142	4.013
Timberlane Road S.A.	1.448	1.594	1.642	1.616	1.639	1.593	1.595	1.735	1.868	1.726
Tungsten S.A.	2.992	3.165	3.320	3.384	3.464	3.413	3.418	3.601	3.656	3.655
Twenty Three Mile Slough S.A.	3.557	3.652	3.889	2.983	2.880	2.971	3.015	3.203	3.277	3.399
Ullrhaven S.A.	1.858	2.076	2.153	2.192	2.358	2.471	2.411	2.469	2.468	2.376
University Fire S.A.	2.510	2.643	2.689	2.756	2.736	2.732	2.733	2.853	2.908	2.869
University Heights S.A.	1.755	1.848	1.865	1.887	1.900	1.866	1.839	1.905	1.889	1.854

# 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)									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Kendall S.A.	\$ 14	\$ 15	\$ 16	\$ 17	\$ 17	\$ 18	\$ 18	\$ 19	\$ 19	\$ 19
Keystone S.A.	17	18	19	20	20	22	22	23	26	27
Kris Kringle S.A.	15	16	17	18	20	20	20	22	22	22
Lakloey Hill S.A.	44	46	48	62	64	64	69	72	75	76
Lee Lane S.A.	7	8	9	9	8	4	4	4	5	5
Loose Moose S.A.	9	8	9	9	10	9	9	10	10	10
Martin S.A.	39	42	43	46	48	56	60	65	68	73
McCloud S.A.	23	26	29	31	31	34	36	37	41	42
McGrath Estates S.A.	77	81	86	90	93	94	95	98	101	103
Mellow Woods Road S.A.	19	20	21	21	21	22	22	23	25	26
Miller Hill Extension S.A.	67	69	73	75	77	79	81	86	88	92
Moose Creek S.A.	17	17	18	19	19	50	51	65	68	73
Moose Meadows S.A.	86	88	93	96	99	102	104	112	118	119
Mt. View S.A.	35	36	37	37	37	38	37	39	39	39
Murphy S.A. (d)	16	16	17	17	17	18	29	33	36	37
Musk Ox S.A.	45	47	48	49	50	51	101	105	107	108
Newby Park S.A.	21	21	22	23	23	23	23	24	25	25
North Ridge S.A.	15	16	16	17	17	19	19	20	23	23
North Star Fire S.A.	1,940	2,030	2,146	2,241	2,303	2,358	2,426	2,558	2,658	2,725
O'Connor Creek S.A.	125	128	133	135	136	137	139	148	151	151
Old Wood Road S.A.	16	17	18	19	22	23	24	26	28	28
Olympic S.A (e)	27	28	30	31	32	34	35	37	39	39
Our S.A.	5	5	6	6	6	7	7	9	10	11
Parksville S.A.	13	14	15	16	16	17	18	19	19	19
Peede Country Estates S.A.	8	9	10	11	11	11	12	13	14	14
Pine Stream S.A.	26	35	37	40	40	69	70	74	75	77
Pleasureland S.A.	8	9	9	10	10	11	11	11	11	11
Polar Heights S.A.	21	22	24	24	25	25	26	27	28	28
Potlatch S.A. (f)	13	14	16	17	17	17	18	20	20	21
Prospect Park S.A.	9	10	10	11	11	11	11	11	11	11
Reed Acres Road S.A.	10	11	11	12	12	27	28	28	29	29
Ridgecrest S.A.	3	3	3	4	4	3	3	4	4	4
Salchaket Heights S.A.	5	5	5	5	5	6	6	8	8	8
Scenic Heights S.A.	23	24	25	26	25	25	26	27	28	28
Seavy S.A.	11	11	12	12	13	13	13	13	14	14
Secluded Acres S.A.	13	14	19	16	16	16	17	18	19	19
Serendipity Hill S.A.	8	8	9	9	9	9	9	10	10	10
Six-Mile Village Road S.A..	10	11	11	12	12	13	13	14	14	14
Smallwood Trail Road S.A.	8	8	8	9	18	18	18	21	23	23
Smith Ranch S.A.	9	9	10	10	10	10	11	11	12	12
Spring Glade S.A.	34	35	58	60	62	63	64	67	69	71
Spruce Acres S.A.	7	8	8	9	9	9	9	9	9	9
Steamboat Landing S.A.	21	23	24	26	27	45	46	48	51	51
Steese Volunteer Fire S.A	1,536	1,619	1,709	1,779	1,832	1,870	1,915	2,015	2,081	2,116
Straight Creek S.A.	19	20	21	21	22	23	24	24	27	29
Summerwood S.A.	44	46	50	52	53	55	57	59	60	62
Summit Drive S.A.	137	145	155	162	165	171	176	184	191	194
Sunny Hills Terrace S.A.	40	41	43	44	43	45	46	47	40	41
Sunrise S.A.	14	15	16	16	16	17	18	18	19	19
Tan Terra S.A.	35	39	40	42	45	46	48	49	49	49
Thomas S.A.	14	14	15	16	16	17	18	19	19	19
Timberlane Road S.A.	9	10	10	10	10	10	10	11	12	12
Tungsten S.A.	49	53	57	59	61	62	65	68	70	72
Twenty Three Mile Slough S.A.	50	52	59	50	52	57	60	66	71	88
Ullrhaven S.A.	5	5	6	6	6	7	7	7	7	7
University Fire S.A.	2,724	2,871	3,005	3,160	3,248	3,325	3,384	3,535	3,649	3,707
University Heights S.A.	65	67	69	71	73	74	74	78	79	80

# 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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
University West Street Lights S.A.	0.485	0.512	0.527	0.535	0.535	0.548	0.541	0.560	0.570	0.551
Vienna Woods S.A.	0.860	0.809	0.858	0.873	0.892	0.885	0.880	0.912	0.908	0.891
Viewpointe S.A.	1.129	1.201	1.192	1.193	1.167	1.159	1.167	1.221	1.224	1.167
Violet Drive S.A.	3.075	3.265	3.399	3.480	3.574	3.674	3.761	3.947	3.981	3.884
Vista Gold Road S.A.	2.622	2.758	2.888	2.924	2.918	2.945	2.945	3.013	3.102	3.129
Vue Crest, S.A	1.517	1.587	1.657	1.686	1.669	1.654	1.667	1.701	1.666	1.600
Whitman S.A.	1.562	1.625	1.787	1.811	1.727	1.923	1.894	1.991	1.996	3.396
Wildview S.A.	3.052	3.215	3.359	3.471	3.454	3.395	3.357	3.459	3.494	3.260
Woodland S.A.	1.097	1.152	1.189	1.293	1.377	1.363	1.454	1.627	1.633	1.596
Yak Road S.A.	1.035	1.077	1.117	1.132	1.095	1.090	1.096	1.132	1.138	1.109
Overlapping separate city governments										
City of Fairbanks	5.734	5.716	5.549	5.678	5.651	5.874	6.979	5.871	5.684	5.761
Borough areawide	11.216	11.216	11.356	11.599	11.418	11.913	12.850	13.892	13.891	13.799
City of Fairbanks total (a)	16.950	16.932	16.905	17.277	17.069	17.787	19.829	19.763	19.575	19.575
City of North Pole										
Borough areawide	11.216	11.216	11.356	11.599	11.418	11.913	12.850	13.892	13.891	13.799
Borough Solid Waste										
Collection District	1.194	1.229	1.232	1.300	1.350	1.389	1.401	1.599	1.666	1.656
City of North Pole total (a)	15.445	15.948	16.156	16.449	16.307	14.813	16.883	17.990	19.056	19.056

**Source:** Fairbanks North Star Borough Annual Comprehensive Financial Report for the year ended June 30, 2022. Historically, information for the most recent calendar year is not available until after the publication date of the District Annual Comprehensive Financial Report.

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

Air Park S.A. dissolved effective 3/3/2020

Bear's Den S.A and Chena Hot Springs II S.A. dissolved effective 11/05/2019

(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)									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
University West Street Lights S.A.	72	75	78	81	82	86	87	90	93	94
Vienna Woods S.A.	26	27	28	29	30	30	30	32	33	33
Viewpointe S.A.	21	23	23	24	24	24	25	26	27	26
Violet Drive S.A.	74	79	86	92	96	101	106	112	117	119
Vista Gold Road S.A.	44	47	49	51	52	54	56	58	60	62
Vue Crest, S.A	36	38	40	44	47	48	51	54	54	55
Whitman S.A.	5	5	6	6	6	7	7	8	8	14
Wildview S.A.	212	224	236	247	251	252	253	265	275	281
Woodland S.A.	3	3	3	3	3	3	3	4	4	4
Yak Road S.A.	87	90	95	96	97	99	101	106	109	110
Overlapping separate city governments										
City of Fairbanks	14,945	15,155	15,161	14,787	15,011	15,930	19,057	16,067	15,743	16,189
Borough areawide										
City of Fairbanks total (a)										
City of North Pole	980	1,054	1,066	818	817	377	604	639	895	1,091
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

		2021		
Taxpayer	Type of Business	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
(a)				
Fairbanks Gold Mining, Inc. (Fort Knox)	gold mining	\$ 731,503,747	1	6.88%
State-assessed oil and gas properties	oil transportation			
Doyon Utilities, LLC	utilities	713,162,220	2	6.71%
Petro Star, Inc.	oil refining	327,205,803	3	3.08%
Fountainhead	apartments	67,156,033	4	0.63%
Alaska Communications Systems	communications	65,593,746	5	0.62%
Greater Fairbanks Community Hospital Foundation	health care	57,494,505	6	0.54%
GCI - Alaska Wireless	communications	54,239,430	7	0.51%
Westmark Hotel	hotel	45,180,564	8	0.43%
Bentley Mall	shopping center	38,569,378	9	0.36%
Flint Hill Resources, LLC	oil refining	34,550,819	10	0.33%
Wal-Mart	shopping center	-		0.00%
Fred Meyers West	shopping center	-		0.00%
Alaska Hotel Properties, Inc. (d)				
		<u>\$ 2,134,656,245</u>		<u>20.09%</u>
		2012		
Taxpayer	Type of Business	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
(b)				
Fairbanks Gold Mining, Inc. (Fort Knox)	gold mining	\$ 403,361,872	2	4.61%
State-assessed oil and gas properties	oil transportation			
Doyon Utilities, LLC	utilities	669,165,790	1	7.65%
Petro Star, Inc.	oil refining	244,314,732	3	2.79%
Fountainhead	apartments			
Alaska Communications Systems	communications			
Greater Fairbanks Community Hospital Foundation	health care	51,389,173	5	0.59%
GCI - Alaska Wireless	communications			
Westmark Hotel	hotel	35,625,595	6	0.41%
Bentley Mall	shopping center	33,251,338	8	0.38%
Flint Hill Resources, LLC	oil refining			
Wal-Mart	shopping center	142,064,618	4	1.62%
Fred Meyers West	shopping center	33,523,184	7	0.38%
Alaska Hotel Properties, Inc. (d)		28,198,643	9	0.32%
		<u>\$ 1,640,894,945</u>	<u>10</u>	<u>18.43%</u>

**Source:** Fairbanks North Star Borough Annual Comprehensive Financial Report for the year ended June 30, 2022. Historically, information for the most recent calendar year is not available until after the publication date of the District Annual Comprehensive Financial Report.

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

(a) \$10,626,030,665

(b) \$8,746,342,864

(c) Princesse Riverside Lodge



# 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)					
2013	\$ 94,876,332	\$ 88,546,542	\$ 87,427,560	98.74%	\$ 1,084,112	\$ 88,511,672	99.96%
2014	98,348,591	91,722,353	90,579,521	98.75%	1,067,146	91,646,667	99.92%
2015	103,052,677	95,894,341	93,159,285	97.15%	2,663,545	95,822,830	99.93%
2016	106,433,578	98,559,732	95,768,091	97.17%	2,712,759	98,480,850	99.92%
2017	106,398,099	98,211,057	95,469,849	97.21%	2,653,577	98,123,426	99.91%
2018	113,619,424	104,523,843	101,602,810	97.21%	2,866,264	104,469,074	99.95%
2019	117,845,398	107,345,648	104,173,406	97.04%	3,118,358	107,291,764	99.95%
2020	129,274,271	117,289,129	114,619,501	97.72%	1,098,558	115,718,059	98.66%
2021	132,313,911	119,616,375	118,225,761	98.84%	655,922	118,881,683	99.39%
2022	135,619,752	122,448,197	121,029,403	98.84%			

**Source:** Fairbanks North Star Borough Annual Comprehensive Financial Report for the year ended June 30, 2022. Historically, information for the most recent calendar year is not available until after the publication date of the District Annual Comprehensive Financial Report.

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

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

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

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

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

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



## Fairbanks North Star Borough School District

### Significant Own-Sourced Revenue Last Ten Fiscal Years

Fiscal Year	Food Services Local Revenue	Cost of Full-Priced Meal		Percentage of Students Eligible for Free or Reduced-Price Meals
		Breakfast	Lunch	
		(a)	(a)	
2014	\$ 1,492,538	\$ 2.00	\$ 3.50	36%
2015	1,353,596	2.00	3.50	35%
2016	1,352,523	2.00	3.50	37%
2017	1,369,239	2.00	3.50	37%
2018	1,360,303	2.00	3.50	37%
2019	1,417,808	2.00	3.50	37%
2020	1,134,055	2.00	3.50	36%
2021	51,171	2.00	3.50	30%
2022	104,077	2.00	3.50	27%
2023	1,571,342	2.00	3.50	37%

**Source:** Nutrition Services Department

Fairbanks North Star Borough School District

Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Capital Leases	Percentage of Personal Income	Per Capita
		(a)	(a)
2014	\$ -	0.00%	\$ -
2015	-	0.00%	-
2016	-	0.00%	-
2017	1,001,328	0.02%	10.08
2018	670,769	0.01%	6.73
2019	-	0.00%	-
2020	-	0.00%	-
2021	-	0.00%	-
2022	-	0.00%	-
2023	-	0.00%	-

(a) See 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)
2011	98,120	\$ 4,999,795	\$ 50,956	6.60%
2012	100,311	5,111,638	50,958	6.20%
2013	100,933	4,960,891	49,150	5.90%
2014	99,254	5,178,518	52,174	5.70%
2015	99,636	5,355,702	53,753	5.30%
2016	100,633	5,338,649	53,051	5.60%
2017	99,675	5,443,462	54,612	5.70%
2018	98,565	5,689,172	57,720	5.20%
2019	96,849	5,806,852	59,958	4.70%
2020	95,286	5,894,026	61,856	670.00%

**Source:** Fairbanks North Star Borough Annual Comprehensive Financial Report for the year ended June 30, 2022. Historically, information for the most recent calendar year is not available until after the publication date of the District Annual Comprehensive Financial Report.

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

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

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

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

## Fairbanks North Star Borough School District

### Employment by Industry Current Year and Nine Years Ago

Type of Employer	Rank	2021		Rank	2012	
		Annual Average Monthly Employment	Percentage of Total Borough Employment		Annual Average Monthly Employment	Percentage of Total Borough Employment
		(a)			(a)	
Government (b)	1	10,086	28.00%	1	11,677	30.20%
Trade, transportation, utilities	2	7,175	19.90%	2	7,910	20.40%
Educational and health services	3	5,311	14.70%	3	5,155	13.30%
Leisure and hospitality	4	4,108	11.40%	4	4,189	10.80%
Professional and business services	5	2,568	7.10%	6	2,517	6.50%
Construction	6	2,480	6.90%	5	2,618	6.80%
Information, other services	7	1,377	3.80%	7	1,731	4.50%
Financial activities	8	1,210	3.40%	9	1,427	3.70%
Mining and logging	9	1,190	3.30%	8	1,517	3.90%
Manufacturing	10	524	1.50%	10	556	1.40%
		<u>36,029</u>	<u>100.00%</u>		<u>38,700</u>	<u>100.00%</u>

**Source:** Fairbanks North Star Borough Annual Comprehensive Financial Report for the year ended June 30, 2022

Historically, information for the most recent calendar year is not available until after the publication date of the District Annual Comprehensive Financial Report.

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

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

(b) federal government 3,195 for 2021 and 3,264 for 2012

state government 4,276 for 2021 and 5,445 for 2012

local government 2,615 for 2021 and 2,968 for 2012

# Fairbanks North Star Borough School District

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

	Fiscal Year				
	2014	2015	2016	2017	2018
Personnel by Department					
Board / Superintendent	5.00	5.00	5.00	5.00	10.00
Administrative Services	32.50	32.50	33.00	31.00	24.00
Human Resources	12.50	13.50	17.50	18.50	17.50
Facilities Management	168.60	172.80	171.80	173.80	161.80
Instruction and Supervision	35.85	36.05	27.05	27.05	40.05
Alternative Learning (a)	19.80	19.80	20.85	24.35	18.95
Student Support Services	-	-	-	-	-
Teaching and Learning (b)	15.00	15.00	42.50	33.00	14.00
Special Education	381.90	381.40	380.20	377.20	376.20
Information and Technology (c)	32.00	33.00	30.00	36.00	35.00
Non-Departmental (d)	3.00	1.00	1.00	1.00	1.00
Federal Programs (e)	-	-	-	-	-
Alternative Programs (g)	-	-	-	-	-
Elementary Schools	519.64	518.64	471.19	478.19	499.19
Middle Schools	144.00	139.20	136.20	136.00	125.50
Junior/Senior High School	39.50	39.50	37.70	40.00	34.00
Senior High Schools	245.00	241.50	235.60	233.00	215.70
Charter Schools (f)	60.77	61.37	63.79	63.79	76.79
<b>Total Personnel</b>	<b>1,715.06</b>	<b>1,710.26</b>	<b>1,673.38</b>	<b>1,677.88</b>	<b>1,649.68</b>

Personnel by Employee Type					
Districtwide Administration	4.00	4.00	4.00	4.00	6.00
Professional Staff	64.05	68.05	69.65	70.15	73.15
Principals / Assistant Principals	44.00	43.00	41.00	41.00	42.00
Certified Staff	915.40	905.00	890.95	895.95	874.15
Support Staff	687.61	690.21	667.78	666.78	654.38
<b>Total Personnel</b>	<b>1,715.06</b>	<b>1,710.26</b>	<b>1,673.38</b>	<b>1,677.88</b>	<b>1,649.68</b>

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

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

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

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

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

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

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

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

**Source:** Information prepared by the Accounting Services department

# Fairbanks North Star Borough School District

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

	Fiscal Year				
	2019	2020	2021	2022	2023
Personnel by Department					
Board / Superintendent	11.00	9.00	8.00	10.00	7.00
Administrative Services	23.10	23.30	22.80	21.80	21.80
Human Resources	22.75	21.00	16.00	20.00	17.00
Facilities Management	142.40	137.40	116.40	125.50	126.70
Instruction and Supervision	35.50	40.50	31.00	40.50	30.50
Alternative Learning (a)	-	-	-	-	-
Student Support Services	11.23	13.03	29.54	28.50	10.08
Teaching and Learning (b)	20.00	20.00	17.00	10.60	33.00
Special Education	367.73	351.90	336.70	295.70	312.90
Information and Technology (c)	35.00	36.00	32.00	31.00	30.00
Non-Departmental (d)	-	-	-	-	-
Federal Programs (e)	32.69	32.24	-	-	-
Alternative Programs	-	-	32.53	35.79	34.29
Elementary Schools	510.43	491.14	444.70	392.84	338.00
Middle Schools	113.40	124.00	115.90	102.00	121.10
Junior/Senior High School	28.20	26.10	27.20	25.20	30.70
Senior High Schools	212.20	214.20	240.55	178.72	168.10
Charter Schools (f)	76.74	93.51	77.72	75.50	70.44
Total Personnel	1,642.37	1,633.32	1,548.04	1,393.65	1,351.61

Personnel by Employee Type					
Districtwide Administration	6.00	6.00	5.00	6.00	6.00
Professional Staff	83.55	76.30	64.30	79.18	69.83
Principals / Assistant Principals	41.00	44.00	45.00	43.00	40.00
Certified Staff	721.92	838.80	813.90	700.02	683.34
Support Staff	789.90	668.22	619.84	565.45	552.44
Total Personnel	1,642.37	1,633.32	1,548.04	1,393.65	1,351.61

# 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)			
2014	14,041	\$ 254,410,673	18,119	1.51%	\$ 17,370,572
2015	13,762	433,607,722	31,508	73.89%	17,303,899
2016	13,851	230,951,510	16,674	-47.08%	17,295,092
2017	13,753	238,769,250	17,361	4.12%	17,262,133
2018	13,703	232,940,763	16,999	-2.09%	17,248,018
2019	13,280	237,327,954	17,871	5.13%	15,003,782
2020	13,236	236,195,769	17,845	-0.15%	15,612,273
2021*	11,271	260,656,409	23,126	29.59%	15,781,871
2022	12,347	235,235,991	19,052	-17.62%	16,199,983
2023	12,644	176,081,197	13,926	-26.91%	16,856,396

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
2014	\$ 36,184,956	\$ 3,887	3.68%	15.34	36%
2015	211,527,002	16,520	325.01%	15.21	35%
2016	14,606,907	2,317	-85.97%	15.55	37%
2017	12,924,602	2,202	-4.96%	15.35	37%
2018	12,323,162	2,058	-6.54%	15.68	37%
2019	14,682,320	2,289	11.22%	15.40	37%
2020	16,334,672	2,849	24.46%	15.78	36%
2021*	16,064,057	2,825	-0.84%	13.85	30%
2022	15,689,698	2,583	-8.57%	18.07	27%
2023	8,779,709	2,028	-21.49%	18.50	27%

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

\* 2021 was restated, see footnote 16 for more information

**Source:** Enrollment: 2023 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 Salary		Percent of Teachers at Maximum on Column(s)	
	(a)		(b)		(c)		(d)	
2014	\$	46,891	\$	91,122	\$	73,258		46%
2015		47,478		92,261		74,143		49%
2016		48,308		93,876		75,637		49%
2017		48,308		96,116		77,478		52%
2018		48,791		97,077		78,838		47%
2019		49,279		98,048		79,810		43%
2020		49,772		99,028		78,740		44%
2021		50,269		100,019		78,370		46%
2022		51,275		102,019		79,840		42%
2022		51,275		102,019		80,480		46%

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

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

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

(d) The teacher salary schedule has six columns:

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

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

**Source:** School District records.



## Fairbanks North Star Borough School District

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

School Year	<u>American College Test (ACT)</u>			<u>Scholastic Assessment Test (SAT)</u>			<u>AP Exam results</u>		
	Fairbanks	Alaska	Nation	Fairbanks	Alaska	Nation	Fairbanks	Alaska	Global
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	2.9	2.85
2017 *	19.8	19.8	21.0	1,151	1,080	1,060	3.08	2.88	2.84
2018	22.4	20.8	20.8	1,123	1,106	1,068	3.16	2.88	2.87
2019	22.5	20.0	20.1	1,126	1,097	1,059	3.1	2.9	2.89
2020	22.6	20.1	20.6	1,122	1,098	1,051	2.78	2.86	3.01
2021	22.1	20.6	20.3	1,184	1,119	1,060	2.79	(a)	2.8
2022	21.2	20.4	19.8	1,152	1,110	1,050	(a)	(a)	(a)

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

(a) Information for the Alaska AP score were not available as of November 10, 2023

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

# Fairbanks North Star Borough School District

## Enrollment by School

### Elementary Schools

Anderson-Crawford	452
Anne Wien	376
Arctic Light	465
Barnette	424
Denali	292
Hunter	364
Ladd	432
Midnight Sun	333
North Pole	344
Pearl Creek	404
Salcha	66
Ticasuk Brown	391
Two Rivers	66
University Park	350
Weller	462
Woodriver	340

### Secondary Schools

Ben Eielson Junior/Senior High	409
Hutchison High	373
Lathrop Senior High	880
North Pole Middle	525
North Pole High	616
Randy Smith Middle	405
Ryan Middle	540
Tanana Middle	540
West Valley High	906

### Charter Schools

Boreal Sun Charter School	198
Chinook Charter School	155
Discovery Peak	193
Effie Kokrine Charter School	134
Watershed Charter School	199

### Other Schools

Alternative Learning System	182
B.E.S.T. (Correspondence)	815
Golden Heart Academy	13

Total	<u>12,644</u>
-------	---------------

**Sources:** FY23 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
2009	115	1,131	1,143	1,101	1,133	1,050	1,031	1,023	7,727	1,023	1,054	2,077	1,057	1,066	1,235	970	4,328	14,132	29	0.21%
2010	142	1,121	1,242	1,144	1,147	1,160	1,086	1,046	8,088	1,044	1,045	2,089	1,073	1,018	1,199	930	4,220	14,397	265	1.88%
2011	125	1,140	1,144	1,227	1,088	1,078	1,150	1,067	8,019	1,037	1,036	2,073	1,040	1,059	1,167	860	4,126	14,218	(179)	-1.24%
2012	132	1,153	1,191	1,128	1,210	1,059	1,082	1,128	8,083	1,081	1,014	2,095	1,028	1,057	1,189	808	4,082	14,260	42	0.30%
2013	132	1,162	1,182	1,151	1,142	1,194	1,053	1,062	8,078	1,110	1,083	2,193	1,010	945	1,184	846	3,985	14,256	(4)	-0.03%
2014	116	1,219	1,205	1,134	1,105	1,097	1,130	1,020	8,026	1,015	1,075	2,090	1,040	980	1,045	860	3,925	14,041	(215)	-1.51%
2015	113	1,122	1,227	1,160	1,077	1,053	1,055	1,081	7,888	995	983	1,978	1,040	987	1,066	803	3,896	13,762	(279)	-1.99%
2016	110	1,057	1,200	1,222	1,176	1,080	1,028	1,026	7,899	1,089	974	2,063	996	1,013	1,025	855	3,889	13,851	89	0.65%
2017	136	1,088	1,129	1,174	1,195	1,157	1,064	983	7,926	1,023	1,028	2,051	949	951	1,075	801	3,776	13,753	(98)	-0.71%
2018	141	1,086	1,117	1,129	1,134	1,193	1,133	1,032	7,965	978	984	1,962	999	916	1,051	810	3,776	13,703	(50)	-0.36%
2019	162	1,077	1,027	1,067	1,067	1,068	1,145	1,105	7,718	1,002	925	1,927	955	935	938	807	3,635	13,280	(423)	-3.09%
2020	121	1,096	1,089	1,000	1,066	1,039	1,078	1,096	7,585	1,060	968	2,028	914	955	982	772	3,623	13,236	(44)	-0.33%
2021	121	792	906	869	809	870	816	887	6,070	922	908	1,830	847	799	918	807	3,371	11,271	(1,965)	-14.85%
2022	148	1,001	971	1,002	995	931	963	918	6,929	985	966	1,951	980	862	905	720	3,467	12,347	1,076	9.55%
2023	112	1,054	1,013	995	1,027	1,029	960	976	7,166	927	966	1,893	1,000	951	909	713	3,573	12,632	285	2.31%
<b>Projected Enrollment</b>																				
2024	111	1,024	1,036	993	968	999	1,008	953	7,092	968	929	1,897	949	959	1,005	723	3,636	12,625	278	2.25%

Source: Actual Enrollments: Historic 20 Day ADM Official Enrollment as reported to the State of Alaska. Projected Enrollment: 2023-24 Approved Budget

# Fairbanks North Star Borough School District

## Capital Assets by Type and Function Last Ten Fiscal Years

	Fiscal Year				
	2014	2015	2016	2017	2018
Capital Assets by Type					
Machinery and equipment	\$ 9,563,787	\$ 10,080,596	\$ 11,022,535	\$ 11,421,951	\$ 11,745,130
Right to use	-	-	-	-	-
Intangible assets (software)	1,400,107	1,477,993	1,567,337	1,642,842	1,642,842
Total by type	\$ 10,963,894	\$ 11,558,589	\$ 12,589,872	\$ 13,064,793	\$ 13,387,972

Capital Assets by Function					
Instruction	\$ 1,833,217	\$ 1,928,436	\$ 2,093,184	\$ 2,090,161	\$ 2,062,720
Special education instruction	612,072	606,877	647,556	647,556	608,195
Special education support services-students	17,742	17,742	17,742	17,742	11,347
Support services-students	97,143	171,852	220,854	220,854	228,700
Support services-instruction	1,965,755	2,101,124	2,252,772	2,322,371	2,347,900
Support services-technology	-	-	-	-	-
School administration support services	12,709	21,385	21,385	21,385	21,385
District administration	-	-	-	-	32,986
District administration support services	2,116,549	2,448,399	2,783,673	2,922,787	2,837,785
Operations and maintenance of plant	3,556,733	3,650,730	3,932,294	4,143,140	4,563,253
Student activities	82,917	82,917	82,917	82,917	77,822
Student transportation - to and from school	-	-	-	58,385	58,385
Food services	669,057	529,127	537,495	537,495	537,495
Total by function	\$ 10,963,894	\$ 11,558,589	\$ 12,589,872	\$ 13,064,793	\$ 13,387,972

	Fiscal Year				
	2019	2020	2021	2022	2023
Capital Assets by Type					
Machinery and equipment	\$ 12,105,908	\$ 12,047,973	\$ 12,443,557	\$ 12,369,217	\$ 12,651,434
Right to use	-	-	23,765,997	22,189,602	22,189,602
SBITA					451,743
Intangible assets (software)	1,642,841	1,658,334	1,658,334	1,658,334	1,658,334
Total by type	\$ 13,748,750	\$ 13,706,307	\$ 37,867,887	\$ 36,217,153	\$ 36,951,113

Capital Assets by Function					
Instruction	\$ 2,078,322	\$ 2,105,083	\$ 2,185,253	\$ 2,254,606	\$ 2,173,732
Special education instruction	616,690	608,599	1,812,749	614,595	644,402
Special education support services-students	11,347	11,347	11,347	11,347	11,347
Support services-students	228,700	228,700	307,194	307,194	242,923
Support services-instruction	2,244,706	2,104,441	2,104,441	1,874,877	1,805,396
Support services-technology	-	40,284	40,284	40,284	40,284
School administration support services	21,385	21,385	21,385	21,385	21,385
District administration	42,030	42,030	42,030	42,030	42,030
District administration support services	2,776,001	2,843,620	3,190,397	2,762,150	3,307,183
Operations and maintenance of plant	5,034,715	5,029,634	27,469,623	27,548,123	27,938,048
Student activities	90,272	66,602	66,602	66,602	66,602
Student transportation - to and from school	58,385	58,385	58,385	58,385	58,385
Food services	546,196	546,196	558,196	615,573	599,396
Total by function	\$ 13,748,750	\$ 13,706,307	\$ 37,867,887	\$ 36,217,151	\$ 36,951,113

**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								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
							(d)		
<b>Elementary</b>									
Anderson Elementary									
Square Feet	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
Enrollment	252	235	240	244	214	196	225	215	253
Anne Wien Elementary									
Square Feet	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
Enrollment	412	411	385	385	375	392	392	270	310
Arctic Light Elementary									
Square Feet	68,272	68,272	68,272	68,272	68,272	68,272	68,272	68,272	68,272
Capacity	576	576	576	576	576	576	576	576	576
Enrollment	530	525	536	535	532	446	413	361	423
Midnight Sun Elementary									
Square Feet	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
Enrollment	496	474	501	476	476	457	409	272	331
Barnette Elementary (a)									
Square Feet	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	427	427	427
Enrollment	413	409	412	420	432	433	406	346	414
Crawford Elementary									
Square Feet	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
Enrollment	297	266	291	298	296	289	282	216	254
Denali Elementary									
Square Feet	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
Enrollment	402	393	383	370	341	324	333	242	270
Hunter Elementary									
Square Feet	57,047	57,047	57,047	57,047	57,047	57,047	59,812	59,812	59,812
Capacity	494	494	494	494	494	494	520	520	520
Enrollment	352	324	327	358	372	369	370	296	311
Joy Elementary									
Square Feet	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	503	503	503
Enrollment	464	443	386	389	418	404	398	299	319
Ladd Elementary									
Square Feet	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	540	540	540
Enrollment	539	508	508	496	492	476	408	285	380
Nordale Elementary									
Square Feet	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
Enrollment	316	312	337	353	356	315	310	254	275
North Pole Elementary									
Square Feet	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
Enrollment	459	515	502	489	479	431	378	269	319
Pearl Creek Elementary									
Square Feet	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
Enrollment	479	482	493	506	491	478	487	325	396

# Fairbanks North Star Borough School District

## School Building Information Last Ten Fiscal Years

Type of School	Fiscal Year								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
	(d)								
<b>Salcha Elementary</b>									
Square Feet	13,608	13,608	13,608	13,608	13,608	13,608	14,406	14,406	14,406
Capacity	76	76	76	76	76	76	82	82	82
Enrollment	76	68	78	73	69	82	78	43	64
<b>Ticasuk Brown Elementary</b>									
Square Feet	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
Enrollment	514	504	491	496	496	461	433	285	388
<b>Two Rivers Elementary (a)</b>									
Square Feet	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	99	99	99
Enrollment	97	87	99	95	86	72	75	41	66
<b>University Park Elementary</b>									
Square Feet	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
Enrollment	502	503	494	503	472	476	464	327	348
<b>Weller Elementary</b>									
Square Feet	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
Enrollment	477	464	466	452	465	459	490	282	374
<b>Woodriver Elementary</b>									
Square Feet	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
Enrollment	438	450	473	465	435	467	477	333	421
<b>Secondary</b>									
<b>Ben Eielson Jr. Sr. High</b>									
Square Feet	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
Enrollment	399	353	344	335	350	328	354	302	343
<b>Howard Luke (b)</b>									
Square Feet	30,856	30,856	30,856	30,856	30,856	30,856	30,856	30,856	30,856
Capacity	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	-	-	-	-	-
<b>Hutchison High (c)</b>									
Square Feet	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
Enrollment	362	386	400	410	408	405	400	370	387
<b>Lathrop High</b>									
Square Feet	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
Enrollment	1,074	1,037	1,032	945	1,011	944	931	837	874
<b>North Pole Middle</b>									
Square Feet	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	685	685	685
Enrollment	655	664	655	656	593	583	575	451	515
<b>North Pole High</b>									
Square Feet	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
Enrollment	752	758	721	736	704	642	634	501	600
<b>Randy Smith Middle</b>									
Square Feet	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
Enrollment	338	326	328	336	294	291	307	242	274

# Fairbanks North Star Borough School District

## School Building Information Last Ten Fiscal Years

Type of School	Fiscal Year								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Ryan Middle							(d)		
Square Feet	99,880	99,880	99,880	99,880	99,880	99,880	104,270	104,270	104,270
Capacity	594	594	594	594	594	594	626	626	626
Enrollment	386	350	366	390	370	370	398	382	395
Tanana Middle									
Square Feet	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
Enrollment	472	462	471	432	388	402	346	281	296
West Valley High									
Square Feet	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
Enrollment	967	989	1,023	971	968	981	973	892	912

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

(b) During fiscal year 2005-06, Howard Luke became home to Effie Kokrine Charter School. The School District leases the Howard Luke 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 137,500 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





**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 School Board  
Fairbanks North Star Borough School District  
Fairbanks, Alaska

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 of the governmental activities, each major fund, and the aggregate remaining fund information of Fairbanks North Star Borough School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Fairbanks North Star Borough School District's basic financial statements, and have issued our report thereon dated November 9, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Fairbanks North Star Borough 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 Fairbanks North Star Borough School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Fairbanks North Star Borough 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 entity'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 or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

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

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Altman, Rogers & Co.".

Anchorage, Alaska  
November 9, 2023

**Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance as Required by the *Uniform Guidance***

**Independent Auditor's Report**

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Fairbanks North Star Borough School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Fairbanks North Star Borough School District's major federal programs for the year ended June 30, 2023. Fairbanks North Star Borough School District's major federal programs are identified in the summary of auditor's results section of the accompanying federal schedule of findings and questioned costs.

In our opinion, Fairbanks North Star Borough 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, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (Government Auditing Standards); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Fairbanks North Star Borough School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Fairbanks North Star Borough School District's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Fairbanks North Star Borough School District's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Fairbanks North Star Borough School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Fairbanks North Star Borough School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Fairbanks North Star Borough School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Fairbanks North Star Borough School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Fairbanks North Star Borough School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.



Anchorage, Alaska  
November 9, 2023

This Page Intentionally Left Blank.

# Fairbanks North Star Borough School District

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2023

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	ALN Number	Pass- Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Agriculture</b>				
Passed through the State of Alaska Department of Education and Early Development:				
Child Nutrition Cluster: *				
School Breakfast Program	10.553	N/A	\$ -	\$ 975,112
Supply Chain Assistance	10.555	FD23FNSD01	-	366,283
National School Lunch Program	10.555	N/A	-	3,031,903
National School Lunch Program - Donated Produce	10.555	N/A	-	312,402
Subtotal ALN 10.555			-	3,710,588
Summer Food Service Program for Children	10.559	1601.0	-	20,708
Fresh Fruit & Vegetable Program	10.582	FF23FNSD01	-	9,966
Fresh Fruit & Vegetable Program	10.582	FF23FNSD02	-	83,554
Subtotal ALN 10.582			-	93,520
Total Child Nutrition Cluster				4,799,928
State Administrative Expenses for Child Nutrition	10.560	FD21FNSD01	-	32,457
Food Distribution Administrative Fee Reimbursement	10.560	FD23FNSD01	-	-
Subtotal ALN 10.560				
<b>Total U.S. Department of Agriculture</b>			\$ -	\$ 4,832,385
<b>U.S. Department of Defense</b>				
Competitive Grants: Promoting K-12 Student Achievement At Military-Connected Schools				
Support for Student Achievement at Military Connected Schools	12.556		\$ -	\$ 214,359
Support for Student Achievement at Military Connected Schools	12.556			153,807
Support for Student Achievement at Military Connected Schools	12.556		-	7,119
Subtotal for ALN 12.556			-	375,285
<b>Total U.S. Department of Defense</b>			\$ -	\$ 375,285
<b>U.S. Department of Justice</b>				
COPS Office School Violence Prevention Program	16.710		\$ -	\$ 43,552
<b>Total U.S. Department of Justice</b>			\$ -	\$ 43,552

# Fairbanks North Star Borough School District

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2023

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	ALN Number	Pass- Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Education</b>				
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 23 FNSD 01	\$ -	\$ 501,000
Title I-A Basic Grant	84.010	IP 23FNSD 01	-	2,351,596
Title I-A Neglected & Delinquent	84.010	ND 23 FNSD 01	-	88,977
Title I-A Parent Involvement	84.010	IP 23 FNSD 01	-	21,400
School Improvement: Implementation	84.010	SI 23 FNSD 01	-	177,721
SOR Symposium Travel	84.010A	CL 23 FNSD 01	-	8,567
Subtotal for ALN 84.010			-	3,149,261
Migrant Education State Grant Program *				
Title I-C Consolidated Administration	84.011	IP 23 FNSD 01	-	156,363
Title I-C Migrant Education	84.011	IP 23 FNSD 01	-	689,524
Title I-C Migrant Education	84.011	MP 23 FNSD 01	-	1,736
Migrant Ed Book Program	84.011	MB 23 FNSD 01	-	12,570
Subtotal for ALN 84.011			-	860,193
Title 1 State Agency Program for Neglected and Delinquent Children and Youth	84.013	IP 23 FNSD 01	-	49,966
Special Education Cluster (IDEA)				
Special Education Grants To States				
Title VI-B	84.027	SE 23 FNSD 01	-	3,290,936
Discretionary Special Education	84.027	DS 23 FNSD 01	-	14,850
Title VI-B ARP Funds	84.173X	SE 23 FNSD 01	-	542,713
Special Education Preschool Grants				
Preschool Disabled Section 619	84.173	SE 23 FNSD 01	-	130,678
Preschool Disabled Section 619 ARP Funds	84.173X	SE 23 FNSD 01	-	31,086
Total Special Education Cluster (IDEA)			-	4,010,263
Impact Aid				
Direct - Title VIII Impact Aid	84.041		-	53,213
Title VIII Impact Aid	84.041		-	11,010,681
Title VIII Impact Aid for Construction	84.041		-	32,224
Subtotal for ALN 84.041			-	11,096,118
Career And Technical Education -- Basic Grants To States				
Carl Perkins Secondary	84.048	EK 23 FNSD 01	-	409,836
Professional Development - CTSO	84.048	EB 23 FNSD 01	-	56,220
Professional Development	84.048A	EL 23 FNSD 01	-	31,381
Subtotal for ALN 84.048			-	497,437
Direct - Indian Education Grants				
Indian Education	84.060	S060A220496	-	627,835
Education For Homeless Children And Youth	84.196	FR 23 FNSD 01	-	38,586



# Fairbanks North Star Borough School District

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2023

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	ALN Number	Pass- Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Education, continued</b>				
Passed through the State of Alaska Department of Education and Early Development:				
Twenty-First Century Community Learning Centers	84.287	AC 23 FNSD 01	\$ -	\$ 1,328,844
English Language Acquisition State Grants				
Title III-A Consolidated Administration	84.365	IP 23 FNSD 01	-	532
Title III-A English Language Acquisition	84.365	IP 23 FNSD 01	-	27,604
Subtotal for ALN 84.365			-	28,136
Improving Teacher Quality State Grants	84.367	IP 23 FNSD 01	-	1,018,356
Striving Readers				
FY22 Comprehensive State Literacy Grant Development	84.371C	AL 23 FNSD 01	-	498,175
Student Support And Academic Enrichment Program				
AK Trauma Recovery in Schools		TM 22 FNSD 01		
	84.424	TM 23 FNSD 01	-	34,960
Title IV-A Consolidated Administration	84.424	IP 23 FNSD 01	-	6,914
Title IV-A Student Support and Academic Enrichment Program	84.424	IP 23 FNSD 01	-	386,104
Subtotal for ALN 84.424			-	427,978
Education Stabilization Fund				
ARP Homeless One	84.425W	AH 23 FNSD 01	-	28,727
ARP Homeless II	84.425W	AH 23 FNSD 01	-	47,972
CRRSA Act - ESSER II	84.425D	ER 23 FNSD 01	-	2,694,395
ELA Core Literacy	84.425U	CL 23 FNSD 01	-	1,560,636
ARP Act - ESSER III	84.425U	ER 23 FNSD 01	-	9,906,396
Subtotal for ALN 84.425			-	14,238,126
<b>Total U.S. Department of Education</b>			\$ -	\$ 37,869,274
<b>U.S. Department of Health and Human Services</b>				
Passed through the State of Alaska Department of Education and Early Development:				
Alaska Project Aware	93.243	AW 23 FNSD 01	\$ -	\$ 604,656
Covid School Based Testing	93.323	CT 23 FNSD 01	-	683,088
<b>Total U.S. Department of Health and Human Services</b>			\$ -	\$ 1,287,744
<b>Total Expenditures of Federal Awards</b>			\$ -	\$ 44,408,240

# Fairbanks North Star Borough School District

Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2023

## 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, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

## Note 2: Summary of Significant Accounting Policies

---

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

## Note 3: Indirect Cost

---

The Alaska Department of Education & Early Development (DEED) has been delegated the authority, by the U.S. Department Education, to approve *Restricted Federal Indirect Cost Rate Proposals* pursuant to delegation agreement number 2021-012, effective until June 30, 2023. The District received a restricted Federal indirect cost rate from DEED for fiscal year 2023. 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 2023 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, 2023

### 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

Identification of Major Programs:

10.533/10.555/10.559/10.582: Child Nutrition Cluster

84.011: Migrant Education

84.425: Education Stabilization Fund

Dollar threshold to distinguish between a type A and Type B program:

\$ 1,332,247

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.

This Page Intentionally Left Blank.

**Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance as Required by the State of Alaska Audit Guide and Compliance Supplement for State Single Audits**

**Independent Auditor's Report**

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

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

We have audited Fairbanks North Star Borough School District's compliance with the types of compliance requirements identified as subject to audit in State of Alaska Audit Guide and Compliance Supplements that could have a direct and material effect on each of Fairbanks North Star Borough School District's major state programs for the year ended June 30, 2023. Fairbanks North Star Borough School District's major state programs are identified on the Schedule of State Financial Assistance.

In our opinion, Fairbanks North Star Borough School District complied, in all material respects, with the 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, 2023.

***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements in the State of Alaska Audit Guide. Our responsibilities under those standards and the State of Alaska Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Fairbanks North Star Borough School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of Fairbanks North Star Borough School District's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Fairbanks North Star Borough School District's state programs.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Fairbanks North Star Borough School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and State of Alaska Audit Guide requirements will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Fairbanks North Star Borough School District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the State of Alaska Audit Guide, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Fairbanks North Star Borough School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Fairbanks North Star Borough School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State of Alaska requirements, but not for the purpose of expressing an opinion on the effectiveness of Fairbanks North Star Borough School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on 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 Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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. Accordingly, this report is not suitable for any other purpose.



Anchorage, Alaska  
November 9, 2023

This Page Intentionally Left Blank.



# Fairbanks North Star Borough School District

## Schedule of State Financial Assistance Year Ended June 30, 2023

State Agency/Program Title	Award Number	Total Award Amount	Passed Through to Subrecipients	State Expenditures
<b>Department of Education and Early Development</b>				
Public School Foundation Funding Program *	N/A	\$ 105,021,944	\$ -	\$ 105,518,631
Public School Foundation Funding Program HB281*	N/A	5,358,515	-	5,358,515
On-Base Schools	N/A	1,450,000	-	1,450,000
Quality Schools	N/A	380,870	-	389,596
Pupil Transportation	N/A	10,342,332	-	10,675,720
Youth in Detention	EY23FNSD01	185,000	-	150,890
Youth Risk Behavior Survey	YR23FNSD01	16,350	-	15,969
Suicide Awareness, Prevention and Postvention	SP23FNSD01	30,000	-	29,863
Alaska Pre-Elementary Development	PE23FNSD01	396,718	-	393,556
Substance Misuse and Addiction Prevention	AP23FNSD01	17,400	-	7,229
<b>Total Department of Education and Early Development</b>		<b>\$ 123,199,129</b>	<b>\$ -</b>	<b>\$ 123,989,969</b>
<b>Department of Commerce, Community and Economic</b>				
Nutritional Alaskan Foods in Schools	14-NAFS-016	\$ -	\$ -	\$ 336
<b>Total Department of Commerce, Community and Economic Development</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 336</b>
<b>Total State Financial Assistance</b>		<b>\$ 123,199,129</b>	<b>\$ -</b>	<b>\$ 123,990,305</b>

# Fairbanks North Star Borough School District

Notes to the Schedule of State Financial Assistance  
For the Year Ended June 30, 2023

## 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, 2023. 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 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, 2023.

# Fairbanks North Star Borough School District

## Schedule of Findings and Questioned Costs Year Ended June 30, 2023

### 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

☒

None reported

Material weakness(es) identified?

☐

Yes

☒

No

Noncompliance material to financial statements?

☐

Yes

☒

No

#### 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

☒

None reported

Material weakness(es) identified?

☐

Yes

☒

No

Dollar threshold used to distinguish a state major program:

**\$ 3,000,000**

### 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.

This Page Intentionally Left Blank.

# Supplemental Reports Section

**Statements of Compliance – Alaska  
Statue 14.17.505**

**Tuition Rate Report**





# Fairbanks North Star Borough School District

## Statement of Compliance - AS 14.17.505

Year Ended June 30, 2023

<b>Total fund balance - General (Operating) Fund</b>	\$	22,902,194
--	----	------------

**Items deducted in 4 AAC 09.160:**

Encumbrances	2,120,219
Inventory	607,081
Prepaid Expenses	116,153
Impact Aid	11,041,716
Student Allotments	353,820

<b>General (Operating) Fund subject to 10% limitation</b>	<b>\$</b>	<b>8,663,205</b>
---	-----------	------------------

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

General (operating) fund balance subject to 10%	\$	8,663,205	=	4.91%
Current year general (operating) fund expenditures	\$	176,532,940		

This Page Intentionally Left Blank.



**Report on the Total Costs for Tuition Purposes**

**Independent Auditor's Report**

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

***Qualified Opinion***

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Fairbanks North Star Borough School District (District), a component unit of the Fairbanks North Star Borough, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Fairbanks North Star Borough School District's basic financial as listed in the table of contents. We have also audited the accompanying State Tuition Rate Report (Form 05-96-024) of Fairbanks North Star Borough School District for the year ended June 30, 2023.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we observed the taking of the student census (counts), the aforementioned report presents fairly, in all material respects, the total local cost for tuition purposes of Fairbanks North Star Borough School District for the year ended June 30, 2023, in conformity with the requirements of the State of Alaska, Department of Education and Early Development.

***Basis for Qualified and Unmodified Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fairbanks North Star Borough School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

***Matters Giving Rise to the Qualified Opinion***

We did not observe the taking of the student census (counts) which were used in determining the average daily membership.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the tuition rate report in accordance with the accounting principles generally accepted in the United States of America, and the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the tuition rate report that is free from material misstatement, whether due to fraud or error.

In preparing the tuition rate report, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fairbanks North Star Borough School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the tuition rate report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence that judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the tuition rate report, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the tuition rate report.
- Obtain an understanding of internal control relevant to the audit 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 Fairbanks North Star Borough School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the tuition rate report.
- Conclusion whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fairbanks North Star Borough School District's ability to continue as a going concern for a reasonable period of time.

Members of the School District  
Fairbanks North Star Borough School District

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Purpose of this Report***

This report is intended solely for the information and use of the school board and management, others within the entity of 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.

*Altman, Rogers & Co.*

Anchorage, Alaska  
November 9, 2023

This Page Intentionally Left Blank.

# Fairbanks North Star Borough School District

## Department of Education and Early Development (DEED)

### Tuition Rate Report

Year Ended June 30, 2023

Local Revenues for Support of Schools:

Borough contribution to school district general fund	\$ 53,327,468
--	---------------

Direct Expenditures by Borough for School Purposes:

From: <i>Summary Report of Reimbursable Expenditures</i> Bond redemption	11,686,612
--	------------

Less: State aid for school construction	(6,134,423)
---	-------------

Total expenditures from local sources	58,879,657
---------------------------------------	------------

Plus:

Title VIII Impact Aid	13,436,502
-----------------------	------------

On-base tuition	1,450,000
-----------------	-----------

	14,886,502
--	------------

<b>Total local cost for tuition purposes</b>	<b>\$ 73,766,159</b>
--	----------------------

Average daily membership as approved by the DEED	12,644
--	--------

<b>Tuition Rate</b>	<b>\$ 5,834.08</b>
---------------------	--------------------

This Page Intentionally Left Blank.